Extract of the

Independent Auditor's Report

Emphasis of matter

We draw attention to Note 2(a) to the financial statements which describe the going concern uncertainty of the Group. As at 31 March 2015, the Group incurred a total comprehensive loss of US$300.5 million (2014 - US$34.1 million) and has a negative operating cashflows of US$21.5 million (2014 - US$2.7 million). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as going concern. The preparation of the financial statements on a going concern basis is dependent on the ability of the Group to generate sufficient cash flows from operations to pay debts as and when they fall due. As disclosed at Note 2(a) to the financial statements, the Group has contracted two new contracts subsequent to year end for the provision of management services in connection with the management of oil and gas vessels to pay its expenses or liabilities. If the Group is unable to continue in operational existence, the Group is unable to discharge its liabilities in the normal course of business, and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Group may need to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to the financial statements.

Notes to the Financial Statements

for the financial year ended 31 March 2015

2(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in United States dollars which is the Company's functional currency. All financial information is presented in United States dollars, unless otherwise stated.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet their obligations as and when they fall due in the next 12 months. The Group incurred a total comprehensive loss of US$300.5 million (2014 - US$34.1 million) and negative operating cashflows of US$21.5 million (2014 - US$2.7 million) during the financial year ended 31 March 2015. The financial statements are prepared on a going concern basis on the ground that the Group has contracts with two customers subsequent to year end for the provision of management services in connection with the management of oil and gas vessels. Budgeted revenue from the provision of management services amounted to US$0.9 million. The company is actively seeking to grow its business of providing management services in the oil and gas sector.

If the Group is unable to continue in operational existence, the Group is unable to discharge its liabilities in the normal course of business, and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Group may need to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to the financial statements.

As at the date of this report, the Directors believe that the Company will be able to meet its obligations as and when they fall due in the next 12 months based on the Company's Cash Flow forecast. Accordingly, in the opinion of the Directors of the Company, the financial statements for the financial year ended 31 March 2015 prepared on a going concern basis is appropriate.

Significant accounting estimates and judgement

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used are described below:

Depreciation of plant and equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of plant and equipment to be within 3 to 20 years. The carrying amount of the Group's and the Company's plant and equipment as at 31 March 2015 are US$Nil and US$Nil (2014 - US$412.7 million and US$Nil) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation charges could be revised. If depreciation on plant and equipment increases/decreases by 5% from management, the Group's loss for the year will decrease/increase by approximately US$0.7 million (2014 - US$1.0 million).

Impairment of plant and equipment

The Group assesses annually whether plant and equipment have any indication of impairment in accordance with the accounting policy. The recoverable amounts of plant and equipment have been determined based on the higher of value-in-use computation and fair value less costs to sell. The value-in-use computation requires the Group to estimate the future cash flows expected from the cash generating unit and an appropriate discount rate in order to calculate the present value of the future cash flows. Management has evaluated the recoverability of the assets based on such estimates. If present value of estimated future cash flows decrease by 5% from management's estimates, the Group's impairment of plant and equipment will increase by US$11.5 million (2014 - US$Nil). The carrying amount of plant and equipment as at 31 March 2015 are US$Nil (2014 - US$412.7 million) respectively.

Notes to the Financial Statements

for the financial year ended 31 March 2015

2(a) Basis of preparation (Cont'd)

Impairment in investment in subsidiaries

Determining whether investment in subsidiaries is impaired requires an estimation of the value-in-use of that investment. The value-in- use calculation requires the Company to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Management has evaluated the recoverability of the investment based on such estimates. There is no impact to the impairment in investment in subsidiaries as investment in subsidiaries had been fully impaired and disposed of. The carrying amount of the investment in subsidiaries is disclosed at Note 6 to the financial statements.

Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed at Note 7 to the financial statements. If the present value of estimated future cash flows decrease by 5% from management's estimates, the impact to the Group's impairment of loans and receivables is not significant.

Impairment of available-for-sale investments

The Group reviews its available-for-sale investments at end of each reporting period to assess whether they are impaired. The Group also records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical over-the-counter prices, the duration and extent to which the fair value of an investment is less than its cost. The carrying amount of the Group's available-for-sale financial assets at end of the reporting period is disclosed at Note 8 to the financial statements. Sensitivity analysis is disclosed at Note 24 to financial statements.

For the financial year ended 31 March 2015, no impairment loss has been recognised for available-for-sale financial assets. Further details are given in Notes 8 and 25 to the financial statements.

The accounting policies used by the Group have been applied consistently to all periods presented in these financial statements. Judgement exercised by management:

Accommodation vessel under construction

Management is of the view that the accommodation vessel under construction is not available for its intended use as it is yet to be completed. As such, no depreciation has been provided until the asset is completed and ready for use. The carrying amount of the accommodation vessel under construction at the end of the reporting period is disclosed at Note 4 to the financial statements.

As at year ended 31 March 2015, the accommodation vessel under construction, together with the discontinued operations, was transferred to BWAM.

Notes to the Financial Statements

for the financial year ended 31 March 2015

2(a) Basis of preparation (Cont'd)

Income tax

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is included in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

2(b) Amendments to published standards effective in 2014

On 1 April 2014, the Group adopted the new or amended FRSs that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS. This includes the following FRSs which are relevant to the Group.

Reference	Description
FRS 110	Consolidated Financial Statements
FRS 112	Disclosure of Interests in Other Entities
Revised FRS 27	Separate Financial
Statements Amendments to FRS 27, FRS 110 and FRS 112	Investment Entities
Amendments to FRS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 39	Novation of Derivatives and Continuation of Hedge Accounting

The adoption of these new or amended FRSs did not result in substantial changes to the accounting policies of the Group and had no material effect on the amounts reported for the current or prior financial years except for the following:

FRS 110 Consolidated Financial Statements and Revised FRS 27 Separate Financial Statements

FRS 110 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 110 will require management to exercise significant judgement to determine whether entities are controlled and therefore are required to be consolidated by the Group, compared with the requirements that were in FRS 27. Therefore, FRS 110 may change which entities are consolidated within a group. The revised FRS 27 was amended to address accounting for subsidiaries, jointly controlled entities and associates in the separate financial statements.

The Group has reassessed which entities the Group controls and there are no resulting changes required. FRS 112 Disclosure of Interests in Other Entities

FRS 112 Disclosure of Interests in Other Entities is effective for financial periods beginning on or after 1 January 2014.

FRS 112 is a new standard on disclosure requirements for all forms of interest in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements.

As this is a disclosure standard, it will have no impact to the financial position and financial performance of the Group when applied in.