NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

ANNUAL REPORT 2013

CORPORATE PROFILE

Next-Generation Satellite Communications Limited (B07.SI) is an investment holding company. Through its subsidiaries, the Group provides satellite-based telecommunications services to a variety of industries including education and financial institutions in the People's Republic of China ("PRC"), telecommunications services in rural areas of PRC and Indonesia, and hosting services.

The Group's operations during the financial year ended 31 March 2013 comprised three core businesses:

- Sale of satellite communications equipment and provision of satellite-based communication services;
- Building, operating and leasing of base station controllers for Universal Service Obligation sites to enable telecommunication services in remote areas; and
- Provision of hosting, international network and engineering services

The Company's vision is to become a leading telecommunication solutions provider in Asia. The Group will continue to seek investment opportunities in telecommunications services and infrastructure in the region.

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LETTER TO **SHAREHOLDERS**

Dear Shareholders,

In the financial year ended 31 March 2013 ("FY2013"), the Group was mainly engaged in:

- the sale of satellite communications equipment and provision of satellite-based communication services; and
- building, operating and leasing of base station controllers for Universal Service Obligation ("USO") sites to enable telecommunication services in remote areas.

Financial Review

Revenue declined 69% to S$2.7 million in FY2013. It was attributable to a significant reduction in sales activity in the satellite equipment and satellite communication space in FY2013 and softening economic conditions in China. Revenue was mainly generated from the provision of USO services in Indonesia.

In line with the revenue decline, cost of sales decreased by 39% to S$2.3 million in FY2013, from S$3.8 million a year earlier.

Administrative expenses rose to S$3.2 million in FY2013, from S$2.6 million in FY2012, on account of an increase of salary expenses and professional fees.

The Group recorded other expenses of S$62.7 million in FY2013, which was significantly higher than the S$4.9 million reported in the unaudited income statement on 30 May 2013. This largely comprised a S$43.4 million provision for an impairment of our investment in China UnifiedNet Holdings Limited ("CUH"). We also made an allowance of S$11.3 million against trade receivables of three customers, recognised a S$4.4 million impairment on goodwill arising from the Indonesian business, as well as a $2.3 million impairment of a lease prepayment relating to the Group's data centre business. These provisions and impairments were made following our assessment of the fair values of our investments and balance sheet items in the present year.

The share of loss from our 55% owned joint venture, Hughes Unifiednet Holding (China) Company Limited ("HUH") amounted to S$0.7 million, compared to S$79,000 in FY2012. This was attributable to two factors. Firstly, this was the first full-year recognition of our share of results, compared to a six-month recognition in FY2012. Secondly, it reflected a slow take-up rate of HUH's satellite broadband products and services. The FY2013 losses also took into account costs incurred by HUH in laying the groundwork for the provision of satellite equipment and services.

On account of the above, we recorded a net loss of S$66.7 million in FY2013, compared to a net profit of S$11.3 million in FY2012. As previously reported, the S$11.3 million included a negative goodwill of S$10.5 million arising from the acquisition of CUH.

Year In Review

FY2012 saw the Group putting effort into building our satellite and telecommunications business organically, especially via our subsidiary in Indonesia and then via HUH in China. In FY2013 however, the Group encountered headwinds in both the Indonesian and China markets that prevented us from establishing a firm foothold. In Indonesia, our data centre business struggled to get off the ground due to our relatively small size amid keen competition in the market. In China, while we made some progress in securing several pilot projects in the education sector and the coal mining and technology industries, few of these translated into sizeable contracts for the Group. In addition, weaker sale of satellite communication equipment further compounded the situation.

Apart from these, other initiatives to expand the China business did not eventuate as planned. These included the proposed acquisition of a 51% stake in Scientific Discovery Development S.A. ("SDD"), which holds a VSAT licence that would have allowed the Group to provide disaster backup services to financial institutions in China, and the potential acquisition of a new business set up by Mobile Media China (Limited).

We announced in July 2012 that S$24 million of our S$26.8 million deposits placed with a finance company, Niaga Finance Company Limited ("Niaga"), was restricted, although the Group was not aware of any authorised transactions between itself and Niaga. We then appointed Ernst & Young Advisory Pte Ltd ("EY") to conduct an independent investigation into the matter, which was protracted and involved significant internal resources channelled towards assisting EY. As EY was only able to complete its investigation and issue their findings in October 2014, we were not able to commence the external audit for FY2013 results and were unable to issue our Annual Report and hold our Annual General Meeting.

Subsequent Events

Following extensive discussions with Niaga over several months, we were able to negotiate an agreement with them, under which in July 2013, Niaga transferred to the Group ownership of Arch Capital Limited ("Arch") and Hillgo Asia Limited ("Hillgo"), as part of the settlement framework set out with the Group. Arch and Hillgo are companies incorporated in the British Virgin Islands and are holders of two non-transferable convertible notes for a total principal amount of HK$144.0 million. The notes are issued by Neo Telemedia Limited ("Neo Telemedia"), a company listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited, with accrued interest at the rate of 7% per annum, payable semi-annually.

As mentioned, EY completed its independent investigation in October 2014 and issued a report on its findings to the Audit Committee. The EY report highlighted certain questionable cash movements between the Company and Niaga, possible evidence suggesting that the discrepancy in the Company's cash balances and cash restriction with Niaga could be connected to the personal exposure of a former director of the Company, and weaknesses and lapses in the internal records and corporate governance procedures of the Company.

A Special Committee comprising two Independent Directors was appointed to determine the extent of damage and follow-up actions required. In August 2015, we announced that the Special Committee had completed its review and made its recommendations to the Board, which has since adopted those recommendations made.

We have engaged EY to review the internal control measures, policies and procedures within the Group, to identify and address any weaknesses and lapses in the internal controls and corporate governance procedures, over and above those already highlighted in the EY report, and to conduct further investigations into the discrepancies and matters highlighted in the EY report. We have implemented changes recommended by EY.

Changes to the Board

The Board has appointed new directors in executive, non-executive and independent capacities. Mr Lam Ah Seng @ Lam Pang Chuang also stepped down from his role as Non-Executive Director on 2 October 2015. In view of these changes, the present composition of the Board of the Company is as follows:

• Mr Andrew Coulton	Chairman and Executive Director
• Mr Ku Vicente S.	Managing Director and CEO
• Mdm Sri Tjintawati Hartanto	Executive Director
• Mr Michael Kuan-Chi Sun	Executive Director
• Mr Lai Chik Fan	Non-Executive Director
• Mr Edward Fu Shu Sheen	Lead Independent Director
• Mr Fong Yew Meng	Independent Director
• Mr Lye Meng Yiau	Independent Director

We would like to record our appreciation and gratitude to all our former directors who have served the Group long and well. The new members of the Board come from diverse backgrounds and bring with them a wealth of experience in areas such as accounting, banking, financial services and corporate finance, across many countries, which undoubtedly will serve the Group well.

Present-Day Update

We are currently undertaking a critical assessment of the Group's operations and business with a view to determine its future direction. Our focus right now is to redeem the Neo Telemedia bonds.

In December 2014, we incorporated a subsidiary company in Singapore, NGSC Investment Management Pte Ltd, to streamline the management of our assets and investments in new business opportunities as and when these arise. These will include acquisitions and investments to expand the Group's technology related business or to diversify its investments into other long term growth sectors.

We have implemented the changes to our internal controls and procedures recommended in the EY report. At the same time, we continue to actively review our finance-related policies and procedure and make necessary refinements to better control and manage our available funds.

Acknowledgements

The recent years have been particularly difficult and challenging for the Group. With the appointment of new directors, the Board and I would like to assure you that we are trying to overcome the obstacles ahead.

On behalf of the Board, I would like to thank our management team and employees for their contribution and effort. To our shareholders, customers and business partners, I am grateful for your patience and support throughout these years. To my fellow Board members, I thank you for your guidance.

Andrew Coulton
Chairman and Executive Director

CORPORATE **INFORMATION**

BOARD OF DIRECTORS
Mr Andrew Coulton
(Executive Chairman)

Mr Ku Vicente. S
(Managing Director and Chief Executive Officer)

Dr Michael Kuan-Chi Sun
(Executive Director)

Madam Sri Tjintawati Hartanto
(Executive Director)

Mr Fong Yew Meng
(Independent Director)

Mr Edward Fu Shu Sheen
(Lead Independent Director)

Mr Lye Meng Yiau
(Independent Director)

Mr Lai Chik Fan
(Non-Independent Non-Executive Director)

REGISTERED OFFICE
30 Raffles Place
#19-04 Chevron House
Singapore 048622
Tel : (65) 6479 3866
Fax : (65) 6479 3867

COMPANY SECRETARIES
Ms Wee Woon Hong
Mr Srikanth Rayaprolu

NOMINATING COMMITTEE
Mr Edward Fu Shu Sheen (Chairman)
Mr Fong Yew Meng
Mr Lye Meng Yiau

REMUNERATION COMMITTEE
Mr Edward Fu Shu Sheen (Chairman)
Mr Fong Yew Meng
Mr Lye Meng Yiau

AUDIT COMMITTEE
Mr Fong Yew Meng (Chairman)
Mr Edward Fu Shu Sheen
Mr Lye Meng Yiau

SHARE REGISTRARS AND WARRANT AGENT
B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544

AUDITORS
Baker Tilly TFW LLP
Public Accountants and Certified Public Accountants
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778
Partner-in-charge: Lee Chee Sum Gilbert
(Appointed since the financial year ended 31 March 2013)

BOARD OF **DIRECTORS**

ANDREW COULTON
Executive Chairman

Mr Andrew Coulton was appointed to the Board of Next Generation Satellite Communications Limited ("Next-Gen") as Executive Director in March 2014, and subsequently as Executive Chairman in August 2014.

Before joining Next-Gen, Mr Coulton spent 10 years as Chairman and Principal of Saffar Capital Limited, an investment and advisory firm focused on the Middle East and North Africa ("MENA") region. Prior to Saffar, Mr Coulton worked with Deutsche Bank AG where his last-held position was as Managing Director and MENA Regional Chief Executive Officer. Mr Coulton started his career at Goldman Sachs and Co. in the listed derivatives business after graduating with a B.A. in Modern History from the University of Oxford.

VICENTE S. KU
Managing Director and Chief Executive Officer

Mr Vicente Ku was appointed to the Board as non-Executive in January 2015, and subsequently re-designated as Executive Director in April 2015. In June 2015, he was appointed as Managing Director and became Chief Executive Officer in August 2015.

Mr Ku was previously an executive director of Manila-based property development company Yeeloofa Development Corporation and possesses over 39 years of business experience in the field of corporate finance, asset management, banking, trading, project development, financial services and regulatory compliance.

Before joining Yeeloofa, Mr Ku spent four and half years with ASG Brokerage Ltd., a major stockbroking house in Hong Kong where he was overall in charge of finance and compliance matters. Mr Ku also spent 20 years with a family office of a major Philippines business group where he was responsible for the management of various offshore investments and logistics operations of the textile and garment business. Between 1980 and 1982, Mr Ku was the Deputy Managing Director of First CBC Capital Limited in Hong Kong, a subsidiary of China Banking Corporation of the Philippines.

Mr Ku began his career with Ayala Investment (currently known as BPI Capital Corporation) and account management with International Corporate Bank (currently known as Union Bank of the Philippines) after graduating with a cum Laude in Economics from La Salle University, Phillipines.

DR MICHAEL KUAN-CHI SUN
Executive Director

Dr Michael Sun was appointed to the Board in March 2014. Dr Sun worked with the Hughes Systems, LLC (and together with its subsidiaries, "Hughes Group") for more than 20 years, before taking up his current position as CEO of HughesNet China, a joint venture between Next-Gen and Hughes Group. Dr Sun is credited with the establishment of Hughes' operations in China and its development into a dominant supplier of very small aperture terminal ("VSAT") systems, with customers in almost every major government organization in China. Prior to working for Hughes, Dr Sun was employed by General Electric Information Systems ("GE") where he was responsible for marketing and development of GE's centralised time-sharing information network service.

Before GE, Dr Sun worked for Sprint Telenet as Sr. Director, Network Design. Dr Sun started his career with Computer Sciences Corporation where he was a senior program analyst supporting NASA Goddard Space Flight Center.

Dr Sun received his Ph.D. in Physical Chemistry from Georgetown University. He also holds a MSc in Computer Science from The Johns Hopkins University, an MBA from Marymount University of Virginia and a BSc from National Cheng Kung University in Taiwan.

SRI TJINTAWATI HARTANTO
Executive Director

Madam Sri Tjintawati Hartanto was appointed to the Board in January 2009. She is a non-salaried executive director who supports the Company in its affairs on a "when-needed" basis. Madam Hartanto also provides oversight over the Group's current business in Indonesia. She possesses more than 20 years of experience in accounting, finance and administration.

Madam Hartanto graduated with a Bachelor of Accountancy from Surabaya University in Indonesia. She was born and educated in Indonesia, and is currently a permanent resident in Hong Kong.

FONG YEW MENG
Independent Director

Mr Fong Yew Meng was appointed to the Board in January 2009.

Mr Fong was a corporate advisor to Saffar Capital Limited, a Dubai-based investment and advisory company. Prior to this, he held several senior positions with international banks in Tokyo, London, New York and Singapore. He was Managing Director of HSBC Futures (Singapore) Pte Ltd and company secretary of the Evolution Group Plc, a company previously listed on the London Stock Exchange and now part of Investec Plc group. Mr Fong was also Managing Director of Deutsche Bank and Deutsche Bank Securities in London and New York respectively, and was an Executive Director of Goldman Sachs in its Tokyo and London offices.

Mr Fong holds a BSc in Economics from the London School of Economics. He is a member of the Institute of Chartered Accountants in England & Wales and also a member of the Institute of Singapore Chartered Accountants.

EDWARD FU SHU SHEEN
Lead Independent Director

Mr Edward Fu Shu Sheen was appointed to the Board in October 2014. He is the Senior Realty Adviser of KF Property Network Pte Ltd (Knight Frank) and possesses more than 30 years of experience in credit, corporate banking, debt restructuring and recovery, loan syndications and private banking with domestic and foreign banks. Mr Fu previously served as Vice President Societe Generale and has also held senior appointments with leading financial institutions such as Crosby Advisory (Singapore) Pte Ltd., Hill Samuel Merchant Bank Asia Ltd. and Australia & New Zealand Banking Group Ltd.

He currently also serves as Director on the Board of Continental Investment & Trading Company Pte Ltd. He was an Independent Director of GSH Corporation Limited from November 5, 2007 to April 24, 2012 and of John Edward Consultancy Pte Ltd from 1999 to 2013.

Mr Fu holds a B.A. in Economics and Political Science from University of Singapore.

LYE MENG YIAU
Indepedent Director

Mr Lye Meng Yiau was appointed to the Board in August 2014. He was Vice President at OWW Capital Partners Pte. Ltd. until 2014 and was responsible for identifying, evaluating, structuring and monitoring of investments. Prior to this he accumulated more than 10 years of experience in logistics and investments within the Heidelbergcement Group, where his last-held position was Manager for Strategy and Business Development (M&A) in Heidelbergcement Asia. Mr Lye has worked on investment projects in technology, infrastructure and utilities. He started off his career as an Analyst with Credinet/COFACE after graduating with a Bachelor of Business Administration from the National University of Singapore.

LAI CHIK FAN
Non-Executive Director

Mr Lai Chik Fan was appointed to the Board in March 2014. He is currently the Managing Director of AR Evans Capital Limited and Principal of AR Evans Capital Partners Inc. Mr Lai possesses more than 30 years of experience in the financial services sector. He previously served as Advisor to the board of directors of Asia Securities Global Limited and Managing Director of several reputable financial institutions including Smith Barney Shearson (Asia) Limited, Merrill Lynch (Asia Pacific) Limited and Paine Webber Hong Kong Limited. He worked for a number of investment banks, including Koffman Financial Holdings Limited, Paine Webber Hong Kong Limited, Merrill Lynch Asia Ltd., Smith Barney (Hong Kong) Ltd. and Chin Tung Securities Ltd.

Mr Lai has served on the Board of several listed companies, including Shanghai Zendai Property Ltd since May 18, 2004 and China Golden Development Holdings Ltd from 2006 to 2008. He also served on the Board of Ban Joo & Co. Ltd. until November 6, 2009, and of China Medical and Bio Science Ltd (listed on the GEM Board) until July 2007. Mr Lai is a graduate of Indiana State University with a MBA degree.

KEY **MANAGEMENT**

KO BENG KIN
Head of Finance

Mr Ko joined the Group in 2014 and oversees Next-Gen's finance and accounting functions. He received his formal accounting training with Ernst & Young in Melbourne, Australia in the areas of corporate recovery/reconstruction and business advisory.

Mr Ko has 20 years' experience in various finance and operations related roles with the Australia & New Zealand Banking Group Ltd., ING Bank, Principal Global Investors and Tullett Prebon.

At Tullett Prebon, Mr Ko was responsible for leading its finance teams across the Asia Pacific region including Singapore, Hong Kong, Korea, Philippines and Indonesia. As Director of several Tullet Prebon companies, Mr Ko also handled corporate governance, stewardship, regulatory and statutory compliance requirements. At Principal Global Investors, he drove the setup of the Group's central dealing desk in the Asia timezone and oversaw its investment management operations in the region.

Mr Ko graduated with a Bachelor of Commerce from the University of Melbourne, and is a Chartered Accountant and Member of Chartered Accountants Australia and New Zealand.

KOIT VEN JEE
Regional Finance Manager

Mr Koit joined the Group in August 2012 and was appointed as Regional Finance Manager in February 2014. He is responsible for the Group's finance and accounting functions, including statutory and regulatory compliance.

Mr Koit has over 10 years of experience in audit and assurance. Prior to joining the Group, he was with audit firms such as Crowehorwath First Trust LLP, BDO LLP and Crowehorwath Malaysia, providing audit services to a broad range of clients including technology, manufacturing, trading, engineering companies, as well as other private and public-listed companies.

Mr Koit has obtained his professional accountancy qualification from the Association of Chartered Certified Accountants (ACCA) and is a member of the Institute of Singapore Chartered Accountants.

CORPORATE **GOVERNANCE**

The Board of Directors (the "**Board**" or the "**Directors**") of Next-Generation Satellite Communications Limited ("**NGSC**" or the "**Company**" and together with its subsidiaries, the "**Group**") is committed to maintaining a high standard of corporate governance to ensure greater transparency and to protect the interests of the Company's shareholders (the "**Shareholders**").

The Company has put in place various policies and practices that will safeguard the interests of Shareholders and enhance Shareholders' value as part of its effort to maintain high standards of corporate governance. This report describes the corporate governance practices and procedures adopted by the Company with specific reference to the Code of Corporate Governance 2012 (the "**Code**") issued by the Monetary Authority of Singapore and as required under the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). References to the principles of the Code are listed below. The Company has complied with the principles of the Code where appropriate and deviations from the Code have been explained.

A. BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and the Management remains accountable to the Board.

The Company is headed by an effective Board to lead and control the Company. As at the date of this report, the Board comprises the following members:-

Mr Andrew Coulton (Chairman and Executive Director)
Mr Ku Vicente S. (Managing Director and Chief Executive Officer)
Mdm Sri Tjintawati Hartanto (Executive Director)
Mr Michael Kuan-Chi Sun (Executive Director)
Mr Lai Chik Fan (Non-Executive Director)
Mr Edward Fu Shu Sheen (Lead Independent Director)
Mr Fong Yew Meng (Independent Director)
Mr Lye Meng Yiau (Independent Director)

The Board is responsible for overseeing and providing effective leadership for the overall business and corporate affairs of the Group. Its role is to:-

(i) provide entrepreneurial leadership, set strategic objectives and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
(ii) establish a framework of prudent and effective controls which enables risk to be assessed and managed, including safeguarding of Shareholders' interests and the Group's assets;
(iii) review performance of the management of the Company ("**Management**");
(iv) identify the key stakeholder groups and recognise that their perceptions affect the Group's reputation;
(v) set the company's values and standards (including ethical standards), and ensure that obligations to Shareholders and other stakeholders are understood and met; and
(vi) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

The Company has adopted a set of internal guidelines setting forth matters that require the Board's review and approval. Matters that specifically require the Board's decision or approval are those involving:-

- corporate strategy and business plans;
- investment and divestment proposals;
- funding decisions of the Group;
- nominations of Directors for appointment to the Board and appointment of key executives;
- announcement of financial results and annual report;
- material acquisitions and disposal of assets; and
- all matters of strategic importance.

All other matters are delegated to Board committees ("**Board Committees**") whose actions are monitored and endorsed by the Board. These Board Committees include the Audit Committee (the "**AC**"), the Nominating Committee (the "**NC**") and the Remuneration Committee (the "**RC**"), all of which operate within clearly defined terms of reference and functional procedures.

To get a better understanding of the Group's business, the Company adopts a policy whereby the Directors are encouraged to request for further explanations, briefings or informal discussion on the Group's operations or business with the Management.

The Board conducts scheduled meetings on a quarterly basis. Ad-hoc meetings are convened when circumstances require. The Company's Articles of Association (the "**Articles**") provide for Board meetings by means of teleconference. The attendance of the Directors at meetings of the Board and Board Committees during the financial year ended 31 March ("**FY**") 2013 are disclosed as follows:-

Name of Director	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mdm Sri Tjintawati Hartanto	13	12	-	-	-	-	-	-
Mr Fong Yew Meng	13	13	3	3	1	1	1	1
Mr Lam Ah Seng @ Lam Pang Chuang(1)	13	13	-	-	-	-	-	-
Mr Robert Scott Zimmer(2)	4	1	-	-	-	-	-	-
Mr Li Jianmin(3)	13	13	-	-	-	-	-	-
Mr Hardi Koesnadi(4)	13	12	-	-	-	-	-	-
Dr Lee G. Lam(5)	13	9	3	1	1	1	1	1
Mr Tao Yeoh Chi(6)	13	13	3	3	1	1	1	1

(1) Resigned on 2 October 2015
(2) Resigned on 9 July 2012
(3) Resigned on 13 August 2013
(4) Resigned on 10 June 2013
(5) Resigned on 14 August 2014
(6) Resigned on 2 October 2014

Newly-appointed Directors undergo an orientation programme with materials provided to help them get familiarised with the business and organisation structure of the Group. To get a better understanding of the Group's business, the Directors are also given the opportunity to visit the Group's operational facilities and meet with the Management. Upon appointment of each director, the Company provides information to the director, setting out the director's roles and obligations together with key dates regarding the Company and the Group.

The Board as a whole is updated regularly on risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards, so as to enable them to properly discharge their duties as Board or Board Committee members. The Company encourages directors to attend training courses organised by the Singapore Institute of Directors or other training institutions in connection with their duties.

During FY2013, the external auditor briefed the AC members on developments in accounting and governance standards. The Executive Directors also updated the Board at each Board meeting on business and strategic developments relating to the industry the Group operates in.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% Shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board currently has eight (8) Directors, comprising three (3) Independent Directors, one (1) Non-Executive Director and four (4) Executive Directors. Information regarding each Board member is provided under the section entitled "Board of Directors" of this annual report.

The independence of each Director is assessed and reviewed at least annually by the NC. The NC adopts the definition in the Code as to what constitutes an independent director in its review to ensure there is a strong independent element on the Board such that the Board is able to exercise objective judgement on corporate affairs independently. The Independent Directors have confirmed that they do not have any relationship with the Company or its related companies, its 10% Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Group.

The NC is of the view that Mr Edward Fu Shu Sheen, Mr Fong Yew Meng and Mr Lye Meng Yiau are independent. As one-third of the Board is independent, the requirement of the Code that at least one-third of the Board comprises independent directors is satisfied. The NC is satisfied that the Board has substantial independent elements to ensure that objective judgement is exercised on corporate affairs. In addition, the Board has appointed Mr Edward Fu Shu Sheen as the Lead Independent Director.

The Non-Executive Director is involved in ensuring that the strategies proposed by Management is constructively challenged, fully discussed and examined and takes into account the long term interests, not only of the Shareholders but also other stakeholders of the Group. The Non-Executive Director also reviews the Management's performance in achieving agreed goals and objectives, and monitor the reporting of its performance.

The Board and Board Committees comprises Directors who as a group provide core competencies such as accounting and finance, legal, business and management experience, industry knowledge and strategic planning experience. Hence, the NC is of the view that the current Board and Board Committees comprise persons who as a group provide capabilities required for the Board to be effective.

The Board, through the NC, has reviewed and is satisfied that the current structure, size and composition of the Board and Board Committees are appropriate for effective decision-making, taking into account the scope and nature of the operations of the Company, the balance and diversity of, amongst other factors, skills, experience and gender. The NC is of the view that no individual or small group of individuals dominates the Board's decision-making process.

Role of Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The Company keeps the roles of the Executive Chairman and Chief Executive Officer separate to ensure a clear division of their responsibilities, balance of power and authority, increased accountability and greater capacity for independent decision-making at the Board and Management level. As at the date of this report, Mr Andrew Coulton holds the position of Executive Chairman, whilst Mr Ku Vicente S. holds the position of Chief Executive Officer and Managing Director. Mr Coulton and Mr Ku are not related to each other.

The Executive Chairman, Mr Andrew Coulton, is primarily responsible for charting and reviewing the overall strategic direction of the Group and for leading the Board to ensure its effectiveness on all aspects of its role. He ensures that Board meetings are held when necessary and sets the Board agenda (with the assistance of the Company Secretaries). Mr Andrew Coulton ensures that all Board members are provided with complete, adequate and timely information.

All major proposals and decisions are discussed and reviewed by the Directors. With the active participation of Directors at Board meetings, the Board is satisfied that the current arrangement provides sufficient check and balance to ensure that no one individual member of the Board holds a considerable concentration of power, and that there is an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

The Board has delegated the daily operations of the Group to Mr Ku, the Chief Executive Officer and Managing Director. Mr Ku leads the management team and executes the strategic plans in line with the strategic decisions and goals set out by the Board and ensures that the Directors are kept updated and informed of the Group's businesses.

Mr Edward Fu Shu Sheen is the Lead Independent Director of the Company, who is available to address Shareholders' concerns on issues that have not been satisfactory resolved or cannot be appropriately dealt with by the Executive Chairman, Chief Executive Officer and Executive Directors. The Independent Directors meet on a need-to basis amongst themselves and with the Company's external auditors and internal auditors without the presence of Management to discuss matters such as the Group's financial performance, corporate governance and risk management initiatives, Board processes, and any internal audit observations. Thereafter, the Lead Independent Director would provide feedback to the Executive Chairman after such meetings, if needed.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC currently comprises three (3) Directors, namely Mr Edward Fu Shu Sheen, Mr Fong Yew Meng and Mr Lye Meng Yiau, all of whom are Independent Directors. The Chairman of the NC is Mr Edward Fu Shu Sheen. The NC has written terms of reference that describe the responsibilities of its members.

The principal functions of the NC are as follows:-

- to review and recommend the nomination of new Directors or re-nomination of the Directors having regard to the Director's contribution and performance;
- to set criteria for identifying candidates and reviewing nominations for the appointments referred to above;
- to determine on an annual basis whether or not a Director is independent;
- to make plans for succession, in particular for the Executive Chairman and Chief Executive Officer;
- to review training and professional development programs for the Board;
- to determine and recommend to the Board, the maximum number of listed company board representations that any Director may hold; and
- to assess the overall performance of the Board and contribution of each Director to the effectiveness of the Board.

In the nomination and selection process, the NC identifies the candidates and reviews the nominations for the appointments based on the following criteria:-

(i) at least one-third of the Directors shall be Independent Directors; and
(ii) the candidate shall be a fit and proper person to hold such office, and the most qualified candidate nominated for the office, taking into account the candidate's track record, age, experience, capabilities and other relevant factors.

When an existing Director chooses to retire or the need for a new Director arises, either to replace a retiring Director or to enhance the Board's strength, the NC, in consultation with the Board, determines the selection criteria and identifies candidates with the appropriate expertise and experience for the appointment as new Director. Candidates may be suggested by Directors or Management or sourced from external sources. The NC will interview the shortlisted candidates and assess them based on objective criteria approved by the Board such as integrity, independent mindedness, possession of the relevant skills required or skills needed to complement the existing Board members, ability to commit the time and effort to carry out his/her responsibilities, good decision making track record, relevant experience and financial literacy. The NC will then nominate the most suitable candidate to the Board for approval. Upon appointment by the Board, the candidate must stand for election at the next annual general meeting ("AGM") of the Company.

The NC meets at least once a year. Pursuant to the Company's Articles, one-third of the Board is to retire by rotation and subject themselves to re-election by Shareholders at every AGM. The NC will assess and evaluate whether Directors retiring at each AGM are properly qualified for reappointment by virtue of their skills, experience and contributions. The NC recommended to the Board that Mdm Sri Tjintawati Hartanto be nominated for re-election at the forthcoming AGM. In making the recommendations, the NC had considered the Director's overall contributions and performance.

Pursuant to the Company's Articles, any new Director so appointed by the Directors shall hold office only until the next AGM of the Company, and shall be eligible for re-election. Thereafter, the Director is subject to re-election at least once every three (3) years. In this respect, the NC recommended to the Board that Mr Andrew Coulton, Mr Michael Kuan-Chi Sun, Mr Ku Vicente S., Mr Lai Chik Fan, Mr Lye Meng Yiau and Mr Edward Fu Shu Sheen be nominated for re-election at the forthcoming AGM.

Mr Edward Fu Shu Sheen will, upon re-election as a Director of the Company, remain as the Lead Independent Director and Chairman of the NC and RC and a member of the AC of the Company. Mr Lye Meng Yiau will, upon re-election as a Director of the Company, remain as a member of the AC, NC and RC of the Company.

Each member of the NC has abstained from making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his own performance or re-election as a Director of the Company. In making the recommendations, the NC had considered the Directors' overall contributions and performance.

The dates of appointment and directorships of the current Directors in other listed companies are set out below:

Name of Director	Date of Appointment	Last Re-Election Date	Directorships and Chairmanships in Other Listed Companies	
			Present	Last Three Years
Mr Andrew Coulton	7 March 2014	Not Applicable	-	-
Mdm Sri Tjintawati Hartanto	15 January 2009	19 August 2011	-	-
Mr Michael Kuan-Chi Sun	7 March 2014	Not Applicable	(1) China Innovation Investment Limited (2) China Trends Holdings Limited	(1) China Innovation Investment Limited (2) China Trends Holdings Limited
Mr Ku Vicente S.	16 January 2015	Not Applicable	-	-
Mr Lai Chik Fan	7 March 2014	Not Applicable	Shanghai Zendai Property LImited	Shanghai Zendai Property LImited
Mr Fong Yew Meng	15 January 2009	13 August 2013	-	-
Mr Lye Meng Yiau	14 August 2014	Not Applicable	-	-
Mr Edward Fu Shu Sheen	2 October 2014	Not Applicable	-	-

Further details of the Directors (including principal commitments) can be found under the section entitled "Board of Directors" of this annual report.

Notwithstanding that some of the Directors have multiple board representations, the Board is satisfied that each Director is able to and has been adequately carrying out his duties as a Director of the Company. Only two (2) Directors have other directorship in other listed companies. As such, the Board does not propose to set the maximum number of listed company board representations that directors may hold until such need arises. The NC would continue to review from time to time the board representations of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board.

The NC decides on how the Board, Board Committees and individual Directors' performance is to be evaluated and proposes objective performance criteria, subject to the Board's approval, which address how the Directors have enhanced long-term Shareholders' value. The Board has also implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and Board Committees and for assessing the contribution of each individual Director to the effectiveness of the Board. Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as a Director.

In evaluating the Board's and its Board Committees' performance, the NC considers a set of quantitative and qualitative performance criteria that has been approved by the Board. The performance criteria for the Board and Board Committee's evaluation are in respect of:

a. Board composition;
b. Board information;
c. Board process and accountability;
d. Standards of conduct; and
e. Board Committee performance in relation to discharging their responsibilities set out in their respective terms of reference.

The individual Director's performance criterion is in relation to the Director's:

a. Interactive skills;
b. Knowledge, including industry or professional expertise, specialist or functional contribution and regional expertise;
c. Directors' duties including attendance at meetings, meeting preparation, participation and performance of specific assignments; and
d. Directors' conduct including maintenance of independence, disclosure of related party transactions and compliance with company policies.

All Directors are requested to complete a board evaluation questionnaire designed to seek their view on various aspects of the Board and individual Director's performance as described above. The Executive Chairman, in consultation with the NC, will then act on the results of the performance evaluation, and where appropriate, propose new members be appointed to the Board or seek the resignation of Directors.

The NC has assessed the current Board's performance to-date and is of the view that the performance of the Board as a whole is satisfactory, the Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

Access to Information

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

In order to ensure that the Board is able to fulfil its responsibilities, the Management provides the Board with complete, adequate and timely information about the Group as well as the relevant background information relating to the business prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities. To allow the Directors sufficient time to prepare for the meetings, all Board papers are distributed to the Directors in advance of the meetings. Any additional material or information requested by the Directors is promptly furnished.

The Board papers include, among others, the following documents and details:
- Minutes of the previous meetings;
- Follow up on significant matters outstanding following the last meetings;
- Financial review: actual, budget and any other major financial issues;
- Internal audit reports prepared by the Group's internal auditors;
- Audit plans and audit findings reports prepared by the Group's external auditors;
- Annual budgets (actual vs budget); and
- Major operational and investment proposals and update.

As good practice, Board papers are sent to the Directors in advance for Directors to be adequately prepared for the meetings. To ensure that Directors are in receipt of sufficient background explanatory information, briefings or formal presentation may also be given or made by the Management in attendance at Board meetings, or by external consultants engaged on specific projects. Directors are also entitled to request additional information as needed to make informed decisions and the Management shall provide the same in a timely manner.

The Directors also receive management reports on the Group's financial performance on a periodic basis, which contain adequate and timely major operational and financial information that facilitates an assessment of the Group's performance, position and prospects. The management reports consist of financial statements with disclosures and explanations of material variances between past performance, budgets and actual results.

The Directors have separate and independent access to the Management, the Group's internal/external auditors and the Company Secretaries at all times should they have any queries on the Group's affairs.

In furtherance of their duties, each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil his duties and responsibilities as a Director of the Company.

At least one of the Company Secretaries and/or his/her representatives attends all Board meetings. Together with the Management, the Company Secretaries are responsible for ensuring that appropriate procedures are followed and that the requirements of the Companies Act (Chapter 50) of Singapore, and the provisions in the SGX-ST Listing Manual are complied with. The appointment and removal of the Company Secretaries is a matter for the Board as a whole.

Changes to regulations and accounting standards are closely monitored by the Management. The Directors are briefed either during Board and Board Committee meetings, by the Company Secretaries or auditors of these changes especially where these changes have an important bearing on the Directors' disclosure obligations.

B. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.

The RC currently comprises three (3) Independent Directors, namely Mr Edward Fu Shu Sheen, Mr Fong Yew Meng and Mr Lye Meng Yiau. The Chairman of the RC is Mr Edward Fu Shu Sheen. The RC has written terms of reference that describe the responsibilities of its members.

The RC's principal responsibilities are to review and recommend to the Board a framework of remuneration, as well as the specific remuneration packages for the Directors and key management personnel of the Group. The RC covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind. The RC's recommendations are submitted to the Board for endorsement. No director is involved in deciding his or her own remuneration.

The remuneration of employees who are related to Directors or substantial Shareholders will also be reviewed annually by our RC to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. The RC will also review and approve any bonuses, pay increments, and/or promotions for these related employees.

If any Director or executive officer occupies a position for part of the financial year, the fee payable will be prorated accordingly.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

The remuneration of Executive Directors and key management personnel of the Group takes into consideration the performance and the contributions of the individual to the Group and gives due regard to the Group's performance, as well as the long term financial, operations and business needs of the Group. The Group seeks to offer a competitive level of remuneration to attract, motivate and retain senior management of the required competency to run the Group successfully.

The Company adopts a remuneration policy that comprises a fixed as well as variable component. The fixed component is in the form of base salary and benefits while the variable component is in the form of performance bonus. There are no termination, retirement or any post-employment benefits to Directors and key management personnel.

The Company has service agreements with Mr Andrew Coulton and Mr Ku Vicente S. in relation to their appointments as Chairman and Managing Director of the Company respectively. Either party may terminate the service agreements at any time by giving to the other party not less than three (3) months' notice in writing, or in lieu of notice, payment of an amount equivalent to three (3) months' salary based on their last drawn monthly allowance. Based on the terms of their service agreements, Mr Coulton and Mr Ku may be entitled to a basic monthly allowance, as well as the right to participate in an employee share option scheme when it is available.

The Next-Generation Satellite Communications Performance Share Scheme ("**Performance Share Scheme**") was approved and adopted by the shareholders of the Company at an extraordinary general meeting of the Company held on 28 July 2010. The Performance Share Scheme is administered by the RC comprising Mr Edward Fu Shu Sheen, Mr Fong Yew Meng and Mr Lye Meng Yiau.

Other than the Performance Share Scheme, the Company does not have any employee share option scheme or other long-term employee incentive scheme at this juncture.

The Independent Directors do not have service agreements with the Company. They are paid fixed Directors' fees, which are determined by the Board, appropriate to the level of their contributions, taking into account factors such as the effort and time spent and the responsibilities of the Independent Directors. The fees are subject to approval by Shareholders at each AGM. Except as disclosed, the Independent Directors do not receive any other remuneration from the Company. The Company's fee structure for Independent Directors has been determined during FY2013 to attain the following key objectives:

a) To reflect the increased scope of responsibilities in view of the regulatory changes and increase in business complexity; and
b) To provide a fair market remuneration at benchmarked rates to retain and/or attract new Independent Directors.

All revisions to the remuneration packages of the Directors are subject to the review by and recommendation of the RC and the approval of the Board. Directors' fees are further subject to the approval of Shareholders at the AGM. The RC has full authority to obtain any external professional advice on matters relating to remuneration as and when the need arises.

Disclosure of Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The level and mix of the Directors' remuneration for FY2013 in percentage terms are set out below. The remuneration of each individual Director to the nearest thousand dollars is not disclosed as the Board believes that remuneration matters are highly sensitive in nature and the disclosure may be prejudicial to its business interests given the highly competitive business environment the Company operates in. The RC has also reviewed the practice of the industry and considered the pros and cons of such disclosure.

Name of Director	Directors' Fees (%)	Salary (%)	Total (%)
Between S$250,000 – S$1,000,000			
Mr Li Jianmin(1)	44	56	100
Below S$250,000			
Dr Lee G. Lam(2)	100	-	100
Mr Lam Ah Seng @ Lam Pang Chuang(6)	100	-	100
Mdm Sri Tjintawati Hartanto	100	-	100
Mr Hardi Koesnadi(3)	100	-	100
Mr Robert Scott Zimmer(4)	100	-	100
Mr Fong Yew Meng	100	-	100
Mr Tao Yeoh Chi(5)	100	-	100

Notes:
(1) Resigned on 13 August 2013
(2) Resigned on 14 August 2014
(3) Resigned on 10 June 2013
(4) Resigned on 9 July 2012
(5) Resigned on 2 October 2014
(6) Resigned on 2 October 2015

A summary compensation table of the three (3) executive officers' remuneration for FY2013 in percentage terms are set out below:

Name of Executive Officer	Salary(1) (%)	Bonus (%)	Total (%)
Below S$250,000			
Mr Hans Purnajo(2)	100	-	100
Mr Tony Tu(3)	87	13	100
Ms Teoh Pei Yean(4)	87	13	100

Notes:-
(1) Employers' contributions to the Central Provident Fund are included within the salary.
(2) Resigned on 2 May 2015.
(3) Resigned on 1 November 2013.
(4) Resigned on 30 January 2014.

The aggregate remuneration paid to the above three Executive Officers (who are not Directors or CEO) for FY2013 amounted to S$352,000.

No employee of the Company and its subsidiary companies is an immediate family member of director or the chief executive officer, and whose remuneration exceeded S$50,000 during FY2013.

The Board is of the opinion that the information as disclosed above would be sufficient for Shareholders to have an adequate appreciation of the Group's compensation policies and practices and therefore does not intend to issue a separate remuneration report, the contents of which would be largely similar. The remuneration of employees related to the Directors and substantial Shareholders of the Company will also be reviewed annually by the RC. In considering the disclosure of remuneration of the Directors and key management personnel, the Company has regarded the industry conditions in which the Group operates as well as the confidential nature of such remuneration. The Company believes that full detailed disclosure of the remuneration of each Director and each key management personnel as recommended by the Code would be prejudicial to the interests of the Group and hamper its ability to retain and nurture the Group's talent pool. The Company has instead presented such information in remuneration bands.

C. ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

In presenting the annual report, interim and annual financial results announcements and other price sensitive public announcements to Shareholders, the AC reviews all financial statements and recommends them to the Board for approval. The Board also takes adequate steps to ensure compliance with legislative and regulatory requirements and observes obligations of continuing disclosure under the SGX-ST Listing Manual.

The Management provides the Board with management accounts of the Group, with explanatory details on its operations, financial results and comparison against budgeted amounts, which has been assessed to be sufficient by the Board. Board papers are given prior to any Board meeting to facilitate effective discussion and decision-making. An annual budget is also tabled for the Board's endorsement for effective monitoring and control. The Management also highlights key business indicators and major issues that are relevant to the Group's performance on an on-going basis in order for the Board to make a balanced and informed assessment of the Group's financial performance, position and prospects.

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

To ensure that the Group's risk management and internal control systems are adequate and effective, the Group engaged Nexia TS Risk Advisory Pte. Ltd. ("Nexia") as its internal auditors. Nexia provided summaries of its internal audit findings and reports to the AC, to assist the Board and the AC in their review of the Group's risk management and internal control systems focusing on financial, operational, compliance and information technology controls. The AC also reviewed the actions taken by the Management on the recommendations made by the internal auditors.

The Group's external auditors also conduct annual reviews of the effectiveness of the Group's material internal controls for financial reporting in accordance with their external audit plans.

On 25 July 2012, the Group announced that it had appointed Ernst & Young Advisory Pte. Ltd. ("EY") as the independent accounting firm to carry out an investigation into the matter relating to the funds placed with a certain finance company in Hong Kong ("Finance Company"), including reviewing the processes and procedures concerning the Group's deposit and placement of funds with the Finance Company, as well as conducting verification on the movement of cash placed with the Finance Company and the restriction. On 31 October 2014, the Group announced that EY had completed its investigation into the matter relating to the funds placed with the Finance Company, Niaga Finance Company, and has issued a report on its finding to the AC. Amongst other things, the report identified certain weaknesses and lapses in the internal controls and corporate governance procedures of the Company.

Subsequent to this, EY was separately engaged to review the Group's internal control measures, policies and procedures, to identify and address the weaknesses mentioned. This review concluded in April 2015. The AC and Board have considered EY's recommendations and have actively worked with the Management to adopt them.

The AC will ensure that a review of the effectiveness of the Group's risk management policies and procedures and internal controls in addressing material risks is conducted annually. In this respect, the AC will review the audit plans and the findings of the external and internal auditors, and will ensure that the Management follows up on the external and internal auditors' recommendations raised, if any, during the audit process.

Based on the existing internal controls established and maintained by the Group, work performed by the internal auditor and external auditors, additional policies and procedures put in place since the EY review in April 2015, reviews performed by the Management and various Board Committees, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management and internal controls systems now in place are adequate and effective in addressing its financial, operational, compliance and information technology risks.

The Board and the AC note that all internal controls contain inherent limitations and no systems of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities. The Board will continue its risk assessment process, which is an on-going process, with a view to improve the Group's internal controls system. The Board will also look into the establishment of a separate Risk committee at the relevant time.

Based on the above, the Chief Executive Officer and the Head of Finance have given their assurance to the Board that (a) the financial records are being properly maintained, (b) the financial statements for FY2013 give a true and fair view of the Group's operations and finances; and (c) the Group's risk management and internal control systems now in place are effective.

Audit Committee

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC currently consists of three (3) Independent Directors, namely Mr Fong Yew Meng, Mr Lye Meng Yiau and Mr Edward Fu Shu Sheen. The Chairman of the AC is Mr Fong Yew Meng. The Board is of the view that the AC has the necessary experience and expertise required to discharge its duties. At least two members of the AC, namely Mr Fong Yew Meng and Mr Lye Meng Yiau possess the requisite accounting and related financial management expertise and experience.

The AC has adopted written terms of reference defining its membership, administration and duties. Some of the key duties and responsibilities of the AC include:-

- reviewing, with the internal and external auditors, their audit plans, scope of work, evaluation of the Group's system of internal accounting controls, audit reports, management letters on internal controls, the Management's response and any other relevant findings or matters;
- reviewing the periodic consolidated financial statements and results announcements, before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the SGX-ST Listing Manual and any other relevant statutory or regulatory requirements, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of the Management, where necessary, before submission to the Board for approval;
- reviewing and reporting to the Board, at least annually, the effectiveness and adequacy of the Group's risk management and internal controls systems addressing financial, operational, compliance and information technology risks and discussing issues and concerns, if any, arising from the internal audits;
- reviewing our financial risk areas with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNET;
- reviewing the assistance given by the Management to the internal and external auditors;
- reviewing the independence of the internal and external auditors, as well as considering the appointment or re-appointment of the internal and external auditors, including approving the remuneration and terms of engagement of the internal and external auditors;
- reviewing and discussing with the internal and external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;
- reviewing interested person transactions (if any) falling within the scope of Chapter 9 of the SGX-ST Listing Manual;
- reviewing potential conflicts of interests (if any) and setting out a framework to resolve or mitigate any potential conflicts of interests;
- reviewing the procedures by which employees of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensuring that there are arrangements in place for independent investigation and follow-up actions thereto;
- undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- generally undertaking such other functions and duties as may be required by statute or the SGX-ST Listing Manual, or by such amendments as may be made thereto from time to time.

In addition to the duties listed above, the AC has the express authority to investigate any matter within its terms of reference. It is given the task to commission investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and to review the findings thereof. The AC has full access to and co-operation by the Management and full discretion to invite any Director or key management personnel to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC meets with the external and internal auditors, without the presence of the Management, at least annually, to discuss the results of their audit, their evaluation of the Group's system of internal controls and any other relevant matters or findings that have come to the attention of the external and internal auditors, as well as to review the adequacy of audit arrangements, with emphasis on the scope and quality of their audit, and the independence and objectivity of the auditors.

Baker Tilly TFW LLP ("**BT**") has been appointed as external auditors in place of Messrs Crowe Horwath First Trust LLP at the extraordinary general meeting of the Company held on 16 April 2015.

The aggregate amount of fees paid or payable to the external auditors, broken down into audit and non-audit services during FY2013 are as follows:-

Audit fees	:	S$266,000
Non-audit fees	:	nil
Total	:	S$266,000

The AC will review the independence of the external auditors annually. Following the AC's review of the volume and nature of all non-audit services of the Group provided by the external auditors of the Company, BT, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor, the AC is of the opinion that BT is suitable for re-appointment and has accordingly recommended to the Board that BT be nominated for re-appointment as auditors of the Company at the forthcoming AGM. The Company confirms that it is in compliance with Rules 712 and 715 of the SGX-ST Listing Manual in relation to the appointment of its external auditors.

To keep abreast of changes in accounting standards and issues that have a direct impact on the financial statements, the AC is encouraged to participate in training courses, seminars and workshops, as relevant, and to seek advice from the external auditors at the AC meetings that are held.

None of the members nor the Chairman of the AC are former partners or directors of the firms acting as the Group's internal and external auditors.

Whistle-blowing Policy

The AC has put in place a whistle-blowing policy, whereby employees of the Group or any other persons may in confidence, raise concerns about possible improprieties or other matters to the AC Chairman. The objective for such arrangement is to ensure independent investigations of such matters and for appropriate follow-up actions. Reports of suspected fraud, corruption, dishonest practices or other similar matters can also be lodged with the other Independent Directors of the Company. They are tasked to forward any such reports to the AC Chairman and other independent Directors of the Company. No concerns involving possible corporate improprieties were brought directly to the attention of the AC in FY2013.

Internal Audit

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits

The AC is aware of the need to establish a system of internal controls within the Group to safeguard Shareholders' interests and the Group's assets, and to manage risks. The system is intended to provide reasonable but not absolute assurance against material misstatements or loss, and to safeguard assets and ensure maintenance of proper accounting records, reliability of financial information, compliance with appropriate legislations, regulations and best practices, and the identification and containment of business risks.

The Board is of the view that the current size of the operations of the Group does not warrant the Group having an in-house internal audit function. The Company has appointed Nexia as its internal auditor. Nexia reports directly to the AC. The AC approves the hiring, removal, evaluation and compensation of the internal auditors. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including access to the AC.

Nexia commenced their role as internal auditors of the Group in 2012. The internal auditors support the AC in their role to assess the effectiveness of the Group's overall system of operational and financial controls. To ensure the adequacy of the internal audit function, the AC will review and approve the internal audit plan on an annual basis. The internal audit function is staffed with persons with the relevant qualification and experience.

The scope of the internal audit is:-

- to review the effectiveness of the Group's material internal controls;
- to provide assurance that key business and operational risks are identified and managed;
- to determine that internal controls are in place and functioning as intended; and
- to evaluate that operations are conducted in an effective and efficient manner.

The AC, having considered, amongst others, the reputation and track record of Nexia and the qualifications, experience and availability of resources and independence of the team at Nexia, is satisfied that the appointment of Nexia as internal auditors is appropriate and that the internal auditors have appropriate standing within the Group.

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: Companies should treat all Shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of Shareholders' rights, and continually review and update such governance arrangements

The Company is committed to maintaining and improving its level of corporate transparency of financial results and other pertinent information. Other than the routine announcements made in accordance with the requirements of the SGX-ST Listing Manual, the Company has issued additional announcements to update Shareholders on the activities of the Company and the Group in FY2013.

The Company does not practise selective disclosure. Price-sensitive information is first publicly released via SGXNET before the Company meets with any group of investors or analysts. Results and annual reports are announced or issued within the mandatory period (and where this is not possible, relevant extensions of time are sought in accordance with applicable laws, regulations and rules).

Shareholders are informed of general meetings through notices published in the newspapers and the Company's announcements and press releases via SGXNET, as well as through reports or circulars sent to all Shareholders. They are given the opportunity to participate effectively and vote at general meetings of the Company, where relevant rules and procedures governing the meetings are clearly communicated.

The Articles of the Company allow each Shareholder to appoint up to two (2) proxies to vote and attend general meetings on his behalf. The Company will consider amending its Articles at an appropriate time to allow corporations which provide nominee or custodial services to appoint more than two (2) proxies so that Shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.

Communication with Shareholders

Principle 15: Companies should actively engage their Shareholders and put in place an investor relations policy to promote regular, effective and fair communication with Shareholders

The Company is committed to maintaining and improving its level of corporate transparency of financial results and other pertinent information. In line with the continuous disclosure obligations under the SGX-ST Listing Manual, the Company informs Shareholders on a timely basis of all major developments that may have a material impact on the Group. Such information is disclosed in an accurate and comprehensive manner through SGXNET, press releases and the Company's website. The Company does not practise selective disclosure of material information and price sensitive information is publicly released as soon as is practicable as required by the SGX-ST Listing Manual.

Shareholders, investors or analysts may also send their queries or concerns to the Company's Management, whose contact details can be found on the corporate information page of this annual report. The Company will consider use of other forums as and when applicable.

The Company does not have a formal dividend policy at present. The form, frequency and amount of dividends on the Company's Shares will depend on the Group's earnings, financial position, results of operations, cash flow, capital needs, the terms of any borrowing arrangements (if applicable), plans for expansion and other factors which the Directors may deem appropriate. The Board has not recommended any dividend for FY2013.

Conduct of Shareholder Meetings

Principle 16: Companies should encourage greater Shareholder participation at general meetings of Shareholders, and allow Shareholders the opportunity to communicate their views on various matters affecting the Company

The AGM of the Company is a principal forum for dialogue and interaction with all Shareholders. Shareholders are encouraged to attend, participate and vote at the Company's AGM to ensure a high level of accountability on the part of the Board and Management, and to stay informed of the Group's performance, strategies and growth plans. All Shareholders will receive the Company's annual report and notice of AGM, together with explanatory notes, or a circular on items of special businesses (if necessary), at least 14 clear calendar days before the meeting. The Company supports active Shareholder participation at the AGM and welcomes questions from Shareholders who wish to raise issues pertaining to the Group, within the setting of the general meetings.

Each item of special business included in the notice of AGM will be accompanied by explanatory notes as may be required. Separate resolutions are proposed for approval on each substantially separate issue at general meetings. The Company will put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages.

The Chairman of the Board and the respective Chairmen of the AC, RC and NC, as well as the Head of Finance and the external auditors will be present and on hand to address all issues raised at the AGM.

Dealing in Securities

The Company has complied with the requirements of Rule 1207(19) of the SGX-ST Listing Manual in relation to dealings in the Company's securities by Directors and officers of the Group.

The Company prohibits its officers from dealing in the Company's shares on short term considerations or when they are in possession of unpublished price-sensitive information. The Company, its Directors and officers are not allowed to deal in the Company's shares during the period commencing two weeks before the announcement of the Company's financial results for each of the quarters and one month before the announcement of the Company's full-year financial results, as the case may be, and ending on the date of the announcement of the relevant financial results. They are also expected to observe insider-trading laws at all times even when dealing in securities within permitted trading periods.

Interested Person Transactions

The Company has adopted an internal policy in respect of any transaction with an interested person, which sets out the procedures for review and approval of such interested person transaction.

All interested person transactions will be documented and submitted periodically to the AC for their review to ensure that such transactions are carried out on an arm's length basis or on normal commercial terms and are not prejudicial to the Group.

The Company did not enter into interested person transaction which require disclosure pursuant to Rule 1207(17) of the SGX-ST Listing Manual during FY2013.

Material Contracts and Loans

Pursuant to Rule 1207(8) of the SGX-ST Listing Manual, the Company confirms that save for the service agreements entered into between the Company and its Executive Directors, Mr Andrew Coulton and Mr Ku Vicente S., there were no other material contracts and loans of the Company and its subsidiaries involving the interests of any Director or controlling Shareholder of the Company, either still subsisting at the end of FY2013 or if not then subsisting, which were entered into since the end of the previous financial year.

The Directors are pleased to present their report to the members together with the audited consolidated financial statements of Next-Generation Satellite Communications Limited and its subsidiaries (the "Group") and the statement of financial position and statement of changes in equity of Next-Generation Satellite Communications Limited (the "Company") for the financial year ended 31 March 2013.

1 Directors

The Directors of the Company in office at the date of this report are:

Executive Directors	
Ku Vicente S.	
(Managing Director and Chief Executive Officer)	(Appointed on 16 January 2015)
Andrew Coulton (Chairman)	(Appointed on 7 March 2014)
Michael Kuan-Chi Sun	(Appointed on 7 March 2014)
Sri Tjintawati Hartanto	
Independent Directors	
Fong Yew Meng	
Lye Meng Yiau	(Appointed on 14 August 2014)
Edward Fu Shu Sheen	(Appointed on 2 October 2014)
Non-Executive Director	
Lai Chik Fan	(Appointed on 7 March 2014)

2 Arrangements to enable Directors to acquire benefits

Except as disclosed under "Performance shares and warrants" on pages 31 and 32 of this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

3 Directors' contractual benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit other than those disclosed in the consolidated financial statements and this report by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for salaries, bonuses and other benefits as disclosed in the accompanying financial statements.

4 Directors' interests in shares or debentures

The Directors of the Company holding office at the end of the financial year ended 31 March 2013 had no interests in the shares and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act (the "Act") except as follows:

	Shareholdings registered in name of director or nominee			Shareholdings in which director is deemed to have an interest		
	At 1 April 2012	At 31 March 2013	At 21 April 2013	At 1 April 2012	At 31 March 2013	At 21 April 2013
Company						
Ordinary shares						
Sri Tjintawati Hartanto	2,203,000	2,203,000	2,203,000	–	–	–
Lam Ah Seng @						
Lam Pang Chuang (1)	31,897,901	31,897,901	31,897,901	4,799,887	4,799,887	4,799,887
Hardi Koesnadi 2)	11,597,000	11,597,000	11,597,000		–	–
Lee G. Lam (3)	8,698,000	8,698,000	8,698,000	–	–	–
Fong Yew Meng	4,349,000	4,349,000	4,349,000	–	–	–
Tao Yeoh Chi (4)	4,349,000	4,349,000	4,349,000	1,500,000	1,500,000	1,500,000

Notes:

(1) Mr Lam Ah Seng @ Lam Pang Chuang is deemed to have an interest in 4,799,887 shares held by Ban Joo Investment (Pte) Ltd by virtue of Section 7 of the Singapore Companies Act. He resigned on 2 October 2015.

(2) Resigned on 10 June 2013.

(3) Resigned on 14 August 2014.

(4) Mr Tao Yeoh Chi is deemed to have an interest in 1,500,000 shares held by his spouse. He resigned on 2 October 2014.

5 Performance shares and warrants

The Performance Share Scheme (the "PSS") was approved and adopted by the shareholders at an extraordinary general meeting of the Company held on 28 July 2010.

The Company implemented the PSS so as to (a) increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees of the Group to achieve superior performance; (b) further strengthen the Company's competitiveness in attracting and retaining local and foreign talent; and (c) incentivise all participants of the PSS (the "Participants") to excel in their performance and encourage greater dedication and loyalty to the Company.

Through the PSS, the Company is able to recognise and reward past contributions and services and motivate Participants to continue to strive for the Group's long-term growth. In addition, the PSS aims to foster an ownership culture within the Group which aligns the interests of the Participants with the interests of shareholders.

The PSS is administered by the present Remuneration Committee comprising Edward Fu Shu Sheen (Chairman), Fong Yew Meng and Lye Meng Yiau.

5 Performance shares and warrants (cont'd)

The details of the performance shares awarded under the PSS to the Directors of the Company in office at the end of the financial year ended 31 March 2013 are as follows:

	Aggregate number of performance shares granted during the financial year ended 31 March 2013	Aggregate number of performance shares granted since the commencement of the PSS to the end of the financial year ended 31 March 2013	Aggregate number of performance shares issued or transferred pursuant to the vesting of awards granted under the PSS since the commencement of the PSS to the end of the financial year ended 31 March 2013	Aggregate number of performance shares outstanding as at the end of the financial year ended 31 March 2013
Directors				
Lam Ah Seng @ Lam Pang Chuang (1)	–	1,015,000	1,015,000	–
Sri Tjintawati Hartanto	–	2,203,000	2,203,000	–
Hardi Koesnadi (2)	–	11,597,000	11,597,000	–
Lee G. Lam (3)	–	8,698,000	8,698,000	–
Fong Yew Meng	–	4,349,000	4,349,000	–
Tao Yeoh Chi (4)	–	4,349,000	4,349,000	–
	–	32,211,000	32,211,000	–

(1) Resigned on 2 October 2015
(2) Resigned on 10 June 2013
(3) Resigned on 14 August 2014
(4) Resigned on 2 October 2014

6 Audit committee

The Audit Committee comprises three Independent Directors, namely:

Mr Fong Yew Meng (Chairman)
Mr Lye Meng Yiau
Mr Edward Fu Shu Sheen

The Audit Committee carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act, the Listing Manual of the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance. In performing those functions, the Audit Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor;
- the periodic results announcements prior to their submission to the Board for approval;

6 Audit committee (cont'd)

- the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2013 prior to their submission to the Board, as well as the independent auditor's report on the statement of financial position of the Company and the consolidated financial statements of the Group; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited).

Further details regarding the Audit Committee are disclosed in the Report of Corporate Governance.

7 Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

KU VICENTE S.	**ANDREW COULTON**
Director	Director

9 October 2015

STATEMENT BY **DIRECTORS**

In the opinion of the Directors:

(i) Subject to the matters highlighted in the Independent Auditor's Report, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 40 to 104 are properly drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2013 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards; and

(ii) at the date of this statement, after considering the matters as described in Note 1 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

KU VICENTE S.
Director

ANDREW COULTON
Director

9 October 2015

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Next-Generation Satellite Communications Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 40 to 104, which comprise the statements of financial position of the Group and the Company as at 31 March 2013, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with Singapore Standards on Auditing. Because of the matters described in the Basis for Disclaimer of Opinion paragraphs, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

(1) Opening balances

The financial statements for the financial year ended 31 March 2012 were audited by another independent auditor whose report dated 23 July 2013 expressed a disclaimer of opinion on those financial statements. The basis for disclaimer of opinion on the financial statements is disclosed in Note 30 of the financial statements.

In view of the matters described in the basis for disclaimer of opinion paragraphs on the financial statements for the financial year ended 31 March 2012, we are unable to determine whether the opening balances as at 1 April 2012 are fairly stated.

Since the opening balances as at 1 April 2012 entered into the determination of the financial position of the Group and of the Company as at 31 March 2013 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended 31 March 2013, we are unable to determine whether adjustments might have been found necessary in respect of the Group's and the Company's financial statements for the financial year ended 31 March 2013.

Our opinion on the current financial year's financial statements of the Group and the Company is also modified because of the possible effect of these matters on the comparability of the current year's figures and the corresponding figures.

Report on the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

(2) Other receivables

As stated in Note 16 to the financial statements, the Group's and the Company's other receivables include balances due from Niaga Finance Company Limited ("Niaga") of $25.5 million and $9.4 million respectively as at 31 March 2013. Subsequent to the financial year ended 31 March 2013, the Group received approximately $0.9 million in cash from Niaga.

In June 2013, the Group entered into an agreement with Niaga for the settlement of an outstanding balance amounting to approximately $24.0 million ("Arrangement"). The Arrangement is described in Note 29(b) to the financial statements. Pursuant to the Arrangement, two non-transferable Convertible Notes with a total principal amount of HK$144.0 million (equivalent to $24.0 million) were issued by Neo Telemedia Limited to the two subsidiaries of the Company as settlement of the outstanding balance due from Niaga. In June 2015, Neo Telemedia Limited has defaulted in payment of interest due to the Group [Note 29(k)].

We are unable to obtain independent confirmations of the balances due to the Group and the Company from Niaga as at 31 March 2013 or satisfy ourselves concerning the existence of the outstanding balance by alternative means. We are also unable to ascertain the recoverability of the remaining balances of the Group and the Company of approximately $24.6 million and $9.4 million respectively classified as other receivables at 31 March 2013.

(3) Related party transactions

As described in Note 25(b) to the financial statements, a controlling shareholder and former director of the Company is a director of and registered shareholder in the holding company that owned the entire issued share capital of Niaga up to October 2014. We have not been able to determine whether the relationship with Niaga and various transactions involving Niaga constitutes related party transactions as defined under FRS 24 "Related Party Disclosures". Consequently, we are unable to determine the completeness of disclosures as required by FRS 24.

(4) Independent investigation

On 25 July 2012, Ernst & Young Advisory Pte. Ltd. ("EY") was appointed by the Audit Committee of the Company (the "Audit Committee") to conduct an independent investigation on the matter relating to the funds placed with Niaga, including reviewing the processes and procedures concerning the Group's deposit and placement of funds with Niaga, as well as conducting verification on the movement of cash placed with Niaga and the events/circumstances leading to the restriction placed by Niaga.

EY completed its independent investigation on 31 October 2014 and issued a report (the "EY Report") on its findings to the Audit Committee. The Audit Committee and the Board of Directors (the "Board") reviewed the EY Report and convened a Special Committee comprising two Independent Directors of the Company to assess (i) the extent of any damage caused to the Company arising from the matters highlighted; and (ii) the required action (including any legal action if deemed appropriate) that the Company needs to take to address these matters [Note 29(b)].

Report on the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

(4) Independent investigation (cont'd)

Subsequent to the completion of the independent investigation by EY on 31 October 2014, the Company appointed EY on 10 November 2014 to perform further investigation on (i) allegations raised by the former owners of Multi Skies Nusantra Limited ("MSN")'s subsidiary, PT Multi Skies Nusantara ("PT MSN"); and (ii) the appropriateness of certain transactions and actions involving PT MSN, including review of the acquisition transaction and the process and procedures surrounding the consideration paid with reference to the financial records of the MSN group and corporate records of PT MSN [Note 29(g)].

As at the date of this report, EY's investigation on MSN and PT MSN, as disclosed in Note 29(g) to the financial statements, is still ongoing. Accordingly, we are unable to determine whether there will be any adjustments arising from the completion of Ey investigation which may have an impact on the financial statements of the Group and the Company.

(5) Joint venture

As disclosed in Notes 5 and 11 to the financial statements, the Group recorded an impairment loss on investment in joint venture amounting to $43.4 million for the financial year ended 31 March 2013. The Group's net carrying value of joint venture as at 31 March 2013 amounted to $8.0 million.

Based on information available to us, we are unable to obtain sufficient audit evidence on the appropriateness of the impairment assessment performed by the Group Management. Consequently, we are unable to satisfy ourselves as to the appropriateness of the impairment loss of $43.4 million recognised in the consolidated statement of comprehensive income during the financial year and the net carrying value of the joint venture as at 31 March 2013.

(6) Plant and equipment

Included in the carrying value of the Group's plant and equipment as at 31 March 2013 is a Universal Service Obligation ("USO") Hub amounting to $0.9 million that is held by the Group's customer on behalf of PT MSN. Due to the on-going litigations and investigations as described in the above-mentioned paragraph (4), Notes 29(e) and 29(g) to the financial statements, we are unable to perform sighting of the USO Hub. We are also unable to obtain sufficient appropriate audit evidence to determine whether the recoverable amount of the USO Hub exceeds its carrying value as at 31 March 2013. In view of the lack of independent supporting documentation, we are unable to obtain sufficient and appropriate audit evidence to ascertain the existence of the USO Hub and whether any impairment on the USO Hub as at 31 March 2013 is required.

(7) Subsidiaries

As disclosed in Note 12 to the financial statements, the Company's carrying value of subsidiaries as at 31 March 2013 amounted to $8.0 million. Based on information available to us, we are unable to obtain sufficient appropriate audit evidence to determine whether the recoverable amount of the subsidiaries exceeds its carrying value as at 31 March 2013. Consequently, we are unable to determine whether any further impairment as at 31 March 2013 is required.

Report on the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

(8) Litigations

As disclosed in Note 31 to the financial statements, the Group and the Company has several on-going litigations as at 31 March 2013. However, given the current status of these litigations, the Directors are unable to determine the probable outcomes of the litigations. Consequently, we are unable to determine whether any adjustments or additional disclosures are necessary in respect of the Group's and the Company's financial statements for the financial year ended 31 March 2013.

(9) Going concern

As disclosed in Note 1 to the financial statements, the Group incurred a net loss of $66.7 million and reported net cash outflows from operating activities of $23.2 million during the financial year ended 31 March 2013. These factors indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

The financial statements have been prepared on a going concern basis as the Directors are satisfied that:

(i) The Group will be able to recover the $25.5 million currently recorded as other receivables as at 31 March 2013 due from Niaga (Note 16) as the Group has received $0.9 million in July 2013 and entered into an agreement with Niaga in June 2013 to set out a framework towards the settlement of the remaining outstanding balances. The Arrangement is described in Note 29(b) to the financial statements.
(ii) The Group will be able to make progress towards settlement of its litigation cases [Note 29(e)] in Indonesia which will allow the Group to realise the collection of outstanding trade receivables from its Indonesian customers.
(iii) The Group is able to generate sufficient cash flows from its operations to meet its current and future obligations.

After considering the above, the Directors of the Company believe that it has adequate resources to continue its operations as a going concern. For these reasons, the Group and the Company continues to adopt the going concern assumption in the preparation of the financial statements.

The validity of the going concern basis on which the financial statements are prepared depends on the Directors' assessment of the Group's and the Company's ability to operate as a going concern as set forth above. The assumptions are premised on future events, the outcome of which are inherently uncertain.

The financial statements did not include any adjustments that may result in the event that the Group and the Company is unable to continue as a going concern. In the event that the Group and the Company is unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge its liabilities in the ordinary course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities which may arise, and to reclassify non-current assets as current assets. No such adjustments have been made to the financial statements.

Report on the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

(9) Going concern (cont'd)

Due to the matters described in the above paragraphs, we are unable to conclude as to the appropriateness of the use of the going concern assumption in the preparation of these financial statements. Consequently, we are unable to determine whether any adjustments in respect of the Group's and the Company's financial statements for the financial year ended 31 March 2013 are necessary.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred to in the Basis for Disclaimer of Opinion paragraphs, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

9 October 2015

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

(Amounts in thousands of Singapore dollars)

	Note	2013 $'000	2012 $'000
Revenue	4	2,697	8,626
Cost of sales		(2,256)	(3,774)
Gross profit		441	4,852
Gain on bargain purchase of a subsidiary	12(a)	–	10,500
Other income		4	1
Distribution costs		(137)	(232)
Administrative expenses		(3,178)	(2,596)
Other expenses		(62,702)	(825)
Share of loss of joint venture	11	(695)	(79)
(Loss)/profit before tax	5	(66,267)	11,621
Income tax expense	7	(450)	(334)
Net (loss)/profit for the financial year		(66,717)	11,287
Other comprehensive loss for the financial year, net of tax:			
Items that are or may be reclassified subsequently to profit or loss:			
- Currency translation differences arising on consolidation		(14)	(79)
- Share of other comprehensive income of joint venture		(12)	19
Other comprehensive loss for the financial year, net of tax		(26)	(60)
Total comprehensive (loss)/income attributable to equity holders of the Company		(66,743)	11,227
(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Company (cents per share)			
- Basic	8	(1.04)	0.18
- Diluted	8	(1.04)	0.18

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF **FINANCIAL POSITION**

At 31 March 2013

(Amounts in thousands of Singapore dollars)

	Note	Group		Company	
		2013 $'000	**2012** $'000	**2013** $'000	**2012** $'000
Non-current assets					
Plant and equipment	9	2,909	5,527	27	69
Goodwill	10	–	4,448	–	–
Joint venture	11	7,985	52,070	–	–
Subsidiaries	12	–	–	7,985	41,648
Deferred tax asset	13	–	231	–	–
Intangible assets	14	–	2,340	–	–
		10,894	64,616	8,012	41,717
Current assets					
Intangible assets	14	–	178	–	–
Trade receivables	15	553	10,483	–	–
Other receivables, deposits and prepayments	16	28,561	3,311	11,955	2,532
Due from subsidiaries	17	–	–	11,003	35,115
Cash and bank balances	18	1,835	29,122	1,048	11,314
		30,949	43,094	24,006	48,961
Total assets		41,843	107,710	32,018	90,678
Current liabilities					
Due to a subsidiary	17	–	–	–	11,465
Trade payables	19	1,724	1,733	–	–
Other payables and accruals	20	5,696	4,982	1,111	463
Income tax payable		1,406	1,235	469	469
Total liabilities		8,826	7,950	1,580	12,397
Net assets		33,017	99,760	30,438	78,281
Capital and reserves attributable to equity holders of the Company					
Share capital	21	145,508	145,508	145,508	145,508
Treasury shares	22	(1,219)	(1,219)	(1,219)	(1,219)
Capital reserve	23	(169)	(169)	(169)	(169)
Translation reserve		(500)	(474)	–	–
Accumulated losses		(110,603)	(43,886)	(113,682)	(65,839)
Total equity		33,017	99,760	30,438	78,281

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013
(Amounts in thousands of Singapore dollars)

	Share capital $'000	Treasury shares $'000	Capital reserve $'000	Translation reserve $'000	Accumulated losses $'000	Total $'000
Group						
Balance at 1.4.2011	138,008	(1,219)	(169)	(414)	(55,173)	81,033
Profit for the financial year	–	–	–	–	11,287	11,287
Other comprehensive loss for the financial year, net of tax:						
- Other comprehensive loss, net of tax	–	–	–	(60)	–	(60)
Total comprehensive (loss)/income for the financial year	–	–	–	(60)	11,287	11,227
Issuance of ordinary shares [Note 12 (a)]	7,500	–	–	–	–	7,500
Balance at 31.3.2012	145,508	(1,219)	(169)	(474)	(43,886)	99,760
Loss for the financial year	–	–	–	–	(66,717)	(66,717)
Other comprehensive loss for the financial year, net of tax:						
- Other comprehensive loss, net of tax	–	–	–	(26)	–	(26)
Total comprehensive loss for the financial year	–	–	–	(26)	(66,717)	(66,743)
Balance at 31.3.2013	145,508	(1,219)	(169)	(500)	(110,603)	33,017

The accompanying notes form an integral part of these financial statements.

STATEMENT OF **CHANGES IN EQUITY**

For the financial year ended 31 March 2013
(Amounts in thousands of Singapore dollars)

	Share capital $'000	Treasury shares $'000	Capital reserve $'000	Accumulated losses $'000	Total $'000
Company					
Balance at 1.4.2011	138,008	(1,219)	(169)	(63,240)	73,380
Loss and total comprehensive loss for the financial year	–	–	–	(2,599)	(2,599)
Issuance of ordinary shares [Note 12(a)]	7,500	–	–	–	7,500
Balance at 31.3.2012	145,508	(1,219)	(169)	(65,839)	78,281
Loss and total comprehensive loss for the financial year	–	–	–	(47,843)	(47,843)
Balance at 31.3.2013	145,508	(1,219)	(169)	(113,682)	30,438

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013
(Amounts in thousands of Singapore dollars)

	Note	2013 $'000	2012 $'000
Cash flows from operating activities			
(Loss)/profit before tax		(66,267)	11,621
Adjustments for:			
Allowance for doubtful trade receivables	15	11,329	–
Amortisation of intangible assets	14	175	148
Depreciation of plant and equipment	9	2,302	1,952
Gain on bargain purchase of a subsidiary	12	–	(10,500)
Impairment loss on:			
- Goodwill	10	4,445	–
- Intangible assets	14	2,315	–
- Joint venture	11	43,378	–
Interest income		(4)	(1)
Loss on disposal of plant and equipment		5	–
Plant and equipment written off		52	–
Share of loss of joint venture		695	79
Unrealised foreign exchange loss		278	–
Operating (loss)/profit before working capital changes		(1,297)	3,299
Changes in working capital			
Trade receivables		(1,399)	(2,250)
Other receivables, deposits and prepayments		(21,003)	(657)
Trade payables		(9)	825
Other payables and accruals		–	369
Currency translation adjustments		465	(174)
Total changes in working capital		(23,243)	1,412
Income tax paid		(4)	–
Net cash (used in)/generated from operating activities		(23,247)	1,412
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash	12	–	(36,846)
Refund of deposits for potential investments		–	9,343
Purchases of plant and equipment		(45)	(253)
Proceeds from disposal of plant and equipment		14	1
Proceeds from disposal of discontinued operations, net of cash disposed off		–	1,500
Refund from other asset		–	1,786
Interest received		4	1
Net cash used in investing activities		(27)	(24,468)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS** (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013
(Amounts in thousands of Singapore dollars)

	Note	2013 $'000	2012 $'000
Cash flows from financing activities			
Repayment from a related party (non-trade)		237	525
Movement in restricted cash and bank balances	18	–	582
Net cash generated from financing activities		237	1,107
Net decrease in cash and cash equivalents		(23,037)	(21,949)
Cash and cash equivalents at beginning of the financial year		24,887	46,837
Effect of exchange rate changes on cash and cash equivalents		(15)	(1)
Cash and cash equivalents at end of the financial year	18	1,835	24,887

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 Corporate information

Next-Generation Satellite Communications Limited (the "Company") is a limited liability company domiciled and incorporated in Singapore and is listed on the Main Board of the Singapore Exchange Securities Trading Limited. The address of the Company's registered office is at 30 Raffles Place, #19-04 Chevron House, Singapore 048622 and principal place of business is at 96 Robinson Road, #12-04 SIF Building, Singapore 068899.

The controlling shareholder of the Company is Telemedia Pacific Group Limited, incorporated in the British Virgin Islands.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are disclosed in Note 12 to the financial statements.

Going concern

The Group incurred a net loss of $66.7 million and reported net cash outflows from operating activities of $23.2 million during the financial year ended 31 March 2013. These factors indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

The financial statements have been prepared on a going concern basis as the Directors are satisfied that:

(i) The Group will be able to recover the $25.5 million currently recorded as other receivables as at 31 March 2013 due from Niaga Finance Company Limited ("Niaga") (Note 16) as the Group has received $0.9 million in July 2013 and entered into an agreement with Niaga in June 2013 to set out a framework towards the settlement of the remaining outstanding balances ("Arrangement"). The Arrangement is described in Note 29(b) to the financial statements.
(ii) The Group will be able to make progress towards settlement of its litigation cases [Note 29(e)] in Indonesia which will allow the Group to realise the collection of outstanding trade receivables from its Indonesian customers.
(iii) The Group is able to generate sufficient cash flows from its operations to meet its current and future obligations.

After considering the above, the Directors of the Company believe that it has adequate resources to continue its operations as a going concern. For these reasons, the Group and the Company continues to adopt the going concern assumption in the preparation of the financial statements.

The financial statements did not include any adjustments that may result in the event that the Group and the Company is unable to continue as a going concern. In the event that the Group and the Company is unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge its liabilities in the ordinary course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities which may arise, and to reclassify non-current assets as current assets.

2 Summary of significant accounting policies

(a) Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar ($), which is the Company's functional currency and all values are rounded to the nearest thousand ($'000). The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of the consolidated financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on Management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas involving a high degree of judgment in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3 to the financial statements.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

In the current financial year, the Group has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. Changes to Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS. The adoption of these new and revised FRSs and INT FRSs did not have any material effect on the financial results or position of the Group and the Company.

In addition, the Group has also adopted the following new FRSs that are not yet effective for annual periods ended on 31 March 2013 but available for early adoption as disclosed below:

Amendments to FRS 1 Presentation of Items of Other Comprehensive Income

The Group adopted the amendment to FRS 1 on 1 April 2012. With the adoption, the Group has separately presented items of other comprehensive income that would be reclassified to profit or loss in the future from those that would not be reclassified in the statement of profit or loss and other comprehensive income. Comparative information has also been re-presented accordingly. The adoption of amendment to FRS 1 has no impact on the Group's financial position and total comprehensive income.

2 Summary of significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

FRS 110 Consolidated Financial Statements

As a result of FRS 110 Consolidated Financial Statements, the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. FRS 110 introduces a new control model that focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. This change had no significant impact on the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company.

FRS 112 Disclosures of Interests in Other Entities

The Group adopted FRS 112 on 1 April 2012. It sets out the required disclosures for entities reporting under the new FRS 110 Consolidated Financial Statements and FRS 111 Joint Arrangements, and replaces the disclosure requirements previously found in FRS 27 (revised 2011) Separate Financial Statements and FRS 28 (revised 2011) Investments in Associates and Joint Ventures. The additional disclosures necessary as a result of the adoption of this standard has been included in the financial statements.

FRS 113 Fair Value Measurement

FRS 113 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other FRS. In particular, it provides a consistent definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other FRS. The additional disclosures necessary as a result of the adoption of this standard has been included in the financial statements.

Apart from the above new FRSs that were early adopted, the Group has not applied any other new standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 31 March 2013. None of these are expected to have a significant effect on the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company except as disclosed below:

FRS 115 Revenue from Contracts with Customers

FRS 115 replaces FRS 18 'Revenue', FRS 11 'Construction contracts' and other revenue-related interpretations. It applies to all contracts with customers, except for leases, financial instruments and insurance contracts. FRS 115 provides a single, principle-based model to be applied to all contracts with customers. It provides guidance on whether revenue should be recognised at a point in time or over time, replacing the previous distinction between goods and services. The standard introduces new guidance on specific circumstances where cost should be capitalised and new requirements for disclosure of revenue in the financial statements. The standard is effective for annual periods beginning on or after 1 January 2017. The Group will reassess its contracts with customers in accordance with FRS 115.

2 Summary of significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

FRS 109 Financial Instruments

FRS 109 includes guidance on the classification and measurement of financial assets and financial liabilities and de-recognition of financial instruments. FRS 109, when effective will replace FRS 39 Financial Instruments: Recognition and Measurement. This standard is effective for annual periods beginning on or after 1 January 2018. The Group will review the requirements of FRS 109 and re-assess the classification and measurement of its financial assets and financial liabilities in accordance with this standard.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at the end of the reporting period. Subsidiaries are consolidated from the date on which the Group obtains controls and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, including income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets are eliminated in full.

Business combinations are accounted for using the acquisition method.

Under the acquisition method, the consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain on bargain purchase in profit or loss on the date of acquisition. Goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 2(e) to the financial statements.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

2 Summary of significant accounting policies (cont'd)

(b) Basis of consolidation (cont'd)

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owner in their capacity as owners) and therefore, no gain or loss is recognised in profit or loss.

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to accumulated profits if required by a specific FRS.

Any retained equity interest in the previous subsidiary is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

(c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(d) Joint venture (Equity - accounted investees)

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in joint ventures are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

2 Summary of significant accounting policies (cont'd)

(d) Joint venture (Equity - accounted investees) (cont'd)

Investments in joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Subsequent to initial recognition, the Group's share of its joint ventures' post-acquisition profits or losses is recognised in the profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from joint ventures are adjusted against the carrying amount of the investment. When the Group's share of losses in joint venture equals or exceeds its interest in the joint venture, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as income in the Group's profit or loss.

Where a group entity transacts with joint venture of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant joint venture.

The most recently available audited financial statements of the equity-accounted investees are used by the Group in applying the equity method of accounting. Where the dates of the audited financial statements used are not co-terminus with those of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the accounting year. Where necessary, adjustments are made to align the accounting policies with those of the Group.

Upon loss of significant influence over the joint control over the joint venture, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

If the Group's ownership interest in a joint venture is reduced, but the Group continues to apply the equity method, the Group shall reclassify to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(e) Goodwill

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

2 Summary of significant accounting policies (cont'd)

(e) Goodwill (cont'd)

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary or joint venture, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of joint venture is described in Note 2(d) to the financial statements.

(f) Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2 Summary of significant accounting policies (cont'd)

(f) Intangible assets (cont'd)

Lease prepayment

The lease prepayment, which is acquired from a business combination is measured at fair value. Following initial recognition, lease prepayment is measured at fair value less accumulated amortisation and accumulated losses, if any. The lease prepayment is amortised on a straight-line basis over the lease term of 15 years.

(g) Plant and equipment

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

On disposal of a plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation is calculated on a straight-line basis to write off the cost of plant and equipment over their estimated useful lives. The estimated useful lives are as follows:

	No. of years
Leasehold improvement	2 to 5
Universal Service Obligation ("USO") Equipment	2 to 10
Plant and equipment	2 to 5

The estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

During the financial year, the expected useful life for certain asset categories were adjusted to reflect more accurately the period for which the assets are expected to be available for use by the Group. The effect of these changes resulted in an increase of $0.3 million depreciation expense and an increase of $0.3 million in loss before tax for the financial year 31 March 2013.

2 Summary of significant accounting policies (cont'd)

(g) Plant and equipment (cont'd)

Construction in progress are carried at cost, less any recognised impairment loss until construction is completed. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policies. Depreciation of these assets, on the same basis as other plant and equipment, commences when the assets are ready for their intended use.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

(h) Impairment of non-financial assets excluding goodwill

At the end of each reporting period, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

(i) Financial instruments

(a) Financial assets

<u>*Classification*</u>

The Group classifies its financial assets according to the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition. The Group and Company's only financial assets are loans and receivables.

2 Summary of significant accounting policies (cont'd)

(i) Financial instruments (cont'd)

(a) Financial assets (cont'd)

Classification (cont'd)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are presented as "trade receivables", "other receivables and deposits" (excluding prepayments), "due from subsidiaries" and "cash and bank balances" on the statements of financial position.

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less impairment. Gains or losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

De-recognition

A financial asset is derecognised where the contractual rights to receive cash flows from the financial asset has expired or have been transferred and the Group has transferred all the risks and rewards of ownership. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account, and the amount of the loss is recognised in profit or loss. The allowance amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in profit or loss.

2 Summary of significant accounting policies (cont'd)

(i) Financial instruments (cont'd)

(a) Financial assets (cont'd)

Impairment (cont'd)

If in subsequent periods, the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversed date.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(j) Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs. Financial guarantees are classified as financial liabilities.

Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the expected amount payable to the holder. Financial guarantees contracts are amortised in profit or loss over the period of the guarantee.

2 Summary of significant accounting policies (cont'd)

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits with financial institutions which are readily convertible to a known amount of cash and subject to an insignificant risk of change in value and excludes pledged deposits.

(l) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at Management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risk specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

(m) Government grants related to income

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income is presented as a credit in profit or loss under "other income".

(n) Share capital and treasury shares

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

When ordinary shares are reacquired ("treasury shares"), the amount of consideration paid including any directly attributable incremental costs is recognised directly in equity, until they are cancelled, sold or reissued. When treasury shares are subsequently cancelled, the cost of the treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company, if the shares are purchased out of earnings of the Company. When treasury shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury shares account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

(o) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group. Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group, and the amount of revenue and related cost can be reliably measured.

2 Summary of significant accounting policies (cont'd)

(o) Revenue recognition (cont'd)

Rental income arising from operating leases of USO equipment are recognised on a straight-line basis over the lease term.

Revenue from sale of equipment is recognised when the products are delivered to the customer and significant risks and rewards of ownership of the goods are passed to customers.

Satellite communication and data centre service fee are recognised when services are rendered.

Interest income is recognised on a time proportion basis using the effective interest method.

(p) Leases

(i) When a Group entity is the lessee:

Operating leases

Leases where a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(ii) When a Group entity is the lessor:

Operating leases

Leases where the Group entity retains substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

(q) Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

2 Summary of significant accounting policies (cont'd)

(q) Employee benefits (cont'd)

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Performance Share Scheme

Employees of the Group receive remuneration in the form of share awards as consideration for services rendered.

The Group has in place, the Next-Generation Satellite Communications Performance Share Scheme for awarding of fully paid ordinary shares to group employees, when and after pre-determined performance targets are accomplished and/or when due recognition should be given to any good work performance and/or any significant contribution to the Group.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the awards at the date on which the awards are granted. In valuing the share awards, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company. This cost is recognised in the profit or loss as share-based compensation expense, with a corresponding increase in the share-based compensation reserve, over the vesting period in which the service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award.

When the awards are released, the share-based compensation reserve is transferred to share capital if new shares are issued. When treasury shares are issued upon exercise of awards, the difference between the cost of treasury shares and the proceeds received net of any directly attributable costs are transferred to capital reserve.

(r) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable or recoverable in respect of previous years.

Deferred income tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

2 Summary of significant accounting policies (cont'd)

(r) Income taxes (cont'd)

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and joint venture, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the end of the reporting period.

Deferred income tax is charged or credited to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

(s) Dividends

Interim dividends are recorded during the financial year in which they are declared payable.

Final dividends are recorded in the Group's financial statements in the period in which they are approved by the Company's shareholders.

(t) Functional and foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which that entity operates (the "functional currency"). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar, which is the Company's functional currency.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are recognised in other comprehensive income and accumulated in the currency translation reserve within equity in the consolidated financial statements. The currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

2 Summary of significant accounting policies (cont'd)

(t) Functional and foreign currencies (cont'd)

Transactions and balances (cont'd)

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the end of the reporting period;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting exchange differences are recognised in other comprehensive income and accumulated in the currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

(u) Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

2 Summary of significant accounting policies (cont'd)

(u) Contingencies (cont'd)

(b) a present obligation that arises from past events but is not recognised because:
  (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statements of financial position.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker responsible for allocating resources and assessing performance of the operating segments.

3 Critical accounting judgments and key sources of estimation uncertainty

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment testing of goodwill

An impairment exist when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and/or up to contracted operating lease terms and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. Further details of the key assumptions applied in the impairment assessment of goodwill is disclosed in Note 10 to the financial statements.

3 Critical accounting judgments and key sources of estimation uncertainty (cont'd)

Critical accounting estimates and assumptions (cont'd)

(b) Impairment of non-financial assets excluding goodwill

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets excluding goodwill are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Further details of the key assumptions applied in the impairment assessment of plant and equipment, joint venture, subsidiaries and intangible assets are disclosed in Notes 9, 11, 12 and 14 to the financial statements respectively.

(c) Impairment of loan and receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. Management specifically reviews its loan and receivables and analyse historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgment to evaluate the adequacy of the allowance for impairment loss.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's trade receivables and other receivables at the end of the reporting period is disclosed in Notes 15 and 16 to the financial statements. If the present value of estimated future cash flows differ from management's estimates, the Group's allowance for impairment for receivables and receivables balance at the end of the reporting period will be affected accordingly.

(d) Depreciation of plant and equipment

The cost of plant and equipment is depreciated on a straight-line basis over the estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within 3 to 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's plant and equipment at the end of the reporting period is disclosed in Note 9 to the financial statements.

A 10% difference in the expected useful lives of these assets from management's estimates would result in approximately $0.2 million (2012: $0.2 million) variance in the Group's profit or loss for the year.

(Amounts in thousands of Singapore dollars)

3 Critical accounting judgments and key sources of estimation uncertainty (cont'd)

(e) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group has not recognised any additional tax liability on these uncertain tax positions. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's and the Company's income tax payable as at 31 March 2013 is $1.4 million and $0.5 million (2012: $1.2 million and $0.5 million) respectively. The carrying amount of the Group's deferred tax asset as at 31 March 2013 is disclosed in Note 13 to the financial statements.

The Group has unutilised tax losses amounting of approximately $4.6 million (2012: $5.1 million). These losses relate to the Company and certain subsidiaries that have a history of losses, do not expire and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither temporary taxable differences nor any tax planning opportunities available that could support the recognition of any of these losses as deferred tax asset.

Critical judgment in applying the entity's accounting policies

Investment in joint venture

The Group holds approximately 55% of the voting rights of its joint arrangement, Hughes UnifiedNet Holding (China) Company Limited ("HUH") (Note 11). The Group has joint control over this arrangement as under the contractual agreement, unanimous consent is required from all parties to the agreements for all relevant activities. Management has considered that the joint arrangement is structured as a limited company and provides the Group and the parties to the agreement with rights to the net assets of the limited company under the arrangement. Accordingly, this arrangement is classified as a joint venture.

4 Revenue

	Group	
	2013 $'000	**2012** $'000
Rental income	2,598	4,167
Sale of equipment	–	3,633
Satellite communication and data centre service fee	99	826
	2,697	8,626

(Amounts in thousands of Singapore dollars)

5 (Loss)/profit before tax

(Loss)/profit before tax is arrived at after charging/(crediting):

	Group	
	2013 $'000	**2012** $'000
Allowance for doubtful trade receivables (Note 15)	11,329	–
Amortisation of intangible assets (Note 14)	175	148
Audit fees		
- auditors of the Company	200	156
- other auditors of subsidiaries*	66	65
Bad debts written off	128	–
Depreciation of plant and equipment	2,302	1,952
Gain on bargain purchase of a subsidiary [Note 12(a)]	–	(10,500)
Impairment loss on goodwill (Note 10)	4,445	–
Impairment loss on investment in joint venture (Note 11)	43,378	–
Impairment loss on intangible assets (Note 14)	2,315	–
Loss on disposal of plant and equipment	5	–
Operating lease expenses	94	246
Personnel expenses (Note 6)	1,515	1,094
Plant and equipment written off	52	–

* This includes audit fees of $4,000 (2012: Nil) payable to independent member firms of the Baker Tilly International network.

6 Personnel expenses

	Group	
	2013 $'000	**2012** $'000
Directors' remuneration (including Performance Share Scheme):		
- directors of holding company:		
- salaries and allowance	462	224
- contributions to defined contribution plan expenses	–	10
- directors of subsidiaries	74	74
- directors' fee of holding company	368	306
Key management personnel (non-director)		
- salaries and allowance	264	212
- contributions to defined contribution plan expenses	14	11
Other personnel		
- salaries and allowance	312	234
- contributions to defined contribution plan expenses	21	23
	1,515	1,094

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

(Amounts in thousands of Singapore dollars)

7 Income tax

Income tax expense attributable to (losses)/profits were as follows:

	Group	
	2013	**2012**
	$'000	$'000
Current income tax	230	465
Deferred tax (Note 13)	220	(131)
	450	334

A reconciliation of the tax expense and the accounting (loss)/profit multiplied by the statutory rate is as follows:

	Group	
	2013	**2012**
	$'000	$'000
(Loss)/profit before tax	(66,267)	11,621
Income tax expense at the statutory rate of 17% (2012: 17%)	(11,265)	1,976
Non-deductible expenses	11,487	505
Income not subject to tax	(96)	(2,207)
Reversal of deferred tax assets previously recognised	220	–
Effect of concessionary tax rates	31	(41)
Effect of different tax rates in different countries	71	101
Others	2	–
	450	334

The Group has unused tax losses of approximately $4.6 million (2012: $5.1 million) for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of this balance is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation. The tax losses have no expiry date.

(Amounts in thousands of Singapore dollars)

8 (Loss)/earnings per share

	Group	
	2013	**2012**
	$'000	$'000
The calculation of (loss)/earnings per share is based on the following:		
(Loss)/profit attributable to the equity holders of the Company	(66,717)	11,287
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share ('000)	6,386,336	6,311,336
(Loss)/earnings per share attributable to equity holders of the Company (cents per share):		
- Basic	(1.04)	0.18
- Diluted	(1.04)	0.18

9 Plant and equipment

	Leasehold Improvement	**USO equipment**	**Plant and equipment**	**Construction in progress**	**Total**
	$'000	$'000	$'000	$'000	$'000
Group					
Cost					
Balance at 1.4.2011	107	6,168	56	1,557	7,888
Acquisitions of subsidiaries	161	–	392	–	553
Additions	57	–	196	–	253
Disposals	–	–	(2)	–	(2)
Reclassification	–	1,557	–	(1,557)	–
Translation differences on consolidation	(1)	(429)	7	–	(423)
Balance at 31.3.2012	324	7,296	649	–	8,269
Additions	15	4	26	–	45
Disposals	–	–	(30)	–	(30)
Written off	(45)	(17)	(17)	–	(79)
Translation differences on consolidation	(6)	(479)	(7)	–	(492)
Balance at 31.3.2013	288	6,804	621	–	7,713

(Amounts in thousands of Singapore dollars)

9 Plant and equipment (cont'd)

	Leasehold Improvement	USO equipment	Plant and equipment	Construction in progress	Total
	$'000	$'000	$'000	$'000	$'000
Accumulated depreciation					
Balance at 1.4.2011	3	896	7	–	906
Charge for the year	59	1,792	101	–	1,952
Disposals	–	–	(1)	–	(1)
Translation differences on consolidation	(1)	(114)	–	–	(115)
Balance at 31.3.2012	**61**	**2,574**	**107**	**–**	**2,742**
Charge for the year	203	1,584	515	–	2,302
Disposals	–	–	(11)	–	(11)
Written off	(20)	–	(7)	–	(27)
Translation differences on consolidation	(2)	(199)	(1)	–	(202)
Balance at 31.3.2013	**242**	**3,959**	**603**	**–**	**4,804**
Net carrying amount					
At 31.3.2013	**46**	**2,845**	**18**	**–**	**2,909**
At 31.3.2012	263	4,722	542	–	5,527

(Amounts in thousands of Singapore dollars)

9 Plant and equipment (cont'd)

	Leasehold improvement $'000	Plant and equipment $'000	Total $'000
Company			
Cost			
Balance at 1.4.2011	40	46	86
Additions	5	9	14
Disposals	–	(2)	(2)
Balance at 31.3.2012	45	53	98
Additions	13	3	16
Written off	(44)	(18)	(62)
Balance at 31.3.2013	**14**	**38**	**52**
Accumulated depreciation			
Balance at 1.4.2011	2	5	7
Charge for the year	9	14	23
Disposals	–	(1)	(1)
Balance at 31.3.2012	11	18	29
Charge for the year	9	14	23
Written off	(20)	(7)	(27)
Balance at 31.3.2013	**–**	**25**	**25**
Net carrying amount			
At 31.3.2013	**14**	**13**	**27**
At 31.3.2012	34	35	69

10 Goodwill

	Group	
	2013 $'000	**2012** $'000
Representing gross amount:		
Balance at beginning of the financial year	4,448	4,283
Acquisition of a subsidiary (Note 12)	–	162
Impairment loss (Note 5)	(4,445)	–
Translation differences on consolidation	(3)	3
Balance at end of the financial year	–	4,448

10 Goodwill (cont'd)

Impairment testing for goodwill

Included in the above balance is an amount of $4.3 million and $0.2 million arising from goodwill on acquisition of the entire issued and paid-up capital of Multi Skies Nusantra Limited and its subsidiaries ("MSN group") in 2011 and Star Light Telemedia DC Limited ("SLTDC") in 2012 respectively.

The recoverable amounts of the cash-generating units ("CGUs") were determined to be higher than its carrying amounts in 2012 and hence no impairment losses were recognised during the financial year ended 31 March 2012. The recoverable amount of the CGUs were determined based on its value-in-use.

Value-in-use was determined by discounting the future cash flows generated from the continuing use of the unit for the next five financial years and/or up to the contracted operating lease terms of the USO sites and was based on the following key assumptions:

- Cash flows were projected based on actual operating results and/or five-year business plan and/or up to the contracted operating lease terms.

- A pre-tax discount rate of 9.25% in 2012 was applied in determining the recoverable amount of the units. The discount rate was determined based on the internal rate of return of the entity.

- The delivery of the 371 remaining USO sites by the vendor by the next fiscal year and are operationally ready for lease by 1 January 2014.

The values assigned to the key assumptions above represented management's assessment of future trends in the industry then, and were based on both external and internal sources.

During the financial year, the Group tested its goodwill for impairment. As a result of this review, an impairment loss of $4.4 million was recognised for the financial year ended 31 March 2013. The impairment loss arose due to the termination of operating lease agreements of the USO sites by 2 major customers in Indonesia, which would result in significant reductions in future cash flows.

In the financial year goodwill was recognised, the Group had also booked deferred expenditure of $3.7 million (Note 20). This amount pertained to 371 USO sites that formed part of the assets of MSN group acquired by the Group, which was to be constructed and delivered by the vendor in 2013. To date, these USO sites have not been delivered. As such, the Group is seeking a waiver of this amount due to the vendor. Upon successful waiver of amount, the deferred expenditure of $3.7 million will be reversed, resulting in "other income" of the same amount being booked in subsequent financial years.

(Amounts in thousands of Singapore dollars)

11 Joint venture

	Group 2013 $'000	Group 2012 $'000
Unquoted equity shares, at cost	52,130	52,130
Group's share of post-acquisition losses	(774)	(79)
Impairment charge	(43,378)	–
Currency alignment	7	19
	7,985	52,070

The Group's investment in joint venture is summarised below:

Name of companies	Principal activities	Country of incorporation/ place of business	Proportion of ownership interests 2013 %	Proportion of ownership interests 2012 %
Hughes UnifiedNet Holding (China) Company Limited [(1)]	Investment holding	Hong Kong SAR	55	55
Held through HUH				
HughesNet China Company Limited [(1) (2)]	Development of internet and satellite communication system technology and trading in satellite communication system devices	People's Republic of China	55	55
Held through HNC				
Beijing China Satcom Unified Network Systems Technology Co., Ltd. [(1) (2)]	Development of internet and computer technology	People's Republic of China	55	55

(1) Audited by Baker Tilly TFW LLP, Singapore, for the purpose of expressing an opinion on the consolidated financial statements for the financial year ended 31 March 2013.

(2) Audited by Beijing Huiyun Accounting Firm Co Limited for local statutory reporting.

The joint venture's financial year-end is 31 December, which is not co-terminus with the Group's financial year-end of 31 March. Audited financial statements of the joint venture for its financial year ended 31 December 2012 has been used in equity accounting for the Group's share of results. The Directors have reviewed the joint venture's management accounts for the 3 months ended 31 March 2013 and are of the view that there are no significant events that would materially impact the Group's results.

(Amounts in thousands of Singapore dollars)

11 Joint venture (cont'd)

The Group undertook an assessment of the carrying amount of its investment in joint venture during the financial year. Following this assessment, the Group recognised an impairment loss of $43.4 million (2012: Nil) for the financial year ended 31 March 2013. The impairment loss arose due to lower net fair value of identifiable assets and liabilities of the various companies comprising the joint venture as compared to the carrying amount of the investment in joint venture and uncertainty of future cash flows of the underlying business.

In 2012, the Company acquired 100% of the entire issued and paid-up capital of China UnifiedNet Holdings Limited ("CUH"), which in turn holds 55% of the issued shares in Hughes UnifiedNet Holding (China) Company Limited. HUH in turn holds two wholly owned subsidiaries, namely HughesNet China Company Limited (WOFE) ("HNC") and Beijing China Satcom Unified Network Systems Technology Co., Ltd. ("BUN") (collectively "HUH Group").

Summarised financial information for HUH Group based on its FRS financial statements (not adjusted for the Group's share of those amounts) and a reconciliation to the carrying amounts of the investments in the consolidated financial statements are as follows:

	HUH Group	
	2013	**2012**
	$'000	$'000
Summarised statement of comprehensive income		
Revenue	2,250	2,469
Loss after tax	(1,264)	(1,045)
Other comprehensive income	(12)	94
Total comprehensive loss	(1,252)	(951)
Amotisation of intangible assets	(11)	(11)
Depreciation of plant and equipment	(154)	(109)
Interest income	3	6
Summarised statement of financial position		
Non-current assets	964	1,107
Current assets	1,357	2,004
Current liabilities	(1,035)	(708)
Total equity attributed to the equity holders of the company	1,286	2,403

Included in the summarised statement of financial position are cash and cash equivalents amounting to $1.0 million (2012: $1.4 million) for the financial year ended 31 March 2013.

(Amounts in thousands of Singapore dollars)

11 Joint venture (cont'd)

Reconciliation of the summarised financial information presented to the carrying amount of its interest in the joint venture

	Group	
	2013	**2012**
	$'000	$'000
Group's share of net assets based on proportion of ownership interest	707	1,322
Goodwill on acquisition	51,077	51,077
Impairment loss (Note 5)	(43,378)	–
Translation differences on consolidation	(421)	(329)
Balance at end of the financial year	7,985	52,070

12 Subsidiaries

	Company	
	2013	**2012**
	$'000	$'000
Unquoted equity shares		
Balance at beginning of the financial year	41,648	18
Acquisition of a subsidiary	–	41,630
Impairment loss	(33,663)	–
Balance at end of the financial year	7,985	41,648

In the current financial year, the Company undertook an assessment of the carrying amount of its investment in subsidiaries. Following the assessment, the Company recognised an impairment loss of $33.7 million on its investment in CUH due to the lower net fair value of identifiable assets and liabilities of the subsidiaries as compared to the carrying amounts of investment in CUH and uncertainty of future cash flows of the underlying business.

(Amounts in thousands of Singapore dollars)

12 Subsidiaries (cont'd)

Name of companies	Principal activities	Country of incorporation/ place of business	Proportion of ownership interests 2013 %	2012 %
Ban Joo Global Pte Ltd [1][6]	Dormant	Singapore	100	100
Fortknox Global Pte Ltd [1][6]	Dormant	Singapore	100	100
Telemedia Pacific Communications Pte Ltd [1][6]	Investment holding and provision of connectivity services	Singapore	100	100
VIP (HK) Ltd [2][6]	Investment holding and satellite telecommunications related sales and services rendering	Hong Kong SAR	100	100
China UnifiedNet Holdings Limited [3][6]	Investment holding	British Virgin Islands	100	100 (Note a)
Held through VIP (HK) Ltd				
Multi Bright (HK) Ltd [4][6]	Investment holding	Hong Kong SAR	100	100
Star Light Telemedia DC Limited [2][6]	Provision of data centre services	Hong Kong SAR/ Indonesia	100	100 (Note b)
Held through Telemedia Pacific Communications Pte Ltd				
Multi Skies Nusantra Limited [4][6]	Investment holding	Hong Kong SAR	100	100
PT Karunia Anugerah Mitra Utama [5][6]	Investment holding	Indonesia	100	100
PT Multi Skies Nusantara [5][6]	Building, operating and leasing of Universal Service Obligation equipment	Indonesia	100	100

(1) Audited by Moore Stephens LLP, Singapore, for local statutory reporting.
(2) Audited by Baker Tilly Hong Kong Limited for local statutory reporting.
(3) Not required to be audited in the country of incorporation.
(4) Audited by Crowe Horwath (HK) CPA Limited, Hong Kong, for local statutory reporting.
(5) Audited by Mulyamin Sensi Suryanto & Lianny, Indonesia, a member of Moore Stephens LLP, for local statutory reporting.
(6) Audited by Baker Tilly LLP, Singapore, for the purpose of expressing an opinion on the consolidated financial statements for the financial year ended 31 March 2013.

In August 2015, Fortknox Global Pte Ltd commenced member's voluntary liquidation.

(Amounts in thousands of Singapore dollars)

12 Subsidiaries (cont'd)

Note (a)

In 2012, the Company acquired 100% of the entire issued and paid-up capital of CUH from a third party, Kingo Grace Limited ("KGL") for a fair value consideration totalling $41.6 million, which was partly payable in cash of $34.1 million and partly discharged by the issuance of 300 million new ordinary shares in the Company at a fair value of $0.025 per share to KGL. Upon the completion of the acquisition, CUH became a wholly owned subsidiary of the Group.

The attributable fair value of the identifiable assets and liabilities of CUH as at the date of acquisition was as follows:

	Fair value recognised on acquisition $'000
Net identifiable assets at fair value	
Investment in joint venture, represent the identifiable assets *	52,130
Consideration transferred for the acquisition of CUH	
Cash paid	34,130
Equity instruments issued	7,500
Total consideration transferred	41,630
Gain on bargain purchase of a subsidiary	
Consideration transferred	41,630
Less: total net identifiable assets at fair value	(52,130)
Gain on bargain purchase arising from acquisition	(10,500)
Effect of acquisition of CUH on cash flows	
Total consideration	41,630
Less: non-cash consideration	(7,500)
Consideration settled in cash, represent the net cash outflow	34,130

* The above net asset is stated after eliminating inter-company balance owing to the Company, amounting to approximately $1.3 million.

Equity instruments issued as part of consideration transferred

In connection with the acquisition of 100% equity interest in CUH, the Company issued 300 million new ordinary shares with a fair value of $0.025 each (Note 21). The fair value of these shares is the published price of the shares at the acquisition date on 30 June 2011.

12 Subsidiaries (cont'd)

Note (a) (cont'd)

Transaction costs

Transaction costs related to the acquisition of approximately $0.2 million had been recognised as "administrative expenses" in the Group's profit or loss for the financial year ended 31 March 2012.

Impact of the acquisition on profit or loss

From the acquisition date, CUH contributed a loss of approximately $0.1 million to the Group's profit for the financial year ended 31 March 2012. If the business combination had taken place at the beginning of the financial year ended 31 March 2012, the Group's revenue and the profit for the financial year ended 31 March 2012, net of tax, would have been $9.1 million and $11.3 million respectively.

Gain on bargain purchase

The purchase consideration of $52.1 million, was determined based on an external valuation at a 19.5% discount. The consideration was satisfied by cash payment of $34.1 million and issuance of 300 million new shares, which was determined at an issue price of $0.06 per share, approximating $18.0 million. At the date of acquisition, the market price reduced to $0.025 per share, thereby reducing the total purchase consideration to $41.6 million and resulting in a gain on bargain purchase amounting to $10.5 million.

Note (b)

In 2012, the Company's wholly owned subsidiary, Multi Bright (HK) Limited ("MBHK") completed the acquisition of 100% of the entire issued and paid-up share capital of SLTDC from Joseph Lyman for a purchase consideration of approximately $5.4 million (equivalent to US$4.4 million). Upon completion of the acquisition, SLTDC became a wholly owned subsidiary of the Group.

MBHK and Joseph Lyman agreed that the SLTDC acquisition shall be deemed to have been completed on 31 May 2011.

(Amounts in thousands of Singapore dollars)

12 Subsidiaries (cont'd)

Note (b) (cont'd)

The attributable fair value of the identifiable assets and liabilities of SLTDC as at the date of acquisition was as follows:

	Fair value recognised on acquisition $'000
Plant and equipment	553
Trade receivables	1
Intangible assets	2,619
Cash and bank balances	2,716
Trade payables	(1)
Other payables and accruals	(618)
Total net identifiable assets at fair value	5,270
Consideration transferred for the acquisition of SLTDC	
Cash paid in previous year (approximately US$4.4 million)	5,432
Goodwill	
Consideration transferred	5,432
Less: total net identifiable assets at fair value	(5,270)
Goodwill arising from acquisition	162
Effect of acquisition of SLTDC on cash flows	
Consideration settled in cash in previous year (approximately US$4.4 million)	5,432
Less: cash and bank balances acquired	(2,716)
Net cash outflow on acquisition	2,716

Goodwill arising from acquisition

The goodwill of approximately $0.2 million is attributed mainly to the knowledge and the technical ability of the acquired subsidiaries in its industry, the synergies expected to be achieved from integrating the acquired subsidiaries into the Group's existing operations.

Impact of the acquisition on profit or loss

From the acquisition date, SLTDC contributed approximately $0.2 million of revenue and a loss of approximately $0.3 million to the Group's profit for the financial year ended 31 March 2012. There was no material difference if the business combination had taken place at the beginning of the financial year ended 31 March 2012.

Transaction costs

Transaction costs related to the acquisition of approximately $8,000 had been recognised as "administrative expenses" in the Group's profit or loss for the financial year ended 31 March 2012.

(Amounts in thousands of Singapore dollars)

13 Deferred tax asset

	Group	
	2013 $'000	**2012** $'000
Balance at beginning of the financial year	231	111
Recognised in profit or loss (Note 7)	(220)	131
Translation differences on consolidation	(11)	(11)
Balance at end of the financial year	–	231

14 Intangible assets

	Group	
	2013 $'000	**2012** $'000
Lease rights		
At cost		
Balance at beginning of the financial year	2,667	–
Acquisition of a subsidiary	–	2,619
Translation differences on consolidation	(29)	48
Balance at end of the financial year	2,638	2,667
Accumulated amortisation		
Balance at beginning of the financial year	149	–
Amortisation charge (Note 5)	175	148
Impairment loss (Note 5)	2,315	–
Translation differences on consolidation	(1)	1
Balance at end of the financial year	2,638	149
Net carrying amount		
At end of the financial year	–	2,518
Amount to be amortised:		
Current		
- not later than 1 year	–	178
Non-current		
- later than 1 year and not later than 5 years	–	711
- later than 5 years	–	1,629
	–	2,340
	–	2,518

(Amounts in thousands of Singapore dollars)

14 Intangible assets (cont'd)

The above relates to lease prepayment that was booked in one of its subsidiaries, SLTDC, which the Group recognised as an intangible asset. This asset has been fully impaired in the current financial year as the Group was made to vacate the office premises without receipt of any compensation.

15 Trade receivables

	Group	
	2013 $'000	**2012** $'000
Trade receivables	11,882	10,483
Less: Allowance for doubtful trade receivables (Note 5)	(11,329)	–
	553	10,483

16 Other receivables, deposits and prepayments

	Group		Company	
	2013 $'000	**2012** $'000	**2013** $'000	**2012** $'000
Other receivables:				
- Director related company [(1)]	2,499	2,487	2,499	2,498
- Third parties	500	473	–	–
- Niaga [(2)] (Note 18)	25,519	–	9,409	–
	28,518	2,960	11,908	2,498
Less: Allowance for impairment of other receivables	(181)	(181)	–	–
Other receivables, net	28,337	2,779	11,908	2,498
Deposits	16	24	16	16
Prepayments	208	508	31	18
	28,561	3,311	11,955	2,532

(1) Director related company refers to a company in which a Director of the Company has significant influence. The balance due from Director related company is loan in nature, unsecured, interest free and repayable on demand.

(2) This amount held by Niaga in Hong Kong has been reclassified to other receivables from cash and bank balances (Note 18).

(Amounts in thousands of Singapore dollars)

16 Other receivables, deposits and prepayments (cont'd)

Movements in allowance for impairment of other receivables are as follows:

	Group	
	2013 $'000	**2012** $'000
Balance at beginning and end of the financial year	181	181

17 Due from subsidiaries/due to a subsidiary (non-trade)

	Company	
	2013 $'000	**2012** $'000
Due from subsidiaries (Note a)	11,003	35,115
Due to a subsidiary	–	(11,465)
	11,003	23,650

Note (a):		
Due from subsidiaries	22,684	36,148
Less: Allowance for impairment	(11,681)	(1,033)
	11,003	35,115

Movements in allowance for impairment of due from subsidiaries are as follows:

	Company	
	2013 $'000	**2012** $'000
Balance at beginning of the financial year	1,033	11,314
Additions	10,672	204
Written off against non-trade receivable balances	–	(10,435)
Reversal of allowance	(24)	(50)
Balance at end of the financial year	11,681	1,033

These amounts due from subsidiaries and due to a subsidiary are unsecured, interest free, and repayable on demand.

During the financial year ended 31 March 2012, the Company undertook an assessment on the recoverability of the debts due from its subsidiaries which were provided for in previous financial year. As the debts were long overdue and due to uncertainty of the subsidiaries' future cash flows, the Company sought approval to write off the debts which had already been provided for.

(Amounts in thousands of Singapore dollars)

18 Cash and bank balances

	Group		Company	
	2013	**2012**	**2013**	**2012**
	$'000	$'000	$'000	$'000
Cash and bank balances	1,813	27,622	1,048	9,814
Fixed deposits placed with financial institutions [(1)]	22	1,500	–	1,500
Cash and bank balances as stated per statement of financial position [(2)]	1,835	29,122	1,048	11,314
Less: restricted cash [(2)] [(3)]	–	(4,235)	–	–
Cash and cash equivalents per consolidated statement of cash flows	1,835	24,887	1,048	11,314

(1) Fixed deposit placed with financial institutions, bears interest ranging from 0.02% to 0.22% (2012: 0.03% to 0.25%) per annum and have a maturity period of up to 2 months (2012: 2 months) from the end of the reporting period.

(2) Approximately $26.8 million and $9.4 million was placed by the Group and the Company respectively with Niaga in Hong Kong as at 31 March 2012. However, confirmations provided by Niaga to auditors for the financial year ended 31 March 2012 indicated that (a) approximately $24.0 million and $9.4 million respectively was restricted (i.e. could not be freely withdrawn), and (b) there was a discrepancy of $2.8 million on the amounts placed by the Group [Note 29(b)].

Subsequent to the end of the reporting period, the Group and Company entered into an agreement with Niaga to set out a framework towards settlement of these funds [Note 29(b)]. The Directors determined that no adjustments were required on the current recorded amount.

(3) In the financial year ended 31 March 2012, the restricted cash was pledged to cover conditional Letters of Credit ("LC") issued by Niaga to satisfy certain commitments of a subsidiary [Note 29(b)]. This amount was subsequently released.

For the purpose of the preparation of the consolidated statement of cash flows in the financial year ended 31 March 2012, the discrepancy of approximately $19.77 million being restricted by Niaga were treated as cash and cash equivalents.

In the current financial year, the remaining amount of $25.5 million held by Niaga has been reclassified from cash and bank balances to other receivables (Note 16).

With respect to the discrepancy of $2.8 million in footnote (2) above, Niaga subsequently repaid a total of $2.2 million to the Group. An amount of $0.6 million was withheld for settlement of invoices in respect of 65 sets of USO equipment under LC arrangement provided by Niaga on behalf of the Group's subsidiaries. Pending confirmation from the vendor of the USO equipment that Niaga has remitted payment to them, the $0.6 million is included in the $25.5 million reclassified to other receivables (Note 16).

(Amounts in thousands of Singapore dollars)

19 Trade payables

Trade payables are non-interest bearing and are generally settled within 0 to 30 days (2012: 0 to 30 days).

20 Other payables and accruals

	Group		Company	
	2013	**2012**	**2013**	**2012**
	$'000	$'000	$'000	$'000
Other payables				
- Director related company [(1)]	437	188	–	–
- Third parties	276	92	196	10
	713	280	196	10
Accruals [(2)]	1,283	960	915	453
Deferred income	–	1	–	–
Deferred expenditure [(3)]	3,700	3,741	–	–
	5,696	4,982	1,111	463

(1) Director related company refers to a company in which Directors of the Company's subsidiary has controlling financial interest in. The balance due to Director related company is unsecured, interest-free and repayable on demand.

(2) Included in accruals are $0.7 million (2012: $0.3 million) that relates to the provision of directors' fees.

(3) Deferred expenditure relates to the outstanding purchase consideration amounting to approximately $3.7 million (equivalent to US$3.0 million) (2012: approximately $3.7 million (equivalent to US$3.0 million) to be paid to Bright Reach International Limited upon the satisfaction of certain conditions stipulated in the sale and purchase agreement of the acquisition of the MSN group in 2011.

21 Share capital

	Group and Company			
	2013		**2012**	
	Number of ordinary shares		Number of ordinary shares	
	'000	$'000	'000	$'000
Issued and paid-up				
Balance at beginning of the financial year	6,410,536	145,508	6,110,536	138,008
Issuance of ordinary shares:				
- Acquisition of a subsidiary	–	–	300,000	7,500
Balance at end of the financial year	6,410,536	145,508	6,410,536	145,508

(Amounts in thousands of Singapore dollars)

21 Share capital (cont'd)

On 1 July 2011, the Company completed the acquisition of 100% equity interest in CUH, partially satisfied by the issuance and allotment of 300 million new ordinary shares in the capital of the Company [Note 12(a)]. The newly issued shares rank pari passu in all respects with the existing ordinary shares.

The holders of the ordinary shares are entitled to receive dividend as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and has no par value.

22 Treasury shares

	Group and Company			
	2013		**2012**	
	Number of ordinary shares '000	$'000	Number of ordinary shares '000	$'000
Balance at beginning and end of the financial year	(24,200)	(1,219)	(24,200)	(1,219)

23 Capital reserve

	Group and Company	
	2013 $'000	**2012** $'000
Balance at beginning and end of the financial year	169	169

24 Operating lease

Where the Group is the lessee

The future aggregate minimum leases payable under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities are as follows:

	Group		Company	
	2013 $'000	**2012** $'000	**2013** $'000	**2012** $'000
Future minimum lease payments				
- Not later than one year	90	70	90	70
- Later than one year and not later than five years	72	7	72	7
-Later than 5 years	4	–	4	–
	166	77	166	77

(Amounts in thousands of Singapore dollars)

24 Operating lease (cont'd)

Operating lease payments represent rentals payable by the Group for certain of its offices and office equipment. These leases expire between 12 March 2015 to 20 January 2016. The current rent payable on the leases range from $150 to $5,550 (2012: $150 to $7,170) per month.

Where the Group is the lessor

The future aggregate minimum leases receivable under non-cancellable operation leases contracted for at the end of the reporting period but not recognised as receivables are as follows:

	Group		Company	
	2013 $'000	**2012** $'000	**2013** $'000	**2012** $'000
Future minimum lease receipts				
- Not later than one year	2,563	2,743	–	–
- Later than one year and not later than five years	1,922	4,800	–	–
	4,485	7,543	–	–

The leases of the USO sites to third parties on which rental are receivable will expire on 31 December 2014. The current rent receivable on the lease range from $65,736 to $162,833 per month (2012: $65,736 to $162,833) per month.

25 Related party information

(a) In addition to information disclosed elsewhere in the financial statements, significant transactions with related parties conducted during the financial year on terms agreed between the parties concerned are as follows:

	Group	
	2013 $'000	**2012** $'000
Repayment from related parties *	422	2,748
Repayment to related parties *	186	110

* Related parties refer to companies which are controlled or significantly influenced by the Directors of the Company and its subsidiary.

Outstanding balances as at the end of the reporting period arising from advances from/(to) related parties are disclosed in Notes 16 and 20 to the financial statements respectively.

(b) As referred to in Notes 16 and 18 to the financial statements, Niaga is a limited liability company incorporated in Hong Kong. Based on the information available to the Company, a controlling shareholder and former director of the Company is a director of and registered shareholder (holding approximately 19% interest) of the holding company that owned the entire issued share capital of Niaga up to October 2014.

(Amounts in thousands of Singapore dollars)

26 Segment information

Disclosure of information about operating segments is made as required by FRS 108 Operating Segments. This disclosure standard has no impact on the reported results or financial position of the Group.

The Group is engaged in a single business segment, which comprises of the building, operating and leasing base station controllers for USO, provision of data centre and connectivity services, and other satellite communication related sales and services.

The geographical segment represent the Group's distinguishable components which provide products or services within a particular economic environment (location) and this component contains risk and returns that are different from those components which operate in other economic environments (locations).

During the reporting year, the Group had 4 (2012: 4) reportable operating segments: Indonesia, Hong Kong, People's Republic of China and Singapore (2012: Indonesia, Hong Kong, People's Republic of China and Singapore).

The following is an analysis of the Group's revenue and results by reportable segment:

	Indonesia	**Hong Kong**	**People's Republic of China**	**Singapore**	**Group**
	$'000	$'000	$'000	$'000	$'000
2013					
Revenue					
External sales	2,633	–	–	64	2,697
Segment results					
Income/(loss) from operations	123	(14)	(40)	(2,943)	(2,874)
Other expenses	(14,803)	(3,708)	(43,378)	(813)	(62,702)
Other income	3	–	–	1	4
Share of loss of joint venture	–	–	(695)	–	(695)
Loss before tax					(66,267)
Income tax expense					(450)
Loss after tax					(66,717)
Segment assets representing consolidated total assets	7,317	13,377	8,107	13,042	41,843

(Amounts in thousands of Singapore dollars)

26 Segment information (cont'd)

	Indonesia	**Hong Kong**	**People's Republic of China**	**Singapore**	**Group**
	$'000	$'000	$'000	$'000	$'000
Segment liabilities	1,257	1,164	–	4,999	7,420
Unallocated liabilities					
- Income tax payable	937	–	–	469	1,406
Consolidated total liabilities					8,826
Non-current assets	2,882	–	7,985	27	10,894
Other segment items					
Amortisation of intangible assets	175	–	–	–	175
Allowance for doubtful trade receivable	11,329	–	–	–	11,329
Bad debts written off	128	–	–	–	128
Capital expenditure	28	–	–	17	45
Depreciation of plant and equipment	2,244	–	–	58	2,302
Impairment on:					
- Goodwill	4,445	–	–	–	4,445
- Intangible assets	2,315	–	–	–	2,315
- Joint venture	–	–	43,378	–	43,378
Loss on disposal of plant and equipment	–	–	–	5	5
Plant and equipment written off	17	–	–	35	52

(Amounts in thousands of Singapore dollars)

26 Segment information (cont'd)

	Indonesia $'000	Hong Kong $'000	People's Republic of China $'000	Singapore $'000	Group $'000
2012					
Revenue					
External sales	4,388	4,229	–	9	8,626
Segment results					
Profit/(loss) from operations	1,337	3,022	–	(2,335)	2,024
Gain on bargain purchase of a subsidiary	–	–	10,500	–	10,500
Other expenses	(427)	(42)	–	(356)	(825)
Other income	–	–	–	1	1
Share of loss of joint venture	–	–	(79)	–	(79)
Profit before tax					11,621
Income tax expense					(334)
Profit after tax					11,287
Segment assets	22,482	18,895	52,070	14,032	107,479
Unallocated assets - Deferred tax asset					231
Consolidated total assets					107,710
Segment liabilities	1,225	1,175	–	4,315	6,715
Unallocated liabilities - Income tax payable					1,235
Consolidated total liabilities					7,950
Non-current assets	12,403	–	52,070	143	64,616
Other segment items					
Capital expenditure	158	–	–	95	253
Depreciation of plant and equipment	1,922	–	–	30	1,952
Gain on bargain purchase of a subsidiary	–	–	10,500	–	10,500
Investment in joint venture	–	–	52,070	–	52,070
Amortisation of intangible assets	–	148	–	–	148

(Amounts in thousands of Singapore dollars)

26 Segment information (cont'd)

Information about major customers

Revenue of approximately $2.6 million (2012: $8.4 million) are derived from 2 (2012: 3) major external customers who individually contributed 10 percent or more of the Group's revenue, and are attributable to the Indonesia and Hong Kong segments tabled below:

	2013 $'000	**2012** $'000
Customer 1 (Indonesia)	1,850	2,395
Customer 2 (Indonesia)	746	1,772
Customer 3 (Hong Kong)	–	4,229
	2,596	8,396

27 Financial instruments

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		**Company**	
	2013 $'000	**2012** $'000	**2013** $'000	**2012** $'000
Loan and receivables (including cash and bank balances)	30,741	42,408	23,975	48,943
Financial liabilities at amortised cost	7,420	6,715	1,111	11,928

(b) Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks are market risks (including foreign exchange risk and interest rate risk), liquidity risk and credit risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

It is the Group's policy not to trade in derivative contracts.

(Amounts in thousands of Singapore dollars)

27 Financial instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(i) Market risk

Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in exchange rate. The Group and Company are exposed to movements in foreign currency exchange rates arising from normal transactions that are denominated in currencies other than the respective functional currencies of the Group's entities, primarily with respect to Singapore dollar ("SGD") and United States dollar ("USD"). The Group does not have a policy to hedge its exposure to foreign exchange risk.

Denominated in:	SGD $'000	USD $'000
Group		
2013		
Financial assets		
Other receivables and deposits	13,375	–
Cash and bank balances	–	89
	13,375	89
Financial liabilities		
Other payables and accruals	–	1
Net financial assets/(liabilities) denominated in foreign currencies	**13,375**	**88**

Denominated in:	SGD $'000	USD $'000	IDR $'000	RMB $'000
Group				
2012				
Financial assets				
Trade receivables	–	–	1	4,249
Other receivables and deposits	–	125	123	–
Cash and bank balances	14,626	–	–	–
	14,626	125	124	4,249
Financial liabilities				
Trade payables	–	–	11	–
Other payables and accruals	13	534	19	–
	13	534	30	–
Net financial assets/(liabilities) denominated in foreign currencies	14,613	(409)	94	4,249
Company				
2013				
Financial assets				
Due from subsidiaries	–	11,003	–	–
Cash and bank balances	–	88	–	–
Net financial assets denominated in foreign currencies	**–**	**11,091**	**–**	**–**

(Amounts in thousands of Singapore dollars)

27 Financial instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(i) Market risk (cont'd)

Foreign currency risk (cont'd)

Denominated in:	USD $'000	IDR $'000
Company		
2012		
Financial assets		
Due from subsidiaries	33,482	1,438
Cash and bank balances	121	–
Net financial assets denominated in foreign currencies	33,603	1,438

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, mainly Indonesia and Hong Kong. The Group's net investment in Indonesia and Hong Kong are not hedged as currency positions in Indonesia and Hong Kong are considered to be long-term in nature.

Foreign currency risk sensitivity

The following table details the sensitivity to a 5% increase and decrease in the Singapore dollar against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

If the functional currencies strengthen by 5% against the relevant foreign currencies, with all other variables held constant, profit or loss for the financial year will increase/(decrease) by:

	SGD/USD $'000	USD/SGD $'000	IDR/SGD $'000	RMB/SGD $'000
2013				
Group				
Loss for the financial year	(555)	4	–	–
Company				
Loss for the financial year	–	(460)	–	–
2012				
Group				
Profit for the financial year	(606)	17	(4)	(176)
Company				
Profit for the financial year	–	(1,395)	(60)	–

(Amounts in thousands of Singapore dollars)

27 Financial instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(i) Market risk (cont'd)

A 5% weakening of Singapore dollar against the respective functional currencies at the end of the reporting period would have had the equal but opposite effect on the above currencies to the amount shown above, on the basis that all other variables remains constant.

Interest rate risk

The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure. The Group constantly monitors its interest rate risk and does not utilise currency forward contracts or other arrangements for trading or speculative purposes. As at 31 March 2013, there were no such arrangements, interest rate swap contracts or other derivative instruments outstanding.

The following table sets out the carrying amount, by maturity, of the Group's financial instruments, that are exposed to interest rate risk:

	Group		**Company**	
	2013 $'000	**2012** $'000	**2013** $'000	**2012** $'000
Within 1 year - fixed rates				
Fixed deposits placed with financial institutions	22	1,500	–	1,500

Interests on financial instruments at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Group that are not included in the above table are not subject to interest rate risks. The sensitivity analysis for interest rate is not disclosed as the effect on the profit or loss is considered not significant.

(ii) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and bank balances deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations.

In view of the Group's liquidity position and the liquidity risk management approach as described in Note 1 to the financial statements, Directors of the Company has a reasonable expectation that the Group and the Company has adequate resources to continue in operational existence for the foreseeable future.

27 Financial instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

(ii) Liquidity risk (cont'd)

The financial liabilities of the Group and the Company as presented in the statement of financial position are due within twelve months from the end of the reporting period and approximate the contractual undiscounted repayment of obligation.

(iii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties. Credit exposure to an individual counterparty is restricted by credit limits that are approved by the Directors based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by respective management.

At the end of the reporting period, approximately $0.6 million (2012: $10.5 million) of the Group's trade receivables were due from 1 (2012: 3) major customer in Indonesia (2012: Indonesia and Hong Kong).

As the Group and Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instrument is the carrying amount of that class of financial instruments presented on the statement of financial position.

The credit term granted to trade receivables range from 14 to 120 days (2012: 14 to 120 days) term. No interest is charged on the trade receivables balances.

The carrying amounts of cash and bank balances, trade and other receivables, including due from subsidiaries (non-trade), represent the Group's and Company's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

Credit risk on trade receivables

Credit risk arises from the inability of its customers to make payments when due. The amounts presented in the consolidated statement of financial position are net of allowances for impairment of trade receivables, estimated by management based on prior experience and the current economic environment.

(Amounts in thousands of Singapore dollars)

27 Financial instruments (cont'd)

(b) Financial risk management objectives and policies(cont'd)

(iii) Credit risk (cont'd)

The breakdown of trade receivables is as follows:

	Group	
	2013 $'000	**2012** $'000
Not past due and not impaired	–	10,446
Not past due but impaired	11,261	–
Past due and impaired	68	–
Past due but not impaired	553	37
Total	11,882	10,483

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents that neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are past due and/or impaired

The age analysis of trade receivables past due but not impaired is as follow:

	Group	
	2013 $'000	**2012** $'000
Past due more than 6 months	553	37

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follow:

	Group	
	2013 $'000	**2012** $'000
Gross amount:		
Not past due but impaired	11,261	–
Past due more than 6 months	621	–
	11,882	–
Less: Allowance for impairment	(11,329)	–
	553	–

(Amounts in thousands of Singapore dollars)

27 Financial instruments (cont'd)

(b) Financial risk management objectives and policies(cont'd

(iii) Credit risk (cont'd)

Movement in allowance for impairment:

	Group	
	2013	**2012**
	$'000	$'000
Beginning of financial year	–	–
Allowance made	11,329	–
End of financial year	11,329	–

Trade receivables that are individually determined to be impaired at the end of the reporting period comprise of debtors that have defaulted on payments.

Included in the Group's trade receivables balances are debtors with total carrying amount of approximately $553,000 (2012: $37,000) which are past due but not impaired as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Credit risk on other receivables

As at end of the reporting period, the Group and the Company has recorded, as other receivables, $25.5 million and $9.4 million respectively funds placed with Niaga (2012: $26.8 million and $9.4 million respectively). Pursuant to the discovery of the discrepancy and inconsistency as disclosed in Note 18 to the financial statements, the Group commenced proceedings to recover the entire amount from Niaga. This balance due from Niaga was previously recorded as cash and bank balances and has now been reclassified as other receivables (Note 16) as at 31 March 2013.

On 25 June 2013, the Group entered into an agreement with Niaga to set out a framework towards the settlement of funds that were placed with Niaga as described in Note 29(b) to the financial statements.

28 Fair values of financial instruments

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between Level 1 and Level 2 during the financial years ended 31 March 2013 and 2012.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of cash and bank balances, trade and other receivables and payables, including amounts due from/to subsidiaries are reasonable approximation of fair values due to the relatively short-term maturity of these financial instruments.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

As at end of the reporting period, there are no financial instruments in this category.

29 Subsequent events

(a) On 30 May 2012, the Company, through CUH, entered into an agreement ("Agreement 1") with Mr Wu Weichun ("Vendor 1"), to acquire 51% of the issued and paid up capital of Scientific Discovery Development S.A. ("SDD") for a cash purchase consideration of approximately RMB51.0 million ($10.2 million) ("Proposed Acquisition 1"). The purchase consideration was to be payable to Vendor 1 in three tranches - the first approximately RMB15.3 million ($3.1 million) being paid to Vendor 1 upon the fulfilment of several conditions that would ensure control of the Group over SDD, the second approximately RMB15.3 million ($3.1 million) by June 2013; and the final approximately RMB20.4 million ($4.0 million) by June 2014.

SDD is the beneficial owner of 100% equity interest in Beijing Satbit Information Technology Co. Ltd. ("Beijing Satbit"), a company incorporated in the People's Republic of China ("China"). Beijing Satbit is a satellite-based telecommunication service provider in China holding a very-small-aperture terminal ("VSAT") licence issued by the Ministry of Industry and Information Technology of China.

The Proposed Acquisition 1 would enable the Group to provide disaster backup services and broadcasting services using satellite communications system to financial institutions registered with the Shanghai Stock Exchange.

(Amounts in thousands of Singapore dollars)

29 Subsequent events (cont'd)

(a) Subsequently on 27 August 2013, the Group was not able to secure an extension of time for the Proposed Acquisition 1 as Vendor 1 requested for an upfront payment of RMB15.3 million (or its equivalent) from the Group in order to secure the deal. In this regard, the long stop date provided under the agreement dated 30 May 2012 for the Proposed Acquisition 1 for the fulfilment of conditions precedent being 1 September 2012, lapsed and no consideration was paid to Vendor 1 by the Company.

(b) On 5 July 2012, the Company announced that its auditors in the preceding year (Crowe Horwath First Trust LLP) had received audit confirmations from Niaga on 29 June 2012 for the financial year ended 31 March 2012 ("FY2012") for approximately $26.8 million and $9.4 million placed by the Group and the Company respectively. The audit confirmations stated that approximately $24.0 million and $9.4 million deposited by the Group and the Company respectively were restricted (i.e. cannot be freely withdrawn). This did not reconcile with the records of the Group and the Company. The Group was only aware of a sum of approximately $4.2 million (from the total sum of $26.8 million) being regarded by Niaga as restricted cash to cover conditional LC previously issued by Niaga to satisfy certain commitments of its subsidiary.

In addition, the aforesaid audit confirmations also did not account for a sum of approximately $2.8 million (which formed part of the total sum of $26.8 million as at 31 March 2012). A reconciliation of the discrepancy between the Group and the Company's records and Niaga's audit confirmations for the financial year ended 31 March 2012 are illustrated as follows:

31 March 2012 Type of cash balance	Group's records $'000	Audit confirmations $'000	Discrepancy $'000
Group			
Free cash balance	22,586	21	22,565
Restricted cash balance	4,235	24,005	19,770
Total	26,821	24,026	2,795
Company			
Free cash balance	9,411	3	9,408
Restricted cash balance	–	9,408	9,408
Total	9,411	9,411	–

The Group was not aware of any authorised transactions between itself and Niaga that led to the funds being restricted (other than those sums involved in the aforesaid LC). Although the Group immediately requested explanations and relevant documents from Niaga to support their basis for restricting the funds of the Group, it did not receive any.

On 25 July 2012, the Company then announced that it had appointed Ernst & Young Advisory Pte. Ltd. ("EY") as the independent accounting firm to conduct an independent investigation into the circumstances that led to the funds placed with Niaga being restricted, including a review of the processes and procedures around the Group's deposit and placement of funds with Niaga, as well as verifying the movement of cash placed and the restriction.

29 Subsequent events (cont'd)

(b) On 25 June 2013, the Group and the Company entered into an agreement ("Agreement") with Niaga to set out a frame work towards the settlement of funds amounting to approximately $24.0 million and $9.4 million (equivalent to approximately HK$146.2 million and HK$57.2 million) that were placed by the Group and the Company respectively with Niaga and were regarded as restricted by the latter.

Pursuant to the Agreement, Niaga deposited the following documents ("Security Documents") to the solicitors of the Group ("Stakeholder") by way of security ("Security"):

(i) the certificates representing the two non-transferable convertible notes ("Convertible Notes") for the total principal amount of HK$144.0 million issued by Neo Telemedia Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, to Arch Capital Limited and Hillgo Asia Limited respectively (collectively, the "Noteholders");

(ii) undated and blank transfer instruments, share certificates in respect of the issued shares in the capital of the Noteholders, corporate approvals duly signed by Tako Secretaries Limited ("Tako"), in its capacity as the sole shareholder and sole director of the Noteholders and documents necessary to effect the transfer of the entire issued share capital of the Noteholders to the Company; and

(iii) undated board resolutions and resignation letters duly signed by Tako to effect its position as the director of the Noteholders.

Note: The Noteholders, Arch Capital Limited and Hillgo Asia Limited were incorporated in the British Virgin Island as a BVI Business Company on 12 and 28 March 2013 respectively.

In addition, Niaga would pay the Company a sum of HK$0.2 million ("Shortfall"), representing the difference between (a) the aggregate principal amount of the Convertible Notes of HK$144.0 million and interest of HK$2.0 million accrued (net of tax) under the said notes from 5 April 2013 (issuance date of the Convertible Notes) to 2 July 2013 ("Long Stop Date 1"), and (b) the $24.0 million (HK$146.2 million).

On 2 July 2013, being the Long Stop Date 1 of the Agreement, the Group requested the Stakeholder to release (a) the Security Documents and any other documents delivered to the Stakeholder by Niaga and foreclose the Security, and (b) the Shortfall to the Company. The Company had also on 2 July 2013 completed (i) the transfer of the entire issued share capital of the Noteholders to the Company; and (ii) the change of the existing director of the Noteholders to Mr. Lam Ah Seng @ Mr. Lam Pang Chuang, the Executive Director of the Company then.

Further in respect to the settlement of funds amounting to $2.8 million that were placed by the Group with Niaga to cover conditional LC, on 13 July 2012, 23 July 2012 and 11 July 2013, the Group instructed Niaga to remit $1.0 million, $0.3 million and $0.9 million respectively to its bank account maintained with a fully licensed bank in Singapore governed by Monetary Authority of Singapore. The balance of $0.6 million is intended for the settlement of invoice in respect of 65 sets of USO equipment under the LC arrangement provided by Niaga on behalf of the Group's subsidiaries. The amount of US$0.4 million payable to the vendor of the 65 sets of USO equipment has not been settled by the Company. However, as the amount owing by Niaga will effectively offset the amount payable to the vendor, the Company does not consider this amount to be an amount that is effectively still owing to the vendor.

29 Subsequent events (cont'd)

(b) EY completed its independent investigation on 31 October 2014 and issued a report (the "EY Report") on its findings to the Audit Committee of the Company ("Audit Committee"). The Audit Committee and the Board of Directors ("Board") have reviewed the EY Report and have noted that it highlighted, among other things:

(i) certain questionable cash movements between the Company and Niaga;

(ii) there was evidence that appeared to suggest that the discrepancy in the Company's cash balances and cash restriction with Niaga relating to the amount of approximately $26.8 million originally placed with Niaga, as further detailed in the announcement dated 5 July 2012 ("Discrepancies") could be connected to the personal exposure of the former director of the Company, Mr Hady Hartanto (and possibly companies connected to him) with Niaga; and

(iii) weaknesses and lapses in the internal controls and corporate governance procedures of the Company.

The Board has adopted the EY Report. To address these findings, the Board convened a Special Committee comprising two Independent Directors of the Company to assess (i) the extent of any damage caused to the Company arising from the matters highlighted; and (ii) the required action (including any legal action if deemed appropriate) that the Company needs to take to address these matters.

The Company also separately engaged EY to review internal control measures, policies and procedures within the Group, to identify and address any weaknesses and lapses in the internal controls and corporate governance procedures, over and above those highlighted in the EY Report, as well as to conduct a further investigation into, inter alia, the discrepancies and matters highlighted in the EY Report [Note 29(g)].

On 12 August 2015, the Company announced that the Special Committee has completed its review and assessment of the findings in the EY report and has made the following recommendations to the Board:

(i) appropriate legal action arising out the matter be deferred to be reconsidered by the Board at a later date when the loss to the Company and its subsidiaries VIP (HK) Limited ("VIP") and SLTDC is determined (but such action must be commenced no later than July 2018);

(ii) the Board should consider engaging Hong Kong legal advisors to explore prospects of obtaining documents and evidence (if any) from parties in Hong Kong, including Niaga, Hady Hartanto ("Hady"), Sri Tjintawati Hartanto ("Ptjin") and/or Chan Fung Ling (aka Patty Chan) ("Patty") to determine the true circumstances of the transfers of the approximately $24.0 million from the Company and its subsidiaries VIP and SLTDC's accounts with Niaga and for the purposes thereafter to consider and determine whether there was any wrongdoing by Hady, Ptjin, and/or Patty and whether legal action against them is appropriate in the event of loss determined as having been suffered by the Company and its subsidiaries VIP and SLTDC; and

(iii) the Company's Directors to review the processes of the Company to ensure that proper internal controls are put in place in respect of the operation of the Company's bank accounts and facilities, including the keeping of proper records. In this regard, the Special Committee noted that the Company already engaged EY to perform a gap assessment to identify, among others, the areas of improvement in respect of its processes, and that EY had already issued its report and on this basis, the Special Committee recommends that the Company should adhere to the recommendations made in the report.

The Board has adopted the above recommendations made by the Special Committee, and will update Shareholders upon any further action taken by the Board.

29 Subsequent events (cont'd)

(c) On 6 August 2013, the Company entered into a non-binding term sheet ("Term Sheet") with Mobile Media (China) Limited ("Vendor 2") for the proposed acquisition of 75% of the paid-up capital of a new target company ("Target Company 1") to be set up by Vendor 2 ("Proposed Acquisition 2"). The Purchase Consideration of $27.6 million was by way of allotment and issuance of 1.9 billion new ordinary shares in the capital of the Company at an issue price of $0.012 per share ("New Shares") and $4.8 million in cash - payable at the sole option of the Company - in the following manner:

(i) An initial payment tranche of 75% ($20.7 million) on the date of completion ("Completion Date") with such number of New Shares issued placed under moratorium for 12 months from the date of issue;

(ii) A second payment tranche of 12.5% ($3.5 million) to be disbursed only upon the Target Company 1 achieving a net profit before tax ("NPBT") of $6.6 million for the period from the Completion Date to 31 March 2014 ("First Year NPBT Target"); and

(iii) A final payment tranche of 12.5% ($3.5 million) to be disbursed only upon the Target Company 1 achieving a NPBT of $8.0 million plus the Shortfall (as defined below), if any, for the period between 1 April 2014 to 31 March 2015.

Should the actual NPBT of the Target Company 1 for the period between the Completion Date to 31 March 2014 fall below the First Year NPBT Target, the difference shall be the shortfall ("Shortfall").

Subsequently, on 13 January 2014, the Company entered into a sale and purchase agreement ("SPA") with C Media Limited, the parent company of Vendor 2 with whom the Company entered into a non-binding term sheet, for the proposed acquisition of 75% of the paid-up capital ("Sale Shares") of Star Chariot Limited ("Star") by the Company from Vendor 2 for $27.6 million.

The Proposed Acquisition 2 was conditional upon the fulfilment or waiver of certain conditions precedent ("Conditions Precedent") by 13 July 2014, being a date on or before falling six (6) months from the date of the SPA ("Long Stop Date"). Under the terms of the SPA, it was provided that if any of the Conditions Precedent were not fulfilled by Vendor 2 or the Company (as applicable) or not waived by a party with respect to the conditions applicable to the other party (as applicable) on or before the Long Stop Date, the SPA shall cease at the option of either Party. On 21 July 2014, the Company announced that as certain Conditions Precedent (including but not limited to approval of shareholders of the Company for the Proposed Acquisition 2 having been obtained) under the SPA had not been fulfilled by the Long Stop Date, the Parties mutually agreed that the SPA had ceased.

(d) On 21 November 2012, the Company signed a Letter of Intent ("LOI") with Neo Telemedia Limited ("Purchaser"), a company listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, pursuant to which the Purchaser intended to acquire the Company's entire equity interest in CUH ("Proposed Transaction").

The LOI was non-legally binding except for the exclusive right of the Purchaser to negotiate, in good faith, the terms of a definitive agreement with the Company on the Proposed Transaction within a period of 90 days from the date of the LOI ("Exclusive Period").

29 Subsequent events (cont'd)

(d) Subsequently, on 28 February 2013, the Company and Purchaser entered into a supplemental LOI to extend the Exclusive Period to a date falling within 150 days from 20 November 2012.

The LOI has since lapsed on 19 April 2013.

(e) On 22 July 2014, a Civil Summon (the "Civil Summon") was issued by the Head of the District Court of Central Jakarta (with Hans Purnajo and Steve Iwan as the plaintiffs) and served on the Company, its subsidiaries PT. Karunia Anugerah Mitra Utama ("PT KAMU"), Multi Skies Nusantra Limited ("MSN") and Telemedia Pacific Communications Pte. Ltd ("TPC"). The Civil Summon involves an outstanding dispute arising prior to the acquisition of MSN by the Group and the plaintiffs are claiming the Group for the sum of approximately $5.6 million and all costs, interest and damages.

In May 2010, TPC acquired the entire share capital of MSN from Bright Reach International Limited ("BRI"). MSN owns the entire share capital of PT KAMU, which in turn owns the entire share capital of PT Multi Skies Nusantara ("PT MSN"). PT MSN engages in satellite-based communication services in the remote area through building, operating and leasing base station controllers for USO sites in Indonesia. BRI was also named as one of the defendants.

The Group has pursued avenues in Indonesia to defend itself against these allegations and claims through the local courts, as well as reconstituting the subsidiaries' Board of Directors.

(f) On 16 September 2014, the Company issued a Writ of Summons ("Writ") against an existing Director, Mr Lam Ah Seng @ Lam Pang Chuang ("Mr PC Lam") in his capacity as guarantor for an outstanding loan due from Ban Joo Investment (Pte) Ltd ("BJI") amounting to $2.5 million ("Outstanding Loan"), together with interest and costs. The Outstanding Loan was part of a $5.0 million loan granted by the Company to its subsidiary, Ban Joo Global Pte Ltd ("BJG") in 2009. The loan was subsequently novated to BJI in 2010 pursuant to a novation agreement. These transactions were part of the sale and transfer of the textile business, assets and liabilities of BJG to BJI in 2010, as announced on 11 November 2010. Mr PC Lam holds approximately 21.43% shares in BJI and is also one of its directors.

As at the date of this report, the legal action is still in progress.

(g) On 10 November 2014, the Company appointed EY as the independent accounting firm to investigate the following:

(i) The Company had on 1 April 2010 entered into a sale and purchase agreement to acquire MSN and its subsidiaries, PT KAMU, PT MSN (collectively, the "MSN group") from Bright Reach International Limited ("BRI"). Following the acquisition, allegations were raised by the previous owners of MSN's subsidiary PT MSN that BRI had not fulfilled certain obligations to them prior to the acquisition. Allegations were also raised regarding the appropriateness of certain transactions and actions involving PT MSN.

(ii) In light of the above allegations, EY is to ascertain the relevant facts, review of the acquisition transaction and the process and procedures surrounding the consideration paid with reference to the financial records of the MSN group and corporate records of PT MSN.

As at the date of this report, the investigation is still in progress.

29 Subsequent events (cont'd)

(h) On 28 November 2014, legal action was commenced in Hong Kong by a third party ("Plaintiff") against the Company, its controlling shareholder and a former director of the Company regarding a private sale of the Company's shares. The Plaintiff obtained an injunction order restraining the Company from disposing or dealing with its assets or any money in its bank accounts maintained in Hong Kong or elsewhere up to the value of HK$10.0 million, and not to remove from Hong Kong any asset up to the value of HK$10.0 million. The injunction order did not however prohibit the Company from dealing with any asset or money so long as the total unencumbered value of all assets remains above HK$10.0 million.

The Company was not a contracting party to the underlying sale transaction which triggered the legal action, and had no previous knowledge of that sale transaction. However, the Plaintiff has alleged that the purchase price in relation to that sale transaction was paid to the Company's Hong Kong bank account in January 2011. The Company's records showed that these funds received in January 2011 were in fact funds paid for the exercise of warrants issued by the Company. As such, these funds were in fact proceeds arising from the exercise of the warrants, (i.e. share capital paid to the Company for the issue of new shares in the Company following the exercise of the relevant warrants by the respective warrant holder(s)).

On 28 January 2015, the Plaintiff also commenced similar legal proceedings in the High Court of Singapore with a view to obtain a similar injunction order restraining the Company from disposing or dealing with its assets in Singapore. However, such order, if obtained, will not prohibit the Company from dealing with or disposing of any of its assets in the ordinary and proper course of business.

On 12 May 2015, the High Court of Hong Kong has discharged the injunction which placed a restraining order on the Company. As at the date of this report, the similar legal proceeding in the High Court of Singapore is still in progress.

(i) On 18 December 2014, the Company incorporated a subsidiary company in Singapore, NGSC Investment Management Pte. Ltd. ("NGSCIM"). NGSCIM has an initial issued and paid up capital of $1 divided into 1 ordinary share and will be an investment holding company.

(j) On 10 February 2015, the Company entered into a non-binding Heads of Agreement (the "HOA") with AP SSG Inc. (formerly known as Ajia Partners SSG Inc.) ("Vendor 3") for the proposed acquisition of the entire issued shares in the capital of Clearwater Capital Management Inc. ("Clearwater") ("Proposed Acquisition 3").

Clearwater is an exempt limited liability company incorporated in the Cayman Islands and is the general partner of AP Special Situations Fund II L.P. ("Fund") which is an exempted limited partnership established under the laws of the Cayman Islands. Pursuant to the HOA, the Company will effect the Proposed Acquisition 3 for a purchase consideration of $15.0 million ("Purchase Consideration"). The Purchase Consideration was derived after taking into account the earnings potential of the Company, including its share of gain on investment for managing the assets of the Fund.

29 Subsequent events (cont'd)

(j) The Purchase Consideration shall be fully satisfied through cash, or the issue of such number of ordinary shares in the capital of the Company at an issue price to be agreed between the Company and Vendor 3 ("Consideration Shares"), or partly in cash and the balance through the issue of Consideration Shares, to be mutually agreed between the Company and Vendor 3. The HOA shall terminate upon the Parties' entry into the definitive sale and purchase agreement ("Definitive SPA"), and shall expire automatically if the Company and Vendor 3 fail to enter into the Definitive SPA within 120 days after the date of HOA (unless extended upon the mutual HOA of the Company and Vendor 3) ("Validity Period").

As at the date of this report, the discussion on this proposed acquisition is still progressing with Vendor 3.

(k) On 12 June 2015, the Company announced that Arch Capital Limited ("Arch") and Hillgo Asia Limited ("Hillgo"), wholly-owned subsidiaries of the Company, issued Writs of Summons in Hong Kong against Neo Telemedia Limited ("Neo"), a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

As previously mentioned in Note 29(b) to the financial statements, Neo is the issuer of two non-transferable Convertible Notes (the "Notes") for the total principal amount of HK$144.0 million ("Principal Amount") held by Arch and Hillgo. The Notes entitle Arch and Hillgo to interest at the rate of 7% per year, payable half-yearly. Neo has defaulted on the latest interest payment totalling HK$5.0 million which was due on 5 April 2015 for the period 5 October 2014 to 4 April 2015. Arch and Hillgo, in order to establish their rightful legal position, are exercising their rights to call for immediate repayment of this interest amount as well as the Principal Amount, together with further interest and costs as provided by the terms and conditions of the Notes in the case of default.

As at the date of this report, the legal action is still in progress.

30 Basis for disclaimer of opinion on the financial statements for the financial year ended 31 March 2012

The independent auditor's report dated 23 July 2013 expressed a disclaimer of opinion on the financial statements for the financial year ended 31 March 2012. The extract of the basis for disclaimer of opinion is as follows:

(a) As at 31 March 2012, the Group's and Company's cash and bank balances include unencumbered and unrestricted cash deposits of approximately $26.8 million and $9.4 million respectively placed with a Finance Company. In the course of our audit, however, we identified an inconsistency between the information contained in the Group's accounting records and the information independently obtained from the audit confirmations provided by the Finance Company wherein the Finance Company confirmed that the cash deposits of $19.8 million of the Group and $9.4 million of the Company were restricted cash deposits. The management is not aware of any authorised transactions between the Group and the Finance Company leading to the alleged restriction placed on the cash balances. Notwithstanding the conflicting confirmation from the Finance Company, for the purpose of the preparation of the consolidated statement of cash flows, the management has considered the alleged restricted cash as part of their unencumbered and unrestricted cash and bank balances. Consequently, we have not been able to obtain satisfactory explanations from the management of the Group concerning the inconsistency identified and accordingly, we are unable to determine the appropriateness of the presentation and disclosure of the cash and bank balances of the Group in the financial statements.

30 Basis for disclaimer of opinion on the financial statements for the financial year ended 31 March 2012 (cont'd)

(b) In addition, we further identified a discrepancy of approximately $2.8 million between the cash and balances of approximately $26.8 million recorded by the Group's accounting records and the balances of cash deposits of $24.0 million confirmed by the Finance Company. The discrepancy brought into question the proper accounting for the cash and bank balances and the corresponding transactions in the Group, including the completeness, accuracy and reliability of cash and bank transactions recorded in the Group's accounting records and other information and documents, for the financial year ended 31 March 2012. We have not been able to obtain satisfactory explanations from the management of the Group concerning the discrepancy identified and to determine if there are any further adjustments required.

(c) Pursuant to the discovery of the inconsistency and discrepancy described in the above-mentioned paragraphs (a) and (b), the management attempted to recover the entire sum of approximately $26.8 million purportedly placed with the Finance Company. Based on information gathered by the management, the Finance Company has disputed over the amounts owed to the Group. As at the date of this report, the Group has only recovered approximately $2.2 million from the Finance Company.

On 25 June 2013, the Group entered into an agreement with the Finance Company to set out a framework towards the settlement of funds amounting to approximately $24.0 million that were placed with the Finance Company ("Arrangement"). The Arrangement appears to be complicated and involved various parties which are seemingly unrelated to or unconnected with the Group and the Finance Company. Consequently we are unable to appreciate the rationale of the Arrangement and whether it is effective in ensuring the eventual recoverability of the sum of $24.0 million.

In view of the above, we are unable to obtain sufficient and appropriate audit evidence to ascertain the recoverability of the remaining cash and bank balances of approximately $24.6 million of which no allowance has been made as at 31 March 2012.

(d) As described in the financial statements, on 25 July 2012, Ernst & Young Advisory Pte. Ltd. ("EY"), was appointed by the Audit Committee of the Company to conduct an independent investigation on the matter relating to the funds placed with the Finance Company, including reviewing the processes and procedures concerning the Group's deposit and placement of funds with the Finance Company, as well as conducting verification on the movement of cash placed with the Finance Company and the events/circumstances leading to the restriction placed by the Finance Company.

As at the date of this report, EY's investigation is still ongoing. Accordingly, we are unable to determine whether any further discrepancies may be reported by EY and any adjustments arising thereon which may have an impact on the financial statements of the Group and the Company.

30 Basis for disclaimer of opinion on the financial statements for the financial year ended 31 March 2012 (cont'd)

(e) In view of the matters set out in the preceding paragraphs, we are unable to perform the necessary audit procedures to determine the appropriateness, completeness and accuracy of the financial statements of the Group and the Company, nor are we able to quantify the extent of adjustments that might be necessary in respect of the financial statements of the Group and of the Company for the financial year ended 31 March 2012. We are also unable to determine the related effects of those matters described above, including any effects on representations, which could only be reported and disclosed in the financial statements of the Group and the Company for subsequent financial years when they become determinable and can be reasonably estimated.

(f) Other than those subsidiaries that were audited by Crowe Horwath (HK) CPA Limited, Hong Kong SAR and Crowe Horwath First Trust LLP, we are unable to perform/complete our audit procedures over significant transactions or events which may have occurred between the period from 1 April 2012 to the date of this auditors' report ("Subsequent Period") as required under Singapore Standard on Auditing 560: *Subsequent Events*. Accordingly, we are unable to perform the necessary audit procedures to satisfy ourselves as to whether significant transactions or events which occurred during the Subsequent Period were properly accounted for and adequately disclosed in the financial statements, nor to quantify the extent of adjustments that might be necessary in respect of the financial statements of the Group and of the Company for the financial year ended 31 March 2012.

31 Contingent liabilities

We draw attention to Note 29(e) and 29(h) to the financial statements which describe the uncertainties relating to the outcome of the various law suits filed against the Group and the Company. Accordingly, no provision for liabilities have been made for the financial year ended 31 March 2013.

32 Comparative figures

The financial statements of the Group for the financial year ended 31 March 2012 were audited by another auditor whose report dated 23 July 2013 expressed a disclaim opinion on those financial statements.

33 Authorisation of financial statements

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2013 were authorised for issue in accordance with a resolution of the Directors dated 9 October 2015.

INFORMATION ON **SHAREHOLDING**

Issued and Fully Paid-Up Capital (including Treasury Shares)	S$156,471,598.55
Number of Issued Shares (excluding Treasury Shares)	6,386,335,828
Number/Percentage of Treasury Shares	24,200,000 (0.38%)
Class Of Shares	Ordinary shares
Voting Rights (excluding Treasury Shares)	One vote per share

Distribution of shareholdings as at 30 September 2015

Size of shareholdings	No. of shareholders	%	No. of Shares	%
1 - 99	14	0.13	545	0.00
100 - 1,000	1,183	10.63	1,159,456	0.02
1,001 - 10,000	3,385	30.41	16,081,854	0.25
10,001 - 1,000,000	6,081	54.64	932,053,707	14.59
1,000,001 and above	466	4.19	5,437,040,266	85.14
Total	11,129	100.00	6,386,335,828	100.00

Based on the information available to the Company as at 30 September 2015, approximately 64.00% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Limited is complied with.

Twenty largest shareholders as at 30 September 2015

No.	Name of shareholders	No. of shares	%
1	Straits Law Practice LLC	1,074,100,000	16.82
2	HSBC (Singapore) Nominees Pte Ltd	761,417,500	11.92
3	UOB Kay Hian Pte Ltd	231,303,800	3.62
4	OCBC Securities Private Ltd	217,088,612	3.40
5	Wong Nam Sin	213,800,000	3.35
6	United Overseas Bank Nominees Pte Ltd	147,740,045	2.31
7	DBS Nominees Pte Ltd	125,427,399	1.96
8	Miao Mingfeng	119,324,000	1.87
9	Ong Teck Beng (Wang Deming)	112,900,000	1.77
10	Morgan Stanley Asia (S) Securities Pte Ltd	91,759,000	1.44
11	RHB Securities Singapore Pte Ltd	89,002,666	1.39
12	Phillip Securities Pte Ltd	85,633,299	1.34
13	Wong Kwan Seng Robert or Tan Cheng Kit Alice	76,000,000	1.19
14	DBS Vickers Securities (S) Pte Ltd	61,005,699	0.95
15	CIMB Securities (Singapore) Pte Ltd	53,511,000	0.84
16	Yoong Ah Ling	51,453,000	0.81
17	Lim Chin Tong	50,000,000	0.78
18	Wisanggeni Lauw	43,533,333	0.68
19	Citibank Nominees Singapore Pte Ltd	40,682,583	0.64
20	Maybank Kim Eng Securities Pte Ltd	37,401,839	0.59
	Total:	3,683,083,775	57.67

Substantial shareholders

Name of shareholders	Direct interest No. of shares	% of issued capital [1]	Deemed interest No. of shares	% of issued capital [1]
Telemedia Pacific Group Limited [2]	-	-	2,269,500,000	35.54
Family Unit Foundation Ltd[3]	-	-	2,269,500,000	35.54
Hady Hartanto[4]	-	-	2,281,097,000	35.72

Notes:

1 The percentage of issued share capital is calculated based on 6,386,335,828 shares (excluding 24,200,000 treasury shares).

2 Telemedia Pacific Group Limited ("TPG") is deemed to have an interest in 1,060,300,000 Shares held through Messrs Straits Law Practice LLC, 225,000,000 Shares held through Credit Agricole Bank, 585,000,000 Shares held by Hang Seng Bank through DBSN Services Pte Ltd, 300,000,000 Shares held through Bank of New York and 99,200,000 held by Guoco Securities through United Overseas Bank Nominees Pte Ltd.

3 Family Unit Foundation Ltd is deemed to have an interest in the Shares held by TPG by virtue of Section 7 of the Companies Act.

4 Mr. Hady Hartanto is deemed to have an interest in 11,597,000 Shares held through Messrs Straits Law Pratice LLC as nominee and 2,269,500,000 Shares held by TPG by virtue of Section 7 of the Companies Act.

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Next-Generation Satellite Communications Limited (the "Company") will be held at Orchid Country Club Theatrette, Social Clubhouse Level 1, No. 1 Orchid Road, Singapore 769162 on Friday, 30 October 2015 at 3.00 p.m., to transact the following businesses:-

(A) ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts for the financial year ended 31 March 2013 together with the Auditors' Report thereon. **(Resolution 1)**
2. To re-elect the following Directors retiring pursuant to the Company's Articles of Association:
   (i) Mdm Sri Tjintawati Hartanto (Article 91) **(Resolution 2)**
   (ii) Mr Andrew Coulton (Article 97) **(Resolution 3)**
   (iii) Mr Michael Kuan-Chi Sun (Article 97) **(Resolution 4)**
   (iv) Mr Ku Vicente S. (Article 97) **(Resolution 5)**
   (v) Mr Lai Chik Fan (Article 97) **(Resolution 6)**
   (vi) Mr Lye Meng Yiau (Article 97) [See Explanatory Note (i)] **(Resolution 7)**
   (vii) Mr Edward Fu Shu Sheen (Article 97) [See Explanatory Note (ii)] **(Resolution 8)**
3. To approve the payment of Directors' fees of S$368,239 for the financial year ended 31 March 2013 (FY2012: S$305,968). **(Resolution 9)**
4. To re-appoint Messrs Baker Tilly TFW LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 10)**

(B) SPECIAL BUSINESS

5. To consider and, if thought fit, to pass the following resolution as Ordinary Resolution, with or without amendments: **(Resolution 11)**

   General Share Issue Mandate

   "That pursuant to Section 161 of the Companies Act, Cap. 50 and the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:

   (a) (i) allot and issue shares, whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued during the continuance of such authority or thereafter, including but not limited to the creation and issue (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Board may, in their absolute discretion, deem fit; and

   (b) issue Shares in pursuance of any Instrument made or granted by the Board while such authority was in force (notwithstanding that such issue of the Shares pursuant to the Instruments may occur after the expiration of the authority contained in this Resolution);

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed 50% of the issued shares in the capital of the Company (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below) of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(aa) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(bb) any subsequent consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company;

(4) unless revoked or varied by the Company in general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting ("AGM") of the Company is required by law to be held, whichever is the earlier." [See Explanatory Note (iii)]

6. To consider and, if thought fit, to pass the following resolution as Ordinary Resolution, with or without modification: **(Resolution 12)**

Authority to grant awards and to allot and issue shares under Next-Generation Satellite Communications Performance Share Scheme

"That approval be and is hereby given to the Directors to grant awards from time to time in accordance with the provisions of Next-Generation Satellite Communications Performance Share Scheme (the "Scheme"), and, pursuant to Section 161 of the Act, to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the vesting of the awards under the Scheme, provided always that the aggregate number of Shares to be allotted and issued pursuant to the Scheme, when aggregated together with Shares to be allotted and issued pursuant to any other existing employee share schemes of the Company shall not exceed 15 per cent. of the total number of issued Shares excluding treasury shares from time to time." [See Explanatory Note (iv)]

7. To transact any other business that may be properly transacted at an Annual General Meeting.

Explanatory Notes:

(i) Mr Lye Meng Yiau will, upon re-election as a Director of the Company, remain as member of the Audit Committee, Nominating Committee and Remuneration Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

(ii) Mr Edward Fu Shu Sheen will, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee and Remuneration Committee and member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

(iii) The Ordinary Resolution 11 proposed in item 5 above, if passed, will empower the Directors of the Company to issue shares up to 50% of the Company's issued share capital, with an aggregate sub-limit of 20% of the Company's share capital for any issue of shares not made on a pro-rata basis to shareholders of the Company.

(iv) The Ordinary Resolution 12 proposed in item 6 above, if passed, will empower the Directors to offer and grant awards under the Scheme (as from time to time amended, modified or supplemented), which was approved at the Extraordinary General Meeting of the Company held on 28 July 2010, and to allot and issue Shares in the capital of the Company, pursuant to the vesting of the awards under the Scheme provided that the aggregate number of Shares to be issued under the Scheme, when aggregated with Shares to be issued under any other existing share schemes of the Company, does not exceed 15 per cent of the total number of issued Shares excluding treasury shares of the Company for the time being.

BY ORDER OF THE BOARD

Wee Woon Hong
Srikanth Rayaprolu
Company Secretaries

Date: 15 October 2015

Notes:

(i) A member of the Company entitled to attend and vote at the above Meeting may appoint not more than two proxies to attend and vote instead of him.

(ii) Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies. A proxy need not be a member of the Company.

(iii) If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.

(iv) The instrument appointing a proxy must be deposited at the Registered Office of the Company at 30 Raffles Place, #19-04 Chevron House, Singapore 048622, not less than 48 hours before the time appointed for holding the above Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member and its proxy(ies) or representative(s)'s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) undertakes that the member will only use the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iv) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. Your and your proxy and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

PROXY **FORM**

ANNUAL GENERAL MEETING

NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

(Registration No.: 196400100R)
(Incorporated in the Republic of Singapore)

Important:

1. For investors who have used their CPF monies to buy the Shares, this report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. Personal data privacy

   BY submitting an instrument appointing a proxy(ies) and/or representative(s), the member is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of Annual General Meeting dated 15 October 2015

I/We*, ____________________ (Name) NRIC/Passport No.*____________________ of

____ (Address)

being a shareholder/shareholders of **NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED** (the "Company") hereby appoint:

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
		Number of Shares	**%**
Address			

and/or *

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
		Number of Shares	**%**
Address			

or failing him/her, the Chairman of the Annual General Meeting (the "AGM") of the Company as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf and, if necessary, to demand a poll at the AGM of the Company to be held at Orchid Country Club Theatrette, Social Clubhouse. No.1 Orchid Club Road, Singapore 769162 on Friday, 30 October 2015 at 3 p.m., and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM.

No.	**Ordinary Resolutions**	**Number of Votes For ****	**Number of Votes Against****
1.	Directors' Report and Audited Accounts for the financial year ended 31 March 2013		
2.	Re-election of Mdm Sri Tjintawati Hartanto as a Director		
3.	Re-election of Mr Andrew Coulton as a Director		
4.	Re-election of Mr Michael Kuan-Chi Sun as a Director		
5.	Re-election of Mr Ku Vicente S. as a Director		
6.	Re-election of Mr Lai Chik Fan as a Director		
7.	Re-election of Mr Lye Meng Yiau as a Director		
8.	Re-election of Mr Edward Fu Shu Sheen as a Director		
9.	Approval of Directors' fees		
10.	Re-appointment of Messrs Baker Tilly TFW LLP as Auditors		
11.	Authority to allot and issue shares and convertible securities		
12.	Authority to grant awards and to allot and issue shares under Next-Generation Satellite Communications Performance Share Scheme		

* Delete accordingly

** If you wish to exercise all your votes "For" or "Against", please indicate with a tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropria

Dated this ____________ day of ____________ 2015.

Total Number of Shares held

____

Signature(s) of Shareholder(s)/or
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

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Notes :

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50), you should insert that number of shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 30 Raffles Place, #19-04 Chevron House, Singapore 048622, not less than 48 hours before the time appointed for the meeting.
4. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

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Affix
Postage
stamp

The Company Secretary

Next-Generation Satellite Communications Limited
30 Raffles Place
#19-04 Chevron House
Singapore 048622

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5. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its Common Seal or under the hand of its attorney or a duly authorised officer.
6. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register 48 hours before the time appointed for holding the meeting, as certified by the Depository to the Company.

Next-Generation Satellite Communications Limited

(Company Registration Number 196400100R)

30 Raffles Place
#19-04 Chevron House
Singapore 048622
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