NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

Co. Reg. No.196400100R

Unaudited Third Quarter Financial Statements for the Financial Period Ended 31 December 2014

As of the date of this announcement, the statutory audit for the financial years ended 31 March 2013 ("FY2013") and 31 March 2014 ("FY2014") of Next-Generation Satellite Communications Limited ("Company") has not commenced.

As such, the comparative figures for FY2014 in this announcement are based on unaudited results for the third quarter ended on 31 December 2013 which was announced on 14 February 2014. In the event that there are material adjustments arising from the finalisation of the audit for FY2013 and FY2014, the Company will make the appropriate announcement(s) highlighting the variance and the reasons for the discrepancies.

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

Unaudited Consolidated Statement of Comprehensive Income for the Financial Period Ended 31 December 2014

	Note	Group Nine months ended 31/12/14 (unaudited) S$'000	31/12/13 (unaudited) S$'000	% +/(-)	Group Third quarter ended 31/12/14 (unaudited) S$'000	31/12/13 (unaudited) S$'000	% +/(-)
Revenue	(i)	**1,771**	**2,562**	(31)	**426**	**935**	(54)
Cost of sales		(828)	(1,200)	(31)	(222)	(346)	(36)
Gross profit		943	1,362	(31)	204	589	(65)
Other income	(ii)	1,178	37	n.m.	20	20	-
Distribution costs		-	(10)	(100)	-	5	(100)
Administrative expenses		(1,749)	(2,064)	(15)	(659)	(781)	(16)
Finance expenses, net		(136)	(1,519)	(91)	287	(272)	n.m.
Share of profit/(loss) of joint venture		479	(866)	n.m.	106	(278)	n.m.
Profit/(Loss) before tax		**715**	**(3,060)**	n.m.	**(42)**	**(717)**	(94)
Income tax expense		(205)	366	n.m.	(70)	402	n.m.
Profit/(Loss) for the financial period	(iii)	**510**	**(2,724)**	n.m.	**(112)**	**(315)**	(64)
Other comprehensive income/(loss):							
Currency translation differences arising from consolidation		776	(688)	n.m.	699	23	n.m.
Total comprehensive profit/(loss) attributable to equity holders of the Company		**1,286**	**(3,412)**	n.m.	**587**	**(292)**	n.m.

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

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

	Group Nine months ended			Group Third quarter ended		
	31/12/14	**31/12/13**	**%**	**31/12/14**	**31/12/13**	**%**
	S$'000	S$'000	+/(-)	S$'000	S$'000	+/(-)
(i) Revenue						
Rental income	530	1,751	(70)	1	526	(100)
Interest income on available-for-sale financial assets	1,241	807	54	425	409	4
Satellite communication and data centre service fees	-	4	(100)	-	-	n.a.
	1,771	2,562	(31)	426	935	(54)
(ii) Other income						
Interest income	-	15	(100)	-	3	(100)
Gain on disposal of plant and equipment	-	1	(100)	-	1	(100)
Reversal of impairment loss of plant and equipment	-	21	(100)	-	16	(100)
Waiver of debts from trade payable	1,171	-	n.a.	13	-	n.a.
Others	7	-	n.a.	7	-	n.a.
	1,178	37	n.m.	20	20	-
(iii) Total profit/(loss) for the financial period is derived after crediting (charging) the following:						
Amortisation of intangible asset	(135)	(133)	2	(46)	(44)	5
Depreciation of plant and equipment	(672)	(891)	(25)	(181)	(278)	(35)
Foreign exchange loss, net	(136)	(1,519)	(91)	287	(272)	n.m.
Income tax - current	(205)	336	n.m.	(70)	402	n.m.

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 31/12/14 (unaudited) S$'000	As at 31/03/14 (unaudited) S$'000	As at 31/12/14 (unaudited) S$'000	As at 31/03/14 (unaudited) S$'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	220	220	-	-
Foreign currency translation reserves	(597)	(1,373)	-	-
	(546)	(1,322)	(169)	(169)
Accumulated losses	(54,118)	(54,628)	(71,487)	(70,555)
TOTAL EQUITY	89,625	88,339	72,633	73,565
ASSETS				
Non-current assets				
Plant and equipment	958	1,688	6	13
Goodwill	5,019	5,019	-	-
Subsidiaries	-	-	65,670	65,670
Joint ventures	51,025	50,551	-	-
Deferred tax asset	256	266	-	-
Intangible asset	1,947	1,991	-	-
Current assets				
Trade receivables	8,414	8,202	-	-
Other receivables, deposits and prepayments	6,082	5,598	2,556	2,536
Due from subsidiaries (non-trade)	-	-	14,970	13,622
Available-for-sale financial assets	23,990	22,891	-	-
Cash and bank balances	293	740	277	503
	38,779	37,431	17,803	16,661
TOTAL ASSETS	97,984	96,946	83,479	82,344
LIABILITIES				
Current liabilities				
Trade payables	472	1,652	-	-
Other payables and accruals	6,616	5,878	1,446	1,096
Due to subsidiaries (non-trade)	-	-	9,400	7,683
Income tax payable	1,271	1,077	-	-
	8,359	8,607	10,846	8,779
TOTAL LIABILITIES	8,359	8,607	10,846	8,779
NET ASSETS	89,625	88,339	72,633	73,565

1(b)(i) Statement of financial position (Cont'd)

Note (1): Cash and bank balances	Group		Company	
	As at 31/12/14 (unaudited) S$'000	As at 31/03/14 (unaudited) S$'000	As at 31/12/14 (unaudited) S$'000	As at 31/03/14 (unaudited) S$'000
Available for use	956	1,372	277	503
Discrepancy [(a)]	(663)	(632)	-	-
	293	740	277	503

(a) As at 31 December 2014 and 31 March 2014, this represents deposits placed with a finance Company in Hong Kong (the "Finance Company") which was withheld by the Finance Company and intended for the settlement of an invoice for 65 sets of Universal Service Obligation equipment which was purchased under a conditional letter of credit ("**LC**") arrangement provided by the Finance Company to one of the Group's subsidiaries. In the interest of prudence, the Company continues to record this amount as a receivable. As announced on 31 October 2014, Ernst and Young Advisory Pte. Ltd. has completed its investigation into the matter relating to the funds placed with the Finance Company and has issued a report on its findings to the Audit Committee of the Company. Please refer to the said announcement for further details.

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 31/12/14 (unaudited)		As at 31/03/14 (unaudited)	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Amount repayable after one year

As at 31/12/14 (unaudited)		As at 31/03/14 (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 Nine months ended		Group Third quarter ended	
	31/12/14 (unaudited) S$'000	31/12/13 (unaudited) S$'000	31/12/14 (unaudited) S$'000	31/12/13 (unaudited) S$'000
Cash flows from operating activities				
Profit/(Loss) before tax	715	(3,060)	(42)	(717)
Adjustments:				
Amortisation of intangible asset	135	133	46	44
Depreciation of plant and equipment	672	891	181	278
Gain on disposal of plant and equipment	-	(1)	-	(1)
Interest income	-	(15)	-	(3)
Reversal of impairment loss of plant and equipment	-	(21)	-	(16)
Share of (profit)/loss of joint venture	(479)	866	(106)	278
Unrealised foreign exchange differences	(25)	(232)	(442)	(77)
Waiver of debt from trade payable	(1,178)	-	(20)	-
Operating profit/(loss) before working capital changes	(160)	(1,439)	(383)	(214)
Trade receivables	(534)	300	(2)	(236)
Other receivables, deposits and prepayments	(476)	(254)	206	38
Trade payables	-	(94)	31	(20)
Other payables and accruals	721	260	276	275
Cash used in (generated from) operations	(449)	(1,227)	128	(157)
Income tax paid	-	-	-	-
Net cash used in (generated from) operating activities	(449)	(1,227)	128	(157)
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash	-	(24,022)	-	-
Interest received	-	15	-	3
Proceeds from disposal of plant and equipment	-	8	-	3
Net cash used in investing activities	-	(23,999)	-	6
Cash flows from financing activities				
Repayment to related parties (non-trade)	-	(437)	-	(427)
Restricted cash and bank balances from finance company	-	24,959	-	-
Net cash generated from (used in) financing activities	-	24,522	-	(427)
Net (decrease)/increase in cash and cash equivalents	(449)	(704)	128	(578)
Effects of exchange rate changes in cash and cash equivalents	2	12	(5)	3
Cash and cash equivalents at beginning of financial period	740	1,835	170	1,718
Cash and cash equivalents at end of financial period	293	1,143	293	1,143

1(c) Consolidated statement of cash flows (Cont'd)

Note:
(1) Cash and cash equivalents in the consolidated statement of cash flows comprise the following:

	Group	
	As at 31/12/14 (unaudited) S$'000	As at 31/12/13 (unaudited) S$'000
Cash and bank balances	293	1,095
Fixed deposits placed with financial institutions	-	48
Cash and cash equivalents per consolidated statement of cash flows	293	1,143

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 31 December 2014

Group	Share capital S$'000	Treasury shares S$'000	Capital reserve S$'000	Fair value reserve S$'000	Translation reserve S$'000	Accumulated losses S$'000	Total Equity S$'000
Balance at 1 April 2014, (unaudited)	**145,508**	**(1,219)**	**(169)**	**220**	**(1,373)**	**(54,628)**	**88,339**
Profit for the financial period	-	-	-	-	-	510	510
Other comprehensive profit, net of tax	-	-	-	-	776	-	776
Total comprehensive profit for the financial period	-	-	-	-	776	510	1,286
Balance at 31 December 2014 (unaudited)	**145,508**	**(1,219)**	**(169)**	**220**	**(597)**	**(54,118)**	**89,625**

Group	Share capital S$'000	Treasury shares S$'000	Capital reserve S$'000	Fair value reserve S$'000	Translation reserve S$'000	Accumulated losses S$'000	Total Equity S$'000
Balance at 1 April 2013, restated (unaudited)	**145,508**	**(1,219)**	**(169)**	**-**	**(635)**	**(52,468)**	**91,017**
Loss for the financial period	-	-	-	-	-	(2,724)	(2,724)
Other comprehensive loss, net of tax	-	-	-	-	(688)	-	(688)
Total comprehensive loss for the financial period	-	-	-	-	(688)	(2,724)	(3,412)
Balance at 31 December 2013 (unaudited)	**145,508**	**(1,219)**	**(169)**	**-**	**(1,323)**	**(55,192)**	**87,605**

Unaudited Statement of Changes In Equity for the Financial Period ended 31 December 2014 (Continued)

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 2014, (unaudited)	**145,508**	**(1,219)**	**(169)**	**(70,555)**	**73,565**
Loss for the financial period	-	-	-	(932)	(932)
Total comprehensive loss for the financial period	-	-	-	(932)	(932)
Balance at 31 December 2014 (unaudited)	**145,508**	**(1,219)**	**(169)**	**(71,487)**	**72,633**

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 2013,restated (unaudited)	**145,508**	**(1,219)**	**(169)**	**(69,252)**	**74,868**
Loss for the financial period	-	-	-	(1,076)	(1,076)
Total comprehensive loss for the financial period	-	-	-	(1,076)	(1,076)
Balance at 31 December 2013 (unaudited)	**145,508**	**(1,219)**	**(169)**	**(70,328)**	**73,792**

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	
	2014	2013
Balance at 1 October and 31 December	6,410,535,828	6,410,535,828

Outstanding convertibles

The Company did not have any outstanding share convertibles as at 31 December 2014 and 31 December 2013.

Treasury shares

Included in the above issued ordinary shares as at 31 December 2014 was 24,200,000 (31 December 2013: 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.

Issued ordinary shares	Number of shares	
	As at 31/12/2014	As at 31/03/2014
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**	
	2014	**2013**
Balance at 1 October and 31 December	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.

There are certain new Financial Reporting Standards ("FRS") that are published and mandatory for accounting periods beginning on or after 1 April 2014. The adoption of these FRS where applicable did not have any material impact on the financial statements for the financial period ended 31 December 2014. Apart from this, the same accounting policies and methods of computation have been consistently applied.

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		**Group**	
	Nine months ended		**Third quarter ended**	
	31/12/14 (cents)	**31/12/13** (cents)	**31/12/14** (cents)	**31/12/13** (cents)
Profit/(Loss) per share attributable to the equity holders of the Company				
- basic	0.02	(0.05)	0.01	(0.01)

As the Company does not have any outstanding share convertibles for the third quarter ended 31 December 2014 and 31 December 2013, the diluted loss per share is the same as basic loss per share.

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

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

	Group		Company	
	As at 31/12/14 (unaudited) (cents)	**As at 31/03/14** (unaudited) (cents)	**As at 31/12/14** (unaudited) (cents)	**As at 31/03/14** (unaudited) (cents)
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	1.40	1.38	1.14	1.15

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 54% reduction in revenue to S$0.4 million for the third quarter ended 31 December 2014 ("**3Q15**") compared to S$0.9 million in the previous corresponding period ("**3Q14**"). This was due to loss of rental income from the termination and non-renewal of the Group's Universal Service Obligation ("**USO**") contracts at the end of June 2014.

Similarly, revenue for the nine months ended 31 December 2014 ("**9M15**") was S$1.8 million, 31% lower than that reported for the nine months ended 31 December 2013 ("**9M14**"). The impact of the loss of rental income from USO contracts was, however, partially mitigated by higher interest income in the 1st quarter ended 30 June 2013 ("**1Q14**"), derived from the convertible notes acquired by the Group pursuant to the Settlement Agreement entered with the Finance Company on 25 June 2013.

Other income in 9M15 includes S$1.2 million waiver of debt by a vendor in relation to the purchase of equipment by the Group. Lower professional fees resulted in administrative expenses in 9M15 being lower than the same period in the prior year (S$1.7 million from S$2.1 million).

In view of the strengthening of the Indonesian Rupiah ("IDR") against the Singapore Dollar ("SGD"), the Group recognised lower foreign exchange losses of S$0.1 million in 9M15, versus losses of S$1.5 million in 9M14.

The Group's joint venture in China recorded a third consecutive quarter of profits, contributing S$0.1 million and S$0.5 million to the Group's share of profits in 3Q15 and 9M15 respectively. This is in contrast with the share of loss of S$0.3 million in 3Q14 and S$0.9 million in 9M14. The positive result is driven by sustained demand for the equipment and services supplied by Hughes UnifiedNet Holding (China) Company Limited ("HUH"), which owns and manages Beijing China Satcom Unified Network Systems Technology Co., Ltd, which in turn holds the highly coveted VAS (value added services) and Satellite Operating licences in China.

Taking the above into account, the Group recorded a net profit of $1.3 million for 9M15 compared to net loss of $3.4 million for 9M14.

Statement of Financial Position

As at 31 December 2014, plant and equipment balance was S$1.0 million, compared to S$1.7 million as at 31 March 2014, mainly due to the depreciation of assets amounting to S$0.7 million.

The positive share of profit from the Group's joint-venture also resulted in a higher net carrying value of the joint venture company.

Other receivables, deposits and prepayments balances were higher by S$0.5 million this year due to accrual of interest income receivable on the Group's convertible notes.

As at 31 December 2014, the available-for-sale financial assets of S$24.0 million reflected the fair value of the two convertible notes held by Arch and Hillgo.

The reduction in trade payables balance from S$1.7 million as at 31 March 2014 to S$0.5 million as at 31 December 2014 was mainly due to the S$1.2 million waiver of a trade payable referred to above in the review of the statement of comprehensive income.

Cash Flow

The Group held cash and cash equivalents totalling S$ 0.3 million as at 31 December 2014.

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) based on the Company's audited FY2012 results.

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.

The current announced results are in line with the prospect statement in the results announcement for the second quarter and half year ended 30 September 2014 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.

As reported in the Q2 results announcement, the Group's investment in Hughes UnifiedNet Holding (China) Company Limited ("HUH"), a technology enabler in China, has continued to report profits. The quarter under review marked the third consecutive quarter of profit and the Group is hopeful of continued positive contribution from this business going forward.

Encouraged by the turnaround, the Group will continue to support the business activities of HUH. HUH has been working on a two-pronged strategy: adding new contracts in the area of satellite technology deployment to its existing portfolio in the natural resources and education sectors – it expects to sign a further contract for 100 coal mines with the Government of Guizhou later in 2015 - as well as penetrating new industries such as the supply of equipment for in-flight broadband capability for the airline industry in China. These have been progressing well and the Group expects HUH to report further progress in its business development effort going forward.

Outstanding matters relating to the Group's legacy businesses in Indonesia are in the process of being settled.

At the same time, the Group has continued to reorganise its structure. It has set up a subsidiary company in Singapore, NGSC Investment Management Pte Ltd, which it intends to develop into a platform to streamline the management of Group assets and invest in new business opportunities as and when these arise. These will include acquisitions and/or investments to expand the Group's technology related business, and/or to diversify the Group's investments into other long term growth sectors to the benefit of shareholders.

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 third quarter ended 31 December 2014.

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.

By Order of the Board
Next-Generation Satellite Communications Limited

Andrew Coulton
Chairman and Executive Director

13 February 2015

NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

Co. Reg. No.196400100R

Unaudited Third Quarter Financial Statements for the Financial Period Ended 31 December 2014

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 NINE MONTHS ENDED 31 DECEMBER 2014

We, Andrew Coulton and Sri Tjintawati Hartanto, being Directors of Next-Generation Satellite Communications Limited (the "Company"), do hereby confirm, for and on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited consolidated financial results for the Third quarter and the Nine months ended 31 December 2014 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

Andrew Coulton
Chairman and Executive Director

Sri Tjintawati Hartanto
Executive Director

13 February 2015