



MGI N RAJAN ASSOCIATES

PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS SINGAPORE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DISCOVERY OIL AND MINES PTE. LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of Discovery Oil and Mines Pte. Ltd. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the 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 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedure selected depends 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 of the Company 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 financial position of the Company as at 31 March 2016, and of the financial performance, changes in equity and cash flows of the Company for year ended on that date.

Report on the 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.



MGI N RAJAN ASSOCIATES
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS

Singapore,
Date 06 JUN 2016

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. Somasekharan, D. Govindaraj

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Note	2016 US\$	2015 US\$
ASSETS			
Non-Current Assets			
Investment in subsidiary	7	13,923	13,923
Loan to subsidiary	8	16,025,000	30,925,000
		<u>16,038,923</u>	<u>30,938,923</u>
Current Assets			
Cash and Cash Equivalents	9	24,764	238,811
Other receivables	10	288,634	891,617
		<u>313,398</u>	<u>1,130,428</u>
Total Assets		<u>16,352,321</u>	<u>32,069,351</u>
LIABILITIES			
Current Liabilities			
Other payables	11	493,744	826,205
Loan from holding Company	12	5,900,000	20,925,000
Tax provision	6	-	26,685
Total liabilities		<u>6,393,744</u>	<u>21,777,890</u>
NET ASSETS		<u>9,958,577</u>	<u>10,291,461</u>
Capital and Reserves			
Share capital	13	200,000	200,000
Preference shares	14	10,000,000	10,000,000
Accumulated reserves		(241,423)	91,461
TOTAL EQUITY		<u>9,958,577</u>	<u>10,291,461</u>

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

		2016 US\$	2015 US\$
Revenue		-	-
Other Income	4	-	989,824
		-	989,824
Expenses			
Administrative and office expenses		(5,251)	(5,498)
Finance cost	5	(326,933)	(659,526)
Other Operating expenses		(8,406)	(13,129)
Profit/ (Loss) for the year before tax		(340,590)	311,671
Less :Tax expense	6	7,706	(26,685)
Profit/ (Loss) for the year after tax		(332,884)	284,986
Other comprehensive income		-	-
Total comprehensive income		(332,884)	284,986

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	2016 US\$	2015 US\$
Cash flows from operating activities			
Profit/(Loss) before tax		(340,590)	311,671
Adjustments for :			
Interest expense		326,933	659,526
Interest income		-	(978,623)
Operating (loss) before working capital changes		(13,657)	(7,426)
Decrease in Other receivables		602,983	19,998,007
(Decrease) / Other payables		(332,461)	(42,189)
Cash generated from/(used in) operations		256,865	19,948,392
Tax Paid	6	(18,979)	
Net cash flow from operating activities		237,886	19,948,392
Cash flows from Investing activities			
Investment in subsidiary		-	(13,923)
Interest received		-	363,436
(Repayment of)/ Receipts of loan to subsidiary		14,900,000	(30,925,000)
Net cash flows from/(used in) investing activities		14,900,000	(30,575,487)
Cash flows from financing activities			
Interest paid		(326,933)	(232,180)
Proceeds /(Repayment of) from holding Company's Loan		(15,025,000)	925,000
Issue of Preference shares		-	10,000,000
Net cash flows from/(used in) financing activities		(15,351,933)	10,692,820
Net (decrease)/Increase in Cash & Cash equivalents		(214,047)	65,725
Cash & Cash equivalent at the beginning of the year		238,811	173,086
Cash and cash equivalents at the end of the year	9	24,764	238,811

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