



## MGI N RAJAN ASSOCIATES

PUBLIC ACCOUNTANTS AND  
CHARTERED ACCOUNTANTS SINGAPORE

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DISCOVERY OIL AND MINES PTE. LTD. (INCORPORATED IN THE REPUBLIC OF SINGAPORE)

#### Report on the financial statements

We have audited the accompanying financial statements of Discovery Oil and Mines Pte. Ltd. ("the Company") which comprise the balance sheet as at 31 March 2015, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### *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, Cap.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 profit and loss accounts and balance sheets and to maintain accountability of assets.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion


In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2015 and of the results, changes in equity and cash flows of the Company for the year ended on that date.

#### 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 have been properly kept in accordance with the provisions of the Act.

Singapore  
Date

11 JUN 2015

  
MGI N RAJAN ASSOCIATES  
PUBLIC ACCOUNTANTS AND  
CHARTERED ACCOUNTANTS

10, JALAN BESAR #10-12, SIM LIM TOWER, SINGAPORE 208787  
TEL: (065) 6293 8089/6293 8370 / 6293 8047 / 6293 0732 FAX: (065) 6293 5756 Email: soma@nra.com.sg Web: www.nra.com.sg

G. Natarajan, P.S. Somascharan, D. Govindaraj

**DISCOVERY OIL AND MINES PTE. LTD.**  
**(INCORPORATED IN THE REPUBLIC OF SINGAPORE)**

**BALANCE SHEET AS AT 31 MARCH 2015**

	Note	2015 US\$	(Reclassified) 2014 US\$
<b>Non-Current Assets</b>			
Investments in subsidiary	4	13,923	-
Loan to subsidiary	5	30,925,000	-
		<u>30,938,923</u>	-
<b>Current Assets</b>			
Cash and Cash Equivalents	6	238,811	173,086
Other receivables	7	891,617	20,274,437
		<u>1,130,428</u>	<u>20,447,523</u>
		<u>32,069,351</u>	<u>20,447,523</u>
<b>Current Liabilities</b>			
Trade and other payables	8	826,205	278,308
Due to holding Company	9	20,925,000	20,000,000
Tax provision	3	26,685	-
		<u>21,777,890</u>	<u>20,278,308</u>
<b>Capital and Reserves</b>			
Share capital	10	200,000	200,000
Perpetual preference shares	11	10,000,000	-
Accumulated reserves		91,461	(30,785)
		<u>10,291,461</u>	<u>169,215</u>
Total equity and liabilities		<u>32,069,351</u>	<u>20,447,523</u>

(The annexed accounting policies and explanatory notes form an integral part of and should be read in conjunction with these financial statements).

DISCOVERY OIL AND MINES PTE. LTD.  
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	Year ended 31 March 2015 US\$	Period from 27th June 2013 to 31 March 2014 US\$
Revenue		-	-
<b>Other Income</b>			
Commission		10,000	-
Interest from loans and advances		978,623	-
Provision written back		1,201	-
		<b>989,824</b>	-
<b>Less: Expenses</b>			
<b>Finance cost</b>			
Interest on Shareholder Loan - MSL		659,526	-
		<b>659,526</b>	-
<b>Operating Expenses</b>			
Professional fees		13,129	26,728
Other operating expense		5,498	2,867
Incorporation expenses		-	1,190
		<b>18,627</b>	<b>30,785</b>
<b>Total Expenses</b>		<b>678,153</b>	<b>30,785</b>
<b>Profit/(Loss) for the year / period</b>		<b>311,671</b>	<b>(30,785)</b>
Less : Current tax	3	(26,685)	-
<b>Profit/(Loss) for the year / period after tax</b>		<b>284,986</b>	<b>(30,785)</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>284,986</b>	<b>(30,785)</b>

(The annexed accounting policies and explanatory notes form an integral part of and should be read in conjunction with these financial statements).

DISCOVERY OIL AND MINES PTE. LTD.  
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

**STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

	Note	Year ended 31 March 2015	Period between 27th June 2013 to 31 March 2014
		US\$	US\$
<b>Cash flows from operating activities</b>			
Net Profit/(loss) before tax		311,671	(30,785)
<b>Adjustment for :</b>			
Interest expense		659,526	-
Interest income		(978,623)	-
<b>Operating (loss) before working capital changes</b>		<b>(7,426)</b>	<b>(30,785)</b>
Decrease / (Increase) in Other receivables		19,998,007	(20,274,437)
(Decrease) / increase in Trade and other payables		(42,189)	278,308
<b>Cash generated from/(used in) operations</b>		<b>19,948,392</b>	<b>(20,026,914)</b>
<b>Net cash flow from / (Used in) operating activities</b>		<b>19,948,392</b>	<b>(20,026,914)</b>
<b>Cash flow from Investing activities</b>			
Investment in subsidiary	4	(13,923)	-
Interest received		363,436	-
loans and advances	5	(30,925,000)	-
<b>Net cash flow (used in) investing activities</b>		<b>(30,575,487)</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Issue of Share capital		-	200,000
Interest paid		(232,180)	-
Amount due to holding company	9	925,000	20,000,000
Issue of perpetual preference shares	11	10,000,000	-
<b>Net cash flows from financing activities</b>		<b>10,692,820</b>	<b>20,200,000</b>
Net Increase in Cash & Cash equivalents		65,725	173,086
Cash & Cash equivalent at the beginning of the year / period		173,086	-
<b>Net cash and cash equivalents at the end of the year / period</b>	6	<b>238,811</b>	<b>173,086</b>

(The annexed accounting policies and explanatory notes form an integral part of and should be read in conjunction with these financial statements).