

ORGANIZATION

CENTURYPLY MYANMAR PRIVATE LIMITED

FINANCIAL STATEMENTS:

STATEMENT OF FINANCIAL POSITION AS AT 31ST, MARCH, 2018.

REVENUE & EXPENDITURE STATEMENT FOR THE YEAR

ENDED 31ST, MARCH, 2018.

YEAR: (1.4.2017 to 31.3.2018)

YEAR ENDED 31ST, MARCH, 2018.

THAUNG AYE & ASSOCIATES
AUDITORS & FINANCIAL CONSULTANTS

CENTURYPLY MYANMAR PVT. LTD.

STATEMENT OF FINANCIAL POSITION AS AT 31st MARCH , 2018.

	Sch: No	2018 USD	2017 USD
Assets			
Current Assets			
Inventory of Stores, Timbers and Veneers	1	966,033.93	2,036,438.69
Prepayments, Advances and Other Receivables	2	3,259,329.52	3,060,109.78
Cash & Cash Equivalents	3	140,458.25	698,992.95
Deposit	4	362,025.00	340,825.00
Preliminary Expenses		6,484.92	7,565.74
		<u>4,734,331.62</u>	<u>6,143,932.16</u>
Non - Current Assets			
Capital Work in Process		630,508.12	1,283,020.87
Fixed Assets	5	<u>4,277,752.51</u>	<u>3,752,271.19</u>
		4,908,260.63	5,035,292.06
Total Assets		<u>9,642,592.25</u>	<u>11,179,224.22</u>
Current Liabilities			
Trade Payables	6	55,063.69	1,351,409.49
Accrued Expenses	7	11,862.69	11,562.69
Total Liabilities		<u>66,926.38</u>	<u>1,362,972.18</u>
Non Current Liabilities			
Share Application		1,568,068.54	1,568,068.54
Equity Share Allotment		-	-
		<u>1,568,068.54</u>	<u>1,568,068.54</u>
Net Assets		<u>8,007,597.33</u>	<u>8,248,183.50</u>
Capital Equity			
Share Capital	8	8,432,221.95	8,432,221.95
Retained Earning /(Loss)	9	(424,624.62)	(184,038.45)
		<u>8,007,597.33</u>	<u>8,248,183.50</u>



CENTURYPLY MYANMAR PRIVATE LIMITED

(100% Subsidiary of Century plyboards (India) Limited)

No.24 -27, Min Teikdi Kyaw Swar Road, East Dagon Industrial Zone, East Dagon Tsp, Yangon.

Ph: 01 - 2585278, 2585244 Web : www.centuryply.com

Myanmar Registration Number : 41 FC / 2012 - 2013

CENTURYPLY®

"CENTURYPLY MYANMAR PRIVATE LIMITED"

STATEMENT OF MANAGING DIRECTOR

I, Managing Director of "CENTURYPLY MYANMAR PRIVATE LIMITED" do hereby state that the accompanying Financial Position and Profit or Loss statement for the year ended **31st, March, 2018** are drawing up so as to give a true and fair view of the state of affairs of the company for the financial year ended.

The accounting and other records required by the Companies Act to keep by the company have been properly kept in accordance with section 130 of Myanmar Companies Act.

We believe that the company will be able to pay its debts as and when they fall due and the account receivables are good and recoverable.

The Director have on the date of this statement, authorized these financial position for issue.

Yangon.

Date:



THAUNG AYE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS, AUDITORS & FINANCIAL CONSULTANTS

REPORT OF THE INDEPENDENT AUDITOR

CENTURYPLY MYANMAR PRIVATE LIMITED

We have audited the accompanying financial statements of "CENTURYPLY MYANMAR PRIVATE LIMITED" pursuant to Section 133 of the Myanmar Companies Act. The financial statements comprise the statement of financial position as at **31st, March, 2018**, the statement of profit of loss, statement of changes in equity and statement of cash flow for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Myanmar Companies Act and Myanmar Financial Reporting Standards (MFRS). This responsibility includes designing, implementing and maintaining internal accounting control relevant to preparation of financial statements that are free from material misstatement and transactions are properly recorded as necessary to show the true and fair view the comprehensive income statement and financial position.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Myanmar standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

No.122, 1st Floor, 41st Street, Botataung Township, Yangon, Myanmar.
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Email : thaungaye.associates@gmail.com



THAUNG AYE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS, AUDITORS & FINANCIAL CONSULTANTS

To the members of "CENTURYPLY MYANMAR PRIVATE LIMITED."

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

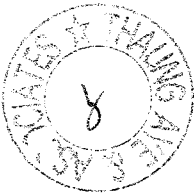
Opinion

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Myanmar Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company's operations in Myanmar as at **31st MARCH, 2018** and the results of the Company's operations, change in equity and cash flows of the operations for the financial year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with Section 130 of the Act.

Yangon,
Date;



THAUNG AYE
Certified Public Accountant
Auditor & Financial Consultant

CENTURYPLY MYANMAR PVT. LTD.

STATEMENT OF REVENUE & EXPENDITURE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018.

	Sch: No	2018 USD	2017 USD
Revenue			
Export Sales	10	7,437,382.72	11,928,860.33
Other Incomes	11	29,590.70	48,665.94
Total Revenue		7,466,973.42	11,977,526.27
Less - Cost of Goods Sold (Export)	12	6,941,647.20	10,815,593.03
Gross Profit / (Loss)		525,326.22	1,161,933.24
Administration etc.			
Administration Expenses	13	375,875.26	466,437.30
Selling & Distribution Expenses	14	157,496.59	346,690.78
Depreciation		232,540.54	204,453.66
Net Surplus Before Tax		(240,586.17)	144,351.50
Income tax expenses		-	-
Net Surplus After Tax		(240,586.17)	144,351.50
Transfers (to) / from		-	-
		(240,586.17)	144,351.50

CENTURYPLY MYANMAR PVT. LTD.

Statement of Changes in Equity for the year ended 31st March 2018.

	USD	USD	USD
	Share Capital	Accumulated Loss	Total
Balance as at 1st April 2017	8,432,221.95	(184,038.45)	8,248,183.50
Addition of Capital during the year adjustment	-	-	-
Prior year adjustment	-	-	-
Total Comprehensive surplus for the year	-	(240,586.17)	(240,586.17)
Balance as at 31st March 2018	8,432,221.95	(424,624.62)	8,007,597.33
Prior Year Adjustment	-	-	-
Restated Balance as at 1st April 2017	8,432,221.95	(184,038.45)	8,248,183.50
Addition of Capital during the year adjustment	-	-	-
Total Comprehensive surplus for the year	-	(240,586.17)	(240,586.17)
	8,432,221.95	(424,624.62)	8,007,597.33

CENTURYPLY MYANMAR PVT. LTD.

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2018

	USD	USD
Net Profit as per P/L Account		(240,586.17)
Add: Depreciation		232,540.54
Less: Profit on Sale of Assets	-	
<u>Increase/Decrease in Working Capital</u>		
Add: Decrease in Stock	1,070,404.76	
Less: Increase in Prepayment, Advance & Other Receivable	(199,219.74)	
Less: Increase in Deposits	(21,200.00)	
Add: Preliminary expenses written off	1,080.82	
Less: Decrease in Creditors	(1,296,345.80)	
Less: Decrease in Accrued Expenses	300.00	
		<u>(444,979.96)</u>
Cash Flow from Operating Activities		(453,025.59)
<u>Cash Flow from Investing Activities</u>		
Less: Purchase of Factory Building	(12,814.61)	
Less: Purchase of Plant & Machinery	(41,383.64)	
Less: Addition in Office Equipment	(8,307.93)	
Less: Purchase of Electrification	(41,049.22)	
Less: Purchase of Furniture & Fixture	(1,262.71)	
Less: Purchase of Computer	(691.00)	
		<u>(105,509.11)</u>
Cash Inflow		(558,534.70)
Add: Opening Cash & Cash Equivalent		<u>698,992.95</u>
Closing Cash & Cash Equivalent		<u><u>140,458.25</u></u>

CENTURYPLY MYANMAR PVT. LTD.**SCHEDULE ANNEXED TO AND FORMING PART OF FINANCIAL POSITION**AS AT 31st MARCH, 2018.**2018****1.0 Inventory of Stores, Timbers and Veneers**

Stores	224,560.00
Timbers	106,574.90
Veneers	634899.03

USD	<u>966,033.93</u>
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2.0 Prepayments, Advances and Other Receivables

Advance Against Lease Rent - Factory	123,500.00
Advance Against Licence Fees - Forest	427.20
Advance Against Other Expense	20,950.54
Advance Against Salary & Wages	4,294.78
Export Tax Receivable	1,533.00
Advance Income Tax	575.16
Advance Tax	490.78
Advance Transportation Charges	24,967.84
Prepaid Insurance	12,893.85
Head Office Current A/C	10,544.61
Advance to Suppliers	328,153.83
Advance Agt Consultancy - U Zeya	1,395.81
Sundry Debtor	2,729,602.12

USD	<u>3,259,329.52</u>
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4.0 Deposit

Deposit- Lease Hold Factory Land	343,200.00
Deposit-Telephone	36.00
Deposit-Telephone Land Line Security	34.00
Deposit- Timber Agreement Security	15,025.00
Deposit- Transformer	3,730.00

USD	<u>362,025.00</u>
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CENTURYPLY MYANMAR PVT. LTD.

SCHEDULE ANNEXED TO AND FORMING PART OF FINANCIAL POSITION

AS AT 31st MARCH, 2018.

2018

3.0 Cash & Bank

Cash in Hand

USD	6,749.51
Cash In Hand	48,085.18
	<hr/>
	54,834.69

Cash at Bank

MICB Bank (USD)	13,355.13
MICB Bank (Euro)	132.00
MICB Bank (Kyats) Ks. 91,583,618.12	68,448.15
Myanmar Citizens Bank	233.52
State Bank of India (USD)	1,010.82
State Bank of India (Kyats) Ks. 3,270,000.00	2,443.94
	<hr/>
	85,623.56

USD

140,458.25

CENTURYPLY MYANMAR PVT. LTD.

SCHEDULE ANNEXED TO AND FORMING PART OF FINANCIAL POSITION

AS AT 31st MARCH, 2018

5.0 Fixed Assets

	Factory Building	Plant & Machinery	Office Equipment	Electrification	Furniture & Fixture	Computer	Motor Cycle	Car	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD
Cost									
Opening Balance	1,019,363.03	2,943,787.65	16,571.60	293,357.47	36,476.55	9,985.67	476.00	28,177.81	4,348,195.78
Additions	12,814.61	41,383.64	8,307.93	41,049.22	1,262.71	691.00	-	-	105,509.11
Transfer from CWIP	-	652,512.75	-	-	-	-	-	-	652,512.75
Closing Balance	1,032,177.64	3,637,684.04	24,879.53	334,406.69	37,739.26	10,676.67	476.00	28,177.81	5,106,217.64
Accumulated - Depreciation									
Opening Balance	97,176.81	415,709.38	5,761.56	60,260.57	8,464.15	2,808.08	89.53	5,654.51	595,924.59
Charge for the year	30,901.66	172,368.33	1,842.90	19,822.03	3,746.75	1,041.08	-	2,817.79	232,540.54
Closing Balance	128,078.47	588,077.71	7,604.46	80,082.60	12,210.90	3,849.16	89.53	8,472.30	828,465.13
Net Book Value									
31 March, 2018	904,099.17	3,049,606.33	17,275.07	254,324.09	25,528.36	6,827.51	386.47	19,705.51	4,277,752.51

We hereby certify that the above Fixed Assets are the properties of "CENTURYPLY MYANMAR PVT. LTD." and existence at 31st March, 2018.

All fixed assets are purchased with proper managerial sanctions.

CENTURYPLY MYANMAR PVT. LTD.**SCHEDULE ANNEXED TO AND FORMING PART OF FINANCIAL POSITION****AS AT 31st MARCH, 2018.****2018****6.0 Trade Payables**

Advance Against Roller Sales	528.70
Social Security Fee	473.80
Salary	6,241.55
Wages	18,959.39
Consultancy Charges Payable	2,625.00
Creditor - Store	3,693.87
Other Payables	20,416.14
TDS Payable	1,511.00
Advance received from Debtors	614.24

USD 55,063.69**7.0 Accrued Expenses**

Electricity Expenses- Factory	10,362.69
Audit & Service Fees Payable	1,500.00

USD 11,862.69**8.0 Share Capital**

Opening Balance (1.4.2016)	6,370,251.36
Century Plyboards (India) Limited	2,061,856.95
Mr.Sudhir Kumar Singh (Nominee of Century Plyboards (India Limited))	113.64

USD 8,432,221.95**9.0 Retained Earning / (Loss)**

Opening Balance	(184,038.45)
Profit /(Loss) for the Year	(240,586.17)

USD (424,624.62)

CENTURYPLY MYANMAR PVT. LTD.

**SCHEDULE ANNEXED TO AND FORMING PART OF REVENUE & EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018.**

	2018
10.0 Export Sales	
Core Veneer	178,905.81
Face Veneer	6,066,567.72
Plywood	1,191,909.19
USD	<u>7,437,382.72</u>
11.0 Other Income	
Wooden Barks	-
Wooden Powder	1,522.47
Drum	59.29
Wooden Roller	2,981.41
Fire Wood	20,845.56
Iron Scrap	257.44
Other	3,924.53
USD	<u>29,590.70</u>
14.0 Selling & Distribution Expenses	
Export Expenses	157,496.59
USD	<u>157,496.59</u>

CENTURYPLY MYANMAR PVT. LTD.

SCHEDULE ANNEXED TO AND FORMING PART OF REVENUE & EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018.

12.0 Cost of Goods Sold

Particulars	US\$	
Opening Stock (Raw Material)	538,812.94	
Purchase of Raw Material (MTE)	4,347,124.58	
Purchase of Raw Material (Other)	-	
		4,885,937.52
Total		4,885,937.52
<u>Less</u> - Closing Stock (Raw Material)		106,574.90
Material Consumed		4,779,362.62
<u>Direct Expenses</u>		
Labour Charges	534,576.37	
Import Expenses	31,232.41	
Power & Fuel	123,836.56	
Crane Charges	4,210.10	
Consumable Stores - Resin	207,330.57	
Consumed Store - Veneer Tape	72,858.66	
Rent	321,100.00	
Insurance	16,288.19	
Logyard Expenses	3,893.85	
Packing Charges	81,738.28	
Repair & Maintenance - Factory	100,515.43	
Pennel - Tapping	6,140.44	
		1,503,720.86
		6,283,083.48
<u>Less</u> - Decrease in Finished Stock		
Opening Stock	1,293,462.75	
Closing Stock	(634,899.03)	
		658,563.72
Total Costs		6,941,647.20

SCHEDULE ANNEXED TO AND FORMING PART OF REVENUE & EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018.

13.0 Administration Expenses

Salary & Wages	131,919.47
Printing & Stationary	2,769.40
Legal Charges	102.79
Post & Telecommunication	4,201.15
Mobile Expenses	1,965.95
Travelling Expenses (Foreign)	2,742.69
Exchange Difference	2,819.15
Travelling Expenses (Domestic)	7,381.01
Computer Software Exp	56.95
Property Tax	2,573.64
Taxi Charges	9,191.97
Charity & Donation	1,511.23
Consultancy Charges	36,000.00
Social Security Charges	9,732.48
Puja Expenses	1,685.53
Bank Charges	5,173.50
Transportation Expenses	125,450.03
Entertainment Charges	3,306.46
Immigration & Stay Expenses	15,942.60
Motor up Keep	3,368.80
City Development & Health License Fees	823.79
Zone Management Fund	560.29
Licence Renewal Fees	460.36
Guest House Maintenance charges	777.80
General Expenses	2,777.40
Preliminary Expenses	1,080.82
Audit & Service Fees	1,500.00

USD

375,875.26

CENTURYPLY MYANMAR PRIVATE LIMITED

NOTES TO FINANCIAL POSITION AND REVENUE & EXPENDITURE FOR THE YEAR ENDED 31ST MARCH, 2018.

1.0 Corporate Information

Centuryply Myanmar Private Limited (the Company) is a Company domiciled in Myanmar and registered under the provisions of The Myanmar Companies Act as an Industry Company. The company got Investment Permit from Myanmar Investment Commission on 30th July, 2012 the company is primarily engaged in manufacturing and export Veneers.

1.2 Summary of Significant Accounting Policies

1.1 Basis of Preparation

The financial statements have been prepared in accordance with the Myanmar Financial Reporting Standards (MFRS).

The financial statements have been presented on a going concern basis.

The financial statements have been presented under the historical cost convention, except for certain financial assets, financial liabilities (including derivative financial instruments) and investment properties which have been measured at fair value. If the assets are impaired, corresponding provisions for impairment shall be made according to relevant requirements.

1.1 Fixed Assets

Fixed Assets are stated at cost or revalued amount as the case may be less accumulated depreciation / amortisation and impairment, if any. Cost comprises the purchase price inclusive of duties, taxes, incidental expenses and erection / commissioning expenses etc. up to the date, the asset is ready for its intended use. In case of revaluation of fixed assets, the original cost as written-up by the valuer is considered in the accounts and the differential amount is transferred to revaluation reserve.

1.2 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

(a) Revenue from sale of goods is recognized upon passage of title which generally coincides with delivery of materials to the customers.

Sales figures are net of rebates and discounts.

(iv) Depreciation

- (a) The classification of plant and machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.
- (b) Depreciation on fixed assets is provided under straight line method.
- (c) Depreciation on fixed assets added / disposed off during the year is provided on pro-rate basis with reference to the date of addition / disposal.
- (d) Leasehold properties are depreciated over the useful life.
- (e) Intangible assets (Computer Software) are amortized on a straight line method.
- (f) In case of impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(v) Inventories

Raw materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Finished goods are valued at lower of cost and net realisable value. Cost includes direct materials & labour and a part of manufacturing overhead based on normal operating capacity. Cost of finished goods includes excise duty.

(vi) Fixed Assets Acquired Under Lease

(a) Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight line basis.

(vii) Cash and Cash equivalents

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are short-term, highly liquid investments held by the Group, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(viii) Foreign exchange risk

The Company is mainly exposed to currency risk on revenue and expenses that are ~~denominated~~ in currency other than the functional currency of the Company, Myanmar kyats (MMK). In respect ~~of other~~ monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net ~~exposure~~ is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to ~~address~~ short-term imbalance.

Yangon,

Date