

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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 2015, 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

Our independent auditor's report dated 25 July 2016 expressed a disclaimer of opinion on the financial statements for the financial year ended 31 March 2014. The basis for disclaimer of opinion on the financial statements for the financial year ended 31 March 2014 is disclosed in Note 30 to the financial statements.

In view of the matters described in the basis for disclaimer of opinion paragraphs on the financial statements for the financial year ended 31 March 2014, we are unable to determine whether the opening balances as at 1 April 2014 are fairly stated.

RT LLP
Chartered Accountants
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (Cont'd)**

Report on the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

(1) Opening balances (cont'd)

Since the opening balances as at 1 April 2014 are entered into the determination of the financial position of the Group and of the Company as at 31 March 2015 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 2015, 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 2015.

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.

(2) Other receivables

Included in Note 15 to the financial statements is an amount of \$0.63 million due to a subsidiary, VIP (HK) Limited as at 31 March 2015 by Niaga Finance Company Limited ("Niaga") which was withheld by Niaga for settlement of invoices in respect of 65 sets of USO equipment under a Letter of Credit arrangement provided by Niaga on behalf of VIP (HK) Limited. However, management is unable to provide us with any supporting documents with respect to this Letter of Credit arrangement. Therefore, we are unable to determine the basis of the settlement arrangement and its validity. We are also unable to obtain independent confirmation of the balance of \$0.63 million. Accordingly, we are not able to satisfy ourselves as to the existence of the outstanding balance of \$0.63 million by alternative audit procedures. In addition, we were unable to ascertain the recoverability of the balances of \$0.63 million due to VIP (HK) Limited from Niaga.

In addition, included in Note 15 to the financial statements is an amount of approximately \$2.5 million which was owed from a director-related company. As at the date of the report, an amount of approximately \$0.4 million has been received. For the remaining amount of approximately \$2.1 million, management is still pursuing legal proceeding against the debtor. As the legal proceeding is still in progress, we are unable to satisfy ourselves on the recoverability of \$2.1 million due from the director-related company.

(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 appropriate audit evidence to ascertain the nature, accuracy and validity of bank disbursements and bank receipts transactions which amounted to Rp 4,175,053,773 (equivalent to \$439,132) and Rp 4,096,668,608 (equivalent to \$430,887) during the financial year ended 31 March 2015. According to management, the supporting documents are being withheld by the previous management. The Company had initiated legal proceedings against the previous management to retrieve those documents. To date and as confirmed by the legal advisor, Arif Hutami & Partners, this legal proceedings is still on-going.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (Cont'd)**

Report on the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

(3) Cash in Bank (cont'd)

We had noted similar concerns with respect to bank disbursements during the audit of the prior year financial statements (financial year ended 31 March 2014) and the amount of bank disbursements that could not be substantiated was Rp 1,131,500,000 (equivalent to \$103,079) [Note 30(c)].

(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 29 (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 Nusantara Limited's ("MSN") subsidiary, PT Multi Skies Nusantara ("PT MSN"); and (ii) the appropriateness of certain transactions and actions involving PT MSN, including review of the acquisition transaction and the process and procedures surrounding the consideration paid with reference to the financial records of MSN, PT Karunia Anugerah Mitra Utama ("PT Kamu") and PT MSN (collectively, the "MSN group") and corporate records of PT MSN [Note 29(c)].

As at the date of this report, EY's investigation on the MSN group, as disclosed in Note 29(c) 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 accompanying financial statements of the Group and the Company.

(5) On-going litigations

As disclosed in Notes 29 and 31 to the financial statements, the Group and the Company have several on-going litigations as at 31 March 2015. However, given the on-going nature of these litigations, the Directors and their legal advisors 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 2015.

(6) Equity method of accounting for investment in joint ventures

As disclosed in Note 11 to the financial statements, the Group's investment in joint venture with financial year ended 31 December is not co-terminus with the Group's financial year-end of 31 March. Management has used the audited financial statements of the joint venture relating to financial year ended 31 December 2014, which took into account the financial period from 1 January 2014 to 31 December 2014 for equity accounting the Group's share of results. The Group ought to have adjusted the reporting period of the joint venture for equity accounting purposes having considered and making adjustments to take into account the effects of significant transactions or events that occurred between 1 January 2015 to 31 March 2015.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (Cont'd)**

Report on the Financial Statements (cont'd)

Disclaimer of Opinion (cont'd)

(6) Equity method of accounting for investment in joint ventures (cont'd)

Had the Group equity accounted on an adjusted basis, that is, excluded the first 3 months of the financial period from 1 January 2014 to 31 December 2014 and included the first 3 months of the financial period with 1 January 2015 to 31 December 2015, the resultant net impacts would have been a decrease in share of profit of joint venture and a corresponding decrease in total comprehensive income of \$230,452, which is material to the Group's financial statements for the financial year ended 31 March 2015. Furthermore, the Company is not able to provide us with any supporting documents for the period from 1 January 2015 to March 2015. Accordingly, we are unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the completeness and accuracy of the results of the equity accounting for this joint venture.

Consequently, we are also unable to determine whether any adjustments or additional disclosures are necessary in respect of the Group's share of profit of joint venture and the resultant carrying amounts in investment in joint venture (Note 11) as reflected in the financial statements as at, and for the financial year ended 31 March 2015.

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, 29 November 2016