Company Registration No: 201136419H

DHUNSERI PETROCHEM & TEA PTE. LTD.
(Incorporated in Singapore)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

DHUNSERI PETROCHEM & TEA PTE. LTD.
(Incorporated in Singapore)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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DHUNSERI PETROCHEM & TEA PTE. LTD.
(Incorporated in Singapore)

GENERAL INFORMATION

Directors

Chandra Kumar Dhanuka	
Mrigank Dhanuka	
Geraldine Teresa Peter Kadau	
Grace Chin Fui Jian	(Resigned on 11 June 2014)
Shanker Iyer	
Daphne Agnes Thomas	(Appointed on 11 June 2014)

Company Secretaries

Cheng Lian Siang
Pathima Muneera Azmi

Registered Office

80 Raffles Place
UOB Plaza 1
#26-01
Singapore 048624

Independent Auditor

Shanker Iyer & Co.

DHUNSERI PETROCHEM & TEA PTE. LTD.
(Incorporated in Singapore)

DIRECTOR'S REPORT

The directors present their report to the member together with the audited financial statements of Dhunseri Petrochem & Tea Pte. Ltd (the "Company") for the financial year ended 31 December 2014.

DIRECTORS

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

Chandra Kumar Dhanuka
Mrigank Dhanuka
Geraldine Teresa Peter Kadau
Daphne Agnes Thomas
Shanker Iyer

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 is to enable the director 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 kept by the Company for the purpose of Section 164 of the Singapore Companies Act, Chapter. 50, none of the directors of the Company holding office at the beginning and end of the financial year had any interest in the share capital of the Company and related corporations, except as detailed below:

	Holdings registered in name of director	
The related company	At the beginning of financial year or date of appointment	At the end of financial year
Ordinary shares		
(Naga Dhunseri Group Ltd)		
Chandra Kumar Dhanuka	48,400	48,400
(Mint Investment Limited)		
Chandra Kumar Dhanuka	641,116	641,116

DHUNSERI PETROCHEM & TEA PTE. LTD.
(Incorporated in Singapore)

DIRECTORS' REPORT (...CONT'D)

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of previous financial period, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the directors, or with a firm of which the director is a member, or with a company in which the directors have a substantial financial interest.

SHARE OPTIONS

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

INDEPENDENT AUDITOR

The independent auditor, Messrs Shanker Iyer & Co, Singapore, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Geraldine Teresa Peter Kadau
Director

Daphne Agnes Thomas
Director

20 May 2015

DHUNSERI PETROCHEM & TEA PTE. LTD.
(Incorporated in Singapore)

STATEMENT BY DIRECTORS

In the opinion of the directors,

(a) the accompanying financial statements of the Company together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2014 and of its results, changes in equity and cash flows for the financial year ended 31 December 2014; 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.

The board of directors authorised these financial statements for issue on to 20 May 2015

On behalf of the Board of Directors

Geraldine Teresa Peter Kadau
Director

Daphne Agnes Thomas
Director
20 May 2015

Shanker Iyer & Co
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
DHUNSERI PETROCHEM & TEA PTE. LTD.
(Incorporated in Singapore)

Report on the Financial Statements

We have audited the accompanying financial statements of DHUNSERI PETROCHEM & TEA PTE. LTD. (the "Company") as set out on pages 7 to 35, which comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 December 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet 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 control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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SHANKER IYER & CO
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF DHUNSERI PETROCHEM & TEA PTE. LTD. (...CONT'D)
(Incorporated in Singapore)

Report on the Financial Statements (...cont'd)

Opinion

In our opinion, the financial statements are properly drawn up on accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 December 2014 and of its results, changes in equity and cash flows of the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Shanker Iyer & Co

SHANKER IYER & CO.
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS

Singapore

20 May 2015

137 Telok Ayer Street #04-07 | Singapore 068602 | Tel: +65 6536 7475 | Fax: +65 6536 5484 | Email: office@jbsaudit.com

DHUNSERI PETROCHEM & TEA PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	2014 US$	2013 US$
ASSETS			
Current assets			
Cash and cash equivalents	4	204,489	99,703
Trade receivables	5	572,558	586,722
Income tax recoverable		13,529	-
		790,576	686,425
Non-current asset			
Investment in subsidiaries	6	22,000,000	22,000,000
Total assets		22,790,576	22,686,425
LIABILITIES			
Current liabilities			
Trade and other payables	7	234,916	182,524
Bank loan	8	1,846,154	1,846,154
Derivative financial instrument payable	9	130,162	169,275
Amount owing to holding company	10	989,127	-
Income tax payables		6,061	20,551
		3,206,420	2,218,504
Non-current liability			
Bank loan	8	7,384,615	9,230,769
Total liabilities		10,591,035	11,449,273
NET ASSETS		12,199,541	11,237,152
SHAREHOLDER'S EQUITY			
Share capital	11	11,180,816	11,180,816
Retained earnings		1,148,887	225,611
Hedging reserves		(130,162)	(169,275)
TOTAL EQUITY		12,199,541	11,237,152

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

DHUNSERI PETROCHEM & TEA PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 US$	2013 US$
REVENUE	12	1,444,485	1,261,722
EXPENSES			
Legal and professional fees		(9,843)	(85,045)
Other operating expenses		(6,054)	(6,177)
Finance costs	13	(512,780)	(562,148)
Total expenses		(528,677)	(653,370)
Profit before income tax		915,808	608,352
Income tax benefit/(expense)	14	7,468	(59,276)
Net profit		923,276	549,076
Other comprehensive loss for the year net of tax:			
Item that may be reclassified subsequently to Profit or Loss			
-De-recognition of fair value loss arising from interest rate swaps relating to cash flow hedge		169,275	
-Fair value gain arising from interest rate swaps transferred to profit or loss		(130,162)	(169,275)
Other comprehensive income for the financial year, net of tax		39,113	(169,275)
Total comprehensive income for the financial year		962,389	379,801

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

DHUNSERI PETROCHEM & TEA PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Share capital	Retained earnings	Hedging reserves	Total
	US$	US$	US$	US$
2014				
Balance as at 1 January 2014	11,180,816	225,611	(169,275)	11,237,152
Net profit for the financial year	-	923,276	-	923,276
Other comprehensive income for the financial year				
-De-recognition of fair value loss arising from interest rate swaps relating to cash flow hedge	-	-	169,275	169,275
-Fair value gain arising from interest rate swaps transferred to profit or loss	-	-	(130,162)	(130,162)
Total comprehensive income for the financial year	-	923,276	39,113	962,389
Balance as at 31 December 2014	11,180,816	1,148,887	(130,162)	12,199,541
2013				
Balance as at 1 January 2013	11,180,816	(323,465)	-	10,857,351
Net profit for the financial year	-	549,076	-	549,076
Other comprehensive income for the financial year	-	-	(169,275)	(169,275)
Total comprehensive income for the financial year	-	549,076	(169,275)	379,801
Balance as at 31 December 2013	11,180,816	225,611	(169,275)	11,237,152

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

DHUNSERI PETROCHEM & TEA PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 US$	2013 US$
Cash Flows From Operating Activities:			
Profit before income tax		915,808	608,352
Adjustments for:			
Interest expenses	13	512,780	562,148
Cash flows before changes in working capital		1,428,588	1,170,500
Changes in working capital, excluding changes relating to cash:			
Trade receivables		14,164	(118,493)
Accruals		(16,475)	(633)
Trade and other payables		68,931	-
Cash generated from operations		1,495,208	1,051,374
Interest paid		(499,315)	(576,202)
Income tax paid		(34,080)	(38,725)
Net cash generated from operating activities		961,813	436,447
Cash Flows From Financing Activities			
Repayment of bank loan		(1,846,154)	(923,077)
Proceeds from loan from holding company		989,127	-
Net cash used in from financing activities		(857,027)	(923,077)
Net increase/(decrease) in cash and cash equivalents		104,786	(486,630)
Cash and cash equivalents at beginning of financial year		99,703	586,333
Cash and cash equivalents at the end of the financial years	4	204,489	99,703

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

1. GENERAL INFORMATION

DHUNSERI PETROCHEM & TEA PTE. LTD. (Company Registration No: 201136419H) is incorporated and domiciled in Singapore. The Company's registered office is at 80 Raffles Place, UOB Plaza 1, #26-01, Singapore 048624.

The principal activities of the Company are those of investment holding. The Company has a branch in Labuan. All of the day-to-day activities of the Company are carried out through the Company's branch in Labuan. There have been no significant changes in the nature of these activities during the financial year.

The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

The financial statements of the Company for the financial year ended 31 December 2014 were authorised and approved by the directors for issuance on 20 May 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements, which are expressed in United States dollars, are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are mandatory for application from that date. The adoption of these new and revised FRSs and INT FRSs have no material effect on the financial statements.

These financial statements are separate financial statements of DHUNSERI PETROCHEM & TEA PTE LTD. The Company is exempted from the equity method of accounting and the preparation of consolidated financial statements as the Company is a wholly owned subsidiary of Dhunseri Tea & Industries Ltd, a company incorporated in India which produces consolidated financial statements available for public use. The registered office of Dhunseri Tea & Industries Ltd is at "Dhunseri House", 4A Woodburn Park, 2nd Floor, Kolkata – 700020.

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

b) Currency translation

The financial statements of the Company are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Company are presented in United States dollars, which is the functional currency of the Company.

In preparing the financial statements of the Company, monetary assets and liabilities in foreign currencies are translated into United States dollars at rates of exchange closely approximating to those ruling at the end of the reporting period and transactions in foreign currencies during the financial year are translated at rates ruling on transaction dates. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

c) Financial assets

(i) Classification

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "loans and receivables", "held to maturity investments" and "available-for-sale" financial assets. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

c) Financial assets (...cont'd)

(i) Classification (...cont'd)

Loans and receivables

Loans 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 maturing later than 12 months after the end of reporting period which are presented as non-current assets. Loans and receivables are presented as "Cash and cash equivalents" and "trade receivables" on the statement of financial position.

(ii) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(iii)Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Company 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 Company 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 the fair value reserve relating to that asset is reclassified to profit or loss.

(iv) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(v) Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method less allowance for impairment.

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

c) Financial assets (...cont'd)

(vi) Impairment

The Company assesses at the end of each reporting period 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 arises.

Loans and receivables

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 allowance for impairment loss account is reduced through the 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.

(vii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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.

d) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank which are subject to an insignificant risk of change in value.

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

e) Investments in subsidiaries

Unquoted equity investments in subsidiaries are stated at cost less accumulated impairment losses in the Company's separate financial statements. On disposal of investment in subsidiary, the difference between the net disposal proceeds and the carrying amount of the investment is taken to profit or loss.

f) Impairment of non-financial assets

Investment in subsidiaries

Investment in subsidiaries 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 inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit ("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 an 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 in profit or loss, a reversal of that impairment is also recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

g) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

ii) Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

g) Financial liabilities (...cont'd)

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

h) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimation.

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 as finance costs.

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

i) 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.

j) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sales of goods and rendering of services in the ordinary course of the Company activities, net of goods and services tax, rebates and discounts.

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

j) Revenue recognition (...cont'd)

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

(i) Incentive fee, management fee and consultant fee is recognised on an accrual basis in accordance with the substance of the relevant agreement.

(ii) Interest income is recognised using the effective interest method.

k) Income tax

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 end of the reporting period.

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 it affects neither the accounting profit nor the taxable profit.

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 end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

k) Income tax (...cont'd)

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

l) Derivative financial instruments

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

The Company documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

Cash flow hedge – interest rate swaps

The Company has entered into interest rate swaps that are cash flow hedges for the Company's exposure to the interest rate on its borrowings. These contracts entitle the Company to receive interest at floating rates on notional principal amounts and oblige the Company to pay interest at fixed rates on the same notional principal amounts, thus allowing the Company to raise borrowings at floating rates and swap them into fixed rate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (...CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

l) Derivative financial instruments (...cont'd)

The fair value changes on the ineffective portion are recognised immediately in profit or loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in the hedging reserve are transferred to profit or loss immediately.

m) Related parties

A related party is defined as follows:

(i) A person or a close member of that person's family is related to the Company if that person:

(a) Has control or joint control over the Company;

(b) Has significant influence over the Company; or

(c) Is a member of the key management personnel of the Company or of a parent of the Company.

(ii) An entity is related to the Company if any of the following conditions applies:

(a) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(c) Both entities are joint ventures of the same third party.

(d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(e) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

m) Related parties (...cont'd)

(ii) An entity is related to the Company if any of the following conditions applies: (...cont'd)

(f) The entity is controlled or jointly controlled by a person identified in (i);

(g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The presentation of financial statements in conforming with FRS requires the use of certain critical accounting estimates, assumptions and judgements in applying the accounting policies. These 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. Actual results may differ from these estimates.

The following are the critical accounting estimates, assumptions and judgements for preparation of financial statements:

(a) Critical judgements in applying the entity's accounting policies

In the process of applying the Company's accounting policies which are described in Note 2 above, management is of the opinion that there are no critical judgements involved, apart from those involving estimations that have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (...CONT'D)

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (...CONT'D)

(b) Key sources of estimation uncertainty (...cont'd)

i. Impairment of non-financial asset

Investment in a subsidiary is tested for impairment whenever there is objective evidence or indication that those assets may be impaired.

Based on the directors' assessment, there is no indication of impairment in the values of these investments at the end of the reporting period. The carrying amount of the Company's investment in subsidiaries at the end of the reporting period is disclosed in Note 6 to the financial statements.

4. CASH AND CASH EQUIVALENTS

	2014 US$	2013 US$
Bank balances	204,489	99,703

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

	2014 US$	2013 US$
Singapore dollars	41,268	41,346
United States dollars	163,221	58,357
	204,489	99,703

5. TRADE RECEIVABLES

	2014 US$	2013 US$
Trade:		
- Subsidiaries	572,558	492,705
- Third parties	-	94,017
	572,558	586,722

5. TRADE RECEIVABLES (...CONT'D)

The amounts owing by the subsidiaries are trade in nature, unsecured, interest free and are repayable within the next twelve months.

The carrying amounts of trade receivables are denominated in United States dollars.

6. INVESTMENTS IN SUBSIDIARIES

	2014 US$	2013 US$
Unquoted equity shares, at cost		
Balance at end of financial year	22,000,000	22,000,000

The details of the subsidiaries are as follows:

Name of subsidiary	Place of incorporation and business	Percentage of equity held by the company 2014	2013	Principal activity
Kawalazi Estate Company Ltd	Malawi, Africa	100%	100%	Manufacture of tea and macadamia nuts
Makandi Tea and Coffee Estates Ltd	Malawi, Africa	100%	100%	Manufacture of tea, coffee and macadamia nuts

The Company has pledged its shares in the subsidiaries to a bank for a bank loan (Note 8).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (...CONT'D)

7. TRADE AND OTHER PAYABLES

	2014 US$	2013 US$
Trade:		
- Third parties	68,931	-
	68,931	-
Other payables		
- Interest payable on loans	161,134	177,464
- Accrual for operating expenses	4,851	5,060
	234,916	182,524

Trade and other payables are recognised at their original invoiced amounts which represent their fair values on initial recognition. The trade and other payables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair value

The carrying amounts of trade and other payables are denominated in the following currencies:

	2014 US$	2013 US$
Singapore dollars	4,851	5,060
United States dollars	230,065	177,464
	234,916	182,524

8. BANK LOAN

	2014 US$	2013 US$
Current		
Due within one year	1,846,154	1,846,154
	1,846,154	1,846,154
Non-current		
Due within two to five years	7,384,615	7,384,615
Due after five years	-	1,846,154
	7,384,615	9,230,769
	9,230,769	11,076,923

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (...CONT'D)

8. BANK LOAN (...CONT'D)

Bank loan which bears interest of 4.75% (2013: 4.75%) per annum and repayable in 13 equal instalments due on every 28 February and 30 August of the year, effective from 30 August 2013. The loan is secured by pledge of shares in the subsidiaries and a floating charges against cash at bank (Note 4).

9. DERIVATIVE FINANCIAL INSTRUMENTS PAYABLE

	Contract/ notional amount US$	Liability US$
2014		
Cash flow hedges		
- Interest rate swaps	9,230,769	(130,162)
2013		
Cash flow hedges		
- Interest rate swaps	11,076,923	(169,275)

The interest rate swap receives floating interest equal to LIBOR + 3% p.a. (2013: 3%), pays a fixed rate of interest of 4.75% p.a. (2013: 4.75%) and matures on 30 August 2019.

Fair value gains and losses on the interest rate swaps recognised in the hedging reserve are transferred to profit or loss as part of interest expense over the period of the borrowings.

10. AMOUNT OWING TO HOLDING COMPANY

The amount owing to holding company is a loan amounting to US$989,127 (2013: NIL) which were non-trade in nature, unsecured carries an interest of LIBOR + 3.5% per annum and repayable within the next 12 months

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (...CONT'D)

11. SHARE CAPITAL

	Number of ordinary shares issued			
	2014	2013	2014 US$	2013 US$
Issued				
Balance at the beginning and end of the financial year	11,180,816	11,180,816	11,180,816	11,180,816

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

The holder of ordinary share is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

12. REVENUE

	2014 US$	2013 US$
Incentive fee	444,485	261,722
Management fee	200,000	200,000
Consultation fee	800,000	800,000
	1,444,485	1,261,722

In accordance with an agreement dated 9 August 2012 signed between the Company and the subsidiaries, the subsidiaries will pay incentive fee to the Company which represents 5% of subsidiaries' net profit after tax based on the audited year-end financial statement.

Management fee represents a fee of US$100,000 per annum receivable from subsidiaries for management services and technical support.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (...CONT'D)

13. FINANCE COST

	2014 US$	2013 US$
Interest expenses	512,780	562,148
	512,780	562,148

14. INCOME TAX EXPENSE

	2014 US$	2013 US$
Current income tax		
- Current year's provision	-	13,652
- (Over) / Under provision in prior year	(13,529)	38,724
Foreign tax	6,061	6,900
	(7,468)	59,276

The current period's income tax varies from the amount of income tax determined by applying the applicable Singapore statutory income tax rate 17% (2013: 17%) to loss before income tax as a result of the following differences:

	2014 US$	2013 US$
Profit before income tax	915,808	608,352
Income tax expense at applicable rate	155,687	103,420
Income not taxable	-	(159,297)
Expenses not deductible	-	95,560
Exempt income	(155,687)	(20,181)
Tax rebate	-	(5,850)
Foreign tax	6,061	6,900
(Over) / Under provision for prior year	(13,529)	38,724
Tax (benefit) / expense	(7,468)	59,276

15. IMMEDIATE HOLDING COMPANY

The immediate holding Company is Dhunseri Tea & Industries Ltd, a Company incorporated in India.

16. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the Company had transactions with the related parties on terms agreed between them with respect to the following during the financial year:

	2014 US$	2013 US$
Loan from holding company	989,127	-
Incentive fee income from subsidiaries	444,485	261,722
Management fee income from subsidiaries	200,000	200,000

17. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

(a) *Market risk*

(i) Foreign currency risk

Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not in the entity's functional currency. The Company is subject to various currency exposures, primarily with respect to the Singapore dollars. The Company does not use any hedging instruments to protect against the volatility associated with the foreign currency transactions.

17. FINANCIAL RISK MANAGEMENT (...CONT'D)

Financial risk factors (...cont'd)

(a) Market risk (...cont'd)

(i) Foreign currency risk (...cont'd)

The Company's currency exposure to Singapore dollars based on the information provided to key management is as follows:

	2014 US$	2013 US$
Financial assets		
Cash and cash equivalents	41,268	41,346
	41,268	41,346
Financial liability		
Accruals	4,851	5,060
Currency exposure on net financial assets	36,417	36,286

As at 31 December 2014, if the Singapore dollars had strengthened/weakened by 4% (2013: 3%) against the United States dollars with all other variables including tax rate being held constant, the Company's loss after tax for the financial year would have been higher/lower by approximately US$1,400 (2013: US$1,000) as a result of currency translation gains/losses on the remaining Singapore dollars denominated financial liability.

(ii) Interest rate risk

The Company's exposure to interest rate risk arises from its bank loan (Note 8), interest swap and amount owing to holding company. The Company's policy is to obtain the most favourable interest rates available. Surplus funds are placed with reputable banks. The Company constantly reviews its debt portfolio and monitors changes in interest rate environment to ensure that interest receipts and payments are within acceptable levels.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

	2014		2013	
	Effective Rate %	US$	Effective Rate %	US$
Variable rate instruments				
Interest rate swaps	LIBOR + 3%	9,230,769	LIBOR + 3%	11,076,923
Amount owing to holding company	LIBOR + 3.5%	989,127	LIBOR + 3.5%	-
		10,219,896		11,076,923

17. FINANCIAL RISK MANAGEMENT (...CONT'D)

Financial risk factors (...cont'd)

(a) *Market risk (...cont'd)*

(ii) Interest rate risk (...cont'd)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for amounts due from a subsidiary, related parties, borrowings and amounts due to a director at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. 50 (2013: 50) basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (2013 : 50 basis points) higher/lower and all other variables were held constant, the Company's post-tax profit for the year ended 31 December 2014 would increase/decrease by approximately US$51,100 (2013 : US$55,300).

(b) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are trade and other receivables and cash and cash equivalents.

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

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

	2014	2013
	US$	US$
By types of customers		
Subsidiaries	572,558	492,705
Third parties	-	94,017
	572,858	586,722

At the end of the reporting period, 100% of the Company's trade receivables are due from its subsidiaries.

17. FINANCIAL RISK MANAGEMENT (...CONT'D)

Financial risk factors (...cont'd)

(b) Credit risk (...cont'd)

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

Trade and other receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Company. Cash at bank that are neither past due nor impaired are placed with or entered into with reputable financial institutions.

The Company's trade and other receivable that is neither past due nor impaired amounted to US$572,558 (2013: US$586,722). These are receivables due from its subsidiaries which management is of the view they are creditworthy.

(ii) Financial assets that is past and/or impaired

There is no financial asset that is past due and/or impaired.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash. At the end of each reporting period, assets held by the Company for managing liquidity risk include cash and cash equivalents as disclosed in Note 4

The table below analyses the Company's non-derivative financial liabilities into relevant maturity grouping based on the remaining period from the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	within 1 year	Between 2 to 5 years	Over 5 years	Total
	US$	US$	US$	US$
2014				
Accruals	165,985	-	-	165,985
Loan from holding company	989,127	-	-	989,127
Bank loan (Note 8)	1,846,154	7,384,615	-	9,230,769
Derivative financial instruments	130,162	-	-	130,162
	3,131,428	7,384,615	-	10,516,043

17. FINANCIAL RISK MANAGEMENT (...CONT'D)

Financial risk factors (...cont'd)

(c) *Liquidity risk (...cont'd)*

	within 1 year US$	Between 2 to 5 years US$	Over 5 years US$	Total US$
2013				
Accruals	182,524	-	-	182,524
Bank loan (Note 8)	1,846,154	7,384,615	1,846,154	11,076,923
Derivative financial instruments	169,275	-	-	169,275
	2,197,953	7,384,615	1,846,154	11,428,722

(d) *Fair value measurement*

The following table present assets and liabilities measured at fair value and classified by the level of the following fair value measurements hierarchy:

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

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (ie derived from prices) (Level 2); and

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

	Level 2 US$
2014	
Financial liability	
Derivative financial instruments	130,162
2013	
Financial liability	
Derivative financial instruments	169,275

The fair value of interest rate swap is determined based on the information furnished by bank as at the end of the reporting period. These investments are included in Level 2.

17. FINANCIAL RISK MANAGEMENT (...CONT'D)

Financial risk factors (...cont'd)

(d) Fair value measurement (...cont'd)

The carrying amounts of cash and cash equivalents, trade and other receivables, accruals, and bank loan approximate their fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period or the fixed interest rates which approximates the market interest rate.

The fair value of financial liabilities for disclosure purposes is estimated based on quoted market prices or dealer quotes for similar instruments by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

(e) Categories of financial instruments

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

	2014 US$	2013 US$
Financial assets		
Loans and receivables:		
Cash and cash equivalents	204,489	99,703
Trade and other receivables	572,558	586,722
Financial liabilities		
Amortised cost:		
Trade and other payables	234,916	182,524
Loan from holding company	989,127	-
Bank loan	9,230,769	11,076,923
Fair value through profit or loss:		
Derivative financial instruments liability	130,162	169,275

18. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company'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 Company 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (...CONT'D)

18. CAPITAL MANAGEMENT (...CONT'D)

The capital structure of the Company consists of bank borrowing (Note 8) and equity, which comprises issued capital and accumulated losses.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as trade and other payables plus loan and borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	2014 US$	2013 US$
Net debt	10,250,323	11,159,744
Total equity	12,199,541	11,237,152
Total capital	22,449,864	22,396,896
Gearing ratio	0.46	0.50

The Company is in compliance with all externally imposed capital requirements and the Company's overall strategies remained unchanged for the financial year ended 31 December 2014 and 2013.

19. CONTINGENT LIABILITIES

In accordance with the share purchase agreement dated 27th July 2012 entered between the company and the seller of the subsidiaries, Kawalazi Estate company limited and Makandi Tea and Coffee Estates Limited, the Company has agreed to pay performance payout to the seller amounting to US$5 million if the subsidiaries achieve certain milestone results based on average production targets from end of second anniversary and third anniversary of the closing date.

The agreed performance payout is payable within 30 days following the third anniversary of the closing date. As on the closing date of the current financial year 31st December 2014, the said milestone results have not been achieved.

20. STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following FRS and amendments to FRS that are relevant to the company were issued but not yet effective.

Description	Effective for annual periods beginning on or after
Improvements to FRSs (January 2014)	
(a) Amendments to FRS 113 *Fair Value Measurement*	1 July 2014
(b) Amendments to FRS 24 *Related Party Disclosures*	1 July 2014
Improvements to FRSs (February 2014)	
(b) Amendments to FRS 113 *Fair Value Measurement*	1 July 2014
FRS 115 Revenue from contracts with customer	1 January 2017
FRS 109 Financial instruments	1 January 2018

The Company expects the adoption of the above standards will have no financial effect on the financial statements in the period of initial application.

DHUNSERI PETROCHEM & TEA PTE. LTD.
(Incorporated in Singapore)

THE ACCOMPANYING SCHEDULE OF

OTHER OPERATING EXPENSES HAS BEEN PREPARED FOR MANAGEMENT

PURPOSES ONLY AND DOES NOT FORM PART OF THE

AUDITED FINANCIAL STATEMENTS.

DHUNSERI PETROCHEM & TEA PTE. LTD.
(Incorporated in Singapore)

SCHEDULE OF OTHER OPERATING EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	2014 US$	2013 US$
Auditor's remuneration	4,851	5,060
Bank charges	1,203	1,117
Legal and professional fees	9,843	85,045
	15,897	91,222

The above schedule of other operating expenses provides additional information and does not form part of the audited financial statements.