NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

Co. Reg. No.196400100R

Unaudited First Quarter Financial Statements for the Financial Period Ended 30 June 2016

As of the date of this announcement, the statutory audit for the financial years ended 31 March 2015 ("FY2015") and 31 March 2016 ("FY2016") of Next-Generation Satellite Communications Limited ("Company") is still in progress and has not been finalised.

As such, the comparative figures for the corresponding periods in this announcement are based on unaudited results for the first quarter ended 30 June 2015 as announced on 13 August 2015. In the event that there are material adjustments arising from the finalisation of the audit for FY2015 and FY2016, the Company will make the appropriate announcement(s) highlighting the variance and the reasons for the discrepancies.

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

Unaudited Consolidated Statement of Comprehensive Income for the Financial Period Ended 30 June 2016

	Note	Group First quarter ended 30/6/2016 (unaudited) S$'000	30/6/2015 (unaudited) (restated) S$'000	% +/(-)
Revenue	(i)	**-**	**436**	(100)
Cost of sales		-	(69)	(100)
Gross profit		**-**	**367**	(100)
Other income		1	-	100
Other expense		-	-	n.a.
Administrative expenses		(530)	(585)	(9)
Finance expenses, net		45	(421)	n.m.
Share of loss of joint venture		(459)	(320)	43
Loss before tax		**(943)**	**(959)**	(2)
Income tax expense		-	(72)	(100)
Loss for the financial period	(ii)	**(943)**	**(1,031)**	(9)
Other comprehensive loss:				
Currency translation differences arising from consolidation		(108)	(415)	(74)
Total comprehensive loss attributable to equity holders of the Company		**(1,051)**	**(1,446)**	(27)

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

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

	Group		
	First quarter ended		
	30/6/2016	**30/6/2015**	**%**
	(unaudited)	(unaudited) (restated)	
	S$'000	S$'000	+/(-)
(i) Revenue			
Interest income on available-for-sale financial assets	-	436	(100)
(ii) Total profit/(loss) for the financial period is derived after crediting (charging):			
Depreciation of plant and equipment	(4)	(27)	(85)
Foreign exchange loss, net	45	(421)	n.m.
Income tax - current	-	(72)	(100)

1(b)(i) 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 30/6/2016 (unaudited)	**As at 31/3/2016** (unaudited) (restated)	**As at 30/6/2016** (unaudited)	**As at 31/3/2016** (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	325	-	-
Foreign currency translation reserves	1,618	1,726	-	-
	1,774	1,882	(169)	(169)
Accumulated losses	(94,919)	(93,977)	(97,185)	(96,684)
TOTAL EQUITY	51,144	52,194	46,935	47,436
ASSETS				
Non-current assets				
Plant and equipment	18	22	16	20
Goodwill	735	735	-	-
Subsidiaries	-	-	57,863	57,863
Joint ventures	31,345	31,798	-	-
Current assets				
Trade receivables	512	510	-	-
Other receivables, deposits and prepayments	3,297	3,309	2,139	2,154
Due from subsidiaries (non-trade)	-	-	1,079	1,064
Available-for-sale financial assets	24,602	24,645	-	-
Cash and bank balances	146	646	47	112
	28,557	29,110	3,265	3,330
TOTAL ASSETS	60,655	61,665	61,144	61,213
LIABILITIES				
Current liabilities				
Trade payables	457	455	-	-
Other payables and accruals	7,581	7,546	2,272	2,227
Due to subsidiaries (non-trade)	-	-	11,937	11,550
Income tax payable	1,473	1,470	-	-
	9,511	9,471	14,209	13,777
TOTAL LIABILITIES	9,511	9,471	14,209	13,777
NET ASSETS	51,144	52,194	46,935	47,436

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

Amount repayable in one year or less, or on demand

As at 30/06/16 (unaudited)		As at 31/03/16 (unaudited)	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Amount repayable after one year

As at 30/06/16 (unaudited)		As at 31/03/16 (unaudited)	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Details of any collaterals

Not applicable.

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

	Group First quarter ended 30/6/2016 (unaudited) S$'000	 30/6/2015 (unaudited) (restated) S$'000
Cash flows from operating activities		
Loss before tax	(943)	(959)
Adjustments:		
Depreciation of plant and equipment	4	27
Share of loss of joint venture	459	320
Unrealised foreign exchange differences	(68)	455
Operating loss before working capital changes	(548)	(157)
Other receivables, deposits and prepayments	13	93
Other payables and accruals	35	(59)
Cash used in operations	(500)	(123)
Net decrease in cash and cash equivalents	(500)	(123)
Effects of exchange rate changes in cash and cash equivalents	-	2
Cash and cash equivalents at beginning of financial period	646	247
Cash and cash equivalents at end of financial period	146	126

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

Unaudited Statement of Changes In Equity for the Financial Period ended 30 June 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 2016, (unaudited) (restated)	**145,508**	**(1,219)**	**(169)**	**325**	**1,726**	**(93,976)**	**52,195**
Loss for the financial period	-	-	-	-	-	(943)	(943)
Other comprehensive loss, net of tax	-	-	-	-	(108)	-	(108)
Total comprehensive loss for the financial period	-	-	-	-	(108)	(943)	(1,051)
Balance at 30 June 2016 (unaudited)	**145,508**	**(1,219)**	**(169)**	**325**	**1,618**	**(94,919)**	**51,144**

	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**	**1,710**	**(90,208)**	**55,949**
Loss for the financial period	-	-	-	-	-	(1,031)	(1,031)
Other comprehensive loss, net of tax	-	-	-	-	(415)	-	(415)
Total comprehensive loss for the financial period	-	-	-	-	(415)	(1,031)	(1,446)
Balance at 30 June 2015 (unaudited) (restated)	**145,508**	**(1,219)**	**(169)**	**327**	**1,295**	**(91,239)**	**54,503**

Unaudited Statement of Changes In Equity for the Financial Period ended 30 June 2016

Company	Share capital	Treasury shares	Capital reserve	Accumulated losses	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2016, (unaudited) (restated)	**145,508**	**(1,219)**	**(169)**	**(96,684)**	**47,436**
Loss for the financial period	-	-	-	(501)	(501)
Total comprehensive loss for the financial period	-	-	-	(501)	(501)
Balance at 30 June 2016 (unaudited)	**145,508**	**(1,219)**	**(169)**	**(97,185)**	**46,935**

	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)**	**(94,173)**	**49,947**
Loss for the financial period	-	-	-	(832)	(832)
Total comprehensive loss for the financial period	-	-	-	(832)	(832)
Balance at 30 June 2015 (unaudited) (restated)	**145,508**	**(1,219)**	**(169)**	**(95,005)**	**49,115**

1(d)(ii) 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 April and 30 June	6,410,535,828	6,410,535,828

Outstanding convertibles

The Company did not have any outstanding share convertibles as at 30 June 2016 and 31 March 2016.

Treasury shares

Included in the above issued ordinary shares as at 30 June 2016 was 24,200,000 (31 March 2016: 24,200,000) treasury shares held by the Company.

1(d)(iii) 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.

	As at 30/06/2016	As at 31/03/2016
Total number of issued shares excluding treasury shares	6,386,335,828	6,386,335,828

1(d)(iv) 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.

Treasury shares	Number of ordinary shares	
	2016	2015
Balance at 1 April and 30 June	24,200,000	24,200,000

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 method 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 2014 as per announcement dated 25 July 2016.

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

Not applicable.

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

	Group First quarter ended	
	30/06/2016	30/06/2015
	(cents)	(cents) (restated)
Loss per share attributable to the equity holders of the Company		
- basic	(0.02)	(0.02)

As the Company does not have any outstanding share convertibles for the first quarter ended 30 June 2016 and 30 June 2015, the diluted profit / (loss) per share is the same as basic profit / (loss) per share.

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

(a) current financial period reported on; and

(b) immediately preceding financial year

	Group		Company	
	As at 30/06/2016 (unaudited) (cents)	**As at 31/03/2016** (unaudited) (cents) (restated)	**As at 30/06/2016** (unaudited) (cents)	**As at 31/03/2016** (unaudited) (cents) (restated)
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	0.80	0.82	0.73	0.74

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

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

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

Statement of Comprehensive Income

The Group did not generate any revenue for the first quarter ended 30 June 2016 (1QFY17) in view of the waiver of interest income from the convertible notes extended to the issuer with effect from 5 October 2015. This waiver was in consideration for the issuer's consent to the order issued by the Court of Hong Kong on 6 January 2016. The announcement on the waiver of interest income was made by the Group on 8 January 2016.

The Group recognised a foreign exchange gain of S$45,000 in 1QFY17 compared to a foreign exchange loss of S$421,000 in the first quarter ended 30 June 2016 (1QFY16). This was on the back of a relatively stronger Singapore Dollar (SGD) against the US Dollar (USD) in 1QFY17.

The Group recorded slightly higher share of losses of S$0.46 million from its joint venture in 1QFY17, as compared to losses of S$0.32 million in 1QFY16 due to lower business activity in, and thus contribution from, the sale of satellite broadband products and services in China. This decline in business reflects the challenges faced by its joint venture in a highly competitive operating landscape.

Taking the above into account, the Group recorded a net loss of S$1.0 million for 1QFY17 compared to a net loss of S$1.6 million in 1QFY16.

Statement of Financial Position

As at 30 June 2016, the value of plant and equipment amounted to S$18,000, compared to S$22,000 as at 31 March 2016. This was due to the depreciation charged of S$4,000 during the period.

Included in the trade receivables of the Group is the amount due from PT Visitel Inti Nusa Media IDR3.5 billion (approximately S$363,000) and PT Telekomunikasi Indonesia of IDR1.4 billion (approximately S$149,000) respectively. The slight increase from 31 March 2016 was due to the translation difference between SGD and Indonesia Rupiah (IDR).

Other receivables, deposits and prepayments mainly comprised of the S$2.1 million due from a related party, Ban Joo Investment (BJI). The decrease as compared to 31 March 2016 reflects the weakening of the IDR against the SGD that resulted in a translation difference.

Available-for-sale financial assets of S$24.6 million as at 30 June 2016 reflect the fair value of the two convertible notes held by Arch and Hillgo. The share of loss from the Group's joint-venture project also resulted in a decrease in the net carrying value of joint ventures as at 30 June 2016.

Statement of Financial Position (cont'd)

Other payable and accruals mainly consist of deferred liabilities, provision for directors' fee and accruals amounting to approximately S$4 million, S$1.2 million and S$0.8 million respectively.

The slight increase in income tax payable mainly was due to the translation difference between IDR and Hong Kong Dollar (HKD) against SGD due to the tax payables arising from IDR and HKD foreign denominated subsidiaries.

Statement of Cash Flow

The Group's cash and cash equivalents as at 30 June 2016 stands at S$0.1 million.

Update of Watch-List Status

As at the date of this announcement, the Company is on the watch-list ("**Watch-List**") pursuant to Rule 1311 of the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**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 has, 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.

Not applicable.

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

The Group continues to work hard to arrive at a settlement with Neo Telemedia Limited ("NEO") and AR Evans Capital Limited ("AR Evans") for the repayment the outstanding sum of approximately HK$ 145.7 million.

On 13 June 2016, the High Court of Hong Kong ruled in favor of Arch and Hillgo and that NEO shall pay the sum of HK$144,000,000 together with interest in full at judgment rate together with legal cost on the Summons.

On 29 June 2016, NEO was served a Statutory Demand to pay the Judgment Debt pursuant to the 13 June 2016 Court Order, with liberty to apply for wind up order for failure to comply within 21 days.

On 30 June 2016, we received a Notice of Appeal against the 13 June 2016 Court Order filed by NEO on 27 June 2016 to appeal against the Order. The hearing on the appeal has been fixed for 26 September 2016.

On 7 July 2016, NEO filed a Summons applying for an order that: 1) Execution of the 13 June 2016 Court Order be stayed pending determination of the Appeal; and 2) Leave be granted to NEO to adduce an Affirmation as evidence for NEO's appeal against the 13 June 2016 Court Order in which the next hearing on the application has been fixed for 29 July 2016.

On 29 July 2016, the High Court of Hong Kong dismissed the application for NEO's appeal against the 13 June 2016 Court Order with cost.

The due legal process for the enforcement of the 13 June 2016 Court Order is ongoing and the Group is sparing no effort to recover the fund due to it.

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 period ended 30 June 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 undertaking from all of its directors and executive officers (in the format as set out in Appendix 7.7) under Rule 720 (1).**

Yes.

By Order of the Board
Next-Generation Satellite Communications Limited

Ku Vicente S.
Managing Director and Chief Executive Officer

12 August 2016

NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

Co. Reg. No.196400100R

Unaudited First Quarter Financial Statements for the Financial Period Ended 30 June 2016

CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED FOR THE ANNOUNCEMENT OF UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 JUNE 2016

We, Ku Vicente S. and Andrew Coulton, being Directors of the Company, do hereby confirm, for and on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited consolidated financial results for the first quarter ended 30 June 2016 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

Ku Vicente S.
Managing Director and
Chief Executive Officer

Andrew Coulton
Non-executive Non-Independent Chairman

12 August 2016