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**CENTURY PLY (SINGAPORE) PTE. LTD.**  
*(Company Registration No. 201435887H)*

Financial Statements For the Year ended March 31, 2018

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# **Century Ply (Singapore) Pte. Ltd.**

*(Incorporated in the Republic of Singapore)*

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## **Directors**

Ajay Bhagat  
Pham Ngoc Mai  
Kavitha Pandian  
Sajjan Bhajanka  
Sanjay Agarwal

## **Secretary**

Raja Muhammad Shah Bin Abdullah

## **Registered Office**

10 Anson Road  
#27-02 International Plaza  
Singapore 079903

## **Auditors**

Natarajan & Swaminathan  
Chartered Accountants of Singapore  
1 North Bridge Road  
#19-04/05 High Street Centre  
Singapore 179094

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# Century Ply (Singapore) Pte. Ltd.

## Directors' Statement

*For the financial year ended March 31, 2018*

The directors present this statement to the members together with the audited financial statements of the Company for the financial year ended March 31, 2018.

### 1 Directors

The directors in office at the date of this statement are:-

Ajay Bhagat  
Pham Ngoc Mai  
Kavitha Pandian  
Sajjan Bhajanka  
Sanjay Agarwal

### 2 Arrangements to enable directors to acquire shares and debentures

Neither during nor at the end of the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits through the acquisition of shares in, or debentures of the Company or any other body corporate.

### 3 Directors' interest in shares and debentures

The directors holding office at the end of the financial year had no interests in shares, debentures, warrants or share options of the Company as recorded in the Register of Directors' Shareholding kept by the Company under Section 164 of the Singapore Companies Act, except as follows:

<u>Name of directors</u>	<u>At beginning of year</u>	<u>At end of year</u>
<i>Number of ordinary shares</i>		
Ajay Bhagat	48,001	48,001
Pham Ngoc Mai	48,001	48,001

### 4 Share options

During the financial year, there were:

- (i) no options granted by the Company to any person to take up unissued shares of the Company;  
and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

# Century Ply (Singapore) Pte. Ltd.

## Directors' Statement

*For the financial year ended March 31, 2018*

### 5 Auditors

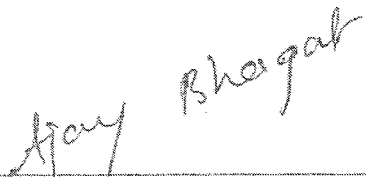
The auditors, Natarajan & Swaminathan, have expressed their willingness to accept re-appointment.

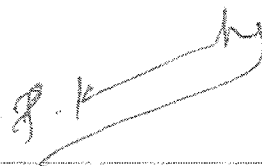
### 6 Directors' opinion

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at March 31, 2018 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Financial Reporting Standards in Singapore; 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.

On behalf of the board of directors

  
\_\_\_\_\_  
Ajay Bhagat

  
\_\_\_\_\_  
Kavitha Pandian

Date: May 10, 2018

**INDEPENDENT AUDITORS' REPORT**  
**TO THE SHAREHOLDERS OF CENTURY PLY (SINGAPORE) PTE. LTD.**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**  
*(Incorporated in the Republic of Singapore)*

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of **CENTURY PLY (SINGAPORE) PTE. LTD.** (the "Company"), which comprise the statement of financial position of the Company as at March 31, 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore (FRS) so as to give a true and fair view of the financial position of the Company as at March 31, 2018 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with Singapore Standards on Auditing (SSA). Our responsibilities under those standards are further described in the *Auditors' 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 identified above 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.

**INDEPENDENT AUDITORS' REPORT**  
**TO THE SHAREHOLDERS OF CENTURY PLY (SINGAPORE) PTE. LTD.**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**  
*(Incorporated in the Republic of Singapore)*

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**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 FRS, 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.

**Auditors' 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 SSA 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 SSA, 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.

INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF CENTURY PLY (SINGAPORE) PTE. LTD.  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018  
*(Incorporated in the Republic of Singapore)*

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**Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)**

- 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 auditors' 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 auditors' 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.

**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.



Natarajan & Swaminathan  
Public Accountants and Chartered Accountants Singapore

Date: May 10, 2018

**Century Ply (Singapore) Pte. Ltd.**  
**Statement of Financial Position**

*As at March 31, 2018*

	Note	2018	2017
		US\$	US\$
<b>Assets</b>			
<b>Non-current assets</b>			
Plant and equipment	3	2,267,490	3,165,027
Investments in subsidiaries	4	328,644	404,044
<b>Total non-current assets</b>		<u>2,596,134</u>	<u>3,569,071</u>
<b>Current assets</b>			
Trade receivables	5	-	346,705
Other receivables	6	10,986,370	10,947,560
Cash and bank balances	7	7,323	22,892
<b>Total current assets</b>		<u>10,993,693</u>	<u>11,317,157</u>
<b>Total assets</b>		<u><b>13,589,827</b></u>	<u><b>14,886,228</b></u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	8	5,445,929	5,445,929
Accumulated profits		767,907	518,893
<b>Total equity</b>		<u>6,213,836</u>	<u>5,964,822</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities	9	291,260	130,000
<b>Total non-current liabilities</b>		<u>291,260</u>	<u>130,000</u>
<b>Current liabilities</b>			
Other payables and accruals	10	4,617,731	8,791,406
Bank loan	11	2,467,000	-
<b>Total current liabilities</b>		<u>7,084,731</u>	<u>8,791,406</u>
<b>Total liabilities</b>		<u>7,375,991</u>	<u>8,921,406</u>
<b>Total equity and liabilities</b>		<u><b>13,589,827</b></u>	<u><b>14,886,228</b></u>

*The annexed accounting policies and explanatory notes form an integral part of the financial statements*



**Century Ply (Singapore) Pte. Ltd.**  
**Statement of Comprehensive Income**

*For the financial year ended March 31, 2018*

	Note	<u>2018</u>	<u>2017</u>
		US\$	US\$
Revenue	12	12,382,459	7,314,177
Cost of sales		(10,205,092)	(5,824,077)
Gross profit		2,177,367	1,490,100
Other income	13	9,824	2,429
Selling and distribution expenses		-	(16,877)
Administrative expenses		(848,841)	(256,483)
Other operating expenses		(879,110)	(703,833)
Finance costs	14	(48,966)	(41,414)
Profit before income tax	15	410,274	473,922
Income tax expense	16	(161,260)	(130,000)
Profit after income tax		249,014	343,922
Other comprehensive income		-	-
Total comprehensive income for the year		<u>249,014</u>	<u>343,922</u>

*The annexed accounting policies and explanatory notes form an integral part of the financial statements*

**Century Ply (Singapore) Pte. Ltd.**  
**Statement of Changes in Equity**

*For the financial year ended March 31, 2018*

	Note	Share capital	Accumulated profits	Total
		US\$	US\$	US\$
Balance as at 01.04.2016		309,157	174,971	484,128
Issue of shares	8	5,139,846	-	5,139,846
Effect of conversion of S\$ share into US\$ share		(3,074)	-	(3,074)
Total comprehensive income for the year		-	343,922	343,922
Balance as at 31.03.2017		5,445,929	518,893	5,964,822
Total comprehensive income for the year		-	249,014	249,014
Balance as at 31.03.2018		5,445,929	767,907	6,213,836

*The annexed accounting policies and explanatory notes form an integral part of the financial statements*

# Century Ply (Singapore) Pte. Ltd.

## Statement of Cash Flows

For the financial year ended March 31, 2018

	<u>2018</u>	<u>2017</u>
	US\$	US\$
<b>Cash flows from operating activities</b>		
Profit before income tax	410,274	473,922
Adjustments for:		
Depreciation of plant and equipment	750,256	564,712
Interest expense	48,966	41,414
Provision for impairment loss on investment in subsidiary	372,400	-
Effect of conversion of S\$ share into US\$ share	-	(3,074)
Operating profit before working capital changes	1,581,896	1,076,974
Trade receivables	346,705	52,321
Other receivables	(38,810)	(7,092,416)
Other payables and accruals	(1,174)	(32,140)
Bank loan	2,467,000	(1,120,000)
Cash generated from/(used in) operations	4,355,617	(7,115,261)
Interest paid	(48,966)	(41,414)
Net cash from/(used in) operating activities	4,306,651	(7,156,675)
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(147,885)	(978,311)
Purchase of investment in subsidiary	(1,834)	-
Net cash used in investing activities	(149,719)	(978,311)
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	5,000,000
Other payables - holding company and directors	(4,172,501)	3,141,288
Net cash (used in)/from financing activities	(4,172,501)	8,141,288
<b>Net (decrease)/increase in cash and cash equivalents</b>	(15,569)	6,302
Cash and cash equivalents brought forward	22,892	16,590
<b>Cash and cash equivalents carried forward</b>	<u>7,323</u>	<u>22,892</u>
<b>Cash and cash equivalents comprise:-</b>		
Cash at banks	7,259	19,052
Cash in hand	64	3,840
	<u>7,323</u>	<u>22,892</u>

The annexed accounting policies and explanatory notes form an integral part of the financial statements

# Century Ply (Singapore) Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2018

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

### 1 Corporate information

The Company (Registration No. 201435887H) is a private limited Company incorporated and domiciled in Singapore.

The registered office and principal place of business are at 10 Anson Road, #27-02 International Plaza, Singapore 079903.

The principal activities of the Company are to engage in timber trading, manufacturing and trading in plywood and all wood products and materials, and also leasing of machineries and equipments and providing related services.

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

#### *Holding company*

The Company is a subsidiary of "Century Plyboards (India) Ltd.", a listed company incorporated in the Republic of India, which is also the ultimate holding company.

#### *Subsidiaries*

Refer Note 4 to the financial statements for details of the subsidiaries and their principal activities.

### 2 Significant accounting policies

#### a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRS") as required by the Singapore Companies Act, Chapter 50. These financial statements are the separate financial statements of Century Ply (Singapore) Pte. Ltd. The Company is exempted from the preparation of consolidated financial statements as the Company is a subsidiary of Century Plyboards (India) Ltd., a listed company incorporated in India, which prepares consolidated financial statements available for public use. The registered office of Century Plyboards (India) Ltd. is as follows:

6 Lyons Range, Kolkata  
West Bengal, India - 700001

The financial statements are expressed in United States Dollar (US\$) and are prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting 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. These estimates and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances (refer Note 2(b) to the financial statements).

# Century Ply (Singapore) Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2018

### 2 Significant accounting policies (Cont'd)

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

The Company adopted the new or revised FRS that is mandatory for application on that date. This includes the following FRS, which are relevant to the Company as a single entity:

FRS 7 (Amendments) : Disclosure Initiative

FRS 12 (Amendments) : Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of these does not result in any significant changes to the Company's accounting policies or have any significant impact on the financial statements.

#### b) Critical judgements in applying the entity's accounting policies

In the process of applying the entity's accounting policies, management is of opinion that there are no critical judgements (other than those involving estimates) that have significant effect on the amounts recognised in the financial statements.

#### *Key sources of estimation uncertainty*

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

#### Depreciation

The Company depreciates the plant and equipment over their estimated useful lives, after taking into account their estimated residual values, if any, using the straight-line method. The estimated useful life reflects the directors' estimate of the periods that the Company intends to derive future economic benefits from the use of the Company's plant and equipment. The residual values reflect the directors' estimated amount that the Company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the assets were already of the age in the condition expected at the end of its useful life.

#### Investment in subsidiaries

Investment in subsidiaries are stated at cost less impairment loss, if any. In determining if there is any impairment, the management evaluates the market and economic environment in which the entities operates, the economic performance, the forecasted results, the net assets values, and the operating cash flow of these entities. The evaluation of these factors involves a significant degree of management judgment.

#### Allowance for trade and other receivables

The provision policy for doubtful debts of the Company is based on the ongoing evaluation of collectability and aging analysis of the outstanding receivables and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Company were to deteriorate, resulting in an impairment of their ability to make payments, allowances would be made.

# Century Ply (Singapore) Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2018

### 2 Significant accounting policies (Cont'd)

#### c) Foreign currency transactions

##### (i) Functional currency

The functional and measurement currency of the Company is the United States Dollar, being the currency in which the Company mainly transacts its sales and purchases.

##### (ii) Transactions and balances

Transactions in currencies other than in United States Dollar are recorded at the rates of exchange prevailing on the date of transaction. At each statement of financial position date, recorded monetary balances that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date.

All exchange differences are included in the profit or loss for the year.

#### d) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit or loss. When assets are sold or retired, their cost and accumulated depreciation and impairment loss are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit or loss.

#### e) Depreciation of plant and equipment

Plant and equipment are calculated on a straight-line method to write off the cost of the plant and equipment over their estimated useful lives at the following annual rates:

Office equipment	-	5 years
Machinery & equipment	-	5 years
Computers & peripherals	-	3 years

#### f) Investment in subsidiaries

Subsidiaries are investees that are controlled by the Company. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in the subsidiaries are carried at cost less accumulated impairment losses, if any. On disposal of investments in subsidiaries, the differences between disposal proceeds and the carrying amounts of the investments are recognised in the profit or loss.

#### g) Impairment of non-financial assets

At each statement of financial position date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# Century Ply (Singapore) Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2018

### 2 Significant accounting policies (Cont'd)

#### g) Impairment of non-financial assets (Cont'd)

Recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### h) Financial instruments

Financial instruments comprise financial assets and liabilities and they are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

##### 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. Income is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

##### Financial assets

Financial assets are classified as one of the financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate.

##### Recognition

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not measured at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets at the time of initial recognition, and where allowed and appropriate, re-evaluates this designation at each financial year end.

# Century Ply (Singapore) Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2018

### 2 Significant accounting policies (Cont'd)

#### h) Financial instruments (Cont'd)

##### Recognition (Cont'd)

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the year generally established by regulation or convention in the market place concerned.

As of year end the Company has the following classes of financial assets:-

##### - *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 "trade and other receivables" and "cash and cash at bank" on the statement of financial position. They are presented as current assets, except for those maturities later than 12 months, after the financial position date which are presented as non-current assets. Loans and receivables are measured at amortised cost using the effective interest method less impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process. For short term receivables the nominal cost would approximate the fair value.

##### Impairment

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if any, if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.



# Century Ply (Singapore) Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2018

### 2 Significant accounting policies (Cont'd)

#### h) Financial instruments (Cont'd)

##### Impairment (Cont'd)

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

##### Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred assets, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

##### Financial liabilities

Financial liabilities include trade payables on normal trade terms, other payables and interest-bearing loans and borrowings.

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis. For short term payables the cost approximates the fair value.

Interest-bearing bank loans and overdraft are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for finance costs.

Financial liabilities are derecognised when the obligation under the liabilities are discharged, cancelled or expire.

#### i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**2 Significant accounting policies (Cont'd)****i) Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents comprise cash at banks and cash in hand.

**k) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is presented net of value added tax, rebates, discounts and sales returns.

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:-

*Sale of goods*

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

*Grants*

Grants are recognised on receipt basis.

*Interest income*

Interest income is recognised using the effective interest method.

**l) Employee benefits***Retirement benefit costs*

As required by law, the Company makes contributions to the Central Provident Fund (CPF), a defined contribution plan regulated and managed by the Government of Singapore. CPF contributions are recognised as expense in the same year to which the contribution relates.

Employee entitlements to annual leave are recognised when they accrue to the employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by the employees up to the statement of financial position date.

A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

*Key management personnel*

Directors and certain managers that have the authority and responsibility for planning, directing and controlling the activities of the Company are considered key management personnel.

**m) Finance cost**

Interest expense and similar charges are expensed in the profit or loss in the year in which they are incurred.

**n) Operating lease**

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term.

# Century Ply (Singapore) Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2018

### 2 Significant accounting policies (Cont'd)

#### o) Income tax

Income tax expense represents the sum of tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using statutory tax rate at the statement of financial position date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset, realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt, within equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on net basis.

### 3 Plant and equipment

	Office equipment	Machinery & equipment	Computers & peripherals	Total
2018	US\$	US\$	US\$	US\$
<b>Cost</b>				
At April 1, 2017	918	3,874,500	1,483	3,876,901
Additions	-	147,885	-	147,885
Disposal (*)	-	(345,487)	-	(345,487)
At March 31, 2018	918	3,676,898	1,483	3,679,299
<b>Depreciation</b>				
At April 1, 2017	183	711,179	512	711,874
Charge for the year	184	749,578	494	750,256
Disposal (*)	-	(50,321)	-	(50,321)
At March 31, 2018	367	1,410,436	1,006	1,411,809
<b>Net book value</b>				
At March 31, 2018	551	2,266,462	477	2,267,490

# Century Ply (Singapore) Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2018

### 3 Plant and equipment (Cont'd)

<u>2017</u>	Office equipment	Machinery & equipment	Computers & peripherals	Total
	US\$	US\$	US\$	US\$
Cost				
At April 1, 2016	225	2,897,729	636	2,898,590
Additions	693	976,771	847	978,311
At March 31, 2017	918	3,874,500	1,483	3,876,901
Depreciation				
At April 1, 2016	4	147,140	18	147,162
Charge for the year	179	564,039	494	564,712
At March 31, 2017	183	711,179	512	711,874
Net book value				
At March 31, 2017	735	3,163,321	971	3,165,027

(\*) The assets were transferred at net book value of US\$295,166 to acquire shares in subsidiary.  
Refer Note 4 to the financial statements.

### 4 Investment in subsidiaries

	<u>2018</u>	<u>2017</u>
	US\$	US\$
Unquoted equity shares, at cost	701,044	404,044
Less: Impairment loss on investment in PT Century Ply Indonesia (@)	(372,400)	-
	<u>328,644</u>	<u>404,044</u>

Details of subsidiaries are as follows: -

<u>Name of subsidiaries</u>	<u>Country of incorporation and place of business</u>	<u>Principal activities</u>	<u>Percentage of equity held</u>		<u>Cost</u>	
			<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
			%	%	US\$	US\$
Century Ply Laos Co. Ltd (*)	Laos	Timber trading	90	90	31,644	31,644
PT Century Ply Indonesia (#)	Indonesia	Timber trading	95	95	372,400	372,400
Century Huesoulin Plywood Lao Co, Ltd	Laos	Timber trading	51	-	297,000	-
					<u>701,044</u>	<u>404,044</u>

(\*) Audited by other firm of auditors.

(#) The subsidiary was not audited, as it need not be audited as per statutory regulations in Indonesia.

# Century Ply (Singapore) Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2018

### 4 Investment in subsidiaries (Cont'd)

The Company acquired its new investment in Century Huesoulin Plywood Lao. Co., Ltd for US\$297,000. The Company transferred US\$295,166 of plant and equipment at net book value and paid US\$1,834 in cash to settle the consideration (refer Note 3 to the financial statements).

(@) The management has decided to impair the investment as the subsidiary has been dormant since incorporation and considering the current industrial and marketing scenario in Indonesia, it is of the view that it may not be able to commence operation. Hence advance receivable of US\$172,214 is also fully write off (refer Note 15 to the financial statements).

### 5 Trade receivables

	<u>2018</u>	<u>2017</u>
	US\$	US\$
Outside parties	-	<u>346,705</u>

The average credit period is 30 days (2017:30 days). No interest is charged on the trade receivables due from outside parties.

The table below is an analysis of trade receivables aging as at March 31;

	<u>2018</u>	<u>2017</u>
	US\$	US\$
Not past due	-	<u>346,705</u>

The Company has not made any allowance on all these receivables as the directors are of the view that all the receivables are recoverable.

### 6 Other receivables

	<u>2018</u>	<u>2017</u>
	US\$	US\$
Advance for purchases:		
- Outside parties	-	2,191,764
- Subsidiaries	10,980,102	8,745,336
Deposit	6,268	10,460
	<u>10,986,370</u>	<u>10,947,560</u>

The amount due from subsidiaries are unsecured, interest free and repayable on demand.

# Century Ply (Singapore) Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2018

### 6 Other receivables (Cont'd)

The other receivables that are not denominated in United States Dollar are as follows:-

	<u>2018</u>	<u>2017</u>
	US\$	US\$
Singapore Dollar	6,268	10,460

### 7 Cash and bank balances

	<u>2018</u>	<u>2017</u>
	US\$	US\$
Cash at banks	7,259	19,052
Cash in hand	64	3,840
	<u>7,323</u>	<u>22,892</u>

The cash and bank balances that are not denominated in United States Dollar are as follows:-

	<u>2018</u>	<u>2017</u>
	US\$	US\$
Singapore Dollar	2,820	17,808
Vietnam Dong	-	913

### 8 Share capital

	<u>2018</u> No. of shares issued	<u>2018</u> US\$	<u>2017</u> No. of shares issued	<u>2017</u> US\$
Ordinary shares issued and fully paid				
Balance at beginning of year	5,445,929	5,445,929	364,478	309,157
Effect of conversion of S\$ share into US\$ share	-	-	(58,395)	(3,074)
Shares issued	-	-	5,139,846	5,139,846
Balance at end of year	<u>5,445,929</u>	<u>5,445,929</u>	<u>5,445,929</u>	<u>5,445,929</u>

(\*) This comprise of 215,478 shares denominated in S\$ converted at historical rates amounting to US\$160,157 and 149,000 shares denominated in US\$ amounting to US\$149,000.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and have no par value.

# Century Ply (Singapore) Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2018

### 9 Deferred tax liabilities

The movements in deferred tax (assets)/liabilities are as follows:-

	Accelerated tax depreciation	Unutilised capital allowance	Total
	US\$	US\$	US\$
At April 1, 2016	-	-	-
Charge/(Credit) to profit or loss	263,000	(133,000)	130,000
At March 31, 2017	263,000	(133,000)	130,000
Charge/(Credit) to profit or loss	63,570	100,796	164,366
Effect on exchange differences	-	(3,106)	(3,106)
At March 31, 2018	326,570	(35,310)	291,260

As at end of the financial year, the Company had unutilised capital allowances of approximately US\$207,705 (2017:US\$:781,000) available for set off against future taxable profits, subject to compliance with Section 37 of the Income Tax Act, Cap.134 and agreement by the Comptroller of Income Tax.

### 10 Other payables and accruals

	2018	2017
	US\$	US\$
Sundry payables	132,737	132,816
Advance on sales	-	1,295
Holding company	4,476,129	8,645,711
Directors	-	2,919
Withholding tax	-	823
Accrued expenses	8,865	7,842
	<u>4,617,731</u>	<u>8,791,406</u>

The amount due to holding company and directors are unsecured, interest free and repayable on demand.

The other payables and accruals that are not denominated in United States Dollar are as follows:-

	2018	2017
	US\$	US\$
Singapore Dollar	8,865	11,584
Vietnam Dong	-	79

# Century Ply (Singapore) Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2018

### 11 Bank loan

	<u>2018</u>	<u>2017</u>
	US\$	US\$
Packing credit	<u>2,467,000</u>	<u>-</u>

The interest rate was about 3.3% per annum.

The bank loan is secured on the following:-

- Legal charge and assignment of other receivables amounting to US\$1,881,580 (refer Note 6 to the financial statements), which was financed through the above bank loan.
- Corporate guarantees from the holding company amounting to US\$5,250,000.

The Company has obtained credit facility line from a bank for working capital purposes.

### 12 Revenue

	<u>2018</u>	<u>2017</u>
	US\$	US\$
Sale of goods	<u>12,382,459</u>	<u>7,314,177</u>

### 13 Other income

	<u>2018</u>	<u>2017</u>
	US\$	US\$
Foreign exchange gain	5,424	1,951
Government grant - wage credit scheme	395	433
Interest income	-	1
Miscellaneous	4,005	44
	<u>9,824</u>	<u>2,429</u>

### 14 Finance costs

	<u>2018</u>	<u>2017</u>
	US\$	US\$
Interest on packing credit	47,836	34,811
Interest on discounting	1,130	6,603
	<u>48,966</u>	<u>41,414</u>

### 15 Profit before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the income statement, this item includes the following charges/(credits):-



# Century Ply (Singapore) Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2018

### 15 Profit before income tax (Cont'd)

	<u>2018</u>	<u>2017</u>
	US\$	US\$
Cost of inventories included in cost of sales	10,205,092	5,824,077
Salaries and bonus	4,610	10,031
Directors' remuneration	98,505	102,531
Bad debts written off - non trade - (subsidiary)	172,214	-
Provision for impairment loss on investment in subsidiary	372,400	-
CPF contribution on director's remuneration (defined)	10,026	9,160
Depreciation of plant and equipment	750,256	564,712
Foreign exchange gain	(5,424)	(1,951)
Operating lease:		
- Guest house	15,707	25,954
- Office rental	30,710	30,395

#### Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	<u>2018</u>	<u>2017</u>
	US\$	US\$
Salaries and other employee benefits	108,531	111,691

### 16 Income tax expense

	<u>2018</u>	<u>2017</u>
	US\$	US\$
Current year	-	-
Deferred tax	161,260	130,000
	<u>161,260</u>	<u>130,000</u>

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% profit before income tax as a result of the following differences;

	<u>2018</u>	<u>2017</u>
	US\$	US\$
Profit before income tax	410,274	473,922

# Century Ply (Singapore) Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2018

### 16 Income tax expense (Cont'd)

	<u>2018</u>	<u>2017</u>
	US\$	US\$
Tax expense at tax rate of 17%	69,747	80,567
Non-taxable income	-	(642)
Non-deductible items	94,619	18,069
Productivity and innovation credit	-	(432)
Prior year deferred tax provided	-	32,753
Effect on exchange differences	(3,106)	-
Other items	-	(315)
Income tax expense for the financial year	<u>161,260</u>	<u>130,000</u>

### 17 Holding company transactions

Some of the Company's transactions and arrangement are with the holding company and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances with these parties are unsecured, interest free and repayable on demand unless otherwise stated.

During the financial year, the Company entered into the following transactions:

	<u>2018</u>	<u>2017</u>
	US\$	US\$
Sales	12,175,373	5,356,040
Commission	105,000	105,000
Purchase of plant and equipment	<u>58,838</u>	<u>547,724</u>

### 18 Operating lease commitments

As at the statement of financial position date, the rental lease commitments in respect of operating leases were as follows:

	<u>2018</u>	<u>2017</u>
	US\$	US\$
Rental expense:		
Within 1 year	<u>23,494</u>	<u>37,080</u>

# Century Ply (Singapore) Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2018

### 19 Financial instruments, financial and capital risk management

#### (a) Categories of financial instruments

The following table sets out the financial instruments as at the statement of financial position date:

	<u>2018</u>	<u>2017</u>
	US\$	US\$
<b>Financial assets</b>		
Loans and receivables	<u>10,993,693</u>	<u>11,317,157</u>

Loans and receivables under financial assets comprise trade receivables, other receivables and cash and bank balances.

	<u>2018</u>	<u>2017</u>
	US\$	US\$
<b>Financial liabilities</b>		
Amortised cost	<u>7,084,731</u>	<u>8,790,583</u>

Amortised cost under financial liabilities comprises other payables and accruals and bank loan.

#### (b) Fair value measurements

The assets and liabilities measured at fair value are classified by the following level of fair value measurement hierarchy:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) 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
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)

The financial assets and liabilities of the Company comprise trade receivables, other receivables, cash and bank balances, other payables and accruals and bank loan. The carrying values of the financial assets and liabilities as shown in the statement of financial position approximate their fair value amounts at the statement of financial position date. The carrying values of these assets and liabilities are the nominal or cost values.

#### (c) Financial risk

The management reviews and agrees policies for managing risk with a view to minimise potential adverse effects of financial performance of the Company. Each of these risks are summarised below:

# Century Ply (Singapore) Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2018

### 19 Financial instruments, financial and capital risk management (Cont'd)

#### (c) Financial risk (Cont'd)

##### *Interest rate risk*

The Company's exposure to market risk for changes in interest rate relates to the Company's bank loan. It is the Company's policy to obtain the most favourable interest rates available whenever the Company obtains additional financing through bank borrowings.

##### *Interest rate sensitivity*

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at statement of financial position date and the stipulated change taking place at the beginning of the financial year and had been constant throughout the reporting period in the case of instruments that have floating rates.

If interest rates had been 50 basis points higher or lower and all other variables been constant, the Company's profit before tax for the year ended March 31, 2018 would decrease or increase by US\$12,335 (2017:US\$Nil).

##### *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company has no significant liquidity risk as it maintains a level of cash and bank balances that is sufficient for working capital purpose.

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

		Cash flows		
	Carrying amount	Contractual cash flow	Less than 1 year	Within 2 to 5 years
	US\$	US\$	US\$	US\$
<b>2018</b>				
Non-derivative financial liabilities				
Other payables and accruals	4,617,731	(4,617,731)	(4,617,731)	-
Interest-bearing borrowings	2,467,000	(2,487,353)	(2,487,353)	-
	<b>7,084,731</b>	<b>(7,105,084)</b>	<b>(7,105,084)</b>	-
<b>2017</b>				
Non-derivative financial liabilities				
Other payables and accruals	8,790,583	(8,790,583)	(8,790,583)	-

##### *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss of the Company. The Company has adopted a policy of only dealing with creditworthy counterparties.

# Century Ply (Singapore) Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2018

### 19 Financial instruments, financial and capital risk management (Cont'd)

#### (c) Financial risk (Cont'd)

##### *Credit risk (Cont'd)*

As at statement of financial position date the Company has no significant concentration of credit risk in relation to certain external customers. The Company has a significant advance for purchase comprising of two subsidiaries. One subsidiary comprise of 83% of the total advance. The management does not foresee any risk of default by the parties as they are credit worthy. Further details of credit risks on trade receivables are disclosed in Note 6 to the financial statements.

Cash at banks are placed with credit worthy financial institutions.

The carrying amount of the Company's trade receivables, other receivables, cash and bank balance represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

##### *Foreign currency risk*

As at financial year end, the carrying value of the monetary assets and liabilities denominated in currencies other than in United States Dollar are disclosed in the respective notes to the financial statements. Any fluctuations in the foreign currencies against the United States Dollar will have no or very minimal impact on the financial results of the Company.

##### *Price risk*

The Company has no significant exposure to price risk.

#### (d) Capital risk management

The management considers the capital of the Company to mainly consist of shareholders equity.

The management manages the capital to ensure the Company will be able to continue as a going concern while maximising the return to shareholders through optimisation of the capital.

The management's overall strategy remains unchanged from 2017.

### 20 New accounting standards and FRS interpretations

At the date of authorisation of these financial statements, the following FRS and INT FRS that are relevant to the Company were issued and not effective:

		Effective from annual periods beginning on or after
FRS 40	(Amendments) : Transfers of Investment Property	January 1, 2018
FRS 102	(Amendments) : Classification and Measurement of Share-based Payment Transactions	January 1, 2018

# Century Ply (Singapore) Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2018

### 20 New accounting standards and FRS interpretations (Cont'd)

		Effective from annual periods beginning on or after
FRS 109	: Financial Instruments	January 1, 2018
FRS 115 (Amendments)	: Revenue from Contracts with Customers	January 1, 2018
FRS 116	: Leases	January 1, 2019
<i>Improvements to FRSs</i>		
FRS 101 (Amendments)	: First-time Adoption of Financial Reporting Standards	January 1, 2018

The management anticipates that the adoption of the above FRS and INT FRS does not result in any significant changes to the Company's accounting policies or have any significant impact on the financial statements of the Company.

### 21 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the directors on May 10, 2018.