NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

Co. Reg. No.196400100R

Unaudited Full Year Financial Statements for the Financial Year Ended 31 March 2016

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

As such, the comparative figures for FY2016 in this announcement are based on unaudited results for the financial year ended on 31 March 2015 as announced on 29 May 2015 and restated in accordance with the announcement released on 9 October 2015 arising from the completion of the statutory audit for the financial year ended 31 March 2013. In the event that there are material adjustments arising from the finalisation of the audit for FY2014 and FY2015, the Company will make the appropriate announcement(s) highlighting the variance and the reasons for the discrepancies.

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Unaudited Consolidated Statement of Comprehensive Income for the Financial Year Ended 31 March 2016

		Group Financial year ended		
	Note	**31/3/2016** (unaudited)	**31/3/2015** (unaudited)	**%**
		S$'000	S$'000	+/(-)
Revenue	(i)	**923**	**2,204**	(58)
Cost of sales		(204)	(927)	(78)
Gross profit		**719**	**1,277**	(44)
Other income	(ii)	27,312	1,200	2,176
Other expense		-	(1)	(100)
Administrative expenses		(2,650)	(2,849)	(7)
Finance expenses, net		(328)	(62)	429
Share of (loss)/profit of joint venture		(1,551)	395	n.m
Profit/(Loss) before tax		**23,502**	**(40)**	n.m
Income tax expense		(152)	(276)	(45)
Profit/(Loss) for the financial year	(iii)	**23,350**	**(316)**	n.m
Other comprehensive (loss)/income:				
Currency translation differences arising from consolidation		(90)	1,526	n.m
Net fair value loss on available for sale financial asset		(2)	107	n.m
Total comprehensive profit attributable to equity holders of the Company		**23,258**	**1,317**	1,666

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

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

	Group Financial year ended		
	31/3/2016 (unaudited) S$'000	**31/3/2015** (unaudited) S$'000	**%** +/(-)
(i) Revenue			
Rental income	-	529	(100)
Interest income on available-for-sale financial assets	923	1,675	(45)
	923	2,204	(58)
(ii) Other income			
Interest income	5	-	100
Others	1	7	(86)
Reversal of impairment loss in joint venture	27,306	-	100
Waiver of debts from trade payable	-	1,193	(100)
	27,312	1,200	2,176
(iii) Total profit/(loss) for the financial period is derived after crediting (charging):			
Amortisation of intangible asset	**-**	(182)	(100)
Depreciation of plant and equipment	(226)	(731)	(69)
Foreign exchange loss, net	(328)	(62)	429
Income tax - current	-	(276)	(100)

1(b) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 31/3/2016 (unaudited)	As at 31/3/2015 (unaudited) (restated)	As at 31/3/2016 (unaudited)	As at 31/3/2015 (unaudited) (restated)
	S$'000	S$'000	S$'000	S$'000
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	145,508	145,508	145,508	145,508
Treasury shares	(1,219)	(1,219)	(1,219)	(1,219)
	144,289	144,289	144,289	144,289
Other reserves				
Capital reserve	(169)	(169)	(169)	(169)
Fair value reserve	325	327	-	-
Foreign currency translation reserves	1,315	1,405	-	-
	1,471	1,563	(169)	(169)
Accumulated losses	(89,233)	(112,583)	(91,691)	(116,486)
TOTAL EQUITY	56,527	33,269	52,429	27,634
ASSETS				
Non-current assets				
Plant and equipment	421	667	20	37
Goodwill	735	736	-	-
Subsidiaries	-	-	59,313	32,007
Joint ventures	33,248	7,459	-	-
Current assets				
Trade receivables	2,548	2,633	-	-
Other receivables, deposits and prepayments	3,835	5,863	2,154	2,648
Due from subsidiaries (non-trade)	-	-	4,687	4,888
Available-for-sale financial assets	24,645	25,111	-	-
Cash and bank balances	646	247	112	207
	31,674	33,854	6,953	7,743
TOTAL ASSETS	66,078	42,716	66,286	39,787
LIABILITIES				
Current liabilities				
Trade payables	455	470	-	-
Other payables and accruals	7,626	7,620	2,307	2,201
Due to subsidiaries (non-trade)	-	-	11,550	9,952
Income tax payable	1,470	1,357	-	-
	9,551	9,447	13,857	12,153
TOTAL LIABILITIES	9,551	9,447	13,857	12,153
NET ASSETS	56,527	33,269	52,429	27,634

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

Amount repayable in one year or less, or on demand

As at 31/03/16 (unaudited)		As at 31/03/15 (unaudited)	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Amount repayable after one year

As at 31/03/16 (unaudited)		As at 31/03/15 (unaudited)	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Details of any collaterals

Not applicable.

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

	Group Financial year ended 31/3/2016 (unaudited) S$'000	 31/3/2015 (unaudited) (restated) S$'000
Cash flows from operating activities		
Profit/(Loss) before tax	23,502	(40)
Adjustments:		
Amortisation of intangible asset	-	182
Depreciation of plant and equipment	226	731
Fair value loss in available for sale financial assets	107	-
Reversal of impairment loss in investment of joint venture	(27,306)	-
Share of loss/(profit) of joint venture	1,551	(395)
Unrealised foreign exchange differences	275	(222)
Waiver of debts from trade payable	-	(1,193)
Operating loss before working capital changes	(1,645)	(937)
Trade receivables	-	(533)
Other receivables, deposits and prepayments	1,624	(572)
Other payables and accruals	16	1,596
Cash used in operations	(5)	(446)
Income tax paid	-	-
Net cash used in operating activities	(5)	(446)
Cash flows from investing activities		
Purchase of plant and equipment	-	(36)
Net cash used in investing activities	-	(36)
Cash flows from financing activities		
Advance from /(Repayment to) related parties (non-trade)	404	(13)
Net cash generated from/(used in) financing activities	404	(13)
Net increase/(decrease) in cash and cash equivalents	399	(495)
Effects of exchange rate changes in cash and cash equivalents	-	2
Cash and cash equivalents at beginning of financial year	247	740
Cash and cash equivalents at end of financial year	646	247

1(e) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Unaudited Statement of Changes In Equity for the Financial Year ended 31 March 2016

Group	**Share capital**	**Treasury shares**	**Capital reserve**	**Fair value reserve**	**Translation reserve**	**Accumulated losses**	**Total Equity**
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2015 (unaudited) (restated)	**145,508**	**(1,219)**	**(169)**	**327**	**1,405**	**(112,583)**	**33,269**
Profit for the financial year	-	-	-	-	-	23,350	23,350
Other comprehensive loss, net of tax	-	-	-	(2)	(90)	-	(92)
Total comprehensive income for the financial year	-	-	-	(2)	(90)	23,350	23,258
Balance at 31 March 2016 (unaudited)	**145,508**	**(1,219)**	**(169)**	**325**	**1,315**	**(89,233)**	**56,527**

	Share capital	**Treasury shares**	**Capital reserve**	**Fair value reserve**	**Translation reserve**	**Accumulated losses**	**Total Equity**
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2014, (unaudited) (restated)	**145,508**	**(1,219)**	**(169)**	**327**	**153**	**(54,944)**	**89,656**
Loss for the financial year	-	-	-	-	-	(57,639)	(57,639)
Other comprehensive income, net of tax	-	-	-	-	1,252	-	1,252
Total comprehensive loss for the financial year	-	-	-	-	1,252	(57,639)	(56,387)
Balance at 31 March 2015 (unaudited) (restated)	**145,508**	**(1,219)**	**(169)**	**327**	**1,405**	**(112,583)**	**33,269**

Company	**Share capital**	**Treasury shares**	**Capital reserve**	**Accumulated losses**	**Total Equity**
	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2015, (unaudited) (restated)	**145,508**	**(1,219)**	**(169)**	**(116,486)**	**27,634**
Profit for the financial year	-	-	-	24,795	24,795
Total comprehensive income for the financial year	-	-	-	24,795	24,795
Balance at 31 March 2016 (unaudited)	**145,508**	**(1,219)**	**(169)**	**(91,691)**	**52,429**

	Share capital	**Treasury shares**	**Capital reserve**	**Accumulated losses**	**Total Equity**
	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2014 (unaudited) (restated)	**145,508**	**(1,219)**	**(169)**	**(72,056)**	**72,064**
Loss for the financial year	-	-	-	(44,430)	(44,430)
Total comprehensive loss for the financial year	-	-	-	(44,430)	(44,430)
Balance at 31 March 2015 (unaudited) (restated)	**145,508**	**(1,219)**	**(169)**	**(116,486)**	**27,634**

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

Issued ordinary shares	**Number of shares**	
	2016	**2015**
Balance at 1 January and 31 March	6,410,535,828	6,410,535,828

1(g) Outstanding convertibles

The Company did not have any outstanding share convertibles as at 31 March 2016 and 31 March 2015.

1(h) Treasury shares

Included in the above issued ordinary shares as at 31 March 2016 was 24,200,000 (31 March 2015: 24,200,000) treasury shares held by the Company.

1(h)(a) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Issued ordinary shares	**Number of shares**	
	As at 31/03/2016	**As at 31/03/2015**
Total number of issued shares including treasury shares	6,410,535,828	6,410,535,828
Treasury shares	24,200,000	24,200,000
Total number of issued shares excluding treasury shares	6,386,335,828	6,386,335,828

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

There were no sales, transfer, disposals, cancellations and/or use of treasury shares by the Company during the financial year ended 31 March 2016.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting period consistent with those of the audited financial statements for the year ended 31 March 2013 as per the announcement dated 9 October 2015.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group Financial year ended **31/03/16** (cents)	 **31/03/15** (cents) (restated)
Profit per share attributable to the equity holders of the Company - basic	0.36	0.02

As the Company does not have any outstanding share convertibles for the financial year ended 31 March 2016 and 31 March 2015, the diluted (loss) / profit per share is the same as basic (loss) / profit per share.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

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

	Group		Company	
	As at 31/03/16 (unaudited) (cents)	**As at 31/03/15** (unaudited) (cents) (restated)	**As at 31/03/16** (unaudited) (cents)	**As at 31/03/15** (unaudited) (cents) (restated)
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	0.89	0.52	0.82	0.43

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of Comprehensive Income

The Group recorded a 58% reduction in revenue to S$0.9 million for the financial year ended 31 March 2016 ("FY2016"), from S$2.2 million in the previous financial year ("FY2015"). This was due to the absence of rental income subsequent to the termination and non-renewal of the Group's Universal Service Obligation ("USO") contracts in Indonesia at the end of June 2014, as well as the waiver of interest income from the convertible notes with effect from 5 October 2015, in compliance with the order issued by the Court of Hong Kong on 6 January 2016. The announcement on the waiver of interest income was made by the Group on 8 January 2016.

Other income of S$27.3 million for FY2016 is due to a partial reversal of an impairment loss recorded in FY2013 for the Group's investment in the joint venture in China. Other income in FY2015 comprised only a S$1.2-million waiver of debt by a vendor in relation to the purchase of equipment by the Group.

In view of the weakening of the United States dollar ("USD") against the Singapore Dollar ("SGD"), The Group recognised a higher foreign exchange loss of S$328,000 in FY2016, versus a loss of S$62,000 in FY2015.

The Group recorded a S$1.6- million share of loss from its joint venture in China in FY2016, compared to a share of profit of S$0.3 million in FY2015. This highlighted the challenges the joint venture faced in the sale of its satellite broadband products and services in China in FY2016.

Taking the above into account, the Group recorded a net profit of $22.9 million for FY2016 compared to that of $1.3 million for FY2015.

Statement of Financial Position

As at 31 March 2016, the value of plant and equipment amounted to S$0.4 million, compared to S$0.7 million as at 31 March 2015. This took into account a S$0.2-million depreciation of assets and a S$0.1-million foreign exchange translation difference in relation to IDR-denominated assets.

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

Other receivables, deposits and prepayments balances declined to S$3.8 million as at 31 March 2016, compared to S$5.9 million as at 31 March 2015. The decline included a S$0.4-million partial repayment of an outstanding loan to a related party.

As at 31 March 2016, the available-for-sale financial assets of S$24.6 million reflected the fair value of the two convertible notes held by subsidiary companies Arch Capital Limited and Hillgo Asia Limited.

Other payables and accruals were higher at S$8.0 million, compared to S$7.6 million a year ago, as the result of higher professional fees incurred by the Group.

Cash Flow

The Group's cash and cash equivalents as at 31 March 2016 stood at S$646,000.

Update of Watch-List Status

As at the date of this announcement, the Company is on the watch-list (the "**Watch-List**") pursuant to Rule 1311 of the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Under Rule 1314 of the Listing Manual of the SGX-ST, an issuer on the Watch-List may apply to the SGX-ST for its removal from the Watch-List if it satisfies any one of the following requirements:-

(1) the issuer records consolidated pre-tax profit for the most recently completed financial year (based on the latest full year consolidated audited accounts, excluding exceptional or non-recurrent income and extraordinary items) and has an average daily market capitalisation of $40 million or more over the last 120 market days on which trading was not suspended or halted. For the purpose of this rule, trading is deemed to be suspended or halted if trading is ceased for the full market day; or

(2) the issuer satisfies the SGX-ST Mainboard admission criteria, either under Rule 210(2)(a) or Rule 210(2)(b).

SGX-ST had on 1 December 2010 granted to the Company an extension until 1 June 2012, to meet the requirements to exit the Watch-List (which are set out under Listing Rule 1314).

The Company had, in November 2014, made an application to SGX-ST for a further extension to meet the requirements to exit the Watch-List and will update the shareholders on this status as and when appropriate.

9. Where a forecast, or prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The current announced results are in line with the prospect statement in the results announcement for the financial period ended 31 December 2015 and the subsequent announcements released by the Group.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group is working towards the settlement of outstanding matters relating to its legacy businesses in Indonesia, specifically the collection of outstanding trade receivables from its Indonesian customers.

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

On 12 April 2016, the Group announced that it has reached a settlement agreement with Neo Telemedia Limited ("Neo Telemedia") and AR Evans Capital Limited ("AR Evans") to repay the outstanding sum of approximately HK$145.7 million. AR Evans is a financial advisor mandated to help the Group recover from Neo Telemedia the funds relating to the convertible notes that were due to the Group.

The settlement agreement involves a share allotment by Neo Telemedia. Once the arrangement has been approved by the Hong Kong Stock Exchange, AR Evans will place out these shares and disburse the money to the Group in five instalments.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended) – None

(b) (i) Amount per share – Not applicable
(ii) Previous corresponding period – Not applicable

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated) – Not applicable

(d) The date the dividend is payable – Not applicable

(e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined – Not applicable

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared (recommended) for the financial year ended 31 March 2016.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company did not seek nor obtain a shareholders' general mandate for interested person transactions.

14. Confirmation that the issuer has procured undertakings from all of its directors and executive officers (in the format as set out in Appendix 7.7) under Rule 720(1)

Yes.

PART II- ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

Segment Information – Geographical Segment

2016

	Indonesia	Hong Kong	People's Republic of China	Others	Group
	$'000	$'000	$'000	$'000	$'000
Revenue					
External sales	-	923	-	-	923
Segment results					
Profit (loss) from operations	(414)	790	(1)	(2,306)	(1,931)
Finance expenses					(328)
Other income					27,312
Share of results of joint venture			(1,551)		(1,551)
Profit before income tax					23,502
Income tax expense					(152)
Profit after tax					23,350
Segment assets	4,829	25,666	33,248	2,335	66,078
Unallocated assets					
- Deferred tax assets					-
Consolidated total assets					66,078
Segment liabilities					
Unallocated liabilities	1,498	58	2	6,523	8,081
- Income tax payable					1,470
Consolidated total					9,551
Non-current assets	1,133	-	33,248	23	34,404
Other segment items					
Capital expenditure	-	-	-	-	-
Depreciation of property, plant and equipment	209	-	-	17	226
Investment in joint	-	-	33,248	-	33,248

Segment Information – Geographical Segment (Cont'd)

2015 (re-stated)

	Indonesia	Hong Kong	People's Republic of China	Others	Group
	$'000	$'000	$'000	$'000	$'000
Revenue					
External sales	529	1,675	-	-	2,204
Segment results					
Profit (loss) from operations	(603)	1,482	2	(2,453)	(1,572)
Finance expenses					(62)
Other income					1,200
Other expenses					(1)
Share of results of joint venture			395		395
Loss before income tax					(40)
Income tax expense					(276)
Loss after tax					(316)
Segment assets	5,376	26,977	7,459	2,904	42,716
Unallocated assets					
- Deferred tax assets					-
Consolidated total assets					42,716
Segment liabilities					
Unallocated liabilities	1,584	26	-	6,480	8,090
- Income tax payable					1,357
Consolidated total					9,447
Non-current assets	1,366	-	7,459	37	8,862
Other segment items					
Capital expenditure	-	-	-	-	-
Depreciation of property, plant and equipment	718	-	-	13	731
Investment in joint	-	-	7,459	-	7,459

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

Please refer to preceding paragraph 8.

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

	Group Financial year ended	
	31/03/16 (unaudited) S$'000	31/03/15 (unaudited) S$'000
Ordinary	-	-
Preference	-	-
Total	-	-

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

There is no person occupying a managerial position in the Company or any of the Company's principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company during the financial year ended 31 March 2016.

By Order of the Board
Next-Generation Satellite Communications Limited

Ku Vicente. S
Managing Director and Chief Executive Officer

30 May 2016