



Unaudited First Quarter Financial Statements for the Financial Period Ended 30 June 2017

As of the date of this announcement, the statutory audit for the financial year ended 31 March 2017 ("FY2017") of Next-Generation Satellite Communications Limited ("Company") is still in progress and has not been finalised.

As such, the comparative figures for the corresponding periods in this announcement are based on unaudited results for the first quarter ended 30 June 2016 as announced on 12 August 2016. In the event that there are material adjustments arising from the finalisation of the audit for FY2017, the Company will make the appropriate announcement.

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 2017

	Note	Group		%
		30 Jun 2017	30 Jun 2016 (Restated)	
		S\$'000	S\$'000	+ / (-)
Revenue		-	-	n.a.
Cost of sales		-	-	n.a.
Gross profit		-	-	n.a.
Other income		23	1	n.a.
Administrative expenses		(487)	(530)	(8)
Finance expenses, net		(67)	45	n.m.
Share of profit/(loss) of joint venture		289	(459)	(163)
Loss before tax		(242)	(943)	(74)
Income tax expense		-	-	n.a.
Loss for the financial period	(i)	(242)	(943)	(74)
Attributable to:				
Owners of the Company		(240)	(943)	(75)
Non-controlling interests		(2)	-	n.m.
Loss for the financial period		(242)	(943)	(74)
Other comprehensive loss:				
Currency translation differences arising from consolidation		(202)	(108)	n.m.
Total comprehensive loss		(444)	(1,051)	(58)
Total Comprehensive loss attributable to:				
Owners of the Company		(442)	(1,051)	(58)
Non-controlling interests		(2)	-	n.a.
		(444)	(1,051)	(58)

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

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

	Group		%
	30 Jun 2017	30 Jun 2016 (restated)	
	S\$'000	S\$'000	+ / (-)
(i) Total loss for the financial period is derived after crediting/(charging):			
Depreciation	(1)	(4)	n.m
Interest income	22	-	n.m
Foreign exchange (loss)/gain, net	(67)	45	n.m
	<u>(46)</u>	<u>41</u>	

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 June 2017	As at 31 Mar 2017 (unaudited)	As at 30 June 2017	As at 31 Mar 2017 (unaudited)
	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)
	<u>144,289</u>	<u>144,289</u>	<u>144,289</u>	<u>144,289</u>
Other reserves				
Capital reserve	(169)	(169)	(169)	(169)
Foreign currency translation reserves	1,740	1,942	-	-
	<u>1,571</u>	<u>1,773</u>	<u>(169)</u>	<u>(169)</u>
Accumulated losses	(100,247)	(100,007)	(100,395)	(95,183)
Equity attributable to owners of the Company	45,613	46,055	43,725	48,937
Non-controlling interests	43	-	-	-
TOTAL EQUITY	<u>45,656</u>	<u>46,055</u>	<u>43,725</u>	<u>48,937</u>
ASSETS				
Non-current assets				
Plant and equipment	13	9	11	5
Subsidiaries	-	-	57,918	57,863
Joint ventures	30,566	30,286	-	-
Current assets				
Other receivables, deposits and prepayments	4,532	1,539	4,157	1,188
Due from subsidiaries (non-trade)	-	-	415	5,288
Cash and bank balances	19,404	23,124	19,372	23,092
	<u>23,936</u>	<u>24,663</u>	<u>23,944</u>	<u>29,568</u>
TOTAL ASSETS	<u>54,515</u>	<u>54,958</u>	<u>81,873</u>	<u>87,436</u>
LIABILITIES				
Current liabilities				
Trade payables	232	235	-	-
Other payables and accruals	7,136	7,151	1,988	1,814
Due to subsidiaries (non-trade)	-	-	36,160	36,685
Income tax payable	1,491	1,517	-	-
	<u>8,859</u>	<u>8,903</u>	<u>38,148</u>	<u>38,499</u>
TOTAL LIABILITIES	<u>8,859</u>	<u>8,903</u>	<u>38,148</u>	<u>38,499</u>
NET ASSETS	<u>45,656</u>	<u>46,055</u>	<u>43,725</u>	<u>48,937</u>

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 30/06/17		As at 31/03/17 (unaudited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Amount repayable after one year

As at 30/06/17		As at 31/03/17 (unaudited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Details of any collaterals

Not applicable.

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

	Group	
	Financial period ended	
	30 Jun 2017	30 Jun 2016 (restated)
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before tax	(242)	(958)
Adjustments:		
Depreciation	1	4
Share of (profit)/loss of joint venture	(289)	459
Unrealised foreign exchange differences	(227)	159
Interest income	(22)	-
Operating loss before working capital changes	(779)	(336)
Other receivables, deposits and prepayments	(2,993)	(238)
Other payables and accruals	(8)	43
Financial assets at fair value through profit or loss	-	-
Interest received	22	22
Net cash used in operating activities	(3,758)	(509)
Cash flows from investing activities		
Proceeds from issuance of ordinary shares in subsidiary to non-controlling interest	45	-
Purchase of plant and equipment	(7)	-
Net cash generated from investing activities	38	-
Net decrease in cash and cash equivalents	(3,720)	(509)
Cash and cash equivalents at beginning of financial period	23,124	677
Cash and cash equivalents at end of financial period	19,404	168

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

Unaudited Statement of Changes In Equity for the Financial Period ended 30 June 2017

<u>Group</u>	Share capital	Treasury shares	Capital reserve	Translation reserve	Accumulated losses	Non-controlling interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2017 (unaudited)	145,508	(1,219)	(169)	1,942	(100,007)	-	46,055
Loss for the financial year	-	-	-	-	(240)	(2)	(242)
Other comprehensive loss, net of tax	-	-	-	(202)	-	-	(202)
Incorporation of new subsidiary	-	-	-	-	-	45	45
Total comprehensive income/ (loss) for the financial period	-	-	-	(202)	(240)	43	(399)
Balance at 30 June 2017	145,508	(1,219)	(169)	1,740	(100,247)	43	45,656

	Share capital	Treasury shares	Capital reserve	Translation reserve	Accumulated losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2016, (audited)	145,508	(1,219)	(169)	1,942	(100,007)	46,055
Loss for the financial year	-	-	-	-	(943)	(943)
Other comprehensive loss, net of tax	-	-	-	(108)	-	(108)
Total comprehensive loss for the financial year	-	-	-	(108)	(943)	(1,051)
Balance at 30 June 2016 (restated)	145,508	(1,219)	(169)	1,834	(100,950)	45,004

<u>Company</u>	Share capital	Treasury shares	Capital reserve	Accumulated losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2017 (unaudited)	145,508	(1,219)	(169)	(99,873)	44,247
Loss for the financial period	-	-	-	(522)	(522)
Total comprehensive loss for the financial period	-	-	-	(522)	(522)
Balance at 30 June 2017	145,508	(1,219)	(169)	(100,395)	43,725

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

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, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

<u>Issued ordinary shares</u>	Number of shares	
	2017	2016
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 2017 and 31 March 2017.

Treasury shares and subsidiary holdings

Included in the above issued ordinary shares as at 30 June 2017 was 24,200,000 (31 March 2017: 24,200,000) treasury shares held by the Company.

The subsidiary holdings as at 30 June 2017 and 30 June 2016 is NIL.

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 30/06/2017	As at 31/03/2017
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, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

<u>Treasury shares</u>	Number of ordinary shares	
	2017	2016
Balance at 1 April and 30 June	24,200,000	24,200,000

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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

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

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

Not applicable.

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

The Group has applied accounting policies and method of computation in the financial statements for the current reporting period consistent with those of the audited financial statements for the year ended 31 March 2016 as per announcement dated 21 April 2017.

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	
	30/06/2017	30/06/2016
	(cents)	(cents) (restated)
Loss per share attributable to the equity holders of the Company		
- basic	<u>(0.01)</u>	<u>(0.02)</u>

As the Company does not have any outstanding share convertibles for the first quarter ended 30 June 2017 and 30 June 2016, 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	As at	As at	As at
	30/06/2017	31/03/2017	30/06/2017	31/03/2017
	(cents)	(unaudited) (cents) (restated)	(cents)	(unaudited) (cents) (restated)
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	<u>0.69</u>	<u>0.72</u>	<u>0.68</u>	<u>0.71</u>

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 recognised a foreign exchange loss of S\$67,000 for the first quarter ended 30 June 2017 ("1QFY18") compared to a foreign exchange loss of S\$45,000 in the first quarter ended 30 June 2016 ("1QFY17"). This was on the back of a relatively weaker Singapore Dollar (SGD) against the US Dollar (USD) in 1QFY18.

The Group recorded a share of profit S\$0.29 million from its joint venture in 1QFY18, as compared to losses of S\$0.46 million in 1QFY17. The positive result is driven by the increase demand for the equipment and services supplied by Hughes UnifiedNet Holding (China) Company Limited in China.

Taking the above into account, the Group recorded a net loss of S\$0.24 million for 1QFY18 compared to a net loss of S\$0.94 million in 1QFY17.

Statement of Financial Position

Included in other receivables, deposits and prepayment is an amount due from Ban Joo Investment (Pte) Ltd arising from the settlement of 380 million shares of the Company with a market value of S\$1.1million. The shares are held in as a collateral and the Group has the economic and monetary rights and benefits as per announced by the Group on 20 February 2017. Included in other receivables also an amount due from Zhong Ping Trading Development Company Limited being the loan amounted S\$3.0 million granted during the financial period.

The share of profit from the Group's joint venture in the current financial period resulted in a higher net carrying value of the joint venture as at 30 June 2017.

Other payables and accruals mainly consist of deferred liabilities, provision for directors' fee and accruals amounting to approximately S\$4.1 million, S\$1.2 million and S\$0.7 million respectively.

The slight decrease in income tax payables was mainly due to translation difference between Indonesia Rupiah ("IDR") and Hong Kong Dollar ("HKD") against Singapore Dollar due to the tax payables arising from IDR and HKD foreign denominated subsidiaries.

Cash Flow

The Group's cash and cash equivalents as at 30 June 2017 stood at S\$19.0 million.

Update of Watch-List Status

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

- (1) the issuer records consolidated pre-tax profit for the most recently completed financial year (based on the latest full year consolidated audited accounts, excluding exceptional or non-recurrent income and extraordinary items) and has an average daily market capitalisation of \$40 million or more over the last 120 market days on which trading was not suspended or halted. For the purpose of this rule, trading is deemed to be suspended or halted if trading is ceased for the full market day; or
- (2) the issuer satisfies the SGX-ST Mainboard admission criteria, either under Rule 210(2)(a) or Rule 210(2)(b).

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

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

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

Not applicable.

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

The Group entered into a call option agreement with Grand Harvest Resource Holdings Limited (**GHRH**) and Mark Tam, pursuant to which GHRH has agreed to grant a call option to the Company to acquire up to 650,000 shares, representing 65% of the equity interest (“**Option Share**”) 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 it allow it to achieve a more consistent and sustainable financial growth.

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 2017.

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

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

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

Yes.

By Order of the Board
Next-Generation Satellite Communications Limited

Ku Vicente S.
Managing Director and Chief Executive Officer

14 August 2017