PETROLEUM SPECIALITIES PTE. LTD.
AND ITS SUBSIDIARY CORPORATIONS

(Incorporated in Singapore) (Co. Reg. No.: 200403112K)

SPECIAL AUDIT ANNUAL REPORT FOR GROUP REPORTING PURPOSE

For the financial year ended 31 March 2016

Audit Alliance LLP
Public Accountants
Chartered Accountants

PETROLEUM SPECIALITIES PTE. LTD.
AND ITS SUBSIDIARY CORPORATIONS
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For the financial year ended 31 March 2016

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DIRECTORS' STATEMENT

For the financial year ended 31 March 2016

The directors present their report to the member together with the audited financial statements of the Group and Company for the financial year ended **31 March 2016.**

In the opinion of the directors,

(a) the financial statements of the Company and the consolidated financial statements of the Group as set out on pages **6 to 46** are drawn up so as to give a true and fair view of the financial position of the Company and of the Group at **31 March 2016** and the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this report are as follows:

Kushal Narendra Desai
Gajjala Sai Sudhakar
Yeow Hong Soon (Appointed on 20 July 2015)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the share capital or debentures of the Company and related corporations, except as follows:

	Holdings registered in name of director or nominee	
	At 31.3.2016	At 1.4.2015
Apar Industries Ltd.		
(No. of ordinary shares)		
Kushal Narendra Desai	**7,378,428**	7,378,428

Directors' interests in shares and debentures (continued)

	Holdings registered in name of director or nominee (continued)	
	At 31.3.2016	At 1.4.2015
Apar Corporation Private Limited		
(No. of ordinary shares)		
Kushal Narendra Desai	**915,846**	915,846
Scope Private Limited		
(No. of ordinary shares)		
Kushal Narendra Desai	**2,250**	2,250
Apar Technologies Private Limited		
(No. of ordinary shares)		
Kushal Narendra Desai	**1**	1
Apar Chematek Lubricants Limited		
(No. of ordinary shares)		
Kushal Narendra Desai	**-**	10
Catalis World Private Limited		
(No. of ordinary shares)		
Kushal Narendra Desai	**5,000**	5,000

None of the directors holding office at 31 March 2016 had any interest in the debentures of the Company or any related Company.

Directors' contractual benefits

Since the end of previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the financial statement and in this report and except that Mr. Gajjala Sai Sudhakar has an employment relationship with the Company, and has received remuneration in that capacity.

Share options

There were no options granted during the financial year to subscribe for unissued share of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of financial year.

Independent Auditor

The independent auditor, **Audit Alliance LLP**, has expressed its willingness to accept re-appointment.

On behalf of the directors

Gajjala Sai Sudhakar
Director

Kushal Narendra Desai
Director

Date: 18 MAY 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
PETROLEUM SPECIALITIES PTE. LTD.
AND ITS SUBSIDIARY CORPORATIONS
Co. Reg. No.: 200403112K

Report on the Financial Statements

We have audited the accompanying financial statements of **Petroleum Specialities Pte. Ltd.** (the "Company") and its subsidiary corporations (the "Group") set out on pages **6 to 46**, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at **31 March 2016,** and the consolidated statement of comprehensive income, the consolidated statement of changes in equity of the Group and the Company and the consolidated statement of cash flows of the Group for the financial year 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 (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, that 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 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 controls relevant to the entity's preparation of the 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, 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 reasonable basis for our opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF PETROLEUM SPECIALITIES PTE. LTD. AND ITS SUBSIDIARY CORPORATIONS

Co. Reg. No.: 200403112K

(continued)

Opinion

In our opinion, the consolidated financial statements of the Group and 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 Group and of the Company as at **31 March 2016**, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

Restriction on Distribution and Use

The consolidated financial statements of the Group and the financial statements of the Company are prepared to meet the requirements of holding company for consolidation purpose. As a result, these may not be suitable for another purpose.

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.

The engagement partner on the audit resulting in this independent auditor's report is Lee Tai Wai.

Audit Alliance LLP

AUDIT ALLIANCE LLP
Public Accountants and Chartered Accountants

Singapore,

Date: 18 MAY 2016

PETROLEUM SPECIALITIES PTE. LTD.
AND ITS SUBSIDIARY CORPORATIONS
Co. Reg. No.: 200403112K

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2016

	Note	Group		Company	
		2016	2015	**2016**	2015
		US$	US$	**US$**	US$
Revenue	4	**12,986,941**	28,630,709	**7,925,652**	24,516,729
Other income	5	**395,969**	232,162	**384,639**	154,263
Other (losses) / gains - net	6	**(8,215)**	81,168	**(69,891)**	15,064
Expenses:					
- Purchases of inventories		**(9,936,632)**	(26,857,298)	**(7,125,945)**	(23,515,932)
- Depreciation		**(11,362)**	(3,291)	**(4,072)**	(501)
- Employee compensation	7	**(106,784)**	(93,892)	**(106,784)**	(93,892)
- Rental		**(17,316)**	(18,588)	**(17,316)**	(18,588)
- Professional fees		**(115,574)**	(90,714)	**(46,098)**	(17,098)
- Demurrage		**66,248**	98,719	**66,248**	98,719
- Discount allowed		**(80,055)**	(204,001)	**(80,055)**	(204,001)
- Freight charges		**(307,216)**	(1,098,913)	**-**	(668,179)
- Hire / rent of plant and equipment		**(17,698)**	(92,495)	**-**	-
- Insurance charges		**(54,720)**	(36,071)	**(27,721)**	(4,675)
- Management fee		**(217,637)**	(282,644)	**-**	-
- Testing fees		**(50,999)**	(72,767)	**(14,341)**	(17,960)
- Sales commission		**(12,649)**	(38,503)	**(12,649)**	(38,503)
- Storage charges		**(293,767)**	(281,850)	**(39,136)**	-
- Finance cost	8	**(1,996)**	(12,856)	**-**	(10,091)
- Bank charges		**(20,475)**	(14,369)	**(18,011)**	(11,924)
- Other operating expenses		**(473,469)**	(403,884)	**(92,459)**	(43,276)
- Changes in inventories		**(665,753)**	1,408,330	**(21,223)**	614,398
Total expenses		**(12,317,854)**	(28,095,087)	**(7,539,562)**	(23,931,503)
Profit before income tax		**1,056,841**	848,952	**700,838**	754,553
Income tax expense	9(a)	**(179,063)**	(183,141)	**(49,443)**	(145,355)
Total profit		**877,778**	665,811	**651,395**	609,198

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)
For the financial year ended 31 March 2016

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Other comprehensive income:				
Currency translation differences arising from consolidation	**5,306**	(126,568)	**-**	-
Other comprehensive income / (losses), net of tax	**5,306**	(126,568)	**-**	-
Total comprehensive income	**883,084**	539,243	**651,395**	609,198
Total profit attributable to:				
Equity holders of the Company	**771,848**	645,203	**651,395**	609,198
Non-controlling interests	**105,930**	20,608	**-**	-
	877,778	665,811	**651,395**	609,198
Total comprehensive income attributable to:				
Equity holders of the Company	**775,297**	562,933	**651,395**	609,198
Non-controlling interests	**107,787**	(23,690)	**-**	-
	883,084	539,243	**651,395**	609,198

BALANCE SHEET
As at 31 March 2016

	Note	Group		Company	
		2016	2015	**2016**	2015
		US$	US$	**US$**	US$
ASSETS					
Current assets					
Cash and cash equivalents	10	**7,046,804**	9,947,524	**6,020,843**	9,478,915
Trade and other receivables	11	**4,321,117**	6,195,204	**4,923,873**	6,737,857
Inventories	12	**1,736,627**	2,436,988	**593,175**	614,398
		13,104,548	18,579,716	**11,537,891**	16,831,170
Non-current assets					
Investment in subsidiary	13	**-**	-	**3,562,580**	197,410
Plant and equipment	14	**5,371,442**	128,955	**17,069**	410
Other non-current assets	15	**4,667,084**	-	**-**	-
		10,038,526	128,955	**3,579,649**	197,820
Total assets		**23,143,074**	18,708,671	**15,117,540**	17,028,990
LIABILITIES					
Current liabilities					
Trade and other payables	16	**4,597,126**	4,382,914	**885,892**	3,218,492
Provisions	17	**67,845**	252,186	**67,845**	252,186
Current income tax liabilities	9(b)	**245,908**	190,121	**111,035**	156,939
Total liabilities		**4,910,879**	4,825,221	**1,064,772**	3,627,617
Non-current liabilities					
Borrowings	18	**3,500,000**	-	**-**	-
Total liabilities		**8,410,879**	4,825,221	**1,064,772**	3,627,617
NET ASSETS		**14,732,195**	13,883,450	**14,052,768**	13,401,373
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	19	**59,101**	59,101	**59,101**	59,101
Currency translation reserve	20	**(126,401)**	(129,850)	**-**	-
Retained earnings		**14,501,721**	13,729,873	**13,993,667**	13,342,272
		14,434,421	13,659,124	**14,052,768**	13,401,373
Non-controlling interests		**297,774**	224,326	**-**	-
Total equity		**14,732,195**	13,883,450	**14,052,768**	13,401,373

PETROLEUM SPECIALITIES PTE. LTD.
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2016

Group	Note	Share capital US$	Retained earnings US$	Currency translation reserve US$	Total US$	Non-controlling interest US$	Total equity US$
2016							
Beginning of financial year		**59,101**	**13,729,873**	**(129,850)**	**13,659,124**	**224,326**	**13,883,450**
Dividend paid		-	-	-	-	(34,339)	(34,339)
Profit for the year		-	771,848	-	771,848	105,930	877,778
Other comprehensive income for the year		-	-	3,449	3,449	1,857	5,306
End of financial year		**59,101**	**14,501,721**	**(126,401)**	**14,434,421**	**297,774**	**14,732,195**
2015							
Beginning of financial year		**59,101**	**14,084,670**	**(47,580)**	**14,096,191**	**248,016**	**14,344,207**
Dividend paid	21	-	(1,000,000)	-	(1,000,000)	-	(1,000,000)
Profit for the year		-	645,203	-	645,203	20,608	665,811
Other comprehensive losses for the year		-	-	(82,270)	(82,270)	(44,298)	(126,568)
End of financial year		**59,101**	**13,729,873**	**(129,850)**	**13,659,124**	**224,326**	**13,883,450**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
For the financial year ended 31 March 2016

Company	Note	Share capital US$	Retained earnings US$	Total US$
2016				
Beginning of financial year		**59,101**	**13,342,272**	**13,401,373**
Total comprehensive income for the year		-	651,395	651,395
End of financial year		**59,101**	**13,993,667**	**14,052,768**
2015				
Beginning of financial year		**59,101**	**13,733,074**	**13,792,175**
Dividend paid	21	-	(1,000,000)	(1,000,000)
Total comprehensive income for the year		-	609,198	609,198
End of financial year		**59,101**	**13,342,272**	**13,401,373**

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2016

	Note	2016 US$	2015 US$
Cash flows from operating activities			
Profit before income tax		**1,056,841**	848,952
Adjustments for:			
- Depreciation	14	**11,362**	3,291
- Interest income	5	**(24,106)**	(8,675)
- Interest expense	8	**1,996**	12,856
Operating cash flow before working capital changes		**1,046,093**	856,424
Change in working capital:			
- Inventories		**700,361**	(1,083,544)
- Trade and other receivables		**1,822,133**	9,526,443
- Trade and other payables		**(42,508)**	1,858,557
Cash generated from operations		**3,526,079**	11,157,880
Interest paid	8	**(1,996)**	(12,856)
Income tax paid	9(b)	**(127,088)**	(429,460)
Net cash provided by operating activities		**3,396,995**	10,715,564
Cash flows from investing activities			
Interest received		**24,106**	8,675
Repayment of advance to related corporation		**51,954**	-
Advance to related corporation		**-**	(62,087)
Advance to non-related parties		**(4,667,084)**	-
Additions to property, plant and equipment		**(5,253,935)**	(123,678)
Net cash used in investing activities		**(9,844,959)**	(177,090)
Cash flows from financing activities			
Dividends paid to equity holder of the Company		**-**	(1,000,000)
Dividends paid to non-controlling interests		**(34,339)**	-
Advance from related parties		**72,379**	-
Proceeds from borrowings		**3,500,000**	-
Net cash provided by / (used in) financing activities		**3,538,040**	(1,000,000)
Net (decrease) / increase in cash and cash equivalents		**(2,909,924)**	9,538,474
Cash and cash equivalents at beginning of financial year	10	**9,947,524**	541,310
Effect of currency translation on cash and cash equivalents		**9,204**	(132,260)
Cash and cash equivalents at end of financial year	10	**7,046,804**	9,947,524

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Petroleum Specialities Pte. Ltd. (the "Company") is incorporated and domiciled in Singapore. The address of its registered office is 4 Shenton Way, #08-03 SGX Centre 2, Singapore 068 807.

The principal activities of the Company consist of trading in petroleum based products and all kind of commodities and securities and general wholesale trade (including general importers and exporters). Principal activities of the subsidiaries are disclosed in Note 13.

There have been no significant changes in the nature of these activities during the financial year.

2. Significant accounting policies

2.1 Basis preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2015

On 1 April 2015, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2. Significant accounting policies (continued)

2.2 Revenue recognition

Revenue for the Group comprises the fair value of the consideration received or receivable for the sales of goods, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, when it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follow:

(i) Sales of goods

Revenue from these sales is recognised when a Group entity has delivered products to the customers, the customers have accepted the products and the collectability of the related receivables is reasonably assured.

(ii) Interest income

Interest income is recognised using the effective interest method.

(iii) Other income

Other income is recognised when the right to receive payment is established.

2. Significant accounting policies (continued)

2.3 Group accounting

(a) Subsidiary corporations

(i) Consolidation

Subsidiary corporations are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiary corporations are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiary corporations have been changed when necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) Subsidiary corporations (continued)

(ii) Acquisitions (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with the limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

Please refer to the paragraph "Investment in subsidiary corporations" for the accounting policy on investment in subsidiary in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2.4 Plant and equipment

(i) Measurement

(a) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

2. Significant accounting policies (continued)

2.4 Plant and equipment (continued)

(i) Measurement (continued)

(b) Component of costs

The cost of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs and any fair value gains or losses on qualifying cash flow hedges of plant and equipment that are transferred from the hedging reserve.

(ii) Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Computers	5 years
Plant and equipment	5 -10 years
Motor vehicles	8 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(iii) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(iv) Disposal

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “Other losses – net”. Any amount in revaluation reserve relating to that asset is transferred to retained profits directly.

2. Significant accounting policies (continued)

2.5 Investment in subsidiary corporations

Investment in subsidiary corporations is carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investment in subsidiary, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.6 Impairment of non-financial assets

Plant and equipment
Investments in subsidiary corporations

Plant and equipment and investment in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also credited to profit or loss.

2. Significant accounting policies (continued)

2.7 Financial assets

(i) Classification

Loan and receivables

Loan and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as “trade and other receivables” and “cash and cash equivalents” on the balance sheet.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount in other comprehensive income relating to that asset is reclassified to profit or loss.

(iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(iv) Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2. Significant accounting policies (continued)

2.7 Financial assets (continued)

(v) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(vi) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.8 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

2. Significant accounting policies (continued)

2.9 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.10 Fair value estimation of financial assets and liabilities

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Valuation techniques, such as discounted cash flow analyses, are used to determine the fair values of the financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.11 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.12 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investment in subsidiary, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

2. Significant accounting policies (continued)

2.12 Income taxes (continued)

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity.

2.13 Provisions

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.14 Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an assets.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2. Significant accounting policies (continued)

2.14 Employee benefits (continued)

(b) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either; terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(c) Employee leave entitlement

Employee entitlement to annual leave is recognised when they accrue to employee. No provision is made for the estimated liability for annual leave as all untilised leave are forfeited and it is not the Group's policy to permit unutilised leave to be carried forward.

2.15 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in United States Dollar, which is the Company's functional and presentation currency.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance cost". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other losses – net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2. Significant accounting policies (continued)

2.15 Currency translation (continued)

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the reporting date;
(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

2.16 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.18 Dividends to Company's shareholders

Dividends to Company's shareholders are recognised when the dividends are approved for payments.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Uncertain tax positions

The Group is subject to income taxes in numerous jurisdictions. In determining the income tax liabilities, management is required to estimate the amount of capital allowances and the deductibility of certain expenses ("uncertain tax positions") at each tax jurisdiction.

The Group has significant no significant open tax assessments with a tax authority at the balance sheet date. As management believes that the tax positions are sustainable, the Group has not recognized any additional tax liability on these uncertain tax positions. The maximum exposure of these uncertain tax positions, not recognised in these financial statements is **US$17,906** (2015: US$18,314).

(ii) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded in the income statement. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

If the net present values of estimated cash flows had been higher/lower by 0.1% from management's estimates for all past due loans and receivables, the allowance for impairment of the Group and Company would have been lower/higher by **US$3,399** (2015: US$5,362) and **US$3,000** (2015: US$4,265) respectively.

4. Revenue

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Sales of goods	**12,986,941**	28,630,709	**7,925,652**	24,516,729

5. Other income

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Discount received	**51,211**	119,896	**50,776**	118,005
Interest income	**29,971**	8,675	**39,437**	36,258
Dividend income	**-**	-	**60,780**	-
Corporate guarantee commission	**5,303**	-	**5,303**	-
Profit share from licensee	**225,191**	-	**225,191**	-
Miscellaneous income	**84,293**	103,591	**3,152**	-
	395,969	232,162	**384,639**	154,263

6. Other (losses) / gains - net

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Gain / (loss) on exchange difference	**71,785**	16,543	**10,109**	(49,561)
(Loss) / gain on hedging transaction	**(80,000)**	64,625	**(80,000)**	64,625
	(8,215)	81,168	**(69,891)**	15,064

7. Employee compensation

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Wages and salaries	**106,784**	93,892	**106,784**	93,892

Key management personnel compensation is disclosed in Note 25(e).

8. Finance cost

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Interest expense	**1,996**	12,856	**-**	10,091

9. Income taxes

(a) Income tax expense

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Tax expense attributable to profit is made up of:				
- Current income tax	**213,156**	146,013	**83,536**	108,227
(Over) / under provision in the preceding financial year:				
- Current income tax	**(34,093)**	37,128	**(34,093)**	37,128
	179,063	183,141	**49,443**	145,355

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Profit before income tax	**1,056,841**	848,952	**700,838**	754,553
Tax calculated at a tax rate of 17% (2015: 17%)	**179,663**	144,321	**119,143**	128,274
Effect of :				
- Different tax rates in other countries	**58,322**	12,953	**-**	-
- Expenses not deductible for tax purposes	**929**	24,260	**692**	15,474
- Income not subject to tax	**8,822**	-	**(1,719)**	-
- Singapore statutory stepped income exemption	**(18,857)**	(20,052)	**(18,857)**	(20,052)
- Utilisation of capital allowance	**(1,175)**	-	**(1,175)**	-
- Over provision in prior financial year	**(34,093)**	-	**(34,093)**	-
Tax rebate	**(14,548)**	(15,469)	**(14,548)**	(15,469)
Tax charge	**179,063**	146,013	**49,443**	108,227

9. Income taxes (continued)

(b) Movements in current income tax liabilities

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Beginning of financial year	**190,121**	443,274	**156,939**	430,042
Currency translation difference	**3,812**	(6,834)	**-**	-
Income tax paid	**(127,088)**	(429,460)	**(95,347)**	(418,458)
Tax expense on profit for current financial year	**213,156**	146,013	**83,536**	108,227
(Over) / under provision in prior financial year	**(34,093)**	37,128	**(34,093)**	37,128
End of financial year	**245,908**	190,121	**111,035**	156,939

10. Cash and cash equivalents

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Cash at bank and on hand	**7,046,804**	9,947,524	**6,020,843**	9,478,915

The carrying amounts of cash and cash equivalents approximate their fair value.

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Singapore Dollar	**290,466**	59,566	**290,466**	59,566
United States Dollar	**6,420,860**	9,461,951	**5,730,377**	9,419,349
Australian Dollar	**335,478**	426,007	**-**	-
	7,046,804	9,947,524	**6,020,843**	9,478,915

11. Trade and other receivables - current

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Trade receivables:				
- subsidiary corporations	**-**	-	**807,177**	1,568,506
- non-related parties	**3,535,007**	5,576,707	**2,312,727**	4,435,838
	3,535,007	5,576,707	**3,119,904**	6,004,344
Other receivables:				
- subsidiary corporations	**-**	-	**1,347,988**	178,541
- related parties	**416,239**	463,568	**416,239**	463,568
- non-related parties	**22,418**	58,131	**6,297**	4,109
	438,657	521,699	**1,770,524**	646,218
Advances to supplier	**-**	15,059	**-**	15,059
Prepayments	**146,380**	30,719	**20,410**	21,760
Deposits	**201,073**	51,020	**13,035**	50,476
	4,321,117	6,195,204	**4,923,873**	6,737,857

Trade receivables due from subsidiary corporations and non-related parties are unsecured, non interest bearing and are generally on 30 to 120 days term.

Other receivables due from subsidiary corporations, related parties and non-related parties are unsecured, interest free and repayable on demand.

The carrying amounts of trade and other receivables approximate their fair value.

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Singapore Dollar	**411,614**	463,568	**411,614**	463,568
United States Dollar	**2,678,628**	4,581,808	**4,512,259**	6,274,289
Australian Dollar	**1,230,875**	1,149,828	**-**	-
	4,321,117	6,195,204	**4,923,873**	6,737,857

12. Inventories

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
At cost				
Finished goods	**1,736,627**	2,436,988	**593,175**	614,398

The cost of inventories recognised as an expense and included in "cost of sales" amounts to **US$10,602,385** (2015: US$25,448,968).

13. Investments in subsidiary corporations

	Company	
	2016	2015
	US$	US$
Equity investments at cost		
Quantum Apar Speciality Oils Pty Ltd	**156,585**	156,585
Petroleum Specialities FZE	**3,405,995**	40,825
	3,562,580	197,410

Details of significant subsidiary corporations are as follows:

Name of companies	Principal activities	Country of incorporation and place of business	Percentage of equity held	
			2016	2015
			%	%
Quantum Apar Speciality Oils Pty Ltd [(a)]	Trading in petroleum based product such as transformer oils, white oils, process oil and other specialty oils	Australia	**65**	65
Petroleum Specialities FZE [(b)]	Manufacturing and marketing of petroleum based speciality products, all kinds of oil, lubricant and chemicals	United Arab Emirates	**100**	100

(a) Audited by LDB Audit Services Pty Ltd, Australia.
(b) Audited by ABK Saqer Auditing, United Arab Emirates.

14. Plant and equipment

Group	Computers	Plant and equipment	Stock of IBC	Asset under construction	Motor vehicles	Total
	US$	US$	US$	US$	US$	US$
2016						
Cost						
Beginning of financial year	10,982	86,193	65,074	123,678	-	285,927
Currency translation differences	-	(39)	(303)	-	-	(342)
Additions	-	30,730	-	5,204,444	18,761	5,253,935
End of financial year	10,982	116,884	64,771	5,328,122	18,761	5,539,520
Accumulated depreciation						
Beginning of financial year	10,572	86,193	60,207	-	-	156,972
Currency translation differences	-	(39)	(217)	-	-	(256)
Depreciation charge	268	5,373	1,559	-	4,162	11,362
End of financial year	10,840	91,527	61,549	-	4,162	168,078
Net book value						
End of financial year	**142**	**25,357**	**3,222**	**5,328,122**	**14,599**	**5,371,442**
2015						
Cost						
Beginning of financial year	10,982	87,878	78,260	-	-	177,120
Currency translation differences	-	(1,685)	(13,186)	-	-	(14,871)
Additions	-	-	-	123,678	-	123,678
End of financial year	10,982	86,193	65,074	123,678	-	285,927
Accumulated depreciation						
Beginning of financial year	10,071	87,878	69,461	-	-	167,410
Currency translation differences	-	(1,685)	(12,044)	-	-	(13,729)
Depreciation charge	501	-	2,790	-	-	3,291
End of financial year	10,572	86,193	60,207	-	-	156,972
Net book value						
End of financial year	**410**	**-**	**4,867**	**123,678**	**-**	**128,955**

14. Plant and equipment (continued)

Company	Computers	Plant and equipment	Total
	US$	US$	US$
2016			
Cost			
Beginning of financial year	10,982	77,877	88,859
Additions	-	20,731	20,731
End of financial year	10,982	98,608	109,590
Accumulated depreciation			
Beginning of financial year	10,572	77,877	88,449
Depreciation charge	268	3,804	4,072
End of financial year	10,840	81,681	92,521
Net book value			
End of financial year	**142**	**16,927**	**17,069**
2015			
Cost			
Beginning and end of financial year	10,982	77,877	88,859
Accumulated depreciation			
Beginning of financial year	10,071	77,877	87,948
Depreciation charge	501	-	501
End of financial year	10,572	77,877	88,449
Net book value			
End of financial year	**410**	**-**	**410**

15. Other non-current assets

	Group		**Company**	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Capital advance:				
- non-related parties	**4,667,084**	-	**-**	-

The above represents the advances given to the suppliers and contractors in connection with the setting up of facilities for manufacturing of petroleum based speciality products, all kind of oil, lubricant and chemicals at Plot no. 1C-02D1, Hamriyah Free Zone, Sharjah – U.A.E.

15. Other non-current assets (continued)

Other non-current assets are denominated in the following currencies:

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
United Arab Emirates Dirham	**3,881,281**	-	**-**	-
United States Dollar	**216,873**	-	**-**	-
Euro	**568,930**	-	**-**	-
	4,667,084	-	**-**	-

16. Trade and other payables

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Trade payables:				
- holding corporation	**954,005**	1,027,327	**-**	-
- non-related parties	**898,633**	3,310,006	**769,181**	3,178,374
	1,852,638	4,337,333	**769,181**	3,178,374
Other payables:				
- holding corporation	**87,051**	23,388	**87,051**	23,388
- related parties	**8,916**	200	**-**	-
- non-related parties	**2,614,239**	3,294	**-**	-
	2,710,206	26,882	**87,051**	23,388
Accrued charges	**34,282**	18,699	**29,660**	16,730
	4,597,126	4,382,914	**885,892**	3,218,492

Trade payables due to holding corporation and non related parties are unsecured, non-interest bearing and are generally on 30 to 90 days term.

Other payables due to holding corporation, related parties and non-related parties are unsecured, interest free and repayable on demand.

The carrying amounts of trade and other payables approximate their fair value.

16. Trade and other payables (continued)

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Singapore Dollar	**29,660**	16,730	**29,660**	16,730
United States Dollar	**4,432,399**	4,231,187	**856,232**	3,201,762
Australian Dollar	**135,067**	134,997	**-**	-
	4,597,126	4,382,914	**885,892**	3,218,492

17. Provisions

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Current				
Demurrage payables (Note (a))	**-**	203,210	**-**	203,210
Sales commission (Note (b))	**30,469**	48,976	**30,469**	48,976
Provision for profit sharing (Note (c))	**37,376**	-	**37,376**	-
	67,845	252,186	**67,845**	252,186

(a) Demurrage payables

Movement in demurrage payables is as follows:

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Beginning of financial year	**203,210**	193,694	**203,210**	193,694
Provision made	**65,164**	340,981	**65,164**	340,981
Provision utilised	**(161,990)**	(73,000)	**(161,990)**	(73,000)
Over provision	**(106,384)**	(258,465)	**(106,384)**	(258,465)
End of financial year	**-**	203,210	**-**	203,210

17. Provisions (continued)

(b) Sales commission

Movement in sales commission is as follows:

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Beginning of financial year	**48,976**	42,981	**48,976**	42,981
Provision made	**12,649**	38,503	**12,649**	38,503
Provision utilised	**(31,156)**	(32,508)	**(31,156)**	(32,508)
End of financial year	**30,469**	48,976	**30,469**	48,976

(c) Provision for profit sharing

Movement in provision for profit sharing is as follows:

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Beginning of financial year	**-**	-	**-**	-
Provision made	**37,376**	-	**37,376**	-
End of financial year	**37,376**	-	**37,376**	-

18. Borrowings

	Group	
	2016	2015
	US$	US$
Non-current		
Bank borrowings	**3,500,000**	-

Borrowings are denominated in United States Dollar.

(a) Security granted

Bank borrowings are secured by joint and several guarantees of Petroleum Specialities Pte Ltd and Apar Industries Limited and mortgage over specified assets situated at Plot no. 1C-02D1, Hamriyah Free Zone, Sharjah – U.A.E.

18. Borrowings (continued)

(b) Fair value of non-current borrowings

	Group	
	2016	2015
	US$	US$
Bank borrowings	**1,887,844**	-

The fair values above are determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group as follows:

	Group	
	2016	2015
Bank borrowings	**4.2171% - 4.2335%**	-

19. Share capital

	No. of ordinary shares		Amount	
	2016	2015	**2016**	2015
			US$	US$
Group and Company				
Issued share capital				
Beginning and end of financial year	**100,000**	100,000	**59,101**	59,101

All issued ordinary share are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

20. Currency translation reserve

	Group	
	2016	2015
	US$	US$
Currency translation reserve	**(126,401)**	(129,850)

Movement in currency translation reserve is as follows:

	Group	
	2016	2015
	US$	US$
Beginning of financial year	**(129,850)**	(47,580)
Net currency translation differences of financial statements of foreign subsidiary corporations	**5,306**	(126,568)
Less: Minority interest	**(1,857)**	44,298
	3,449	(82,270)
End of financial year	**(126,401)**	(129,850)

21. Dividend

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Interim exempt (one-tier) dividend of **Nil** (2015:US$10) per share	**-**	1,000,000	**-**	1,000,000

22. Contingencies

	Group	
	2016	2015
	US$	US$
Letter of credit	**152,208**	-

The letter of credit is given to supplier I.S.T. Molchtechnik G.M.B.H towards purchase of machinery. Except for the above and ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liabilities on Group's financial statements as of reporting date.

23. Commitment

	Group	
	2016	2015
	US$	US$
Construction contract (due within 1 year)	**2,090,592**	-

The above commitment is related to construction contract in connection with setting up of manufacturing plant. Except for the above and ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known capital commitment on Group's financial statements as of reporting date.

24. Financial risk management

Financial risk factor

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Director is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management team then establishes detailed policies such as risk identification and measurement, exposure limits and hedging strategies. Financial risk management is carried out by treasury personnel.

The finance personnel measure actual exposures against the limits set and prepare regular reports for the review of the management team and the Board of Directors. The information presented below is based on information received by key management.

(a) Market risk

(i) Currency risk

The Group operates in Singapore and Australia. Entities in the Group regularly transact in their respective functional currencies ("foreign currencies").

The Group business is exposed to Australian Dollar ("AUD"). Currency risk arises when future commercial transactions recognized assets and liabilities are denominated in a currency that is not the Group's functional currency. The Group manages this risk by monitoring the foreign currency exchange rate movements closely to ensure that exposure is minimised.

24. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group and the Company's currency exposure to the AUD is as follows:

	Group	
	2016	2015
	US$	US$
Financial assets		
Cash and cash equivalents (Note 10)	**335,478**	426,007
Trade and other receivables (Note 11)	**1,230,875**	1,149,828
	1,566,353	1,575,835
Financial liabilities		
Trade and other payables (Note 16)	**135,067**	134,997
Net financial assets	**1,431,286**	1,440,838
Currency exposure	**1,431,286**	1,440,838

At 31 March 2016, if the AUD had strengthened / weakened by **5%** (2015: 9%) against the USD with all other variables including tax rate being held constant, the Group's profit after tax for the financial year would have been **US$71,564** (2015: US$129,676) higher / lower a result of currency translation gains / losses on the un-hedged AUD denominated net financial assets.

(ii) Price risk

The Group and Company has insignificant exposure to equity price risk as it does not hold significant equity financial assets.

(iii) Interest rate risk

The Company is exposed to significant interest rate risk on its borrowings. The Company periodically reviews its liabilities and monitors interest rate fluctuations to ensure that the exposure to interest rate risk is within acceptable levels.

The Company's borrowings at variable rates on which effective hedges have not been entered into are denominated in USD. If the USD interest rate had strengthened / weakened by **0.63%** (2015 : NIL) with all other variables including tax rate being held constant, the profit after tax will be lower/ higher by **US$22,050** (2015: NIL) as a result of higher/lower interest expense on these borrowings.

24. Financial risk management (continued)

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and the Company are cash and cash equivalent and trade receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient collateral where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual customer is restricted by the credit limit approved by the credit controller. Customer's payment profile and credit exposure are continuously monitored by credit controller and reported to the management and Board of Directors. The Group and the Company trade receivables comprise 38 debtors (2015: 43 debtors) and 4 debtors (2015: 2 debtors) respectively that individually represented 1% to 48% of trade receivables at balance sheet date.

The credit risk for trade receivables based on the information provided to key management is as follow:

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
By geographical areas				
Australia	**1,222,280**	1,140,869	**807,177**	1,568,506
Turkey	**2,312,727**	2,855,309	**2,312,727**	2,855,309
South Africa	**-**	1,580,529	**-**	1,580,529
	3,535,007	5,576,707	**3,119,904**	6,004,344

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks which high credit-ratings as determined by international credit rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with good collection track records with the Group.

24. Financial risk management (continued)

(b) Credit risk (continued)

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The aging analysis of trade receivables past due but not impaired as follow:

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
30 or less	**2,484,346**	1,194,853	**2,353,999**	580,383
31 to 60 days	**491,087**	1,835,741	**294,000**	2,304,436
61 to 90 days	**125,339**	38,619	**37,693**	14,126
91 days or more	**434,235**	2,507,494	**434,212**	3,105,399
	3,535,007	5,576,707	**3,119,904**	6,004,344

(c) Liquidity risk

The Group and the Company manages liquidity risk by maintaining sufficient cash and marketable securities, and available funding through as adequate amount of committed credit facilities sufficient to enable it to meet its operational requirements.

The table below analyses the maturity profile of financial liabilities of the Group and the Company based on contractual undiscounted cash flows.

	Less than 1 year	Between 1 to 5 years
Group	US$	US$
At 31 March 2016		
Trade and other payables (Note 16)	**4,597,126**	**-**
Borrowings (Note 18)	**-**	**3,500,000**
	4,597,126	**3,500,000**
At 31 March 2015		
Trade and other payables (Note 16)	4,382,914	-
Company		
At 31 March 2016		
Trade and other payables (Note 16)	**885,892**	**-**
At 31 March 2015		
Trade and other payables (Note 16)	3,218,492	-

24. Financial risk management (continued)

(d) Capital risk

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The management monitors its capital based on net debts and total capital. Net debts are calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

The gearing ratio is calculated as net debt divided by total capital.

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Net debt	**1,050,322**	-	**-**	-
Total equity	**14,732,195**	13,883,450	**14,052,768**	13,401,373
Total capital	**15,782,517**	13,883,450	**14,052,768**	13,401,373
Gearing ratio	**7%**	NIL	**NIL**	NIL

The Group and Company are in compliance with all externally imposed capital requirements for the financial year ended 31 March 2015 and 2016.

(e) Financial instruments by category

	Group		Company	
	2016	2015	**2016**	2015
	US$	US$	**US$**	US$
Loans and receivables	**15,888,625**	16,112,009	**10,924,306**	16,195,012
Financial liabilities at amortised cost	**8,097,126**	4,382,914	**885,892**	3,218,492

25. Related party transactions

The following transactions took place between the Group and related parties during the financial year:

(a) Sales of goods

	Group	
	2016	2015
	US$	US$
Sales of goods to holding corporation	**-**	7,778,815

(b) Purchase and operating expenses

	Group	
	2016	2015
	US$	US$
Purchase of goods from holding corporation	**2,621,142**	2,956,431
Rental expense charged by related parties	**17,316**	18,588
Management fees charged by related parties	**217,637**	282,644

(c) Payment on behalf

	Group	
	2016	2015
	US$	US$
Payment of Director's salary on behalf of related parties	**144,082**	158,681

25. Related party transactions (continued)

(d) Dividends

	Group	
	2016	2015
	US$	US$
Dividends paid to holding corporation	**-**	1,000,000

Other related parties comprise mainly companies which are controlled or significantly influenced by the Group's key management personnel.

Outstanding balances with related parties at the balance sheet date are set out in Note 11 and 16 respectively.

(e) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2016	2015
	US$	US$
Wages and salaries	**57,934**	39,670

26. Immediate and ultimate holding corporation

The Company's immediate and ultimate holding corporation is Apar Industries Ltd., incorporated in India.

27. Events occurring after balance sheet date

Since the end of the financial year, the shareholder and directors of the subsidiary, Quantum Apar Speciality Oils Pte Ltd, have resolved to cease the business, liquidate all assets, pay out the liabilities and return the net proceeds to the shareholders. It is anticipated that this will be completed within the next 6 months, after which the subsidiary will be deregistered.

28. New accounting standards and FRS interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2016 and which the Group has not early adopted:

- FRS 16 *Property plant and equipment* and FRS 38 Intangible assets (effective for annual periods beginning on or after 1 January 2016)

  This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. This has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The presumption may only be rebutted in certain limited circumstances. These are where the intangible asset is expressed as a measure of revenue; or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

  The amendment is not expected to have any significant impact on the financial statements of the Group.

- FRS 1 *Presentation of financial statements* (effective for annual periods beginning on or after 1 January 2016)

  This amendment clarifies guidance in FRS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

  This amendment is not expected to have any significant impact on the financial statements of the Group.

28. New accounting standards and FRS interpretations (continued)

- FRS 115 *Revenue from contracts with customers* (effective for annual periods beginning on or after 1 January 2017)

  This is the converged standard on revenue recognition. It replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

  - Step 1: Identify the contract(s) with a customer
  - Step 2: Identify the performance obligations in the contract
  - Step 3: Determine the transaction price
  - Step 4: Allocate the transaction price to the performance obligations in the contract
  - Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

  FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

  This amendment is not expected to have any significant impact on the financial statements of the Group.

29. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of **Petroleum Specialities Pte. Ltd. and its subsidiary corporations** on 18 MAY 2016 .

PETROLEUM SPECIALITIES PTE. LTD.
Co. Reg. No.: 200403112K

DETAILED INCOME STATEMENT
For the financial year ended 31 March 2016

	2016 US$	2015 US$
REVENUE		
Sales of goods	**7,925,652**	24,516,729
LESS : COST OF SALES		
Opening stock	**(614,398)**	-
Purchases	**(7,125,945)**	(23,515,932)
Clearing & custom charges	**(11,677)**	-
Direct expenses - demurrage	**66,248**	98,719
Discount allowed	**(80,055)**	(204,001)
Freight charges	**-**	(668,179)
Ergon Alliance - profit / loss	**(37,376)**	-
Inspection charges	**(13,149)**	(3,238)
Insurance charge	**(27,721)**	(4,675)
Loss of stock in transit	**1,394**	(15,384)
Sales commission account	**(12,649)**	(38,503)
Tank storage charge	**(39,136)**	-
Testing fee	**(14,341)**	(17,960)
Vehicle unloading charges	**(7,847)**	(7,797)
Closing stock	**593,175**	614,398
	(7,323,477)	(23,762,552)
GROSS PROFIT	**602,175**	754,177
ADD: OTHER INCOME		
Interest received	**39,437**	36,258
Dividend income	**60,780**	-
Miscellaneous income	**3,152**	-
Discount received	**50,776**	118,005
Corporate guarantee commission	**5,303**	-
Profit share from licensee	**225,191**	-
	384,639	154,263
LESS: OTHER (LOSSES) / GAINS - NET		
Exchange difference	**10,109**	(49,561)
(Loss) / profit on hedging transaction	**(80,000)**	64,625
	(69,891)	15,064
TOTAL INCOME	**916,923**	923,504

This page does not form part of the audited financial statements.

DETAILED INCOME STATEMENT
For the financial year ended 31 March 2016

	2016 US$	2015 US$
LESS : EXPENSES		
Bank charges	**(4,759)**	(11,924)
Bank guarantee charges	**(13,252)**	-
Brokerage on hedging transactions	**(1,550)**	(1,613)
Conveyance expense	**(242)**	(384)
Commission account	**-**	(3,676)
Courier charges	**(2,817)**	(1,177)
Depreciation	**(4,072)**	(501)
Interest expense	**-**	(10,091)
Legal fee	**(5,254)**	-
Miscellaneous expenses	**(1,051)**	(58)
Office expense	**-**	(5,663)
Rent for office suite	**(17,316)**	(18,588)
Postage expense	**(4)**	(6)
Professional fees	**(46,098)**	(17,098)
Rates & taxes	**(5,360)**	-
Repairs & maintenance	**(134)**	-
Registration fees	**(3,520)**	-
Printing & stationary expenses	**(188)**	(194)
Salary & wages	**(106,400)**	(93,892)
Skill development levy	**(384)**	-
Telephone expenses	**(831)**	(1,084)
Travelling expense	**(2,853)**	(3,002)
	(216,085)	(168,951)
Profit before income tax	**700,838**	754,553
Income tax expense	**(49,443)**	(145,355)
Net profit	**651,395**	609,198

CORPORATE DATA
As at 31 March 2016

PETROLEUM SPECIALITIES PTE. LTD.
(Incorporated in Singapore)

Registration number: 200403112K

Board of Directors

Kushal Narendra Desai	
Gajjala Sai Sudhakar	
Chaitanya Narendra Desai	(Resigned on 20 July 2015)
Yeow Hong Soon	(Appointed on 20 July 2015)

Auditor

Audit Alliance LLP
Chartered Accountants
No 20 Maxwell Road,
#11-09,
Singapore 069 113.
Telephone : (65) 6227 5428
Auditor-In-Charge : Lee Tai Wai

Registered Office

4 Shenton Way,
#08-03, SGX Centre 2,
Singapore 068 807.

Company Secretary

So Yuk Kee Minerva

Principal Bankers

DBS Bank
Credit Agricole Corporate and Investment Bank

Petroleum Specialities FZE
Hamriyah Free Zone
Sharjah- United Arab Emirates

Auditors' report and financial statements
for the year ended March 31, 2016

Petroleum Specialities FZE
Hamriyah Free Zone
Sharjah- United Arab Emirates

Auditors' report and financial statements for the year ended March 31, 2016

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Statement of changes in equity	6
Statement of cash flows	7
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Petroleum Specialities FZE
Hamriyah Free Zone
Sharjah- United Arab Emirates

General information

Office address	:	Plot No. IC - 02D1 Hamriyah Free Zone P.O. Box: 42180 Sharjah - United Arab Emirates
Legal status	:	Free Zone Establishment
Activity	:	Manufacturing and marketing of petroleum based speciality products, all kinds of oil, lubricant and chemicals
Shareholder	:	M/s. Petroleum Specialities PTE LTD - Singapore
Directors	:	Mr. Chaitanya Narendra Desai (Indian national) Mr. Kushal Narendra Desai (Indian national) Mr. Rishabh Kushal Desai (Indian national)
Managers	:	Mr. Sanjay Moreshwar Abhyankar (Indian national) Mr. Rishabh Kushal Desai (Indian national)
The main banks	:	Arab Banking Corporation (B.S.C.) Bank of Baroda Emirates NBD
Auditor	:	ABK Saqer Auditing P.O. Box: 19524 Dubai - United Arab Emirates

ايه بي كيه صقر لتدقيق الحسابات
ABK Saqer Auditing

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Ref: ABK/AR/HFZ/0012/16

Independent auditors' report

To

The Shareholder
Petroleum Specialities FZE
Hamriyah Free Zone
Sharjah- United Arab Emirates

Report on the financial statements

We have audited the accompanying financial statements of **M/s. Petroleum Specialities FZE, Hamriyah Free Zone, Sharjah - United Arab Emirates** ("the Entity") which comprise the statement of financial position as at March 31, 2016 and the statement of profit or loss and other comprehensive income, statement of changes in equity, 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 and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS). The management is also responsible for such internal controls as it determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance, 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 our 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, we consider internal control relevant to the Entity's preparation and fair presentation of the financial statements 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.

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ABK Saqer Auditing

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **M/s. Petroleum Specialities FZE,** as at March 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

As required by the provisions of the Emiri decree issued in November 02, 1995 for entities in Hamriyah Free Zone, Sharjah; we further confirm that,

1 We have obtained all the information and explanations necessary for our audit.

2 Proper books of accounts have been maintained by the Entity.

3 We are not aware of any contraventions during the year of the above mentioned law or the Entity's Articles of Association; which may have material effect on the financial position of the Entity or the result of its operations for the year.

ABK Auditing

ABK Saqer Auditing
Auditors & Business Advisors
Reg no. 666

ايه بي كيه صقر لتدقيق الحسابات
P.O.Box : 19524
Dubai - U.A.E.
ABK SAQER AUDITING

May 17, 2016

Petroleum Specialities FZE
Hamriyah Free Zone
Sharjah- United Arab Emirates

Statement of financial position as at March 31, 2016
(In United States Dollar)

	Notes	Mar 31, 2016	Mar 31, 2015
Assets			
Non-current assets			
Property, plant and equipment	5	**5,351,151**	123,678
Advance for capital assets	6	**4,667,084**	-
Total non-current assets		**10,018,235**	123,678
Current assets			
Advances, deposits and other receivables	7	**321,534**	54,566
Cash at banks	8	**521,605**	40,952
Total current assets		**843,139**	95,518
Total assets		10,861,374	219,196
Equity and liabilities			
Equity			
Share capital	9	**3,405,995**	40,825
Accumulated (losses)	10	**(14,771)**	(2,268)
Shareholder's current account	11	**-**	178,541
Total equity		**3,391,224**	217,098
Non-current liabilities			
Bank borrowings- non-current portion	12	**3,500,000**	-
Loan from a related party	13	**1,347,988**	-
Total non-current liabilities		**4,847,988**	-
Current liabilities			
Due to a related party	13	**8,885**	-
Accounts and other payables	14	**2,613,277**	2,098
Total current liabilities		**2,622,162**	2,098
Total liabilities		**7,470,150**	2,098
Total equity and liabilities		10,861,374	219,196

The accompanying notes form an integral part of these financial statements.

The independent auditors' report is set out on pages 2 and 3.

The financial statements on pages 4 to 18 were approved on May 17, 2016 and signed on behalf of the Entity, by:

Authorized Signatory

KMD

P.O.Box: 42180
Hamriyah Free Zone
Sharjah - U.A.E.
PETROLEUM SPECIALITIES FZE

Petroleum Specialities FZE
Hamriyah Free Zone
Sharjah- United Arab Emirates

Statement of profit or loss and other comprehensive income for the year ended March 31, 2016
(In United States Dollar)

	Notes	Apr 01, 2015 to Mar 31, 2016	Nov 18, 2014 to Mar 31, 2015
Administrative expenses	**15**	**(12,503)**	(2,268)
(Loss) for the year/period		**(12,503)**	(2,268)
Other comprehensive income		-	-
Total comprehensive (loss) for the year/period		**(12,503)**	(2,268)

The accompanying notes form an integral part of these financial statements.

The independent auditors' report is set out on pages 2 and 3.

The financial statements on pages 4 to 18 were approved on May 17, 2016 and signed on behalf of the Entity, by:

Authorized Signatory

P.O.Box: 42180
Hamriyah Free Zone
Sharjah - U.A.E.
PETROLEUM SPECIALITIES FZE

Petroleum Specialities FZE
Hamriyah Free Zone
Sharjah- United Arab Emirates

Statement of changes in equity for the year ended March 31, 2016
(In United States Dollar)

	Share capital	Accumulated (losses)	Shareholder's current account	Total equity
Share capital introduced	40,825	-	-	40,825
(Loss) for the period	-	(2,268)	-	(2,268)
Net movements	-	-	178,541	178,541
Balance as at March 31, 2015	40,825	(2,268)	178,541	217,098
Share capital introduced	3,365,170			3,365,170
(Loss) for the year	-	(12,503)	-	(12,503)
Net movements	-	-	(178,541)	(178,541)
Balance as at March 31, 2016	**3,405,995**	**(14,771)**	**-**	**3,391,224**

The accompanying notes form an integral part of these financial statements.

The independent auditors' report is set out on pages 2 and 3.

Petroleum Specialities FZE
Hamriyah Free Zone
Sharjah- United Arab Emirates

Statement of cash flows for the year ended March 31, 2016
(In United States Dollar)

	Apr 01, 2015 to Mar 31, 2016	Nov 18, 2014 to Mar 31, 2015
Cash flows from operating activities		
(Loss) for the year/period	**(12,503)**	(2,268)
Adjustments for:		
Depreciation on property, plant and equipment	**5,731**	-
Cash (outflow) before working capital changes	**(6,772)**	(2,268)
(Increase) in current assets		
Advances, deposits and other receivables	**(266,968)**	(54,566)
Increase in current liabilities		
Due to a related party	**8,885**	-
Accounts and other payables	**2,611,179**	2,098
Net cash from/(used in) operating activities	**2,346,324**	(54,736)
Cash flows from investing activities		
Advance for capital assets	**(4,667,084)**	-
Acquisition of property, plant and equipment	**(5,233,204)**	(123,678)
Net cash (used in) investing activities	**(9,900,288)**	(123,678)
Cash flows from financing activities		
Share capital introduced	**3,365,170**	40,825
Proceeds of bank borrowings	**3,500,000**	-
Proceeds of loan from a related party	**1,347,988**	-
Shareholder's current account	**(178,541)**	178,541
Net cash from financing activities	**8,034,617**	219,366
Net increase in cash and cash equivalents	**480,653**	40,952
Cash and cash equivalents, beginning of the year	**40,952**	-
Cash and cash equivalents, end of the year/period	**521,605**	40,952
Represented by:		
Bank balances	**521,605**	40,952

The accompanying notes form an integral part of these financial statements.

The independent auditors' report is set out on pages 2 and 3.

1 Legal status and business activities

1.1 **M/s. Petroleum Specialities FZE, Hamriyah Free Zone, Sharjah - United Arab Emirates** ("the Entity") was registered on November 18, 2014 as a Free Zone Establishment (FZE) and operates in the United Arab Emirates under an industrial license issued by the Hamriyah Free Zone Authority of the Government of Sharjah.

1.2 The Entity is engaged in the business of manufacturing and marketing of petroleum based speciality products, all kinds of oil, lubricant and chemicals. However during the year, the Entity has not commenced any commercial operations.

1.3 The registered office of the Entity is located at plot No. IC-02D1, Hamriyah Free Zone, P.O. Box: 42180, Sharjah - United Arab Emirates.

1.4 The management and control of the Entity is vested with the Managers, Mr. Sanjay Moreshwar Abhyankar and Mr. Rishabh Kushal Desai (both Indian nationals).

1.5 These financial statements incorporate the operating results of the industrial license no 13226.

1.6 During the year, the share capital of the Entity is increased from AED 150,000 (equivalent to USD 40,825) to AED 12,500,000 (equivalent to USD 3,405,995) vide amendment to Memorandum of Association as on January 10, 2016.

2 Applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)

2.1 Amendments to IAS and IFRS that are mandatorily effective for the current year

In the current year, the Entity has applied a number of amendments to IFRSs issued by the International Accounting Standards Board that are mandatorily effective for an accounting period that begins on or after January 01, 2015.

a) Amendments to IAS 19, Defined Benefit Plans.

b) Annual improvements to IFRSs 2010 -12 Cycle and 2011 - 13 Cycle.

2.2 New and revised IAS and IFRSs in issue but not yet effective and not early adopted

The Entity has not adopted the following new and revised IFRSs that have been issued but not yet effective:

a) IFRS 9: Financial Instruments - Effective for annual periods beginning on or after January 01, 2018.

b) IFRS 15: Revenue from contracts with customers - Effective for annual periods beginning on or after January 01, 2018.

c) Amendments to IFRS 11: Accounting for acquisitions of interests in joint operations - Effective for annual periods beginning on or after January 01, 2016.

d) Amendments to IAS 16 & IAS 38: Clarification of acceptable methods of depreciation and amortization - Effective for annual periods beginning on or after January 01, 2016.

e) Amendments to IAS 16 and IAS 41: Agriculture, Bearer plants - Effective for annual periods beginning on or after January 01, 2016.

f) Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between and investor and its Associate or Joint Venture - Effective for annual periods beginning on or after January 01, 2016.

g) Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities : Applying the Consolidation Exception - Effective for annual periods beginning on or after January 01, 2016.

2 Applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) (continued)

2.2 New and revised IAS and IFRSs in issue but not yet effective and not early adopted (continued)

h) Annual improvements to IFRSs 2012 - 14 Cycle - Effective for annual periods beginning on or after January 01, 2016.

In the opinion of the Management, the adoption of these Standards and Interpretations will have no material impact on the financial statements of the Entity in the period of initial application.

3 Significant accounting policies

3.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards and the applicable requirements of the U.A.E. laws. These financial statements are presented in United States Dollar (USD) since that is the reporting currency of the Entity.

3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets or goods or services.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Entity's accounting policies.

The principal accounting policies applied in these financial statements are set out below.

3.3 Current/Non-current classification

The Entity presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

Expected to be realised or intended to be sold or consumed in normal operating cycle or held primarily for the purpose of trading or expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when it is:

Expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Entity classifies all other liabilities as non-current.

3.4 Fair value measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Entity.

3 Significant accounting policies (continued)

3.4 Fair value measurement (continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3.5 Foreign currency

In preparing the financial statements of Entity, transactions in currencies other than the Entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at 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 on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

3.6 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of profit or loss and other comprehensive income during the financial year in which they are incurred.

Depreciation is spread over its useful lives so as to write off the cost of property, plant and equipment using the written down value method over its useful lives as follows:

	Years
Furniture ,fixtures & equipments	10
Motor vehicles	8

3 Significant accounting policies (continued)

3.7 Financial assets

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

For purposes of subsequent measurement, financial assets are classified in four categories:

a) Financial assets at fair value through profit or loss
b) Loans and receivables
c) Held-to-maturity investments
d) Available-for-sale financial assets

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39. The Group has not designated any financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of profit or loss.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables. Loans and receivables comprise accounts and other receivables, cash and cash equivalents, due from/to related parties, loan from/to related parties and other similar financial assets as represented in the statement of financial position.

Accounts and other receivables

Accounts receivable are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Accounts and other receivables are initially recognised at fair value and subsequently measured at amortised cost reduced by appropriate allowance for estimated doubtful debts.

3 Significant accounting policies (continued)

3.7 Financial assets (continued)

b) Loans and receivables (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

c) Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Entity has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

d) Available-for-sale financial assets (AFS)

AFS financial assets include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited in the AFS reserve until the investment is derecognised, at which time, the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the statement of profit or loss in finance costs. Interest earned whilst holding AFS financial assets is reported as interest income using the EIR method.

3.8 Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Financial liabilities include accounts and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Accounts and other payables

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Accounts and other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.

Due to/loan from related parties

Amounts due to/loan from related parties are stated at amortised cost.

3 Significant accounting policies (continued)

3.8 Financial liabilities

<u>Loans and other borrowings</u>

Loans and other borrowings are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted on accrual basis and are added to the carrying value of the instruments to the extent that they are not settled in the period in which they arise.

3.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Entity's accounting policies, which are described in policy notes, the management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Critical judgements in applying accounting policies

The significant judgments and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are described below.

In the process of applying the Entity's accounting policies, which are described above, and due to the nature of operations, management makes the following judgment that has the most significant effect on the amounts recognised in the financial statements.

Key assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next period, are discussed below.

Property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

(In United States Dollar)

5 Property, plant and equipment

	Furniture ,fixtures & equipment	Motor vehicles	Capital work in progress	Total
Cost				
Addition during the period	-	-	123,678	123,678
As at March 31, 2015	-	-	123,678	123,678
Addition during the year	9,999	18,761	5,204,444	5,233,204
As at March 31, 2016	**9,999**	**18,761**	**5,328,122**	**5,356,882**
Accumulated depreciation				
Charge for the period	-	-	-	-
As at March 31, 2015	-	-	-	-
Charge for the year	1,569	4,162	-	5,731
As at March 31, 2016	**1,569**	**4,162**	**-**	**5,731**
Carrying value as at March 31, 2016	**8,430**	**14,599**	**5,328,122**	**5,351,151**
Carrying value as at March 31, 2015	-	-	123,678	123,678

Note:

- Capital work in progress represents cost incurred in connection with the setting up of facilities for manufacturing of petroleum based speciality products, all kinds of oil, lubricant and chemicals at Plot no. 1C-02D1, Hamriyah Free Zone, Sharjah - U.A.E.

(In United States Dollar)

		Mar 31, 2016	Mar 31, 2015
6	**Advance for capital assets**		
	Advances to suppliers and contractors	4,667,084	-

The above represents the advances given to the suppliers and contractors in connection with the setting up of facilities for manufacturing of petroleum based speciality products, all kinds of oil, lubricant and chemicals at Plot no. 1C-02D1, Hamriyah Free Zone, Sharjah - U.A.E.

7	**Advances, deposits and other receivables**		
	Margin deposit	158,283	-
	Other deposits	29,755	544
	Staff loans and advances	16,121	-
	Prepayments	117,375	-
	Other receivables	-	54,022
		321,534	54,566
8	**Cash at banks**		
	Bank balances	521,605	40,952

9 **Share capital**

Authorised, issued and paid up share capital of the Entity is AED 12,500,000 (equivalent to USD 3,405,995) divided into 12,500 shares of AED 1,000 (equivalent to USD 272.48) each fully paid and held by M/s. Petroleum Specialities PTE LTD - Singapore.

During the year, the share capital of the Entity is increased from AED 150,000 (equivalent to USD 40,825) to AED 12,500,000 (equivalent to USD 3,405,995) vide amendment to Memorandum of Association as on January 10, 2016.

		Mar 31, 2016	Mar 31, 2015
10	**Accumulated (losses)**		
	Balance at the beginning of the year	(2,268)	-
	(Loss) for the year/period	(12,503)	(2,268)
	Balance at the end of the year/period	(14,771)	(2,268)
11	**Shareholder's current account**		
	Balance at the beginning of the year	178,541	-
	Net movements during the year/period	(178,541)	178,541
	Balance at the end of the year/period	-	178,541
12	**Bank borrowings**		
	Term loan		
	Received during the year	3,500,000	-
	Balance at the end of the year	3,500,000	-
	Comprising:		
	Non-current portion of term loan	3,500,000	-

(In United States Dollar)

12 Bank borrowings (continued)

Note:

- The above term loan has a moratorium period of 24 months and the repayment will start from March 29, 2018 onwards.

Bank borrowings are secured by:

a) Joint and several guarantees of M/s. Petroleum Specialities PTE LTD - Singapore and M/s. Apar Industries Limited, Gujarat - India.

b) Mortgage over specified assets situated at Plot no. 1C-02D1, Hamriyah Free Zone, Sharjah - U.A.E.

c) Subordination of loan from a related party, M/s. Petroleum Specialities PTE LTD - Singapore (note 13)

13 Related party transactions

The Entity enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related party disclosures. Such transactions are in the normal course of business and at terms that correspond to those on normal arms-length transactions with third parties. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

The Entity believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

	Mar 31, 2016	Mar 31, 2015
a) Loan from a related party		
M/s. Petroleum Specialities PTE LTD - Singapore	1,347,988	-

Notes:

a) The above loan is unsecured interest free loan without any fixed repayment schedule.

b) The above loan is subordinated against bank borrowings (note 12).

b) Due to a related party		
M/s. Apar Industries Limited, Gujarat - India.	8,885	-

c) Key management personnel compensations

The compensation of key management personnel is as follows:

	Apr 01, 2015 to Mar 31, 2016	Nov 18, 2014 to Mar 31, 2015
Managerial remuneration	21,852	-

The Entity receives/provides funds from/to related parties as and when required as working capital purpose.

14 Accounts and other payables

Accounts payable	2,529,951	-
Expenses payable	83,326	2,098
	2,613,277	2,098

(In United States Dollar)

		Apr 01, 2015 to Mar 31, 2016	Nov 18, 2014 to Mar 31, 2015
15	**Administrative expenses**		
	Legal, leasing, visa, professional and related	**5,348**	2,061
	Depreciation on property, plant and equipment (note 5)	**5,731**	-
	Others	**1,424**	207
		12,503	2,268

16 Risk management

a) Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of significant financial instruments will fluctuate because of changes in market value rates.

The Entity's exposure to the risk of changes in market interest rates relates primarily to the Entity's borrowings with floating interest rates. The Entity's policy is to manage its interest cost using a mix of fixed and variable rate debts. Interest on financial instruments having floating rates is re-priced at intervals of less than one year and interest on financial instruments having fixed rate is fixed until the maturity of the instrument.

b) Credit risk

Credit risk is the risk that the party to the financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss. The Entity is exposed to credit risk on the following financial assets:

Financial assets	Mar 31, 2016	Mar 31, 2015
Advance for capital assets	**4,667,084**	-
Advances, deposits and other receivables	**204,159**	54,566
Bank balances	**521,605**	40,952
	5,392,848	95,518

The Entity seeks to limit its risk with respect to bank balances by only dealing with reputable banks and with respect to accounts receivable by setting credit limits for individual customers and monitoring outstanding receivables. In the case of all other financial assets, the maximum exposure to credit risk is limited to the carrying value of the assets.

c) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Entity does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in U.A.E. Dirham and U.S. Dollar to which Dirham to USD conversion is pegged.

d) Liquidity risk

Liquidity risk is the risk that the Entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Entity's approach to managing liquidity risk is to ensure that, as far as possible, it will always have sufficient financing available from shareholders to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Entity's reputation.

(In United States Dollar)

16 Risk management (continued)

d) Liquidity risk (continued)

The following table represents the contractual maturities of financial liabilities:

As at Mar 31, 2016	Carrying value	Within 1 year	More than 1 year
Bank borrowings	3,500,000	-	3,500,000
Loan from a related party	1,347,988	-	1,347,988
Due to a related party	8,885	8,885	-
Accounts and other payables	2,613,277	2,613,277	-
	7,470,150	2,622,162	4,847,988

As at Mar 31, 2015	Carrying value	Within 1 year	More than 1 year
Accounts and other payables	2,098	2,098	-

17 Capital management

The primary objective of the Entity's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise equity value.

18 Fair value of financial instruments

The fair values of financial instruments comprising financial assets and financial liabilities are not materially different from their carrying values largely due to the short term maturities of these instruments.

19 Contingent liabilities

	Mar 31, 2016	Mar 31, 2015
Letter of credit	152,208	-

Except for the above and ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability on Entity's financial statements as of reporting date.

20 Commitments

	Mar 31, 2016	Mar 31, 2015
Construction contract (due within 1 year)	2,090,592	-

Except for the above and ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known capital commitment on Entity's financial statements as of reporting date.

21 Comparative amounts

Figures of the current year comprise 12 months of operation, whereas previous period's figures comprise 4 months and 13 days. Hence these current year figures are strictly not comparable with previous period's figures.

Quantum Apar Speciality Oils Pty Ltd

ABN 35 120 536 816

Financial Statements

For the year ended 31 March 2016

Aintree Group

Quantum Apar Speciality Oils Pty Ltd
ABN 35 120 536 816

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Quantum Apar Speciality Oils Pty Ltd

ABN 35 120 536 816

Statement of Profit or Loss

For the year ended 31 March 2016

	Note	2016 $	2015 $
Revenue		8,268,720	8,935,668
Other revenue		112,403	88,078
Cost of sales		(7,291,589)	(8,345,573)
Gross profit		**1,089,535**	**678,173**
Other income		86,564	108,417
Marketing		(643)	(548)
Selling expenses		(94,460)	(84,075)
Administration expenses		(477,553)	(556,376)
Finance Costs		(15,717)	(35,190)
Profit before income tax		**587,725**	**110,401**
Income tax expense	2	176,231	43,155
Profit for the year		**411,494**	**67,246**
Retained profits at the beginning of the financial year		533,567	466,321
Total available for appropriation		945,061	533,567
Dividends provided for or paid		(133,392)	-
		(133,392)	-
Retained profits at the end of the financial year		**811,669**	**533,567**

Quantum Apar Speciality Oils Pty Ltd

ABN 35 120 536 816

Balance Sheet as at 31 March 2016

	Note	2016 $	2015 $
Current Assets			
Cash assets	4	659,013	556,194
Receivables	5	1,597,082	1,483,767
Inventories	6	1,494,084	2,370,386
Other	7	11,231	11,652
Total Current Assets		**3,761,410**	**4,421,999**
Non-Current Assets			
Plant and equipment	8	4,210	6,330
Total Non-Current Assets		**4,210**	**6,330**
Total Assets		**3,765,620**	**4,428,329**
Current Liabilities			
Payables	9	2,476,423	3,549,790
Financial liabilities	10	40	261
Current tax liabilities	11	230,012	95,875
Provisions	12	(52,524)	(51,165)
Total Current Liabilities		**2,653,951**	**3,594,761**
Total Liabilities		**2,653,951**	**3,594,761**
Net Assets		**1,111,669**	**833,567**
Equity			
Issued capital	13	300,000	300,000
Retained profits		811,669	533,567
Total Equity		**1,111,669**	**833,567**

Note 1: Summary of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependant on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of the members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of the members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

(a) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income). The company does not apply deferred tax.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

The company does not account for deferred tax.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on an average cost method with direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

(c) Plant and Equipment (PPE)

Property, plant and equipment are carried at cost. All assets are depreciated over their useful lives to the company.

Plant and equipment is depreciated on a reducing balance basis over the assets useful life to the Company, commencing when the asset is ready for use.

(d) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reasonably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(f) Revenue and Other Income

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

All revenue is stated net of the amount of goods and services tax (GST).

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(h) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods and services performed in the ordinary course of business. Trade receivables are recognised at cost.

(i) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid.

Quantum Apar Speciality Oils Pty Ltd

ABN 35 120 536 816

Notes to the Financial Statements

For the year ended 31 March 2016

	2016 $	2015 $

Note 2: Income Tax

The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax as follows:

	2016 $	2015 $
Prima facie income tax payable on operating profit at 30%	176,317	33,120
Add:		
Tax effect of:	-	-
- Other non-allowable items	322	158
- Decrease in unrealised foreign exchange provision	-	9,877
	176,639	43,155
Less:		
Tax effect of:	-	-
Increase in unrealised foreign exchange provision	408	-
Income tax expense attributable to profit from ordinary activities	**176,231**	**43,155**

Income tax expense attributable to:

	2016 $	2015 $
Ordinary activities	176,231	43,155
Extraordinary items	-	-
	176,231	**43,155**

Note 3: Dividends

	2016 $	2015 $
Dividends provided for or paid	133,392	-
	133,392	**-**

Quantum Apar Speciality Oils Pty Ltd
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Notes to the Financial Statements
For the year ended 31 March 2016

	2016 $	2015 $

Note 4: Cash assets

	2016 $	2015 $
Bank accounts:		
CBA bank account	339,800	784
BOM - trading account	-	553,262
BOM - USD account	220,664	2,147
BOM - AUD account	98,550	-
	659,013	**556,194**

Note 5: Receivables

Current

	2016 $	2015 $
Trade debtors	1,597,082	1,483,767
	1,597,082	**1,483,767**

Note 6: Inventories

Current

	2016 $	2015 $
Stock on hand	1,429,022	810,041
Stock in transit	65,062	1,560,345
	1,494,084	**2,370,386**

Note 7: Other Assets

Current

	2016 $	2015 $
Prepayments	11,231	11,652
	11,231	**11,652**

Quantum Apar Speciality Oils Pty Ltd
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Notes to the Financial Statements
For the year ended 31 March 2016

Note 8: Property, Plant and Equipment

	2016 $	2015 $
Plant and equipment:		
- At cost	10,815	10,815
- Less: Accumulated depreciation	(10,815)	(10,815)
	-	-
Other plant and equipment:		
- At cost	84,633	84,633
- Less: Accumulated depreciation	(80,423)	(78,303)
	4,210	6,330
	4,210	**6,330**

Note 9: Payables

	2016 $	2015 $
Unsecured:		
Trade creditors	2,470,383	3,547,229
Accrued expenses	6,040	2,561
	2,476,423	**3,549,790**

Note 10: Financial Liabilities

Current

	2016 $	2015 $
Unsecured:		
Loan from Quantum Chemicals Pty Ltd	40	261
	40	**261**

Quantum Apar Speciality Oils Pty Ltd
ABN 35 120 536 816
Notes to the Financial Statements
For the year ended 31 March 2016

	2016 $	2015 $

Note 11: Tax Liabilities

Current

	2016 $	2015 $
GST payable account	53,780	52,720
Taxation	176,231	43,155
	230,012	**95,875**

Note 12: Provisions

Current

	2016 $	2015 $
Provision for foreign exchange gain/loss	(52,524)	(51,165)
	(52,524)	**(51,165)**

Note 13: Contributed Capital

	2016 $	2015 $
300,000 ordinary shares fully paid	**300,000**	**300,000**

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Note 14: Auditors' Remuneration

Remuneration of the auditor of the company for:

	2016 $	2015 $
Auditing or reviewing the financial report	9,631	7,475
	9,631	**7,475**

	2016	2015
	$	$

Note 15: Events Subsequent to Reporting Date

Since the end of the financial year the shareholders and directors have resolved to cease the business, liquidate all assets, pay out all liabilities and return the net proceeds to the shareholders. It is anticipated that this will be completed within the next 6 months, after which the company will be deregistered.

Note 16: Company Details

The registered office of and principal place of business of the company is:

Quantum Apar Speciality Ols Pty Ltd
70 Quantum Close
DANDENONG SOUTH
VICTORIA 3175

Quantum Apar Speciality Oils Pty Ltd

ABN 35 120 536 816

Directors' Declaration

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies prescribed in Note 1 to the financial statements.

The directors of the company declare that:

1. the financial statements and notes, present fairly the company's financial position as at 31 March 2016 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;

2. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Sani William Lee
Director

Dated: 29th April 2016

LDB Audit Services Pty Ltd
ACN 123 774 569 ABN 59 123 774 569
1-3 Albert Street, Blackburn Vic 3130
PO Box 550, Blackburn Vic 3130
Telephone: 03 9875 2900
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LDB
Working as One

Quantum Apar Speciality Oils Pty Ltd

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 To the Directors of Quantum Apar Speciality Oils Pty Ltd

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2016, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

LDB Audit Services Pty Ltd

LDB Audit Services Pty Ltd
1 3 Albert Street
BLACKBURN VIC 3130

Robert Cottle
DIRECTOR

Dated this......29..............day of ......April.......2016

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Working as One

Quantum Apar Speciality Oils Pty Ltd

Independent Audit Report to the members of Quantum Apar Speciality Oils Pty Ltd

Report on the Financial Report

We have audited the accompanying financial report being a special purpose financial report, of Quantum Apar Speciality Oils Pty Ltd, which comprises the balance sheet as at 31 March 2016, the statement of profit and loss for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration. The financial report has been prepared by management based on the accounting standards described in Note 1 of the financial statements.

Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the accounting standards described in Note 1 of the financial statements, and for such internal control as management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 report.

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 report presents fairly, in all material respects, the financial position of Quantum Apar Speciality Oils Pty Ltd as at 31 March 2016, and its financial performance for the year then ended in accordance with the accounting standards described in Note 1 of the financial statements.

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Quantum Apar Speciality Oils Pty Ltd

Independent Audit Report to the members of Quantum Apar Speciality Oils Pty Ltd

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report is prepared to for Quantum Apar Speciality Oils Pty Ltd in order to meet the needs of the members. As a result, the financial report may not be suitable for another purpose.

Events Subsequent to Reporting Date

Without modifying our opinion, we draw attention to Note 15 to the financial report, Events Subsequent to Reporting Date. Since the end of the financial year the shareholders and directors have resolved to cease the business, liquidate all assets, pay out all liabilities and return the net proceeds to the shareholders. It is anticipated that this will be completed within the next 6 months, after which the company will be deregistered.

LDB Audit Services Pty Ltd
LDB Audit Services Pty Ltd
1 3 Albert Street
BLACKBURN VIC 3130

Robert Cottle
DIRECTOR

Dated this......29..........day of.....April..........2016