

AEGIS OVERSEAS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED

31 MARCH 2014

Registered office:

P.O. Box 50127
Dubai, United Arab Emirates

AEGIS OVERSEAS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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AEGIS OVERSEAS LIMITEDSTATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014(IN U.S. DOLLARS)

| | NOTES | 31.03.2014 | 31.03.2013 |
|----------------------------------|-------|------------|-------------|
| <u>NON-CURRENT ASSETS</u> | | | |
| Investment in associates | 3 | 63,663 | 63,663 |
| <u>CURRENT ASSETS</u> | | | |
| Other receivables | | 4,201 | 603 |
| Cash & cash equivalents | 4 | 804,502 | 1,540,705 |
| Due from a associate | 5 | 26,158 | 20,000 |
| Due from a related party | 5 | -- | 1,255,000 |
| | | 834,861 | 2,816,308 |
| <u>LESS: CURRENT LIABILITIES</u> | | | |
| Due to a associate | 5 | -- | (23,842) |
| Trade & other payables | 6 | (64,185) | (1,105,127) |
| | | (64,185) | (1,128,969) |
| NET CURRENT ASSETS | | 770,676 | 1,687,339 |
| | | 834,339 | 1,751,002 |
| <u>REPRESENTED BY</u> | | | |
| Share capital | 7 | 10,000 | 10,000 |
| Retained earnings | | 824,339 | 1,741,002 |
| Equity funds | | 834,339 | 1,751,002 |

Annexed schedule of notes form an integral part of these financial statements.

The report of the independent auditor is set forth on page 1

Approved by the directors on 20 April 2014.

FOR AEGIS OVERSEAS LIMITED


 DIRECTORS


AEGIS OVERSEAS LIMITEDSTATEMENT OF COMPREHENSIVE INCOMEFOR THE YEAR ENDED 31 MARCH 2014(IN U.S. DOLLARS)

| | <u>NOTES</u> | <u>31.03.2014</u> | <u>31.03.2013</u> |
|---|--------------|-------------------|-------------------|
| REVENUE | | 6,314,713 | 9,780,279 |
| Less: Cost of sales | | (5,590,434) | (8,015,017) |
| GROSS PROFIT | | 724,279 | 1,765,262 |
| Other operating income | | 14,706 | 6,122 |
| Directors remuneration | | (1,644) | (2,740) |
| Other operating expenses | | (26,573) | (16,018) |
| PROFIT FROM OPERATING ACTIVITIES | | 710,768 | 1,752,626 |
| Interest income | | 167 | 150 |
| Finance costs | 8 | (27,598) | (42,951) |
| PROFIT FOR THE YEAR | | 683,337 | 1,709,825 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 683,337 | 1,709,825 |

Annexed schedule of notes form an integral part of these financial statements.

The report of the independent auditor is set forth on page 1

FOR AEGIS OVERSEAS LIMITED



DIRECTORS


AEGIS OVERSEAS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2014
(IN U.S. DOLLARS)

| | <u>Share capital</u> | <u>Retained earnings</u> | <u>Total</u> |
|---|--------------------------|------------------------------|--------------|
| As at 31.03.2012 | 10,000 | 31,177 | 41,177 |
| Total comprehensive income for the year | -- | 1,709,825 | 1,709,825 |
| As at 31.03.2013 | 10,000 | 1,741,002 | 1,751,002 |
| Dividend | -- | (1,600,000) | (1,600,000) |
| Total comprehensive income for the year | -- | 683,337 | 683,337 |
| As at 31.03.2014 | 10,000 | 824,339 | 834,339 |
| | ===== | ===== | ===== |

Annexed schedule of notes form an integral part of these financial statements.
The report of the independent auditor is set forth on page 1
FOR AEGIS OVERSEAS LIMITED


DIRECTORS



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2014

(IN U.S. DOLLARS)

| Cash flows from operating activities | NOTES | 31.03.2014 | 31.03.2013 |
|---|---------|-------------|-------------|
| Profit for the year | | 683,337 | 1,709,825 |
| Adjustments for: | | | |
| Interest income | | (167) | (150) |
| Finance costs | | 27,598 | 42,951 |
| Operating profit before changes in operating assets and liabilities | | 710,768 | 1,752,626 |
| (Increase) in other receivables | | (3,598) | -- |
| (Increase) in due from a associate | | (6,158) | (20,000) |
| Decrease/(increase) in due from a related party | | 1,255,000 | (1,253,220) |
| (Decrease)/increase in due to a associate | | (23,842) | 23,842 |
| (Decrease)/increase in trade & other payables | | (1,040,942) | 1,104,315 |
| Cash generated from operations | | 891,228 | 1,607,563 |
| Finance charges paid | | (27,598) | (42,951) |
| Net cash from operating activities | (A) | 863,630 | 1,564,612 |
| Cash flows from investing activities | | | |
| Interest received | | 167 | 150 |
| Investments in associates | | -- | (63,663) |
| Net cash from/(used in) investing activities | (B) | 167 | (63,513) |
| Cash flows from financing activities | | | |
| Dividend paid | | (1,600,000) | -- |
| Net cash (used in) financing activities | (C) | (1,600,000) | -- |
| Net (decrease)/increase in cash & cash equivalents | (A+B+C) | (736,203) | 1,501,099 |
| Cash and cash equivalents at beginning of the year | | 1,540,705 | 39,606 |
| Cash and cash equivalents at end of the year | 4 | 804,502 | 1,540,705 |
| | | ===== | ===== |

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FOR AEGIS OVERSEAS LIMITED



DIRECTORS



AEGIS OVERSEAS LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 MARCH 2014(IN U.S. DOLLARS)1.0 LEGAL STATUS AND BUSINESS ACTIVITIES1.1 LEGAL STATUS

AEGIS OVERSEAS LIMITED is a company formed in Ras Al Khaimah Free Trade Zone, United Arab Emirates under the International Companies Regulations of 2006 of Ras Al Khaimah Free Trade Zone. The registered number of the company is 1680 and was incorporated on 21 May 2009.

The shareholder of the AEGIS OVERSEAS LIMITED is as under:

| | <u>Share in Share Capital of the Company</u> |
|---|--|
| M/s Aegis Business Limited (Parent Company) | 100 % |

1.2 BUSINESS ACTIVITIES

The company is engaged in the business of general trading outside UAE.

2.0 PRINCIPAL ACCOUNTING POLICIES2.1 ACCOUNTING CONVENTION

These financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations, issued or adopted by the International Accounting Standards Board (IASB).

2.2 CASH & CASH EQUIVALENTS

Cash and cash equivalents comprise of cash on hand, bank balance in current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

2.3 INVESTMENT IN ASSOCIATES

Investment in associates represents investments in company over which the company has the power to exercise significant influence, through participation in the investee's financial and operating policy decisions. Such investments are accounted at cost.

2.4 FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities. A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, a contractual right to exchange financial instruments under conditions that are potentially favourable or an equity instrument, excluding investments in subsidiaries, associates or joint ventures. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavourable.



AEGIS OVERSEAS LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 MARCH 2014(IN U.S. DOLLARS)2.5 REVENUE

Revenue represents the net amount invoiced for the goods delivered during the year.

2.6 FOREIGN CURRENCY TRANSACTIONS

- i) Transactions in UAE Dirhams are translated into U.S. Dollars at the rate of exchange ruling on the date of the transaction.
- ii) Monetary assets and liabilities expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling as on the date of statement of financial position.
- iii) Gains and losses resulting from foreign currency transactions are taken to the statement of comprehensive income.

2.7 BORROWING COSTS

Borrowing costs are recognised as an expense in the year in which they are incurred.

2.8 SIGNIFICANT JUDGMENTS AND KEY ASSUMPTIONS

The significant judgments made in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are as follows:

i) Doubtful debts

Management regularly undertakes a review of the amounts of receivable owed to the company either from customers or from related parties, and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates, extent of confirmations, and assessed creditworthiness of the debtor. Based on the assessment, assumptions are made as to the level of provisioning required.

ii) Impairment

As on the date of statement of financial position, management conducts an assessment of all financial assets to determine whether there are any indications that they may be impaired in the absence of such indications, no further action is taken, if such indications do exist, an analysis of each assets is undertaken to determine its net recoverable amount and, if this is below its carrying amount, the assets are written down to their recoverable amount.



AEGIS OVERSEAS LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 MARCH 2014(IN U.S. DOLLARS)

| | | |
|---|-------------------|-------------------|
| 3. <u>INVESTMENT IN ASSOCIATES</u> | <u>31.03.2014</u> | <u>31.03.2013</u> |
| Aegis Siam LTD - 49% interest Company incorporated under laws of Thailand (9,799 shares of THB 100 each) | 31,830 | 31,830 |
| Aegis Siam Resources Co. LTD - 49% interest Company incorporated under laws of Thailand (9800 shares of THB 100 each) | 31,833 | 31,833 |
| | 63,663 | 63,663 |
| | ===== | ===== |

Note:

International Accounting Standard 28 : Investments in associates requires Investment in associates to be accounted under the equity method. The company has not followed the equity method of accounting for Investment in associates.

| | | |
|---------------------------------------|-------------------|-------------------|
| 4. <u>CASH & CASH EQUIVALENTS</u> | <u>31.03.2014</u> | <u>31.03.2013</u> |
| Cash on hand | 6,983 | 7,130 |
| Bank balances | | |
| - Current accounts | 2,163 | 2,163 |
| - Margin deposit | 466,400 | -- |
| - Call account | 328,956 | 1,531,412 |
| | 804,502 | 1,540,705 |
| | ===== | ===== |

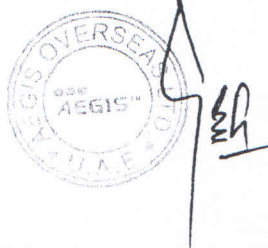
5. RELATED PARTY

The company enter into transactions with companies that fall within the definition of a related party as contained in International Accounting Standards 24. The management consider such transactions to be in normal course of business and at terms which correspond to those on normal arm's length transactions with third party.

Related party comprise companies under common management control.

As on the date of statement of financial position balances with related party were as follows:

| | | |
|--|-------------------|-------------------|
| | <u>31.03.2014</u> | <u>31.03.2013</u> |
| <u>Disclosed as due from a associate</u> | | |
| Aegis Siam Resources Co. Ltd | 26,158 | 20,000 |
| | ===== | ===== |
| <u>Disclosed as due from a related party</u> | | |
| Parent company - Aegis Business Ltd | -- | 1,255,000 |
| | ===== | ===== |
| <u>Disclosed as due to a associate</u> | | |
| Aegis Siam Resources Co. Ltd | -- | 23,842 |
| | ===== | ===== |
| <u>Included in trade pavables</u> | | |
| Century plyboards India Limited | -- | 925,249 |
| | ===== | ===== |
| <u>Included in other pavables</u> | | |
| Aegis Siam Resources Co. Ltd | -- | 3,704 |
| | ===== | ===== |



AEGIS OVERSEAS LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 MARCH 2014(IN U.S. DOLLARS)

The nature of significant related party transactions and the amounts involved are as follows:

| | <u>31.03.2014</u> | <u>31.03.2013</u> |
|------------------------|-------------------|-------------------|
| Purchase | 2,211,345 | 3,139,191 |
| | ===== | ===== |
| Interest expense | -- | 1,615 |
| | ===== | ===== |
| Directors remuneration | 1,644 | 2,740 |
| | ===== | ===== |

The company also provides/receives funds to/from related party as and when required as working capital facilities.

As at 31 March 2014, the company holds investment in the following associate, and has 31 December 2013 as its reporting date :

| <u>Name of the associates</u> | <u>Country of incorporation</u> | <u>Beneficial ownership interest %</u> | <u>Principal activities</u> |
|-------------------------------|---------------------------------|--|-----------------------------|
| Aegis Siam Ltd | Thailand | 49% | As per notes |
| Aegis Siam Resources Co. Ltd | Thailand | 49% | As per notes |

Notes:

- i) Aegis Siam Ltd is a company engaged in trading of mining products and hotel business.
- ii) Aegis Siam Resources Co. Ltd is a company engaged in trading of mining products and hotel business.

| | | | |
|----|---|-------------------|-------------------|
| 6. | <u>TRADE & OTHER PAYABLES</u> | <u>31.03.2014</u> | <u>31.03.2013</u> |
| | Trade payables | 57,875 | 1,098,677 |
| | Other payables | 6,310 | 6,450 |
| | | ----- | ----- |
| | | 64,185 | 1,105,127 |
| | | ===== | ===== |
| 7. | <u>SHARE CAPITAL</u> | <u>31.03.2014</u> | <u>31.03.2013</u> |
| | <u>Authorised, issued and paid up.</u> | | |
| | 10 shares of USD 1,000 each | 10,000 | 10,000 |
| | | ===== | ===== |
| 8. | <u>FINANCE COSTS</u> | <u>31.03.2014</u> | <u>31.03.2013</u> |
| | On bank charges | 27,440 | 41,336 |
| | On short term loan from a related party | -- | 1,615 |
| | On short term loan from others | 158 | -- |
| | | ----- | ----- |
| | | 27,598 | 42,951 |
| | | ===== | ===== |
| 9. | <u>DIVIDEND</u> | | |

Dividend paid for the year USD 1,600,000 (previous year USD nil) represents a dividend per share of USD 160,000 (previous year USD nil).



AEGIS OVERSEAS LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 MARCH 2014(IN U.S. DOLLARS)10. FINANCIAL INSTRUMENTS: RISK MANAGEMENT

The principal risks associated with financial instruments such as credit risk, market risk and liquidity risk are managed by placing cash and cash equivalents with various financial institutions of high credit rating, transacting businesses in AED & USD with counterparties of repute, and by monitoring on a regular basis that sufficient funds are available to meet maturing obligations.

i) Capital risk

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to directors through optimisation of the debt and equity balance.

The capital structure of the company comprises of equity funds as presented in the statement of financial position. Debt comprises of total amounts payable to third parties net of cash and cash equivalents.

The company reviews the capital structure on a semi-annual basis, considers the cost of capital.

ii) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, an adequate amount of credit facilities and the ability to close out market positions. Due to dynamic nature of the underlying businesses, the company maintain flexibility in funding by maintaining adequate availability of credit facilities.

iii) Credit risk

Financial assets, which potentially expose the company to concentrations of credit risk comprise principally of bank accounts and due from associate.

The company's bank accounts are placed with high credit quality financial institutions.

iv) Interest rate risk

Interest on loan from a related party and others are at fixed rate of interest. The company's call accounts are at a floating rate.

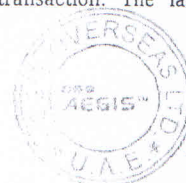
Reasonable increase/decrease in interest rate will not have any significant impact on profit or equity.

v) Exchange rate risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in US Dollars to which the Dirham is fixed.

11. FINANCIAL INSTRUMENTS: FAIR VALUES

The fair value of a financial instrument is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value of the company's financial assets and liabilities approximate to their carrying values.



AEGIS OVERSEAS LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 MARCH 2014(IN U.S. DOLLARS)12 BANK BORROWINGS

There is no bank borrowings outstanding as on the date of statement of financial position. However, bank facilities are secured by 100% cash margin.

13 CONTINGENT LIABILITIES

31.03.2014 31.03.2013

Commercial letters of credit opened and outstanding

424,000

--

=====

14 CAPITAL COMMITMENTS

There were no capital commitments of a significant amount as on the date of statement of financial position.

15 COMPARATIVE FIGURES

Previous year figures have been regrouped/reclassified wherever necessary to conform to the presentation adopted in the current year.

FOR AEGIS OVERSEAS LIMITED



DIRECTORS
