BAKER TILLY
HONG KONG | 天職香港

Independent auditor's report to the sole shareholder of VIP (HK) Limited
貴賓(香港)有限公司

(Incorporated in Hong Kong with limited liability)

We were engaged to audit the financial statements of VIP (HK) Limited (the "Company") set out on pages 7 to 23, which comprise the statement of financial position as at 31 March 2013 and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Except for the inability to obtain sufficient appropriate audit evidence as explained below, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. However, because of the matters described in the basis for disclaimer of opinion section, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis of disclaimer of opinion

(1) Consolidated financial statements

The Company has not prepared consolidated financial statements in accordance with Hong Kong Accounting Standard 27 "Consolidated and Separate Financial Statements" issued by the Hong Kong Institute of Certified Public Accountants. In addition, information regarding the post-acquisition results of the subsidiaries attributable to the Company has not been disclosed pursuant to paragraph 18(4) of the Tenth Schedule to the Hong Kong Companies Ordinance.

Basis of disclaimer of opinion

(1) Consolidated financial statements (Continued)

In our opinion, there is insufficient information concerning the subsidiaries in the financial statements to give a true and fair view of the state of the affairs of the Company and its subsidiaries (together the "group") as at 31 March 2013 and of the group's results and cash flows for the year then ended. It is not practicable to quantify the effects of the departure from these requirements on the financial statements for the year ended 31 March 2013.

(2) Opening balances and comparative figures

The consolidated financial statements of the group for the year ended 31 March 2012 were audited by another independent auditor whose report dated 23 July 2013 expressed a disclaimer of opinion on those consolidated financial statements. The basis for disclaimer of opinion on the consolidated financial statements for the year ended 31 March 2012 is disclosed in note 16 to the financial statements.

Against this background, we were not able to satisfy ourselves as to whether the net assets of the Company as at 1 April 2012 were free from material misstatement. Any adjustments to the opening net assets of the Company as at 1 April 2012 would affect the Company's loss and cash flows for the year ended 31 March 2013 and the related disclosures in the financial statements. In addition, the comparative figures shown in the financial statements for the year ended 31 March 2013 may not be comparable with the figures for the current year.

(3) Other receivable

As further detailed in note 10 to the financial statements, other receivable represented the balance due from Niaga Finance Company Limited ("Niaga") of USD10,754,934 as at 31 March 2013. We were not able to obtain independent confirmation on the balance due to the Company from Niaga as at 31 March 2013 or to satisfy ourselves concerning the existence of the outstanding balance by alternative means.

Subsequent to 31 March 2013, cash of USD722,420 was received by the Company from Niaga, and an amount of approximately USD9.4 million was transferred to the Company's immediate holding company, Next-Generation Satellite Communications Limited ("Next-Generation"), as part of the settlement arrangements with Niaga. The auditor of Next-Generation expressed a disclaimer of opinion in the report dated 9 October 2015 on the consolidated financial statements of Next-Generation for the year ended 31 March 2013 and was also unable to conclude as to the appropriateness of the use of going concern assumption in the preparation of those consolidated financial statements. Consequently, we were not able to ascertain the ultimate recoverability of the remaining amount of other receivable of USD10,032,514.

Independent auditor's report to the sole shareholder of VIP (HK) Limited (continued)

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Disclaimer of opinion

Because of the significance of the matters described in the basis for disclaimer of opinion section, we do not express an opinion on the financial statements and as to whether the financial statements have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Report on matters under sections 141(4) and 141(6) of the Hong Kong Companies Ordinance

In respect alone of the inability to obtain sufficient appropriate audit evidence about the matters set out in paragraphs (2) to (4) in basis for disclaimer of opinion section:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and

- we were unable to determine whether proper books of account had been kept.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 26 JAN 2016

Chan Kwan Ho, Edmond

Practising certificate number P02092