Reliance Global Energy Services (Singapore) Pte Ltd

Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF RELIANCE GLOBAL ENERGY SERVICES (SINGAPORE) PTE LTD

Report on the Financial Statements

We have audited the accompanying financial statements of Reliance Global Energy Services (Singapore) Pte Ltd (the "company"), which comprise the statement of financial position of the company as at March 31, 2015, and the statement of profit or loss and other 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 information, as set out on pages 7 to 40.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statementsthat give a true and fair view in accordance with the provisions of the Singapore Companies Act (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 account and balance sheet and to maintain accountability of assets.

Auditors' 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 judgement, 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 March 31, 2015 and of the results, changes in equity and cash flows of the company for the year ended on that date.

Other Matter

The financial statements of the company for the year ended March 31, 2014 were audited by another auditor who expressed an unmodified opinion on those financial statements in their report dated April 7, 2014.

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.

Public Accountants and
Chartered Accountants
Singapore

April 16, 2015

Statement of Financial Position March 31, 2015

	Note	2015 US$	2014 US$
ASSETS			
Current assets			
Cash and cash equivalents	6	**2,632,994**	870,443
Trade receivables	7	**87,875,275**	531,328
Derivative financial instruments	8	**3,509,789**	-
Deposits placed with brokers	9	**9,356,606**	-
Other receivables and prepayments	10	**21,055**	16,134
Inventories	11	**160,295,832**	-
Total current assets		**263,691,551**	1,417,905
Non-current assets			
Other receivables and prepayments	10	**96,751**	99,047
Plant and equipment	12	**154,776**	126,940
Total non-current assets		**251,527**	225,987
Total assets		**263,943,078**	1,643,892
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	13	**254,765,897**	274,253
Derivative financial instruments	8	**5,642,232**	-
Income tax payable		**321,100**	8,955
Total current liabilities		**260,729,229**	283,208
Capital and reserves			
Share capital	14	**1,175,180**	1,175,180
Exchange reserves	23	**254,929**	1,923
Accumulated profits		**1,783,740**	183,581
Total equity		**3,213,849**	1,360,684
Total liabilities and equity		**263,943078**	1,643,892

See accompanying notes to financial statements.

Statement of Profit or Loss and other Comprehensive Income Year ended March 31,2015

	Note	2015 US$	2014 US$
Revenue	15	**225,063,130**	1,699,462
Cost of sales		**(219,679,133)**	-
Gross profit		**5,383,997**	1,699,462
Other operating income		**56,003**	4,608
Loss on derivative trading	16	**(11,863)**	-
Staff costs		**(2,071,999)**	(906,990)
Other operatingexpenses	17	**(974,450)**	(641,318)
Finance costs	18	**(283,660)**	(690)
Profit before income tax		**2,098,028**	155,072
Income tax expense		**(321,119)**	(5,388)
Profit for the year	19	**1,776,909**	149,684
Other comprehensive income:			
Exchange differences in foreign currency translation reserve		**253,006**	1,923
Total comprehensive income for the year		**2,029,915**	151,607

See accompanying notes to financial statements.

Statement of Changes in Equity Year ended March 31, 2015

	Share capital US$	Exchange reserves US$	Accumulated profits US$	Total
Balance at March 31, 2013	1,175,180	-	175,297	1,350,477
Total comprehensive income for the year				
Profit for the year	-	-	149,684	149,684
Other comprehensive income for the year	-	1,923	-	1,923
TOTAL	-	1,923	149,684	151,607
Transactions with owner dividends paid (Note 21)	-	-	(141,400)	(141,400)
Balance at March 31, 2014	1,175,180	1,923	183,581	1,360,684
Total comprehensive income for the year				
Profit for the year	-	-	1,776,909	1,766,909
Other comprehensive incomefor the year	-	253,006	-	253,006
TOTAL	-	253,006	1,776,909	2,029,915
Transactions with owner dividends paid(Note 21)	-	-	(176,750)	(176,750)
Balance at March 31, 2015	1,175,180	254,929	1,783,740	3,213,849

See accompanying notes to financial statements.

Statement of Cash Flows Year ended March 31, 2015

	Note	2015 US$	2014 US$
Cash flows from operating activities			
Profit before income tax		**2,098,028**	155,072
Adjustments for:			
Interest Expenses		**270,019**	-
Depreciation expense		**22,927**	25,592
Allowance on inventory		**1,954,150**	-
Fair value change on derivative financial instruments		**2,132,443**	-
Operating cash flows before working capital changes		**6,477,567**	180,664
Trade and other receivables		**(87,343,947)**	(60,139)
Other receivables		**(2,625)**	108,770
Inventories		**162,249,982**	-
Trade and other payables		**254,491,644**	43,397
Cash generated from operations		**11,372,657**	272,692
Income tax paid		**(8,974)**	(5,991)
Net cash from operating activities		**11,363,683**	266,701
Cash flows from investing activities			
Increase in deposits placed with brokers		**(9,356,606)**	-
Purchase of fixed assets		**(50,763)**	(1,269)
Proceeds from disposal of fixed assets		**-**	-
Net Cash from (used in) investing activities		**(9,407,369)**	265,432
Cash flows from financing activity			
Dividends paid, representing net cash used in financing activity		**(176,750)**	(141,400)
Interest paid		**(270,019)**	
Cash flows from Financing Activity		**(446,769)**	(141,400)
Net increase in cash and cash equivalents		**1,509,545**	124,032
Effect of exchange rate changes on the balance of cash held in foreign currencies		**253,006**	1,923
Cash and cash equivalents at the beginning of the year		**870,443**	744,488
Cash and cash equivalents at the end of the year		**2,632,994**	870,443

See accompanying notes to financial statement

Notes to Financial Statements March 31, 2015

1. GENERAL

The company (Registration No. 200816056M) is incorporated in Singapore with its principal place of business and registered office at #16-01 Raffles City Towers, 250 North Bridge Road, Singapore 179101. The financial statements are expressed in United Statesdollars.

The Company acts as an agent for and on behalf of Reliance Group for the procurement of crude oil, sale of petroleum product and other related activities. With effective from November 01, 2014, the Company commenced its operations in trading of crude oil, petroleum, petrochemicals and refined oil products.

The financial statements of the company for the year ended March 31, 2015 were authorised for issue by the Board of directors on April 16, 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have beenprepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 or value in use in FRS 36. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - On April 1, 2014, the company adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the company's accounting policies and has no material effect on the amounts reported for the current or prior financial years except as disclosed below:

<u>FRS 1 *Presentation of Items of Other Comprehensive Income*</u>

The company has applied the amendments to *FRS 1 Presentation of Items of Other Comprehensive Income* retrospectively for the first time in the current year, and renamed the 'statement of comprehensive income' as the 'statement of profit or loss and other comprehensive income'. Under the amendments to FRS 1, the company also grouped items of other comprehensive income into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Other than the above mentioned presentation changes, the application of the amendments to FRS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

<u>FRS 113 *Fair Value Measurement*</u>

The company has applied FRS 113 for the first time in the current year. FRS 113 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The fair value measurement requirements of FRS 113 apply to both financial instrument items and non-financial assets for which other FRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some

Notes to Financial Statements March 31, 2015

similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

FRS 113 includes extensive disclosure requirements, although specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. Consequently the company has not made any new disclosures required by FRS 113 for the comparative period.

Other than the additional disclosures, the application of FRS 113 has not had any material impact on the amounts recognised in the financial statements.

At the date of authorisation of these financial statements, the following new/revised FRSs, INT FRSs and amendments to FRS that are relevant to the company were issued but not effective:

- FRS 109 Financial Instruments
- FRS 115 Revenue from Contracts with Customers
- Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*
- Amendments to FRS 19 (2011) *Employee Benefits: Defined Benefit Plans: Employee contributions*
- Improvements to Financial Reporting Standards (January 2014)
- Improvements to Financial Reporting Standards (February 2014)
- Improvements to Financial Reporting Standards (November 2014)

Consequential amendments were also made to various standards as a result of these new/revised standards.

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Company in the period of its initial adoption.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period.

Financial assets

<u>Cash and cash equivalents</u>

Cash and cash equivalents comprise cash at bank and demand deposits with a related company that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

<u>Loan and receivables</u>

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loan and receivables". Loan and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

<u>Impairment of financial assets</u>

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Notes to Financial Statements March 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

For financial assets carried at amortised cost, the amount of the impairment 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.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For fianncial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis, except for short-term balances when the recognition of interest would be immaterial.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

Derivative financial instruments

The company's activities expose it primarily to commodity price risk. The company uses derivative financial instruments such as oil-related futuresand swaps to manage its risks associated with the changes in commodity prices. Further details of derivative financial instruments are disclosed in Note 8 to the financial statements.

Derivatives are intiially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the date of each reporting period. Derivatives are presented on the statement of financial position as derivative receivables and derivative payables.

The resulting gain or loss arising from changes in the fair value of derivative financial instruments is recognised in profit or loss immediatelyunless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. No derivatives have been designed as eitherhedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges). Fair value is determined in the manner described in Note 4.

Notes to Financial Statements March 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Amounts recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss in the same line of the statement of comprehensive income/income statement as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and when the forecast transaction is ultimately recognised in profit or loss, such gains and losses are recognised in profit or loss, or transferred from equity and included in the initial measurement of the cost of the asset or liability as described above. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was accumulated in equity is recognised immediately in profit or loss.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the specific identification method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PLANT AND EQUIPMENT - Plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a written down value basis over their estimated useful lives at the following rates:

Computer Equipment	-	40.0 % per annum
Fixtures and fittings	-	18.1 % per annum
Other equipment	-	18.1 % per annum

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sale proceed and the carrying amount of the asset and is recognised in profit or loss.

Fully depreciated assets still in use are retained in the financial statements.

IMPAIRMENT OF NON- FINANCIAL ASSETS - At the end of each reporting period, the company reviews the carrying amount of its 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 company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent 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 in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss.

Notes to Financial Statements March 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

PROVISIONS - Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Rental payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivables. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

<u>Sale of goods</u>

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

<u>Service income</u>

Service charges represent invoiced value of expenditures incurred by the Company plus mark up.

<u>Interest income</u>

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

<u>Rental income</u>

The group's policy for recognition of revenue from operating leases is described above.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Notes to Financial Statements March 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

FOREIGN CURRENCY TRANSACTIONS - The financial statements of the company are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency).

In preparing the financial statements, transactions in currencies other than the company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements in applying the company's accounting policies

Management is of the opinion that any instances of application of judgments are not expected to have a significant effect on the amounts recognised in the financial statements, except as follows:

Functional currency

The functional currency of the company has been evaluated based on the guidance to the *FRS 21 Effects of Changes in Foreign Exchange Rate (revised).*During the year, the company commenced trading in crude oil, petroleum, petrochemicals and refined oil products, which are priced in United States dollar. Assessment of the primary and secondary indicators of *FRS 21Effects of Changes in Foreign Exchange Rate (revised)* was made and management has exercised its judgement in concluding that the functional currency of the company to be United States dollars. Disclosure on the restatement of financial statements as a result of the change is disclosed in Note 23.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that 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.

Notes to Financial Statements March 31, 2015

Estimation of the fair value of the derivative commodities contracts

The fair value of the derivatives commodities contracts which are not readily available is determined by using valuation techniques. The company uses a variety of methods and make assumptions that are based on market conditions existing at the end of the reporting period. Commodity exchange price quotations and dealer quotations are some of the common techniques used to calculate the fair value of these contracts. Fair values of the derivative commodities contracts are disclosed in Note 8.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	2015	2014
	US$	US$
Financial assets		
Loans and receivables (including cash and cash equivalents)	**99,971,660**	1,510,144
Derivative financial instruments not designed in hedge accounting relationships	**3,509,789**	-
	2015	2014
	$	$
Financial liabilities		
Payables, at amortised cost	**254,765,897**	274,253
Derivative financial instruments not designed in hedge accounting relationships	**5,642,224**	-

(b) *Financial risk management policies and objectives*

The company's overall risk management programme seeks to minimise potential adverse effects on the financial performance of the company. The ultimate holding company, provides principles for overall risk management and policies covering specific areas, such as, credit risk, foreign exchange risk, interest rate risk. Such policies are reviewed annually by the board of directors of the company and periodic reviews are undertaken by management to ensure that the policy guidelines are complied with. Risk management is carried out by the treasury department under policies approved by the ultimate holding company.

The company uses a variety of derivative financial instruments to manage its exposure to market risk including commodity swaps and futures to hedge a particular risk associated with the trade receivables and trade payables, and firm commitments to buy or sell goods.

The company does not hold or issue derivative financial instruments for speculative purposes.

The main financial risks that the company is exposed to and how it manages these risks are set out below:

(i) <u>Oil price risk</u>

The company is exposed to the risk of fluctuating oil prices which are affected by a wide range of global and domestic factors which are beyond the control of the company.

The company engages in economic hedging activities with the objective of managing risks; it also takes trading positions. The company has formulated a risk management policy documenting, amongst other things, the scope of risk management, roles and responsibility and risk tolerance. The risk management policy covers price exposure arising from inventories which are non-financial instruments, and the trading of derivative financial instruments. Derivative transactions entered into for economic hedging purposes are monitored for appropriateness in terms of size, direction, and strategy. Under the risk management policy, all the derivative contracts have to be approved by the senior management of the company.

The company's derivative financial instruments are measured at fair value provided by financial institutions with reference to the quoted oil futures prices.

Notes to Financial Statements March 31, 2015

At the end of the reporting period, the carrying amount of inventories and notional et outstanding physical and financial derivatives positions are as follows:

		2015 US$	2014 US$
a)	Inventories (Note 11)	**160,295,832**	-
b)	Positive fair value of outstanding financial derivatives positions (Note 8)	**3,509,789**	-
c)	Negative fair value of outstanding financial derivatives positions (Note 8)	**(5,642,232)**	-

Price sensitivity analysis

The following table details the impact on the company's profit or loss as a result of a 5% change in the commodity prices.

If the commodity prices were to decrease by 5%, profit will increase (decrease) by:

	2015 US$	2014 US$
Inventories	**(8,014,792)**	-
Net outstanding financial derivatives positions	**886,518**	-
Net	**(7,128,274)**	-

If the commodity prices were to increase by 5%, profitwill increase (decrease) by:

	2015 US$	2014 US$
Inventories	**8,014,792**	-
Net outstanding financial derivatives positions	**(886,518)**	-
Net	**7,128,274**	-

(ii) Interest rate risk management

The company is exposed to limited interest rate risk.

No sensitivity analysis is prepared as the company does not expect any material effect on the company's profit or loss arising from the effects of reasonably possible changes to interest rates on the deposits at the end of the reporting period.

(iii) Foreign exchange risk management

The company's revenue and purchases are mainly denominated in United Statesdollars. The exchange risk arises primarily from Singapore dollars, the currencies in which some services and administrative expenses are incurred.

At end of the reporting period, the carrying amounts of monetary liabilities denominated in currencies other than the company's functional currency are disclosed in Note 12 to the financial statements.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the company's functional currency are as follows:

Notes to Financial Statements March 31, 2015

	Others US$'000	**2015 US$ US$'000**	Others US$'000	2014 US$ US$'000
Financial assets				
Cash and cash equivalents	**314**	**2,319**	751	116
Trade receivables	**674**	**82,201**	531	-
Other receivables	**21**	**9,357**	16	-
Total	**1,009**	**98,878**	1,298	116
Financial liabilities				
Trade and other payables	**3,907**	**250,859**	274	-
Net	**(2,898)**	**(151,981)**	1,024	116

The credit risk arising from cash and cash equivalents and derivative financial instruments is limited because the counterparties are financial institutions with high credit -ratings assigned by international credit rating agencies.

(iv) Credit risk

The company's principal financial assets are cash and bank balances, trade and other receivables, amounts due from related companies, immediate and intermediate holding companies and deposits placed with brokers. The balances in the statement of financial position represent the company's maximum exposure to credit risk in relation to financial assets.

The company's credit risk is primarily attributable to its trade receivables and amounts due from related companies and immediate holding company. The company has a few major customers resulting in concentration of credit risk. The top 5 largest customers and largest customer of the company accounted for 97.80% and 33.31% (2014 : 100% and 100%) respectively of the total receivables as at March 31, 2015. Management considers the credit risk to be low as these customers are large reputable corporations and there have been no historical default of payments by the respective customers. Further credit risk for 46.88% (2014 : NIL) of top 5 customers is covered under irrevocable documentary letter of credit issued by A1/P1 rated bank. Further, the management has monitoring procedures to ensure that follow-up action is taken to monitor the recoverability of amounts due from related companies and immediate holding company. Accordingly, the management considers the credit risk to be low.

An allowance is made where there is an identified loss event which, based on previous experiences, is evidence of a reduction in the recoverability of the cash flows. Management has evaluated the credit risk relating to outstanding debts and amount due from immediate holding company at year end and has determined that they are fully recoverable.

Management considers the credit risk on liquid funds to be limited as these funds are placed with reputable banks.

(v) Liquidity risk

Liquidity risk is managed by matching the payment and receipt cycle. The company's operations are financed mainly through equity and extended credit from ultimate holding company.

Substantially all of financial assets and liabilities as at the end of the reporting period are repayable on demand or due within 12 months (2014 :12 months) from the end of the reporting period. The company does not expect any material difference in the fair value of the advance to vendor from its carrying amount due to its short-term maturity.

The company's derivative financial assets and liabilities comprise futures and swap contracts which are interest-free and have settlement dates within 1 year from the end of the reporting period.

(vi) Fair value of financial assets and liabilities and derivative financial instruments

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, and other liabilities approximate their respective fair value due to the relatively short term maturity of these financial instruments.

Notes to Financial Statements March 31, 2015

The fair values of financial assets and financial liabilities are determined as follows:

1. the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
2. the fair value of other financial assets and financial liabilities (excluding derivative financial instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments; and
3. the fair value of derivative instruments are determined using quoted prices. Where such prices are not available, discounted cash flow analysis is used, based on the applicable yield curve of the duration of the instruments for non-optional derivatives.

The company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy level has the following levels:

a. quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

b. 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) (Level 2); and

c. inputs for the asset or liability that are not based or observable market data (unobservable inputs) (Level 3).

	Total US$'	Level 1 US$'	Level 2 US$'	Level 3 US$'
2014				
Financial assets				
Derivative financial Instruments	3,509,789	3,509,789	-	-
Financial liabilities				
Derivative financial instruments	(5,642,232)	(5,642,232)	-	-

There were no outstanding derivative financial instruments at the end of 2014.

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy during the financial period.

(c) Capital risk management policies and objectives

The company's objectives in managing its capital (the company's shareholder's fund) as a going concern includes preserving its overall financial health and strength for the benefit of all stakeholders and safeguarding its ability to continue generating sustainable long term profitability.The capital structure of the company consists of issued capital and accumulated profits.The company's overall strategy remains unchanged from 2014.

5. HOLDING COMPANY, RELATED COMPANY AND RELATED PARTY TRANSACTIONS

The company isa wholly-owned subsidiary of Reliance Industries (Middle East) DMCC, incorporated in United Arab Emirated ("UAE"). Reliance Industries Limited, is the ultimate holding company incorporated in India. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Many of the company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, and repayable on demand, unless otherwise stated.

Notes to Financial Statements March 31, 2015

Significant intercompany transactions are as follows:

	2015 $	2014 $
Ultimate holding company		
Service charges earned	**2,350,800**	1,699,462
Purchases of goods	**315,262,011**	-
Other direct costs (included in cost of sales)	**1,120,522**	-
Related company		
Rental income	**56,004**	4,618

Related party transactions

Someof the company's transactions and arrangements and terms thereof are with related parties. The balances are unsecured, interest-free and repayable on demand, unless otherwise stated.

Compensation of directors and key management personnel

The remuneration of directors and key management during the period was as follows:

	2015 US$	2014 US$
Short-term benefits	**320,588**	311,236

Key management comprises only the directors.

The remuneration of directors and key management is determined by the board of directors having regard to the performance of individuals and market trends. Some of the the directors received remuneration from related corporations in their capacity as directors/executives of these related corporations.

6. CASH AND CASH EQUIVALENTS

	2015 US$	2014 US$
Cash at bank	**2,632,994**	870,443

7. TRADE RECEIVABLES

	2015 US$	2014 US$
Outside parties	**87,201,273**	-
Due from ultimate holding company	**636,761**	531,328
Due from related companies	**37,240**	-
Total	**87,875,275**	531,328

The average credit period on sale of goods or services is 30 days (2014 : 60 days.). Amounts due from ultimate holding company are unsecured with credit period of 60 days. No interest is charged on the outstanding balance if paid within credit period.

The allowance for doubtful receivables has been determined after assessment of the age profile of debts, specific circumstances relating to these debts and by reference to past default experience. Management considers trade receivables which are neither past due nor impaired at the end of the reporting period to be of good credit quality and recoverable.

Included in the company's trade receivable balance are debtors with a carrying amount of US$ 299,698 (2014: $Nil) which are past due at the end of reporting period for which the company has not provided as there has not been a significant change in credit quality and the amounts are considered recoverable.

Notes to Financial Statements March 31, 2015

The average age of these receivables are as follows below.

	2015 US$	2014 US$
< 30 days	**-**	-
>31 days to 60 days	**-**	-
>61 days to 90 days	**282,899**	-
< 90days	**16,799**	-
	299,698	-

8. DERIVATIVES RECEIVABLE AND DERIVATIVES PAYABLE

The table below sets out the notional principal amounts and the positive and negative fair values of the outstanding derivative financial instruments as at the end of the reporting year:

	Notional principal US$	Gross positive fair value US$	Gross negative fair value US$	Net fair value gain/(loss) US$
2015				
Commodity swaps	7,935,628	629,472	(318,008)	311,464
Commodity futures	249,731,110	2,880,317	(5,324,224)	(2,443,907)
Total	257,666,738	3,509,789	(5,642,232)	(2,132,443)

All derivative financial instruments mature within 12 months from the reporting date. There were no derivative financial instruments in 2014.

9. DEPOSITS PLACED WITH BROKERS

	2015 US$	2014 US$
Deposits placed with brokers	**9,356,606**	**-**

Margin deposits are placed with brokers for trading in derivatives. These deposits do not earn interest.

All deposits placed with brokers are denominated in the company's functional currency.

10. OTHER RECEIVABLES AND PREPAYMENTS

	2015 US$	2014 US$
Current:		
Other receivables	**10,034**	9,326
Prepayments	**11,021**	6,808
	21,055	16,134
Non-current:		
Deposits	**96,751**	99,047
Total	**117,806**	115,181

Notes to Financial Statements March 31, 2015

11. INVENTORIES

Inventories at reporting date represent finished goods.The cost of inventories recognised as an expense includes US$1,954,150 (2014 : Nil) in respect of write-downs of inventory to net realisable value.

12. PLANT AND EQUIPMENT

	Fixtures and fittings US$	Computer equipment US$	Office equipment US$	Total US$
Cost:				
At April 1, 2013	210,113	164,820	67,555	442,488
Additions	-	1,269	-	1,269
At March 31, 2014	210,113	166,089	67,555	443,757
Additions	-	20,383	30,380	50,763
At March 31, 2015	210,113	186,472	97,935	494,520
Accumulated depreciation:				
At April 1, 2014	122,946	147,834	20,445	291,225
Depreciation for the year	15,879	7,066	2,647	25,592
At March 31, 2014	138,825	154,900	23,092	316,817
Depreciation for the year	12,598	8,230	2,099	22,927
At March 31, 2015	151,423	163,130	25,191	339,744
Carrying amount:				
At March 31, 2014	71,288	11,189	44,463	126,940
At March 31, 2015	58,690	23,342	72,744	154,776

13. TRADE AND OTHER PAYABLES

	2015 US$	2014 US$
Trade payables due to outside parties	**9,137,600**	-
Trade payables due to immediate holding company (Note 5)	**242,020,629**	-
Other payables	**-**	15,315
Deposit from sublease - related company (Note 5)	**11,377**	10,937
Accruals	**3,596,291**	248,001
	254,765,897	274,253

The average credit period on purchases of fuel oil is 30 days (2014: nil). No interest is charged on the outstanding balance.

Notes to Financial Statements March 31, 2015

14. SHARE CAPITAL

	2015	2014	2015	2014
	Number of ordinary shares		US$	US$
Issued and fully paid up:				
At the beginning and the end of the year	**1,500,000**	1,500,000	**1,175,180**	1,175,180

15. REVENUE

	2014 US$	2013 US$
Sale of goods	**222,712,330**	-
Service charges	**2,350,800**	1,699,462
	225,063,130	1,699,462

16. LOSS ON DERIVATIVE TRADING

	2015 US$	2014 US$
Realised gain (loss)	**(2,120,580)**	-
Unrealised (loss) gain arising from changes in fair values	**2,132,443**	-
Total	**11,863**	-

17. OTHER OPERATING EXPENSE

	2014 US$	2013 US$
Rental	**310,894**	287,488
Legal and profesional fees	**308,407**	79,439
Subscription fees	**112,336**	102,430
Others	**242,813**	171,961
	974,450	641,318

18. FINANCE COST

	2014 US$	2013 US$
Interest expense	**270,019**	-
Bank charges	**13,641**	690
	283,660	690

Notes to Financial Statements March 31, 2015

19. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting) the following:

	2015 US$	2014 US$
Directors' remuneration	**320,588**	311,236
Staff costs (including directors' remuneration)	**2,071,999**	906,990
Cost of defined contribution plans included in staff cost	**27,296**	14,909
Cost of inventories recognised as expenses	**210,860,449**	-
Allowance for inventories	**2,001,716**	-
Foreign exchange gain	**-**	(2,289)

20. INCOME TAX EXPENSE

	2015 US$	2014 US$
Income tax:		
Current	**321,100**	8,955
(Over) Under provision in prior years	**19**	(3,567)
	321,119	5,388

The income tax expense varied from the amount of tax expense determined by applying the Singapore tax rate of 17% (2014 : 17%) to profit before tax as a result of the following differences:

	2015 US$	2014 US$
Profit before tax	**2,098,028**	155,072
Income tax expense at statutory rate of 17% (2014 : 17%)	**356,665**	26,362
Exempt income	**(18,834)**	(12,320)
Tax incentives	**(13,692)**	(6,033)
Others	**(3,039)**	946
(Over) Under provision in prior years	**19**	(3,567)
Total income tax expense	**321,119**	5,388

The Company has been awarded Global Trader Programme Status ("GTP") in Singapore for a period of 5 years effective from November 1, 2014.Under the GTP Status, qualifying income is taxed at a concessionary tax rate of 5%.The company will review with the relevant government agencies on the incentive status which will then be reflected in its tax filings viz ECI and form C. Pending this, the Company has provided in the books of accounts tax at the prevailing corporate tax rate of 17%.

21. DIVIDENDS

In 2014, a final dividend of US$0.12 per share (total dividend of US$176,750) was declared to the company's shareholder on April 7, 2014 and paid on July 10, 2014.

In 2013, a final dividend of US$0.09 per share (total dividend of US$141,400) was declared and paid to the company's shareholder.

Notes to Financial Statements March 31, 2015

22. OPERATING LEASE COMMITMENTS

	2015	2014
	US$	US$
Minimum lease payments paid under operating leases recognised as expense in the year	**4,127,917**	287,488

At the end of the reporting period, the company has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2015	2014
	US$	US$
Within one year	**12,896,413**	363,783
Within the next two to five years	**32,621,723**	491,193
Total	**45,518,136**	854,977

Operating lease payments represent rentals payable by the company for its office and employees' residential properties and storage facility. Leases are negotiated for an average term of two years and rentals are fixed for an average of two years.

23. CHANGE IN FUNCTIONAL CURRENCY

Change in presentation currency due to change in functional currency

During the year, the company commenced trading in crude oil, petroleum, petrochemicals and refined oil products which led to the change in its functional currency from Singapore dollars to the United States dollars.

In accordance with FRS 21 *The Effects of Changes in Foreign Exchange Rates*, management has applied the translation procedures applicable to the new functional currency prospectively fromOctober 1, 2014, which is the date of the change.

The change in presentation currency for the March 31, 2014 comparative figures is considered a change of accounting policy and as such, is to be applied retrospectively in accordance with FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. As a result, a third statement of financial position has been presented in accordance with FRS 1 *Presentation of Financial Statements.*

The comparative figures for the financial years ended March 31, 2014 which were previously measured and presented in Singapore dollar, have been translated to USD for presentation of comparatives. For this purpose:

(a) assets and liabilities are translated at rates of exchange prevailing at the end of each reporting period;

(b) profit and loss items are translated at exchange rates at the date of transactions or average rates of exchange for the respective financial years; and

(c) all equity items are transalated at the rate of exchange approximating those ruling at transaction dates: and

(d) All exchange differences resulting from translation arising from the above are recognised in equity.

Transactions in currencies other than the company's functional currency are recorded at the rates of exchange prevailing on the date of transaction. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising from retranslation of comparative figures in 2013 & 14 are recorded as translation reserve and brought forward to subsequent years.

Notes to Financial Statements March 31, 2015

The effects of the change in functional currency on the presentation of financial statements of the company for the financial year ended March 31, 2014 and March 31, 2013 are as follows:

	As reported in the financial statements for the financial year ended March 31, 2014 S$	Amount in US$ as re-measured in the comparative figures US$
Total assets	2,097,250	1,643.892
Total liabilities	363,157	283,208
Equity	1,734,093	1,360,684
Total liabilities and equity	2,097,250	1,643,892
Retained earnings:		
At beginning of year	223,749	175,297
Dividends paid	(180,000)	(141,400)
Net profit for the year	190,344	149,684
At end of year	234,093	183,581
Translation reserve	-	1,923

	As reported in the financial statements for the financial year ended March 31, 2013 S$	Amount in US$ as re-measured in the comparative figures US$
Total assets	2,030,611	1,590,891
Total liabilities	306,862	240,414
Equity	1,723,749	1,350,477
Total liabilities and equity	2,030,611	1,590,891
Translation reserve	-	-