

Gail Global (Singapore) Pte. Ltd.
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200411690H)

**Annual Report for the financial year ended
31 March 2017**

The directors present their statement to the member together with the audited financial statements of the Company for the financial year ended 31 March 2017.

In the opinion of the directors,

- (a) the financial statements as set out on pages 6 to 26 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and the financial performance, changes in equity and cash flows of the Company for the financial year covered by the financial statements; 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 in office at the date of this statement are as follows:

Gajendra Singh
Karmjit Singh (Appointed on 1 July 2016)
Manoj Jain (Appointed on 12 May 2017)
Anjani Kumar Tiwari (Appointed on 12 May 2017)

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 or 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 shares or debentures of the Company or its related corporations.

Share options

There were no 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.

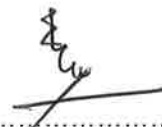
Independent auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors



Anjani Kumar Tiwari
Director



Gajendra Singh
Director

17 May 2017

**Independent Auditor's Report to the Member of
Gail Global (Singapore) Pte. Ltd.**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Gail Global (Singapore) Pte. Ltd. (the "Company"), which comprises the balance sheet as at 31 March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including summary of significant accounting policies, as set out on pages 6 to 26.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors 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 Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

**Independent Auditor's Report to the Member of
Gail Global (Singapore) Pte. Ltd.
(Continued)**

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Independent Auditor's Report to the Member of
Gail Global (Singapore) Pte. Ltd.
(Continued)**

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.



**Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants**

Singapore

17 May 2017

	Note	2017 USD	2016 USD
ASSETS			
Current assets			
Cash and bank balances	4	3,176,702	3,073,120
Trade and other receivables	5	42,342,419	3,771
Other current assets	6	63,416	76,537
		<u>45,582,537</u>	<u>3,153,428</u>
Non-current assets			
Available-for-sale financial assets	7	2,750,915	14,022,883
Property, plant and equipment	8	1,478	8,679
		<u>2,752,393</u>	<u>14,031,562</u>
Total assets		<u>48,334,930</u>	<u>17,184,990</u>
LIABILITIES			
Current liability			
Trade and other payables	9	41,944,041	102,357
Current income tax liabilities		311,638	-
		<u>42,255,679</u>	<u>102,357</u>
Non-current liability			
Borrowings	10	2,500,000	8,500,000
Total liabilities		<u>44,755,679</u>	<u>8,602,357</u>
NET ASSETS		<u>3,579,251</u>	<u>8,582,633</u>
EQUITY			
Share capital	11	7,100,000	2,100,000
Fair value reserve	12	(16,315,051)	(5,043,083)
Distributable retained profits		12,794,302	11,525,716
Total equity		<u>3,579,251</u>	<u>8,582,633</u>

The accompanying notes form an integral part of these financial statements

	Note	2017 USD	2016 USD
Revenue	13	493,481,347	306,741,250
Cost of sales		(490,182,285)	(305,518,144)
Gross profit		<u>3,299,062</u>	<u>1,223,106</u>
Other losses – net	14	(235,669)	(19,958)
Expenses			
- Depreciation of property, plant and equipment	8	(7,201)	(7,750)
- Employee compensation	15	(525,402)	(556,389)
- Professional fees		(66,785)	(46,546)
- Safe custody charges		(7,963)	(11,019)
- LC charges		(63,687)	(70,996)
- Rental on operating lease		(305,206)	(297,477)
- Telecommunication		(9,550)	(13,199)
- Travel expenses		(73,006)	(65,738)
- Finance	16	(280,111)	(160,774)
- Other		(144,258)	(105,486)
Total expenses		<u>(1,483,169)</u>	<u>(1,335,374)</u>
Profit/(loss) before income tax		<u>1,580,224</u>	<u>(132,226)</u>
Income tax expense	17	(311,638)	-
Net profit/(loss)		<u>1,268,586</u>	<u>(132,226)</u>
Other comprehensive (loss)/income Items that may be reclassified subsequently to profit or loss:			
- Fair value (loss)/gain on available-for-sale financial assets	12	(11,271,968)	58,635
Total comprehensive loss		<u>(10,003,382)</u>	<u>(73,591)</u>

The accompanying notes form an integral part of these financial statements

	Note	Share capital USD	Fair value reserve USD	Distributable retained profits USD	Total equity USD
2017					
Beginning of financial year		2,100,000	(5,043,083)	11,525,716	8,582,633
Total comprehensive (loss)/ income for the financial year		-	(11,271,968)	1,268,586	(10,003,382)
Issue of new shares	11	5,000,000	-	-	5,000,000
End of financial year		<u>7,100,000</u>	<u>(16,315,051)</u>	<u>12,794,302</u>	<u>3,579,251</u>
2016					
Beginning of financial year		2,100,000	(5,101,718)	11,657,942	8,656,224
Total comprehensive income/ (loss) for the financial year		-	58,635	(132,226)	(73,591)
End of financial year		<u>2,100,000</u>	<u>(5,043,083)</u>	<u>11,525,716</u>	<u>8,582,633</u>

The accompanying notes form an integral part of these financial statements

	Note	2017 USD	2016 USD
Cash flows from operating activities			
Net profit / (loss)		1,268,586	(132,226)
Adjustments for:			
- Dividend income	14	(247,144)	-
- Depreciation of property, plant and equipment	8	7,201	7,750
- Interest income	14	(46,451)	(15,453)
- Interest expense	16	280,111	160,774
- Income tax expense		311,638	-
- Unrealised currency translation losses		693,843	53,064
		<u>2,267,784</u>	<u>73,909</u>
Change in working capital:			
- Trade and other receivables		(42,085,144)	-
- Other current assets		13,121	(23,170)
- Trade and other payables		41,841,673	(85,740)
		<u>41,841,673</u>	<u>(85,740)</u>
Cash generated from/(used in) operations and net cash provided by/(used in) operating activities		<u>2,037,434</u>	<u>(35,001)</u>
Cash flows from investing activities			
Dividends received		-	1,221,998
Interest received		40,091	25,009
Purchase of property, plant and equipment	8	-	(2,934)
Net cash provided by investing activities		<u>40,091</u>	<u>1,244,073</u>
Cash flows from financing activities			
Repayments of borrowings		(1,000,000)	-
Interest paid		(280,100)	(160,774)
Net cash used in financing activities		<u>(1,280,100)</u>	<u>(160,774)</u>
Net increase in cash and bank balances		797,425	1,048,298
Cash and bank balances at beginning of financial year		3,073,120	2,077,886
Effect of currency translation on cash and bank balances		(693,843)	(53,064)
Cash and bank balances at end of financial year	4	<u>3,176,702</u>	<u>3,073,120</u>

The accompanying notes form an integral part of these financial statements

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

The financial statements of the Company for the financial year ended 31 March 2017 were authorised for issue in accordance with resolution of the directors on 17 May 2017.

1 General information

The Company is incorporated and domiciled in Singapore. The address of its registered office is 100 Beach Road, #30-00, Shaw Towers, Singapore 189702. The address of principal place of business is #44-01, Suntec Tower One, Singapore 038987.

The principal activities of the Company is the business of trading of liquefied natural gas and investment holding.

The immediate and ultimate holding corporation is GAIL (India) Limited, a company incorporated in New Delhi, India and listed on National Stock Exchange of India Limited and BSE Ltd.

2 Significant accounting policies

(a) *Basis of preparation*

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

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company'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 2016

On 1 April 2016, the Company adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Company'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 accounting policies of the Company and had no material effect on the amounts reported for the current or prior financial years.

2 Significant accounting policies (Cont'd)

(b) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable in the ordinary course of the Company's activities. Revenue are presented, net of goods and services tax, rebates and discounts. The Company recognises revenue when the amount of revenue and related cost can be reliably measured, 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) Sales of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer, and it is probable that the goods will not be returned.

(ii) Dividend income

Dividend income is recognised when dividend has been declared and right to receive dividend has been established.

(iii) Interest income

Interest income is recognised on an accrual basis.

(c) Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure relating to property, 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 Company and the cost of the item can be measured reliably.

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

	<u>Useful lives</u>
Office equipment	3 years

The residual values, estimated useful lives and depreciation method of property, 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.

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other income – net".

2 Significant accounting policies (Cont'd)

(d) Impairment of non-financial assets

Property, plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset 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.

An impairment loss for an asset is reversed 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 accumulated 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.

(e) Loans and receivables

Cash and bank balances

Trade and other receivables

Cash and bank balances and trade and other receivables are initially recognised at their fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Company assesses at each balance sheet date whether there is objective evidence that these financial assets are 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 amounts 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.

These assets are presented as current assets except for those that are expected to be realised later than 12 months after the balance sheet date, which are presented as non-current assets.

2 Significant accounting policies (Cont'd)

(f) *Available-for-sale financial assets*

Available-for-sale financial assets are initially recognised at their fair values plus transaction costs and are subsequently carried at their fair values. Changes in fair values are recognised in other comprehensive income and accumulated under the fair value reserve within equity.

These financial assets are recognised on the date which the Company commits to purchase the asset. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the balance sheet date.

The Company assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired. Significant or prolonged decline in the fair value of an equity security below its cost is objective evidence that the security is impaired.

If there is evidence of impairment, the cumulative loss that was recognised in the fair value reserve is reclassified to profit or loss. Impairment losses on available-for-sale equity securities are not reversed through profit or loss.

On disposal, 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 transferred to profit or loss.

(g) *Trade and other payables*

Trade and other payables represent unpaid liabilities for goods and services provided to the Company prior to the end of financial year. 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 measured at fair value, and subsequently measured at amortised cost using the effective interest method.

(h) *Provisions*

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, 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.

2 Significant accounting policies (Cont'd)

(i) *Income taxes*

Current income tax is recognised at the amount expected to be paid 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.

A deferred income tax liability is recognised on temporary differences except where the Company 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.

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 Company 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 expense in profit or loss.

(j) *Currency translation*

The financial statements are presented in United States dollar ("USD"), which is the functional currency of the Company.

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing 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. 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. Currency translation differences on these items are included in the fair value reserve.

Foreign exchange gains and losses impacting profit or loss are presented within "other loss – net".

(k) *Cash and bank balances*

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

2 Significant accounting policies (Cont'd)

(l) Borrowings

Borrowings are presented as current liabilities unless the Company 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 profit or loss over the period of the borrowings using the effective interest method.

(m) Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

(n) Employee compensation

Defined contribution plans

The Company's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due, unless they can be capitalised as an asset.

(o) Leases

The Company leases office space and staff accommodation under operating leases from non-related parties.

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

(p) 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.

(q) Fair value estimation of financial assets and liabilities

The fair values of financial instruments that are not traded in an active market are determined using valuation techniques. The Company uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instrument.

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

(r) Offsetting of financial instruments

Financial asset 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.

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.

Fair value of available-for-sale financial assets

The available-for-sale financial assets of the Company comprise equity securities that are not traded in an active market. The fair value of the available-for-sale financial assets is determined by using valuation techniques in accordance with Note 2(q). In determining these fair values, the management evaluates and assesses amongst other factors and conditions whether there are significant adverse changes in the business environment where the investee operates, probability of insolvency or significant difficulties of the investee. Based on the assessment, management is of the opinion that the carrying amount of available-for-sale financial assets at the balance sheet date approximate their fair value.

If the weighted average cost of capital used in the valuation technique had been 5% (2016: 5%) higher/lower, the fair value (loss)/gain would have been higher/lower by USD348,905 (2016: USD1,815,856) for the financial year ended 31 March 2017.

The carrying amount of available-for-sale financial assets are disclosed in Note 7 of the financial statements.

4 Cash and bank balances

	2017 USD	2016 USD
Cash at bank	1,141,236	1,888,821
Short-term bank deposits	2,035,466	1,184,299
	<u>3,176,702</u>	<u>3,073,120</u>

Short-term bank deposits are made for varying periods of between one month and twelve months depending on the immediate cash requirements of the Company, and earn interests at the respective short-term deposit rates.

Included in cash and bank balances are bank deposits amounting to USD535,466 (2016: USD1,184,299) which are not freely remissible for use by the Company outside Egypt because of currency exchange restrictions in Egypt.

5 Trade and other receivables

	2017 USD	2016 USD
Trade receivables		
- Immediate holding corporation	42,085,144	-
Dividends receivable	247,144	-
Interest receivable	10,131	3,771
	<u>42,342,419</u>	<u>3,771</u>

6 Other current assets

	2017 USD	2016 USD
Deposits	50,385	54,940
Prepayments	13,031	21,597
	<u>63,416</u>	<u>76,537</u>

7 Available-for-sale financial assets

	2017 USD	2016 USD
Beginning of financial year	14,022,883	13,964,248
Fair value (loss)/gain recognised in other comprehensive income (Note 12)	(11,271,968)	58,635
End of financial year	<u>2,750,915</u>	<u>14,022,883</u>

Available-for-sale financial assets are analysed as follows:

	2017 USD	2016 USD
Non-listed securities		
- Equity securities, Egypt	<u>2,750,915</u>	<u>14,022,883</u>

Available-for-sale financial assets with carrying amount of USD2,750,915 (2016: USD14,022,883) is mortgaged to immediate and ultimate holding corporation for the loan from the immediate and ultimate holding corporation. Fair value measurement is disclosed in Note 20(e).

8 Property, plant and equipment

	Office equipment USD
2017	
<i>Cost</i>	
Beginning and end of financial year	<u>25,604</u>
<i>Accumulated depreciation</i>	
Beginning of financial year	16,925
Depreciation charge	<u>7,201</u>
End of financial year	<u>24,126</u>
Net book value	
End of financial year	<u>1,478</u>
2016	
<i>Cost</i>	
Beginning of financial year	22,670
Additions	<u>2,934</u>
End of financial year	<u>25,604</u>
<i>Accumulated depreciation</i>	
Beginning of financial year	9,175
Depreciation charge	<u>7,750</u>
End of financial year	<u>16,925</u>
Net book value	
End of financial year	<u>8,679</u>

9 Trade and other payables

	2017 USD	2016 USD
Trade payables - non-related parties	41,853,396	-
Amount due to immediate and ultimate holding corporation		
– non-trade	7,582	7,571
– trade	13,935	51,678
Accrued operating expenses	<u>69,128</u>	<u>43,108</u>
	<u>41,944,041</u>	<u>102,357</u>

The non-trade amount due to immediate and ultimate holding corporation pertains to expenses incurred on behalf of the Company and includes interest accrued on loan from immediate and ultimate holding corporation. Non-trade amount due to immediate and ultimate holding corporation is unsecured, non-interest bearing and repayable on demand.

10 Borrowings

	2017 USD	2016 USD
<i>Non-current</i>		
Loan from immediate and ultimate holding corporation	2,500,000	8,500,000
	2,500,000	8,500,000

(a) Security granted

The loan from immediate and ultimate holding corporation is secured by the available-for-sale financial assets of the 5% paid up capital in National Gas Company S.A.E Egypt (NATGAS) with carrying amount of USD2,750,915 (2016: USD14,022,883) as at 31 March 2017 (Note 7) and bears interest at the rate of 6-months LIBOR as per Telerate page plus one hundred basis point (bps) on the principal amount.

The loan from immediate and ultimate holding corporation is repayable in one or more installments up to September 2019.

(b) Fair value of non-current borrowings

At the balance sheet date, the fair value of non-current borrowings is USD2,352,308 (2016: USD7,953,636) and is computed based on cash flow discounted at the rate of 6-months LIBOR as per Telerate page plus one hundred basis point (bps) at 2.44% (2016: 1.90%).

11 Share capital

	No. of ordinary shares Issued share capital	Amount Share capital \$
2017		
Beginning of financial year	2,100,000	2,100,000
Shares issued	5,000,000	5,000,000
End of financial year	7,100,000	7,100,000
2016		
Beginning and end of financial year	2,100,000	2,100,000

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

On 29 March 2017, the Company issued 5,000,000 ordinary shares for a total consideration of USD5,000,000 by way of capitalisation of the loan from immediate and ultimate holding corporation. The newly issued shares rank pari passu in all respects with the previously issued ordinary shares.

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

12 Fair value reserve

	2017 USD	2016 USD
Beginning of financial year	(5,043,083)	(5,101,718)
Available-for-sale financial assets		
- Fair value (loss)/gain	<u>(11,271,968)</u>	<u>58,635</u>
	<u>(16,315,051)</u>	<u>(5,043,083)</u>

Fair value reserve is non-distributable.

13 Revenue

	2017 USD	2016 USD
Sales of liquefied natural gas	<u>493,481,347</u>	<u>306,741,250</u>

14 Other losses – net

	2017 USD	2016 USD
Dividend income	247,144	-
Interest income	46,451	15,453
Miscellaneous income	163,307	-
Foreign exchange loss – net	<u>(692,571)</u>	<u>(35,411)</u>
	<u>(235,669)</u>	<u>(19,958)</u>

15 Employee compensation

	2017 USD	2016 USD
Salaries and bonus	490,683	519,288
Employer's contribution to defined contribution plans	<u>34,719</u>	<u>37,101</u>
	<u>525,402</u>	<u>556,389</u>

16 Finance expense

	2017 USD	2016 USD
Interest expense		
- Loan from immediate and ultimate holding corporation	176,882	127,362
- Bank borrowings	<u>103,229</u>	<u>33,412</u>
	<u>280,111</u>	<u>160,774</u>

17 Income tax expense

	2017 USD	2016 USD
Tax expense attributable to profit is made up of:		
- Current income tax	311,638	-

The tax on profit / (loss) before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	2017 USD	2016 USD
Profit/(loss) before income tax	1,580,224	(132,226)
Tax calculated at a tax rate of 17% (2016:17%)	268,638	(22,478)
Effects of:		
- Expenses not deductible for tax purposes	150,385	22,969
- Utilisation of previously unrecognised tax losses	(39,620)	(491)
- Income not subject to income tax	(42,014)	-
- Tax exemptions	(18,583)	-
- Tax rebate	(7,168)	-
Tax charge	311,638	-

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Company has unrecognised tax losses of nil (2016: USD233,057) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses have no expiry date.

18 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties at terms agreed between the parties:

(a) Sale and purchases of goods and services

	2017 USD	2016 USD
Sales to immediate and ultimate holding corporation	493,481,347	306,741,250
Services provided to immediate and ultimate holding corporation	163,306	-
Interest expense on loan from immediate and ultimate holding corporation	176,882	127,362
Expenses recharged by immediate and ultimate holding corporation	161,366	173,861

Outstanding balances at 31 March 2017, arising from sales of goods, are unsecured, receivable and payable within 12 months from balance sheet date and are disclosed in Notes 5 and 9 respectively.

18 Related party transactions (Cont'd)

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	2017 USD	2016 USD
Salaries and bonus	490,683	519,288
Employer's contribution to defined contribution plans	34,719	37,101
	<u>525,402</u>	<u>556,389</u>

There are no key management compensation paid to the directors during the financial years ended 31 March 2017 and 2016.

19 Operating lease commitments

The Company leases its office premise and staff accommodation under operating lease agreements. The leases have varying terms and renewal rights.

The future aggregate minimum lease payable under operating leases contracted for at the balance sheet date but not recognised as liabilities, are analysed as follows:

	2017 USD	2016 USD
Not later than one year	149,543	289,223
Between one and five years	-	28,210
	<u>149,543</u>	<u>317,433</u>

20 Financial risk management

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

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company. The management team then establishes detailed policies such as risk identification and measurement and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors.

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) Price risk

The price of liquefied natural gas, which is a global commodity is not set by the Company and is subject to fluctuations. The Company is not exposed to liquefied natural gas price risk as the Company sold the liquefied natural gas on back to back basis on fixed margin to its immediate and ultimate holding corporation.

20 Financial risk management (Cont'd)

(a) Market risk (Cont'd)

(ii) Currency risk

Currency risk arises when the transactions are denominated in foreign currencies such as the Singapore Dollar ("SGD") and Egyptian Pound ("EGP").

The Company's currency exposure to EGP and SGD is as follows:

	<u>SGD</u> USD	<u>EGP</u> USD	<u>USD</u> USD	<u>Total</u> USD
2017				
Financial assets				
Cash and bank balances	36,764	537,103	2,602,835	3,176,702
Available-for-sale financial assets	-	2,750,915	-	2,750,915
Trade and other receivables	-	249,165	42,093,254	42,342,419
Other current assets	50,385	-	-	50,385
	<u>87,149</u>	<u>3,537,183</u>	<u>44,696,089</u>	<u>48,320,421</u>
Financial liabilities				
Trade and other payables	(67,468)	(510)	(41,876,063)	(41,944,041)
Borrowings	-	-	(2,500,000)	(2,500,000)
	<u>(67,468)</u>	<u>(510)</u>	<u>(44,376,063)</u>	<u>(44,444,041)</u>
Net financial assets	<u>19,681</u>	<u>3,536,673</u>	<u>320,026</u>	<u>3,876,380</u>
Currency exposure of financial assets net of those denominated in the Company's functional currency				
	<u>19,681</u>	<u>3,536,673</u>	<u>-</u>	<u>3,556,354</u>
2016				
Financial assets				
Cash and bank balances	32,032	1,194,936	1,846,152	3,073,120
Available-for-sale financial assets	-	14,022,883	-	14,022,883
Trade and other receivables	-	3,771	-	3,771
Other current assets	54,940	-	-	54,940
	<u>86,972</u>	<u>15,221,590</u>	<u>1,846,152</u>	<u>17,154,714</u>
Financial liabilities				
Trade and other payables	(42,108)	(1,000)	(59,249)	(102,357)
Borrowings	-	-	(8,500,000)	(8,500,000)
	<u>(42,108)</u>	<u>(1,000)</u>	<u>(8,559,249)</u>	<u>(8,602,357)</u>
Net financial assets/ (liabilities)	<u>44,864</u>	<u>15,220,590</u>	<u>(6,713,097)</u>	<u>8,552,357</u>
Currency exposure of financial assets net of those denominated in the Company's functional currency				
	<u>44,864</u>	<u>15,220,590</u>	<u>-</u>	<u>15,265,454</u>

20 Financial risk management (Cont'd)

(a) Market risk (Cont'd)

(ii) Currency risk (Cont'd)

If the SGD and EGP changes against the USD by 4% (2016: 3%) and 51% (2016: 3%) respectively with all other variables including tax rate being held constant, the effects on the profit before tax of the Company will be as follows:

	← Increase / (decrease) →	
	2017	2016
	USD	USD
SGD against USD		
- Strengthened	787	1,346
- Weakened	(787)	(1,346)
EGP against USD		
- Strengthened	1,803,703	456,618
- Weakened	<u>(1,803,703)</u>	<u>(456,618)</u>

(iii) Interest rate risk

The Company is exposed to interest rate risk on its borrowings. The Company periodically reviews its liabilities and monitor interest rate fluctuations to ensure that the exposure to interest rate risk is within acceptable level. The Company is not exposed to change in interest rates for fixed rate interest earning financial assets.

The Company is not exposed to interest rate risk on its short term bank borrowing for the spot liquefied natural gas cargoes procured under the spot mandate for the immediate and ultimate holding corporation. In such a situation, interest is charged on back to back basis from immediate and ultimate holding corporation.

For loan from immediate and ultimate holding corporation, the interest is charged at the rate of 6-months LIBOR as per Telerate page plus one hundred basis point (bps) on the principal amount. If the interest rate had increased/decreased by 0.5% (2016: 0.5%) with all other variables including tax rate being held constant, the impact on net profit would have been higher/lower by USD12,500 (2016: USD42,500) as a result of higher/lower interest expense on these borrowings.

(b) Credit risk

Credit risk is the risk that counterparties default in their contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are cash and bank balances and trade receivables. For trade receivables, the Company dealt with only its immediate and ultimate holding corporation. For other financial assets, the Company adopts the policy of dealing with financial institutions and other counterparties with high credit rating.

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 balance sheet. The Company places its cash and bank balances with reputable banks and financial institutions which are regulated.

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

Bank deposits that are neither past due nor impaired are mainly deposits placed with reputable banks. The trade receivables that are neither past due nor impaired are with immediate and ultimate holding corporation. Therefore there is no doubt on their ability for repayment.

20 Financial risk management (Cont'd)

(b) Credit risk (Cont'd)

(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.

(c) Liquidity risk

The Company manages its liquidity risk by maintaining sufficient cash and bank balances to enable them to meet its normal operational requirements and having an adequate amount of committed credit facilities. As at balance sheet date, assets held by the Company for managing liquidity risk included bank balances.

The table below analyses the maturity profile of the financial liabilities of the Company based on contractual undiscounted cash flows. Balance due within 12 months equal their carrying amount as the impact of discounting is not significant.

	Less than 1 year USD	Between 1 and 5 years USD
2017		
Trade and other payables	41,944,041	-
Borrowings	60,956	2,590,348
	<u>42,004,997</u>	<u>2,590,348</u>
2016		
Trade and other payables	102,357	-
Borrowings	161,474	8,695,663
	<u>263,831</u>	<u>8,695,663</u>

(d) Capital risk

The Company objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal 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, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a debt-equity ratio. The debt-equity ratio is calculated as non-current liabilities divided by net assets.

	2017 USD	2016 USD
Non-current liabilities	2,500,000	8,500,000
Total equity	3,579,251	8,582,633
Debt equity ratio (times)	<u>0.70</u>	<u>0.99</u>

The Company does not have any externally imposed capital requirements for the financial years ended 31 March 2017 and 2016.

20 Financial risk management (Cont'd)

(e) *Fair value measurement*

The following table presents the assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement 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 (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the assets or liabilities that are not based on observable market data (unobservable inputs) (Level 3).

2017	Level 2 USD
Available-for-sale financial assets	<u>2,750,915</u>
2016	Level 2 USD
Available-for-sale financial assets	<u>14,022,883</u>

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company makes assumptions that are based on market conditions existing at each balance sheet date. Estimated discounted cash flows are used to determine fair value for the available-for-sale financial assets.

The fair value of unlisted equity securities are based on cash flows discounted at rates based on the market interest rates adjusted for risk premiums specific to the equity securities (2017: 8.45%, 2016: 6.45%).

The carrying amounts less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of current borrowings approximates their carrying amount.

(f) *Financial instrument by category*

The carrying amount of financial instruments are as follows:

	2017 USD	2016 USD
Available-for-sale financial assets	2,750,915	14,022,883
Loans and receivables	45,569,506	3,131,831
Financial liabilities at amortised cost	<u>44,444,041</u>	<u>8,602,357</u>

21 New or revised accounting standards and interpretations

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 April 2017 or later periods and which the Company has not early adopted. The Company has assessed that the adoption of these new accounting standards, amendments and interpretations to existing standards will not have a material impact on the financial statements.