NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

Co. Reg. No.196400100R

Unaudited First Quarter Financial Statements for the Financial Period Ended 30 June 2015

As at the date of this announcement, the statutory audit for the financial years ended 31 March 2013 ("FY2013"), 31 March 2014 ("FY2014") and 31 March 2015 ("FY2015") of Next-Generation Satellite Communications Limited ("Company") is still in progress and has not been completed.

As such, the comparative figures for FY2015 in this announcement are based on unaudited results as announced on 29 May 2015. In the event that there are material adjustments arising from the finalisation of the audit for FY2013, FY2014 and FY2015, the Company will make the appropriate announcement(s) highlighting the variance and the reasons for the discrepancies.

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

Unaudited Consolidated Statement of Comprehensive Income for the Financial Period Ended 30 June 2015

	Note	Group First quarter ended 30/06/15 (unaudited) S$'000	30/06/14 (unaudited) S$'000	% +/(-)
Revenue		**436**	**942**	(54)
Cost of sales		(120)	(334)	(64)
Gross profit		316	608	(48)
Other income	1	-	1,159	(100)
Distribution costs		-	-	n.a.
Administrative expenses		(652)	(576)	13
Finance expenses, net		(421)	(489)	(14)
Share of (loss) / profit of joint venture		(320)	72	n.m.
(Loss) / profit before income tax		(1,077)	774	n.m.
Income tax expense		(72)	(67)	7
(Loss) / profit for the financial period	2	**(1,149)**	**707**	n.m.
Other comprehensive loss:				
Translation differences arising from consolidation		(415)	(255)	63
Total comprehensive (loss) / profit attributable to equity holders of the Company		**(1,564)**	**452**	n.m.

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

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

	Group First quarter ended		
	30/06/15	**30/06/14**	**%**
	S$'000	S$'000	+/(-)
1. Other income			
Waiver of debts from trade payable	-	1,159	(100)
2. Total (loss) / profit for the financial period is derived after crediting (charging) the following:			
Amortisation of intangible asset	(48)	(44)	9
Depreciation of plant and equipment	(80)	(267)	(70)
Foreign exchange loss, net	(421)	(489)	(14)
Income tax – current	(72)	(67)	7

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

	Group		Company	
	As at 30/06/15 (unaudited)	As at 31/03/15 (unaudited) (restated)	As at 30/06/15 (unaudited)	As at 31/03/15 (unaudited) (restated)
	S$'000	S$'000	S$'000	S$'000
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	145,508	145,508	145,508	145,508
Treasury shares	(1,219)	(1,219)	(1,219)	(1,219)
	144,289	144,289	144,289	144,289
Other reserves				
Capital reserve	(169)	(169)	(169)	(169)
Fair value reserve	327	327	-	-
Translation reserve	(262)	153	-	-
	(104)	311	(169)	(169)
Accumulated losses	(56,093)	(54,944)	(72,888)	(72,056)
TOTAL EQUITY	88,092	89,656	71,232	72,064
ASSETS				
Non-current assets				
Plant and equipment	811	925	33	37
Goodwill	5,019	5,019	-	-
Subsidiaries	-	-	65,670	65,670
Joint venture	50,607	50,925	-	-
Deferred tax asset	243	253	-	-
Intangible asset	1,890	1,979	-	-
Current assets				
Trade receivables (Allowance for doubtful debts: Nil)	8,006	8,334	-	-
Other receivables, deposits and prepayments	3,576	3,697	111	147
Due from subsidiaries (non-trade)	-	-	15,252	15,545
Due from related parties (non-trade)	2,503	2,503	2,501	2,501
Available-for-sale financial assets	24,590	25,111	-	-
Cash and bank balances [(1)]	126	247	78	207
	38,801	39,892	17,942	18,400
TOTAL ASSETS	97,371	98,993	83,645	84,107
LIABILITIES				
Current liabilities				
Trade payables	452	470	-	-
Other payables and accruals	7,000	7,059	2,094	2,091
Due to subsidiaries (non-trade)	-	-	10,319	9,952
Due to related party (non-trade)	440	451	-	-
Income tax payable	1,387	1,357	-	-
	9,279	9,337	12,413	12,043
TOTAL LIABILITIES	9,279	9,337	12,413	12,043
NET ASSETS	88,092	89,656	71,232	72,064

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

Note (1): Cash and bank balances	Group		Company	
	As at 30/06/15 (unaudited)	As at 31/03/15 (unaudited) (restated)	As at 30/06/15 (unaudited)	As at 31/03/15 (unaudited) (restated)
	S$'000	S$'000	S$'000	S$'000
Available for use	759	880	78	207
Restricted [(a)]	(633)	(633)	-	-
Discrepancy [(b)]	-	-	-	-
	126	247	78	207

(a) As at 30 June 2015 and 31 March 2015, this represents deposits placed with Niaga Finance Company in Hong Kong (the "Finance Company") which it withheld. It was intended for the settlement of an invoice for 65 sets of Universal Service Obligation equipment which was purchased under a conditional letter of credit ("**LC**") arrangement provided by the Finance Company to one of the Group's subsidiaries. In the interest of prudence, the Company continues to record this amount as a receivable. On 31 October 2014, Ernst and Young Advisory Pte. Ltd. completed its investigation into the funds placed with the Finance Company and it issued a report on its findings to the Audit Committee of the Company. Please refer to the Company's announcement on 31 October 2014.

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

Amount repayable in one year or less, or on demand

As at 30/06/15 (unaudited)		As at 31/03/15 (unaudited)	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Amount repayable after one year

As at 30/06/15 (unaudited)		As at 31/03/15 (unaudited)	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Details of any collateral

Not applicable.

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

	Group First quarter ended **30/06/15** (unaudited) S$'000	 **30/06/14** (unaudited) S$'000
Cash flows from operating activities		
(Loss) / profit before income tax	(1,077)	774
Adjustments:		
Amortisation of intangible asset	48	44
Depreciation of plant and equipment	80	267
Share of loss / (profit) of joint venture	320	(72)
Unrealised foreign exchange differences	449	555
Waiver of debts from trade payable	-	(1,159)
Operating (loss) / profit before working capital changes	(180)	409
Trade receivables	-	(540)
Other receivables, deposits and prepayments	116	(394)
Trade payables	-	(31)
Other payables and accruals	(59)	171
Net cash used in operations	(123)	(385)
Net change in cash and cash equivalents	(123)	(385)
Effect of exchange rate changes in cash and cash equivalents	2	7
Cash and cash equivalents at beginning of the financial period	247	740
Cash and cash equivalents at end of the financial period	126	362

1(c) Consolidated Statement of Cash Flows (Cont'd)

Note:

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

	Group	
	As at 30/06/15 (unaudited) S$'000	**As at 30/06/14** (unaudited) S$'000
Cash and bank balances	759	989
Less:		
Discrepancy [(a)]	(633)	(627)
	-	(627)
Cash and cash equivalents per consolidated statement of cash flows	126	362

(a) As at 30 June 2015 and 31 March 2015, this represents deposits placed with Niaga Finance Company in Hong Kong (the "Finance Company") which it withheld. It was intended for the settlement of an invoice for 65 sets of Universal Service Obligation equipment which was purchased under a conditional letter of credit ("**LC**") arrangement provided by the Finance Company to one of the Group's subsidiaries. In the interest of prudence, the Company continues to record this amount as a receivable. On 31 October 2014, Ernst and Young Advisory Pte Ltd. completed its investigation into the funds placed with the Finance Company and it issued a report on its findings to the Audit Committee of the Company. Please refer to the Company's announcement on 31 October 2014.

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

Unaudited Statement of Changes In Equity for the Financial Period ended 30 June 2015

Group	**Share capital** S$'000	**Treasury shares** S$'000	**Capital reserve** S$'000	**Fair value reserve** S$'000	**Translation reserve** S$'000	**Accumulated losses** S$'000	**Total Equity** S$'000
Balance at 1 April 2015, (unaudited)	**145,508**	**(1,219)**	**(169)**	**327**	**153**	**(54,944)**	**89,656**
Currency translation difference	-	-	-	-	(415)	-	(415)
Loss for the financial period	-	-	-	-	-	(1,149)	(1,149)
Total comprehensive loss for the financial period	-	-	-	-	(415)	(1,149)	(1,564)
Balance at 30 June 2015 (unaudited)	**145,508**	**(1,219)**	**(169)**	**327**	**(262)**	**(56,093)**	**88,092**

Group	**Share capital** S$'000	**Treasury shares** S$'000	**Capital reserve** S$'000	**Fair value reserve** S$'000	**Translation reserve** S$'000	**Accumulated losses** S$'000	**Total Equity** S$'000
Balance at 1 April 2014, (unaudited)	**145,508**	**(1,219)**	**(169)**	**220**	**(1,357)**	**(54,644)**	**88,339**
Profit for the financial period	-	-	-	-	-	707	707
Other comprehensive loss, net of tax	-	-	-	-	(255)	-	(255)
Total comprehensive profit for the financial period	-	-	-	-	(255)	707	452
Balance at 30 June 2014 (unaudited)	**145,508**	**(1,219)**	**(169)**	**220**	**(1,612)**	**(53,937)**	**88,791**

Unaudited Statement of Changes In Equity for the Financial Year 30 June 2015 (Continued)

Company	Share capital	Treasury shares	Capital reserve	Accumulated losses	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2015, (unaudited)	**145,508**	**(1,219)**	**(169)**	**(72,056)**	**72,064**
Loss for the financial period	-	-	-	(832)	(832)
Total comprehensive loss for the financial period	-	-	-	(832)	(832)
Balance at 30 June 2015 (unaudited)	**145,508**	**(1,219)**	**(169)**	**(72,888)**	**71,232**

Company	Share capital	Treasury shares	Capital reserve	Accumulated losses	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2014, restated (unaudited)	**145,508**	**(1,219)**	**(169)**	**(70,555)**	**73,565**
Loss for the financial period	-	-	-	(620)	(620)
Total comprehensive loss for the financial period	-	-	-	(620)	(620)
Balance at 30 June 2014 (unaudited)	**145,508**	**(1,219)**	**(169)**	**(71,175)**	**72,945**

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

Issued ordinary shares	Number of ordinary shares 2015	2014
Balance at 1 April and 30 June	6,410,535,828	6,410,535,828

Outstanding convertibles

The Company did not have any outstanding share convertibles as at 30 June 2014 (30 June 2013: nil).

Treasury shares

Included in the above issued ordinary shares as at 30 June 2014 was 24,200,000 (30 June 2013: 24,200,000) treasury shares held by the Company.

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

	As at 30/06/15	As at 31/03/15
Total number of issued shares excluding treasury shares	6,386,335,828	6,386,335,828

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

Treasury shares	Number of ordinary shares	
	2015	2014
Balance at 1 April and 30 June	24,200,000	24,200,000

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

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

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

Not applicable.

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

There are certain new Financial Reporting Standards ("FRS") that are published and mandatory for accounting periods beginning on or after 1 April 2015. The adoption of these FRS where applicable did not have any material impact on the financial statements for the financial period ended 30 June 2015. Apart from this, the same accounting policies and methods of computation have been consistently applied.

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

Not applicable.

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

	Group First quarter ended	
	30/06/15	30/06/14
	(cents)	(cents)
(Loss) / Profit per share attributable to the equity holders of the Company		
- basic	(0.02)	0.01

As the Company does not have any outstanding share convertibles for the first quarter ended 30 June 2015 and 30 June 2014, the diluted profit / (loss) per share is the same as basic profit / (loss) per share.

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

(a) current financial period reported on; and

(b) immediately preceding financial year

	Group		Company	
	As at 30/06/15 (unaudited) (cents)	**As at 31/03/15** (unaudited) (cents)	**As at 30/06/15** (unaudited) (cents)	**As at 31/03/15** (unaudited) (cents)
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	1.38	1.40	1.12	1.13

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

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

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

Statement of Comprehensive Income

The Group's revenue declined 54% to S$0.4 million for the first quarter ended 30 June 2015 ("**1Q16**"), from S$0.9 million in the first quarter ended 30 June 2014 ("**1Q15**"), mainly due to loss of rental income from the expiry of the Universal Service Obligation ("USO") contracts in Indonesia at the end of June 2014

Finance expenses, which mainly comprised foreign exchange losses, recorded a 14% decline to S$0.4 million in 1Q16, versus S$0.5 million in 1Q15. This was largely due to the strengthening of the US Dollar against the Singapore Dollar.

Taking into account the absence of Other income for 1Q16, versus S$1.1 million in Other income for 1Q15 pertaining to the waiver of debt by a Vendor in relation to the purchase of equipment, the Group reported a net loss for 1Q16 of S$1.6 million compared to a net profit of S$0.5 million in 1Q15.

Statement of Financial Position

Plant and equipment was S$0.8 million as at 30 June 2015, against S$0.9 million as at 31 March 2015. This was attributed to fixed asset depreciation of S$80,000 and a translation difference of IDR-denominated assets to SGD of S$34,000.

Available-for-sale financial assets of S$24.6 million as at 30 June 2015 reflect the fair value of the two convertible notes held by Arch and Hillgo. The share of loss from the Group's joint-venture project also resulted in a decrease in the net carrying value of joint ventures as at 30 June 2015.

Trade and other receivables, deposits and prepayments were S$8.0 million and S$3.6 million respectively as at 30 June 2015. As a significant portion of these balances was IDR-denominated, the decrease as compared to 31 March 2015 reflects the weakening of Indonesian rupiah against the Singapore Dollar that resulted in a translation difference.

Statement of Cash Flow

The Group's cash and cash equivalents as at 30 June 2015 stands at S$0.1 million.

Update of Watch-List Status

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

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

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

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

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

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

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

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

Hughes UnifiedNet Holding (China) Company Limited ("HUH"), a technology enabler in China in which the Group holds a 55% economic interest, has signed an agreement in July 2015 to provide satellite coverage for a number of villages in Inner Mongolia. The provision of this satellite services is currently under trial, and the Group hopes to commence deployment of the services later in the year. The Group is looking forward to building a sustainable income stream from this business going forward, while exploring other opportunities for the deployment of its satellite technology.

The Group continues to make progress on the settlement of outstanding matters relating to its legacy businesses in Indonesia. Specifically, it is working with its Indonesian customers to realise the collection of outstanding trade receivables.

The Group is actively pursuing an early redemption of the Convertible Notes in its possession before these reach maturity in April 2016. If successful, the redemption will provide the Group with funds to explore new business opportunities, including acquisitions or investments to expand and diversify the Group's business.

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

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

(b) (i) Amount per share – Not applicable

(ii) Previous corresponding period - Not applicable

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

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

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

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

No dividend has been declared (recommended) for the financial period ended 30 June 2015.

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

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

By Order of the Board
Next-Generation Satellite Communications Limited

Ku Vicente S.
Managing Director

13 August 2015

Unaudited First Quarter Financial Statements for the Financial Period Ended 30 June 2015

CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED FOR THE ANNOUNCEMENT OF UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 JUNE 2015

We, Ku Vicente S. and Andrew Coulton, being Directors of the Company, do hereby confirm, for and on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited consolidated financial results for the first quarter ended 30 June 2015 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

Ku Vicente S.
Managing Director

Andrew Coulton
Chairman and Executive Director

13 August 2015