NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

[NOW KNOWN AS NGSC LIMITED]

AND ITS SUBSIDIARIES

(Co. Reg. No. 196400100R)

REVISED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2017

CONTENTS

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

The Directors present their statement to the members together with the audited revised consolidated financial statements of Next-Generation Satellite Communications Limited (now known as NGSC Limited) (the "Company") and its subsidiaries (the "Group") and the revised statement of financial position and revised statement of changes in equity of the Company for the financial year ended 31 March 2017.

This new directors' statement replaces the original directors' statement signed on 1 November 2017. This new directors' statement and the revised financial statements have been prepared in accordance with Companies (Revision of Defective Financial Statements, or Consolidated Financial Statements or Balance-Sheet) Regulations 2018 (the "Regulations").

The bases for revisions are explained in Note 29 to the revised financial statements. This new directors' statement is taken as having been prepared on the date of the original directors' statement and accordingly, does not consider those events occurring between 2 November 2017 and 5 July 2019.

1 Opinion of the Directors

In the opinion of the Directors,

(i) the revised consolidated financial statements of the Group and the revised statement of financial position and revised statement of changes in equity of the Company together with the notes thereto are 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 2017 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; and

(ii) as at the date of the original directors' statement (1 November 2017), there were reasonable grounds to believe that the Company will be able to pay its debts as and when they fell due.

2 Directors

Directors in office at	Movements during the period from 2 November 2017 to 3 July 2019		Directors in office at
1 November 2017	Appointment	Resignation	3 July 2019
Michael Kuan-Chi Sun	-	-	Michael Kuan- Chi Sun
Lye Meng Yiau	-	-	Lye Meng Yiau
Sri Tjintawati Hartanto	-	-	Sri Tjintawati Hartanto
Fu Shu Sheen Edward	-	-	Fu Shu Sheen Edward
Ng Hsian Pin	-	-	Ng Hsian Pin
Ku Vicente S.	-	Ku Vicente S. (Resigned on 30 May 2019)	-
Andrew Coulton	-	Andrew Coulton (Resigned on 30 May 2019)	-
Lai Chik Fan	-	Lai Chik Fan (Resigned on 30 May 2019)	-
Li Man Wai	-	Li Man Wai (Resigned on 31 May 2019)	-
Cheung Kam Wa	-	Cheung Kam Wa (Resigned on 4 April 2019)	-

3 Arrangements to enable Directors to acquire shares and debentures

Except as disclosed under "Performance shares and share options" on pages 4 and 5 of this statement, 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.

4 Directors' interests in shares and debentures

The Directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (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 2016 or date of appointment	At 31 March 2017	At 21 April 2017	At 1 April 2016 or date of appointment	At 31 March 2017	At 21 April 2017
Company						
Ordinary shares						
Sri Tjintawati Hartanto	2,203,000	2,203,000	2,203,000	-	-	-

5 Performance shares and share options

(i) <u>Performance shares</u>

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.

At the date of the original directors' statement (1 November 2017), the PSS is administered by the Remuneration Committee comprising Fu Shu Sheen Edward (Chairman of Remuneration Committee), Ng Hsian Pin, Lai Chik Fan and Cheung Kam Wa.

5 Performance shares and share options (cont'd)

(i) Performance shares (cont'd)

As at 3 July 2019, the PSS is administered by the Remuneration Committee currently comprising Fu Shu Sheen Edward (Chairman of Remuneration Committee), Ng Hsian Pin, and Sri Tjintawati Hartanto.

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 are as follows:

Director	Aggregate number of performance shares granted during the financial year ended 31 March 2017	Aggregate number of performance shares granted since the commencement of the PSS to the end of the financial year ended 31 March 2017	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 2017	Aggregate number of performance shares outstanding as at the end of the financial year ended 31 March 2017
Sri Tjintawati Hartanto	-	2,203,000	2,203,000	-

All allocated performance shares have been fully granted and converted to ordinary shares on 28 July 2010 and hence there are no more vesting period with respect to those allocated shares.

The Company still has unallocated performance shares (the treasury shares in Note 22 to the financial statements), which the Company may allocate before the PSS expires in year 2020.

(ii) Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

6 Audit committee

The Audit Committee as at the date of the original directors' statement (1 November 2017) comprises three Independent Directors, namely:

Mr Ng Hsian Pin (Chairman)
Mr Fu Shu Sheen Edward
Mr Li Man Wai (Resigned on 31 May 2019)

The Audit Committee as of the date of this directors' statement comprised the following:

Mr Ng Hsian Pin (Chairman)
Mr Fu Shu Sheen Edward

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 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;
- the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2017 prior to their submission to the Board, as well as the independent auditor's report on the statement of financial position and the statement of changes in equity 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).

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, RT LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

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

7 Independent auditor

The independent auditor, RT LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Dr Michael Kuan-Chi Sun
Director

Fu Shu Sheen Edward
Director

Singapore, 3 July 2019

Report on the Audit of the Revised Financial Statements

Qualified Opinion

We have audited the revised financial statements of Next-Generation Satellite Communications Limited (now known as NGSC Limited) (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and the Company as at 31 March 2017, and the consolidated statement of profit or loss and other 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 year then ended, and notes to the revised financial statements, including a summary of significant accounting policies. The revised financial statements replace the original financial statements approved by the former board of directors on 1 November 2017.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying revised consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") as they have effect under the Companies (Revision of Defective Financial Statements, or Consolidated Financial Statements or Balance-sheet) Regulations 2018 (the "Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view, seen as at the date of the original financial statements, of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Qualified Opinion

(1) Opening balances

Our independent auditor's report dated 21 April 2017 contains a disclaimer of opinion on the financial statements for the financial year ended 31 March 2016. The basis for disclaimer of opinion on the financial statements for the financial year ended 31 March 2016 is disclosed in Note 31 to 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 2016, we were unable to determine whether the opening balances as at 1 April 2016 are fairly stated.

Since the opening balances as at 1 April 2016 are entered into the determination of the financial position of the Group and of the Company as at 31 March 2017 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 2017, we were unable to determine whether adjustments, if any, might have been found to be necessary in respect of the Group's and the Company's revised financial statements for the financial year ended 31 March 2017.

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

Report on the Audit of the Revised Financial Statements (Cont'd)

Basis for Qualified Opinion (cont'd)

(2) Independent investigations

Subsequent to the completion of the independent investigation by Ernst & Young Advisory Pte. Ltd. ("EY") on 31 October 2014, EY issued their Report ("EY Report") containing their findings to the Audit Committee of the Company, the details of which are described in [Note 30 (a)] to the financial statements. In view of EY's findings, the Company re-appointed EY on 10 November 2014 to perform further investigation into, *inter alia* the discrepancies and matters highlighted in the EY Report. Specifically, EY was engaged to investigate on (i) allegations raised by the former owners of Multi Skies Nusantra Limited's ("MSN") 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 MSN， PT Karunia Anugerah Mitra Utama ("PT Kamu") and PT MSN (collectively, the "MSN group") and the corporate records of PT MSN [Note 30(c)].

As at the date of our original auditor's report, we had obtained confirmation from EY informing us that their investigation into the MSN group, as disclosed in Note 30(c) to the financial statements had just ended and EY were finalising their report ("EY2 Report") with the Company. We were also informed by the Company that the draft EY2 Report was under review and being studied by the Board and the Company's legal counsel. Consequently, we were unable to determine whether any further significant findings may be reported by EY and whether there may be any adjustments arising thereon which may have an impact on the original financial statements of the Group and the Company.

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Revised Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the revised financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Report on the Audit of the Revised Financial Statements (Cont'd)

Emphasis of Matter

We draw your attention to Note 30 (e) to the revised financial statements.

On 4 June 2017, the Company announced that the Singapore Exchange Securities Trading Limited ("Exchange") had notified the Company that it would be placed on the watch-list due to the Minimum Trading Price ("MTP") Entry Criteria with effect from 5 June 2017.

The Company will have to meet the requirements of Rule 1314(2) of the Listing Manual within 36 months from 5 June 2017, failing which the Exchange would delist the Company or suspend trading in the Company's shares with a view to delisting the Company. In this regard, Listing Rule 1314(2) states that the Company will be assessed by the Exchange for removal from the watch-list if it records volume-weighted average price of at least $0.20 and an average daily market capitalisation of $40 million or more over the last 6 months.

Following the Company's inclusion in the watch-list, the Company is required to provide a quarterly update on its efforts and the progress made in meeting the exit criteria of the watch-list.

In addition, the Company was also previously placed under the watch-list under the financial criteria. On 31 May 2012, the Company announced that it had applied for an extension of time to meet the requirements to exit from the watch-list which are set out under Listing Rule 1314.

In November 2014, the Company had made an application to the Exchange for a further extension to meet the requirements to exit the watch-list. As at the date of our original auditor's report, the Company was still pending response from the Exchange.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the revised financial statements of the current period. These matters were addressed in the context of our audit of the revised financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Report on the Audit of the Revised Financial Statements (Cont'd)

Key Audit Matters

Key audit matter	How the matter was addressed in the audit
Impairment assessment of investment in joint ventures and subsidiaries	
During the financial year, the Group made an impairment loss of approximately $30.923 million (2016: Nil) on its investment in joint ventures and the Company made an impairment loss of $33.823 million (2016: Nil) on its investment in subsidiaries. Following these impairment losses, the Group and Company's investment in joint ventures and subsidiaries amounted to Nil and $24.095 million respectively, which represent approximately Nil and 51% of the Group's and Company's total assets respectively. Impairment assessment of joint ventures and subsidiaries are performed when an indication of impairment exists. Impairment is recognised when the carrying amount of the joint ventures and subsidiaries exceed their respective recoverable amount. The recoverable amount is defined as the higher of an asset's or cash generating unit's fair value ("FV") less costs of disposal and its value in use ("VIU"). Management has used the independent valuer's FV less costs of disposal, (which is higher than its VIU) as its recoverable amount. The significant assumptions and estimates, including the basis used for the assessment of the recoverable amount of investment in joint ventures and subsidiaries are disclosed in Note 3.2(a), 12 and 13. We considered this to be a key audit matter because of the significance of the impairment loss and the element of critical estimates and judgement required in determining the assumptions and basis used in arriving at the discounted future cash flows to determine the recoverable amount of the investment in joint ventures and subsidiary.	Our audit focused on evaluating the key assumptions used by both management and management's expert (i.e. the independent valuer) in conducting the impairment review based on VIU and FV less costs of disposal. Our audit procedures included but were not limited to the following: 1) Tested management's assumptions used in VIU to calculate the recoverable amount and assessed the accuracy of the historical data used by management as the basis of arriving at the estimated discounted future cash flows ("DCF"); 2) Reviewed the engagement terms entered into with the independent valuer to ascertain if there were any matters that may have affected the valuer's objectivity or placed limitations in the scope of their work; 3) Evaluated the qualifications and competence of the independent valuer; 4) Considered the valuation methodologies adopted; 5) Tested the integrity of inputs of the projected cash flows used in the valuation; 6) Challenged the cash flow forecasts used with comparison to recent information, historical trend analysis; and 7) For key inputs used for the DCF such as discount rate and weighted costs of capital, ensured the valuer has taken into consideration the general market outlook for the relevant industry, including comparing against comparable listed companies. 8) Obtain sufficient appropriate audit evidence about whether the revisions made under the Regulations are appropriately reflected in these revised financial statements.

Report on the Audit of the Revised Financial Statements (Cont'd)

Other Matter – Revisions Made Under the Regulations

We draw attention to Note 2.1 and Note 29 to these revised financial statements which describes the reasons and the impacts arising from the revision to the original financial statements.

The original financial statements for the financial year ended 31 March 2017 were approved by the former board of directors on 1 November 2017 where we expressed a disclaimer of opinion with an emphasis of matter paragraph in our original auditor's report and dated that report on those original financial statements on that date.

The revised financial statements have been prepared in accordance with the Regulations and accordingly do not deal with events which have taken place after the date on which the original financial statements were approved. Consequently, our procedures on subsequent events are restricted solely to the revisions described in Note 29 to these revised financial statements and we have not performed procedures in relation to events occurring between the date of our original auditor's report and the date of this report.

Information Other than the Revised Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement on pages 3 to 7.

Our opinion on the revised financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the revised financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the revised financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Revised Financial Statements

Management is responsible for the preparation of revised financial statements that give a true and fair view in accordance with the provisions of the Act as they have effect under the Regulations and FRSs, 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 revised financial statements and to maintain accountability of assets.

In preparing the revised financial statements, management is responsible for assessing the Group's ability to continue as a going concern, as made up to the date of the original financial statements, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Report on the Audit of the Revised Financial Statements (Cont'd)

Auditor's Responsibilities for the Audit of the Revised Financial Statements

Our objectives are to obtain reasonable assurance about whether the revised financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these revised financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the revised financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the revised financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our original auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the revised financial statements, including the disclosures, and whether the revised financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the revised consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

- Obtain sufficient appropriate audit evidence about whether the revisions made under the Regulations are appropriately reflected in these revised financial statements.

Report on the Audit of the Revised Financial Statements (Cont'd)

Auditor's Responsibilities for the Audit of the Revised Financial Statements (Cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the revised financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ong Kian Meng.

RT LLP
Public Accountants and
Chartered Accountants
Singapore, 3 July 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	2017 $'000 (Revised) [Note 29]	2016 $'000 (Revised) [Note 29]
Revenue	4	**-**	923
Cost of sales		**-**	(21)
Gross profit		**-**	902
Other income	5	**1,873**	6
Administrative expenses		**(3,961)**	(2,961)
Other expenses		**(30,960)**	(2,657)
Share of loss of joint venture	12	**(625)**	(1,956)
Loss before income tax	6	**(33,673)**	(6,666)
Income tax expense	8	**(126)**	(152)
Loss for the financial year		**(33,799)**	(6,818)
Other comprehensive (loss) / income:			
Items that may be reclassified subsequently to profit or loss:			
- Net fair value changes on available-for-sale financial assets		**(327)**	-
- Currency translation differences arising on consolidation		**151**	88
Other comprehensive (loss) / income for the financial year, net of tax		**(176)**	88
Total comprehensive loss		**(33,975)**	(6,730)
Loss attributable to:			
Equity holders of the Company		**(33,799)**	(6,818)
Non-controlling interests		**-**	-
		(33,799)	(6,818)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(33,975)**	(6,730)
Non-controlling interests		**-**	-
		(33,975)	(6,730)
Loss per share for loss attributable to equity holders of the Company (cents per share)			
- Basic	9	**(0.5292)**	(0.1068)
- Diluted	9	**(0.5292)**	(0.1068)

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2017

		Group			Company	
		2017	2016	2015	**2017**	2016
	Note	**$'000**	$'000	$'000	**$'000**	$'000
		(Revised)	(Revised)	(Revised)	(Revised)	
		[Note 29]	[Note 29]	[Note 29]	[Note 29]	
Non-current assets						
Property, plant and equipment	10	**9**	23	62	**5**	20
Goodwill	11	-	-	735	-	-
Investment in joint venture	12	**-**	31,829	33,660	**-**	
Investment in subsidiaries	13	-	-	-	**24,095**	57,863
		9	31,852	34,457	**24,100**	57,883
Current assets						
Trade receivables	14	-	-	1,316	-	-
Other receivables, deposits and prepayments	15	**317**	1,472	3,564	**224**	1,196
Amounts due from subsidiaries	16	-	-	-	-	-
Cash and bank balances	17	**23,124**	677	277	**23,092**	113
Available-for-sale financial assets	18	-	24,645	25,111	-	-
		23,441	26,794	30,268	**23,316**	1,309
Total assets		**23,450**	58,646	64,725	**47,416**	59,192
Current liabilities						
Amounts due to subsidiaries	16	-	-	-	**36,882**	11,550
Trade payables	19	**235**	228	105	-	-
Other payables and accruals	20	**7,236**	7,538	7,122	**1,999**	2,273
Income tax payable		**1,639**	1,470	1,358	-	-
		9,110	9,236	8,585	**38,881**	13,823
Total liabilities		**9,110**	9,236	8,585	**38,881**	13,823
Net assets		**14,340**	49,410	56,140	**8,535**	45,369
Capital and reserves attributable to equity holders of the Company						
Share capital	21	**145,508**	145,508	145,508	**145,508**	145,508
Treasury shares	22	**(1,219)**	(1,219)	(1,219)	**(1,219)**	(1,219)
Capital reserve	23	**(169)**	(169)	(169)	**(169)**	(169)
Settlement shares	15	**(1,140)**	-	-	**(1,140)**	-
Currency translation reserve		**1,880**	1,729	1,641	**-**	-
Fair value reserve		**-**	327	327	-	-
Accumulated losses		**(130,565)**	(96,766)	(89,948)	**(134,445)**	(98,751)
		14,295	49,410	56,140	**8,535**	45,369
Non-controlling interests		**45**	-	-	-	-
Total equity		**14,340**	49,410	56,140	**8,535**	45,369

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

Group	Share capital $'000	Treasury shares $'000	Capital reserve $'000	Settlement shares $'000	Currency translation reserve [1] $'000	Fair value reserve $'000	Accumulated losses $'000 (Revised) [Note 29]	Non-controlling interests $'000	Total $'000
Balance at 01.04.2015	145,508	(1,219)	(169)	-	1,641	327	(89,948)	-	56,140
Loss for the financial year	-	-	-	-	-	-	(6,818)	-	(6,818)
Other comprehensive income for the financial year, net of tax:									
- Currency translation difference arising on consolidation	-	-	-	-	88	-	-	-	88
Total comprehensive (loss) / income for the financial year	-	-	-	-	88	-	(6,818)	-	(6,730)
Balance at 31.03.2016	145,508	(1,219)	(169)	-	1,729	327	(96,766)	-	49,410
Loss for the financial year	-	-	-	-	-	-	(33,799)	-	(33,799)
Other comprehensive loss for the financial year, net of tax:									
- Net fair value changes on available-for-sale financial assets	-	-	-	-	-	(327)	-	-	(327)
- Currency translation difference arising on consolidation	-	-	-	-	151	-	-	-	151
Total comprehensive (loss) / income for the financial year	-	-	-	-	151	(327)	(33,799)	-	(33,975)
Incorporation of a subsidiary	-	-	-	-	-	-	-	45	45
Loan receivable due from subsidiary	-	-	-	(1,140)	-	-	-	-	(1,140)
Balance at 31.03.2017	**145,508**	**(1,219)**	**(169)**	**(1,140)**	**1,880**	**-**	**(130,565)**	**45**	**14,340**

Note:

[1] Currency translation reserve

The currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Share capital	Treasury shares	Capital reserve	Settlement shares	Accumulated losses	Total
	$'000	$'000	$'000	$'000 (Revised) [Note 29]	$'000 (Revised) [Note 29]	$'000
Company						
Balance at 01.04.2015	145,508	(1,219)	(169)	-	(95,199)	48,921
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	-	(3,552)	(3,552)
Balance at 31.03.2016	145,508	(1,219)	(169)	-	(98,751)	45,369
Loan receivable due from subsidiary	-	-	-	(1,140)	-	(1,140)
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	-	(35,694)	(35,694)
Balance at 31.03.2017	**145,508**	**(1,219)**	**(169)**	**(1,140)**	**(134,445)**	**8,535**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	**2017**	2016
		$'000	$'000
		(Revised)	(Revised)
		[Note 29]	[Note 29]
Cash flows from operating activities			
Loss before income tax		**(33,673)**	(6,666)
Adjustments for:			
Impairment loss on other receivables	15	-	1,587
Impairment loss on goodwill	11	-	735
Impairment loss on joint venture	12	**30,923**	-
Depreciation of property, plant and equipment	10	**15**	38
Share of loss of joint venture	12	**625**	1,956
Gain on redemption of convertible note		**(776)**	-
Unrealised currency translation loss/ (gain)		**141**	(81)
Total adjustments		**30,928**	4,235
Operating cash flows before changes in working capital		**(2,745)**	(2,431)
Changes in working capital			
Trade receivables		-	1,316
Other receivables, deposits and prepayments		**1,016**	97
Trade payables		**2**	123
Other payables and accruals		**174**	424
Financial assets at fair value through profit or loss		**(754)**	466
Total changes in working capital		**438**	2,426
Net cash used in operating activities		**(2,307)**	(5)
Cash flows from investing activities			
Proceeds from issuance of ordinary shares in a newly incorporated subsidiary to non-controlling interest		**45**	-
Settlement shares due to loan receivable from subsidiary		**(1,140)**	-
Redemptions of convertible notes		**25,848**	-
Repayment from other receivables	15	**-**	405
Net cash from investing activities		**24,753**	405
Net increase in cash and cash equivalents		**22,446**	400
Cash and cash equivalents at beginning of financial year		**677**	277
Effect of exchange rate changes on cash and cash equivalents		**1**	-
Cash and cash equivalents at end of financial year	17	**23,124**	677

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 General information

Next Generation Satellite Communications Limited (now known as NGSC Limited) (the "Company" or "NGSC") 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 20 Collyer Quay #01-02 Singapore 049319 and its principal place of business is at 96 Robinson Road, #12-04 SIF Building, Singapore 068899.

With effect from 5 December 2017, the name of the Company was changed from Next-Generation Satellite Communications Limited to NGSC Limited.

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 13 to the financial statements.

2 Summary of significant accounting policies

2.1 Basis of preparation

These revised financial statements were prepared in accordance with the Companies (Revision of Defective Financial Statements, or Consolidated Financial Statements or Balance-Sheet) Regulations 2018 (the "Regulations"), as the directors have voluntarily revised these Financial Statements in accordance with section 202A of the Companies Act.

These revised financial statements replace the original financial statements that were approved by the former board of directors on 1 November 2017. These revised financial statements were approved by the directors on 3 July 2019.

These revised financial statements are taken as having been prepared on the date of the original financial statements on 1 November 2017 and accordingly, do not consider any events which occurred between 2 November 2017 and 3 July 2019.

These revised financial statements have been revised to reflect the changes made in response to the 4 queries raised by the Accounting and Corporate Regulatory Authority in their letter dated 5 April 2019 as described in Note 29. The impacts of the revision are disclosed in Note 29 to the financial statements.

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 end of the reporting period 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.

2 Summary of significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

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 bank balances, 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 the 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 or amended FRS and INT FRS did not result in substantial changes to the Group and the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 New or revised accounting standards and interpretation

At the date of authorisation of these financial statements, the following FRS that are relevant to the Group were issued but not yet effective, and have not been early adopted in these financial statements:

Description	Effective for annual periods beginning on or after
Improvements to FRSs (December 2016)	
(a) Amendments to FRS 112: *Disclosures of Interest in Other Entities*	1 January 2017
(b) Amendments to FRS 28: *Investments in Associates and Joint Venture*	1 January 2018
Amendments to FRS 7: *Disclosure Initiative*	1 January 2017
Amendments to FRS 12: *Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
Amendments to FRS 115: *Clarifications to FRS 115 Revenue from Contracts with Customers*	1 January 2018
Amendments to FRS 102: *Classification and Measurement of Share-based Payment Transactions*	1 January 2018
FRS 115: *Revenue from Contracts with Customers*	1 January 2018
FRS 109: *Financial Instruments*	1 January 2018
FRS 116: *Leases*	1 January 2019

2 Summary of significant accounting policies (cont'd)

2.2 New or revised accounting standards and interpretation (cont'd)

Management anticipates that the adoption of the above standards in the future periods will not have a material impact to the Group's accounting policies in the period of their initial adoption except for possibly FRS 109, FRS 115 and FRS 116. Management is currently still evaluating the potential impact of the application of FRS 109, FRS 115 and FRS 116, if any, on the financial statements of the Group and of the Company in the period of their initial application.

The nature of the impending changes in accounting policy on adoption of FRS 109, FRS 115, and FRS 116 are described below.

<u>FRS 115 *Revenue from contracts with customers* (effective for annual periods beginning on or after 1 January 2018)</u>

This is the converged standard on revenue recognition. It replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Management is currently assessing the effects of applying the new standard on the Group's financial statements and has identified the following areas that are likely to be affected:

(i) Rights of return – FRS 115 requires separate presentation on the statement of financial position of the right to recover the goods from the customer and the refund obligation; and
(ii) Accounting for certain costs incurred in fulfilling a contract – certain costs which are currently expensed may need to be recognised as an asset under FRS 115.

At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessment of the impact over the next twelve months.

2 Summary of significant accounting policies (cont'd)

2.2 New or revised accounting standards and interpretation (cont'd)

FRS 109 *Financial instruments* (effective for annual periods beginning on or after 1 January 2018)

The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income ("OCI") and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI.

While the Group has yet to undertake a detailed assessment of the classification and measurement of financial assets, debt instruments currently classified as available-for-sale ("AFS") financial assets would appear to satisfy the conditions for classification as at fair value through OCI and hence there will be no change to the accounting for these assets.

The other financial assets held by the Group include:

- equity investments currently measured at fair value through profit or loss which would likely to continue to be measured on the same basis under FRS 109; and
- debt instruments classified as held-to-maturity or loans and receivables and measured at amortised cost appear to meet the conditions for classification at amortised cost under FRS 109.

Accordingly, the Group does not expect the new guidance to have a significant impact on the classification of its financial assets.

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated at fair value through profit or loss. There will be no impact on the Group's accounting for financial liabilities as the Group does not have any such liabilities.

FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. While the Group is yet to undertake a detailed assessment, it would appear that the Group's current hedge relationships would qualify as continuing hedges upon the adoption of FRS 109. Accordingly, the Group does not expect a significant impact on the accounting for its hedging relationships.

There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under FRS 115 *Revenue from contracts with customers*, lease receivables, loan commitments and certain financial guarantee contracts. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

2 Summary of significant accounting policies (cont'd)

2.2 New or revised accounting standards and interpretation (cont'd)

FRS 116 Leases (effective for annual periods beginning on or after 1 January 2019)

FRS 116 will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of $169,000 (Note 24). However, the Group has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

2.3 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 control 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 intra-group 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 2.6 to the financial statements.

2 Summary of significant accounting policies (cont'd)

2.3 Basis of consolidation (cont'd)

Non-controlling interests are 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 profit or loss and other comprehensive income, consolidated statement of changes in equity and statements 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.

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 retained earnings 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.

2.4 Investment in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

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 the disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2 Summary of significant accounting policies (cont'd)

2.5 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.

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 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 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 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.

2 Summary of significant accounting policies (cont'd)

2.6 Goodwill

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

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 2.5 to the financial statements.

2.7 Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of property, 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.

Depreciation is calculated on a straight-line basis to write off the cost of property, 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 property, 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.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

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

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

2 Summary of significant accounting policies (cont'd)

2.8 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 of disposal 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 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.

2.9 Financial assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity and available-for-sale financial assets. The classification depends on the purpose of which the assets were acquired. The management determines the classification of the financial assets at initial recognition and re-evaluates this designation at the end of the reporting period, where allowed and appropriate.

(i) Loans and receivables

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), "amounts due from subsidiaries" and "cash and bank balances" on the statements of financial position.

(ii) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception.

A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy.

2 Summary of significant accounting policies (cont'd)

2.9 Financial assets (cont'd)

(ii) Financial assets at fair value through profit or loss (cont'd)

Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within twelve months after the statement of financial position date.

Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction cost for financial assets at fair value through profit or loss are recognised immediately as an expense in profit or loss.

Subsequent measurement

Subsequent to initial recognition, financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

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 and recognised an allowance for impairment when such evidence exists.

(i) Loans and receivables

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.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2 Summary of significant accounting policies (cont'd)

2.10 Financial liabilities

The Group's financial liabilities include "trade payables", "other payables and accruals" (excluding deferred expenditure) and "amounts due to subsidiaries". Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the contractual obligation under the liability is discharged or cancelled or expires. Gains and losses are recognised in profit or loss when the liabilities are derecognised through the amortisation process.

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.

2.11 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.

2.12 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.

2.13 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.

2 Summary of significant accounting policies (cont'd)

2.14 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.

Interest income is recognised using the effective interest method.

2.15 Leases

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 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.

2.16 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.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual 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 employees of the Group, 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.

2 Summary of significant accounting policies (cont'd)

2.16 Employee benefits (cont'd)

Performance Share Scheme (cont'd)

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 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.

2.17 Income taxes

Income tax on the profit or loss for the financial 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 financial 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.

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.

2 Summary of significant accounting policies (cont'd)

2.18 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.

2.19 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.

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.

2 Summary of significant accounting policies (cont'd)

2.19 Functional and foreign currencies (cont'd)

Translation of Group entities' financial statements (cont'd)

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 entity within the Group, 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.

2.20 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

(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, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.21 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.

2.22 Fair value estimation of financial assets and liabilities

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at the end of the reporting period. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair value of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2 Summary of significant accounting policies (cont'd)

2.23 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or Company or to the parent of the Company.

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.

3.1 Critical judgment in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2 to the financial statements, management has made the following judgements, apart from those involving estimates, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Investment in joint venture

The Group holds 55% of the issued shares in its joint arrangement, Hughes UnifiedNet Holding (China) Company Limited ("HUH") (Note 12). 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 an investment in joint venture.

Investment in subsidiary

The Company holds 55% of the issued shares in its subsidiary incorporated during the financial year, NGSC Capital Pte. Ltd. ("NGSC Capital") (Note 13). The Company has control over this subsidiary as under the contractual agreement, the Company holds majority voting power over the non-controlling interest for all relevant activities. Management has assessed the 55% equity interest held in NGSC Capital equate to "control being achieved" with respect to:

- Power over the investee;
- Is exposed, or has right, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

Accordingly, this arrangement is classified as an investment in subsidiary.

3.2 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 of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable, except for goodwill in which the Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

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

3.2 Critical accounting estimates and assumptions (cont'd)

(a) Impairment of non-financial assets (cont'd)

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 of disposal and its value in use. Further details of the key assumptions applied in the impairment assessment of goodwill and its carrying amounts are disclosed in Note 11 to the financial statements.

The carrying amounts of other non–financial assets such as property, plant and equipment, investment in joint venture and investment in subsidiaries are disclosed in Note 10, 12 and 13 respectively.

(b) Impairment of trade receivables and other 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 trade receivables and other receivables and analyse historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement 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 14 and 15 to the financial statements respectively. If the present value of estimated future cash flows differ from management's estimates, the Group's allowance for impairment for trade receivables and other receivables, as well as trade receivables and other receivables balance at the end of the reporting period will be affected accordingly.

(c) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 2 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 property, plant and equipment at the end of the reporting period is disclosed in Note 10 to the financial statements.

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

3.2 Critical accounting estimates and assumptions (cont'd)

(d) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement and estimation 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 2017 is $1.64 million and Nil (2016: $1.47 million and Nil) respectively.

The Group has unutilised tax losses amounting to approximately $4.85 million (2016: $4.85 million) [Note 8]. 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.

4 Revenue

	Group	
	2017	2016
	$'000	$'000
Interest income on convertible notes	**-**	923

5 Other income

	Group	
	2017	2016
	$'000	$'000
	(Revised)	
Interest income on bank deposits	**-**	6
Currency exchange gain - net	**332**	-
Interest income on late settlement of convertible notes redemption	**763**	-
Gain on redemption of convertible notes (Note 18)	**776**	-
Others	**2**	-
	1,873	6

6 Loss before income tax

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

	Group	
	2017	2016
	$'000	$'000
	(Revised)	
Impairment loss on other receivables (Note 15)	**-**	1,587
Impairment loss on goodwill (Note 11)	**-**	735
Impairment loss on joint venture (Note 12)	**30,923**	-
Audit fees		
- auditors of the Company-current year	**110**	118
- other auditors of the Company – over provision in prior year [(1)]	**(114)**	(36)
- other auditors of subsidiaries-current year	**61**	26
Depreciation of property, plant and equipment (Note 10)	**15**	38
Operating lease expenses	**103**	99
Employee benefits expense (Note 7)	**870**	1,010
Legal and professional expenses	**2,295**	308

(1) In the current financial year, the predecessor auditors had issued a credit note of $114k for the $245k of under provision of audit fees in 2015 and 2016 for 2014 audit, payable to the predecessor auditors.

7 Employee benefits expense

	Group	
	2017	2016
	$'000	$'000
Directors' remuneration (including Performance Share Scheme):		
- directors of holding company		
- salaries and allowance	**577**	429
- directors of subsidiaries	**16**	-
	593	429
Key management personnel (non-director)		
- salaries and allowance	**124**	117
- employer's contributions to defined contribution plans	**29**	12
	153	129
Total compensation of key management personnel [Note 25(c)]	**746**	558
Other personnel		
- salaries and allowance	**124**	434
- employer's contributions to defined contribution plans	**-**	18
	124	452
Total employee benefits expense (Note 6)	**870**	1,010

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.

8 Income tax expense

Income tax expense attributable to loss for the financial year is as follows:

	Group	
	2017	2016
	$'000	$'000
Income tax		
- current	**126**	152

A reconciliation of the income tax expense and the accounting loss multiplied by the statutory rate is as follows:

	Group	
	2017	2016
	$'000	$'000
	(Revised)	(Revised)
Loss before tax	**(33,673)**	(6,666)
Income tax credit at the statutory rate of 17% (2016: 17%)	**(5,724)**	(1,133)
Effects of:		
- Non-deductible expenses	**5,677**	1,359
- Income not subject to tax	**(160)**	(75)
- Different tax rates in different countries	**(4)**	(33)
- Deferred tax asset not recognised	**4**	-
- Losses disallowed	**333**	34
Income tax expense	**126**	152

The Group has unused tax losses of approximately $4.85 million (2016: $4.85 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.

9 Loss per share

	Group 2017 $'000 (Revised)	Group 2016 $'000 (Revised)
The calculation of loss per share is based on the following:		
Loss attributable to the equity holders of the Company	**(33,799)**	(6,818)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share ('000)	**6,386,336**	6,386,336
Loss per share attributable to equity holders of the Company (cents per share):		
- Basic	**(0.5292)**	(0.1068)
- Diluted	**(0.5292)**	(0.1068)

10 Property, plant and equipment

Group	Leasehold improvement $'000	USO equipment $'000 (Note 2.7)	Plant and equipment $'000	Total $'000
Cost				
Balance at 1.4.2015	327	5,594	630	6,551
Translation differences on consolidation	(6)	(183)	-	(189)
Balance at 31.3.2016	321	5,411	630	6,362
Translation differences on consolidation	10	169	-	179
Balance at 31.3.2017	**331**	**5,580**	**630**	**6,541**
Accumulated depreciation				
Balance at 1.4.2015	301	5,569	619	6,489
Charge for the financial year (Note 6 & 26)	13	21	4	38
Translation differences on consolidation	(6)	(182)	-	(188)
Balance at 31.3.2016	308	5,408	623	6,339
Charge for the financial year (Note 6 & 26)	11	1	3	15
Translation differences on consolidation	10	168	-	178
Balance at 31.3.2017	**329**	**5,577**	**626**	**6,532**
Carrying amount				
At 31.3.2016	13	3	7	23
At 31.3.2017	**2**	**3**	**4**	**9**

10 Property, plant and equipment (cont'd)

	Leasehold improvement $'000	Plant and equipment $'000	Total $'000
Company			
Cost			
Balance at 1.4.2015, 31.3.2016 & 31.3.2017	**41**	**43**	**84**
Accumulated depreciation			
Balance at 1.4.2015	15	32	47
Charge for the financial year	13	4	17
Balance at 31.3.2016	28	36	64
Charge for the financial year	12	3	15
Balance at 31.3.2017	**40**	**39**	**79**
Carrying amount			
At 31.3.2016	13	7	20
At 31.3.2017	**1**	**4**	**5**

11 Goodwill

	Group 2017 $'000	Group 2016 $'000
Cost:		
Balance at beginning	-	735
Impairment loss on goodwill (Note 6, 26)	-	(735)
Balance at beginning and end of the financial year	-	-

Impairment testing for goodwill

Total goodwill which amounted to $0.735 million is made up of $0.485 million and $0.25 million of goodwill arising from acquisition of the entire issued and paid-up capital of Arch Capital Limited and Hillgo Asia Limited respectively during the financial year ended 31 March 2014.

In the previous financial year, in view of the impending redemption of the convertible notes (see Note 18) which the goodwill was attached, management did an impairment assessment of the recoverable amount of convertible note and goodwill by using a discounted cash flow method. An impairment loss of $0.735 million was recognised for the goodwill as management do not foresee any increase in face value of the convertible note which would generate sufficient cash flows to cover the carrying amount of goodwill. The impairment assessment was based on fair value less cost of disposal and is measured at Level 3 of the fair value hierarchy.

11 Goodwill (cont'd)

The key assumptions to the Level 3 fair value measurement were as follows:

(i) Historical share price of the issuer which amounted to HK$ 0.39, HK$ 0.425 and HK$ 0.206 as at 31 March 2016, 2015 and 2014 respectively for the past 3 years;

(ii) Cash flows from the redemption of the convertible notes over a period of 7 months.

The convertible notes and the goodwill belongs to the corporate segment.

No growth rate and discount rate was used as the convertible notes were due for redemption within one year.

Background information

a) Arch Capital Limited ("Arch")

During the financial year ended 31 March 2014, the Company completed the acquisition of 100% of the entire issued and paid-up share capital of Arch from Tako Secretaries Limited, through the agreement with Niaga [Note 15[(2)]] for a purchase consideration of approximately $15.8 million (equivalent to HK$95 million). Upon completion of the acquisition, Arch became a wholly owned subsidiary of the Group.

The acquisition was deemed to have been completed on 2 July 2013.

The attributable fair values of the identifiable assets and liabilities of Arch as at the date of acquisition were as follows:

	Fair value recognised on acquisition $'000
Trade receivables (Note 18)	267
Financial assets at fair value through profit or loss (Note 18) – Fair value as at 2 July 2013	15,140
Provision for income tax (Note 18)	(44)
Total net identifiable assets at fair value	15,363
Consideration transferred for the acquisition of Arch	
Cash paid – through convertible note (Note 18)	15,848
Goodwill	
Consideration transferred	15,848
Less: total net identifiable assets at fair value	(15,363)
Goodwill arising from acquisition of Arch	485

Goodwill arising from acquisition

The goodwill of approximately $0.485 million is attributed mainly to the fair valuation of the convertible note acquired upon completion of the acquisition on 2 July 2013.

11 Goodwill (cont'd)

Background information (cont'd)

b) Hillgo Asia Limited ("Hillgo")

During the financial year ended 31 March 2014, the Company completed the acquisition of 100% of the entire issued and paid-up share capital of Hillgo from Tako Secretaries Limited, through the agreement with Niaga [Note 15[(2)]] for a purchase consideration of approximately $8.2 million (equivalent to HK$49 million). Upon completion of the acquisition, Hillgo became a wholly owned subsidiary of the Group.

The acquisition was deemed to have been completed on 2 July 2013.

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

	Fair value recognised on acquisition
	$'000
Trade receivables (Note 18)	137
Financial assets at fair value through profit or loss (Note 18) – Fair value as at 2 July 2013	7,809
Provision for income tax (Note 18)	(22)
Total net identifiable assets at fair value	7,924
Consideration transferred for the acquisition of Hillgo	
Cash paid – through convertible note (Note 18)	8,174
Goodwill	
Consideration transferred	8,174
Less: total net identifiable assets at fair value	(7,924)
Goodwill arising from acquisition of Hillgo	250

Goodwill arising from acquisition

The goodwill of approximately $0.25 million is attributed mainly to the fair valuation of the convertible note acquired upon completion of the acquisition on 2 July 2013.

12 Investment in joint venture

	Group	
	2017	2016
	$'000	$'000
	(Revised)	(Revised)
Unquoted equity shares, at cost	**52,130**	52,130
Group's share of post-acquisition losses	**(3,399)**	(2,774)
Accumulated impairment loss	**(48,445)**	(17,522)
Currency alignment	**(286)**	(5)
	-	31,829

The movement in accumulated impairment loss is as follows:

	Group	
	2017	2016
	$'000	$'000
	(Revised)	
Balance at beginning of the financial year	**17,522**	17,522
Charge for the financial year (Note 6 & 26)	**30,923**	-
Balance at end of the financial year	**48,445**	17,522

Background information

During the financial year ended 31 March 2012 ("FY2012"), the Company acquired 100% of the entire issued and paid-up capital of China UnifiedNet Holdings Limited ("CUH"), which in turns holds 55% of the issued shares in Hughes UnifiedNet Holding (China) Company Limited ("HUH"). HUH in turns 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").

During FY2013, the Group undertook an assessment of the carrying amount of its investment in joint venture. Following the assessment, the Group recognised an impairment loss of $43.3 million 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.

During FY2014, the Group carried out a review of the recoverable amount of its investment in joint venture. Following the assessment, the Group recognised a reversal of impairment loss of $25.8 million for the financial year ended 31 March 2014. The reversal of impairment loss arose due to higher net fair value of identifiable assets and liabilities of the joint venture (i.e. HUH Group) as compared to the carrying amount of the investment in joint venture. The fair value of HUH Group of approximately HK$190.7 million (equivalent to $33.2 million) was derived from the proportionate share of the 45% equity interest in HUH held by the other joint venture shareholder, Neo Telemedia Limited ("Neo") who disposed of its 45% equity interest in HUH for HK$156 million (equivalent to $27.2 million) on 19 February 2016. The fair value derived was categorised under Level 3 of the fair value hierarchy.

12 Investment in joint venture (cont'd)

During FY2015, the Group adopted the review assessment carried out in FY2014 and concluded that no further impairment nor reversal of impairment of investment in joint venture is deemed necessary given that the fair value derived from the proportionate share of the 45% equity interest in HUH disposed by Neo was in the same year that the Board approved the FY2015 financial statements for issue.

During FY2016, the Group did not carry out a review of the recoverable amount of its investment in joint venture as management is of the view that there is no indication of impairment.

During the current financial year, management performed an impairment test for the investment in HUH Group as this joint venture was in a loss-making position. The recoverable amount of the investment in HUH Group has been computed based on a combination of fair value ("FV") less costs of disposal and value in use of the investment in joint venture using the estimated discounted future cash flows ("DCF") projection method.

The DCF is based on management financial budget approves by the Board covering a 5 years period. The use of the DCF involves significant judgement in the forecast projection of sales and operating cash flows for the next five years. The DCF model also include assumption on terminal growth rate and weighted cost of capital ("WACC").

An impairment loss of $30.9 million was recognised in current financial year to write down the carrying amount of this joint venture to its recoverable amount of $0.

HUH is considered a jointly controlled entity as there is contractually agreed sharing of joint control over the economic activity of the entity with Hughes China Holdings Company Limited as well as the strategic financial and operational decisions relating to the activity would require the unanimous consent of both parties that are sharing the control (Note 3.1).

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 2017	2016
			%	%
Hughes UnifiedNet Holding (China) Company Limited [(1)]	Investment holding and trading of satellite communication system devices	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)]	Development of internet and computer technology	People's Republic of China	**55**	55

(1) Audited by RT LLP, Singapore, for the purpose of expressing an opinion on the consolidated financial statements for the financial year ended 31 March 2017

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

12 Investment in joint venture (cont'd)

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 HNC and management accounts of BUN and HUH of the joint venture for its financial year ended 31 December 2016 had been used in equity accounting for the Group's share of results.

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	
	2017	2016
	$'000	$'000
Summarised statement of comprehensive income		
Revenue	**2,358**	1,638
Loss after tax	**(2,696)**	(3,195)
Total comprehensive loss	**(2,420)**	(3,195)
Amortisation of intangible assets	**(1,086)**	(1,111)
Depreciation of property, plant and equipment	**(116)**	(129)
Summarised statement of financial position		
Non-current assets	**3,614**	5,260
Current assets	**4,372**	2,731
Current liabilities	**(12,995)**	(10,680)
Total equity attributed to the equity holders of the Company	**(5,009)**	(2,689)

Included in the summarised statement of financial position are cash and cash equivalents amounting to $0.57 million (2016: $0.83 million) for the financial year ended 31 March 2017.

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

	2017	2016
	$'000	$'000
	(Revised)	(Revised)
Group's share of net liabilities based on proportion of ownership interest	**(2,138)**	(1,479)
Goodwill on acquisition	**51,077**	51,077
Accumulated impairment loss	**(48,445)**	(17,522)
Translation differences on consolidation	**(494)**	(247)
Balance at end of the financial year	**-**	31,829

13 Investment in subsidiaries

	Company	
	2017	2016
	$'000	$'000
	(Revised)	(Revised)
Unquoted equity shares, at cost	**65,670**	65,670
Addition during the financial year	**55**	-
Accumulated impairment loss	**(41,630)**	(7,807)
	24,095	57,863

The movement in accumulated impairment loss is as follows:

	Company	
	2017	2016
	$'000	$'000
	(Revised)	
Balance at beginning of the financial year	**7,807**	7,807
Charge for the financial year	**33,823**	-
Balance at end of the financial year	**41,630**	7,807

During FY2014, the Company carried out a review of the recoverable amount of its investment in subsidiaries. Following the assessment, the Company recognised a reversal of impairment loss of $25.86 million on its investment in China UnifiedNet Holdings Limited ("CUH") due to the higher value of CUH's investment in joint ventures (see Note 12).

During FY2015, the Group adopted the review assessment carried out in FY2014 and concluded that no further impairment nor reversal of impairment of investment in CUH is deemed necessary as the assessed fair value of CUH was in the same year that the Board approved the FY2015 financial statements for issue (Note 12).

During FY2016, management did not carry out a review of the recoverable amount of its investment in its subsidiary, CUH with carrying value amounted to $33.8 million (after deducting impairment loss of $7.78 million) as management is of the view that there is no indication of impairment.

During the current financial year, management performed an impairment test for the investment in CUH as this subsidiary was in a loss-making position. The recoverable amount of the investment in CUH has been computed based on a combination of fair value ("FV") less costs of disposal and value in use of the investment in joint venture using the estimated discounted future cash flows ("DCF") projection method.

The DCF is based on management financial budget approves by the Board covering a 5 years period. The use of this DCF involves significant judgement in the forecast projection of sales and operating cash flows for the next five years. The DCF model also include assumption on terminal growth rate and weighted cost of capital ("WACC").

An impairment loss of $33.8 million was recognised in current financial year to write down the carrying amount of this subsidiary to its recoverable amount of $0.

13 Investment in subsidiaries (cont'd)

Name of companies	Principal activities	Country of incorporation / place of business	Proportion of ownership interest	
			2017	2016
			%	%
Ban Joo Global Pte Ltd (1)(5)(9)	Dormant	Singapore	**100**	100
Fortknox Global Pte Ltd (8)	Dormant	Singapore	**100**	100
Telemedia Pacific Communications Pte Ltd (5)(6)	Investment holding and provision of connectivity services	Singapore	**100**	100
VIP (HK) Ltd ("VIP HK") (2)(5)	Investment holding and satellite telecommunications related sales and services rendering	Hong Kong SAR	**100**	100
China UnifiedNet Holdings Limited (3)(5)	Investment holding	British Virgin Islands	**100**	100
Arch Capital Limited (3)(5)	Holder of convertible note	British Virgin Islands	**100**	100
Hillgo Asia Limited (3)(5)	Holder of convertible note	British Virgin Islands	**100**	100
NGSC Investment Management Pte Ltd (5)(7)	Investment holding	Singapore	**100**	100
NGSC Capital Pte Ltd (12)	Investment holding	Singapore	**55**	-
Held through VIP (HK) Ltd				
Multi Bright (HK) Ltd (2)(5)(10)	Investment holding	Hong Kong SAR	**100**	100
Star Light Telemedia DC Limited ("SLTL") (2)(5)	Provision of data centre services	Hong Kong SAR/Indonesia	**100**	100
Held through Telemedia Pacific Communications Pte Ltd				
Multi Skies Nusantra Limited (2)(5)(11)	Investment holding	Hong Kong SAR	**100**	100
PT Karunia Anugerah Mitra Utama (4)(5)(11)	Investment holding	Indonesia	**100**	100
PT Multi Skies Nusantara (4)(5)(11)	Building, operating and leasing of Universal Service Obligation equipment	Indonesia	**100**	100

13 Investment in subsidiaries (cont'd)

(1) Audited by Baker Tilly TFW, Singapore, for local statutory reporting for the financial year ended 31 March 2015.
(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 Rama Wendra Indonesia, member firm of RT ASEAN Network for local statutory reporting.
(5) Audited by RT LLP, Singapore, for the purpose of expressing an opinion on the consolidated financial statements for the financial year ended 31 March 2017.
(6) Audited by RT LLP, Singapore, for local statutory reporting for the financial year ended 31 March 2015.
(7) Not required to be audited as it was dormant during the financial years ended 31 March 2017 and 31 March 2016.
(8) In August 2015, Fortknox Global Pte Ltd commenced a member's voluntary liquidation and this is currently still ongoing. The auditors was previously Moore Stephens LLP, Singapore.
(9) Prior year was audited by Moore Stephens LLP, Singapore, for local statutory reporting for the financial year ended 31 March 2014.
(10) Prior year was audited by Crowe Horwath (HK) CPA Limited, Hong Kong for local statutory reporting.
(11) Prior year was audited by Johan Malonda Mustika & Rekan, Indonesia, a member of Baker Tilly International, for local statutory reporting.
(12) Not required to be audited as it was incorporated on 17 January 2017 and was dormant during the financial year ended 31 March 2017.

14 Trade receivables

	Group	
	2017	2016
	$'000	$'000
Trade receivables	**9,539**	9,539
Less: Allowance for impairment of trade receivables [Note 27(b)(iii)]	**(9,539)**	(9,539)
Total trade receivables, net	**-**	-

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

	Group	
	2017	2016
	$'000	$'000
Balance at beginning and at the end of financial year	**9,539**	9,539

15 Other receivables, deposits and prepayments

	Group		Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
	(Revised)		**(Revised)**	
Other receivables:				
- Former director related company [1]	**2,096**	2,096	**2,094**	2,094
(-) reclassification to settlement shares	**(2,078)**	-	**(2,078)**	-
	18	2,096	**16**	2,094
- Third parties	**709**	961	**5**	-
- reclassification to other payables	**180**	-	**180**	-
- Niaga [2]	**655**	633	**-**	-
	1,562	3,690	**201**	2,094
Less: Allowance for impairment of other receivables	**(1,562)**	(2,548)	**(16)**	(954)
Other receivables, net	**-**	1,142	**185**	1,140
Refundable deposits	**27**	32	**27**	32
Prepayments [3]	**290**	298	**12**	24
	317	1,472	**224**	1,196

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

<u>Background information</u>

On 16 September 2014, the Company issued a Writ of Summons ("Writ") against a former Director, Mr Lam Ah Seng @ Lam Pang Chuang ("Mr PC Lam") who resigned on 2 October 2015, 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 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.

On 30 December 2015 and 27 January 2016, the Company received $370k and $35k respectively from BJI, thereby reducing the amount owing by BJI from $2.503 million to $2.096 million.

<u>Updates</u>

On 20 February 2017, the Company announced that it has entered into a settlement agreement with BJI and another personal guarantor in respect of the outstanding sum owing by BJI of $2.094 million in the following arrangement:

(i) the payment of a sum of $35k to the Company, which has been received by the Company on 27 January 2016;

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

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

Updates (cont'd)

(ii) the Company will receive economic and monetary rights and benefits (including dividends and future proceeds arising from the sale) in respect of a total of 384,800,220 ordinary shares in the Company ("Settlement Shares"). Such Settlement Shares will be held by a custodian nominated by the Company which will act under the sole direction and for the benefit of the Company.

With respect to the above settlement agreement, the Company signed a Deed of Settlement dated 17 February 2017 to distribute the Settlement Shares in the following manner:

i) 380,000,000 NGSC ordinary shares to NGSC to be held by custodian under the directive of NGSC

ii) 4,799,887 NGSC ordinary shares to be held by BJI

iii) 333 NGSC ordinary shares to third party (Chin Pang Joo)

Following this settlement agreement, management valued the 380 million NGSC shares at $1.14 million based on its share price of $0.003 cents as at 17 February 2017. Accordingly, for the remaining exposure of $0.954 million ($2.094 million - $1.14 million), management has made an allowance for doubtful debts.

For the 4,799,887 NGSC ordinary shares to be held by BJI and the 333 NGSC ordinary shares to third party (Chin Pang Joo) as mentioned in the Deed of Settlement in the aforementioned paragraph, both BJI and Chin Pang Joo had signed a transfer form for these aggregated 4,800,220 ordinary shares in NGSC to be placed out in due course and for the proceeds to be returned to NGSC as settlement of the amount outstanding by BJI.

Based on NGSC share price of $0.003 per share, the expected proceeds of approximately $14,000 is deemed immaterial by management for inclusion in the computation of the amount of impairment of $0.954 million as disclosed above.

Notwithstanding the above settlement agreement, these NGSC shares that are held by BJI are meant to serve as a collateral for the amount owing by BJI. Accordingly, management is of the view that no further impairment is required for the remaining balance of $1.14 million owed by BJI.

Based on NGSC's closing share price of $0.003 as at 31 March 2017, the estimated fair value of the collateral (i.e. 384,800,220 NGSC shares) is estimated to be $1,154,400. This collateral is meant to be a consideration for the amount owed by BJI to the Company. In the event that these NGSC shares can be sold above $0.003 cents, the excess of the proceeds over and over the amount owed by BJI would be retained by the Company.

There is no risk concentration on collateral as this is the only collateral held by the Company.

The above has been reclassified as settlement shares in equity.

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

(2) This refers to amount held by Niaga in Hong Kong. The receivable was fully impaired in the previous financial year.

Background information

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 letter of credit ("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** **$'000**	**Audit Confirmation** **$'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 [See Note 30(a)].

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

(2) This refers to amount held by Niaga in Hong Kong. The receivable was fully impaired in the previous financial year. (cont'd)

Background information (cont'd)

On 25 June 2013, the Company announced that 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 (equivalent to approximately $24 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.

The Company completed the acquisition of 100% of the entire issued and paid-up share capital of Arch Capital Limited ("Arch") and Hillgo Asia Limited ("Hillgo") from Tako Secretaries Limited, through the agreement with Niaga for a purchase consideration of approximately $15.8 million (equivalent to HK$95 million) and $8.2 million (equivalent to HK$49 million) respectively. The acquisition of Arch and Hillgo was completed on 2 July 2013 [See Note 11(a) and (b)].

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

(2) This refers to amount held by Niaga in Hong Kong. The receivable was fully impaired in the previous financial year. (cont'd)

Updates

Accordingly, the movements in other receivables from Niaga arising from the above is as follow:

	The Subsidiaries				The Company		Group Total	
	VIP HK		SLTL		NGSC			
	2016/ 2015	2014	**2016/ 2015**	2014	**2016/ 2015**	2014	**2016/ 2015**	2014
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Balance at beginning of the financial year	633	13,302	-	2,808	-	9,409	633	25,519
- Repayment during the financial year	-	-	-	-	-	(911)	-	(911)
- Settlement through Convertible Notes (Note 18)	-	(12,716)	-	(2,808)	-	(8,498)	-	(24,022)
- Currency translation difference	-	47	-	-	-	-	-	47
	633	633	-	-	-	-	633	633

The remaining amount of $0.63 million due to the subsidiary, VIP as at 31 March 2015 was withheld for settlement of invoices in respect of 65 sets of USO equipment (Note 2.7) under a Letter of Credit arrangement provided by Niaga on behalf of VIP.

Management is of the view that the entire amount of $0.63 million due to the subsidiary, VIP is unlikely to be receivable. Accordingly, management has made an allowance for impairment amounting to $0.63 million in the prior financial year.

(3) Included in prepayment is an amount of $274k (2016:$274k) relating to prepaid tax by a subsidiary, PT MSN in the financial year ended 31 March 2010, which can be used to offset against future tax expenses incurred by PT MSN. The recovery of the prepaid tax is dependent on PT MSN having taxable income in future (which management is confident) so that the prepaid tax can be recovered via offset against future tax payable of PT MSN.

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

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

	Group	
	2017	2016
	$'000	$'000
	(Revised)	
Balance at beginning of the financial year	**2,548**	961
Charge for the financial year (Note 6 & 26)	**-**	1,587
Reversal of impairment on other receivables reclassified to settlement shares	**(938)**	-
Exchange differences	**(48)**	-
Balance at end of the financial year	**1,562**	2,548

The currency profiles of other receivables, deposit and prepayments as at end of the reporting period are as follows:

	Group		Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
	(Revised)		**(Revised)**	
Singapore dollars	**227**	1,196	**224**	1,196
Indonesian rupiah	**90**	276	-	-
	317	1,472	**224**	1,196

16 Amounts due from subsidiaries/(due to subsidiaries) (non-trade)

	Company	
	2017	2016
	$'000	$'000
Amounts due from subsidiaries [Note (a)]	**-**	-
Amounts due to subsidiaries	**(36,882)**	(11,550)

Note (a):

Amounts due from subsidiaries	**15,980**	15,371
Less: Allowance for impairment	**(15,980)**	(15,371)
	-	-

16 Amounts due from subsidiaries/(due to subsidiaries) (non-trade) (cont'd)

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

	Company	
	2017	2016
	$'000	$'000
Balance at beginning of the financial year	**15,371**	15,568
Charged to profit or loss	**602**	47
Exchange differences	**7**	(244)
Balance at end of the financial year	**15,980**	15,371

Included in amount due to subsidiaries is a balance of approximately $25.8 million due to two subsidiaries namely Arch and Hillgo. These balances arose from the proceeds from redemption of convertible notes received on behalf of the subsidiaries (Note 18).

The currency profiles of amounts due to subsidiaries as at end of the reporting period are as follows:

	Company	
	2017	2016
	$'000	$'000
Amounts due to subsidiaries:		
Singapore dollars	6,972	6,852
United States dollars	1,878	1,816
Indonesian rupiah	(49)	(45)
Hong Kong dollars	28,081	2,927
	36,882	11,550

These amounts due from subsidiaries and due to subsidiaries are unsecured, interest free, and repayable on demand. For amounts due to subsidiaries repayment is subject to the availability of funds from the Company.

17 Cash and bank balances

	Group		Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Cash and bank balances	**23,124**	677	**23,092**	113

17 Cash and bank balances (cont'd)

The currency profiles of cash and bank balances as at end of the reporting period are as follows:

	Group		Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Singapore dollars	**437**	100	**413**	96
United States dollars	**7,351**	5	**7,347**	2
Indonesian rupiah	**1**	63	**-**	15
Hong Kong dollars	**15,335**	509	**15,332**	-
	23,124	677	**23,092**	113

18 Available-for-sale financial assets

	Group	
	2017	2016
	$'000 **(Revised)**	$'000 (Revised)
Balance at beginning of the financial year	**24,645**	25,111
Fully redeemed during the financial year	**(25,848)**	-
Fair value loss from derecognised of AFS through OCI	**(327)**	-
Gain on redemption of convertible notes (Note 5)	**776**	
Currency translation difference	**754**	(466)
Balance at end of the financial year	**-**	24,645
Analysed as:		
Current	**-**	24,645
Non-current	**-**	-
	-	24,645

On 2 November 2016, the Group received HK$148,292,383.56 (approximately $26 million) for the redemption of the convertible notes [see Note 15[(2)]].

18 Available-for-sale financial assets (cont'd)

Background Information

Acquisition of subsidiaries:	**Group 2014 $'000**
Trade receivables [Note 11(a) & (b)]	404
Fair value of CN upon acquisition of subsidiaries on 2 July 2013	
- Arch [Note 11(a)]	15,140
- Hillgo [Note 11(b)]	7,809
	22,949
Provision for income tax [Note 11(a) & (b)]	(66)
Total net identifiable assets at fair value [Note 11(a) & (b)]	23,287
Cash paid – through convertible note [Note 11(a) & (b), Note 15[2]]	24,022 [#]
Goodwill arising from acquisition (Note 11)	735

[#] The convertible notes details are as follows:-

Issuer:	Neo Telemedia Limited (listed on the HKEX GEM) (Stock Code: 8167)
Conversion Price:	HK$2.50
Issue Date:	5-Apr-13
Maturity Date:	4-Apr-16
Principal Value:	HK$144,000,000 (equivalent to S$24 million)
Interest Rate:	7% p.a. (payable every 6,12,18,24,30,36 months from issuance date)

On 5 April 2013, the Group acquired convertible notes ("CN") with a nominal value of HK$144,000,000 (equivalent to $24 million) due on 5 April 2016 ("CN 2016"). Each CN carries interest at 7% per annum payable semi-annually in arrears with the first interest payment due on 5 October 2013 and the last interest payment is due on 5 April 2016. The CN 2016 entitles holders to convert the notes into new ordinary shares of the issuer at a conversion price, subject to adjustment, of HK$2.5 per share during the period from 5 April 2013 to 31 March 2016. If the CN 2016 have not been converted, they will be redeemed at par on 5 April 2016.

Updates

The Group served a statutory demand on Neo on 29 June 2016 requiring Neo to pay the sum of HK$144,000,000 together with interest in full at judgement rate pursuant to the court order of the High Court of Hong Kong filed on 13 June 2016.

On 2 November 2016, the Company announced that the legal claim against Neo has come to a successful and comprehensive conclusion as the lawyers of Arch and Hillgo have received the aggregate redemption principal amount of the two Convertible Notes of HK$144,000,000 (equivalent to $24 million based on exchange rate of S$1 = HK$6) and the outstanding interest on HK$144,000,000 at judgement rate from 13 June 2016 until 26 October 2016, aggregating to HK$148,292,383.56 (equivalent to $26 million based on exchange rate S$1 = HK$5.74) from Neo. [see Note 15[2], Note 16].

18 Available-for-sale financial assets loss (cont'd)

Updates (cont'd)

The currency profiles of financial assets at fair value through profit or loss as at end of the reporting period are as follows:

	Group	
	2017	2016
	$'000	$'000
Hong Kong dollars	**-**	24,645

19 Trade payables

Trade payables are non-interest bearing and are generally settled within 0 to 30 days (2016: 0 to 30 days).

The currency profiles of trade payables as at end of the reporting period are as follows:

	Group	
	2017	2016
	$'000	$'000
United States dollars	**54**	52
Indonesian rupiah	**181**	176
	235	228

20 Other payables and accruals

	Group		Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
	(Revised)		**(Revised)**	
Other payables				
- Director related company [1]	**473**	458	**-**	-
- Third parties	**750**	1,096	**427**	827
-Reclassification from other receivables	**180**	-	**180**	-
	1,403	1,554	**607**	827
Accruals [2]	**1,674**	1,964	**1,392**	1,446
Deferred expenditure [3]	**4,159**	4,020	-	-
	7,236	7,538	**1,999**	2,273

(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 is $1.3 million (2016: $1.1 million) that relates to provision of directors' fees.

20 Other payables and accruals (cont'd)

(3) As informed by the Board of Directors, deferred expenditure relates to outstanding purchase consideration amounting to approximately $4.2 million (equivalent to US$3.0 million) [2016: approximately $4.0 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.

The currency profiles of other payables and accruals as at end of the reporting period are as follows:

	Group		**Company**	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
	(Revised)		**(Revised)**	
Singapore dollars	**2,012**	2,087	**1,928**	2,052
United States dollars	**4,302**	4,187	-	-
Indonesian rupiah	**5**	989	-	-
Hong Kong dollars	**917**	275	**71**	221
	7,236	7,538	**1,999**	2,273

21 Share capital

	Group and Company			
	2017		2016	
	Number of ordinary shares		Number of ordinary shares	
	'000	**$'000**	'000	$'000
Issued and paid-up				
Balance at beginning and end of the financial year	**6,410,536**	**145,508**	6,410,536	145,508

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			
	2017		2016	
	Number of ordinary shares		Number of ordinary shares	
	'000	**$'000**	'000	$'000
Balance at beginning and end of the financial year	**(24,200)**	**(1,219)**	(24,200)	(1,219)

Treasury shares relate to ordinary shares of the Company that is held by the Company.

23 Capital reserve

	Group and Company	
	2017	2016
	$'000	$'000
Balance at beginning and end of the financial year	**(169)**	(169)

This represented the loss on re-issue of treasury shares in the financial year 2011. The capital reserve is non-distributable.

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	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
Future minimum lease payments				
- Not later than one year	**86**	169	**85**	169
- Later than one year and not later than five years	**83**	81	**83**	81
	169	250	**168**	250

Operating lease payments represent rentals payable by the Group for certain of its offices and office equipment. These lease expires between 16 August 2017 to 1 October 2020 with an option to renew for another 2 years with no contingent rent provision included in the contracts. The Group is restricted from sub-leasing its offices and office equipment to third parties. The current rent payable on the leases range from $150 to $6,970 (2016: $150 to $8,093) per month.

25 Related party transactions

(a) In addition to related party information disclosed elsewhere in the financial statements, there are no other significant transactions with related parties conducted during the financial year on terms agreed between the parties concerned.

Outstanding balances as at the end of the reporting period arising from advances from/(to) related parties are disclosed in Notes 15, 16 and 20 to the financial statements respectively.

(b) As referred to in Note 15 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.

(c) Key management personnel compensation are disclosed in Note 7 to the financial statements.

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 two business segments, which comprises of (i) the building, operating and leasing of base station controllers for USO, provision of data centre and connectivity services, and other satellite communication related sales and services and (ii) the corporate segment (interest income from convertible notes).

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 (2016: 4) reportable operating segments by geographical area: Indonesia, Hong Kong, People's Republic of China and Singapore (2016: Indonesia, Hong Kong, People's Republic of China and Singapore).

26 Segment information (cont'd)

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

2017	Building, operating and leasing USO equipment, provision data center and connectivity service $'000 (Revised)	Corporate (Interest income from convertible notes) $'000	Unallocated $'000 (Revised)	Group $'000 (Revised)
Revenue				
External sales	-	-	-	-
Segment results				
Loss from operations	(40)	(2,055)	(1,866)	(3,961)
Other expenses	(37)	-	(30,923)	(30,960)
Other income	1	1,090	782	1,873
Share of loss of joint venture	(625)	-	-	(625)
Loss before tax				(33,673)
Income tax expense				(126)
Loss after tax				(33,799)
Segment assets representing consolidated total assets	198	27	23,225	23,450
Segment liabilities	990	56	6,425	7,471
Unallocated liabilities				
- Income tax payable	769	870	-	1,639
Consolidated total liabilities				9,110
Non-current assets	-	-	9	-
Other segment items				
Depreciation of property, plant and equipment (Note 10)	1	-	14	15
Impairment loss on investment in joint ventures (Note 12)	-	-	30,923	30,923

26 Segment information (cont'd)

2016	Building, operating and leasing USO equipment, provision data center and connectivity service $'000 (Revised)	Corporate (Interest income from convertible notes) $'000	Unallocated $'000 (Revised)	Group $'000 (Revised)
Revenue				
External sales	-	923	-	923
Segment results				
(Loss)/ income from operations	(264)	809	(2,604)	(2,059)
Other expenses	(110)	(720)	(1,827)	(2,657)
Other income	5	-	1	6
Share of loss of joint venture	(1,956)	-	-	(1,956)
Loss before tax				(6,666)
Income tax expense				(152)
Loss after tax				(6,818)
Segment assets representing consolidated total assets	32,169	25,139	1,338	58,646
Segment liabilities	1,139	54	6,573	7,766
Unallocated liabilities - Income tax payable	745	725	-	1,470
Consolidated total liabilities				9,236
Non-current assets	31,829	-	23	31,852
Other segment items				
Depreciation of property, plant and equipment (Note 10)	21	-	17	38
Impairment loss on goodwill (Note 11)	-	-	-	735
Impairment loss on other receivables (Note 15)	-	-	1,587	1,587

26 Segment information (cont'd)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenues		*Non-current assets*	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
				(Revised)
Hong Kong	-	923	-	-
People's Republic of China	**-**	-	**-**	31,829
Singapore	-	-	**9**	23
Group	-	923	**9**	31,852

Non-current assets information presented above consist of property, plant and equipment and investment in joint venture as presented in the statements of financial position.

Information about major customers

Revenue of approximately nil (2016: $0.92 million) are derived from nil (2016: 1) major external customer who individually contributed 10 percent or more of the Group's revenue, and are attributable to the Hong Kong segment tabled below:

	2017	2016
	$'000	$'000
Customer 1 (Hong Kong)	**-**	923
	-	923

27 Financial instruments

(a) Categories of financial instruments

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statement of financial position except for the following:

	Group		**Company**	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
	(Revised)		**(Revised)**	
Financial assets				
Loans and receivables	23,151	1,851	23,124	1,285
Available-for-sale financial assets	-	24,645	-	-
Financial liabilities				
At amortised cost	3,312	3,746	38,881	13,823

27 Financial instruments (cont'd)

(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.

(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 entities within the Group, primarily with respect to United States dollar ("USD"), Indonesian Rupiah ("IDR") and Hong Kong dollars ("HKD"). The Group does not have a policy to hedge its exposure to foreign exchange risk.

Denominated in:	SGD $'000 (Revised)	USD $'000	IDR $'000	HKD $'000
Group				
2017				
Financial assets				
Other receivables and deposits (exclude prepayments)	217	-	92	-
Cash and bank balances	437	7,351	1	15,335
	654	**7,351**	**93**	**15,335**
Financial liabilities				
Trade payables	-	54	181	-
Other payables and accruals (exclude deferred expenditure)	1,801	199	781	127
	1,801	**253**	**962**	**127**
Net financial assets/(liabilities)	**(1,147)**	**7,098**	**(869)**	**15,208**
Less: Net financial liabilities denominated in the respective entities functional currencies	30	140	-	52
Foreign currency exposure	**(1,117)**	**7,238**	**(869)**	**15,260**

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:	SGD $'000	USD $'000	IDR $'000	HKD $'000
Group				
2016				
Financial assets				
Other receivables and deposits (exclude prepayments)	1,172	-	2	-
Available-for-sale financial assets	-	-	-	24,645
Cash and bank balances	100	5	63	509
	1,272	**5**	**65**	**25,154**
Financial liabilities				
Trade payables	-	52	176	-
Other payables and accruals (exclude deferred expenditure)	2,087	167	989	275
	2,087	**219**	**1,165**	**275**
Net financial assets/(liabilities)	(815)	(214)	(1,100)	24,879
Less: Net financial (assets)/ liabilities denominated in the respective entities functional currencies	807	(219)	1,084	(25,082)
Foreign currency exposure	**(8)**	**5**	**(16)**	**(203)**

Company 2017	**SGD $'000 (Revised)**	**USD $'000**	**IDR $'000**	**HKD $'000**
Financial assets				
Other receivables and deposits (exclude prepayments)	213	-	-	-
Cash and bank balances	413	7,347	-	15,332
	626	**7,347**	**-**	**15,332**
Financial liabilities				
Amounts due to subsidiaries	6,972	1,878	(49)	28,081
Other payables and accruals	1,928	-	-	71
	8,900	**1,878**	**(49)**	**28,152**
Net financial assets/(liabilities)	(8,274)	5,469	49	(12,820)
Less: Net financial liabilities denominated in the Company's functional currency	8,274	-	-	-
Foreign currency exposure	-	5,469	49	(12,820)

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:	SGD $'000	USD $'000	IDR $'000	HKD $'000
Company				
2016				
Financial assets				
Other receivables and deposits (exclude prepayments)	1,172	-	-	-
Cash and bank balances	96	2	-	15
	1,268	**2**	**-**	**15**
Financial liabilities				
Amounts due to subsidiaries	6,852	1,816	(45)	2,927
Other payables and accruals	2,052	-	-	221
	8,904	**1,816**	**(45)**	**3,148**
Net financial liabilities	(7,636)	(1,814)	(45)	(3,133)
Less: Net financial liabilities denominated in the Company's functional currency	7,636	-	-	-
Foreign currency exposure	**-**	**(1,814)**	**(45)**	**(3,133)**

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 relevant foreign currencies against the functional currency of each group entity. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. 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.

27 Financial instruments (cont'd)

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

(i) Market risk (cont'd)

Foreign currency risk (cont'd)

Foreign currency risk sensitivity (cont'd)

If the relevant foreign currency weakens by 5% against the functional currency of each entity within the Group, profit or loss will increase/(decrease) by:

	USD impact			IDR impact			HKD impact		
	2017	2016		**2017**	2016		**2017**	2016	
	$'000	$'000		**$'000**	$'000		**$'000**	$'000	
Group									
Profit or loss	**362**	-	(i)	**(43)**	1	(i)	**763**	10	(i)
Company									
Profit or loss	**273**	75	(ii)	**2**	(2)	(ii)	**(641)**	130	(ii)

If the relevant foreign currency strengthens by 5% against the functional currency of each entity within the Group, profit or loss will increase/(decrease) by:

	USD impact			IDR impact			HKD impact		
	2017	2016		**2017**	2016		**2017**	2016	
	$'000	$'000		**$'000**	$'000		**$'000**	$'000	
Group									
Profit or loss	**(362)**	-	(i)	**43**	(1)	(i)	**(763)**	(10)	(i)
Company									
Profit or loss	**(273)**	(75)	(ii)	**(2)**	2	(ii)	**641**	(130)	(ii)

(i) This is mainly attributable to the exposure outstanding on receivable and payables at the end of the financial year in the Group.

(ii) This is mainly attributable to the exposure to outstanding US dollar inter-company payables at the end of the financial year.

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 forward contracts or other arrangements for trading or speculative purposes. As at 31 March 2017, there were no such arrangements, interest rate swap contracts or other derivative instruments outstanding.

At the end of the financial year, the Group does not any financial instruments which is subject to significant interest rate risks. The sensitivity analysis for interest rate is not disclosed as the effect on the profit or loss is considered not significant.

27 Financial instruments (cont'd)

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

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance its operations and mitigate the effects of fluctuations in cash flows.

The table below summarises the maturity profile of the Group's and the Company's non-derivative financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2017		2016	
	1 year or less	**1 to 5 years**	1 year or less	1 to 5 years
	$'000	**$'000**	$'000	$'000
Group				
Trade and other payables	**3,312**	-	3,746	-
Company				
Amounts due to subsidiaries	**36,882**	-	11,550	-
Trade and other payables	**1,999**	-	2,273	-

(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, there is no amount receivable from customer as the customer has made full settlement towards the year end.

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.

In previous year, there is no amount receivable from customer as the customer has made full settlement towards the year end.

The carrying amounts of cash and cash equivalents, trade and other receivables, including due from subsidiaries (non-trade), and financial assets at fair value through profit or loss 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.

27 Financial instruments (cont'd)

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

(iii) Credit risk (cont'd)

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.

The breakdown of trade receivables is as follows:

	Group	
	2017	2016
	$'000	$'000
Not past due but impaired	**-**	-
Past due and impaired	**9,539**	9,539
Past due but not impaired	**-**	-
Total	**9,539**	9,539

Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are 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

There were no trade receivables that were past due but not impaired.

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

	Group	
	2017	2016
	$'000	$'000
Gross amount:		
Past due and impaired	**9,539**	9,539
Less: Allowance for impairment (Note 14)	**(9,539)**	(9,539)
Total	**-**	-

27 Financial instruments (cont'd)

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

(iii) Credit risk (cont'd)

Financial assets that are past due and/or impaired (cont'd)

Movement in allowance for impairment:

	Group 2017 $'000	Group 2016 $'000
At beginning and at end of financial year	**9,539**	9,539

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

28 Fair value of available-for-sale financial assets

a) Fair value of financial instruments that are carried at fair value

Group	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
2017	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets				
Available-for-sale financial assets: - Debt securities ("Convertible Notes") (unquoted)	-	-	-	-
	-	**-**	-	-
2016				
Financial assets				
Available-for-sale financial assets: - Debt securities ("Convertible Notes") (unquoted)	-	-	24,645	24,645
	-	**-**	24,645	24,645

28 Fair values of financial instruments (cont'd)

a) Fair value of financial instruments that are carried at fair value (cont'd)

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).

Determination of fair value

The fair values of unquoted debt securities ("Convertible Notes") [Note 18] amounted to nil (2016: $24.6 million) as at 31 March 2017. These Convertible Notes are fully redeemed during the financial year.

Movements in Level 3 financial instruments measured at fair value

The reconciliation for all financial instruments measured at fair value based on significant unobservable inputs (Level 3) is as disclosed in Note 11 and 18.

b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amount is a reasonable approximation of fair value

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

c) 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 Basis for Revision

Revising and re-filing of financial statements for FY2017 and FY2018.

As announced on Singapore Exchange ("Exchange") on 10 April 2019, pursuant to the Accounting and Corporate Regulatory Authority ("ACRA")'s Financial Reporting Surveillance Programme, ACRA had issued a letter dated 5 April 2019 ("ACRA's Letter") under Section 202A of the Companies Act to the Company's directors, Mr Ku Vicente S. and Mr Andrew Coulton who were signatories of the FY 2017 audited financial statements ("FY 2017").

29 Basis for Revision (Cont'd)

Revising and re-filing of financial statements for FY2017 and FY2018 (Cont'd)

The former Board who authorized the FY 2017 financial statements comprised the following directors:

1.	Mr Andrew Coulton	(Non-Executive Non-Independent Chairman)
2.	Mr Ku Vicente S.	(Managing Director and CEO)
3.	Dr Michael Kuan-Chi Sun	(Executive Director)
4.	Madam Sri Tjintawati Hartanto	(Non-Executive Non-Independent Director)
5.	Mr Lye Meng Yiau	(Non-Executive Non-Independent Director)
6.	Mr Lai Chik Fan	(Non-Executive Non-Independent Director)
7.	Mr Fu Shu Sheen Edward	(Lead Independent Director)
8.	Mr Ng Hsian Pin	(Independent Director)
9.	Mr Li Man Wai	(Independent Director)
10.	Madam Cheung Kam Wa	(Independent Director)

The ACRA's Letter dated 5 April 2019 indicated that the Company had not complied with:

i. Paragraph 40 to 43 of Financial Reporting Standard (FRS) 28 Investments in Associates and Joint Ventures because the Company did not perform an impairment testing of its investment in joint venture, Hughes UnifiedNet Holding (China) Company Limited (HUH, now known as HUH Broadband Communication Company Limited), amounting to $30.186 million as at 31 March 2017, when there was objective evidence of impairment in FY2017.

ii. Paragraph 33 and 34 of FRS 28 Investments in Associates and Joint Ventures because the Company did not adjust for the effects of significant events or transactions that occurred between the financial year end (31 December) of the joint venture, HUH and the financial year end (31 March) of the Company, amounted to $0.706 million.

iii. Paragraph 17 of FRS 39 Financial Instruments: Recognition and Measurement because the Company did not derecognise the loan receivable due from Ban Joo Investment Pte Ltd of $2.094 million when it entered into the Deed of Settlement (Deed) on 17 February 2017 and paragraphs 33 and AG36 of FRS 32 Financial Instruments: Presentation because the Company did not account for the Settlement Shares (own shares) of $1.14 million as a deduction from equity when it entered into the Deed on 17 February 2017. Subsequent to 17 February 2017, any gain or loss from the fluctuations in the share prices on its own shares should not be recognised in profit or loss (FY2017: gain of $14,000; FY2018: loss of $380,000).

iv. Paragraph 50 of FRS 39 Financial Instruments: Recognition and Measurement because the Company should not have reclassified the convertible notes amounting to HK$ 144 million (equivalent to $24 million) from available-for-sales financial assets (AFS) to financial assets at fair value through profit and loss (FVTPL) after initial recognition, in the FY2016 FS.

v. Requirements under sections 201(5) and 201(16), and the Twelfth Schedule of the Companies Act because the directors did not state whether the Group's consolidated financial statements give a true and fair view in the directors' statement. Instead, the directors had qualified its opinion by including the phrase "subject to the matters highlighted in the Independent Auditor's Report".

The ACRA's Letter stated that ACRA had considered the Company's responses on 29 November 2018 and the meeting on 31 January 2019.

29 Basis for Revision (Cont'd)

Revising and re-filing of financial statements for FY2017 and FY2018 (Cont'd)

Effects of Revision

The effects of the revision on the statements of financial position of the Group and the Company as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flow of the Group for the financial year ended 31 December 2017 are summarised below.

	As previously stated	Adjustments	As Revised
	$'000	$'000	$'000
For the Financial Year ended 31 March 2017:			
Consolidated Statement of Profit or Loss and Other Comprehensive Income			
Group			
Loss from operations	(3,961)	-	(3,961)
Other expenses	(37)	(30,923)	(30,960)
Other income	1,546	327	1,873
Share of loss of joint venture	(1,331)	706	(625)
Tax expense	(126)	-	(126)
Loss for the year	(3,909)	(29,890)	(33,799)
Total comprehensive loss for the year	(3,758)	(30,217)	(33,975)
Loss per share for loss attributable to equity holders of the Company			
- Basic and diluted	(0.061)	(0.4682)	(0.5292)
Statements of Financial Position			
Company			
Investment in subsidiaries	57,918	(33,823)	24,095
Other receivables, deposits and prepayments	1,184	(960)	224
Other payables and accruals	1,819	180	1,999
Settlement shares	-	(1,140)	(1,140)
Accumulated losses	(100,622)	(33,823)	(134,445)
Group			
Investment in joint venture	30,186	(30,186)	-
Other receivables, deposits and prepayments	1,277	(960)	317
Other payables and accruals	7,056	180	7,236
Settlement shares	-	(1,140)	(1,140)
Accumulated losses	(100,379)	(30,186)	(130,565)

29 Basis for Revision (Cont'd)

Revising and re-filing of financial statements for FY2017 and FY2018 (Cont'd)

	As previously stated	Adjustments	As Revised
	$'000	$'000	$'000
For the Financial Year ended 31 March 2017: (cont'd)			
Consolidated Statement of Cash Flows			
Group			
Loss before tax	(3,783)	(29,890)	(33,673)
Adjustments for:			
- Impairment loss on joint venture	-	30,923	30,923
- Share of loss of joint venture	1,331	(706)	625
- Gain on redemption of convertible note	(449)	(327)	(776)
Changes in working capital:			
- Other receivables, deposits and prepayments	56	960	1,016
- Other payables and accruals	(6)	180	174
Cash flows from investing activities			
- Settlement shares due to loan receivable from subsidiary	-	(1,140)	(1,140)

	As previously stated	Adjustments	As Revised
	$'000	$'000	$'000
For the Financial Year ended 31 March 2016:			
Consolidated Statement of Profit or Loss and Other Comprehensive Income			
Group			
Share of loss of joint venture	1,757	199	1,956
Loss for the year	(6,619)	(199)	(6,818)
Total comprehensive loss for the year	(6,531)	(199)	(6,730)
Loss per share for loss attributable to equity holders of the Company			
- Basic and diluted	(0.104)	(0.0028)	(0.1068)
Statements of Financial Position			
Group			
Investment in joint venture	31,798	31	31,829
Financial assets at fair value through profit or loss	24,645	(24,645)	-
Available-for-sale financial assets	-	24,645	24,645
Fair value reserve	-	327	327
Accumulated losses	(96,470)	(296)	(96,766)

29 Basis for Revision (Cont'd)

Revising and re-filing of financial statements for FY2017 and FY2018 (Cont'd)

	As previously stated	Adjustments	As Revised
	$'000	$'000	$'000
For the Financial Year ended 31 March 2016: (cont'd)			
Consolidated Statement of Cash Flows			
Group			
Loss before tax	(6,467)	(199)	(6,666)
Adjustments for:			
- Share of loss of joint venture	1,757	199	1,956
- Unrealised currency translation loss/ (gain)	42	(123)	(81)
Changes in working capital:			
- Trade payables	-	123	123
For the Financial Year ended 31 March 2015:			
Statements of Financial Position			
Group			
Investment in joint venture	33,430	230	33,660
Accumulated losses	(90,178)	230	(89,948)

30 Subsequent events

(a) Independent investigation by Ernst & Young Advisory Pte. Ltd. ("EY")

On 25 July 2012, the Company announced that it had appointed 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.

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.

30 Subsequent events (cont'd)

(a) Independent investigation by Ernst & Young Advisory Pte. Ltd. ("EY") (cont'd)

The Board has adopted the EY Report. To address these findings, the Board convened a Special Committee comprising two Independent Directors of the Company, Mr Lye Meng Yiau and Mr Edward Fu 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 30 (c)].

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 from 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 SLTL 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 million from the Company and its subsidiaries VIP and SLTL'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 SLTL; 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.

30 Subsequent events (cont'd)

(b) Civil Summon- Ruled in favor of the Company and its subsidiaries

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.

On 18 May 2016, the Court in relation to the Civil Summon, ruled in favor of the Company and its subsidiaries and dismissed all claim by the plaintiffs with costs.

(c) On-going Independent investigation by EY- Second Appointment

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, EY investigation into the MSN group has ended and EY is currently finalising their report ("EY2 Report") with the Company. The draft EY2 Report is currently under review and is being studied by the Board and the Company's legal counsel.

(d) On-going legal action against the Company

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 million, and not to remove from Hong Kong any asset up to the value of HK$10 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 million.

30 Subsequent events (cont'd)

(d) On-going legal action against the Company (cont'd)

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.

On 16 December 2016, the legal proceeding in the High Court of Singapore has been discontinued and concluded by the Plaintiff.

On 24 January 2017, the Company has received an amended statement of claim in the High Court of Hong Kong by the Plaintiff. At the date of this report, the legal case is still on-going and the Company will take all appropriate steps to contest the legal action in Hong Kong.

(e) Inclusion on the watch-list due to the minimum trading price entry criteria

On 4 June 2017, the Company announced that the Singapore Exchange Securities Trading Limited ("Exchange") has notified the Company that it would be placed on the watch-list due to the Minimum Trading Price ("MTP") Entry Criteria with effect from 5 June 2017.

The Company will have to meet the requirements of Rule 1314(2) of the Listing Manual within 36 months from 5 June 2017, failing which the Exchange would delist the Company or suspend trading in the Company's shares with a view to delisting the Company. In this regard, Listing Rule 1314(2) states that the Company will be assessed by the Exchange for removal from the watch-list if it records volume-weighted average price of at least $0.20 and an average daily market capitalisation of $40 million or more over the last 6 months.

Following the Company's inclusion in the watch-list, the Company is required to provide a quarterly update on its efforts and the progress made in meeting the exit criteria of the watch-list.

In addition, the Company was also previously placed under the watch-list under the financial criteria. On 31 May 2012, the Company announced that it had applied for an extension of time to meet the requirements to exit from the watch-list which are set out under Listing Rule 1314.

In November 2014, the Company had made an application to SGX-ST for a further extension to meet the requirements to exit the watch-list. As at the date of this report, the Company is still pending response from SGX-ST.

30 Subsequent events (cont'd)

(f) Grant of share awards pursuant to the Ban Joo Performance Share Scheme

On 6 July 2017, the Company announced that 38,400,000 new ordinary shares were awarded to certain directors of the Company in lieu of part of the Directors' fees payable for the financial year ended 31 March 2015, pursuant to the general mandate obtained at the annual general meeting of the Company held on 12 May 2017.

The new shares will rank *pari passu* in all respects with the existing shares of the Company in issue. Following the issue of the new shares, the number of issued and paid up ordinary shares of the Company increased to 6,424,735,828 ordinary shares (excluding 24,200,000 treasury shares).

(g) Incorporation of subsidiaries

On 8 August 2017, NGSC Capital Pte. Ltd., a 55% owned subsidiary of the Company, has incorporated two wholly-owned subsidiaries in Cayman Island known as Indo EM Growth Fund GP Limited and NGSC Capital Limited. Each of the subsidiary has an issued and paid-up capital of US$0.01 comprising 1 ordinary share.

(h) Loan agreement with Zhong Ping Trading Development Company Limited (incorporated in Hong Kong) and Mark Tam

On 27 April 2017, the Company announced that it has entered into a loan agreement (the "Loan Agreement") with Zhong Ping Trading Development Company Limited ("ZP") and Tam Man Wai ("Mark Tam") in connection with the grant of a loan to ZP of the principal amount of up to S$3 million (the "Loan").

On 17 May 2017, the completion of the Loan has taken place and the Company has disbursed the Loan to ZP.

The Board has granted the loan as this funding to ZP is an opportunity and a preliminary step towards considering future investment in ZP, subject to due diligence and other matters to be considered in the event the Company decides to invest further in ZP. Meanwhile, the Company can derive interest income from the Loan.

Details of the loan

Pursuant to the Loan Agreement, the Company has granted a loan to ZP of the principal amount of up to S$3 million. The Loan bears simple interest at the rate of 6% per annum which shall be payable in advance for the period from the date of disbursement of the Loan ("Disbursement Date") until the date falling two (2) years from the Disbursement Date ("Maturity Date"). Where the Loan is repaid by ZP in accordance with the Loan Agreement, the amount of interest payable for the period from the date of repayment to the Maturity Date shall be refunded by the Company to ZP, on the basis of actual days elapsed and on a 365-day year.

30 Subsequent events (cont'd)

(h) Loan agreement with Zhong Ping Trading Development Company Limited (incorporated in Hong Kong) and Mark Tam (cont'd)

Security

As stipulated in the Loan Agreement, Mark Tam has agreed with and has undertaken to the Company that he shall provide (i) a personal guarantee to make payment in respect of all monies and liabilities due, owing or incurred by ZP under the Loan Agreement;(ii) a charge in favour of the Company over 349,970 shares held by him in ZP; and (iii) shall procure that Grand Harvest Resource Holdings Ltd. execute a charge in favour of the Company over 650,000 shares held by it in ZP.

In addition, ZP and Mark Tam have agreed and undertaken to deliver to the Company the original certificates of real estate ownership or title deeds of the properties owned by subsidiaries of ZP in China as security for the payment and performance in full of all monies and liabilities due, owing or incurred by ZP under the Loan Agreement, and shall grant to the Company a security interest in such properties and the power to have and to hold the aforesaid documents in such properties together with all right, title, interest, powers, privileges pertaining or incidental thereto until all monies and labilities due, owing or incurred by the ZP under the Loan Agreement have been fully paid to the Company.

Warranty on Profit Guarantee

As stipulated in the Loan Agreement, ZP warrants and guarantees to the Company that ZP shall achieve either:

(i) a profit before tax of S$500,000 for the financial year ending 31 December 2017,

(ii) a profit before tax of S$2,100,000 for the financial year ending 31 December 2018; or

(iii) the cumulative profit before tax of S$2,600,000 for the aforesaid two financial years ("Profit Guarantee").

In the event that ZP fails to achieve the Profit Guarantee due to whatsoever reasons, ZP and Mark Tam jointly and severally agrees and undertakes to compensate the Company by paying a cash sum being the difference between the Profit Guarantee and the actual profit before tax achieved for the particular financial year, as compensation for the non-fulfilment of the Profit Guarantee or other form of compensation to be mutually agreed by the parties.

The guaranteed levels of profit before tax referred to in the above paragraph will be calculated by converting the reported profit before tax (in Hong Kong Dollars) into Singapore Dollars at the closing rate observed on 31st December of the corresponding reporting period, obtained from a mutually agreed publicly available data source (e.g. Reuters).

Purpose

ZP shall only utilise the Loan for general working capital purposes, unless otherwise agreed in writing by the Company.

30 Subsequent events (cont'd)

(h) Loan agreement with Zhong Ping Trading Development Company Limited (incorporated in Hong Kong) and Mark Tam (cont'd)

First Right of Refusal

For so long as any of the obligations remains outstanding and unpaid under this Loan Agreement, none of the existing shareholders of the Borrower shall dispose of any of their shares unless such shareholder shall have first offered those shares to the Lender on the terms to be mutually agreed between such shareholder and the Borrower, which shall not be less favourable than terms offered to other third parties.

In addition, for so long as any of the obligations remains outstanding and unpaid under this Agreement, the Lender shall be entitled to participate in any new issue of any Shares or other securities, warrants, bonds or other convertible debt securities or instruments (on the same terms and conditions as those offered to potential subscribers) on terms to be mutually agreed by the Borrower and the Lender, which shall not be less favourable than terms offered to other third parties.

(i) Non-Binding Letter of Intent with Grand Harvest Resource Holdings Limited and Mark Tam

On 17 May 2017, the Company further announced that the Company has entered into a non-binding letter of intent ("LOI") with Grand Harvest Resource Holdings Limited ("Vendor") and Mark Tam. Pursuant to the LOI, the parties intend to explore for the Vendor to grant to the Company a call option to acquire up to 65% of the equity interest in ZP (the "Call Option") and in the event the Company decides to exercise the Call Option, the Company will consider the option of satisfying the exercise price by issuing such number of ordinary shares in the share capital of the Company at an issue price to be agreed and determined by the parties. This is in line with the Company's intention to consider future investment in ZP as announced by the Company in the Announcement (see Section 3.7). The parties intend to engage in further negotiations on the terms of the transactions with a view to entering into a definitive agreement. Meanwhile, the Company has performed preliminary due diligence and evaluation on the potential of ZP and its business in the growing green energy industry in the People's Republic of China and will continue to explore the feasibility of the potential acquisition and to monitor ZP's financial results.

On 27 June 2017, the Company announced that it has entered into a call option agreement with the Vendor and Mark Tam, pursuant to which the Vendor has agreed to grant a call option to the Company to acquire up to 650,000 shares, representing 65% of the equity interest ("Option Shares") in Zhong Ping Trading Development Limited ("ZP") (the "Call Option") at an option price of S$7.02 million ("Option Price"), subject to the terms of the call option agreement.

The Option Price of S$7.02 million was arrived on a willing-buyer willing-seller basis, taking into account, amongst others, business prospects and the estimated earnings of ZP.

The Board is of the view that the Call Option represents an opportunity for the Company to strike an alliance with an operating business of high growth potential for industrial consumable burners in the green energy industry sector of the People's Republic of China. In addition, the Call Option presents the Company with an opportunity to expand its business which will allow it to achieve a more consistent and sustainable financial growth. The Board also believes that the Call Option will enhance shareholders value for the Company.

31 Comparative figures

The independent auditor's report dated 21 April 2017 contains a disclaimer of opinion on the financial statements for the financial year ended 31 March 2016. Below is the extract of the basis for disclaimer of opinion.

Extracted from auditor's report for the financial year ended 31 March 2016

"Basis for Disclaimer of Opinion"

a) Opening balances

Our independent auditor's report dated 29 November 2016 contains a disclaimer of opinion on the financial statements for the financial year ended 31 March 2015. The basis for disclaimer of opinion on the financial statements for the financial year ended 31 March 2015 is disclosed in Note 30 to 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 2015, we were unable to determine whether the opening balances as at 1 April 2015 are fairly stated.

Since the opening balances as at 1 April 2015 are entered into the determination of the financial position of the Group and of the Company as at 31 March 2016 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 2016, we were unable to determine whether adjustments, if any, might have been found to be necessary in respect of the Group's and the Company's financial statements for the financial year ended 31 March 2016.

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

b) Independent investigations

Subsequent to the completion of the independent investigation by Ernst & Young Advisory Pte. Ltd. ("EY") on 31 October 2014, EY issued their Report ("EY Report") containing their findings to the Audit Committee of the Company, the details of which are described in [Note 29 (a)] to the financial statements. In view of EY's findings, the Company re-appointed EY on 10 November 2014 to perform further investigation into, *inter alia* the discrepancies and matters highlighted in the EY Report. Specifically, EY was engaged to investigate on (i) allegations raised by the former owners of Multi Skies Nusantra Limited's ("MSN") 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 MSN, PT Karunia Anugerah Mitra Utama ("PT Kamu") and PT MSN (collectively, the "MSN group") and the corporate records of PT MSN [Note 30(c)].

As at the date of this report, we were informed by the Board of Directors that EY's investigation on the MSN group, as disclosed in Note 30(c) to the financial statements is still on-going. Consequently, we are unable to determine whether any further significant findings may be reported by EY and whether there may be any adjustments arising thereon which may have an impact on the accompanying financial statements of the Group and the Company.

31 Comparative figures (cont'd)

c) On-going litigations

As disclosed in Notes 30(d) and 31 to the financial statements, the Group and the Company have one remaining on-going litigation as at 31 March 2017 and up to the date of this report. However, given the on-going nature of this litigation, the Directors and their legal advisor are unable to determine the probable outcomes of the litigation. Consequently, we are unable to determine whether any adjustments or additional disclosures, apart from those disclosed in Note 29 to the financial statements, are necessary in respect of the Group's and the Company's financial statements for the financial year ended 31 March 2017.

d) Equity method of accounting for investment in joint venture

As disclosed in Note 12 to the financial statements, the Group's investment in joint venture with financial year ended 31 December is not co-terminus with the Group's financial year-end of 31 March. Management has used the financial statements of the joint venture relating to financial year ended 31 December 2016, which took into account the financial period from 1 January 2016 to 31 December 2016 for equity accounting the Group's share of results. The Group ought to have adjusted the reporting period of the joint venture for equity accounting purposes having considered and making adjustments to take into account the effects of significant transactions or events that occurred between 1 January 2017 to 31 March 2017 and between 1 January 2016 to 31 March 2016.

Had the Group equity accounted on an adjusted basis, that is, excluded the first 3 months of the financial period from 1 January 2016 to 31 December 2016 and included the first 3 months of the financial period from 1 January 2017 to 31 December 2017, the resultant net financial impacts would have been an increase in share of loss of joint venture and a corresponding increase in total comprehensive loss of $275,810, which is material to the Group's financial statements for the financial year ended 31 March 2017.

e) Investment in joint venture and subsidiary

As disclosed in Note 12 and 13 to the financial statements, the Group's carrying value of its joint venture, Hughes UnifiedNet Holding (China) Company Limited and the Company's carrying value of a subsidiary, China UnifiedNet Holdings Limited as at 31 March 2017 amounted to approximately $30.1 million and $33.8 million respectively. Management has not carried out a review of the recoverable amount of its investment in the joint venture and subsidiary as management is of the view that there is no indication of impairment. Accordingly, we are unable to obtain sufficient appropriate audit evidence to determine whether the recoverable amounts of the joint venture and subsidiary exceed their carrying amounts as at 31 March 2017. Consequently, we are unable to determine whether any further impairment or reversal of impairment as at 31 March 2017 is required.

32 Contingent liabilities

As disclosed in Note 30 (d) to the financial statements, on 24 January 2017, the Company received an amended statement of claim in the High Court of Hong Kong by the Plaintiff who first initiated a legal action against the Company on 28 November 2014. The details are as follows:

The Plaintiff had re-lodged a claim for HK$10 million against the Company in Hong Kong as announced by the Company on 24 January 2017. The Company has since disclaimed this liability and is defending the legal action. Based on the legal advice obtained from its legal advisor, management was informed that based on current available information, the legal advisor is of the view that the Company has a strong defence to the Plaintiff's claim and it is likely that the Plaintiff will face an uphill battle if the matter is to proceed to trial. There has been no further development since then and there is no court hearing date yet.

Based on this advice, the directors are of the view that no material losses will arise in respect of the legal claim at the date of these financial statements. Accordingly, no provision for liabilities have been made for the financial year ended 31 March 2017.

33 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings, if any.

The Group has complied with the externally imposed capital requirements during the financial years ended 31 March 2017 and 2016. The Group's overall strategy remains unchanged for the financial years ended 31 March 2017 and 2016.

34 Authorisation of financial statements

The revised financial statements of the Group and the revised statement of financial position of the Company for the financial year ended 31 March 2017 were authorised for issue in accordance with a resolution of the Directors dated 3 July 2019.