Next-Generation Satellite Communications Limited

Annual Report 2014

CORPORATE PROFILE

Next-Generation Satellite Communications Limited (B07.SI) is an investment holding company. Through its subsidiaries, the Group provides satellite-based telecommunications services to a variety of industries including education and financial institutions in the People's Republic of China ("PRC"), telecommunications services in rural areas of PRC and Indonesia, and hosting services.

The Group's operations during the financial year ended 31 March 2014 comprised three core businesses:

- Sale of satellite communications equipment and provision of satellite-based communication services;
- Building, operating and leasing of base station controllers for Universal Service Obligation sites to enable telecommunication services in remote areas; and
- Provision of hosting, international network and engineering services

The Company's vision is to become a leading telecommunication solutions provider in Asia. The Group will continue to seek investment opportunities in telecommunications services and infrastructure in the region.

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LETTER TO **SHAREHOLDERS**

Dear Shareholders,

In the financial year ended 31 March 2014 ("FY2014"), the Group was mainly engaged in:

- the sale of satellite communications equipment and provision of satellite-based communication services; and
- building, operating and leasing of base station controllers for Universal Service Obligation ("USO") sites to enable telecommunication services in remote areas

Financial Review

We enjoyed stable business activity in the USO business for FY2014. However, as this business was denominated in Indonesian Rupiah ("IDR"), we were negatively impacted by the strengthening of the Singapore Dollar ("SGD") against the IDR when the revenue was subsequently translated into SGD for consolidation into the Group accounts. This, along with lower activity from the satellite equipment and satellite communication business, saw revenue from core business operations declining to S$2.3 million, compared to S$2.6 million in FY2013. The impact of the foreign exchange loss was S$1.9 million, against S$0.6 million in FY2013.

Nevertheless, our Group revenue registered a 30% increase to S$3.5 million, lifted by a S$1.2 million in interest income received from the convertible notes issued by Neo Telemedia Limited. These convertible notes were acquired by the Group as part of our settlement agreement with Niaga Finance Company Limited ("Niaga"), a finance company in Hong Kong, in relation to the recovery of funds owed to the Group.

Cost of sales rose 18% to S$2.7 million, versus S$2.4 million in FY2013, as the Group decided to accelerate the depreciation of assets relating to the Group's Universal Service Obligation ("USO") business, following the termination and non-renewal of the business' contracts at the end of June 2014.

We recorded other income of S$25.9 million, following a partial reversal of a $43.4 million impairment provision made in FY2013, in relation to our 55% stake in China UnifiedNet Holdings Limited ("CUH"). The reversal is a mark-to-market adjustment of the value of our investment based on the consideration at which our joint-venture partner divested their 45% stake.

Other expenses of $3.9 million in FY2014 comprised provisions for the impairment of the USO business and the Group's other receivables, as well as foreign exchange loss incurred in view of the weakening of the Indonesian Rupiah against the Singapore Dollar. In contrast, other expenses for FY2013 was $62.7 million, taking into account the aforementioned impairment relating to CUH, an allowance of impairment for trade receivables, a goodwill impairment arising from the Indonesian business and an impairment on a lease prepayment relating to the Group's data centre business. Accordingly, we recorded a net profit of S$20.5 million for FY2014, compared to a net loss of S$66.7 million in FY2013.

Year in Review

FY2014 was a challenging one for the Group as uncertainties in the Indonesian economic environment led key customers to maintain a tight rein on their spending. This resulted in a decline in demand for our satellite equipment and satellite communications services, which in turn led to leaner margins. The contracts for our USO business secured earlier on ensured that we continued to enjoy healthy business activity in this field, but revenue from this business was unfortunately impacted by the weakening of the IDR against the SGD.

As part of our effort to strengthen our position in the PRC satellite communications market, we revisited an acquisition proposed in 2012, of a 51% stake in Scientific Discovery Development S.A. (SDD), a provider of disaster back-up services to financial institutions in China. Negotiations had then lapsed, as we were unable to fulfil the seller's requirement of an upfront payment of approximately RMB15.3 million by the long-stop date. This round of re-negotiation also did not take off as both buyers and sellers were unable to come to an agreement over the terms of the transaction.

In January 2014, the Group announced its plans to acquire a 75% stake in Star Chariot Limited, from C Media Limited, for a consideration of S$27.6 million. Star Chariot is a wholly-owned subsidiary of C Media, a leading provider of mobile content delivery distribution services in China. The acquisition would allow Next-Gen to expand its business activities from pure communications infrastructure services into the emerging mobile content industry in China, where demand for mobile contents and applications was on the rise. We had intended to fund the acquisition in part through the issuance of new ordinary shares amounting to approximately S$19.8 million. The remaining S$7.8 million was to be funded through the transfer of Hillgo Asia Limited to C Media. However, negotiations on this transaction eventually ceased as certain conditions of the sale and purchase agreement ("SPA") were not fulfilled by the negotiating parties within the agreed time frame of six months from the date of the SPA.

We made some progress with regard to the S$24.0 million retained by Niaga. After extensive discussions, we entered into an agreement with Niaga to set out a framework towards the settlement of the funds. As part of this framework, Niaga transferred its holding of the entire issued share capital of Arch Capital Limited ("Arch") and Hillgo Asia Limited ("Hillgo") to the Group in July 2013.

Arch and Hillgo collectively hold two non-transferable convertible notes, for a total principal amount of HK$144.0 million, issued by Neo Telemedia Limited ("Neo Telemedia"), a company listed on the Growth Enterprise Market of the Hong Kong Stock Exchange. The notes have an accrued interest of 7% per annum, payable semi-annually.

As at the end of FY2014, we received payment of S$2.2 million from Niaga. The remaining S$0.6 million was withheld by Niaga and intended for settlement of an invoice for 65 sets of USO equipment, which were purchased under a conditional letter of credit arrangement to one of our subsidiaries.

At the close of FY2014, the independent investigation by Ernst & Young Advisory Pte Ltd ("EY") into the movement of funds to Niaga was still in progress. As such, we were unable to conduct our external audit for the FY2014 results, and thus sought and received an extension of time from the Singapore Stock Exchange ("SGX") to hold our Annual General Meeting for said financial year.

Subsequent Events

Upon completion of its independent investigation in October 2014, EY highlighted in its report that there were certain questionable cash movements between the Group and Niaga, and evidence that the discrepancy in our cash balance and the cash restriction with Niaga could be connected to the personal exposure of a former Director of the Company. In addition, EY reported certain weaknesses and lapses in the internal controls and corporate governance procedures of our Company. In response to EY's findings, our Board convened a Special Committee comprising two Independent Directors to assess the extent of the damage caused to the Group and the appropriate follow-up actions. The Special Committee made recommendations in August 2015, which were subsequently adopted by the Board.

In order to streamline the management of our assets and investments in new business opportunities as and when these arise, we incorporated a subsidiary company in Singapore, NGSC Investment Management Pte Ltd, in December 2014. These opportunities include acquisitions and investments for the expansion of the Group's technology-related business or diversification of the Group's investments into other long-term growth sectors to benefit shareholders.

Present-Day Update

In June 2015, in response to a default in interest payment, we issued a writ of summons in Hong Kong against Neo Telemedia for the immediate repayment of the outstanding interest of HK$5.0 million and the principal amount of HK$144.0 million, together with further interest and costs as provided by the terms and conditions of the convertible notes in case of default. A court order was subsequently issued by the Court of Hong Kong on 6 January 2016 ("Court Order") for Neo Telemedia to pay the interest amount and comply with the terms of the convertible notes. Neo Telemedia subsequently made full repayment of the interest outstanding of HK$10.0 million to us on 29 January 2016 and 17 March 2016 under the court order.

Following this, we reached a settlement with Neo Telemedia to repay the outstanding sum of approximately HK$145.7 million, which involved a share allotment by Neo Telemedia. However, Neo Telemedia did not meet its obligations. Following the lapse of the long stop date of the settlement, on 29 May 2016 we issued a summons in Hong Kong against Neo Telemedia, as a consequence of breaching the terms under the court order issued on 6 January 2016. The High Court of Hong Kong ruled in our favour on 13 June 2016, instructing Neo Telemedia to pay the principal amount of HK$144.0 million together with interest in full at judgment rate. Subsequent to this, we served a Statutory Demand on Neo Telemedia to pay us the judgment debt as per the court order, with liberty to apply for wind up order for failure to comply within 21 days. Neo Telemedia has filed for a stay of execution of the Court Order, along with an appeal against it. We will update shareholders as and when there are new developments.

Changes to the Board

In February 2016, we welcomed Mr Li Man Wai as Independent Director. He brings with him extensive experience in finance and accountancy. We have also re-designated Mr Lye Meng Yiau as Executive Director from Independent Director, and Mr Andrew Coulton as Non-Executive and Non-Independent Chairman from Chairman and Executive Director.

Acknowledgements

For the past few years, the Group has faced numerous challenges and we are doing our utmost to tackle them one by one. In the midst of this, I would like to express my sincere appreciation to our management team and employees for their hard work and dedication. I am also grateful for the forbearance and support of our shareholders, customers and business partners all these years. Last but not least, I would like to thank my fellow Board members for their advice and insights.

Andrew Coulton
Non-Executive and Non-Independent Chairman

CORPORATE **INFORMATION**

BOARD OF DIRECTORS
Mr Coulton Andrew

(Non-Executive Chairman)

Mr Ku Vicente. S
(Chief Executive Officer)

Dr Michael Kuan-Chi Sun
(Executive Director)

Madam Sri Tjintawati Hartanto
(Executive Director)

Mr Lye Meng Yiau
(Executive Director)

Mr Fong Yew Meng
(Independent Director)

Mr Edward Fu Shu Sheen
(Independent Director)

Mr Li Man Wai
(Independent Director)

Mr Lai Chik Fan
(Non-Independent Non-Executive Director)

REGISTERED OFFICE
30 Raffles Place
#19-04 Chevron House
Singapore 048622
Tel : (65) 6479 3866
Fax : (65) 6479 3867

NOMINATING COMMITTEE
Mr Edward Fu Shu Sheen (Chairman)
Mr Fong Yew Meng
Mr Li Man Wai

REMUNERATION COMMITTEE
Mr Edward Fu Shu Sheen (Chairman)
Mr Fong Yew Meng
Mr Li Man Wai

AUDIT COMMITTEE
Mr Fong Yew Meng (Chairman)
Mr Edward Fu Shu Sheen
Mr Li Man Wai

SHARE REGISTRARS AND WARRANT AGENT
B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544

AUDITORS
RT LLP
Public Accountants and Certified Public Accountants
1 Raffles Place
#17-02 One Raffles Place
Singapore 048616
Partner-in-charge: Ong Kian Meng
(Appointed with effect from financial year ended
31 March 2014)

BOARD OF **DIRECTORS**

ANDREW COULTON
Non-Executive Chairman

Mr Andrew Coulton was appointed to the Board of Next Generation Satellite Communications Limited ("Next-Gen") as Executive Director in March 2014 and as Executive Chairman in August 2014. He was subsequently re-designated as Non-Executive Non-Independent Chairman in February 2016.

Before joining Next-Gen, Mr Coulton spent 10 years as Chairman and Principal of Saffar Capital Limited, an investment and advisory firm focused on the Middle East and North Africa ("MENA") region. Prior to Saffar, Mr Coulton worked with Deutsche Bank AG where his last-held position was Managing Director and MENA Regional Chief Executive Officer. Mr Coulton started his career at Goldman, Sachs and Co. in the listed derivatives business after graduating with a BA in Modern History from the University of Oxford.

VICENTE S. KU
Managing Director and Chief Executive Officer

Mr Vicente Ku was appointed to the Board as Non-Executive in January 2015, and subsequently re-designated as Executive Director in April 2015. In June 2015, he was appointed as Managing Director and became Chief Executive Officer in August 2015.

Mr Ku possesses over 39 years of business experience in the field of corporate finance, asset management, banking, trading, project development, financial services, and regulatory compliance, and was previously an executive director of Manila-based property development company, Yeeloofa Development Corporation.

Before joining Yeeloofa, Mr Ku spent four and a half years with ASG Brokerage Ltd., a major stockbroking house in Hong Kong, where he was overall-in-charge of finance and compliance matters. Mr Ku also spent 20 years with a family office of a major Philippine business group, where he was responsible for the management of various offshore investments and logistics operations of the textile and garment business. Between 1980 and 1982, Mr Ku was the Deputy Managing Director of First CBC Capital Limited in Hong Kong, a subsidiary of China Banking Corporation of the Philippines.

Mr Ku began his career with Ayala Investment (currently known as BPI Capital Corporation) and International Corporate Bank (currently known as Union Bank of the Philippines) after graduating with a cum Laude in Economics from La Salle University, Phillipines.

DR MICHAEL KUAN-CHI SUN
Executive Director

Dr Michael Sun was appointed to the Board in March 2014. Dr Sun worked with the Hughes Network Systems, LLC (and together with its subsidiaries, "Hughes Group") for more than 20 years, before taking up his current position as CEO of HughesNet China, a joint venture between Next-Gen and Hughes Group. Dr Sun is credited with the establishment of Hughes' operations in China and its development into a dominant supplier of very small aperture terminal ("VSAT") systems, with customers in almost every major government organisation in China. Prior to working for Hughes, Dr Sun was employed by General Electric Information Systems ("GE"), where he was responsible for marketing and development of GE's centralised time-sharing information network service.

Before GE, Dr Sun worked for Sprint Telenet as Senior Director, Network Design. Dr Sun started his career with Computer Sciences Corporation where he was a senior program analyst supporting NASA Goddard Space Flight Center.

Dr Sun received his PhD in Physical Chemistry from Georgetown University in 1976. He also holds a MSc in Computer Science from The Johns Hopkins University, an MBA from Marymount University of Virginia and a BSc from National Cheng Kung University in Taiwan in 1970.

SRI TJINTAWATI HARTANTO
Executive Director

Madam Sri Tjintawati Hartanto was appointed to the Board in January 2009. She is a non-salaried executive director who supports the Company in its affairs on a "when-needed" basis. Madam Hartanto also provides an oversight over the Group's current business in Indonesia. She possesses more than 20 years of experience in accounting, finance and administration. Madam Hartanto graduated with a Bachelor of Accountancy from Surabaya University in Indonesia. She was born and educated in Indonesia, and is currently a permanent resident in Hong Kong.

LYE MENG YIAU
Executive Director

Mr Lye Meng Yiau was appointed to the Board in August 2014. Prior to his appointment, he was Vice President at OWW Capital Partners Pte. Ltd. and was responsible for venture investments. He accumulated more than 10 years of experience in logistics and investments within the Heidelbergcement Group, where his last-held position was Manager for Strategy and Business Development (M&A) in Asia. Mr Lye has worked on investment projects in technology, infrastructure and utilities. He started his career as an analyst in a subsidiary of Temasek Holdings, after graduating with a Bachelor of Business Administration from the National University of Singapore.

FONG YEW MENG
Independent Director

Mr Fong Yew Meng was appointed to the Board in January 2009.

Mr Fong was a corporate advisor to Saffar Capital Limited, a Dubai-based investment and advisory company. Prior to this, he held several senior positions with international banks in Tokyo, London, New York and Singapore. He was Managing Director of HSBC Futures (Singapore) Pte Ltd and company secretary of the Evolution Group Plc, a company previously listed on the London Stock Exchange and now part of Investec Plc group. Mr Fong was also Managing Director of Deutsche Bank and Deutsche Bank Securities in London and New York respectively, and was an Executive Director of Goldman Sachs in its Tokyo and London offices.

Mr Fong holds a BSc in Economics from the London School of Economics. He is a member of the Institute of Chartered Accountants in England & Wales and also a member of the Institute of Singapore Chartered Accountants.

EDWARD FU SHU SHEEN
Independent Director

Mr Edward Fu Shu Sheen was appointed to the Board in October 2014. He is the Executive Adviser of KF Property Network Pte Ltd (Knight Frank) and possesses more than 30 years of experience in credit, corporate banking, debt restructuring and recovery, loan syndications and private banking with domestic and foreign banks. Mr Fu previously served as Vice President at Societe Generale and has also held senior appointments with leading financial institutions such as Crosby Advisory (Singapore) Pte Ltd., Hill Samuel Merchant Bank Asia Ltd. and Australia & New Zealand Banking Group Ltd.

He currently also serves as Director on the Board of Continental Investment & Trading Company Pte Ltd. He was an Independent Director of GSH Corporation Limited from 2007 to 2012 and of John Edward Consultancy Pte Ltd from 1999 to 2013.

Mr Fu holds a BA in Economics and Political Science from University of Singapore.

LI MAN WAI
Independent Director

Mr Li founded Raymond Li & Co., C.P.A. in 1993 and is its sole proprietor. Mr Li has been an Independent Non-Executive Director of Shanghai Zendai Property Ltd. since April 2012. He has been an Independent Director at Next-Generation Satellite Communications Limited since February 2016. He has been a Trustee of Lingnan (University) College, Dr. Sun Yat-Sen University, Guangzhou, PRC since 2009. In 2011, he was appointed as a Court Member of Lingnan University of Hong Kong. He chaired Lingnan University Alumni Association (Hong Kong) Limited from 2006 to 2008, and was elected as the Chairman of Chinese Christian Universities Alumni Association (Hong Kong) Limited from 2007 to 2008. He was nominated to act as the Director of Lingnan University Hong Kong Alumni D.S.S. Primary School Limited from 2005 to 2011. He was qualified as a Certified Practicing Accountant in Hong Kong since 1992.

Mr Li graduated with Diploma in Business Administration, with a major in Accounting, from Lingnan College (now known as Lingnan University) in Hong Kong in 1981. He is a Member of Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountants in United Kingdom from 1988 and Obtained a Membership of Certified Management Accountants of Canada in 1990 after taking the accountancy courses in York University, Canada.

LAI CHIK FAN
Non-Executive Director

Mr Lai Chik Fan was appointed to the Board in March 2014. He is currently the Managing Director of AR Evans Capital Limited and Principal of AR Evans Capital Partners Inc. Mr Lai possesses more than 30 years of experience in the financial services sector. He previously served as advisor to the board of directors of Asia Securities Global Limited and Managing Director of several reputable financial institutions including Smith Barney Shearson (Asia) Limited, Merrill Lynch (Asia Pacific) Limited and Paine Webber Hong Kong Limited. He worked for a number of investment banks, including Koffman Financial Holdings Limited, Paine Webber Hong Kong Limited, Merrill Lynch Asia Ltd., Smith Barney (Hong Kong) Ltd., and Chin Tung Securities Ltd.

Mr Lai has served on the Board of several listed companies, including Shanghai Zendai Property Ltd since May 2004 and China Golden Development Holdings Ltd from 2006 to 2008. He also served on the Board of Ban Joo & Co. Ltd. until 2009, and of China Medical and Bio Science Ltd (listed on the GEM Board) until 2007. Mr Lai is a graduate of Indiana State University with an MBA.

NG HSIAN PIN
Proposed Independent Director

Mr Ng Hsian Pin has been proposed by the Board for appointment as Independent Director at the Annual General Meeting.

He possesses over 15 years of experience in various accounting and finance roles, and is currently the Financial Controller of Hong Kong-based Gold East Paper Trading (HK) Co. Ltd. He was previously the Chief Financial Officer Designate of Singapore-listed Sinwa Ltd., and, prior to that, the Financial Controller of Sinar Mas Paper (China) Co. Ltd.

Mr Ng holds a Bachelor of Business Administration from the National University of Singapore and is a Chartered Accountant of Singapore.

KEY **MANAGEMENT**

Koit Ven Jee
Regional Finance Manager

Mr Koit joined the Group in August 2012 and was appointed as Regional Finance Manager in February 2014. He is responsible for the Group's finance and accounting functions, including statutory and regulatory compliance.

Mr Koit has over 10 years of experience in audit and assurance. Prior to joining the Group, he was with audit firms such as Crowehorwath First Trust LLP, BDO LLP and Crowehorwath Malaysia, providing audit services to a broad range of clients including technology, manufacturing, trading, engineering companies, as well as other private and public-listed companies.

Mr Koit has obtained his professional accountancy qualification from the Association of Chartered Certified Accountants (ACCA) and is a member of the Institute of Singapore Chartered Accountants.

Dr Michael Kuan-Chi Sun
Chief Executive Officer of HughesNet China

Dr Michael Sun joined the Group in March 2014 and is also the CEO of HughesNet China ("HNC"), a 55%-owned joint-venture company between the Group and Hughes Group. In his position, Dr Sun is responsible for spearheading the development of HNC into a leading provider of VSAT services and systems solutions in China.

Since coming aboard, Dr Sun has been instrumental in establishing strategic cooperation agreements with China Unicom and Sichuan Telecom, supporting both telecom operators in the offer of satellite coverage for rural broadband services and cellular backhaul for mobile cell sites. HNC also supports both telecom operators in the provision of in-flight broadband services on board Air China, Hainan Air and other Chinese airlines. Along with this, HNC has also successfully worked with the Guizhou provincial government to implement safety surveillance systems for coal mines in the province, and is looking to expand this collaboration to other industries within Guizhou.

HNC is currently exploring opportunities to offer cost-effective maritime solutions utilising small antenna (0.6m or less) with spread spectrum capability to offer broadband connectivity at lower costs in China.

CORPORATE **GOVERNANCE**

The Board of Directors (the "**Board**" or the "**Directors**") of Next-Generation Satellite Communications Limited ("**NGSC**" or the "**Company**" and together with its subsidiaries, the "**Group**") is committed to maintaining a high standard of corporate governance to ensure greater transparency and to protect the interests of the Company's shareholders (the "**Shareholders**").

The Company has put in place various policies and practices that will safeguard the interests of Shareholders and enhance Shareholders' value as part of its effort to maintain high standards of corporate governance. This report describes the corporate governance practices and procedures adopted by the Company with specific reference to the Code of Corporate Governance 2012 (the "**Code**") issued by the Monetary Authority of Singapore and as required under the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). References to the principles of the Code are listed below. The Company has complied with the principles of the Code where appropriate and deviations from the Code have been explained.

A. BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and the Management remains accountable to the Board.

The Company is headed by an effective Board to lead and control the Company. As at the date of this report, the Board comprises the following members:-

Mr Andrew Coulton (Non-Executive Non-Independent Chairman)
Mr Ku Vicente S. (Managing Director and Chief Executive Officer)
Mr Lye Meng Yiau (Executive Director)
Mdm Sri Tjintawati Hartanto (Executive Director)
Mr Michael Kuan-Chi Sun (Executive Director)
Mr Lai Chik Fan (Non-Executive Director)
Mr Edward Fu Shu Sheen (Lead Independent Director)
Mr Fong Yew Meng (Independent Director)
Mr Li Man Wai (Independent Director)

The Board is responsible for overseeing and providing effective leadership for the overall business and corporate affairs of the Group. Its role is to:-

(i) provide entrepreneurial leadership, set strategic objectives and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
(ii) establish a framework of prudent and effective controls which enables risk to be assessed and managed, including safeguarding of Shareholders' interests and the Group's assets;
(iii) review performance of the management of the Company ("**Management**");
(iv) identify the key stakeholder groups and recognise that their perceptions affect the Group's reputation;
(v) set the company's values and standards (including ethical standards), and ensure that obligations to Shareholders and other stakeholders are understood and met; and
(vi) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

The Company has adopted a set of internal guidelines setting forth matters that require the Board's review and approval. Matters which specifically require the Board's decision or approval are those involving:-

- corporate strategy and business plans;
- investment and divestment proposals;
- funding decisions of the Group;
- nominations of Directors for appointment to the Board and appointment of key executives;
- announcement of financial results and annual report;
- material acquisitions and disposal of assets; and
- all matters of strategic importance.

All other matters are delegated to Board committees ("**Board Committees**") whose actions are monitored and endorsed by the Board. These Board Committees include the Audit Committee (the "**AC**"), the Nominating Committee (the "**NC**") and the Remuneration Committee (the "**RC**"), all of which operate within clearly defined terms of reference and functional procedures.

To get a better understanding of the Group's business, the Company adopts a policy whereby the Directors are encouraged to request for further explanations, briefings or informal discussion on the Group's operations or business with the Management.

The Board conducts scheduled meetings on a quarterly basis. Ad-hoc meetings are convened when circumstances require. The Company's Constitution (the "**Constitution**") provide for Board meetings by means of teleconference. The attendance of the Directors at meetings of the Board and Board Committees during the financial year ended 31 March ("**FY**") 2014 are disclosed as follows:-

Name of Director	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mdm Sri Tjintawati Hartanto	6	6	-	-	-	-	-	-
Mr Fong Yew Meng	6	6	4	4	2	2	1	1
Mr Lam Ah Seng @ Lam Pang Chuang(1)	6	6	-	-	-	-	-	-
Mr Li Jianmin(2)	3	3	-	-	-	-	-	-
Mr Hardi Koesnadi(3)	2	-	-	-	-	-	-	-
Mr Lam Lee G(4)	6	4	4	1	2	1	1	-
Mr Tao Yeoh Chi(5)	6	6	4	4	2	2	1	1

(1) Resigned on 2 October 2015

(2) Resigned on 13 August 2013

(3) Resigned on 10 June 2013

(4) Resigned on 14 August 2014

(5) Resigned on 2 October 2014

Newly-appointed Directors undergo an orientation program with materials provided to help them get familiarised with the business and organisation structure of the Group. To get a better understanding of the Group's business, the Directors are also given the opportunity to visit the Group's operational facilities and meet with the Management. Upon appointment of each director, the Company provides information to the director, setting out the director's roles and obligations together with key date regarding the Company and the Group.

The Board as a whole is updated regularly on risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards, so as to enable them to properly discharge their duties as Board or Board Committee members. The Company encourages directors to attend training courses organised by the Singapore Institute of Directors or other training institutions in connection with their duties.

During FY2014, the external auditor briefed the AC members on developments in accounting and governance standards. The Executive Directors also updated the Board at each Board meeting on business and strategic developments relating to the industry the Group operates in.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% Shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board currently has nine (9) Directors, comprising three (3) Independent Directors, two (2) Non-Executive Directors and four (4) Executive Directors. Information regarding each Board member is provided under the section entitled "Board of Directors" of this annual report.

The independence of each Director is assessed and reviewed at least annually by the NC. The NC adopts the definition in the Code as to what constitutes an independent director in its review to ensure there is a strong independent element on the Board such that the Board is able to exercise objective judgement on corporate affairs independently. The Independent Directors have confirmed that they do not have any relationship with the Company or its related companies, its 10% Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Group.

The NC is of the view that Mr Edward Fu Shu Sheen, Mr Fong Yew Meng and Mr Li Man Wai are independent. As one-third of the Board is independent, the requirement of the Code that at least one-third of the Board comprises independent directors is satisfied. The NC is satisfied that the Board has substantial independent elements to ensure that objective judgement is exercised on corporate affairs. In addition, the Board has appointed Mr Edward Fu Shu Sheen as the Lead Independent Director.

The Non-Executive Directors are involved in ensuring that the strategies proposed by Management are constructively challenged, fully discussed and examined and takes into account the long term interests, not only of the Shareholders but also other stakeholders of the Group. The Non-Executive Directors also review the Management's performance in achieving agreed goals and objectives, and monitor the reporting of its performance.

The Board and Board Committees comprises Directors who as a group provide core competencies such as accounting and finance, legal, business and management experience, industry knowledge and strategic planning experience. Hence, the NC is of the view that the current Board and Board Committees comprise persons who as a group provide capabilities required for the Board to be effective.

The Board, through the NC, has reviewed and is satisfied that the current structure, size and composition of the Board and Board Committees are appropriate for effective decision-making, taking into account the scope and nature of the operations of the Company, the balance and diversity of, amongst other factors, skills, experience and gender. The NC is of the view that no individual or small group of individuals dominates the Board's decision-making process.

Role of Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The Company keeps the roles of the Non-Executive Non-Independent Chairman and Chief Executive Officer separate to ensure a clear division of their responsibilities, balance of power and authority, increased accountability and greater capacity for independent decision-making at the Board and Management level. As at the date of this report, Mr Andrew Coulton, holds the position of Non-Executive Non-Independent Chairman, whilst Mr Ku Vicente S. holds the position of Chief Executive Officer and Managing Director. Mr Coulton and Mr Ku are not related to each other.

The Non-Executive Non-Independent Chairman, Mr Andrew Coulton is primarily responsible for charting and reviewing the overall strategic direction of the Group and for leading the Board to ensure its effectiveness on all aspects of its role. He ensures that Board meetings are held when necessary and sets the Board agenda (with the assistance of the Company Secretaries). Mr Andrew Coulton ensures that all Board members are provided with complete, adequate and timely information.

All major proposals and decisions are discussed and reviewed by the Directors. With the active participation of Directors at Board meetings, the Board is satisfied that the current arrangement provides sufficient check and balance to ensure that no one individual member of the Board holds a considerable concentration of power, and that there is an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

The Board has delegated the daily operations of the Group to Mr Ku, the Chief Executive Officer and Managing Director. Mr Ku leads the management team and executes the strategic plans in line with the strategic decisions and goals set out by the Board and ensures that the Directors are kept updated and informed of the Group's businesses.

Mr Edward Fu Shu Sheen is the Lead Independent Director of the Company, who is available to address Shareholders' concerns on issues that have not been satisfactory resolved or cannot be appropriately dealt with by the Non-Executive Non-Independent Chairman, Chief Executive Officer, Executive Directors. The Independent Directors meet on a need-to basis amongst themselves and with the Company's external auditors and internal auditors without the presence of Management to discuss matters such as, the Group's financial performance, corporate governance and risk management initiatives, Board processes, and any internal audit observations. Thereafter, the Lead Independent Director would provide feedback to the Non-Executive Non-Independent Chairman after such meetings, if needed.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC currently comprises three (3) Directors, namely Mr Edward Fu Shu Sheen, Mr Fong Yew Meng and Mr Li Man Wai, all of whom are Independent Directors. The Chairman of the NC is Mr Edward Fu Shu Sheen. The NC has written terms of reference that describe the responsibilities of its members.

The principal functions of the NC are as follows:-

- to review and recommend the nomination of new Directors or re-nomination of the Directors having regard to the Director's contribution and performance;
- to set criteria for identifying candidates and reviewing nominations for the appointments referred to above;
- to determine on an annual basis whether or not a Director is independent;
- to make plans for succession, in particular for the Non-Executive Non-Independent Chairman and Chief Executive Officer;
- to review training and professional development programs for the Board;
- to determine and recommend to the Board, the maximum number of listed company board representations that any Director may hold; and
- to assess the overall performance of the Board and contribution of each Director to the effectiveness of the Board.

In the nomination and selection process, the NC identifies the candidates and reviews the nominations for the appointments based on the following criteria:-

(i) at least one-third of the Directors shall be Independent Directors; and
(ii) the candidate shall be a fit and proper person to hold such office, and the most qualified candidate nominated for the office, taking into account the candidate's track record, age, experience, capabilities and other relevant factors.

When an existing Director chooses to retire or the need for a new Director arises, either to replace a retiring Director or to enhance the Board's strength, the NC, in consultation with the Board, determines the selection criteria and identifies candidates with the appropriate expertise and experience for the appointment as new Director. Candidates may be suggested by Directors or Management or sourced from external sources. The NC will interview the shortlisted candidates and assess them based on objective criteria approved by the Board such as integrity, independent mindedness, possession of the relevant skills required or skills needed to complement the existing Board members, ability to commit the time and effort to carry out his responsibilities, good decision making track record, relevant experience and financial literacy. The NC will then nominate the most suitable candidate to the Board for approval. Upon appointment by the Board, the candidate must stand for election at the next annual general meeting ("**AGM**") of the Company.

The NC meets at least once a year. Pursuant to the Company's Constitution, one-third of the Board is to retire by rotation and subject themselves to re-election by Shareholders at every AGM. The NC will assess and evaluate whether Directors retiring at each AGM are properly qualified for reappointment by virtue of their skills, experience and contributions. Mr Fong Yew Meng, an Independent Director of the Company and Chairman of the Audit Committee and member of Nominating Committee and Remuneration Committee, who would be retiring under Article 91 of the Company's Constitution, has decided not to seek re-election at the forthcoming AGM. The NC recommended to the Board that Mr Edward Fu Shu Sheen be nominated for re-election at the forthcoming AGM. In making the recommendations, the NC had considered the Director's overall contributions and performance.

Under Article 97 of the Company's Constitution, any new Director so appointed by the Directors shall hold office only until the next AGM of the Company, and shall be eligible for re-election. Thereafter, the Director is subject to re-election at least once every three (3) years. In this respect, the NC recommended to the Board that Mr Li Man Wai be nominated for re-election at the forthcoming AGM.

Under Article 97 of the Company's Constitution, the Company may by ordinary resolution appoint any person to be an additional Director of the Company. The NC has recommended to the Board the appointment of Mr Ng Hsian Pin as an Independent Director of the Company (the "**Appointment**"). Having reviewed the qualifications and experience of Mr Ng Hsian Pin, the Board has recommended that the Appointment be tabled as ordinary resolution [.] at the forthcoming AGM for shareholders' approval. The Board considers Mr Ng Hsian Pin to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

Pursuant to Mr Fong Yew Meng not seeking re-election at the forthcoming AGM, he will cease to be the Chairman of AC, member of NC and RC upon conclusion of the forthcoming AGM. His replacement for each committee will be announced by the Company in due course.

Mr Edward Fu Shu Sheen will, upon re-election as a Director of the Company, remain as the Lead Independent Director of the Company and Chairman of NC, RC and member of AC of the Company and will be considered to be independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

Mr Li Man Wai will, upon re-election as a Director of the Company, remain as the member of the AC, NC and RC of the Company and will be considered to be independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

Each member of the NC has abstained from making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his own performance or re-election as a Director of the Company. In making the recommendations, the NC had considered the Directors' overall contributions and performance.

The dates of appointment and directorships of the current Directors in other listed companies are set out below:

Name of Director	Date of Appointment	Last Re-Election Date	Directorships and Chairmanships in Other Listed Companies	
			Present	Last Three Years
Mr Andrew Coulton	7 March 2014	30 October 2015	-	-
Mdm Sri Tjintawati Hartanto	15 January 2009	30 October 2015	-	-
Mr Michael Kuan-Chi Sun	7 March 2014	30 October 2015	-	(1) China Innovation Investment Limited (2) China Trends Holdings Limited
Mr Ku Vicente S.	16 January 2015	30 October 2015	-	-
Mr Lai Chik Fan	7 March 2014	30 October 2015	Shanghai Zendai Property LImited	Shanghai Zendai Property LImited
Mr Fong Yew Meng	15 January 2009	13 August 2013	-	-
Mr Lye Meng Yiau	14 August 2014	30 October 2015	-	-
Mr Edward Fu Shu Sheen	2 October 2014	30 October 2015	-	-
Mr Li Man Wai	26 February 2016	Not Applicable	Shanghai Zendai Property LImited	-

Further details of the Directors and the proposed Independent Director, Mr Ng Hsian Pin (including their profile and principal commitments) can be found under the section entitled "Board of Directors" of this annual report.

Notwithstanding that some of the Directors have multiple board representations, the Board is satisfied that each Director is able to and has been adequately carrying out his duties as a Director of the Company. Only two (2) Directors have one other directorship in other listed companies. As such, the Board does not propose to set the maximum number of listed company board representations that directors may hold until such need arises. The NC would continue to review from time to time the board representations of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board.

The NC decides on how the Board, Board Committees and individual Directors' performance is to be evaluated and proposes objective performance criteria, subject to the Board's approval, which address how the Directors have enhanced long-term Shareholders' value. The Board has also implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and Board Committees and for assessing the contribution of each individual Director to the effectiveness of the Board. Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as a Director.

In evaluating the Board's and its Board Committees' performance, the NC considers a set of quantitative and qualitative performance criteria that has been approved by the Board. The performance criteria for the Board and Board Committee's evaluation are in respect of:

a. Board composition;
b. Board information;
c. Board process and accountability;
d. Standards of conduct; and
e. Board Committee performance in relation to discharging their responsibilities set out in their respective terms of reference.

The individual Director's performance criterion is in relation to the Director's:

a. Interactive skills;
b. Knowledge, including industry or professional expertise, specialist or functional contribution and regional expertise;
c. Directors' duties including attendance at meetings, meeting preparation, participation and performance of specific assignments; and
d. Directors' conduct including maintenance of independence, disclosure of related party transactions and compliance with company policies.

All Directors are requested to complete a board evaluation questionnaire designed to seek their view on various aspects of the Board and individual Director's performance as described above. The Non-Executive Non-Independent Chairman, in consultation with the NC, will then act on the results of the performance evaluation, and where appropriate, propose new members be appointed to the Board or seek the resignation of Directors.

The NC has assessed the current Board's performance to-date and is of the view that the performance of the Board as a whole is satisfactory, the Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

Access to Information

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

In order to ensure that the Board is able to fulfil its responsibilities, the Management provides the Board with complete, adequate and timely information about the Group as well as the relevant background information relating to the business prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities. To allow the Directors sufficient time to prepare for the meetings, all Board papers are distributed to the Directors in advance of the meetings. Any additional material or information requested by the Directors is promptly furnished.

The Board papers include, among others, the following documents and details:
- Minutes of the previous meetings;
- Follow up on significant matters outstanding following the last meetings;
- Financial review: actual, budget and any other major financial issues;
- Internal audit reports prepared by the Group's internal auditors;
- Audit plans and audit findings reports prepared by the Group's external auditors;
- Annual budgets (actual vs budget); and
- Major operational and investment proposals and update.

As good practice, Board papers are sent to the Directors in advance for Directors to be adequately prepared for the meetings. To ensure that Directors are in receipt of sufficient background explanatory information, briefings or formal presentation may also be given or made by Management in attendance at Board meetings, or by external consultants engaged on specific projects. Directors are also entitled to request additional information as needed to make informed decisions and the Management shall provide the same in a timely manner.

The Directors also receive management reports on the Group's financial performance on a periodic basis, which contain adequate and timely major operational and financial information that facilitates an assessment of the Group's performance, position and prospects. The management reports consist of financial statements with disclosures and explanations of material variances between past performance, budgets and actual results.

The Directors have separate and independent access to the Management, the Group's internal/external auditors and the Company Secretaries at all times should they have any queries on the Group's affairs.

In furtherance of their duties, each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil his duties and responsibilities as a Director of the Company.

At least one of the Company Secretaries and/or his/her representatives attends all Board meetings. Together with the Management, the Company Secretaries are responsible for ensuring that appropriate procedures are followed and that the requirements of the Companies Act (Chapter 50) of Singapore, and the provisions in the SGX-ST Listing Manual are complied with. The appointment and removal of the Company Secretaries is a matter for the Board as a whole.

Changes to regulations and accounting standards are closely monitored by the Management. The Directors are briefed either during Board and Board Committee meetings, by the Company Secretaries or auditors of these changes especially where these changes have an important bearing on the Directors' disclosure obligations.

B. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.

The RC currently comprises three (3) Independent Directors, namely Mr Edward Fu Shu Sheen, Mr Fong Yew Meng and Mr Li Man Wai. The Chairman of the RC is Mr Edward Fu Shu Sheen. The RC has written terms of reference that describe the responsibilities of its members.

The RC's principal responsibilities are to review and recommend to the Board a framework of remuneration, as well as the specific remuneration packages for the Directors and key management personnel of the Group. The RC covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind. The RC's recommendations are submitted to the Board for endorsement. No director is involved in deciding his or her own remuneration.

The remuneration of employees who are related to Directors or substantial Shareholders will also be reviewed annually by our RC to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. The RC will also review and approve any bonuses, pay increments, and/or promotions for these related employees.

If any Director or executive officer occupies a position for part of the financial year, the fee payable will be prorated accordingly.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

The remuneration of Executive Directors and key management personnel of the Group takes into consideration the performance and the contributions of the individual to the Group and gives due regard to the Group's performance, as well as the long term financial, operations and business needs of the Group. The Group seeks to offer a competitive level of remuneration to attract, motivate and retain senior management of the required competency to run the Group successfully.

The Company adopts a remuneration policy that comprises a fixed as well as variable component. The fixed component is in the form of base salary and benefits while the variable component is in the form of performance bonus. There are no termination, retirement or any post-employment benefits to Directors and key management personnel.

The Company has service agreement with Mr Ku Vicente S. in relation to his appointment as Managing Director of the Company. Either party may terminate the service agreement at any time by giving to the other party not less than three (3) months' notice in writing, or in lieu of notice, payment of an amount equivalent to three (3) months' salary based on their last drawn monthly allowance. Based on the terms of his service agreement, Mr Ku may be entitled to a basic monthly allowance, as well as the right to participate in an employee share option scheme, when it is available.

The Next-Generation Satellite Communications Performance Share Scheme ("**Performance Share Scheme**") was approved and adopted by the shareholders of the Company at an extraordinary general meeting of the Company held on 28 July 2010. The Performance Share Scheme is administered by the RC comprising Mr Edward Fu Shu Sheen, Mr Fong Yew Meng and Mr Li Man Wai.

Other than the Performance Share Scheme, the Company does not have any employee share option scheme or other long-term employee incentive scheme at this juncture.

The Independent Directors do not have service agreements with the Company. They are paid fixed Directors' fees, which are determined by the Board, appropriate to the level of their contributions, taking into account factors such as the effort and time spent and the responsibilities of the Independent Directors. The fees are subject to approval by Shareholders at each AGM. Except as disclosed, the Independent Directors do not receive any other remuneration from the Company. The Board did not recommend payment of Directors' fees for FY2014 to the Shareholders at the forthcoming AGM.

All revisions to the remuneration packages of the Directors are subject to the review by and recommendation of the RC and the approval of the Board. Directors' fees are further subject to the approval of Shareholders at the AGM. The RC has full authority to obtain any external professional advice on matters relating to remuneration as and when the need arises.

Disclosure of Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The level and mix of the Directors' remuneration for FY2014 in percentage terms are set out below. The remuneration of each individual Director to the nearest thousand dollars is not disclosed as the Board believes that remuneration matters are highly sensitive in nature and the disclosure may be prejudicial to its business interests given the highly competitive business environment the Company operates in. The RC has also reviewed the practice of the industry and considered the pros and cons of such disclosure.

Name of Director	Directors' Fees (%)	Salary (%)	Total (%)
Below S$250,000			
Mr Li Jianmin[(1)]	-	100	100
Dr Lee G. Lam[(2)]	-	-	-
Mr Lam Ah Seng @ Lam Pang Chuang[(3)]	-	100	100
Mdm Sri Tjintawati Hartanto	-	-	-
Mr Hardi Koesnadi[(4)]	-	-	-
Mr Fong Yew Meng	-	-	-
Mr Tao Yeoh Chi[(5)]	-	-	-

Notes:
(1) Resigned on 13 August 2013
(2) Resigned on 14 August 2014
(3) Resigned on 2 October 2015
(4) Resigned on 10 June 2013
(5) Resigned on 2 October 2014

A summary compensation table of the four (4) executive officers' remuneration for FY2014 in percentage terms are set out below:

Name of 4 Executive Officers	Salary[(1)] (%)	Bonus (%)	Total (%)
Below S$250,000			
Mr Hans Purnajo[(2)]	100	-	100
Ms Teoh Pei Yean[(3)]	87	13	100
Mr Tony Tu[(4)]	87	13	100
Mr Koit Ven Jee	87	13	100

Notes:-
1 Employers' contributions to the Central Provident Fund are included within the salary.
2 Resigned on 2 May 2015
3 Resigned on 30 January 2014
4 Resigned on 1 November 2013

The aggregate remuneration paid to above four Executive Officers (who are not Directors or CEO) for FY2014 amounted to S$459,000.

No employee of the Company and its subsidiary companies is an immediate family member of director or the chief executive officer, and whose remuneration exceeded S$50,000 during FY2014.

The Board is of the opinion that the information as disclosed above would be sufficient for Shareholders to have an adequate appreciation of the Group's compensation policies and practices and therefore does not intend to issue a separate remuneration report, the contents of which would be largely similar. The remuneration of employees related to the Directors and substantial Shareholders of the Company will also be reviewed annually by the RC. In considering the disclosure of remuneration of the Directors and key management personnel, the Company has regarded the industry conditions in which the Group operates as well as the confidential nature of such remuneration. The Company believes that full detailed disclosure of the remuneration of each Director and each key management personnel as recommended by the Code would be prejudicial to the interests of the Group and hamper its ability to retain and nurture the Group's talent pool. The Company has instead presented such information in remuneration bands.

C. ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

In presenting the annual report, interim and annual financial results announcements and other price sensitive public announcements to Shareholders, the AC reviews all financial statements and recommends them to the Board for approval. The Board also takes adequate steps to ensure compliance with legislative and regulatory requirements and observes obligations of continuing disclosure under the SGX-ST Listing Manual.

Management provides the Board with management accounts of the Group, with explanatory details on its operations, financial results and comparison against budgeted amounts, which has been assessed to be sufficient by the Board. Board papers are given prior to any Board meeting to facilitate effective discussion and decision-making. An annual budget is also tabled for the Board's endorsement for effective monitoring and control. The management also highlights key business indicators and major issues that are relevant to the Group's performance on an on-going basis in order for the Board to make a balanced and informed assessment of the Group's financial performance, position and prospects.

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

To ensure that the Group's risk management and internal control systems are adequate and effective, the Group engaged Nexia TS Risk Advisory Pte. Ltd. ("**Nexia**") as its internal auditors. Nexia provided summaries of its internal audit findings and reports to the AC, to assist the Board and the AC in their review of the Group's risk management and internal control systems focusing on financial, operational, compliance and information technology controls. The AC also reviewed the actions taken by the Management on the recommendations made by the internal auditors.

The Group's external auditors also conduct annual reviews of the effectiveness of the Group's material internal controls for financial reporting in accordance with their external audit plans.

On 25 July 2012, the Group 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 a finance company in Hong Kong – Niaga Finance Company Limited ("**Niaga**") – being restricted, including a review of the processes and procedures around the Group's deposit and placement of funds with Niaga. EY completed its investigation on 31 October 2014 and issued a report on its finding to the AC. Amongst other things, the report highlighted weaknesses and lapses in the Group's internal controls and corporate governance procedures.

Subsequent to this, EY was separately engaged to review the Group's internal control measures, policies and procedures, to identify and address the weaknesses mentioned. This review concluded in April 2015. The AC and Board have considered EY's recommendations and have actively worked with Management to adopt them.

The AC will ensure that a review of the effectiveness of the Group's risk management policies and procedures and internal controls in addressing material risks is conducted annually. In this respect, the AC will review the audit plans and the findings of the external and internal auditors, and will ensure that Management follows up on the external and internal auditors' recommendations raised, if any, during the audit process.

To further enhance the risk management procedures in place, the Group has appointed EY in March 2015 to conduct an Enterprise Risk Management ("**ERM**") exercise to identify, assess and prioritise the Group's key risk exposures for the development of a Group-wide Risk Register in which risks were reported to the AC and the Board.

Based on the existing internal controls established and maintained by the Group, work performed by the internal auditor and external auditors, additional policies and procedures put in place since the EY review in April 2015 and the ERM review, reviews performed by the Management and various Board Committees, the Board, with the concurrence of the AC, is of the opinion that, the Group's risk management and internal controls systems now in place are adequate and effective in addressing its financial, operational, compliance and information technology risks.

The Board and the AC note that all internal controls contain inherent limitations and no systems of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities. The Board will continue its risk assessment process, which is an on-going process, with a view to improve the Group's internal controls system. The Board will also look into the establishment of a separate Risk committee at the relevant time.

Based on the above, the Chief Executive Officer and the Regional Finance Manager have given their assurance to the Board that (a) the financial records are being properly maintained, (b) the financial statements for FY2014 give a true and fair view of the Group's operations and finances; and (c) the Group's risk management and internal control systems now in place are effective.

Audit Committee

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC consists of three (3) Independent Directors, namely Mr Fong Yew Meng, Mr Li Man Wai and Mr Edward Fu Shu Sheen. The Chairman of the AC is Mr Fong Yew Meng. The Board is of the view that the AC has the necessary experience and expertise required to discharge its duties. At least two members of the AC, namely Mr Fong Yew Meng and Mr Li Man Wai possess the requisite accounting and related financial management expertise and experience.

The AC has adopted written terms of reference defining its membership, administration and duties. Some of the key duties and responsibilities of the AC include:-

- reviewing, with the internal and external auditors, their audit plans, scope of work, evaluation of the Group's system of internal accounting controls, audit reports, management letters on internal controls, the Management's response and any other relevant findings or matters;

- reviewing the periodic consolidated financial statements and results announcements, before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the SGX-ST Listing Manual and any other relevant statutory or regulatory requirements, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of Management, where necessary, before submission to the Board for approval;

- reviewing and reporting to the Board, at least annually, the effectiveness and adequacy of the Group's risk management and internal controls systems addressing financial, operational, compliance and information technology risks and discussing issues and concerns, if any, arising from the internal audits;

- reviewing our financial risk areas with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNET;

- reviewing the assistance given by the Management to the internal and external auditors;

- reviewing the independence of the internal and external auditors, as well as considering the appointment or re-appointment of the internal and external auditors, including approving the remuneration and terms of engagement of the internal and external auditors;

- reviewing and discussing with the internal and external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;

- reviewing interested person transactions (if any) falling within the scope of Chapter 9 of the SGX-ST Listing Manual;

- reviewing potential conflicts of interests (if any) and setting out a framework to resolve or mitigate any potential conflicts of interests;

- reviewing the procedures by which employees of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensuring that there are arrangements in place for independent investigation and follow-up actions thereto;

- undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

- generally to undertake such other functions and duties as may be required by statute or the SGX-ST Listing Manual, or by such amendments as may be made thereto from time to time.

In addition to the duties listed above, the AC has the express authority to investigate any matter within its terms of reference. It is given the task to commission investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and to review the findings thereof. The AC has full access to and co-operation by Management and full discretion to invite any Director or key management personnel to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC meets with the external and internal auditors, without the presence of Management, at least annually, to discuss the results of their audit, their evaluation of the Group's system of internal controls and any other relevant matters or findings that have come to the attention of the external and internal auditors, as well as to review the adequacy of audit arrangements, with emphasis on the scope and quality of their audit, and the independence and objectivity of the auditors.

RT LLP ("**RT**") has been appointed as external auditors of the Company at the extraordinary general meeting of the Company held on 6 May 2016.

The aggregate amount of fees paid or payable to the external auditors of the Company, broken down into audit and non-audit services during FY2014 are as follows:-

Audit fees	:	S$138,000
Non-audit fees	:	-
Total	:	S$138,000

The AC will review the independence of the external auditors annually. Following the AC's review of the volume and nature of all non-audit services of the Group provided by the external auditors of the Company, RT, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor, the AC is of the opinion that RT is suitable for re-appointment and has accordingly recommended to the Board that RT be nominated for re-appointment as auditors of the Company at the forthcoming AGM. The Company confirms that it is in compliance with Rules 712 and 715 of the SGX-ST Listing Manual in relation to the appointment of its external auditors.

To keep abreast of changes in accounting standards and issues which have a direct impact on the financial statements, the AC is encouraged to participate in training courses, seminars and workshops, as relevant, and to seek advice from the external auditors at the AC meetings that are held.

None of the members nor the Chairman of the AC are former partners or directors of the firms acting as the Group's internal and external auditors.

Whistle-blowing Policy

The AC has put in place a whistle-blowing policy, whereby employees of the Group or any other persons may in confidence, raise concerns about possible improprieties or other matters to the AC Chairman. The objective for such arrangement is to ensure independent investigations of such matters and for appropriate follow-up actions. Reports of suspected fraud, corruption, dishonest practices or other similar matters can also be lodged with the other Independent Directors of the Company. They are tasked to forward any such reports to the AC Chairman and other Independent Directors of the Company. No concerns involving possible corporate improprieties were brought directly to the attention of the AC in FY2014.

Internal Audit

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits

The AC is aware of the need to establish a system of internal controls within the Group to safeguard Shareholders' interests and the Group's assets, and to manage risks. The system is intended to provide reasonable but not absolute assurance against material misstatements or loss, and to safeguard assets and ensure maintenance of proper accounting records, reliability of financial information, compliance with appropriate legislations, regulations and best practices, and the identification and containment of business risks.

The Board is of the view that the current size of the operations of the Group does not warrant the Group having an in-house internal audit function. The Company has appointed Nexia as its internal auditor. Nexia reports directly to the AC. The AC approves the hiring, removal, evaluation and compensation of the internal auditors. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including access to the AC.

Nexia commenced their role as internal auditors of the Group in 2012. The internal auditors support the AC in their role to assess the effectiveness of the Group's overall system of operational and financial controls. To ensure the adequacy of the internal audit function, the AC will review and approve the internal audit plan on an annual basis. The internal audit function is staffed with persons with the relevant qualification and experience.

The scope of the internal audit is:-

- to review the effectiveness of the Group's material internal controls;
- to provide assurance that key business and operational risks are identified and managed;
- to determine that internal controls are in place and functioning as intended; and
- to evaluate that operations are conducted in an effective and efficient manner.

The AC, having considered, amongst others, the reputation and track record of Nexia and the qualifications, experience and availability of resources and independence of the team at Nexia, is satisfied that the appointment of Nexia as internal auditors is appropriate and that the internal auditors have appropriate standing within the Group.

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: Companies should treat all Shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of Shareholders' rights, and continually review and update such governance arrangements

The Company is committed to maintaining and improving its level of corporate transparency of financial results and other pertinent information. Other than the routine announcements made in accordance with the requirements of the SGX-ST Listing Manual, the Company has issued additional announcements to update Shareholders on the activities of the Company and the Group in FY2014.

The Company does not practise selective disclosure. Price-sensitive information is first publicly released via SGXNET before the Company meets with any group of investors or analysts. Results and annual reports are announced or issued within the mandatory period (and where this is not possible, relevant extensions of time are sought in accordance with applicable laws, regulations and rules).

Shareholders are informed of general meetings through notices published in the newspapers and the Company's announcements and press releases via SGXNET, as well as through reports or circulars sent to all Shareholders. They are given the opportunity to participate effectively and vote at general meetings of the Company, where relevant rules and procedures governing the meetings are clearly communicated.

The Constitution of the Company allow each Shareholder to appoint up to two (2) proxies to vote and attend general meetings on his behalf. In line with the amendments to the Companies Act, Chapter 50 of Singapore, corporate shareholders of the Company who provide nominee or custodial services to third parties are allowed to appoint more than two proxies to attend and vote on their behalf at general meetings.

Communication with Shareholders

Principle 15: Companies should actively engage their Shareholders and put in place an investor relations policy to promote regular, effective and fair communication with Shareholders

The Company is committed to maintaining and improving its level of corporate transparency of financial results and other pertinent information. In line with the continuous disclosure obligations under the SGX-ST Listing Manual, the Company informs Shareholders on a timely basis of all major developments that may have a material impact on the Group. Such information is disclosed in an accurate and comprehensive manner through SGXNET, press releases and the Company's website. The Company does not practise selective disclosure of material information and price sensitive information is publicly released as soon as is practicable as required by the SGX-ST Listing Manual.

Shareholders, investors or analysts may also send their queries or concerns to the Company's Management, whose contact details can be found on the corporate information page of this annual report. The Company will consider use of other forums as and when applicable.

The Company does not have a formal dividend policy at present. The form, frequency and amount of dividends on the Company's Shares will depend on the Group's earnings, financial position, results of operations, cash flow, capital needs, the terms of any borrowing arrangements (if applicable), plans for expansion and other factors which the Directors may deem appropriate. The Board has not recommended any dividend for FY2014.

Conduct of Shareholder Meetings

Principle 16: Companies should encourage greater Shareholder participation at general meetings of Shareholders, and allow Shareholders the opportunity to communicate their views on various matters affecting the Company

The AGM of the Company is a principal forum for dialogue and interaction with all Shareholders. Shareholders are encouraged to attend, participate and vote at the Company's AGM to ensure a high level of accountability on the part of the Board and Management, and to stay informed of the Group's performance, strategies and growth plans. All Shareholders will receive the Company's annual report and notice of AGM, together with explanatory notes, or a circular on items of special businesses (if necessary), at least 14 clear calendar days before the meeting. The Company supports active Shareholder participation at the AGM and welcomes questions from Shareholders who wish to raise issues pertaining to the Group, within the setting of the general meetings.

Each item of special business included in the notice of AGM will be accompanied by explanatory notes as may be required. Separate resolutions are proposed for approval on each substantially separate issue at general meetings. The Company will put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages.

The Chairman of the Board and the respective Chairmen of the AC, RC and NC, as well as the Regional Finance Manager and the external auditors will be present and on hand to address all issues raised at the AGM.

Dealing in Securities

The Company has complied with the requirements of Rule 1207(19) of the SGX-ST Listing Manual in relation to dealings in the Company's securities by Directors and officers of the Group.

The Company prohibits its officers from dealing in the Company's shares on short term considerations or when they are in possession of unpublished price-sensitive information. The Company, its Directors and officers are not allowed to deal in the Company's shares during the period commencing two weeks before the announcement of the Company's financial results for each of the quarters and one month before the announcement of the Company's full-year financial results, as the case may be, and ending on the date of the announcement of the relevant financial results. They are also expected to observe insider-trading laws at all times even when dealing in securities within permitted trading periods.

Interested Person Transactions

The Company has adopted an internal policy in respect of any transaction with an interested person, which sets out the procedures for review and approval of such interested person transaction.

All interested person transactions will be documented and submitted periodically to the AC for their review to ensure that such transactions are carried out on an arm's length basis or on normal commercial terms and are not prejudicial to the Group.

The Company did not enter into interested person transactions which require disclosure pursuant to Rule 1207(17) of the SGX-ST Listing Manual during FY2014.

Material Contracts and Loans

Pursuant to Rule 1207(8) of the SGX-ST Listing Manual, the Company confirms that save for the service agreement entered into between the Company and its Executive Director, Mr Ku Vicente S., there were no other material contracts and loans of the Company and its subsidiaries involving the interests of any Director or controlling Shareholder of the Company, either still subsisting at the end of FY2014 or if not then subsisting, which were entered into since the end of the previous financial year.

DIRECTORS' **REPORT**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

The Directors present their report to the members together with the audited consolidated financial statements of Next-Generation Satellite Communications Limited (the "Company") and its subsidiaries (the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2014.

1 Directors

The Directors of the Company in office at the date of this report are:

<u>Executive directors</u>
Ku Vicente S.
(Managing Director and Chief Executive Officer)
Sri Tjintawati Hartanto
Lye Meng Yiau
Michael Kuan-Chi Sun

<u>Non-independent non-executive directors</u>
Andrew Coulton (Chairman)
Lai Chik Fan

<u>Independent non-executive directors</u>
Fong Yew Meng
Edward Fu Shu Sheen
Li Man Wai (Appointed on 24 February 2016)

2 Arrangements to enable Directors to acquire shares and debentures

Except as disclosed under "Performance shares and warrants" on pages 31 and 32 of this report, 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.

3 Directors' contractual benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit other than those disclosed in the consolidated financial statements and this report by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for salaries, bonuses and other benefits as disclosed in the accompanying financial statements.

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 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 2013	At 31 March 2014	At 21 April 2014	At 1 April 2013	At 31 March 2014	At 21 April 2014
Company						
Ordinary shares						
Sri Tjintawati Hartanto	2,203,000	2,203,000	2,203,000	–	–	–
Lam Ah Seng @						
Lam Pang Chuang (1)	31,897,901	31,897,901	31,897,901	4,799,887	4,799,887	4,799,887
Lee G. Lam (2)	8,698,000	8,698,000	8,698,000	–	–	–
Fong Yew Meng	4,349,000	4,349,000	4,349,000	–	–	–
Tao Yeoh Chi (3)	4,349,000	4,349,000	4,349,000	1,500,000	1,500,000	1,500,000

Notes:

(1) Mr Lam Ah Seng @ Lam Pang Chuang is deemed to have an interest in 4,799,887 shares held by Ban Joo Investment (Pte) Ltd by virtue of Section 7 of the Singapore Companies Act. He resigned on 2 October 2015.

(2) Resigned on 14 August 2014.

(3) Mr Tao Yeoh Chi is deemed to have an interest in 1,500,000 shares held by his spouse. He resigned on 2 October 2014.

5 Performance shares and share options

(i) Performance shares

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.

The PSS is administered by the Remuneration Committee comprising Edward Fu Shu Sheen (Chairman of Remuneration Committee), Fong Yew Meng and Li Man Wai.

5 Performance shares and share options (cont'd)

(i) Performance shares (cont'd)

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:

	Aggregate number of performance shares granted during the financial year ended 31 March 2014	Aggregate number of performance shares granted since the commencement of the PSS to the end of the financial year ended 31 March 2014	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 2014	Aggregate number of performance shares outstanding as at the end of the financial year ended 31 March 2014
Directors				
Lam Ah Seng @ Lam Pang Chuang [1]	–	1,015,000	1,015,000	–
Sri Tjintawati Hartanto	–	2,203,000	2,203,000	–
Lee G. Lam [2]	–	8,698,000	8,698,000	–
Fong Yew Meng	–	4,349,000	4,349,000	–
Tao Yeoh Chi [3]	–	4,349,000	4,349,000	–
	–	20,614,000	20,614,000	–

[1] Resigned on 2 October 2015
[2] Resigned on 14 August 2014
[3] Resigned on 2 October 2014

(ii) Share options

No options were granted during the financial year to take up 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 comprises three Independent Directors, namely:

Mr Fong Yew Meng (Chairman)
Mr Li Man Wai
Mr Edward Fu Shu Sheen

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 scope and the results of internal audit procedures with the internal auditor;
- 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 of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2014 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).

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

Ku Vicente S.	**Andrew Coulton**
Director	Director

Singapore, 25 July 2016

STATEMENT BY **DIRECTORS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

In the opinion of the Directors,

(i) Subject to the matters highlighted in the Independent Auditor's Report, the accompanying consolidated financial statements of the Group and the statement of financial position and 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 2014 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) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

Ku Vicente S.
Director

Andrew Coulton
Director

Singapore, 25 July 2016

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Next-Generation Satellite Communications 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 2014, 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 financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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 financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with Singapore Standards on Auditing. Because of the matters described in the Basis for Disclaimer of Opinion paragraphs, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

(1) Opening balances

The financial statements for the financial year ended 31 March 2013 were audited by another independent auditor whose report dated 9 October 2015 expressed a disclaimer of opinion on those financial statements. The basis for disclaimer of opinion on the financial statements 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 2013, we are unable to determine whether the opening balances as at 1 April 2013 are fairly stated.

Since the opening balances as at 1 April 2013 are entered into the determination of the financial position of the Group and of the Company as at 31 March 2014 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 2014, we are 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 2014.

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

Report on the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

(2) Other receivables

As stated in Note 16[(2)] to the financial statements, the Group's and the Company's other receivables include balances due from Niaga Finance Company Limited ("Niaga") amounting to $25.5 million and $9.4 million respectively as at 1 April 2013.

In June 2013, the Group and Company entered into an agreement with Niaga to set out a framework towards the settlement of part outstanding balances amounting to approximately $24.0 million and $8.5 million ("Arrangement") respectively. Pursuant to the Arrangement, two non-transferable Convertible Notes (Note 19) with a total principal amount of HK$144.0 million (equivalent to $24.0 million) were issued by Neo Telemedia Limited (a listed company in Hong Kong Stock Exchange) to two newly acquired subsidiaries [Note 12(a) & (b)].

This resulted in settlement of $24.0 million out of the outstanding balance of $25.5 million due from Niaga to the Group and $8.5 million out of $9.4 million due to the Company. The Group and Company also received approximately $0.9 million in cash from Niaga during the financial year.

The remaining amount of $0.63 million due to the Group as at 31 March 2014 was withheld for settlement of invoices in respect of 65 sets of USO equipment under a Letter of Credit arrangement provided by Niaga on behalf of the Group's subsidiaries. The amounts due to the Company have been fully settled.

We are unable to obtain independent confirmations of the balances due to the Group from Niaga as at 31 March 2014. We are also not able to satisfy ourselves as to the existence of the outstanding balance by alternative audit procedures. Furthermore, we are unable to ascertain the recoverability of the remaining balances of the Group of approximately $0.63 million classified as other receivables at 31 March 2014.

(3) Cash in Bank

In relation to a subsidiary's bank account in PT Bank QNB Kesawan Tbk-Rupiah account, we are unable to obtain sufficient supporting documents to ascertain the accuracy and validity of bank disbursements transactions amounting to Rp 1,131,500,000 (equivalent to S$103,079) during the financial year ended 31 March 2014. According to management, the supporting documents are being withheld by the previous management. The Company intends to initiate legal proceedings against the previous management to retrieve these documents.

(4) 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). 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 ("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 the MSN, PT Karunia Anugerah Mitra Utama ("PT Kamu") and PT MSN (collectively, the "MSN group") and corporate records of PT MSN [Note 30(e)].

As at the date of this report, EY's investigation on MSN group, as disclosed in Note 30(e) to the financial statements, is still ongoing. 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 financial statements of the Group and the Company.

Report on the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

(5) On-going litigations

As disclosed in Notes 30 and 32 to the financial statements, the Group and the Company have several on-going litigations as at 31 March 2014. However, given the on-going nature of these litigations, the Directors are unable to determine the probable outcomes of the litigations. Consequently, we are unable to determine whether any adjustments or additional disclosures are necessary in respect of the Group's and the Company's financial statements for the financial year ended 31 March 2014.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

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 and by those subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

RT LLP
Public Accountants and
Chartered Accountants

Singapore, 25 July 2016

CONSOLIDATED STATEMENT OF **PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	2014 $'000	2013 $'000
Revenue	4	3,539	2,697
Cost of sales		(2,670)	(2,256)
Gross profit		869	441
Other income		26,244	4
Distribution costs		(15)	(137)
Administrative expenses		(2,042)	(3,178)
Other expenses		(4,206)	(62,702)
Share of loss of joint venture	11	(620)	(695)
Profit/(loss) before tax	5	20,230	(66,267)
Income tax credit/(expense)	7	269	(450)
Net profit/(loss) for the financial year		20,499	(66,717)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
- Currency translation differences arising on consolidation		425	(14)
- Net fair value changes on available-for-sale financial assets	19	220	–
- Share of other comprehensive income of joint venture		–	(12)
Other comprehensive income/(loss) for the financial year, net of tax		645	(26)
Total comprehensive income/(loss) attributable to equity holders of the Company		21,144	(66,743)
Earnings/(loss) per share for profit/(loss) attributable to equity holders of the Company (cents per share)			
- Basic	8	0.32	(1.04)
- Diluted	8	0.32	(1.04)

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

STATEMENTS OF **FINANCIAL POSITION**

AS AT 31 MARCH 2014

	Note	Group		Company	
		2014	**2013**	**2014**	**2013**
		$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment	9	131	2,909	13	27
Goodwill	10	735	–	–	–
Investment in joint venture	11	33,224	7,985	–	–
Investment in subsidiaries	12	–	–	57,863	7,985
Deferred tax asset	13	–	–	–	–
Intangible assets	14	–	–	–	–
		34,090	10,894	57,876	8,012
Current assets					
Trade receivables	15	799	553	–	–
Other receivables, deposits and Prepayments	16	3,458	28,561	2,537	11,955
Amounts due from subsidiaries	17	–	–	–	11,003
Cash and bank balances	18	804	1,835	502	1,048
Available-for-sale financial assets	19	22,891	–	–	–
		27,952	30,949	3,039	24,006
Total assets		62,042	41,843	60,915	32,018
Current liabilities					
Amounts due to subsidiaries	17	–	–	8,287	–
Trade payables	20	1,406	1,724	–	–
Other payables and accruals	21	5,395	5,696	800	1,111
Income tax payable		1,080	1,406	–	469
Total liabilities		7,881	8,826	9,087	1,580
Net assets		54,161	33,017	51,828	30,438
Capital and reserves attributable to equity holders of the Company					
Share capital	22	145,508	145,508	145,508	145,508
Treasury shares	23	(1,219)	(1,219)	(1,219)	(1,219)
Capital reserve	24	(169)	(169)	(169)	(169)
Currency translation reserve		(75)	(500)	–	–
Fair value reserve	19	220	–	–	–
Accumulated losses		(90,104)	(110,603)	(92,292)	(113,682)
Total equity		54,161	33,017	51,828	30,438

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

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Share capital $'000	Treasury shares $'000	Capital reserve $'000	Currency translation reserve [1] $'000	Fair value reserve [2] $'000	Accumulated losses $'000	Total $'000
Group							
Balance at 01.04.2012	145,508	(1,219)	(169)	(474)	–	(43,886)	99,760
Loss for the financial year	–	–	–	–	–	(66,717)	(66,717)
Other comprehensive loss for the financial year, net of tax:							
- Currency translation difference arising on consolidation	–	–	–	(14)	–	–	(14)
- Share of other comprehensive income of joint venture	–	–	–	(12)	–	–	(12)
Total comprehensive loss for the financial year	–	–	–	(26)	–	(66,717)	(66,743)
Balance at 31.03.2013	145,508	(1,219)	(169)	(500)	–	(110,603)	33,017
Profit for the financial year	–	–	–	–	–	20,499	20,499
Other comprehensive income for the financial year, net of tax:							
- Currency translation difference arising on consolidation	–	–	–	425	–	–	425
- Net fair value changes on available-for-sale financial assets	–	–	–	–	220	–	220
Total comprehensive income for the financial year	–	–	–	425	220	20,499	21,144
Balance at 31.03.2014	145,508	(1,219)	(169)	(75)	220	(90,104)	54,161

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.

(2) Fair value reserve
Fair value reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

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

STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Share capital $'000	Treasury shares $'000	Capital reserve $'000	Accumulated losses $'000	Total $'000
Company					
Balance at 01.04.2012	145,508	(1,219)	(169)	(65,839)	78,281
Loss for the financial year, representing total comprehensive loss for the financial year	–	–	–	(47,843)	(47,843)
Balance at 31.03.2013	145,508	(1,219)	(169)	(113,682)	30,438
Profit for the financial year, representing total comprehensive income for the financial year	–	–	–	21,390	21,390
Balance at 31.03.2014	145,508	(1,219)	(169)	(92,292)	51,828

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

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	2014 $'000	2013 $'000
Cash flows from operating activities			
Profit/(loss) before income tax		20,230	(66,267)
Adjustments for:			
Impairment loss on trade receivables	15	2,297	11,329
Impairment loss on other receivables	16	593	–
Amortisation of intangible assets	14	–	175
Depreciation of property, plant & equipment	9	2,476	2,302
Impairment loss on goodwill	10	–	4,445
Impairment loss on intangible assets	14	–	2,315
Impairment loss on joint venture	11	–	43,378
Reversal of impairment loss on investment in joint venture	11	(25,856)	–
Interest income		(17)	(4)
Net (gain)/loss on disposal of property, plant & equipment		(7)	5
Property, plant and equipment written off		–	52
Share of loss of joint venture		620	695
Unrealised currency translation loss		881	278
Total adjustments		(19,013)	64,970
Operating cash flows before changes in working capital		1,217	(1,297)
<u>Changes in working capital</u>			
Trade receivables		(2,543)	(1,399)
Other receivables, deposits and prepayments		24,007	(21,003)
Trade payables		(318)	(9)
Other payables and accruals		(300)	465
Total changes in working capital		20,846	(21,946)
Cash flows generated from/(used in) operating activities		22,063	(23,243)
Income tax paid		–	(4)
Net cash generated from/(used in) operating activities		22,063	(23,247)
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash	12	(24,022)	–
Purchases of property, plant & equipment		(1)	(45)
Repayment from other receivables ("Niaga")		911	–
Interest income		17	–
Proceeds from disposal of property, plant & equipment		7	14
Interest received		–	4
Net cash used in investing activities		(23,088)	(27)

CONSOLIDATED STATEMENT OF **CASH FLOWS** (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	2014 $'000	2013 $'000
Cash flows from financing activities			
Repayment from a related party (non-trade)		–	237
Repayment to related party (non-trade)		(6)	–
Net cash (used in)/generated from financing activities		(6)	237
Net decrease in cash and cash equivalents		(1,031)	(23,037)
Cash and cash equivalents at beginning of financial year		1,835	24,887
Effect of exchange rate changes on cash and cash equivalents		–	(15)
Cash and cash equivalents at end of financial year	18	804	1,835

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 (the "Company") 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 30 Raffles Place, #19-04 Chevron House, Singapore 048522 and its principal place of business is at 96 Robinson Road, #12-04 SIF Building, Singapore 068899.

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 12 to the financial statements.

2 Summary of significant accounting policies

2.1 Basis of preparation

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 date of the financial statements 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.

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 cash equivalents, 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 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 Summary of significant accounting policies (cont'd)

2.2 New or revised accounting standards and interpretation

At the date of authorization 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**
Amendments to FRS 32 : *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
Amendments to FRS 36 : *Recoverable Amount Disclosures for Non-Financial Assets*	1 January 2014
FRS 110 : *Consolidated Financial Statements*	1 January 2014
FRS 111 : *Joint Arrangements*	1 January 2014
FRS 112 : *Disclosure of Interests in Other Entities*	1 January 2014
FRS 27 (Revised) : *Separate Financial Statements*	1 January 2014
FRS 28 (Revised) : *Investment in Associates and Joint Ventures*	1 January 2014
Improvements to FRSs (January 2014)	
(a) Amendments to FRS 16 : *Property, plant & equipment*	1 July 2014
(b) Amendments to FRS 24 (Amendments) : *Related Party Disclosures*	1 July 2014
(c) Amendments to FRS 103 (Amendments) : *Business Combinations*	1 July 2014
(d) Amendments to FRS 108 (Amendments) : *Operating Segments*	1 July 2014
(e) Amendments to FRS 113 : *Fair Value Measurement*	1 July 2014
Improvements to FRSs (February 2014)	
(a) Amendments to FRS 103 : *Business Combinations*	1 July 2014
(b) Amendments to FRS 113 : *Fair Value Measurement*	1 July 2014
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 105 : *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2016
(b) Amendments to FRS 107 : *Financial Instruments: Disclosures*	1 January 2016
(c) Amendments to FRS 19 : *Employee Benefits*	1 January 2016
Amendments to FRS 1: *Disclosure Initiative*	1 January 2016
Amendments to FRS 16 and FRS 38 : *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 27 : *Equity Method in Separate Financial Statements*	1 January 2016

2 Summary of significant accounting policies (cont'd)

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

Description	**Effective for annual periods beginning on or after**
FRS 7 : *Disclosure Initiative*	1 January 2017
Amendments to FRS 115 : *Clarifications to FRS 115 Revenue from Contracts with Customers*	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

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 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 on the financial statements of the Group and of the Company in the period of their initial application.

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 controls 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 intragroup 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 that 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 comprehensive income, statement of changes in equity and statement 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 accumulated profits 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 entities over which Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

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 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 the 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 audited 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 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2 Summary of significant accounting policies (cont'd)

2.7 Intangible assets (cont'd)

Lease prepayment

The lease prepayment, which is acquired from a business combination is measured at fair value. Following initial recognition, lease prepayment is measured at fair value less accumulated amortisation and accumulated losses, if any. The lease prepayment is amortised on a straight-line basis over the lease term of 15 years.

2.8 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 & 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 & 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 & equipment	2 to 5

The estimated useful lives and depreciation method of property, plant & 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.

During the financial year, the expected useful life for certain asset categories were adjusted to reflect more accurately the period for which the assets are expected to be available for use by the Group. The effect of these changes resulted in an increase of $Nil (2013: $0.3 million) depreciation expense and an increase of $ Nil (2013: $0.3 million) in loss before tax for the financial year 31 March 2014.

Subsequent expenditure relating to property, plant & 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 & 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)

2.9 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 the 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.

2.10 Financial assets

The Group and the Company classifies their financial assets as loans and receivables 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) Loan 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), "due from subsidiaries" and "cash and cash equivalents" on the statements of financial position.

(ii) Available-for-sale financial assets
Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held-for-trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity and in response to changes in the market conditions.

2 Summary of significant accounting policies (cont'd)

2.10 Financial assets (cont'd)

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

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains or losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gains or losses previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less impairment. Gains or losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

De-recognition

A financial asset is derecognised where the contractual rights to receive cash flows from the financial asset has expired or have been transferred and the Group has transferred all the risks and rewards of ownership. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

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) Loan 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.

2 Summary of significant accounting policies (cont'd)

2.10 Financial assets (cont'd)

Impairment (cont'd)

(i) Loan and receivables (cont'd)

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.

(ii) Available-for-sale financial assets

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; any increase in their fair values after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

2.11 Financial liabilities

The Group's financial liabilities include trade and other payables (excluding deferred expenditure) and amount 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 and through the amortisation process.

2 Summary of significant accounting policies (cont'd)

2.11 Financial liabilities (cont'd)

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 as 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.

2.12 Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs. Financial guarantees are classified as financial liabilities.

Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the expected amount payable to the holder. Financial guarantees contracts are amortised in profit or loss over the period of the guarantee.

2.13 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.

2.14 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.

2.15 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)

2.16 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.

Rental income arising from operating leases of USO equipment are recognised on a straight-line basis over the lease term.

Satellite communication and data centre service fee are recognised when services are rendered.

Interest income is recognised using the effective interest method.

2.17 Leases

(i) 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 the 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.

(ii) When a Group entity is the lessor:

Operating leases

Leases where the Group entity retains substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.18 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.

2 Summary of significant accounting policies (cont'd)

2.18 Employee benefits (cont'd)

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 group employees, 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.

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 the 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.

2.19 Income taxes

Income tax on the profit or loss for the 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 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.

2 Summary of significant accounting policies (cont'd)

2.19 Income taxes (cont'd)

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.

2.20 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.

2.21 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.

2 Summary of significant accounting policies (cont'd)

2.21 Functional and foreign currencies (cont'd)

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;

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

(ii) 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.

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 group entity, 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.

2.22 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.

2 Summary of significant accounting policies (cont'd)

2.23 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.

2.24 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.

2.25 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 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 excluding goodwill

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets excluding goodwill are tested for impairment when there are indicators that the carrying amounts may not be recoverable. 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 property, plant & equipment, investment in joint venture, investment in subsidiaries and intangible assets are disclosed in Notes 9, 11, 12 and 14 to the financial statements respectively.

(b) Impairment of loan and 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 loan and 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 15 and 16 to the financial statements. If the present value of estimated future cash flows differ from management's estimates, the Group's allowance for impairment for receivables and receivables balance at the end of the reporting period will be affected accordingly.

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

3.1 Critical accounting estimates and assumptions (cont'd)

(c) Depreciation of property, plant & equipment

The cost of property, plant & equipment is depreciated on a straight-line basis over the estimated economic useful lives. Management estimates the useful lives of these property, plant & 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 & equipment at the end of the reporting period is disclosed in Note 9 to the financial statements.

(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 2014 is $1.08 million and $Nil (2013: $1.4 million and $0.5 million) respectively.

The Group has unutilised tax losses amounting of approximately $4.6 million (2013: $4.6 million). 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.

3.2 Critical judgment in applying the entity's accounting policies

Investment in joint venture

The Group holds approximately 55% of the voting rights of its joint arrangement, Hughes UnifiedNet Holding (China) Company Limited ("HUH") (Note 11). 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.

4 Revenue

	Group	
	2014	**2013**
	$'000	$'000
Rental income	2,321	2,598
Satellite communication and data centre service fee	4	99
Interest income	1,214	–
	3,539	2,697

5 Profit/(loss) before income tax

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

	Group	
	2014	**2013**
	$'000	$'000
Impairment loss on trade receivables (Note 15)	2,297	11,329
Impairment loss on other receivables (Note 16)	593	–
Amortisation of intangible assets (Note 14)	–	175
Audit fees		
- auditors of the Company	138	200
- other auditors of subsidiaries-current year	75	66
- other auditors of subsidiaries-under provision in prior year	7	–
Bad debts written off	–	128
Depreciation of property, plant & equipment (Note 9)	2,476	2,302
Impairment loss on goodwill (Note 10)	–	4,445
Impairment loss on investment in joint venture (Note 11)	–	43,378
Impairment loss on intangible assets (Note 14)	–	2,315
(Gain)/loss on disposal of property, plant & equipment	(7)	5
Operating lease expenses	74	94
Employee benefits expense (Note 6)	777	1,515
Property, plant & equipment written off (Note 9)	–	52
Reversal of impairment loss in joint venture (Note 11)	(25,856)	–

6 Employee benefits expense

	Group	
	2014	**2013**
	$'000	$'000
Directors' remuneration (including Performance Share Scheme):		
- directors of holding company		
- salaries and allowance	105	462
- directors of subsidiaries	109	74
- directors' fee of holding company	–	368
	214	904
Key management personnel (non-director)		
- salaries and allowance	437	264
- employer's contributions to defined contribution plans	22	14
	459	278
Total compensation of key management personnel [Note 26(c)]	673	1,182
Other personnel		
- salaries and allowance	89	312
- employer's contributions to defined contribution plans	15	21
	104	333
Total employee benefits expense	777	1,515

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.

7 Income tax credit/(expense)

Income tax credit/(expense) attributable to profits/(losses) were as follows:

	Group	
	2014	**2013**
	$'000	$'000
Income tax		
- current	200	230
- over provision in prior year	(469)	–
Deferred tax (Note 13)	–	220
	(269)	450

7 **Income tax credit/(expense)** (cont'd)

A reconciliation of the income tax credit/(expense) and the accounting profits/(loss) multiplied by the statutory rate is as follows:

	Group	
	2014	**2013**
	$'000	$'000
Profit/(loss) before tax	20,230	(66,267)
Income tax expense at the statutory rate of 17% (2013: 17%)	3,439	(11,265)
Effects of:		
- Non-deductible expenses	1,608	11,487
- Income not subject to tax	(4,396)	(96)
- Reversal of deferred tax assets previously recognised	–	220
- Over provision in prior year	(469)	–
- Effect of concessionary tax rates	–	31
- Effect of different tax rates in different countries	(452)	71
- Others	(1)	2
Income tax (credit)/expense	(269)	450

The Group has unused tax losses of approximately $4.6 million (2013: $4.6 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.

8 **Earnings/(loss) per share**

	Group	
	2014	**2013**
	$'000	$'000
The calculation of earnings/(loss) per share is based on the following:		
Profit/(loss) attributable to the equity holders of the Company	20,499	(66,717)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share ('000)	6,386,336	6,386,336
Earnings/(loss) per share attributable to equity holders of the Company (cents per share):		
- Basic	0.32	(1.04)
- Diluted	0.32	(1.04)

9 Property, plant and equipment

	Leasehold Improvement $'000	USO equipment $'000	Plant and equipment $'000	Total $'000
Group				
Cost				
Balance at 1.4.2012	324	7,296	649	8,269
Additions	15	4	26	45
Disposals	–	–	(30)	(30)
Written off	(45)	(17)	(17)	(79)
Translation differences on consolidation	(6)	(479)	(7)	(492)
Balance at 31.3.2013	288	6,804	621	7,713
Additions	–	–	1	1
Disposals	–	–	(52)	(52)
Translation differences on consolidation	(5)	(927)	6	(926)
Balance at 31.3.2014	283	5,877	576	6,736
Accumulated depreciation				
Balance at 1.4.2012	61	2,574	107	2,742
Charge for the financial year (Note 5 & 27)	203	1,584	515	2,302
Disposals	–	–	(11)	(11)
Written off	(20)	–	(7)	(27)
Translation differences on consolidation	(2)	(199)	(1)	(202)
Balance at 31.3.2013	242	3,959	603	4,804
Charge for the financial year (Note 5 & 27)	36	2,427	13	2,476
Disposals	–	–	(52)	(52)
Translation differences on consolidation	(2)	(627)	6	(623)
Balance at 31.3.2014	276	5,759	570	6,605
Carrying amount				
At 31.3.2014	7	118	6	131
At 31.3.2013	46	2,845	18	2,909

9 **Property, plant and equipment** (cont'd)

	Leasehold Improvement $'000	Plant and equipment $'000	Total $'000
Company			
Cost			
Balance at 1.4.2012	45	53	98
Additions	13	3	16
Written off	(44)	(18)	(62)
Balance at 31.3.2013	14	38	52
Disposals	–	(1)	(1)
Balance at 31.3.2014	14	37	51
Balance at 1.4.2012	11	18	29
Charge for the year	9	14	23
Written off	(20)	(7)	(27)
Balance at 31.3.2013	–	25	25
Charge for the year	7	7	14
Disposals	–	(1)	(1)
Balance at 31.3.2014	7	31	38
Carrying amount			
At 31.3.2014	7	6	13
At 31.3.2013	14	13	27

10 Goodwill

	Group	
	2014	**2013**
	$'000	$'000
Representing gross amount:		
Balance at beginning of the financial year	–	4,448
Acquisition of a subsidiary (Note 12a & b)	735	–
Impairment loss (Note 5 & 27)	–	(4,445)
Translation differences on consolidation	–	(3)
Balance at end of the financial year	735	–

Impairment testing for goodwill

For the financial year 2014:
During the financial year, included in the above balance of $0.735 million is an amount of $0.485 million [Note 12(a)] and $0.25 million [Note 12(b)] arising from goodwill on 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.

For the financial year 2013:
The Group acquired 100% of the issued and paid-up capital of Multi Skies Nusantra Limited and its subsidiaries ("MSN Group") in 2011 and Star Light Telemedia DC Limited in 2012 respectively. The resulted goodwill of $4.4 million were fully impaired in 2013. The impairment loss recognised in 2013 arose due to the termination of operating lease agreements of the USO sites by 2 major customers in Indonesia, which would result in significant reductions in future cash flows.

In the last financial year where the goodwill was recognized (pertaining to the goodwill that was impaired in 2013), the Group had also booked deferred expenditure of approximately $3.8million (equivalent to US$3.0 million) [2013: approximately $3.7 million (equivalent to US$3.0 million] (Note 21). This amount pertained to 371 USO sites that formed part of the assets of MSN group acquired by the Group, which was to be constructed and delivered by the vendor in 2014. To date, these USO sites have not been delivered. As such, the Group is seeking a waiver of this amount due to the vendor. Upon successful waiver of amount, the deferred expenditure of $3.8 million will be reversed, resulting in "other income" of the same amount being booked in subsequent financial years.

11 Investment in joint venture

	Group	
	2014	**2013**
	$'000	$'000
Unquoted equity shares, at cost	52,130	52,130
Group's share of post-acquisition losses	(1,394)	(774)
Accumulated impairment loss	(17,522)	(43,378)
Currency alignment	10	7
	33,224	7,985

The movement in accumulated impairment loss is as follows:

	Group	
	2014	**2013**
	$'000	$'000
Balance at beginning of the financial year	43,378	-
Impairment loss charged to profit and loss (Note 5 & 27)	-	43,378
Reversal of impairment loss (Note 5 & 27)	(25,856)	-
Balance at end of the financial year	17,522	43,378

In 2012, 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").

The Group carried out a review of the recoverable amount of its investment in joint venture during the financial year. Following this assessment, the Group recognised a reversal of impairment loss of $25.8 million (2013: impairment loss of $43.4 million) for the financial year ended 31 March 2014. This amount was included in "other income" in profit or loss. The reversal of impairment loss arose due to higher net fair value of identifiable assets and liabilities of the joint venture (i.e. HUH Group) as compared to the carrying amount of the investment in joint venture. The fair value of HUH Group of approximately HKD 190.7 million (equivalent to S$ 33.2 million) is derived from the proportionate share of the 45% equity interest in HUH held by the other joint venture shareholder, Neo Telemedia Limited who disposed of its 45% equity interest in HUH for HKD 156 million (equivalent to S$ 27.2 million). The fair value derived is categorised under level 3 of the fair value hierarchy.

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 3.2).

11 Investment in joint venture (cont'd)

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 2014	2013
			%	%
Hughes UnifiedNet Holding (China) Company Limited [(1)]	Investment holding	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)] [(2)]	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 2014.

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

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 the joint venture for its financial year ended 31 December 2013 has been used in equity accounting for the Group's share of results. The Directors have reviewed the joint venture's management accounts for the 3 months ended 31 March 2014 and are of the view that there are no significant events that would materially impact the Group's results.

11 Investment in joint venture (cont'd)

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	
	2014	**2013**
	$'000	$'000
Summarised statement of comprehensive income		
Revenue	1,476	2,250
Loss after tax	(1,127)	(1,264)
Other comprehensive income/(loss)	–	12
Total comprehensive loss	(1,127)	(1,252)
Amotisation of intangible assets	(186)	(11)
Depreciation of property, plant & equipment	(114)	(154)
Interest income	–	3
Summarised statement of financial position		
Non-current assets	824	964
Current assets	1,207	1,357
Current liabilities	(1,771)	(1,035)
Total equity attributed to the equity holders of the company	260	1,286

Included in the summarised statement of financial position are cash and cash equivalents amounting to $0.054million (2013: $1.0 million) for the financial year ended 31 March 2014.

11 Investment in joint venture (cont'd)

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

	2014 $'000	2013 $'000
Group's share of net assets based on proportion of ownership interest	143	707
Goodwill on acquisition	51,077	51,077
Accumulated impairment loss	(17,522)	(43,378)
Translation differences on consolidation	(474)	(421)
Balance at end of the financial year	33,224	7,985

12 Investment in subsidiaries

	Company	
	2014 $'000	2013 $'000
Unquoted equity shares, at cost		
Balance at beginning of the financial year	7,985	41,648
Acquisition of a subsidiary [Note 12(a) & (b)]	24,022	-
Reversal of impairment	25,856	-
Impairment charge	-	(33,663)
Balance at end of the financial year	57,863	7,985

In the current financial year, 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 $25.8 (2013: impairment loss of $33.7 million) on its investment in CUH due to the higher net fair value of CUH's investment in joint ventures. Details of the computation of the fair value is disclosed in Note 11. The fair value derived is categorised under level 3 of the fair value hierarchy.

12 Investment in subsidiaries (cont'd)

Name of companies	Principal activities	Country of incorporation/ place of business	Proportion of ownership interests 2014	2013
			%	%
Ban Joo Global Pte Ltd (1)(6)	Dormant	Singapore	100	100
Fortknox Global Pte Ltd (1)(6)	Dormant	Singapore	100	100
Telemedia Pacific Communications Pte Ltd (7)	Investment holding and provision of connectivity services	Singapore	100	100
VIP (HK) Ltd (2)(6)	Investment holding and satellite telecommunications related sales and services rendering	Hong Kong SAR	100	100
China UnifiedNet Holdings Limited (3)(6)	Investment holding	British Virgin Islands	100	100
Arch Capital Limited (3)(6)	Holder of convertible note	British Virgin Islands	100 (Note a)	–
Hillgo Asia Limited (3)(6)	Holder of convertible note	British Virgin Islands	100 (Note b)	–
Held through VIP (HK) Ltd				
Multi Bright (HK) Ltd (4)(6)	Investment holding	Hong Kong SAR	100	100
Star Light Telemedia DC Limited (2)(6)	Provision of data centre services	Hong Kong SAR/Indonesia	100	100
Held through Telemedia Pacific Communications Pte Ltd				
Multi Skies Nusantra Limited (4)(6)	Investment holding	Hong Kong SAR	100	100
PT Karunia Anugerah Mitra Utama (5)(6)	Investment holding	Indonesia	100	100
PT Multi Skies Nusantara (5)(6)	Building, operating and leasing of Universal Service Obligation equipment	Indonesia	100	100

(1) Audited by Moore Stephens LLP, Singapore, for local statutory reporting.
(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 Crowe Horwath (HK) CPA Limited, Hong Kong, for local statutory reporting.
(5) Audited by Johan Molonda Mustika & Rekan, Indonesia, a member of Baker Tilly International, for local statutory reporting.
(6) Audited by RT LLP, Singapore, for the purpose of expressing an opinion on the consolidated financial statements for the financial year ended 31 March 2014.
(7) Audited by RT LLP, Singapore, for local statutory reporting.

In August 2015, Fortknox Global Pte Ltd commenced a member's voluntary liquidation.

12 Investment in subsidiaries (cont'd)

Note (a)

During the financial year, the Company completed the acquisition of 100% of the entire issued and paid-up share capital of Arch Capital Limited ("Arch") from Tako Secretaries Limited, through the agreement with Niaga 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 shall be deemed to have been completed on 2 July 2013.

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

	Fair value recognised on acquisition $'000
Trade receivables [Note 19[(1)]]	267
Available-for-sale financial assets [Note 19[(1)]]– Fair value as at 2 July 2013	15,140
Provision for income tax [Note 19[(1)]]	(44)
Total net identifiable assets at fair value	15,363
Consideration transferred for the acquisition of Arch	
Cash paid – through convertible note (Note 19)	15,848
Goodwill	
Consideration transferred	15,848
Less: total net identifiable assets at fair value	(15,363)
Goodwill arising from acquisition (Note 10)	485
Effect of acquisition of Arch on cash flows	
Consideration settled in cash	15,848
Less: cash and bank balances acquired	–
Net cash outflow on acquisition	15,848

Goodwill arising from acquisition

The goodwill of approximately $0.49 million is attributed mainly to the fair valuation of the convertible note acquired upon completion of the acquisition on 2 July 2013.

Impact of the acquisition on profit or loss

From the acquisition date, Arch contributed approximately $0.8 million of revenue and a profit of approximately $0.6 million to the Group's profit for the financial year ended 31 March 2014. There was no material difference if the business combination had taken place at the beginning of the financial year ended 31 March 2014.

Transaction costs

No transaction costs related to the acquisition had been recognised in the Group's profit or loss for the financial year ended 31 March 2014.

12 Investment in Subsidiaries (cont'd)

Note (b)

During the financial year, the Company completed the acquisition of 100% of the entire issued and paid-up share capital of Hillgo Asia Limited ("Hillgo") from Tako Secretaries Limited, through the agreement with Niaga 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 shall be 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 was as follows:

	Fair value recognised on acquisition $'000
Trade receivables [Note 19[1]]	137
Available-for-sale financial assets [Note 19[1]] – Fair value as at 2 July 2013	7,809
Provision for income tax [Note 19[1]]	(22)
Total net identifiable assets at fair value	7,924
Consideration transferred for the acquisition of Hillgo	
Cash paid – through convertible note (Note 19)	8,174
Goodwill	
Consideration transferred	8,174
Less: total net identifiable assets at fair value	(7,924)
Goodwill arising from acquisition (Note 10)	250
Effect of acquisition of Hillgo on cash flows	
Consideration settled in cash	8,174
Less: cash and bank balances acquired	–
Net cash outflow on acquisition	8,174

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.

Impact of the acquisition on profit or loss

From the acquisition date, Hillgo contributed approximately $0.4 million of revenue and a profit of approximately $0.3 million to the Group's profit for the financial year ended 31 March 2014. There was no material difference if the business combination had taken place at the beginning of the financial year ended 31 March 2014.

Transaction costs

No transaction costs related to the acquisition had been recognised in the Group's profit or loss for the financial year ended 31 March 2014.

13 Deferred tax asset

	Group	
	2014	**2013**
	$'000	$'000
Balance at beginning of the financial year	–	231
Recognised in profit or loss (Note 7)	–	(220)
Translation differences on consolidation	–	(11)
Balance at end of the financial year	–	–

14 Intangible assets

	Group	
	2014	**2013**
	$'000	$'000
Lease rights		
At cost		
Balance at beginning of the financial year	2,638	2,667
Translation differences on consolidation	–	(29)
Balance at end of the financial year	2,638	2,638
Accumulated amortisation		
Balance at beginning of the financial year	2,638	149
Amortisation charge (Note 5 & 27)	–	175
Impairment loss (Note 5)	–	2,315
Translation differences on consolidation	–	(1)
Balance at end of the financial year	2,638	2,638
Carrying amount		
Balance at beginning and end of the financial year	–	–

The above relates to lease prepayment that was booked in one of its subsidiaries, SLTDC, which the Group recognised as an intangible asset in the financial year ended 31 March 2012. This asset has been fully impaired in the previous financial year as the Group was made to vacate the office premises without receipt of any compensation.

15 Trade receivables

	Group	
	2014	**2013**
	$'000	$'000
Trade receivables	10,112	11,882
Less: Allowance for impairment of trade receivables [Note 28(b)(iii)]	(9,313)	(11,329)
Total trade receivables net	799	553

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

	Group	
	2014	**2013**
	$'000	$'000
Balance at beginning of the financial year	11,329	-
Charge for the financial year [Note 5 & 28 b(iii) & 27]	2,297	11,329
Written off against allowance *	(4,313)	-
Balance at end of the financial year	9,313	11,329

* Pursuant to a Director's resolution dated 15 July 2016, the Company take necessary steps to facilitate its subsidiary for the write-off of the receivables amounting to $4.313 million.

The Currency profiles of trade receivables as at end of the reporting period are as follows:

	Group	
	2014	**2013**
	$'000	$'000
Hong Kong dollars	799	–
Indonesian rupiah	–	553
	799	553

16 Other receivables, deposits and prepayments

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	$'000	$'000	$'000
Other receivables:				
- Director related company [1]	2,499	2,499	2,499	2,499
- Third parties	1,063	500	1	–
- Niaga [2]	633	25,519	–	9,409
	4,195	28,518	2,500	11,908
Less: Allowance for impairment of other receivables	(774)	(181)	–	–
Other receivables, net	3,421	28,337	2,500	11,908
Refundable deposits	14	16	14	16
Prepayments	23	208	23	31
	3,458	28,561	2,537	11,955

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

(2) This refers to amount held by Niaga in Hong Kong. During the financial year, the Group received approximately $0.9 million in cash from Niaga. In June 2013, the Group entered into an agreement with Niaga to set out a framework towards the settlement of an outstanding balances amounting to approximately $24.0 million ("Arrangement"). Pursuant to the Arrangement, two non-transferable Convertible Notes with a total principal amount of HK$144.0 million (equivalent to $24.0 million) were issued by Neo Telemedia Limited to the two subsidiaries of the Company as settlement of the outstanding balance due from Niaga. These Convertible Notes were classified as available-for-sale financial assets (Note 19) in the Group's financial statements.

Movements in other receivable from Niaga is as follow:

	Group	Company
	2014	**2014**
	$'000	$'000
Balance at beginning of the financial year	25,519	9,409
- Repayment during the financial year	(911)	(911)
- Settlement through Convertible Notes (Note 19)	(24,022)	(8,498)
- Currency translation difference	47	-
	633 *	-

* This amount of $633,000 was withheld for settlement of invoices in respect of 65 sets of USO equipment under a Letter of Credit arrangement provided by Niaga on behalf of the Group's subsidiaries.

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

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

	Group	
	2014	**2013**
	$'000	$'000
Balance at beginning of the financial year	181	181
Charge for the financial year (Note 5 & 27)	593	–
Balance at end of the financial year	774	181

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

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	$'000	$'000	$'000
Singapore dollars	2,536	25,332	2,536	11,955
United States dollars	633	2,734	–	–
Indonesian rupiah	288	495	–	–
Hong Kong dollars	1	–	1	–
	3,458	28,561	2,537	11,955

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

	Company	
	2014	**2013**
	$'000	$'000
Amounts due from subsidiaries (Note a)	–	11,003
Amounts due to subsidiaries	(8,287)	–
	(8,287)	11,003
Note (a):		
Amounts due from subsidiaries	14,249	22,684
Less: Allowance for impairment	(14,249)	(11,681)
	–	11,003

17 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	
	2014	**2013**
	$'000	$'000
Balance at beginning of the financial year	11,681	1,033
Charged to profit or loss	3,647	10,672
Written off against non-trade receivable balances *	(1,024)	–
Reversal of allowance for impairment	(55)	(24)
Balance at end of the financial year	14,249	11,681

The Currency profiles of amounts due from subsidiaries as at end of the reporting period are as follows:

	Company	
	2014	**2013**
	$'000	$'000
Amounts due from subsidiaries:		
Singapore dollars	–	6,528
United States dollars	–	4,475
	–	11,003

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

	Company	
	2014	**2013**
	$'000	$'000
Amounts due to subsidiaries:		
Singapore dollars	6,048	–
United States dollars	1,691	–
Indonesian rupiah	(32)	–
Hong Kong dollars	580	–
	8,287	–

These amounts due from subsidiaries and due to a subsidiary are unsecured, interest free, and repayable on demand.

* During the current financial year, the Company undertook an assessment on the recoverability of the debts due from its subsidiaries which were provided for in previous financial year. As the debts were long overdue and due to uncertainty of the subsidiaries' future cash flows, the Company sought approval to write off the debts which had already been provided for.

18 Cash and bank balances

	Group			Company		
	2014	**2013**	**2012**	**2013**	**2014**	**2012**
	$'000	$'000	$'000	$'000	$'000	$'000
Cash and bank balances	804	1,813	27,622	502	1,048	9,814
Fixed deposits placed with financial institutions [(1)]	–	22	1,500	–	–	1,500
Cash and bank balances as stated per statement of financial position [(2)]	804	1,835	29,122	502	1,048	11,314
Less: restricted cash [(2)(3)]	–	–	(4,235)	–	–	–
Cash and cash equivalents per consolidated statement of cash flows	804	1,835	24,887	502	1,048	11,314

(1) During the previous financial year, fixed deposit placed with financial institutions, bears interest ranging from 0.02% to 0.22% per annum and have a maturity period of up to 2 months from the end of the reporting period.

(2) In 2012, approximately $26.8 million and $9.4 million was placed by the Group and the Company respectively with Niaga in Hong Kong as at 31 March 2013. However, confirmations provided by Niaga to auditors for the financial year ended 31 March 2013 indicated that (a) approximately $24.0 million and $9.4 million respectively was restricted (i.e. could not be freely withdrawn), and (b) there was a discrepancy of $2.8 million on the amounts placed by the Group.

As detailed in Note 16[(2)], the Group entered into an agreement with Niaga to set out a framework towards settlement of an outstanding balances amounting to approximately $24.0 million.

(3) In 2012, the restricted cash was pledged to cover conditional Letters of Credit issued by Niaga to satisfy certain commitments of a subsidiary. This amount was subsequently released.

For the purpose of the preparation of the consolidated statement of cash flows in the financial year ended 31 March 2012, the discrepancy of approximately $19.77 million being restricted by Niaga were treated as cash and cash equivalents.

During the previous financial year, the remaining amount of $25.5 million held by Niaga has been reclassified from cash and bank balances to other receivables (Note 16).

With respect to the discrepancy of $2.8 million in footnote (2) above, Niaga subsequently repaid a total of $2.2 million to the Group. An amount of $0.6 million was withheld for settlement of invoices in respect of 65 sets of USO equipment under a Letter of Credit arrangement provided by Niaga on behalf of the Group's subsidiaries. Pending confirmation from the vendor of the USO equipment that Niaga has remitted payment to them, the $0.6 million is included in the $25.5 million reclassified to other receivables (Note 16).

18 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	
	2014	**2013**	**2014**	**2013**
	$'000	$'000	$'000	$'000
Singapore dollars	468	960	442	950
United States dollars	60	114	44	88
Indonesian rupiah	62	751	–	–
Hong Kong dollars	214	10	16	10
	804	1,835	502	1,048

19 Available-for-sale financial assets

	Group	
	2014	**2013**
	$'000	$'000
Balance at beginning of the financial year	–	–
Acquisition of subsidiaries (1)	22,949	–
Fair value gain recognised in other comprehensive income	220	–
Currency translation difference	(278)	–
Balance at end of the financial year (2)	22,891	–

	Group
	2014
(1) Acquisition of subsidiaries:	$'000
Trade receivables [Note 12(a) & (b)]	404
Fair value of CN upon acquisition of subsidiaries on 2 July 2014	
- Arch (Note 12a)	15,140
- Hillgo (Note 12b)	7,809
	22,949 (1)
Provision for income tax	(66)
Total net identifiable assets at fair value [Note 12(a) & (b)]	23,287
Cash paid – through convertible note	24,022 (#)
Goodwill arising from acquisition	735

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

(#) The convertible notes details are as follows:-

Issuer	Neo Telemedia Limited (listed on the HKEX GEM) (Stock Code: 8167)
Conversion Price:	HKD 2.50
Issue Date:	5-Apr-13
Maturity Date:	4-Apr-16
Principal Value:	HKD 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. 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. As detailed in Note 30(i), 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.

(2) The Group's convertible notes was revalued at 31 March 2014 based on the binomial option pricing model by independent professional qualified valuers, Roma Appraisals Limited. The valuation was done on 10 April 2014.

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 Currency profiles of available-for-sale financial assets as at end of the reporting period are as follows:

	Group	
	2014	**2013**
	$'000	$'000
Hong Kong dollars	22,891	–

20 Trade payables

Trade payables are non-interest bearing and are generally settled within 0 to 30 days (2013: 0 to 30 days).

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

	Group	
	2014	**2013**
	$'000	$'000
United States dollars	1,215	1,234
Indonesian rupiah	191	490
	1,406	1,724

21 Other payables and accruals

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	$'000	$'000	$'000
Other payables				
- Director related company [(1)]	422	437	–	–
- Third parties	180	276	94	196
	602	713	94	196
Accruals [(2)]	1,043	1,283	706	915
Deferred expenditure [(3)]	3,750	3,700	–	–
	5,395	5,696	800	1,111

(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 are $0.3 million (2013: $0.7 million) that relates to the provision of directors' fees.

(3) Deferred expenditure relates to the outstanding purchase consideration amounting to approximately $3.8 million (equivalent to US$3.0 million) [2013: approximately $3.7 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	
	2014	**2013**	**2014**	**2013**
	$'000	$'000	$'000	$'000
Singapore dollars	822	1,151	800	1,111
United States dollars	3,855	4,197	–	–
Indonesian rupiah	670	311	–	–
Hong Kong dollars	48	37	–	–
	5,395	5,696	800	1,111

22 Share capital

	Group and Company			
	2014		**2013**	
	Number of ordinary shares '000	$'000	Number of ordinary shares '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.

23 Treasury shares

	Group and Company			
	2014		**2013**	
	Number of ordinary shares '000	$'000	Number of ordinary shares '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.

24 Capital reserve

	Group and Company	
	2014	**2013**
	$'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.

25 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	
	2014	**2013**	**2014**	**2013**
	$'000	$'000	$'000	$'000
Future minimum lease payments				
- Not later than one year	160	90	160	90
- Later than one year and not later than five years	100	72	100	72
- Later than 5 years	–	4	–	4
	260	166	260	166

Operating lease payments represent rentals payable by the Group for certain of its offices and office equipment. These leases expires between 12 March 2015 to 20 January 2016. The current rent payable on the leases range from $150 to $5,550 (2013: $150 to $5,550) per month.

Where the Group is the lessor

The future aggregate minimum leases receivable under non-cancellable operation leases contracted for at the end of the reporting period but not recognised as receivables are as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	$'000	$'000	$'000
Future minimum lease receipts				
- Not later than one year	1,722	2,563	–	–
- Later than one year and not later than five years	–	1,922	–	–
	1,722	4,485	–	–

The leases of the USO sites to third parties on which rental are receivable will expire on 31 December 2014. The current rent receivable on the lease range from $53,056 to $131,425 (2013: $65,736 to $162,833) per month.

26 Related party information

(a) In addition to information disclosed elsewhere in the financial statements, significant transactions with related parties conducted during the financial year on terms agreed between the parties concerned are as follows:

	Group	
	2014	**2013**
	$'000	$'000
Repayment from related parties *	16	422
Repayment to related parties *	6	186

* Related parties refer to companies which are controlled or significantly influenced by the directors of the Company and its subsidiary.

Outstanding balances as at the end of the reporting period arising from advances from/(to) related parties are disclosed in Notes 16, 17 and 21 to the financial statements respectively.

(b) As referred to in Note 16 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 at Note 6 to the financial statements.

27 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 (2013: 4) reportable operating segments: Indonesia, Hong Kong, People's Republic of China and Singapore (2013: Indonesia, Hong Kong, People's Republic of China and Singapore).

27 Segment information (cont'd)

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

	Building, operating and leasing USO equipment, provision data center and connectivity service $'000	Corporate (Interest income from convertible notes) $'000	Unallocated $'000	Group $'000
2014				
Revenue				
External sales	2,321	1,214	4	3,539
Segment results				
Income/(loss) from operations	(527)	1,209	(1,870)	(1,188)
Other expenses	(3,981)	165	(390)	(4,206)
Other income	26,244	-	-	26,244
Share of loss of joint venture	(620)	-	-	(620)
Profit before tax				20,230
Income tax credit				269
Profit after tax				20,499
Segment assets representing consolidated total assets	362	23,904	3,686	27,952
Consolidated total assets				27,952
Segment liabilities	849	-	5,952	6,801
Unallocated liabilities				
- Income tax payable	-	-	1,080	1,080
Consolidated total liabilities				7,881
Non-current assets	32,702	-	1,388	34,090
Other segment items				
Impairment loss on trade receivables (Note 15)	2,297	-	-	2,297
Depreciation of property, plant and equipment (Note 9)	2,462	-	14	2,476
Capital expenditure	1	-	-	1
Reversal of investment of joint venture (Note 11)	(25,856)	-	-	(25,856)
Gain on disposal of property, plant & equipment	-	-	(7)	(7)

27 Segment information (cont'd)

	Building, operating and leasing USO equipment, provision data center and connectivity service $'000	Corporate (Interest income from convertible notes) $'000	Unallocated $'000	Group $'000
2013				
Revenue				
External sales	2,598	-	99	2,697
Segment results				
Income/(loss) from operations	1,011	-	(3,885)	(2,874)
Other expenses	(55,147)	-	(7,555)	(62,702)
Other income	3	-	1	4
Share of loss of joint venture	(695)	-	-	(695)
Loss before tax				(66,267)
Income tax credit				(450)
Loss after tax				(66,717)
Segment assets representing consolidated total assets	10,223	-	31,620	41,843
Consolidated total assets				41,843
Segment liabilities	1,202	-	6,218	7,420
Unallocated liabilities				
- Income tax payable	-	-	1,406	1,406
Consolidated total liabilities				8,826
Non-current assets	10,867	-	27	10,894
Other segment items				
Impairment loss on goodwill (Note 10)	-	-	4,445	4,445
Impairment loss on joint venture (Note 11)	43,378	-	-	43,378
Impairment loss on intangible assets (Note 14)	-	-	2,315	2,315
Depreciation of property, plant and equipment (Note 9)	1,602	-	700	2,302
Capital expenditure	6	-	39	45
Amortisation of intangible assets	-	-	175	175
Bad debt written off	-	-	128	128
Loss on disposal of property, plant & equipment	-	-	5	5
Allowance for doubtful debts	7,068	-	4,261	11,329
Plant and equipment written off	-	-	52	52

27 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**	
	2014	**2013**	**2014**	**2013**
	$'000	$'000	$'000	$'000
Indonesia	2,325	2,633	118	2,882
Hong Kong	1,214	–	–	–
People's Republic of China	–	–	33,224	7,985
Singapore	–	64	748	27
Group	3,539	2,697	34,090	10,894

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

Information about major customers

Revenue of approximately $3.5 million (2013: $2.6 million) are derived from 3 (2013: 2) major external customers who individually contributed 10 percent or more of the Group's revenue, and are attributable to the Indonesia and Hong Kong segments tabled below:

	2014	**2013**
	$'000	$'000
Customer 1 (Indonesia)	1,627	1,850
Customer 2 (Indonesia)	655	746
Customer 3 (Hong Kong)	1,214	–
	3,496	2,596

28 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	
	2014	**2013**	**2014**	**2013**
	$'000	$'000	$'000	$'000
Financial assets				
Loans and receivables	5,038	30,741	3,016	23,975
Available-for-sale financial assets	22,891	–	–	–
Financial liabilities				
At amortised cost	6,801	7,420	9,087	1,111

(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.

28 Financial instruments (cont'd)

(b) Financial risk management objectives and policies

(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 Group's entities, 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:	**USD**	**IDR**	**HKD**
	$'000	$'000	$'000
Group			
2014			
Financial assets			
Trade receivables	–	–	799
Other receivables and deposits	633	288	1
Available-for-sale financial assets	–	–	22,891
Cash and cash bank balances	60	62	214
	693	350	23,905
Financial liabilities			
Trade payables	1,215	191	–
Other payables and accruals	3,855	670	48
	5,070	861	48
Net financial assets/(liabilities) denominated in foreign currencies	(4,377)	(511)	23,857

28 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:	USD $'000	IDR $'000	HKD $'000
Group			
2013			
Financial assets			
Trade receivables	–	553	–
Other receivables and deposits	2,734	495	–
Cash and bank balances	114	751	10
	2,848	1,799	10
Financial liabilities			
Trade payables	1,234	490	–
Other payables and accruals	4,197	311	37
	5,431	801	37
Net financial assets/(liabilities) denominated in foreign currencies	(2,583)	998	(27)

Company 2014	USD $'000	IDR $'000	HKD $'000
Financial assets			
Other receivables	–	–	1
Cash and cash equivalents	44	–	16
	44	–	17
Financial liabilities			
Amount due to subsidiaries	1,691	(32)	580
Net financial assets/(liabilities) denominated in foreign currencies	(1,647)	32	(563)

28 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:	**USD** $'000	**IDR** $'000	**HKD** $'000
Company			
2013			
Financial assets			
Amounts due from subsidiaries	4,475	–	–
Cash and bank balances	88	–	10
Net financial assets denominated in foreign currencies	4,563	–	10

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.

If the relevant foreign currency weakens by 5% against the functional currency of each group entity, profit or loss and other equity will increase (decrease) by:

	USD impact			**IDR impact**			**HKD impact**		
	2014	**2013**		**2014**	**2013**		**2014**	**2013**	
	$'000	$'000		$'000	$'000		$'000	$'000	
Group									
Profit or loss	219	129	(i)	26	50	(i)	(1,193)	1	(i)
Other equity	-	-		-	-		(11)	-	(ii)
Company									
Profit or loss	82	(228)	(iii)	(2)	-	(iii)	28	(1)	(iii)
Other equity	-	-		-	-		-	-	

28 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 strengthens by 5% against the functional currency of each group entity, profit or loss and other equity will increase (decrease) by:

	USD impact			IDR impact			HKD impact		
	2014	**2013**		**2014**	**2013**		**2014**	**2013**	
	$'000	$'000		$'000	$'000		$'000	$'000	
Group									
Profit or loss	(219)	(129)	(i)	(26)	(50)	(i)	1,193	(1)	(i)
Other equity	-	-		-	-		11	-	(ii)
Company									
Profit or loss	(82)	228	(iii)	2	-	(iii)	(28)	1	(iii)
Other equity	-	-		-	-		-	-	

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

(ii) This is mainly as a result of the changes in fair value of available-for-sale financial assets.

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

The group's sensitivity to foreign currency has increased during the current year mainly due to the new available-for-sales financial assets in Hong Kong dollar.

28 Financial instruments (cont'd)

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

(i) **Market risk** (cont'd)

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 currency forward contracts or other arrangements for trading or speculative purposes. As at 31 March 2014, there were no such arrangements, interest rate swap contracts or other derivative instruments outstanding.

The following table sets out the carrying amount, by maturity, of the Group's financial instruments, that are exposed to interest rate risk:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$'000	$'000	$'000	$'000
Within 1 year - fixed rates				
Fixed deposits placed with financial institutions	–	22	–	–

Interests on financial instruments at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Group that are not included in the above table are not subject to interest rate risks. The sensitivity analysis for interest rate is not disclosed as the effect on the profit or loss is considered not significant.

(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.

	2014		2013	
	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	6,801	–	7,420	–
Company				
Amounts due to subsidiaries	8,287	–	–	–
Trade and other payables	800	–	1,111	–

28 Financial instruments (cont'd)

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

(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, approximately $0.8 million (2013: $0.6 million) of the Group's trade receivables were due from 1 (2013: 1) major customer in Hong Kong (2013: Indonesia).

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.

The credit term granted to trade receivables range from 14 to 120 days (2013: 14 to 120 days) term. No interest is charged on the trade receivables balances.

The carrying amounts of cash and cash equivalents, trade and other receivables, including due from subsidiaries (non-trade), available-for-sale financial assets 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.

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	
	2014	**2013**
	$'000	$'000
Not past due but impaired	2,297	11,261
Past due and impaired	7,016	68
Past due but not impaired	799	553
Total	10,112	11,882

Financial assets that are neither past due nor impaired

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

28 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

The age analysis of trade receivables past due but not impaired is as follow:

	Group	
	2014	**2013**
	$'000	$'000
Past due more than 6 months	799	553

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

	Group	
	2014	**2013**
	$'000	$'000
Gross amount:		
Not past due but impaired	2,297	11,261
Past due and impaired	7,016	68
Past due but not impaired	799	553
	10,112	11,882
Less: Allowance for impairment (Note 15)	(9,313)	(11,329)
Total	799	553

Movement in allowance for impairment:

	Group	
	2014	**2013**
	$'000	$'000
Beginning of financial year	11,329	-
Impairment loss charge (Note 15)	2,297	11,329
Written off	(4,313)	-
End of financial year	9,313	11,329

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

Included in the Group's trade receivables balances are debtors with total carrying amount of approximately $799,000 (2013: $553,000) which are past due but not impaired as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

29 Fair values of financial instruments

(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
	S$	S$	S$	S$
2014				
Financial assets				
Available-for-sale financial assets:				
- Debt securities ("Convertible Notes") (unquoted)	–	–	22,891	22,891
	–	–	22,891	22,891

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 19] amounted to $22,891 as at 31 March 2014 are valued based on the binomial option pricing model by independent professional qualified valuers, Roma Appraisals Limited. The valuation was done on 10 April 2014.

Movements in Level 3 financial instruments measured at fair value

The following table presents the reconciliation for all financial instruments measured at fair value based on significant unobservable inputs (Level 3):

Group	Debt securities ("Convertible Notes") (unquoted)
	S$
2014	
Balance at beginning of the financial year	–
Purchases through acquisition of subsidiaries	22,949
Currency translation loss in profit or loss	(278)
Fair value gain recognized in other comprehensive income	220
	22,891

29 Fair values of financial instruments (cont'd)

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

There have been no transfers between Level 1 and Level 2 during the financial years ended 31 March 2014 and 2013.

(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 cash equivalents, 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.

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 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(e)].

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 out 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 SLTDC 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 SLTDC'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 SLTDC; 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) **Proposed acquisition which ceased to materialise**

On 6 August 2013, the Company entered into a non-binding term sheet ("Term Sheet") with Mobile Media (China) Limited ("Vendor 1") for the proposed acquisition of 75% of the paid-up capital of a new target company ("Target Company 1") to be set up by Vendor 2 ("Proposed Acquisition 1"). The Purchase Consideration of $27.6 million was by way of allotment and issuance of 1.9 billion new ordinary shares in the capital of the Company at an issue price of $0.012 per share ("New Shares") and $4.8 million in cash - payable at the sole option of the Company - in the following manner:

(i) An initial payment tranche of 75% ($20.7 million) on the date of completion ("Completion Date") with such number of New Shares issued placed under moratorium for 12 months from the date of issue;

(ii) A second payment tranche of 12.5% ($3.5 million) to be disbursed only upon the Target Company 1 achieving a net profit before tax ("NPBT") of $6.6 million for the period from the Completion Date to 31 March 2014 ("First Year NPBT Target"); and

(iii) A final payment tranche of 12.5% ($3.5 million) to be disbursed only upon the Target Company 1 achieving a NPBT of $8.0 million plus the Shortfall (as defined below), if any, for the period between 1 April 2014 to 31 March 2015.

Should the actual NPBT of the Target Company 1 for the period between the Completion Date to 31 March 2014 fall below the First Year NPBT Target, the difference shall be the shortfall ("Shortfall").

Subsequently, on 13 January 2014, the Company entered into a sale and purchase agreement ("SPA") with C Media Limited, the parent company of Vendor 1 with whom the Company entered into a non-binding term sheet, for the proposed acquisition of 75% of the paid-up capital ("Sale Shares") of Star Chariot Limited ("Star") by the Company from Vendor 1 for $27.6 million.

The Proposed Acquisition 1 was conditional upon the fulfilment or waiver of certain conditions precedent ("Conditions Precedent") by 13 July 2014, being a date on or before falling six (6) months from the date of the SPA ("Long Stop Date"). Under the terms of the SPA, it was provided that if any of the Conditions Precedent were not fulfilled by Vendor 1 or the Company (as applicable) or not waived by a party with respect to the conditions applicable to the other party (as applicable) on or before the Long Stop Date, the SPA shall cease at the option of either Party. On 21 July 2014, the Company announced that as certain Conditions Precedent (including but not limited to approval of shareholders of the Company for the Proposed Acquisition 1 having been obtained) under the SPA had not been fulfilled by the Long Stop Date, the Parties mutually agreed that the SPA had ceased.

30 Subsequent events (cont'd)

(c) **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.

(d) **On-going legal action – Writ of Summons against an existing Director (who resigned on 2 October 2015)**

On 16 September 2014, the Company issued a Writ of Summons ("Writ") against an existing Director, Mr Lam Ah Seng @ Lam Pang Chuang ("Mr PC Lam") 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.

As at the date of this report, the legal action is still in progress.

(e) **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, the investigation is still in progress.

30 Subsequent events (cont'd)

(f) **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.

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. As at the date of this report, the similar legal proceeding in the High Court of Singapore is still in progress.

(g) **Incorporation of new subsidiary**

On 18 December 2014, the Company incorporated a subsidiary company in Singapore, NGSC Investment Management Pte. Ltd. ("NGSCIM"). NGSCIM has an initial issued and paid up capital of $1 divided into 1 ordinary share and will be an investment holding company.

(h) **Proposed acquisition of Clearwater Capital Management Inc.- Non-binding**

On 10 February 2015, the Company entered into a non-binding Heads of Agreement (the "HOA") with AP SSG Inc. (formerly known as Ajia Partners SSG Inc.) ("Vendor 2") for the proposed acquisition of the entire issued shares in the capital of Clearwater Capital Management Inc. ("Clearwater") ("Proposed Acquisition 2").

Clearwater is an exempt limited liability company incorporated in the Cayman Islands and is the general partner of AP Special Situations Fund II L.P. ("Fund") which is an exempted limited partnership established under the laws of the Cayman Islands. Pursuant to the HOA, the Company will effect the Proposed Acquisition 2 for a purchase consideration of $15 million ("Purchase Consideration"). The Purchase Consideration was derived after taking into account the earnings potential of the Company, including its share of gain on investment for managing the assets of the Fund.

The Purchase Consideration shall be fully satisfied through cash, or the issue of such number of ordinary shares in the capital of the Company at an issue price to be agreed between the Company and Vendor 2 ("Consideration Shares"), or partly in cash and the balance through the issue of Consideration Shares, to be mutually agreed between the Company and Vendor 2 The HOA shall terminate upon the Parties' entry into the definitive sale and purchase agreement ("Definitive SPA"), and shall expire automatically if the Company and Vendor 3 fail to enter into the Definitive SPA within 120 days after the date of HOA (unless extended upon the mutual HOA of the Company and Vendor 2) ("Validity Period").

As at the date of this report, the discussion on this proposed acquisition is still progressing with Vendor 2.

30 Subsequent events (cont'd)

(i) **On-going legal action against Neo Telemedia Limited**

On 12 June 2015, the Company announced that Arch Capital Limited ("Arch") and Hillgo Asia Limited ("Hillgo"), wholly-owned subsidiaries of the Company, issued Writs of Summons in Hong Kong against Neo Telemedia Limited ("Neo"), 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.

As previously mentioned in Note 19 to the financial statements, Neo is the issuer of two non-transferable Convertible Notes (the "Notes") for the total principal amount of HK$144.0 million ("Principal Amount") held by Arch and Hillgo. The Notes entitle Arch and Hillgo to interest at the rate of 7% per year, payable half-yearly. Neo has defaulted on the latest interest payment totalling HK$5 million which was due on 5 April 2015 for the period 5 October 2014 to 4 April 2015. Arch and Hillgo, in order to establish their rightful legal position, are exercising their rights to call for immediate repayment of this interest amount as well as the Principal Amount, together with further interest and costs as provided by the terms and conditions of the Notes in the case of default.

On 8 January 2016, the Court in Hong Kong has issued a Court Order in relation to the legal action taken against NEO which requires NEO to comply with all terms of the Notes inter alia:

(i) Neo will redeem the 1st note of the Convertible Notes with certificate number 001 for the principal amount of HK$95,000,000 as and when it falls due three (3) calendar years after the day of its issue on 5th April 2013;

(ii) Neo will redeem the 2nd note of the Convertible Notes with certificate number 002 for the principal amount of HK$49,000,000 as and when it falls due three (3) calendar years after the day of its issue on 5th April 2013;

(iii) Arch and Hillgo shall have the rights to convert part or full of the two Convertible Notes at the price of HK$1.10 on or before 4th April 2016; and

(iv) The obligation of Neo to pay interest pursuant to condition 3(a) of the Convertible Notes at the rate of 7% per annum from 5th October 2015 until full payment pursuant to the Convertible Notes is expressly waived by Arch and Hillgo.

Subsequently on 29 January 2016 and 17 March 2016, the Company announced that both Arch and Hillgo has received from NEO the outstanding interest from NEO on the Notes.

30 Subsequent events (cont'd)

On 12 April 2016, the Company announced that Arch and Hillgo have entered into a settlement agreement with NEO and AR Evans Capital Limited ("AR Evans") in relation to the Court Order dated 6 January 2016. The terms of the settlement agreement:

(i) NEO, upon approval of the Hong Kong Stock Exchange Limited ("HKSE"), shall issue 375,875,000 freely tradeable shares of NEO on HKSE ("Issued Shares") to AR Evans in order to arrange the payments stated in paragraphs (iii) and (iv) below to Arch and Hillgo, which is guaranteed by NEO through a joint and several guarantee and undertaking of NEO;

(ii) Upon issuance of the Issued Shares, the obligations of NEO under the Court Order shall be fully discharged and substituted by the irrevocable corporate guarantee and undertaking from NEO and Arch and Hillgo shall deliver or procure the delivery of the two (2) Convertible Notes to NEO for cancellation;

(iii) Upon issuance of the Issued Shares, AR Evans shall sell or procure the sale of the Issued Shares within 3 months from the date of issue and allotment of the Issued Shares or such other period as agreed by NEO and arrange to make payments to Arch and Hillgo for an aggregate sum of HK$145,680,000, representing the sum of principal amount of the two Convertible Notes of HK$144,000,000 and the outstanding interest of HK$1,680,000 by way of five (5) instalment and two (2) further payments within June 2016 or such other payment manner as mutually agreed; and

(iv) NEO irrevocably guarantee and undertake to Arch and Hillgo jointly and severally for full repayment of up to the aggregate sum of HK$145,680,000, should there be any failure of payment or shortfall in payments to Arch and Hillgo by AR Evans. This undertaking by NEO shall be continuous until the full, final and complete discharge of NEO's liability.

On 29 May 2016, the Company further announced that Arch and Hillgo have issued a Summons in Hong Kong against NEO, as a consequence of breach of the terms of the Court Order dated 6 January 2016.

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

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

On 30 June 2016, the Company received a Notice of Appeal against the 13 June 2016 Court Order filed by NEO on 27 June 2016.

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

The due legal process for the enforcement of the 13 June 2016 Court Order is still ongoing.

31 Comparative figures

The independent auditor's report dated 9 October 2015 expressed a disclaimer of opinion on the financial statements for the financial year ended 31 March 2013. Below is the extract of the basis for disclaimer of opinion expressed by the prior year auditor.

Extracted from auditor's report for the financial year ended 31 March 2013

"Basis for Disclaimer of Opinion

(a) Opening balances

The financial statements for the financial year ended 31 March 2012 were audited by another independent auditor whose report dated 23 July 2013 expressed a disclaimer of opinion on those financial statements. The basis for disclaimer of opinion on the financial statements is disclosed in Note 30 of 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 2012, we are unable to determine whether the opening balances as at 1 April 2012 are fairly stated.

Since the opening balances as at 1 April 2012 entered into the determination of the financial position of the Group and of the Company as at 31 March 2013 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 2013, we are unable to determine whether adjustments might have been found necessary in respect of the Group's and the Company's financial statements for the financial year ended 31 March 2013.

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

(b) Other receivables

As stated in Note 16 to the financial statements, the Group's and the Company's other receivables include balances due from Niaga Finance Company Limited ("Niaga") of $25.5 million and $9.4 million respectively as at 31 March 2013. Subsequent to the financial year ended 31 March 2013, the Group received approximately $0.9 million in cash from Niaga.

In June 2013, the Group entered into an agreement with Niaga for the settlement of an outstanding balance amounting to approximately $24.0 million ("Arrangement"). The Arrangement is described in Note 29(b) to the financial statements. Pursuant to the Arrangement, two non-transferable Convertible Notes with a total principal amount of HK$144.0 million (equivalent to $24.0 million) were issued by Neo Telemedia Limited to the two subsidiaries of the Company as settlement of the outstanding balance due from Niaga. In June 2015, Neo Telemedia Limited has defaulted in payment of interest due to the Group [Note 29(k)].

We are unable to obtain independent confirmations of the balances due to the Group and the Company from Niaga as at 31 March 2013 or satisfy ourselves concerning the existence of the outstanding balance by alternative means. We are also unable to ascertain the recoverability of the remaining balances of the Group and the Company of approximately $24.6 million and $9.4 million respectively classified as other receivables at 31 March 2013.

31 Comparative figures (cont'd)

(c) Related party transactions

As described in Note 25(b) to the financial statements, a controlling shareholder and former director of the Company is a director of and registered shareholder in the holding company that owned the entire issued share capital of Niaga up to October 2014. We have not been able to determine whether the relationship with Niaga and various transactions involving Niaga constitutes related party transactions as defined under FRS 24 "Related Party Disclosures". Consequently, we are unable to determine the completeness of disclosures as required by FRS 24.

(d) Independent investigation

On 25 July 2012, Ernst & Young Advisory Pte. Ltd. ("EY") was appointed by the Audit Committee of the Company (the "Audit Committee") to conduct an independent investigation on the matter relating to the funds placed with Niaga, including reviewing the processes and procedures concerning the Group's deposit and placement of funds with Niaga, as well as conducting verification on the movement of cash placed with Niaga and the events/circumstances leading to the restriction placed by Niaga.

EY completed its independent investigation on 31 October 2014 and issued a report (the "EY Report") on its findings to the Audit Committee. The Audit Committee and the Board of Directors (the "Board") reviewed the EY Report and convened a Special Committee comprising two Independent Directors of the Company 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 [Note 29(b)].

Subsequent to the completion of the independent investigation by EY on 31 October 2014, the Company appointed EY on 10 November 2014 to perform further investigation on (i) allegations raised by the former owners of Multi Skies Nusantra Limited ("MSN")'s 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 the MSN group and corporate records of PT MSN [Note 29(g)].

As at the date of this report, EY's investigation on MSN and PT MSN, as disclosed in Note 29(g) to the financial statements, is still ongoing. Accordingly, we are unable to determine whether there will be any adjustments arising from the completion of EY investigation which may have an impact on the financial statements of the Group and the Company.

(e) Joint venture

As disclosed in Notes 5 and 11 to the financial statements, the Group recorded an impairment loss on investment in joint venture amounting to $43.4 million for the financial year ended 31 March 2013. The Group's net carrying value of joint venture as at 31 March 2013 amounted to $8.0 million.

Based on information available to us, we are unable to obtain sufficient audit evidence on the appropriateness of the impairment assessment performed by the Group Management. Consequently, we are unable to satisfy ourselves as to the appropriateness of the impairment loss of $43.4 million recognised in the consolidated statement of comprehensive income during the financial year and the net carrying value of the joint venture as at 31 March 2013.

31 Comparative figures (cont'd)

(f) Plant and equipment

Included in the carrying value of the Group's plant and equipment as at 31 March 2013 is a Universal Service Obligation ("USO") Hub amounting to $0.9 million that is held by the Group's customer on behalf of PT MSN. Due to the on-going litigations and investigations as described in the above-mentioned paragraph (4), Notes 29(e) and 29(g) to the financial statements, we are unable to perform sighting of the USO Hub. We are also unable to obtain sufficient appropriate audit evidence to determine whether the recoverable amount of the USO Hub exceeds its carrying value as at 31 March 2013. In view of the lack of independent supporting documentation, we are unable to obtain sufficient and appropriate audit evidence to ascertain the existence of the USO Hub and whether any impairment on the USO Hub as at 31 March 2013 is required.

(g) Subsidiaries

As disclosed in Note 12 to the financial statements, the Company's carrying value of subsidiaries as at 31 March 2013 amounted to $8.0 million. Based on information available to us, we are unable to obtain sufficient appropriate audit evidence to determine whether the recoverable amount of the subsidiaries exceeds its carrying value as at 31 March 2013. Consequently, we are unable to determine whether any further impairment as at 31 March 2013 is required.

(h) Litigations

As disclosed in Note 31 to the financial statements, the Group and the Company has several on-going litigations as at 31 March 2013. However, given the current status of these litigations, the Directors are unable to determine the probable outcomes of the litigations. Consequently, we are unable to determine whether any adjustments or additional disclosures are necessary in respect of the Group's and the Company's financial statements for the financial year ended 31 March 2013.

(i) Going concern

As disclosed in Note 1 to the financial statements, the Group incurred a net loss of $66.7 million and reported net cash outflows from operating activities of $23.2 million during the financial year ended 31 March 2013. These factors indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

The financial statements have been prepared on a going concern basis as the Directors are satisfied that:

(i) The Group will be able to recover the $25.5 million currently recorded as other receivables as at 31 March 2013 due from Niaga (Note 16) as the Group has received $0.9 million in July 2013 and entered into an agreement with Niaga in June 2013 to set out a framework towards the settlement of the remaining outstanding balances. The Arrangement is described in Note 29(b) to the financial statements.

(ii) The Group will be able to make progress towards settlement of its litigation cases [Note 29(e)] in Indonesia which will allow the Group to realise the collection of outstanding trade receivables from its Indonesian customers.

(iii) The Group is able to generate sufficient cash flows from its operations to meet its current and future obligations.

31 Comparative figures (cont'd)

(i) Going concern (cont'd)

After considering the above, the Directors of the Company believe that it has adequate resources to continue its operations as a going concern. For these reasons, the Group and the Company continues to adopt the going concern assumption in the preparation of the financial statements.

The validity of the going concern basis on which the financial statements are prepared depends on the Directors' assessment of the Group's and the Company's ability to operate as a going concern as set forth above. The assumptions are premised on future events, the outcome of which are inherently uncertain.

The financial statements did not include any adjustments that may result in the event that the Group and the Company is unable to continue as a going concern. In the event that the Group and the Company is unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge its liabilities in the ordinary course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities which may arise, and to reclassify non-current assets as current assets. No such adjustments have been made to the financial statements.

Due to the matters described in the above paragraphs, we are unable to conclude as to the appropriateness of the use of the going concern assumption in the preparation of these financial statements. Consequently, we are unable to determine whether any adjustments in respect of the Group's and the Company's financial statements for the financial year ended 31 March 2013 are necessary.

32 Contingent liabilities

We draw attention to Note 30(f) to the financial statements which describe the uncertainties relating to the outcome of on-going law suits filed against the Group and the Company. Accordingly, no provision for liabilities have been made for the financial year ended 31 March 2014.

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 2014 and 2013. The Group's overall strategy remains unchanged for the financial year ended 31 March 2014 and 2013.

34 Authorisation of financial statements

The financial statements of the Group and the statement for the financial year ended 31 March 2014 were authorised for issue in accordance with a resolution of the Directors dated 25 July 2016.

INFORMATION ON **SHAREHOLDING**

Issued and Fully Paid-Up Capital (including Treasury Shares)	S$156,471,598.55
Number of Issued Shares (excluding Treasury Shares)	6,386,335,828
Number/Percentage of Treasury Shares	24,200,000 (0.38%)
Class Of Shares	Ordinary shares
Voting Rights (excluding Treasury Shares)	One vote per share

Distribution of shareholdings as at 30 June 2016

Size of shareholdings			No. of shareholders	%	No. of Shares	%
1 - 99	-	99	15	0.14	546	0.00
100 - 1,000	-	1,000	1,180	10.76	1,157,256	0.02
1,001 - 10,000	-	10,000	3,381	30.82	16,057,754	0.25
10,001 - 1,000,000	-	1,000,000	5,956	54.29	897,084,407	14.05
1,000,001 and above			438	3.99	5,472,035,865	85.68
Total			10,970	100.00	6,386,335,828	100.00

Based on the information available to the Company as at 30 June 2016, approximately 64.18% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Limited is complied with.

Twenty largest shareholders as at 30 June 2016

No.	Name of shareholders	No. of shares	%
1	Straits Law Practice LLC	1,074,100,000	16.82
2	HSBC (Singapore) Nominees Pte Ltd	753,417,500	11.80
3	UOB Kay Hian Pte Ltd	430,946,500	6.75
4	Wong Nam Sin	213,800,000	3.35
5	OCBC Securities Private Ltd	200,012,612	3.13
6	United Overseas Bank Nominees Pte Ltd	144,378,045	2.26
7	DBS Nominees Pte Ltd	123,660,099	1.94
8	Miao Mingfeng	119,324,000	1.87
9	Morgan Stanley Asia (S) Securities Pte Ltd	101,759,000	1.59
10	RHB Securities Singapore Pte Ltd	95,527,666	1.49
11	DBS Vickers Securities (S) Pte Ltd	94,205,699	1.47
12	Ong Teck Beng (Wang Deming)	79,400,000	1.24
13	Phillip Securities Pte Ltd	78,413,399	1.23
14	Wong Kwan Seng Robert or Tan Cheng Kit Alice	76,000,000	1.19
15	CIMB Securities (Singapore) Pte Ltd	60,410,000	0.95
16	Yoong Ah Ling	51,453,000	0.81
17	Lim Chin Tong	50,000,000	0.78
18	Wisanggeni Lauw	43,533,333	0.68
19	Citibank Nominees Singapore Pte Ltd	41,285,583	0.65
20	Maybank Kim Eng Securities Pte Ltd	37,147,039	0.58
	Total:	3,868,773,475	60.58

Substantial shareholders

Name of shareholders	Direct interest No. of shares	% of issued capital [1]	Deemed interest No. of shares	% of issued capital [1]
Telemedia Pacific Group Limited [2]	-	-	2,269,500,000	35.54
Family Unit Foundation Ltd[3]	-	-	2,269,500,000	35.54
Hady Hartanto[4]	-	-	2,281,097,000	35.72

Notes:

1 The percentage of issued share capital is calculated based on 6,386,335,828 shares (excluding 24,200,000 treasury shares).

2 Telemedia Pacific Group Limited ("TPG") is deemed to have an interest in 2,269,500,000 shares held through various nominees accounts.

3 Family Unit Foundation Ltd is deemed to have an interest in the Shares held by TPG by virtue of Section 7 of the Companies Act.

4 Mr Hady Hartanto is deemed to have an interest in 11,597,000 Shares held through Messrs Straits Law Pratice LLC as nominee and 2,269,500,000 Shares held by TPG by virtue of Section 7 of the Companies Act.

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of Next-Generation Satellite Communications Limited (the "Company") will be held at SAFRA Toa Payoh, Lor 6 Toa Payoh, Singapore 319387 on Friday, 12 August 2016 at 1.00 p.m., to transact the following businesses:-

(A) ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and financial statements for the financial year ended 31 March 2014 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors retiring under the Company's Constitution:
   (i) Mr Edward Fu Shu Sheen (Article 91) [See Explanatory Note (i)] **(Resolution 2)**
   (ii) Mr Li Man Wai (Article 97) [See Explanatory Note (ii)] **(Resolution 3)**

3. To record the retirement of Mr Fong Yew Meng, a Director retiring under Article 91 of the Company's Constitution. Mr Fong Yew Meng has decided not to seek re-election and will retire at the conclusion of the forthcoming AGM. [See Explanatory Note (iii)]

4. To approve the appointment of Mr Ng Hsian Pin as Independent Director of the Company under Article 97 of the Company's Constitution. [See Explanatory Note (iv)] **(Resolution 4)**

5. To re-appoint Messrs RT LLP as Auditors of the Company and to authorise the Directors to fix their remuneration **(Resolution 5)**

(B) SPECIAL BUSINESS

6. To consider and, if thought fit, to pass the following resolution as Ordinary Resolution, with or without amendments:

   General Share Issue Mandate

   "That pursuant to Section 161 of the Companies Act, Cap. 50 and the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:

   (a) (i) allot and issue shares, whether by way of rights, bonus or otherwise; and/or
   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued during the continuance of such authority or thereafter, including but not limited to the creation and issue (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Board may, in their absolute discretion, deem fit; and

   (b) issue Shares in pursuance of any Instrument made or granted by the Board while such authority was in force (notwithstanding that such issue of the Shares pursuant to the Instruments may occur after the expiration of the authority contained in this Resolution);

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed 50% of the issued shares in the capital of the Company (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below) of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(aa) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(bb) any subsequent consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company;

(4) unless revoked or varied by the Company in general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting ("AGM") of the Company is required by law to be held, whichever is the earlier." [See Explanatory Note (v)] **(Resolution 6)**

7. To consider and, if thought fit, to pass the following resolution as Ordinary Resolution, with or without modification:

Authority to grant awards and to allot and issue shares under Next-Generation Satellite Communications Performance Share Scheme **(Resolution 7)**

"That approval be and is hereby given to the Directors to grant awards from time to time in accordance with the provisions of Next-Generation Satellite Communications Performance Share Scheme (the "Scheme"), and, pursuant to Section 161 of the Act, to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the vesting of the awards under the Scheme, provided always that the aggregate number of Shares to be allotted and issued pursuant to the Scheme, when aggregated together with Shares to be allotted and issued pursuant to any other existing employee share schemes of the Company shall not exceed 15 per cent. of the total number of issued Shares excluding treasury shares from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier." [See Explanatory Note (vi)]

8. To transact any other business that may be properly transacted at an Annual General Meeting.

Explanatory Notes:

(i) Mr Edward Fu Shu Sheen will, upon re-election as a Director of the Company, remain as Lead Independent Director of the Company and Chairman of the Nominating Committee and Remuneration Committee and member of the Audit Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Mr Edward Fu Shu Sheen does not have any relationships including immediate family relationships between himself and the Directors, the Company and its 10% shareholders. Further information on Mr Edward Fu Shu Sheen can be found in the Annual Report 2014.

(ii) Mr Li Man Wai will, upon re-election as a Director of the Company, remain as Independent Director of the Company and member of the Audit Committee, Nominating Committee and Remuneration Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Mr Li Man Wai does not have any relationships including immediate family relationships between himself and the Directors, the Company and its 10% shareholders. Further information on Mr Li Man Wai can be found in the Annual Report 2014.

(iii) Mr Fong Yew Meng will retire as Independent Director of the Company at the conclusion of the forthcoming AGM. Upon Mr Fong Yew Meng's retirement, he will cease to be the Chairman of the Audit Committee and member of the Nominating Committee and Remuneration Committees. His replacement for each committee will be announced in due course.

(iv) The Board recommended the appointment of Mr Ng Hsian Pin as Independent Director of the Company under Article 97 of the Company's Constitution at the forthcoming AGM for shareholders' approval. Mr Ng Hsian Pin, if appointed, will be an Independent Director of the Company. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Mr Ng Hsian Pin does not have any relationships including immediate family relationships between himself and the Directors, the Company and its 10% shareholders. Further information on Mr Ng Hsian Pin can be found in the Annual Report 2014.

(v) The Ordinary Resolution 6 proposed in item 6 above, if passed, will empower the Directors of the Company to issue shares up to 50% of the Company's issued share capital, with an aggregate sub-limit of 20% of the Company's share capital for any issue of shares not made on a pro-rata basis to shareholders of the Company.

(vi) The Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the Directors to allot and issue Shares pursuant to the vesting of the awards in accordance with the Scheme.

BY ORDER OF THE BOARD

Andrew Coulton
Non-Executive Non-Independent Chairman

Date: 27 July 2016

Notes:

(i) A member of the Company entitled to attend and vote at the AGM may appoint not more than two (2) proxies to attend and vote instead of him.

(ii) Where a member appoints two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies. A proxy need not be a member of the Company.

(iii) Intermediaries such as banks and capital markets services licence holders which provide custodial services and are members of the Company may appoint more than two proxies provided that each proxy is appointed to exercise the rights attached to different shares held by the member. Where such member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.

(iv) If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.

(v) The instrument appointing a proxy must be deposited at the Registered Office of the Company at 30 Raffles Place, #19-04 Chevron House, Singapore 048622, not less than 48 hours before the time appointed for holding the AGM.

(vi) A Depositor's name must appear on the Depositor Register maintained by The Central Depositor (Pte) Limited as at 72 hours before the time fixed for holding the above Meeting in order for the Depositor to be entitled to attend and vote at the above Annual General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and its proxy(ies)'s or representative(s)'s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) undertakes that the member will only use the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iv) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. Your and your proxy and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

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PROXY **FORM**

ANNUAL GENERAL MEETING

NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

(Registration No.: 196400100R)
(Incorporated in the Republic of Singapore)

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of Annual General Meeting dated 27 July 2016.

"Personal data" in the proxy form has the same meaning as "personal data" in the Personal Data Protection Act 2012 ("PDPA"), which includes your and your proxy's and/or representative's name, address and NRIC/Passport No.

I/We*, ______________________ (Name) NRIC/Passport No.* ______________________ of

____ (Address)

being a shareholder/shareholders of **NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED** (the "Company") hereby appoint:

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
		Number of Shares	**%**
Address			

and/or *

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
		Number of Shares	**%**
Address			

or failing him/her, the Chairman of the Annual General Meeting (the "**AGM**") of the Company as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf at the AGM of the Company to be held at SAFRA Toa Payoh, Lor 6 Toa Payoh, Singapore 319387 on Friday, 12 August 2016 at 1 p.m., and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/their discretion.

	Please tick here if more than two proxies will be appointed (Please refer to note 3). This is only applicable for intermediaries such as banks and capital markets services licence holders which provide custodial services.

All resolutions put to the vote at the AGM shall be decided by way of poll.

No.	**Ordinary Resolutions**	**Number of Votes For ****	**Number of Votes Against****
1.	Receive and adopt the Directors' Statement, Auditors' Report and Audited Financial Statements for the financial year ended 31 March 2014		
2.	Re-election of Mr Edward Fu Shu Sheen as a Director of the Company		
3.	Re-election of Mr Li Man Wai as a Director of the Company		
4.	Appointment of Mr Ng Hsian Pin as a Director of the Company		
5.	Re-appointment of Messrs RT LLP as Auditors		
6.	Authority to issue and allot shares pursuant to the General Share Issue Mandate		
7.	Authority to grant awards and to allot and issue shares under Next-Generation Satellite Communications Performance Share Scheme		

* Delete accordingly

** If you wish to exercise all your votes "For" or "Against", please indicate with a tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ______________ day of ______________ 2016.

Total Number of Shares in:	**Number of Shares**
(a) CDP Register	
(b) Register of Members	

____

Signature(s) of Shareholder(s)/or
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

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Notes :

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore or any statutory modification thereof, as the case may be), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. A member of the Company who is not a relevant intermediary (as defined below) is entitled to appoint not more than two proxies to attend and vote at an AGM of the Company. Where such member appoints more than one proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

3. A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at an AGM of the Company, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than one proxy, the number of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

   (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity:

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or

   (iii) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. The instrument appointing the proxy or proxies must be deposited at the Company's registered office at 30 Raffles Place, #19-04 Chevron House, Singapore 048622 not less than 48 hours before the time appointed for the AGM.

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Affix
Postage
stamp

Next-Generation Satellite Communications Limited

30 Raffles Place

#19-04 Chevron House

Singapore 048622

3rd fold here

5. A proxy need not be a member of the Company.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

9. The submission of an instrument or form appointing a proxy by a member does not preclude him/her from attending and voting in person at the AGM if he/she so wishes.

10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register 72 hours before the time appointed for holding the AGM, as certified by the Depository to the Company.

NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED

(Company Registration Number 196400100R)

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Singapore 048622
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