

Annual Report 2019-2020

Ever Flow River Group Public Co., Ltd



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Introduction

Highlights and Key Dates

13.2 billion MMK

Revenue

10.52% ▲

Revenue Increase
from Last Fiscal Year

Over 2,700

Numbers of Customers
Served

Annual General Meeting

3rd July, 2021

Closure of Registers of Members/ Record Date

20th May, 2021

Chairman's Statement

Dear Shareholders,

Let me first thank you for investing in EFRGOC. With this Annual Report covering our first fiscal year after the company's successful listing on Yangon Stock Exchange, we want to report our business, initiatives, and results for 2020.

It has been an eventful year since our company was successfully listed on Yangon Stock Exchange in May 2020, in otherwise the first month of 1382 Myanmar Calendar Year. In the meantime, 2020 was a difficult year for many industries including logistics, significantly the COVID-19 outbreak has weighed on the domestic and global economy and restrained logistics activities across the globe.

In this current world of rapid change, we see the need to stay extra alert and flexible adapting to new challenge. As the COVID-19 pandemic spreads farther, its full impact on the domestic, regional, and global supply chain and the world economy are still unknown. Therefore, we must remain vigilant and ready for a range of scenarios including contingencies for a global downturn. Riding on EFR business and network diversification, we will continue empowering our people to innovate and embrace technology to seize new opportunities in the modern world.

Energized for greater growth

Despite COVID-19, 2020 was a significant year for EFRGOC, setting another historic milestone by completing our listing process on YSX main board. By December 2020, the company market capitalization and per share price jumped around 44% from the first trading day. The success of YSX listing reflected the capital

market's confidence in our growth prospects in the country.

Such an accomplishment is only possible because of the many years of investment in our people and in a wide range of capabilities throughout the nation. Me and the Board of Directors are convinced that EFRGOC's new equity story will create substantial value over time and put us in a much better place to grow profitably and reward shareholders than was available at the start of YSX listing.

I would like to encourage existing shareholders to stay on board, keep supporting us and be awarded ultimately for your loyalty. I'd also like to welcome new shareholders to join and benefit from the exciting new journey.

Accelerating the growth by expanding the portfolio

On 12th August 2020, we have successfully signed an agreement on the establishment of "A Logistics Co., Ltd" in cooperation with the Ayeyar Hinthar Holdings Co., Ltd (AHH) under our solely owned subsidiary Unison Choice Services Limited. The newly joint venture company will be act as the contractor and operator of the Ayeyarwaddy International Industrial Port (AIIP), a multiple logistics infrastructure, the Patheingyi Industrial City in Patheingyi, the capital of Ayeyarwaddy Region. The

project, with an area of nearly 6,700 acres, is located on Pathein-Ngapudaw highway in Pathein Industrial City near Pathein.

We have started conducting the Feasibility Study and the Design Development of AIIP over a year ago in cooperation with the Ayeyar Hinthar Holdings Co., Ltd. The project will have a complete set of infrastructures including an international-level port, warehouses, a container yard, and bonded warehouses to serve as the main logistics hub of the Pathein Industrial City.

We optimistically believe that the AIIP will give the smoother access to logistics for the development of manufacturing and trading sectors of the Ayeyarwaddy Region and the nearby areas, the transportation of local products to global market at less cost. Moreover, the agriculture, livestock & fisheries products, and the other local products of Myanmar will have greater competitive edge in the international market once the strategic project is done and also the project will partly promote the domestic production capacity to gain the initiative in distributing value-added goods. Last but not least, the development of the industrial city and the major port will generate massive employment opportunities for the locals.

Who we are and what we do – responding to the COVID-19 pandemic

While we were heading off existing challenges and positioning our company to leverage future opportunities, a new challenge emerged in 2020 unlike anything we could have predicted, the COVID-19. As the virus spread throughout the globe, the safety of our team and our customers remained our absolute first priority.

My most sincere appreciation goes to teams across EFRGOC – both those working resolutely behind the scenes and our frontline team members – whose efforts combined to keep the nation's health care, industrial, and trade supply chains moving in a truly historic way.

Thank you for your continued support

With the progress demonstrated in 2020 we have completed the first phase of our transformation. We remain committed to becoming an integrated transport and logistics company, delivering a higher return to our shareholders, while enabling global, regional, and domestic trade in affordable, simple, and sustainable way.

On behalf of the Board of Directors and the management team, I would like to extend my sincere gratitude to all our employees across the country for their continued passion, efforts, and dedication to EFRGOC whose loyalty and contributions have enabled our unique position and is the foundation for our future.

EFRGOC is the network for what's next, and we have the backing of the sharpest team in the business.



Kyaw Lwin OO
Chairman, Non-Executive Director
EFR Group Public Co., Ltd

Corporate Profile

Our Chairman U Kyaw Lwin Oo started the business as a Customs Clearance Agent in 1998. Due to his extensive knowledge of the customs clearance, shipping, domestic transportation, and logistics sectors, he has managed to build up a vast network of international freight forwarders, shipping agents, and logistics partners, developing the business into the group of companies that we are now known as. EFR has built a reputation as an effective and efficient international freight forwarder that provides total logistics solutions to not only domestic customers but also international customers.

Keeping in mind that the core business of EFR is in the logistics sector, our Chairman has diversified the business into total logistics, trading, and logistics infrastructure development. With the economic reform that is taking place in Myanmar, our Chairman aims to take the opportunity to further develop the logistics infrastructure of Myanmar on a national level and improve the transportation and logistics sectors to be on par with neighboring countries.

EFR was incorporated as a public company limited by shares on 10 April 2014 in accordance with the Myanmar Companies Act 1914 (“MCA”). EFR has completed re-registration under the MCL and obtained a certificate of incorporation issued by the Directorate of Investment and Company Administration (“DICA”).

Subsidiaries and Affiliate Activities

A Logistics Co., Ltd

A Logistics Co., Ltd was established as a joint venture company between Ayeyar Hinthar Holdings Co., Ltd and Unison Choice Services Ltd (subsidiary of EFR Group Public Co., Ltd) to operate not only for Total Logistics Solution but also for Ayeyarwady International Industrial Port (AIIP) operation in 2020, July 13 with experience community.

The project, located on over 6,700 acres of land in Pathein Industrial Park on Pathein – Ngaputaw Road, will include infrastructures such as international port, warehouses, container field and bonded warehouses.

Hlaing Inland Terminal and Logistics Co., Ltd.

Hlaing Inland Terminal and Logistics Co., Ltd, is a JV company between EFR and Lann Pyi Marine Co., Ltd, of which EFR holds a 49% interest. The project involves the construction of a port, container-storage yard, and operation of logistics services on a 40-acre area of land in Yangon near the North-west Industrial Zone. Lann Pyi holds an unlimited concession right over the Project Land. The JVA is for a period of 50 years.

EFR is responsible for operation of the main activities of the Hlaing Inland terminal project, which include providing an Inner River Port, Container Depot, Customs-bonded Warehouse, and Total Logistics Solutions. Hlaing Inland terminal project uses Barges for linking between the projects with the Thilawa Ports strategically.

The port construction is subject to an agreement with the Myanmar Port Authority and will be on the Hlaing riverbank in connection with the Project Land. Management of the port by EFR will be subject to a port management agreement between the parties.

The value proposition of the project is to provide a one-stop logistics service with an overall competitive cost and convenience to customers whose warehouses and factories are located in the western part of Yangon major industrial zones such as Hlaing Thayar, Shwe Lin Pan, and Htantapin. Upon completion, customers could benefit from substantial cost savings in both import and export with the logistics supply chains under EFR.

Ever Flow River Logistics and Distribution Center (Mandalay) Co., Ltd.

An inland intermodal terminal is directly connected by road or rail to a seaport and operating as a center for the transshipment of sea cargo to inland destinations. In Myanmar, inland intermodal terminals are necessary for Myanmar to take full advantage of its strategic location linking China and India, as well as connecting the Southeast Asian region.

The Government of Myanmar has designated eight cities to host an inland intermodal terminal with the focus on contribution to national development through an increase in international trade as well as domestic transportation and logistics services. To this end, the government has engaged selected companies to develop inland intermodal terminals on a Build-Operate-Transfer (“BOT”) basis.

A Memorandum of Understanding (“MOU”) was entered into between EFR, as the concessionaire, and the Mandalay Regional Government, as the landowner, concerning a land concession for an inland intermodal terminal project in Mandalay Region on a BOT basis with a term of 70 years (i.e., an initial 50 years plus two renewable periods of 10 years each) from the commercial operation date. The inland intermodal terminal project involves the railway transportation of merchandise and goods between Yangon and Mandalay.

The BOT contract has been agreed and signed. The contract provides for the construction of the intermodal terminal to allow the transportation of merchandise and goods via the Yangon-Mandalay railway. The total area of the inland intermodal terminal Project Land is 14.05 acres, which is rented from the Mandalay Government. The value proposition of the project is to set up a one-stop intermodal inland terminal in Mandalay, providing cost savings through railway routes instead of trucking.

Myanmar Round the World Logistics, Ltd.

Myanmar Round the World Logistics, Ltd, is a wholly owned subsidiary of EFR, providing domestic transportation by both containerization as well as general cargo, international freight forwarding, and total logistics services. MRTW Logistics mainly focuses on the air freight market and is working with international airlines, such as Nippon Air and Etihad Air, as their appointed general sales agent/cargo sales agents. Its major customers are garment merchandizers from Japan.

Multipack Engineering Services, Ltd.

Multipack Engineering Services, Ltd. a wholly owned subsidiary of EFR, is providing services such as logistics engineering, infrastructure, transport and installation, garment-on-hanger construction, telecom projects, general engineering services, civil engineering services, mechanical and electrical services, earthwork and road construction, project feasibility study and design development, project management and consultancy. Multipack aims to be able to provide turn-key project services. Multipack provides services to companies, including China's Huawei Technologies Co., Ltd., across Myanmar.

Multipack has entered into a JVA to establish and hold a 40% interest in UTOC Multipack Myanmar Co., Ltd. which is a JV company between Multipack and Asia UTOC Pte., Ltd. The main business activities of UTOC Multipack will be providing freight forwarding services, warehousing, machine installation and equipment work, and logistics services. Multipack's assets have been transferred to UTOC Multipack as part of the JVA and accompanying asset transfer agreement.

Unison Choice Services, Ltd.

Unison Choice Services, Ltd. was incorporated in 2012 and is a wholly owned subsidiary of EFR, providing total logistics solutions to international garment and textile customers with container storage facilities at Ahlone International Port Terminal and Myanmar Industrial Port. The company became the authorized agent of Sinokor (Korean Shipping Line) since early 2016, focusing on short-haul shipping in Asia. Although UCS provides total

logistics solutions, its strength lies in logistics services related to garment exportation.

EFR G-Link Express Services, Ltd.

EFR G-Link Express Services, Ltd. is a wholly owned subsidiary of EFR, which was the first-ever established company of EFR and is a strategically important entity of EFR Group. G-Link provides 3PL/4PL using international networks and value-added software solutions. Since it is the first subsidiary of EFR, G-Link retains many old and loyal customers and is highly reputable in the industry. Among the services provided, G-Link is strong in customs clearance and import-related services.

MRTW Manufacturing & Inspection Co., Ltd.

MRTW Manufacturing & Inspection Co., Ltd. is a wholly owned subsidiary of EFR, specializing in garment inspection services and other services, such as needle detection services, outdoor inspection services, packaging, tagging and assortment services, barcode scanning services, and warehousing services, among others. Since Cut-Make-Pack ("CMP") gaining traction in Myanmar, there has been a huge demand for garment inspection services. The company was set up to opportunistically fill the gap in the garment industry.

Gold Shipping Agency Services, Ltd.

Gold Shipping Agency Services, Ltd. was established in 2000 and is a wholly owned subsidiary of EFR. Its main business involves shipping agency services by working with internationally recognized carriers. The company has been an exclusive shipping agent of Hyundai Merchant Marine ("HMM") for

about 20 years. The majority of the company's revenue comes from handling fees for HMM.

In general, the company has two types of customers: freight forwarders and direct customers. Freight forwarders include the likes of Unison Choice Services, EFR G-Link Express Services, and Myanmar Round the World Logistics. However, the company also provides services to external customers. Direct customers refer to big volume importers with in-house freight forwarding teams. They deal directly with the company instead of going through freight forwarders. The management maximizes the revenue by optimizing container spaces in the shipping line and by establishing

long-term relationship with its customers to fill up the spaces.

Ever Flow River Trading Co., Ltd.

Ever Flow River Trading Co., Ltd. is EFR's wholly owned trading subsidiary, focusing on trading services for import/export, trade financing and trade house facilities with support from international trade financiers and bankers. Occasionally, customers require not only end-to-end logistics services but also trading services. Depending on the credibility of customers, the management provides trade facilities via this vehicle.

Corporate Information

BOARD OF DIRECTORS

Non-executive Directors

U KYAW LWIN OO (Chairman)
U MAUNG MAUNG OO (VICE CHAIRMAN)

Executive Directors

U AUNG MIN HAN
DAW KHIN SONE
DAW ZIN NYEIN HTWE
DAW HNIN YEE MON
DAW LAE LAE MU

Independent Directors

U MIN SEIN
DR. HLA MYINT
PROF. DAW HLA THEINGI

NOMINATION, REMUNERATION & CORPORATE GOVERNANCE COMMITTEE

DAW HLA MYINT
U MAUNG MAUNG OO
U MIN SEIN
DAW KHIN SONE
U AUNG MIN HAN
DAW YEE MON OO
DAW NAING NAING OO

AUDIT & RISK MANAGEMENT COMMITTEE

DAW HLA THEINGI
U MAUNG MAUNG OO
DAW KHIN SONE
U THAN AUNG
DAW YEE MON OO
U YE MIN HTUN

INVESTMENT & PORTFOLIO MANAGEMENT COMMITTEE

U KYAW LWIN OO
U MAUNG MAUNG OO
DAW HLA MYINT
U MIN SEIN
DAW HLA THEINGI
U AUNG MIN HAN
DAW KHIN SONE
DAW LAE LAE MU
DAW HNIN YEE MON
DAW ZIN NYEIN HTWE
U THAN AUNG

LEGAL COMMITTEE

U MIN SEIN
U MAUNG MAUNG OO
DAW KHIN SONE
EDWARD
MR. EDWARD TAN
DAW YEE MON OO

CORPORATE SECRETARY

DAW NAING NAING OO

AUDITOR

WIN THIN & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTS

REGISTERED OFFICE

No. 62, Room 1104, 11th floor, Mahabandola Housing, Complex B, Tarwataintar Street, Pazundaung Township, Yangon, Myanmar.

INVESTOR RELATION

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Performance 2020

Group Performance Review

On 19th May 2019, the Internal Revenue Department (IRD), under the Ministry of Planning, Finance and Industry, passed the 2019 Union Taxation Law which provides the change of financial year to coincide with the fiscal year of 30 September year end for all entity for the purpose of tax computation. Thus, the Company had changed its financial reporting date from 31st March to 30th September to align with the new provision.

The audited consolidated financial statements for FY 2019-20 (Sept end) cover twelve months ended 30th September 2020. The audited consolidated financial statements for 30th September 2019 (“mini budget 2019”) cover six months period from 1st April 2019 to 30th September 2019. Hence, the two financial statements are not entirely comparable.

For a meaningful comparison with FY 2019-20

(Sept end) and for illustrative purpose for this MD&A report only, unaudited consolidated financial statement for FY 2018-19 (Sept end) is prepared based on the audited statements for the year ended 31st March 2019 (“FY 2018-19 (Mar end)”) and Mini budget 2019 with certain pro-forma adjustments.

For more information, please also refer to our audited financial statements disclosed.

SUMMARY OF GROUP STATEMENT OF COMPREHENSIVE INCOME

DESCRIPTION	FY 2018-19 (Sept end) **	FY 2019-20 (Sept end)*	% CHANGE
Revenue	10,677,836,516	12,832,503,596	20%
Cost of goods sold	(8,102,366,632)	(10,692,069,949)	32%
Gross profit	2,575,469,885	2,140,433,647	-17%
Gross profit Margin	24.12%	16.68%	-31%
Administration expenses	(2,636,285,098)	(2,707,995,313)	3%
Profit before interest and tax	(60,815,214)	(567,561,666)	833%
Other income	971,557,266	351,479,430	-64%
Finance cost	(40,963)	(15,900,000)	-387 times
Profit before tax	910,701,089	(231,982,236)	-125%
Income tax expenses	(188,229,138)	(60,101,870)	-68%
Profit after tax	722,471,951	(292,084,106)	-140%
Share of associates profit	(293,424,373)	(326,392,080)	11%
Profit for the year	429,047,578	(618,476,186)	-244%
Other comprehensive income for the year	233,883,044	(114,479,353)	-149%
Total comprehensive income for the year	662,930,623	(732,955,539)	-211%
Profit attributable to:			
Owners of the Parent	441,719,495	(616,529,303)	-240%
Non-Controlling Interest (NCI)	(12,671,917)	(1,946,883)	-85%
Total profit of the year	429,047,578	(618,476,186)	-244%
Total comprehensive income attributable to:			
Owners of the Parent	675,602,539	(731,008,656)	-208%
Non-Controlling Interest (NCI)	(12,671,917)	(1,946,883)	-85%
Total Comprehensive income for the year	662,930,623	(732,955,539)	-211%
Weighted no. of ordinary shares	13,177,481	19,977,223	52%
Earnings Per Share	40.48	(30.86)	-176%

* Audited financial report

** Unaudited financial report ended from 1st October 2018 to 31st September 2019 for the purpose of providing a more meaningful comparison

BREAKDOWN OF GROUP REVENUE

DESCRIPTION	FY 2018-19 (Sept end)**	% OF TOTAL	FY 2019-20 (Sept end)*	% OF TOTAL	% CHANGE
EFR (Stand Alone)	387,032,500	3.51%	252,000,000	1.93%	-35%
MRTW Logistics	291,224,576	2.64%	1,027,630,914	7.89%	253%
MULTIPACK	174,147,321	1.58%	-	0.00%	-100%
UCS	220,220,452	2.00%	950,258,027	7.30%	332%
EFR GLE	1,581,233,395	14.36%	2,361,465,754	18.13%	49%
MRTW Manufacturing	1,221,225,307	11.09%	1,130,913,016	8.68%	-7%
Gold Shipping	1,156,341,565	10.50%	813,343,499	6.24%	-30%
EFR Trading	5,981,743,886	54.31%	6,358,618,834	48.82%	6%
LDC Mandalay	-	0.00%	-	0.00%	NM
A Logistics	-	0.00%	130,273,550	1.00%	NM
Total Revenue	11,013,169,001	100%	13,024,503,595	100%	18%
Intercompany transaction	(335,332,485)		(192,000,000)		
Total Revenue	10,677,836,516		12,832,503,595		20%

* Audited financial report

** Unaudited financial report ended from 1st October 2018 to 31st September 2019 for the purpose of providing a more meaningful comparison

Our consolidated revenue for FY 2019-20 (Sept end) was MMK 12,832,503,595, which was an increase of 20%, from MMK 10,677,836,516 in FY 2018-19 (Sept end), mainly contributed by EFR Trading and Forwarding Business.

Revenue of most businesses of EFR increased in FY 2019-20 (Sept end). EFR Trading has contributed 48.82% of revenue with slightly increase in growth comparing with FY 2018-19

(Sept end) and EFR GLE has contributed 18.13% of overall revenue with the growth rate of 49%.

Gross revenue of MRTW Logistics and UCS significantly soared in FY 2019-20 (Sept end), with effect from financial reporting format changes. Gold Shipping unit revenue decreased 30% than last year's volume because of restricting inbound and outbound Hyundai shipping line during COVID period (from April to September 2022)

BREAKDOWN OF GROSS PROFIT

DESCRIPTION	FY 2018-19 (Sept end)**	% OF TOTAL	FY 2019-20 (Sept end)*	% OF TOTAL	% CHANGE
EFR (Stand Alone)	387,032,500	14%	252,000,000	11%	-35%
MRTW Logistics	225,440,140	8%	134,424,945	6%	-40%
MULTIPACK	38,201,879	1%	0	0%	
UCS	215,434,943	8%	165,721,049	7%	-23%
EFR GLE	867,592,107	30%	589,969,595	25%	-32%
MRTW Manufacturing	262,742,191	9%	440,866,713	19%	68%
Gold Shipping	510,486,094	18%	449,149,157	19%	-12%
EFR Trading	352,376,273	12%	294,337,998	13%	-16%
LDC Mandalay	0	0%	0	0%	

A Logistics	0		7,860,057	0%	NM
Total Gross Profit	2,859,306,127	100%	2,334,329,513	100%	-18%
Intercompany transaction	-283,836,242		(193,895,866)		
Total Gross Profit	2,575,469,885		2,140,433,647		-17%

* Audited financial report

** Unaudited financial report ended from 1st October 2018 to 31st September 2019 for the purpose of providing a more meaningful comparison

Our consolidated gross profit ("GP") decreased by 17% from MMK 2,575,469,885 in FY 2018-19 (Sept end) to MMK 2,140,433,647 in FY 2019-20 (Sept end). Our group gross profit margin has declined from 29.7% to 18.6% due to COVID19 effects in all businesses, (except Inspection business and shipping line agents business) and decreasing gross profit of freight forwarding businesses (EFRGLC, UCS, MRTW Logistics), as a

result of change in revenue recognition method and higher direct cost. GP margin of MRTW Manufacturing has improved from 21.5% to 39% in FY 2018-19 (Sept end) to FY 2019-20 (Sept end) as the revenue increased and fixed labor costs remained constant. GP margin of Gold Shipping has improved from 44.2% to 55.3% in FY 2018-19 (Sept end) to FY 2019-20 (Sept end) as some value added service topped up the principle commission revenue.

BREAKDOWN OF ADMINISTRATIVE EXPENSES

DESCRIPTION	FY 2018-19 (Sept end)**	FY 2019-20 (Sept end)*	% CHANGE
EFR (Stand Alone)	(586,102,628)	(534,608,748)	-9%
MRTW Logistics	(219,041,605)	(271,177,506)	24%
Multipack	(40,374,433)	(37,117,260)	-8%
UCS	(220,401,218)	(183,143,705)	-17%
EFR GLE	(548,334,077)	(565,927,391)	3%
MRTW Manufacturing	(559,516,043)	(493,527,188)	-12%
Gold Shipping	(295,955,042)	(295,046,195)	0%
EFR Trading	(220,556,613)	(207,414,469)	-6%
LDC Mandalay	(250,757,113)	(288,579,152)	15%
A Logistics	-	(17,249,566)	NM
Total administration expenses	(2,941,038,773)	(2,893,791,180)	-2%
Intercompany transaction	304,712,712	169,895,867	
	(2,636,326,061)	(2,723,895,313)	3%

* Audited financial report

** Unaudited financial report ended from 1st October 2018 to 31st September 2019 for the purpose of providing a more meaningful comparison

Our consolidated expenses before offsetting intercompany transaction decreased by 2%, from MMK 2,941,038,773 in FY 2018-2019 (Sept end) to MMK 2,893,791,180 in FY 2019-20 (Sept end). Except MRTW Logistics and LDC Mandalay, the rest business units could

manage to reduce administration expenses. The administration cost of MRTW Logistics increased by 24% in FY 2019-20 (Sept end) because of bad debt expenses which is MMK 47,457,615 and higher operating cost especially for staff related expenses. The

cause of bad debt was that two of customers from MRTW Logistics filed for bankruptcy which is indirectly affected by Covid-19. Administrative expenses of LDC Mandalay

increased 15% more than last year due to higher operating cost especially for staff related expenses in the noncommercial business year arrangement.

BREAKDOWN OF NET PROFIT AND COMPREHENSIVE INCOME

DESCRIPTION	FY 2018-19 (Sept end)**	FY 2019-20 (Sept end)*	% CHANGE
EFR (Stand Alone)	729,436,428	93,563,111	-87%
MRTW Logistics	23,679,186	(125,184,391)	-629%
Multipack	830,855,488	(36,171,783)	-104%
UCS	(567,882)	(18,023,886)	3074%
EFR GLE	235,310,424	5,764,830	-98%
MRTW Manufacturing	(296,773,852)	(52,660,475)	-82%
Gold Shipping	162,684,444	118,947,667	-27%
EFR Trading	109,177,253	105,772,899	-3%
LDC Mandalay	(170,092,841)	22,668,397	-113%
A Logistics	-	(9,089,196)	NM
Share of Profit from Associates	(293,424,373)	(326,392,080)	11%
Total net income for the year	1,330,284,276	(220,804,907)	
Intercompany transaction	(898,821,083)	(397,670,898)	
Total net income for the year	431,463,193	(618,475,805)	-243%
Foreign Currency Translation	231,467,430	(114,479,734)	
Total comprehensive income for the year	662,930,623	(732,955,539)	-211%

* Audited financial report

** Unaudited financial report ended from 1st October 2018 to 31st September 2019 for the purpose of providing a more meaningful comparison

Our group net income after offsetting intercompany transaction declined from the profit of MMK 431,463,193 in FY 2018-19 (Sept end) to loss of 618,475,805 in FY 2019-20 (Sept end), decreasing 2.43 times. The decline was due to other income, amounting MMK 1,658,251,796 earned from selling of Multipack Business in FY 2018-19 (Sept end). The profit after tax of UCS was dropped from the loss MMK 567,882 in FY 2018-19 (Sept end) to MMK 18,023,886 in FY 2019-20 (Sept end). It is because UCS revenue has been impacted by indirect COVID 19 effect from UCS core customers whereas administration cost remain unchanged.

MRTW Manufacturing could minimize loss from MMK 296,773,852 to MMK 52,660,475 because the earnings and gross profit increased at the same time, there was a reduction in administrative expenses as the factory was operating under government rules and regulation during Covid-19 crises for controlling staffs.

Moreover, LDC Mandalay's net profit has improved from loss of MMK 170,092,841 to the net profit MMK 22,668,397 in FY 2019-20 (Sept end) since the income of the subsidiary significantly increased which is only can count as other income while the project is under

development for phase one.

Taking into account of the non-cash currency translation gain MMK 231,467,430 for FY 2018-19 (Sept end) and loss MMK 114,479,734 for FY 2019-20 (Sept end), our group's total comprehensive income for FY2018-19 would be gain of MMK

662,930,623 and loss of MMK 732,955,539 for FY 2019-20 (Sept end). Before offsetting intercompany transition of MMK (397,670,898), our group net loss was MMK 220,804,907. With consideration unrealized loss for foreign currency translation of MMK 114,479,734, our group comprehensive income became loss MMK 732,955,53.

SHARE OF PROFIT FROM ASSOCIATES

SHARE OF PROFIT FROM ASSOCIATES	HY September 2019	HY September 2019 (50%)	FY September 2019	FY September 2020	% CHANGE
KEFR (30%)	(84,536,474)	(53,993,918)	(138,530,392)	(129,370,949)	-6.61%
HITLC (49%)	(36,860,626)	(35,022,531)	(71,883,157)	(70,639,763)	-1.73%
UTOC Multipack (40%)	(53,393,564)	(29,617,260)	(83,010,824)	(126,381,368)	52.25%
Share of Profit from Associates	-174,790,664	-118,633,709	-293,424,373	-326,392,080	11%

KEFR is a JV where EFRGOCP has 30% stake and the loss of the associate contributing to our consolidated report for FY 2019-20 (Sept end) was MMK 129,370,949 which was reduced by 6.61% from MMK 138,530,392 in FY 2018-19 (Sept end). Even though KEFR was able to operate with profits margin, the company set shorter life time depreciation schedule for all the assets, leading to loss. EFRGOCP requested KEFRJV to change the depreciation format in upcoming years starting from FY 2020-21 for better profit contribution to EFRGOCP.

UTOC Multipack is a JV where EFR has 40% stake, and the loss of the associate contributing to our consolidated report for FY 2019-20 (Sept end) was MMK 126,381,368 which was increased by 52.25% from loss of MMK 83,010,824 in FY 2018-19 (Sept end). EFRGOCP will take necessary action and assistance to UTOC to perform better in the future.

HITLC (Hlaing) projects was still in under construction and therefore, it is expected to contribute profit to EFRGOCP when it starts operating the phase-one of the project.

FINANCIAL CONDITION

SUMMARY GROUP BALANCE SHEET

DESCRIPTION	As of 30th September, 2019 (Audited)	As of 30th September, 2020 (Audited)	% CHANGE
ASSETS			
Total Non-Current Assets	5,648,264,764	5,464,943,694	-3.25%
Total Current Assets	13,291,391,653	12,862,913,705	-3.22%
Total Assets	18,939,656,417	18,327,857,399	-3.23%
LIABILITIES			
Total Non-Current Liabilities	Nil	Nil	
Total Current Liabilities	2,904,475,590	2,985,632,112	2.79%
Total Liabilities	2,904,475,590	2,985,632,112	2.79%
EQUITY			
Total Equity	16,035,180,827	15,342,225,287	-4.32%
Total Equity and Liabilities	18,939,656,416	18,327,857,399	-3.23%

Non-Current Assets

Our non-current assets consist of Properties, Plant and Equipment, Intangible Assets, Investments and Project Underdevelopment. Total non-current assets as of 30th September 2020 decreased by 3.25% from MMK 5,648,264,764 to MMK 5,464,943,694. The principal reason of the decrease was changes in project under development which is also not affected significantly.

Current Assets

Our current assets are composed of cash and cash equivalents, trade and other receivables, prepaid, advance tax and deposits. Our current assets declined by 3.22% from MMK 13,291,391,653 to MMK 12,862,913,705. The main reason was the decrease since trade receivables dropped from MMK 11,106,829,494 as of 30th September 2019 to MMK 9,734,288,603 as of 30th September 2020. We could manage to collect trade debts within credit terms.

Current Liabilities

Our current liabilities consist mainly of trade and other payables, tax provisions, advanced received and accruals. There was a rise in total current liabilities by 2.79% from MMK 2,904,475,590 to MMK 2,985,632,112. The main reason is the provision for Tax payable for FY 2018-19. In which most of units Tax assessment are under the arrangement of IRD that will increase in group consolidated payable amount.

Equity Attributable to Equity Holders

Our group equity has slightly declined by 4.32% from MMK 16,035,180,827 to MMK 15,342,225,287. It was due to decrease in foreign exchange gain reserve resulted from currency translation loss within FY 2019-20. Our retained earnings have declined from MMK 1,897,500,806 in as of 30th September 2019 to MMK 1,280,971,502 as of 30th September 2020.

The Strategic Partnership with Ayeyar Hinthar Holdings

A Logistics Co., Ltd was established as Joint Venture Company with Ayeyar Hinthar Holdings Co., Ltd and Unison Choice Services Ltd (subsidiary of EFR Group Public Co., Ltd) to operate not only for Total Logistics Solution but also for Ayeyarwaddy International Industrial Port (AIIP) operation in 2020, July 13 with the back of strong industrial experts.

Ayeyar Hinthar Holdings Company Limited (or “Group”) is a privately held Myanmar conglomerate focused on strategic sectors in the rapidly growing domestic market. The Group’s origins trace to a traditional family business based in the heart of Ayeyarwaddy Delta region located a few hours drive west of Yangon, its current headquarters. U Zaw Win Shein, the Chairman of the Group, has built up a successful agricultural processing and trading business, taking advantage of the Delta's unique agricultural resource base and extensive business networks. With well-established operations and strategic position in the Myanmar market, the Group is poised to Profit

from Myanmar’s ongoing liberalization and its rapid re-entry into ASEAN, Asia and the global economy.

Unison Choice Services Ltd (a subsidiary of EFR Group Public Co., Ltd) was established to act as a total logistics solution provider in 2012, January 1st with the back of experienced professionals.

Ever Flow River Group Public Co., Ltd (EFR) is a fully integrated total logistics service provider with 6 business units, 6 projects and 2 associate companies operating success under the management of EFR Group Public Co., Ltd, employing over 500 employees. EFR provides one-stop service in the logistic supply chain, with the team of talented, experienced professionals. Beside the group core total logistic solution business, EFR has successfully managed to operate in other business interests such as trading and logistic infrastructure developments.

Vision

- To be premium service provider in logistic industry.

Mission

- We are committed to meet our customers’ needs including efficiency, reliability and responsibility in a manner that anticipated and exceeds their expectations.
- We maintained standards of excellence and professionalism for our customers’ safety and satisfaction with full confident in our services for international shipping, freight forwarding and domestic transportation.
- We endeavor to provide challenging career development for our employees through training, employee involvement and human resources planning for capacity building.
- We believe in the spirit of co – operation and co – ordination and intend to earn the confidence and respect of our employees by providing support and guidance, sharing of information and thereby survive, prosper and grow together.

Brief of Pathein Industrial City

Pathein Industrial City is being developed by Ayeyarwaddy Development Public Company Limited which was established in June 2012 under Myanmar Companies Act in order to develop an international scale industrial zone, a river port, commercial and residential zone, located in Pathein Township (Pathein – Nga Pu Taw Road), Ayeyarwaddy Region, Pantheon Industrial City project covers total estimated area about 6,700 acres and will be developed by 3 Phases. Phase 1 – 1,200 acres and will extend to Phase 2 – 2,000 acres and Phase 3 – 3,500 acres, situated in Ayeyarwaddy Region.

Zone Conceptual Plan

Industrial

Textile & Garment	— 820 acres (12.5%)
Food	— 270 acres (4%)
General Manufacturing	— 500 acres (7.5%)
Ready Built Factories	— 210 acres (3%)
High Tech Park	— 500 acres (7.5%)
Park	— 240 acres (3.5%)

Infrastructure

AIIP	— 80 acres (1%)
Transport and Logistics	— 300 acres (4.5%)
Power Plant	— 115 acres (2%)
Road	— 445 acres (7%)

Commercial and Residential

Residential	— 880 acres (13%)
Commercial	— 1,080 acres (16%)
Institution	— 160 acres (2.5%)

Recreational

Golf Course	— 370 acres (5.5%)
Water Bodies	— 180 acres (3%)
Landscape and Green	— 450 acres (7%)

Review and Future Prospect of EFR Group Public Co., Ltd

Ever Flow River Group Public Company Limited (“EFRGOCP”) was listed at Yangon Stock Exchange on 28th May, 2020. During two decades of operating in logistics industry, we have strategically expanded our businesses and service lines into such wide range as domestic and international freight forwarding services, inner river port, container depot, customs-bonded warehouse and overall logistic engineering and are providing total logistics solutions to our clients.

Looking back to a year, even though EFR has delivered good operational and financial performance as a group, we still need to try more for making earning. Current global pandemic crisis and uncertainty have the potential to significantly impact many industries including logistics that are indirectly effected.

EFR management is tackling to mediate and mitigate the situation by adapting with changes and simultaneously seeking for new opportunities. As logistics sector plays an essential role in making headway of all other industries, we believe good potentials of our businesses aftermath of Covid-19 pandemic.

As a one-stop logistic company, some of our subsidiaries such as Gold Shipping and EFR LDC were performing well even during Covid-19 period and we anticipate the impacts of the outbreak to be temporary and expect an upturn of businesses from January 2021 onwards. EFR Trading performed value added services for logistics through trading which was afforded good earning in last year during the Covid-19 difficult time.

EFR will continue to diversify our services strategically by expanding operations, for example, at EFR GLE, we are planning to extend trade plus all-total-logistics services pattern for international trades. We, sincerely, hope to contribute ourselves during our country’s economic recovery stages and post Covid-19 period.

Based on our long-term group vision, we apply synergistic combination of Logistics, Finance, IT & E-commerce and Commercial Intelligence, and carefully design our services in consideration of the welfare of our client and promoting Myanmar businesses to the international market. Every member of EFR devotes ourselves for the organization to become one of the leading total logistics service providers, whether locally and globally.

By Order of the Board



Daw Khin Sone

Finance Director

Ever Flow River Group Public Co., Ltd

Sustainability at EFR

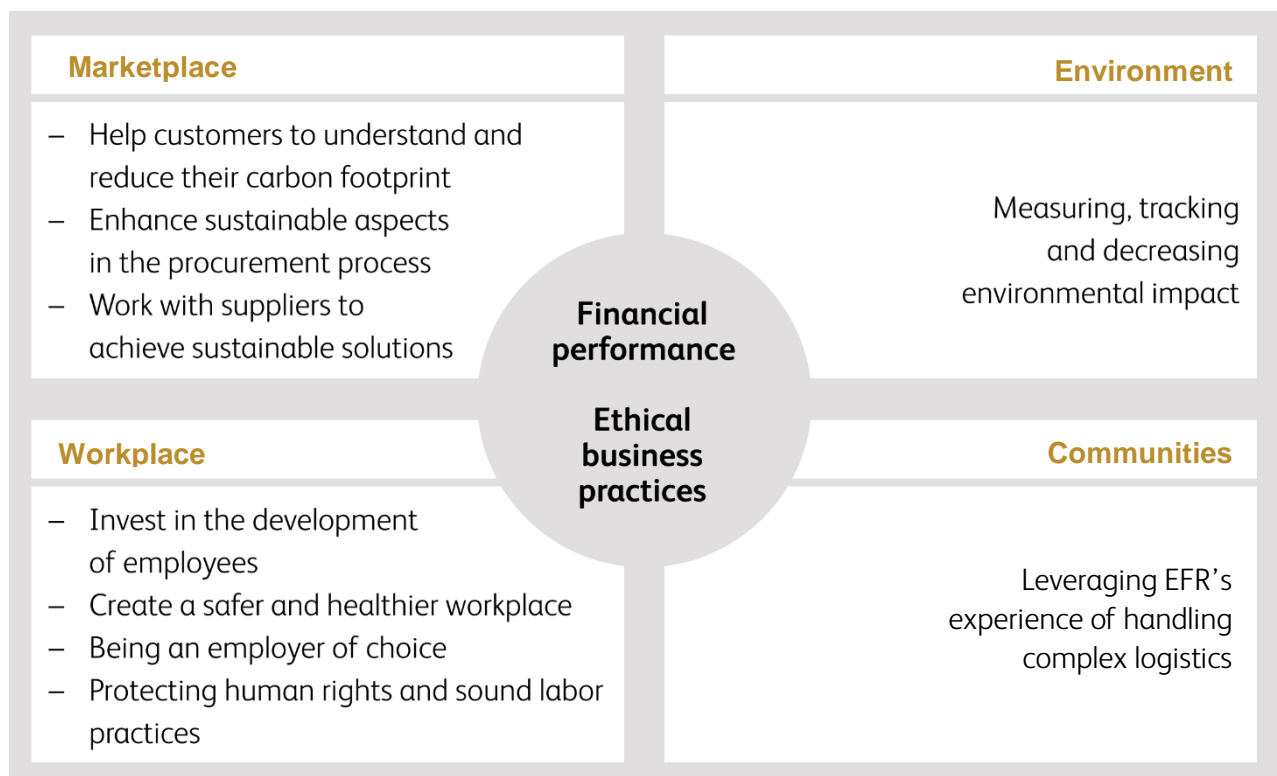
EFR Group Public Co., Ltd is committed to operating its business in a sustainable manner that creates value for its customers, employees, investors, communities and other stakeholders. Its sustainability focus areas are closely linked to its business objectives and are intended to relate to the activities that EFR undertakes.

During 2020 EFR carried out its first materiality assessment to better understand its social and environmental impact and the main priorities of its shareholders regarding sustainability.

Ethical Business Practices

Conducting the business in full compliance with all applicable legal and regulatory requirements, as well as observing the highest ethical standards is a priority for us. Our Code of Conduct Policy sets out the principles, ethics and values by which EFR does business and links to many of its key policies. To ensue compliant and ethical behavior, all of our staff are required to read, understand and adhere to the Code. EFR maintains a hotline and web reporting capability, which is also available in local language. This service enables an individual to report anonymously and confidentially any violations or suspected violations of the Code.

In addition, the company paves its sustainability ambition with core principles including Employee Handbook, Conflict of Interest Policy, Anti-Bribery and Anti-Corruption Policy and Related Party Transaction Policy.



Anti-Bribery and Anti-Corruption

Our Anti-Bribery and Anti-Corruption Policy incorporates all major anti-bribery requirements including the Myanmar Anti-Corruption Law 2013 and the OECD Anti-Bribery Convention. We take a risk-based approach to the corruption risk. Those that EFR considers to be of high compliance risk, must successfully complete a due diligence process and are regularly monitored and recertified.

Our People

Our success is made possible by the quality and dedication of our people. Attracting and retaining the best talents, providing them with professional experience, expertise and career development opportunities is therefore an essential part of the company's strategy, supporting EFR's aspiration to become an employee of choice.

Investing in the development of the employees

As of 2020 fiscal year end, there are about 400 employees in the company's operation. EFR always strives to create a standard set of capabilities for its employees and to ensure that the appropriate people are in the right places within the company, people who are motivated to optimal performance. Therefore it is a priority for us to invest in a variety of human resources programs, that are aligned to our overall business strategy.

EFR has implemented several career development trainings and programs aimed at enhancing and developing leadership capability and identifying and retaining future leaders. In addition, the company also coordinated programs for senior level employees with the purpose on the company's emerging senior leaders, providing them with the necessary skills to assume more complex roles and enhance their leadership. Beside the company also hosted a dozen sets of trading and courses related to behavioral and technical skills, dedicates to both white and blue collar workers, tailored to their level and function. Employees received an average of 10 hours of training during 2020.

Nearly 80% of EFR managers and supervisors received a regular performance and career development review during 2020, to ensure an engaged, focused and productive workforce.

Respecting diversity and human rights

We aim to promote and value diversity in all areas of recruitment, employment, training and promotion bases on merit and inclusiveness without regard to race, gander, martial/ civil status, sexual orientation, disability, age, religion or belief, ethic or national origin. EFR recognizes that it can better understand its customer and more effectively address their needs when there is a diverse workforce that mirrors its regional and worldwide customer base.

We respect and value human rights on a global scale. Operating ethically and respecting employees, customers, and other stakeholders are fundamental values of our corporate culture. EFR forbids all forms of slavery, human trafficking, forced labor, and child labor as defined by applicable law. EFR is pledged to the Myanmar Anti-Trafficking in Persons Law (2005) and conducts annual assessments to comply with its requirements.

Secure Operations and High Quality of Services

We are committed to providing safe workplaces that comply with all applicable laws, as well as internal and external standards. All employees are expected to follow these in their daily work.

EFR 's Health, Safety and Environment (HSE) Focus

- ensuring a high level of safety management through Myanmar and global health and safety policies and standards
- empowering employees to be awarded of critical health and safety factors at all levels of organization
- investing in continuous learning of EFR's employees to allow appropriate handling of critical situations
- testing and implementing new technologies and methods to make sustainable solutions feasible, adaptable and practical
- monitoring and analyzing HSE conditions domestically, regionally and globally
- systematically measuring and continuously improving

Transportation and Warehouse Security

Managing security is an integral part of our business in order to reduce risks of criminal action, and to keep both EFR's employees and customers goods safe and secure. The company ensures the integrity of its security process and also follows various governmental security initiatives at a local level.

Cybersecurity

Keeping our customers' and employees' data safe is a top priority, as it is ensuring the availability of our systems. Because of the dramatic change in cybersecurity threats. EFR decided to make further investments and developing our internal capabilities in cybersecurity and incident response.

Quality

Delivering customer satisfaction and continual improvement is the responsibility of every EFR employee. Following the LEAN methodology, employees are encouraged to look constantly for new ways to improve day-to-day processes, and find and eliminate waste in, for example, over-processing and unnecessary movements.

Environmental Responsibility

EFR does not itself produce or manufacture products, and therefore the operation of the company has less environmental impact. But EFR is still committed to have several global and local environmental initiatives underway, such as:

- eco-warehouse facilities
- green procurement practices
- a paperless initiative
- supply chain optimization and sustainable redesign
- investing in measurement of EFR's environmental impact

Community Engagement

As a company with a presence in 6 divisions and states across Myanmar, EFR has responsibilities to the communities in which it operates. We can best enrich and support lives through what it is best at – providing logistics and transportation services.

In 2020, employees from EFR Group Public Co., Ltd and it's subsidiaries across Myanmar initiated and took part in charitable actions to support the local communities in fighting against COVID-19. Commercial truck drivers under EFR's trucking service subsidiary, Myanmar Round The World Logistic (MRTW) and other EFR's affiliate company, Kamigumi EFR Logistics play an important role in maintaining the supply chain by delivering essential goods during the COVID-19 pandemic. Our drivers ensure people across Myanmar continue to have access to the items they need, including food and medicine.

**Corporate
Governance
and
Shareholder
Information**

Corporate Governance Report

Corporate Governance is an important aspect of EFR Group Public Co., Ltd, in line with the company's values. EFR Group Public Co., Ltd is continuously developing its corporate governance in response to the strategic development, goals and activities, as well as to the external environment and input from stakeholders.

Ever Flow River Group Public Co., Ltd is committed to a transparent management structure governed by the solid principles. This Corporate Governance Report complies with the Directive on Information relating to Corporate Governance of the Yangon Stock Exchange effective on 1 January, 2021 and provides investors with the corresponding key information.

The governance structure supports close coordination between the Board of Directors and the Board Committees throughout the organization. The structure promotes the objectives of:

- Early Identification of opportunities and challenges.
- Efficient process for informed decision-making.
- Agile planning and fast execution.
- Sound controls, checks and balances and compliance.
- Clear allocation of authorities and responsibilities.
- Safe operations.

Governance Structure

Shareholders and the Annual General Meeting

The Annual General Meeting is the supreme governing body of EFR Group Public Co., Ltd. The shareholders exercise their rights at the Annual General Meeting e.g. in relation to electing the Board members, deciding on the articles of Association and on proposals submitted by shareholders or the Board. The company has only one type of shares and all the shareholders carry the equal voting and economic rights, and these shares are traded publicly at Yangon Stock Exchange (YSX).

► Framework for corporate governance



Board of Directors

The Board of EFR Group Public Co., Ltd consists of 10 members, in which 2 non-executive directors, 3 independent directors and 5 executive directors. Furthermore, the board has established 4 committees which are Nomination, Remuneration and Corporate Governance Committee, Audit and Risk Management Committee, Investment and Portfolio Management Committee and Legal Committee. By inviting business leaders, functional leaders and relevant experts to participate in parts of its meetings, the Board of Directors and its committees interact with representatives from various parts of the organizations as well as external specialists.

The Board of Directors lays down the general business and management principles, and ensures the proper organization and governance of the company. Besides, the Board of Directors decides the strategy and the risk policies, and supervises the performance of the company and its management.

The Board of Directors has established the following committees:

Nomination, Remuneration and Corporate Governance Committee

The Nomination, Remuneration and Corporate Governance Committee consisting of 7 members and the 1 Independent Director chaired the Committee. The members are elected by and among the Board members, and the Board appoints the Chairman of the Committee. The Nomination Remuneration and Corporate Governance Committee assists the Board by establishing an overview of the competencies required and represented on the Board, and reviews the structure, size, composition, succession planning and diversity of the Board of Directors. The Committee also reviews the application of the independence criteria, initiates recruitment and evaluates candidates for election to the Board of Directors. The tasks of the Nomination, Remuneration and Corporate Governance Committee are described in the rules of procedure approved by the Board of Directors.

Beside the Committee makes proposals to the Board of Directors for the remuneration of the members of the Management Team. The

Committee also proposes the Board e.g. with regard to incentive schemes, reporting and disclosure of remuneration, remuneration policies and incentive guidelines. The Committee ensures that the remuneration policy and practices as well as incentive programs support the strategy of EFR Group Public Co., Ltd and create value for the shareholders.

Audit and Risk Management Committee

The Audit and Risk Management Committee consists of 7 members and 1 Independent Director acts as the Committee Chairperson. The members are elected by and among the Board members, and the Board appoints the Chairman of the Committee. The Committee reports to the Board of Directors and the tasks of the Committee include the review of accounting, auditing, risk and control matters, which are dealt with at meetings with external auditors, group finance director and heads of accounting and internal audit functions. Furthermore, the Committee is tasked with reviewing material on related parties' transactions, reviewing the risk profile of the

organization to ensure that company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities. The Committee also assists the Board in setting risk strategies, policies, frameworks, models and procedures in liaison with the Management Team and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting.

Investment and Portfolio Management Committee

The Investment and Portfolio Management Committee comprises with 10 members and the Committee is steered by the Group Chairman, U Kyaw Lwin Oo along with the Group Chief Executive Officer, U Aung Min Han. The Committee is mainly responsible for reviewing of a portfolio's purpose, objective and a clear definition of success in determining whether the portfolio fulfils that purpose and meets the Group objectives, setting a clear investment strategy that includes a reasonable set of assumptions about the organization's risk tolerance and expected returns and the basis for establishing annual withdrawals as well as

clarifying the key portfolio parameters and constraints including, but not limited to, liquidity constraints; currency strategy and geographic diversification.

Legal Committee

The Legal Committee consisting of 5 members including 1 independent legal advisor and the Committee is chaired by the Independent Director. The members are elected by and among the Board members, and the Board appoints the Chairman of the Committee. The Committee's responsibility is to assist the various business units of the company to understand and comply with relevant local and international laws and regulations with the Company's policies. Besides, the Committee supports legal advice regarding all aspects of the company's business and corporate needs by working closely with all control areas, in particular tax, compliance, controlling and credit, to ensure that achievement of the company's economic objectives reflect not legal and regulatory requirements, but also compliance with the company's own risk management and business practice policies and values as well.

Management Team

The members of the registered management of EFR Group Public Co., Ltd by the end of 2020 were U Aung Min Han (CEO), Daw Khin Sone (Group Finance Director), Daw Zin Nyein Htwe (Executive Director), Daw Hnin Yee Mon (Executive Director), Daw Lae Lae Mu (Executive Director), U Than Aung (Executive Director) and U Kyaw Kyaw Thein (Executive Director). Members of the Management Team are appointed by the Board of Directors to carry out the day-to-day management and operations of the company.

Co-operation between the Board of Directors and Management Team

As a publicly listed company on Yangon Stock Exchange, EFR Group Public Co., Ltd is managed by the members of the Management Team, who are appointed, advised and supervised by the members of the Board of Directors.

The Management Team's rules of procedures set out the principles governing its internal organization, management and representation, as well as co-operation between its individual members. The members of Management Team manage their respective departments on their own responsibility, except where decisions of particular significance consequence for the company or the Group must be taken by the members of the Board of Directors as a whole. They are required to subordinate the interests of individual departments to the collective interests of the company and to inform the full Management Team about significant developments in their spheres of responsibility.

The CEO conducts its business, aligns board department activities with the company's overall goals and plans, and ensures that corporate policy is implemented. When making decisions, members of the Management Team may not act in their own personal interest or exploit corporate business opportunities for their own benefit. Conflicts of interest must be disclosed to the Board of Directors without delay; the other Management Team members must be also informed.

The Board of Directors works with the Management Team to ensure long-term succession planning for the Management Team. The Management Team and the Board of Directors regularly discuss the Group's strategy, the subsidiaries' objectives and strategies, the financial position and performance of the company and the Group, key business transactions, the progress of JVs and potential investments, compliance and compliance management, risk exposure and risk management, and all material business planning and relates implementation issues. The Management Team informs the Board of Directors promptly and in full about all issues of significance. The Chairman of the Board of Directors and the CEO maintain close contact about current issues.

The Board of Directors decisions are prepared in advance in separate meetings and by the relevant committees. Each plenary BOD meeting includes a detailed report regarding the committees' work and the decisions taken. The Board of Directors members are personally responsible for ensuring they receive the training and professional development measures they need to perform their tasks and receive appropriate support from the company.

Board of Directors

Responsibility for the overall governance and strategic direction of the company, including for instance:

- Lay down general business and governance principles of the company.
- Decide the strategy and risk policies for the company.
- Approve material M&A transactions, investments and divestments.
- Supervise the performance of the company, the Management Team and to secure the proper organization of the company.
- Review the company's financial positions, capital resources, and reporting on financials and performance.
- Appointment members of the Management Team.

Matters handled by the Board of Directors in 2020

(including but not limited to):

- Strategy and business plan review, target setting and budget approval.
- Follow-up on M&A activities.
- Monitor and assess structural solutions for the newly formed JV entity, A Logistics Co., Ltd.
- Review of safety and compliance frameworks and organization.
- Monitor the company's financial policy, debt levels and capital structure.
- Promote the corporate governance, establishment of the Investment and Portfolio Management Committee.
- Board evaluation.
- Approval of Annual Report 2020 and review of monthly and quarterly financial reporting and forecasting.

Matters handled by the Board Committees in 2020

(including but not limited to):

The Nomination, Remuneration and Corporate Governance Committee

- Review and assess the composition, succession planning, competencies and diversity of the Board of Directors.
- Identify candidates for membership of the Board of Directors.
- Assess independence criteria.
- Review and define benchmarks for executive remuneration.
- Review, monitor and propose the remuneration packages of the Management Team for 2020 and 2021 to the Board.

- Review and propose changes to Remuneration Policy and Incentive Guidelines.

The Audit and Risk Management Committee

- Monitor the financial reporting process, including accounting estimates and risks, accounting policies and reporting process integrity.
- Review annual and interim financial reports, and the change of reporting structure in 2020.
- Monitor the effectiveness of internal control systems, fraud risks and fraud

prevention.

- Review joint taxation and material related parties' transactions.
- Discuss key audit matters, monitor the services, audit plans, reports, independence of external auditors and recommend statutory auditor for election.
- Monitor the Group internal audit function, its independence, scope and performance, resources and reporting and the resolution of audit findings.
- Oversee the company's risk management framework and process, and review key enterprise risks and related mitigation plans.
- Meet with the Group Finance Director, Head of Accounting and Control, other functional leaders and external auditors.

The Investment and Portfolio Management Committee

- Monitor the financial reporting process, including accounting estimates and risks, accounting policies and reporting process integrity.
- Review annual and interim financial reports, and the change of reporting structure in 2020.
- Monitor the effectiveness of internal control systems, fraud risks and fraud prevention.
- Review joint taxation benchmarks.
- Review the macroeconomic assessment and related tactical asset allocation moves.
- Monitor compliance with the investment

policy focused on investment philosophy, risk level, liquidity, asset allocation, currency exposure and manager sizing and concentration.

- Plan response to potential macroeconomic, financial and other unexpected risks.
- Steer the formation of newly developed JV entity, A Logistics Co., Ltd along with Ayayar Hinthar Holdings Co., Ltd

The Legal Committee

- Ensure the organization understands and complies with its own governing document, relevant laws, contractual obligations and the requirements of any regulatory bodies.
- Give accurate and timely counsel to executives and the Board in a variety of legal topics e.g. labor law, tax, partnerships, international ventures etc.
- Specify internal governing policies and regularly monitor compliance.
- Evaluate different legal risk factors by collaborating with Audit and Risk Management Committee regarding business decisions and operations.
- Apply effective risk management techniques and offer proactive advice on possible legal issues.
- Oversee and solidify agreements, contracts and other legal documents to ensure the company's full legal rights.
- Provide clarification on legal language or specification to everyone in the organization.
- Support the formation of A Logistics Co., Ltd in the aspect of local governing laws.

Board of Directors



U Kvw Lwin Oo



U Maung Maung Oo



U Min Sein



Dr. Hla Theingi



Prof. Daw Hla Myint



U Aung Min Han



Daw Khin Sone



Daw Zin Nyein Htwe



Daw Hnin Yee Mon



Daw Lae Lae Mu

U Kyaw Lwin Oo

Chairman of the Board of Directors, Chairman of the Investment and Portfolio Management Committee,

Note considered independent due to more than 22 years of service on EFR management.

Other management duties, etc.

- K Efficient Logistics Consortium Co., Ltd (Director)
- Ever Flow River Agro Venture Co., Ltd (Director)
- EFR Hotel Group Co., Ltd (Director)

U Kyaw Lwin Oo started his career as Operations Manager for Myanmar Container Line, the first containerized feeder carrier in Myanmar plying the Myanmar Singapore route, from 1990 to 1995. Based upon this extensive shipping knowledge gained from Myanmar Container Line (“MCL”). U Kyaw Lwin Oo registered Ever Flow River Forwarding & General Services Co., Ltd. in 1998.

With his spirit of entrepreneurship and leadership, EFR has built up a vast network of shipping agencies representing world-class container carriers and international freight forwarders. U Kyaw Lwin Oo, with his strong belief in development of business through diversification, managed to diversify into other lines of businesses across the supply-chain logistics.

U Kyaw Lwin Oo is also the chairman of Myanmar Hoteliers Association (“MHA”), Ngwe Saung Hotel Zone, Adviser at Myanmar Mercantile Maritime Development Association (“MMMDA”), Vice-Chairman of the Board of Directors at Myanmar International Freight Forwarders Association (“MIFFA”), and Founder

Member of Myanmar Customs Broker Association (“MCBA”).

His spirit of entrepreneurship has made him what he is today. Taking the opportunity upon economic reforms in Myanmar, he has planned to develop the logistics infrastructure of Myanmar on a national level after obtaining approval from the high authorities. This is a very promising arrangement, as it would place Myanmar on the same level as some neighboring countries with regard to the transportation and logistics sectors.

U Maung Maung Oo

Vice-Chairman of the Board of Directors, Member of the Nomination, Remuneration and Corporate Governance Committee, member of the Audit and Risk Management Committee, member of the Investment and Portfolio Management Committee, member of the Legal Committee

Not considered independent due to more than 22 years of service at EFR.

Other management duties, etc.

- None

He holds a Bachelor of Science from University of Yangon, International Business Finance and Financial Management Course Certificate (2002), Diploma in Maritime Law from University of Yangon (2003), and a Certificate in Multimodal Transport from MIFFA and AFFA.

In 1998, U Maung Maung Oo joined EFR Freight Forwarding & General Services Co., Ltd. as a marketing manager. In 2001 April, U Maung Maung Oo was assigned to work with World Class Container Carrier and Shipping agency as General Manager up to October 2007. With his

advanced knowledge and diversified management skills gained throughout his career, U Maung Maung Oo is currently a member of the board of directors and the Vice Chairman of EFR Group of Companies and also a member of the board of directors of the MIFFA.

U Min Sein

Chairman of the Legal Committee, Member of the Nomination, Remuneration and Corporate Governance Committee, member of the Investment and Portfolio Management Committee

Considered independent.

Other management duties, etc.

- AYA Bank (Independent Director)
- Myanmar M1 Investment Co., Ltd (Director)
- Australia Myanmar Chamber of Commerce (member)
- U Hla Tun Hospice (Management Committee member)

Min Sein is an independent director of EFR Group of Companies. He graduated with a Bachelor of Science in 1966 and became a registered accountant (R.A.) in 1971. He successfully passed the Higher-Grade Pleader (Law) Examination in 1969 and the Registered Lawyer's Examination in 1975. He started his practice in Law since 1972 and successfully became an advocate of the Supreme Court in 1998. He specializes in Business and Corporate Law, Civil Law, Trade/Commercial Law, International Contracts, Trademark, and Intellectual property, Personal Law (Succession Law).

U Min Sein is also an Independent Director of AYA Bank and Director of Myanmar M1 Investment Company Limited. He is also a

Member of Australia Myanmar Chamber of Commerce and Management Committee Member of U Hla Tun Hospice.

He also has teaching experience, including teaching Commercial Law to Government Officers, Auditor General's Department and Training Department from 1986 to 2006 as well as to the CPA 24th batch.

Dr. Hla Theingi

Chairwoman of the Audit and Risk Management Committee, member of the Investment and Portfolio Management Committee

Considered independent.

Other management duties, etc.

- MADP Distribution Co., Ltd (CEO)

Dr. Hla Theingi is the independent director of EFR Group of Companies. She graduated with a Bachelor of Business Administration and MBA from Assumption University Thailand and received her PhD from Asian Institute of Technology Thailand. She has also passed CFA Level 1.

As an academic professor, Dr. Hla Theingi has taught many subjects in the areas of economics, finance and accounting, international business, logistics, marketing and research for postgraduate, graduate and undergraduate students. She also published a book "Export Import Practices: ASEAN Focus" in 2013. She works as a mentor, guest speaker, reviewer, and editor for various institutions, conferences and journals. Her recent research, journal and book publications are in the area of SMEs, trade financing, remittance, sustainability, international business, ethical business, technology transfer and technology acceptance.

As a practitioner, she is currently a Chief Executive Officer of MADP Distributing Co., Ltd. and a financial advisor and executive coach for telecom, trading, agriculture, animal feed, and education companies in Myanmar and Thailand. She worked as a consultant for Myanmar Automobile Development Public Co., Ltd in 2015 and 2016. She has more than 20 years' experience of running her own container transportation business in Myanmar. She worked as a deputy chairperson of the Department of International Business Management, Martin de Tour School of Management, Assumption University, Thailand from 1996 to 1998. She was also a member of the Research Support Committee, Assumption University, Thailand for 2012 to 2016.

Prof. Daw Hla Myint

Chairwoman of the Nomination, Remuneration and Corporate Governance Committee, member of the Investment and Portfolio Management Committee

Considered independent.

Other management duties, etc.

- **Department of Management, Yangon University of Economics (Emeritus Professor)**
- **Myanmar Human Resources Co., Ltd (Academic Advisor)**
- **Myanmar Women Entrepreneurs Association (Advisor)**

Prof. Daw Hla Myint is an independent director of EFR Group of Companies. She graduated with a Bachelor of Commerce with Honors Degree and received a Master of Commerce. She has attended a UNDP/UNIDO workshop on Project Planning and Control from the Ministry of Industry (1), Myanmar-Korea Executive Management Program of Samsung, Tourism

Marketing Course from the Directorate of Hotel & Tourism and Advill Consultancy. She has also attended Master of Arts Courses in Economics specializing in Development Economies (1961-62) from the University of Kansas City, Missouri, USA, MBA courses specializing in Management Information System, University of California, Los Angeles, and UNESCO Fellowship. She has attended a study tour focusing on Business Administration at the Kasetsart University, Bangkok, Thailand.

Prof. Daw Hla Myint is currently an Emeritus Professor of the Department of Management Studies, Yangon University of Economics, Yangon. She is also a faculty member and the principal Academic Advisor of the Myanmar Human Resources Co., Ltd. She is the adviser of the Myanmar Women Entrepreneurs Association, an NGO, and a consultant cum senior trainer of STI Education.

She served as a faculty member for 37 years as a tutor, lecturer, associate professor and professor in the following educational institutions.

1. Department of Commerce & Administrative Studies, University of Yangon
2. Department of Economics, Defense Services Academy, Pyin Oo Lwin
3. Department of Commerce, Institute of Economics, University of Yangon
4. Department of Economics, Institute of Education, University of Yangon
5. Department of Management Studies, Institute of Economics, University of Yangon

U Aung Min Han

Member of the Board of Directors, member of the Nomination, Remuneration and Corporate Governance Committee, member of the Investment and Portfolio Management Committee

Not considered independent due to the position as CEO of EFR Group Public Co., Ltd

Other management duties, etc.

- A&H Development Co., Ltd (Director)
- SIM Co., Ltd (Director)
- Open Sesame Co., Ltd (Director)

U Aung Min Han is the Chief Executive Officer of EFR Group Public Co., Ltd. He holds a Bachelor of Engineering (Civil) (2001), Certificate of Internal Auditor Training Course (2003), Diploma in International Freight Management Certificate in Multimodal Transport (2004), Certificate in Multimodal Transport (2004), and Master of Business Administration (2008).

In June 1997, U Aung Min Han joined EFR, first as a marketing executive at Ever Flow River Forwarding & General Services Co., Ltd. and then was promoted to marketing manager and gradually up to the post of General Manager in sub-business units of EFR Group of Companies. His excellent interpersonal skills, wide knowledge and in-depth experience in marketing as well as administration and interest in the work concerned have contributed to his high level of performance in top-level management positions. As a brilliant, talented, dedicated and energetic young professional, U Aung Min Han was selected the Chief Executive Officer of EFR Group in 2012 as well as one of the board directors of EFR Group of Companies.

He is also a member of MIFFA and of MMMDA.

Daw Khin Sone

Member of the Board of Directors, member of the Nomination, Remuneration and Corporate Governance Committee, member of the Audit and Risk Management Committee, member of the Investment and Portfolio Management Committee, member of the Legal Committee

Not considered independent due to the position as Group Finance Director of EFR Group Public Co., Ltd

Other management duties, etc.

- Golden Hist Travels & Tours Co., Ltd (Director)
- Win Health Trading Co., Ltd (Director)

Daw Khin Sone is the Group Finance Director of EFR Group Public Co., Ltd. She received her B.Sc. (Mathematics) degree from the University of Yangon in 1995. She holds a diploma in Chinese from the University of Foreign Language and a diploma in Business Law from University of Yangon. Daw Khin Sone has also received a certificate from the Ministry of Foreign Affairs for a Basic Diplomatic Course and has also finished her LCCI (level I, II and III) in 2003. She also has a master's degree at the University of Economics in Banking and Finance.

Daw Khin Sone started her career after her graduation as executive to chief accountant in Eagle Group of Companies (1997 to 2000) and then joined EFR Group of Companies as marketing executive in one of the shipping lines. From 2000-2011, she was assigned at Gold Shipping Agency Services, Ltd., starting from executive post to being gradually promoted to deputy managing director after several years of her services with full commitment. From 2012 till to date, she has been assigned as group Chief Finance Officer.

She is a member of Myanmar Mercantile Maritime Development Association (MMMDA) and member of the Board of Directors of MIFFA.

Daw Zin Nyein Htwe

Member of the Board of Directors, member of the Investment and Portfolio Management Committee

Not considered independent due to the position as Executive Director of EFR Group Public Co., Ltd

Other management duties, etc.

- None

Daw Zin Nyein Htwe is one of the executive directors of EFR Group Public Co., Ltd who is in charge of Myanmar Round the World Logistic Co., Ltd. and EFR Trading Co., Ltd. She started her career with EFR in 2001 while she was in pursuit of her B.Sc. (Physics) Degree in University of Distance Education. She took on different responsibilities, has played different roles successfully within the organization from Receptionist, Sales & Marketing Coordinator, to Customer Service Executive as well as being in charge of Mitsui O.S.K Lines and obtaining experience in shipping and forwarding fields. EFR has been grateful to have her support and teamwork in reference to International Trading business before she moved on to her new role in 2007. She has extensive knowledge in the commercial trading field.

She holds an MBA from the University of the Thailand Chamber of Commerce, a Bachelor of Science (Physics) from Yangon University, and Advanced Diploma in Supply Chain Management, Singapore Logistics Association.

Daw Hnin Yee Mon

Member of the Board of Directors, member of the Investment and Portfolio Management Committee

Not considered independent due to the position as Executive Director of EFR Group Public Co., Ltd

Other management duties, etc.

- A&H Development Co., Ltd (Director)

Daw Hnin Yee Mon is one of the Executive Directors of EFR Group Public Co., Ltd who is in charge of Gold Shipping Agency Services, Ltd. and Unison Choice Services, Ltd. She received her BA (Economic) degree in 2004 from Patheingyi University. In July 2004, Daw Hnin Yee Mon joined EFR, first as receptionist and personal assistant of the Chairman of EFR Group of Companies from 2004 to 2005.

As a brilliant and energetic talent, she has taken on many different assignments from EFR Group and has executed her duties and responsibilities in a reliable and satisfactory level. She took roles as Assistant of Mitsui O.S.K Lines which is one of the top-10 container carriers in the world and was promoted to Manager (Import Marketing) in charge of CMA-CGM Lines which is also one of the top10 carriers in the world and was in charge of EFR's Conventional Department from 2008 to 2010 and gradually up from basic level to General Manager in EFR Forwarding & General Services Co., Ltd.

Daw Lae Lae Mu

Member of the Board of Directors, member of the Investment and Portfolio Management Committee

Not considered independent due to the position as Executive Director of EFR Group Public Co., Ltd

Other management duties, etc.

- None

Daw Lae Lae Mu is one of the Executive Directors of EFR Group Public Co., Ltd and is in charge of Ever Flow River Logistics and Distribution Center (Mandalay) Co., Ltd.

In 2001, she joined China Shipping Container Line as Senior Sales & Marketing Executive and

served in this position until 2007. Daw Lae Lae Mu joined Myanmar Indo Orient Co., Ltd. (MIO was established to act as agent for CMACGM in Myanmar) with the position of Deputy General Manager. In 2011, she became a General Manager of MIO and of CMA CGM in 2014.

Daw Lae Lae Mu holds a Bachelor of Science (Physics) (Hon), Certificate of Attendance – Air Freight Forwarder’s Basic Course conducted by Myanmar International Freight Forwarder’s Association (MIFFA) and Singapore Air Cargo Agents Association (SAAA), Certificate of Attendance - Japan’s Program for improving Efficiency of “Logistics and Distribution”, of The East-West Economic Corridor” and “Southern Economic Corridor” conducted by MIFFA and Ministry of Transport.

Management Team



U Aung Min Han



Daw Khin Sone



Daw Zin Nyein Htwe



Daw Hnin Yee Mon



Daw Lae Lae Mu



U Than Aung



U Kyaw Kyaw Thein

Name	Role
U Aung Min Han	CEO
Daw Khin Sone	Group Finance Director
Daw Zin Nyein Htwe	Executive Director
Daw Hnin Yee Mon	Executive Director
Daw Lae Lae Mu	Executive Director
U Than Aung*	Executive Director
U Kyaw Kyaw Thein	Executive Director

** U Than Aung is also serving as a member of Investment and Portfolio Management Committee.*

Remuneration

The Nomination, Remuneration and Corporate Governance Committee

EFR Group Public Co., Ltd established the Nomination, Remuneration and Corporate Governance Committee to ensure that the remuneration policy and practices support the company's strategy and create value for shareholders.

Since the establishment of the Committee, it has been committed to strengthen the governance, and structuring the annual remuneration agenda. This allows the Committee to follow a steady cadence which supports the consistency and quality of its work.

In 2020, the disclosure of the management remuneration has been a focus area. The Committee is working towards ensuring increased transparency for shareholders as well as identifying how remuneration can be actively utilized to connect the interests of the management team with shareholder interests. The Committee is working on to provide greater transparency, and it will continue to be developed in future.

Introduction

As EFR Group Public Co., Ltd progress towards its vision of becoming the leading regional logistic solutions provider, management remuneration continues to be a key factor in emphasizing business priorities including financial performance, operational progress, and customer experience. Management remuneration program at EFR Group Public Co., Ltd is designed to achieve the business goals in line with the Group's core values.

This section provides an overview of:

- EFR Group Public Co., Ltd's remuneration philosophy and objectives applicable to the Board of Directors and the Management Team.
- The components of BOD and Management remuneration.
- The total remuneration awarded to the Board of Directors and Management Team members in 2020.

Remuneration Objectives and Philosophy

Remuneration at EFR Group Public Co., Ltd is intended to drive a 'pay for performance' culture, by aligning reward to company performance and shareholder value creation.

The remuneration policy for the Board of Directors and the Management Team is aligned with the objectives and philosophy set out in the below table.

Remuneration Objectives and Philosophy

Objectives	Philosophy
<p>The remuneration policy and practices are designed to support:</p> <ul style="list-style-type: none">• Delivering strong business and financial results to grow shareholder value, and• The attraction, retention and motivation of a highly effective executive team.	<p>The remuneration philosophy is built on the following principles:</p> <ul style="list-style-type: none">• Aligns the interests of executives with those of shareholders• Pays for performance and the company's achievement of financial and strategic objectives• Rewards behaviors that drive company growth through collaboration, agility and customer and people orientation

Remuneration Structure

Management Team

Management Remuneration is decided by the Board of Directors based on recommendations from the Nomination, Remuneration and Corporate Governance Committee. The Board of Directors may delegate, in whole or in part, its decision-making powers to the Nomination, Remuneration and Corporate Governance Committee.

Remuneration levels are guided by comparison to other local and regional companies comparable size and complexity based in Myanmar and South East Asia Countries.

Board of Directors

The Board of Directors considers director remuneration at least once a year based on recommendations from the Chairman of the Board. In formulating these recommendations, the Chairman is guided by comparisons to other local and regional companies of comparable size and complexity. The directors' remuneration for the previous year is announced at the Annual General Meeting as part of the Annual Report.

Total Remuneration 2020

The table below shows the 2020 the financial impact of the remuneration awarded to the the Board of Directors and the Management Team;

2020 BOD and Management Team Remuneration (in millions)

	2020	2019
Board of Directors	187.2	212.05
Management Team	153.09	171.12

Note: the remuneration package of U Aung Min Han, Daw Khin Sone, Daw Zin Nyein Htaw, Daw Hnin Yee Mon and Daw Lae Lae Mu are included both in Board of Directors and Management Team remunerations.

Risk Management

Risk Management Approach and Process

As a provider within the supply chain industry, EFR works to identify and monitor a variety of risks.

EFR's risk management process involves routine assessments to determine present risks and their severity, and to identify the effectiveness of existing control measures. If further actions are required, they are assigned and reviewed regularly.

The top down and bottom-up risk assessment approach encompasses functions and clusters as well as risks realized within EFR or the business within EFR operates.

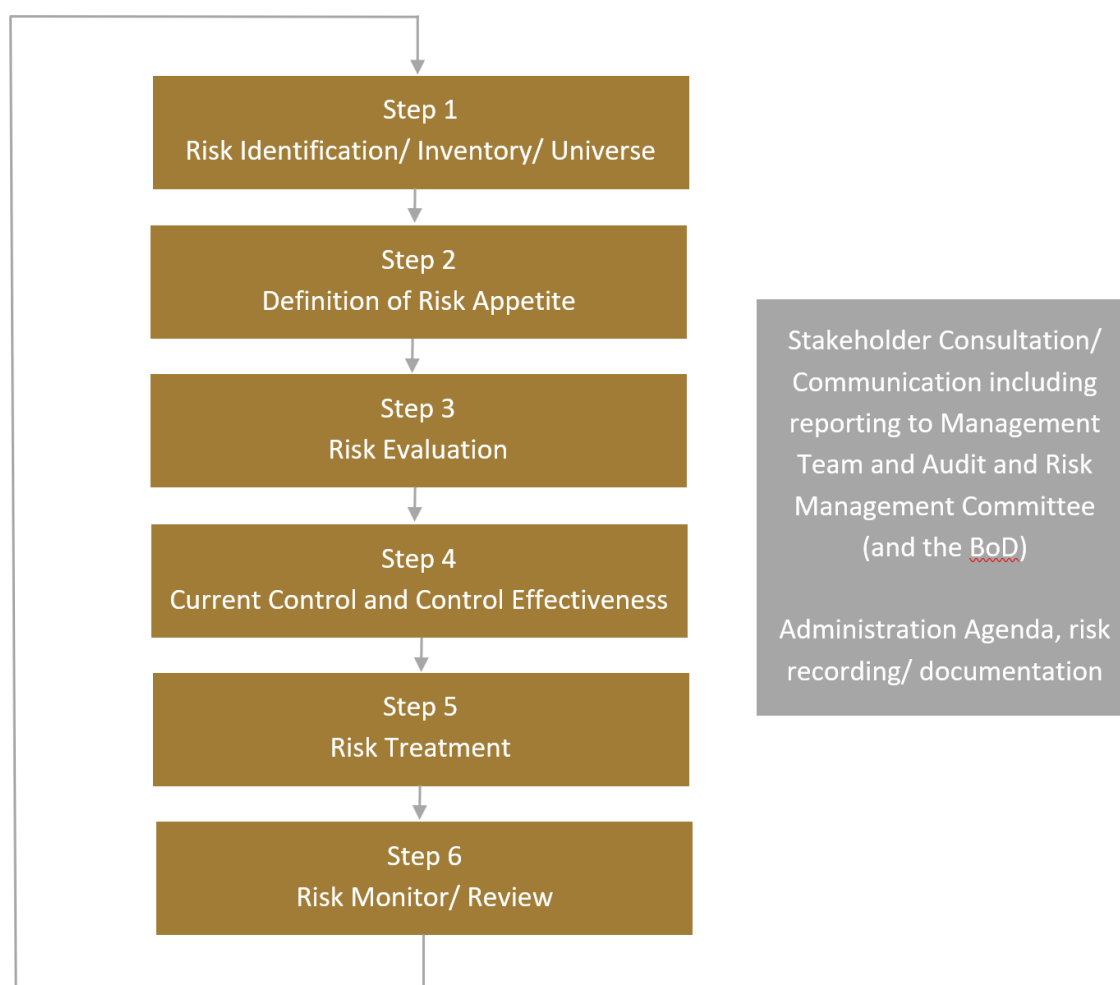
Risk Governance and Culture

Risk Management is embedded in EFR's organization and process and is designed to increase the awareness of these risks within the organization.

The Enterprise Risk Management Process is aligned with other internal and external processes (for example internal control, internal audit, operational compliance and quality assurance)

The process includes reporting to the Audit and Risk Management Committee, which provides Board level oversight. The Risk Management cycle supports the Management Team to monitor risks on a day-to-day basis.

Ongoing Risk Management Process



Key Risk Analysis

Following the Enterprise Risk Management cycle, the Management Team reviewed risks and presented the selected top risks to the Audit and Risk Management Committee.

EFR's risk universe clusters various topic in four categories. Following you find an overview:

Strategic Risks

Included risks	Included aspects like macro-economic issues, planning business model, and various initiatives, including M&A activities.
Summary on key risk and initiated mitigation	<p>The supply chain management industry relies on favorable trade policies and may be materially adversely affected by negative changes in economic conditions across the domestic, regional and global economy. Market dynamics with potential volume downturn or downturn in particular industries or politic and racial matters remained a risk.</p> <p>EFR's business is diversified geographically across the country, in freight management and contract logistics and offer different services within the supply chain.</p>

EFR's business model relies on customers' international production. Response to industry and technology shifts is essential, including further diversification of business interests and customer base in certain industries.

Financial Risks

Included risks	Market and liquidity, currency risk, financial reporting, tax and financing risk.
Summary on key risk and initiated mitigation	Reference is made to Notes of the Consolidated Financial Statements in this Annual Report.

Operational Risks

Included risks	Product and service related offering, people related risks and opportunities like Health, Safety but also technology aspects are covered.
Summary on key risk and initiated mitigation	<p>Our +500 employees, contractors and partners are the heart of our business offering. To attract, retain and develop talent is a daily effort. We work closely with partners and stakeholders to avoid labor shortages.</p> <p>We consistently invested in our talents and future leaders by hosting internal trainings and career development programs.</p> <p>Information Technology systems are crucial for our operation but might be subject to risk, including cyber breaches and disruptions. Adequate protection of personal or customer data is a key requirement.</p> <p>EFR is planning to digitalize for some of its business units which will be more effective in customer relationships and management and consistently try to improve the operational efficiencies. EFR had decided to further invest and develop its internal capabilities with regards with CRM, Customer Data Management and incident responses. We also work closely with specialist companies to assist us in our priority for safekeeping customers' and employees' data as well as system availability.</p>

Legal and Compliance Risks

Included risks	Contracts, compliance with legal, regulatory and EFR specific requirements.
Summary on key risk and initiated mitigation	<p>Our business is subject to various laws and regulations of respective legislative bodies to comply with and minimize the risk of violation.</p> <p>Contacts with onerous terms and conditions might impact profitability.</p>

To avoid the risk of violation, we have implemented a comprehensive compliance, approval and education structure in areas like trade compliance, customer clearance and data privacy.

Shareholder Information

EFR share price trend in 2020



The EFR stock price increased by almost 40% from its first trading day, 28th May, 2020 of MMK 2,700, implying a total unrealized capital appreciation of positive 40% for the year of 2020. The EFR share price reached its highest price of MMK 4,200 on 11 November 2020. The total market value for EFR Group Public Co., Ltd was MMK 73,916 million at the end of 2020.

Share Capital

As of the Closing Date, the outstanding ordinary share capital of EFR amounted to 3,686,108 fully paid-up registered capital (representing a nominal capital of MMK 13,638,599,000), whereby each fully paid-up registered share has a nominal value of MMK 3,700.

Shareholder Composition

The total number of registered shareholders was around 480 during 2020. Shareholders with more than 5% of the share capital or votes held 89% of the share capital, while the Group Chairman owned around 28% of the total share capital.

Shareholders with more than 5% of the share capital	Share capital
U Kyaw Lwin Oo	28 %
Daw Saw Sandar	27 %
Chang Yang Development Co., Ltd	9 %
Daw Khin Sone	6 %
U Maung Maung Oo	6 %
Daw Wut Hmone	6 %
U Aung Min Han	6 %

Annual General Meeting and Investor Relations

The Annual General Meeting of EFR Logistics will be held on 3 July, 2021 in Yangon, Myanmar. The Investors Relations Department is always available to answer questions from analysts and investors. All plenary presentations, transcripts and documents are available on the Investor Relations section of the website <https://www.efrgroupmyanmar.com> in addition to press releases.

Shareholders' Participation Rights

Voting Rights and Restrictions

Each share entitles the holder to one vote. All shares have equalled voting rights and no preferential rights or similar entitlements exist.

Only those shareholders entered in the share register as shareholders with voting rights are entitled to vote at a General Meeting.

Entries in the Share Register

Only those shareholders entered in the share register as shareholders with voting rights at a specific qualifying date (record date) designated by the Board of Directors are entitled to vote at the Annual General Meeting.

Financials

2020

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EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

As at and for the financial year ended 30 September 2020

Currency – Myanmar Kyat (MMK)

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DIRECTORS' REPORT

For the financial year ended 30 September 2020

The directors present their report to the members together with the audited consolidated financial statements of Ever Flow River Group Public Company Limited ("the Company") and its subsidiaries ("the Group") for the financial year ended 30 September 2020 under the Section 261 of the Myanmar Companies Law 2017.

Directors

The directors in office at the date of this report are as follows:

1. U Kyaw Lwin Oo, Director, Chairman
2. U Aung Min Han @ U Ko Ko Aung, Director, CEO
3. Daw Saw Sanda, Director,
4. U Maung Maung Oo, Director, Vice-Chairman
5. Daw Khin Sone, Director, CFO
6. Daw Wut Hmone, Director
7. U Than Aung @ Bemay Barua, Director
8. U Kyaw Kyaw Thein, Director
9. Daw Hnin Yee Mon, Director
10. Daw Lae Lae Mu, Director
11. Daw Zin Nyein Htwe, Director

State of the Company's affairs

The Company was incorporated on 2 November 2012 as a Private Company and converted existing private company into a public company on 10 April 2014 and have not been carrying on any business activities itself and have invested in its subsidiaries and associated companies through which business activities are carried out. There has been no change in the business of the Company during the financial year ended 30 September 2020.

	30 September 2020 (12 months)	30 September 2019 (6 months)
Financial results:		
Revenue (including other operating income)	13,183,983,025	5,685,024,930
Loss before depreciation and amortisation, interest & tax	(76,241,902)	(43,410,360)
Depreciation and amortisation	(133,940,054)	(56,716,992)
Gain / (Loss) on disposal of property, plant and equipment	(190,233)	15,798,045
Write off property, plant and equipment	(5,710,044)	—
Finance cost	(15,900,000)	—
Share of associate loss	(326,392,080)	(174,790,664)
Loss before tax	(558,374,313)	(259,119,971)
Income tax expenses	(60,101,870)	(97,684,206)
Loss for the period / year	(618,476,183)	(356,804,177)

Transfer to reserve account

No amount was transferred to the reserve account during the financial year ended 30 September 2020.

Dividend

No dividend is recommended for the current financial year.

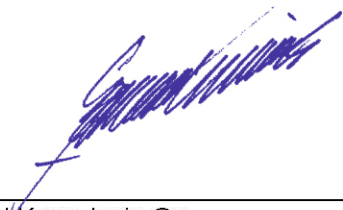
EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**DIRECTORS' REPORT (CONTINUED)**

For the financial year ended 30 September 2020

Risks and Uncertainties

The Company did not face any risks and uncertainties during the current financial year except for risk and uncertainties due to COVID - 19 impact as disclosed in Note 37 to the financial statements.

On behalf of the directors



U Kyaw Lwin Oo
Managing Director



Daw Khin Sone
Director

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

FOR EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

It is the responsibility of the Management to prepare the consolidated financial statements for each financial year which give a true and fair view of consolidated financial position as at 30 September 2020, and the consolidated financial performance, consolidated changes in equity and consolidated cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes. In preparing these financial statements, the Management is required to:

- Select suitable accounting policies and then apply them consistently; and
- Make judgments and estimates that are reasonable and prudent.

The Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group. We have general responsibility for taking such steps as are reasonably open to us to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

On behalf of Management

28 December 2020

HEAD OFFICE:- Room (2B/2C) 1st Floor, Rose Condominium, No.182/194, Botahtaung Pagoda Road, Pazundaung Township, Yangon Region, Myanmar. Tel : 95-1-201798, 296164, Fax: 95-1-245671 Email : winthin9@myanmar.com.mm

MANDALAY BRANCH:- Room (9/10), East Wing of Bahtoo Stadium, 70th Street (Between 29th & 30th Street),
OFFICE Mandalay Region , Myanmar. Tel : 95-2-34451, Fax: 95-2-34498

Ref: 2138/E-37/September 2020

INDEPENDENT AUDITOR'S REPORT

To the members of Ever Flow River Group Public Company Limited

Report on the Audit of the Financial Statements

We have audited the accompanying consolidated financial statements of **Ever Flow River Group Public Company Limited** ("the Company") and its subsidiaries ("the Group"), which comprise consolidated financial position as at 30 September 2020, and the consolidated financial performance, consolidated changes in equity and consolidated cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Myanmar Financial Reporting Standards (MFRS) and the provisions of the Myanmar Companies Law. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity'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.

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 consolidated financial statements give a true and fair view of the consolidated financial position of **Ever Flow River Group Public Company Limited** (“the Company”) **and its subsidiaries** (“the Group”), as at 30 September 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with MFRS and the provisions of the Myanmar Companies Law.

Report on Other Legal and Regulatory Requirements

In accordance with the provisions of the Myanmar Companies Law, we report that:

- (i) we have obtained all the information and explanations we have required; and
- (ii) the financial records have been maintained by the Company as required by Section 258 of the Law.



Moe Kyaw (PAPP - 313)
Managing Partner
Win Thin & Associates
Certified Public Accountants

28 December 2020

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020
 Currency – Myanmar Kyat (MMK)

	Note	30 September 2020	30 September 2019
Assets			
Non-current assets			
Property, plant and equipment	5	565,534,994	624,783,431
Intangible assets	6	36,683,739	30,063,353
Investments accounted for using the equity method	8	1,885,566,414	2,211,958,494
Project under development	9	2,977,158,547	2,781,459,486
Total non-current assets		5,464,943,694	5,648,264,764
Current assets			
Inventories	10	447,954,165	577,159,026
Trade and other receivables	11	9,734,288,602	11,407,417,001
Cash and cash equivalents	12	2,680,670,938	1,306,815,623
Total current assets		12,862,913,705	13,291,391,650
Total assets		18,327,857,399	18,939,656,414
Liabilities			
Current liabilities			
Trade and other payables	13	2,985,632,111	2,904,475,590
Total liabilities		2,985,632,111	2,904,475,590
Net assets		15,342,225,288	16,035,180,824
Equity			
Capital and reserves attributable to equity holders of the Company			
Share capital	14	13,638,599,000	13,638,599,000
Foreign currency translation reserve	15	287,468,991	401,948,344
Retained earnings		1,280,971,503	1,897,500,803
		15,207,039,494	15,938,048,147
Non-controlling interests	16	135,185,794	97,132,677
Total equity		15,342,225,288	16,035,180,824

The notes on pages 12 to 55 are an integral part of the Financial Statements.

Authenticated by Directors:

(1)

(2)

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 September 2020
 Currency – Myanmar Kyat (MMK)

	Note	30 September 2020 (12 months)	30 September 2019 (6 months)
Revenue from contracts with customers	17,35(b)	12,832,503,595	5,604,026,271
Other income	21	351,479,430	80,998,659
Total income		13,183,983,025	5,685,024,930
Operating expenses	23,35(b)	(4,600,333,664)	(1,074,589,712)
Purchases	26,35(b)	(5,962,531,424)	(3,687,069,115)
Changes in inventories	35(b)	(129,204,861)	419,784,575
Staff costs	22	(1,486,742,401)	(746,882,795)
Rental on operating lease		(218,972,159)	(110,296,899)
Repair & maintenance expense		(62,544,315)	(40,580,277)
Other administrative expenses	27	(939,736,434)	(529,720,014)
Finance cost		(15,900,000)	–
Loss before share of associates loss and tax		(231,982,233)	(84,329,307)
Share of associates loss	8	(326,392,080)	(174,790,664)
Loss before tax		(558,374,313)	(259,119,971)
Income tax expenses	28	(60,101,870)	(97,684,206)
Loss for the period / year		(618,476,183)	(356,804,177)
Other comprehensive income / (loss):			
Foreign currency translation	15	(114,479,353)	15,485,574
Total comprehensive loss for the period / year		(732,955,536)	(341,318,603)

The notes on pages 12 to 55 are an integral part of the Financial Statements.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the financial year ended 30 September 2020
 Currency – Myanmar Kyat (MMK)

	Note	30 September 2020 (12 months)	30 September 2019 (6 months)
Loss attributable to:			
Equity holders of the Company		(616,529,300)	(350,597,532)
Non-controlling interests		(1,946,883)	(6,206,645)
		(618,476,183)	(356,804,177)
Total comprehensive loss attributable to:			
Equity holders of the Company		(731,008,653)	(335,111,958)
Non-controlling interests		(1,946,883)	(6,206,645)
		(732,955,536)	(341,318,603)
Earnings per share for loss attributable to the equity holders of the Company (MMK per share):			
Basic earnings per share	29 (a)	(31)	(35)
Diluted earnings per share	29 (b)	(31)	(35)

The notes on pages 12 to 55 are an integral part of the Financial Statements.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 September 2020
 Currency – Myanmar Kyat (MMK)

	← Attributable to equity holders of the Company →				Non-controlling interest	Total equity
	Share capital	Foreign currency translation reserve	Retained earnings	Total		
30 September 2020						
Beginning of financial year	13,638,599,000	401,948,344	1,897,500,803	15,938,048,147	97,132,677	16,035,180,824
Loss for the year	–	–	(616,529,300)	(616,529,300)	(1,946,883)	(618,476,183)
Other comprehensive loss for the year	–	(114,479,353)	–	(114,479,353)	–	(114,479,353)
Total comprehensive loss for the year	–	(114,479,353)	(616,529,300)	(731,008,653)	(1,946,883)	(732,955,536)
Contribution by non-controlling interests in subsidiaries	–	–	–	–	40,000,000	40,000,000
Total transactions with owners, recognised directly in equity	–	–	–	–	40,000,000	40,000,000
End of financial year	13,638,599,000	287,468,991	1,280,971,503	15,207,039,494	135,185,794	15,342,225,288

The notes on pages 12 to 55 are an integral part of the Financial Statements.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the financial year ended 30 September 2020

Currency – Myanmar Kyat (MMK)

	← Attributable to equity holders of the Company →				Non-controlling interest	Total equity
	Shares capital	Foreign currency translation reserve	Retained earnings	Total		
30 September 2019						
Beginning of financial period	5,455,450,000	386,462,770	2,248,098,335	8,090,011,105	103,339,322	8,193,350,427
Loss for the period	–	–	(350,597,532)	(350,597,532)	(6,206,645)	(356,804,177)
Other comprehensive income for the period	–	15,485,574	–	15,485,574	–	15,485,574
Total comprehensive income for the period	–	15,485,574	(350,597,532)	(335,111,958)	(6,206,645)	(341,318,603)
Acquisition of a subsidiary	–	–	–	–	–	–
Issue of new shares	8,183,149,000	–	–	8,183,149,000	–	8,183,149,000
Total transactions with owners, recognised directly in equity	8,183,149,000	–	–	8,183,149,000	–	8,183,149,000
End of financial period	13,638,599,000	401,948,344	1,897,500,803	15,938,048,147	97,132,677	16,035,180,824

The notes on pages 12 to 55 are an integral part of the Financial Statements.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2020
 Currency – Myanmar Kyat (MMK)

	Note	30 September 2020 (12 months)	30 September 2019 (6 months)
Cash flows from operating activities			
Loss for the period / year		(618,476,183)	(356,804,177)
<i>Adjustments to reconcile loss for the period / year to net cash flows:</i>			
Income tax expense		60,101,870	97,684,206
Depreciation and amortisation expenses		133,940,054	56,716,992
(Gain) / Loss on disposal of property, plant and equipment		190,233	(15,798,045)
Write off property, plant and equipment		5,710,044	–
Share of associates loss after tax		326,392,080	174,790,664
Unrealised currency translation		(120,738,688)	12,478,669
Change in working capital, net of effects from acquisition of subsidiaries:			
Inventories		129,204,861	(419,784,575)
Trade and other receivables		(4,762,014,425)	1,896,214,325
Trade and other payables		163,217,871	(1,326,501,225)
Cash generated from operations		(4,682,472,283)	118,996,834
Income tax paid		(76,314,381)	(142,915,926)
Net cash used in operating activities		(4,758,786,664)	(23,919,092)
Cash flows from investing activities			
Acquisition of a subsidiary, net of cash acquired		–	–
Contribution into associated companies		–	(700,000,000)
Additions to property, plant and equipment		(76,051,574)	(223,180,752)
Additions to intangible assets		(8,357,694)	–
Proceeds from disposal of property, plant and equipment		12,478,142	41,519,436
Cash paid for project under development		(195,699,061)	(1,126,819,255)
Net cash used in investing activities		(267,630,187)	(2,008,480,571)
Cash flows from financing activities			
Proceeds from issuance of share capital		–	2,039,056,834
Contribution from shareholders		6,360,272,166	–
Contribution by non-controlling interests in subsidiaries		40,000,000	–
Net cash provided by financing activities		6,400,272,166	2,039,056,834
Net increase in cash and cash equivalents		1,373,855,315	6,657,171
Cash and cash equivalents at beginning of financial period / year		1,306,815,623	1,300,158,452
Cash and cash equivalents at end of financial period / year	12	2,680,670,938	1,306,815,623

The notes on pages 12 to 55 are an integral part of the Financial Statements.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Currency – Myanmar Kyat (MMK)

1. General information

Ever Flow River Group Public Company Limited (the Company) was incorporated in the Republic of the Union of Myanmar under the Myanmar Companies Act 1914 on 10 April 2014 as a Public Company Limited by Shares as per Certificate of Incorporation No. 114922617.

The Company was formerly incorporated as a Private Company on 2 November 2012 under The Myanmar Companies Act 1914. The Company at its extra-ordinary General Meeting held on 20 March 2014 resolved to convert existing private company into a public company and accordingly the Company filed the said special resolution together with amended Memorandum and Article of Association and Form II (statement in lieu of prospectus). However upon the insistence of the Directorate of Investment and Company Administration (DICA), other formation papers had to be filed as though a new public company was formed. The DICA issued a New Certificate of Incorporation No. 114922617.

The registered office of the Company is located at No. 62, Room No (1104), 11st Floor, Mahabandoola Complex (B), Tarwataintha Street, Pazundaung Township, Yangon Region, the Republic of the Union of Myanmar.

The Company have not been carrying on any business activities itself and have acquired its subsidiaries through which the following business activities are carried out:

1. Business of international standard warehouse & distribution
2. Container wharf and port service
3. Business of inland water transport

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the accompanying consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The accompanying consolidated financial statements of the Group have been prepared in accordance with Myanmar Financial Reporting Standards (MFRS) and are based on historical cost convention.

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of commercial tax, rebates and discounts, and after eliminating sales within the Group.

The Group assesses its role as an agent or principal for each transaction and in an agency arrangement the amounts collected on behalf of the principal are excluded from revenue. The Group recognized 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 Group's activities are met as follows:

- (a) Sale of goods – Electronic goods and rubber exported

Revenue from these sales is recognised when the Group has delivered the parts to locations specified by its customers and the customers have accepted the parts in accordance with the sales contract.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

2. Summary of significant accounting policies (continued)**2.2 Revenue recognition (continued)****(b) Rendering of service – Logistics services**

Revenue from logistics services is recognised when the services are rendered. Where services are provided in stages, revenue is recognised using the percentage-of-completion method based on the actual service provided as a proportion of the total services to be performed.

(c) Rendering of service – Engineering services

Revenue from engineering services is recognised when the services are rendered. Where services are provided in stages, revenue is recognised using the percentage-of-completion method based on the actual service provided as a proportion of the total services to be performed.

(d) Rendering of services – inspection services

Revenue from inspection services is recognised when the goods inspected are delivered.

(e) Interest income

Interest income is recognized when the interest is deposited into the bank.

(f) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.3 Group accounting**(a) Subsidiaries****(i) Consolidation**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, intercompany transactions and balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

2. Summary of significant accounting policies (continued)**2.3 Group accounting (continued)***(ii) Acquisitions*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

2. Summary of significant accounting policies (continued)**2.3 Group accounting (continued)**

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associated company over the Group's share of the fair value of the identifiable net assets of the associated company and is included in the carrying amount of the investments.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has incurred legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies are derecognised when the Group loses significant influence. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

2. Summary of significant accounting policies (continued)**2.4 Property, plant and equipment****(a) Measurement****(i) Land and buildings**

Land and buildings are initially recognised at cost. Freehold land is subsequently carried at the revalued amount less accumulated impairment losses. Buildings and leasehold land are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses.

Land and buildings are revalued by independent professional valuers on a triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income and accumulated in equity, unless they reverse a revaluation decrease of the same asset previously recognised in profit or loss. In this case, the increase are recognised in profit or loss. Decreases in carrying amounts are recognised in other comprehensive income to the extent of any credit balance existing in the equity in respect of that asset and reduces the amount accumulated in equity. All other decreases in carrying amounts are recognised in profit or loss.

(ii) Other property, plant and equipment

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs and any fair value gains or losses on qualifying cash flow hedges of property, plant and equipment that are transferred from the hedging reserve.

(b) Depreciation

Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Office equipment	5 – 10 years
Furniture & fittings	5 – 10 years
Computer & accessories	5 – 10 years
Machineries	5 – 10 years
Motor vehicles	5 – 10 years

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

2. Summary of significant accounting policies (continued)**2.4 Property, plant and equipment (continued)**

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “other gains and losses”. Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

2.5 Intangible assets**(a) Goodwill**

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognized separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of joint ventures and associated companies represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold.

(b) Acquired computer software licences

Acquired computer software licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 10 years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

2. Summary of significant accounting policies (continued)**2.6 Investments in subsidiaries and associated companies**

Investment in subsidiaries are accounted for at cost less accumulated impairment losses in the Company's statement of financial position.

Associates are all entities over which the investor has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.7 Impairment of non-financial assets**(a) Goodwill**

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Intangible assets, property, plant and equipment and investments in subsidiaries and associated companies

Intangible assets, property, plant and equipment and investments in subsidiaries and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

2. Summary of significant accounting policies (continued)**2.7 Impairment of non-financial assets (continued)**

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Please refer to the paragraph “Property, plant and equipment” for the treatment of a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognized in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognized as an expense, a reversal of that impairment is also recognized in profit or loss.

2.8 Financial assets**(a) Classification**

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity and available-for-sale financial assets. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(j) *Financial assets at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the reporting date.

(ii) *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 current assets, except for those expected to be realized later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are presented as “trade and other receivables” (Note 11) and “cash and cash equivalents” (Note 12) on the statement of financial position.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

2. Summary of significant accounting policies (continued)**2.8 Financial assets (continued)***(iii) Held-to-maturity financial assets*

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. They are presented as non-current assets, except for those maturing within 12 months after the reporting date which are presented as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the reporting date.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognized until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(d) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

2. Summary of significant accounting policies (continued)**2.8 Financial assets (continued)**

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income and accumulated in the fair value reserve. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(e) Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognizes an allowance for impairment when such evidence exists.

(i) *Loans and receivables/Held-to-maturity financial assets*

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

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

In addition to the objective evidence of impairment described in Note H (i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If there is objective evidence of impairment, the cumulative loss that had been recognised in other comprehensive income is reclassified from equity to profit or loss. The amount of cumulative loss that is reclassified is measured as the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. The impairment losses recognised as an expense for an equity security are not reversed through profit or loss in subsequent period.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

2. Summary of significant accounting policies (continued)**2.8 Financial assets (continued)****(f) Offsetting of financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.9 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance (Note 11).

2.10 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.11 Leases

The Group leases office premises, factories, motor vehicles and warehouses under operating leases from related parties and / or non-related parties.

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

2.12 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

2. Summary of significant accounting policies (continued)**2.12 Income taxes (continued)**

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.13 Provisions

Provisions for warranty, refunds and volume discounts, restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

The Group recognizes the estimated liability to repair or replace products still under warranty, to refund and to provide volume discounts to customers at the reporting date. This provision is calculated based on historical experience.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.14 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalized as an asset.

- (i) Short-term compensated absences

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

2. Summary of significant accounting policies (continued)**2.15 Currency translation****(a) Functional and presentation currency**

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in Myanmar Kyat, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognized in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within “finance cost”. All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within “other gains and losses”.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities’ financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

2. Summary of significant accounting policies (continued)**2.15 Currency translation (continued)**

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.16 Cash and cash equivalents

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

2.17 Inventories

Inventories comprise inventories for resale and supplies to be consumed in the rendering of services. Inventories are carried at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less the applicable variable selling expenses.

2.18 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.19 Dividends to the Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

3. Significant accounting judgments and estimates

The preparation of the Company's financial statements in conformity with Myanmar Financial Reporting Standards (MFRS) requires Management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of revenues, expenses, assets and liabilities. Actual results may differ from these estimates. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Judgements made in applying accounting policies

The following are the judgements made by Management in the process of applying the company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Impairment of property, plant and equipment

The carrying values of property, plant and equipment are reviewed for impairment when there are indications of impairment. As at 30 September 2020, there is no indication of impairment and the carrying value of the Group's plant and equipment are as disclosed in Note 5.

Impairment of goodwill

The carrying values of goodwill are reviewed for impairment when there are indications of impairment. As at 30 September 2020, there is no indication of impairment and the carrying value of the Group's goodwill are as disclosed in Note 6.

(b) Key sources of estimation uncertainty

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

Determination of functional currency

The national currency of Myanmar is the Myanmar Kyat ("MMK"). As the Company and the Group transacts its business primarily in MMK and maintains their accounting records in MMK, Management has determined the MMK to be the Company's and the Group's functional currency for measurement and presentation purposes as it best reflects the economic substance of the underlying events and circumstances relevant to the Company and the Group. The operating expenses transacted in USD are influenced by fluctuations in USD.

Useful lives of property, plant and equipment

The cost of property, plant and equipment for the Company's and the Group's operations is depreciated on a straight line basis over the useful lives of the property, plant and equipment. Management estimates the useful lives of these property, plant and equipment to be within 5 to 10 years. These are common life expectancies applied in the industry. Changes in the expected levels of usage could impact the economic useful lives and the residual value of these assets and accordingly, future depreciation charges could be revised. The carrying values of the Group's property, plant and equipment are as disclosed in Note 5.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

3. Significant accounting judgments and estimates (continued)**(b) Key sources of estimation uncertainty (continued)***Impairment of non-financial assets*

The Group and the Company assess whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of loans and receivables

The Group and the Company assess at each date of the statement of financial position whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

Income taxes

Significant judgement and assumptions are involved in determining the Company's provision for income taxes. The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made. The carrying amount of the Group's income tax payable at the date of the statement of financial position is as disclosed in Note 13.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

4. Financial risk management**4.1 Financial risk factors**

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

Management regularly manage the financial risks of individual entities in the Group. Because of the simplicity of the financial structure and the current operations of individual entities in the Group, no hedging activities are undertaken by Management.

(a) Market risk**(i) Currency risk**

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as United States Dollars ("USD"). Any changes in the exchange rates of USD to MMK will impact the operating results of individual entities in the Group. Individual group entities currently do not undertake any foreign currencies hedging.

(ii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

Except for bank deposits which carry interest at prevailing market interest rates, the Group has no other significant interest-bearing assets or liabilities. The related interest income is not significant; the Management considers that the Group's exposure to cash flow interest rate risk being low and no sensitivity analysis is performed.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the respective management at entity level based on ongoing credit evaluation. The counterparty's payment pattern and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by the Board of Directors.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

4. Financial risk management**(b) Credit risk (continued)***(i) Financial assets that are neither past due nor impaired*

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit quality counterparties. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group and Company.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	30 September 2020	30 September 2019
Past due < 3 months	706,897,632	992,242,480
Past due 3 to 6 months	115,954,144	29,132,426
Past due over 6 months	48,407,071	188,108,856
	<u>871,258,847</u>	<u>1,209,483,762</u>

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions at a short notice. At the reporting date, assets held by the Group for managing liquidity risk included cash and short-term deposits as disclosed in Note 12.

Management monitors rolling forecasts of the liquidity position of the Group on the basis of expected cash flow. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies, considering the level of liquid assets necessary to meet these and monitoring liquidity ratios.

The table below analyses non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 30 September 2020				
Trade and other payables	1,193,966,216	–	–	–
At 30 September 2019				
Trade and other payables	1,405,107,680	–	–	–

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

4. Financial risk management (continued)**(d) Capital risk**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	30 September 2020	30 September 2019
Net debt	304,961,173	1,597,659,967
Total equity	15,342,225,288	16,035,180,827
Total capital	15,647,186,461	17,632,840,794
Gearing ratio	2%	9%

The gearing ratio of the Group was decreased from 9% to 2% in the financial year ended 30 September 2020.

(e) Fair value measurement

The carrying amounts of the Group's financial assets and liabilities are assumed to approximate their fair values due to their short maturities.

EVER FLOW RIVER GROUP OF COMPANIES (PUBLIC) LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Currency – Myanmar Kyat (MMK)

5. Property, plant and equipment

	Office equipment	Furniture & fittings	Computer & accessories	Motor vehicles	Machineries	Leasehold property renovation	Total
30 September 2020							
<i>Cost</i>							
Beginning of financial year	96,219,506	42,973,940	89,206,846	338,833,371	134,385,143	133,117,580	834,736,386
Foreign currency translation differences	(3,047,747)	(1,396,436)	(4,297,391)	(2,795,028)	–	–	(11,536,602)
Acquisition of a subsidiary	–	–	–	–	–	–	–
Additions	6,336,806	3,528,350	30,852,706	29,373,867	–	30,071,210	100,162,939
Write off	–	–	(80,800)	–	–	(9,867,892)	(9,948,692)
Disposal	(975,000)	(741,314)	(22,963)	(13,851,970)	–	–	(15,591,247)
End of financial year	98,533,565	44,364,540	115,658,398	351,560,240	134,385,143	153,320,898	897,822,784
<i>Accumulated depreciation and impairment loss</i>							
Beginning of financial year	33,906,759	15,014,360	22,328,482	51,022,702	60,638,642	27,042,010	209,952,955
Foreign currency translation differences	(946,291)	(891,420)	(1,108,808)	(455,385)	(169)	(54)	(3,402,127)
Depreciation charge	17,117,340	7,240,866	14,146,782	37,497,221	26,877,029	29,923,829	132,803,067
Write off	–	–	(44,125)	–	–	(4,194,523)	(4,238,648)
Disposal	(255,626)	(132,451)	(15,285)	(2,424,095)	–	–	(2,827,457)
End of financial year	49,822,182	21,231,355	35,307,046	85,640,443	87,515,502	52,771,262	332,287,790
Net book value							
End of financial year	48,711,383	23,133,185	80,351,352	265,919,797	46,869,641	100,549,636	565,534,994

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Currency – Myanmar Kyat (MMK)

5. Property, plant and equipment (continued)

	Office equipment	Furniture & fittings	Computer & accessories	Motor vehicles	Machineries	Leasehold property renovation	Total
30 September 2019							
<i>Cost</i>							
Beginning of financial period	88,823,886	41,700,614	83,960,513	244,672,632	132,815,798	58,903,524	650,876,967
Foreign currency translation differences	810,893	321,326	520,912	2,161,491	1,569,345	1,193,221	6,577,188
Acquisition of a subsidiary	–	–	–	–	–	–	–
Additions	6,634,727	952,000	4,725,421	137,847,769	–	73,020,835	223,180,752
Write off/Disposal	(50,000)	–	–	(45,848,521)	–	–	(45,898,521)
End of financial period	96,219,506	42,973,940	89,206,846	338,833,371	134,385,143	133,117,580	834,736,386
<i>Accumulated depreciation and impairment loss</i>							
Beginning of financial period	25,408,273	11,444,527	16,125,410	52,827,522	46,648,922	20,835,859	173,290,513
Foreign currency translation differences	293,130	117,524	137,220	471,984	642,090	286,504	1,948,452
Depreciation charge	8,215,356	3,452,309	6,065,852	19,391,487	13,347,630	5,919,647	56,392,281
Write off/Disposal	(10,000)	–	–	(21,668,291)	–	–	(21,678,291)
End of financial period	33,906,759	15,014,360	22,328,482	51,022,702	60,638,642	27,042,010	209,952,955
Net book value							
End of financial period	62,312,747	27,959,580	66,878,364	287,810,669	73,746,501	106,075,570	624,783,431

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Currency – Myanmar Kyat (MMK)

6. Intangible assets

	30 September 2020	30 September 2019
Composition:		
Goodwill	25,192,689	25,192,689
Computer software	11,491,050	4,870,664
	36,683,739	30,063,353

(a) Goodwill

	30 September 2020	30 September 2019
<i>Cost</i>		
Beginning of financial period / year	25,192,689	25,192,689
Currency translation differences	–	–
Additions	–	–
End of financial period / year	25,192,689	25,192,689
<i>Accumulated impairment</i>		
Beginning of financial period / year	–	–
Impairment charge	–	–
End of financial period / year	–	–
Net book value	25,192,689	25,192,689

(b) Computer software

	30 September 2020	30 September 2019
<i>Cost</i>		
Beginning of financial period / year	6,494,219	6,494,219
Currency translation differences	(637,544)	–
Acquisition of a subsidiary	–	–
Additions	8,357,694	–
End of financial period / year	14,214,369	6,494,219
<i>Accumulated amortisation</i>		
Beginning of financial period / year	1,623,555	1,298,844
Currency translation differences	(37,223)	–
Amortisation charge	1,136,987	324,711
End of financial period / year	2,723,319	1,623,555
Net book value	11,491,050	4,870,664

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Currency – Myanmar Kyat (MMK)

7. Investment in subsidiaries

	30 September 2020	30 September 2019
Unquoted equity shares, at cost		
Beginning of financial period / year	5,507,973,943	3,269,808,943
Acquisition of subsidiaries during the period / year	60,000,000	–
Additional capital contributed into subsidiaries during the financial period / year	–	2,238,165,000
End of financial period / year	5,567,973,943	5,507,973,943

On 13 July 2020, Unison Choice Services Limited, the wholly owned subsidiary of the Company, has contributed MMK 60,000,000 into A Logistics Company Limited (AL) in return of 60% equity interest. Accordingly, the Company has equity interest of 60% in AL indirectly.

The Group had the following subsidiaries as at 30 September 2020 and 30 September 2019 respectively:

Name	Principal activities	Country of incorporation	Proportion of ordinary shares directly held by the parent		Proportion of ordinary shares held by the Group	
			30 September 2020	30 September 2019	30 September 2020	30 September 2019
Gold Shipping Agency Services Limited (GSA)	Acting as an agent for HMM Co., Ltd.	Myanmar	100.00%	100.00%	100.00%	100.00%
E.F.R G Link Express Services Limited (G Link)	Providing freight forwarding services for total logistics package including inland, sea, air and warehouse service	Myanmar	100.00%	100.00%	100.00%	100.00%
Myanmar Round The World Logistics Limited (MRTW)	Providing freight forwarding services especially for air cargo	Myanmar	100.00%	100.00%	100.00%	100.00%
MRTW Manufacturing & Inspection Co., Ltd. (MRTW Inspection)	Providing garments, shoes and bags inspection services especially for Japanese Buyer's cargo	Myanmar	100.00%	100.00%	100.00%	100.00%

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Currency – Myanmar Kyat (MMK)

7. Investment in subsidiaries (continued)

Name	Principal activities	Country of incorporation	Proportion of ordinary shares directly held by the parent		Proportion of ordinary shares held by the Group	
			30 September 2020	30 September 2019	30 September 2020	30 September 2019
Multipack Engineering Services Limited (MES)	Providing engineering services for logistics sectors such as installation for garment on hanging in containers, handling turnkey project cargo, construction of container house, installation and construction of telecommunication tower	Myanmar	100.00%	100.00%	100.00%	100.00%
Ever Flow River Trading Co., Ltd. (EFR Trading)	Selling electronic goods, Importation and distribution of rice roller and exporting rubber trade	Myanmar	100.00%	100.00%	100.00%	100.00%
Unison Choice Services Limited (UC)	Providing freight forwarding service especially for handing sea Cargo and named account nomination cargo	Myanmar	100.00%	100.00%	100.00%	100.00%
Ever Flow River Logistics & Distribution Center (Mandalay) Company Limited (EFRLDC JV) (Myanmar)	Erecting a dry port and a container yard and running container-related services. Apart from empty container depot, container freight station, inland container depot and container transportation services, value-added services such as packaging/assembling services for re-transportation, customs bonded warehouse services that have connections with jetties/wharfs and broader container services.	Myanmar	92.55%	92.55%	92.55%	92.55%
A Logistics Company Limited (AL)	Providing trucking, custom clearance, insurance and freight forwarding service and full operational management for AIIP Logistic Center	Myanmar	–	–	60.00%	–

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Currency – Myanmar Kyat (MMK)

8. Investment in associated companies

	30 September 2020	30 September 2019
Beginning of financial period / year	2,211,958,494	2,386,749,158
Currency translation differences	–	–
Acquisition of a subsidiary	–	–
Share of loss	(326,392,080)	(174,790,664)
End of financial period / year	1,885,566,414	2,211,958,494

On 24 April 2018, MES, subsidiary of the Group, has contributed USD 400,000 into UTOC Multipack Myanmar Co., Ltd. (UTOC MES), Joint Venture Company to obtain 40% equity interest in UTOC MES. Accordingly, the Group held 40% equity interest in UTOC MES indirectly through MES.

Set out below are the associated companies of the Group as at 30 September 2020 and 31 March 2019 respectively. The associated companies as listed below have share capital consisting solely of ordinary shares, which are held directly and indirectly by the Group. The Group held 14.19% equity interest in KEFR JV directly and 15.81% equity interest in KEFR JV indirectly through EFR Trading.

Name	Principal activities	Country of incorporation	% of ownership interest	
			30 September 2020	30 September 2019
Kamigumi-EFR Logistics Co., Ltd. (KEFR JV)	Providing trucking (domestics and cross border) service, inland container depot operation and relative logistics service, forwarding and custom clearance service, inspection, quarantine and inland water transportation service	Myanmar	30.00%	30.00%
UTOC Multipack Myanmar Company Limited) (UTOC MES)	Providing repair and installation of machinery and equipment, construction of building, civil engineering, specialized construction activities, land transport and transport via pipelines, water transport, air transport, warehouse and support activities for transportation, rental and leasing activities	Myanmar	40.00%	40.00%
Hlaing Inland Terminal And Logistics Company Limited (HITLC JV)	For good supply and transport, container services, marine container transport, inland terminal and logistics center, export value added services, bonded warehouses service, inland container depot services and cold chain services.	Myanmar	49.00%	49.00%

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

8. Investment in associated companies (continued)

Set out below are the summarized financial information for associated companies:

	30 September 2020			30 September 2019		
	UTOC MES	HITLC JV	KEFR JV	UTOC MES	HITLC JV	KEFR JV
Assets	1,661,606,576	7,867,462,184	3,339,349,043	2,226,159,014	3,537,701,388	4,327,797,008
Liabilities	1,413,534,604	6,081,961,003	39,585,716	1,593,682,816	1,608,037,424	41,614,723
Revenue	865,760,392	–	3,283,301,237	736,506,051	–	1,492,348,004
Loss for the period / year	(284,337,589)	(144,162,782)	(431,235,491)	(133,483,910)	(75,225,767)	(281,788,245)

9. Project under development

	30 September 2020	30 September 2019
Beginning of financial period / year	2,781,459,486	1,654,640,231
Acquisition of a subsidiary	–	–
Additions:	195,699,061	1,126,819,255
Construction costs	190,237,662	1,124,026,705
Vehicles	–	(66,770,000)
Transformer and generator	–	31,319,570
Others	5,461,399	38,242,980
End of financial period / year	2,977,158,547	2,781,459,486

The above project under development represents the construction cost incurred by EFRDLC JV, the subsidiary of the Company, for construction of a dry port and a container yard on a 14.05 acre land plot near Paleik Railway Station, Sintkaing Township, Kyaukse District, Mandalay Region, Republic of the Union of Myanmar. Those cost will be reclassified to property, plant and equipment when the construction of the dry port and container yard will be completed.

10. Inventories

	30 September 2020	30 September 2019
Inventories for resale:		
Air conditioner	385,714,038	500,522,059
Rice roller	62,240,127	76,636,967
	447,954,165	577,159,026

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

11. Trade and other receivables

	30 September 2020	30 September 2019
Trade receivables	831,222,382	1,131,374,182
- Non related parties	831,222,382	1,131,374,182
Subscription receivables	-	6,360,272,166
Other receivables	6,734,650,860	2,232,206,066
- Associated companies	6,069,995,470	1,599,995,470
- Due from directors	-	211,823,036
- Non related parties	664,655,390	420,387,560
Deposit	268,470,235	340,399,005
Prepayments	102,325,818	146,616,773
Advance tax	850,114,749	680,578,302
- Withholding tax	24,799,535	24,965,685
- Commercial tax	445,801,789	355,025,108
- Corporate income tax	379,513,425	300,587,509
Advance	555,886,558	121,050,076
Others	391,618,000	394,920,431
	<u>9,734,288,602</u>	<u>11,407,417,001</u>

12. Cash and cash equivalents

	30 September 2020	30 September 2019
Cash on hand	2,115,890,547	792,879,867
Cash at bank	540,789,391	513,935,756
	<u>2,680,670,938</u>	<u>1,306,815,623</u>

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

13. Trade and other payables

	30 September 2020	30 September 2019
Trade payables to:	983,599,073	819,551,851
- Non-related parties	983,599,073	819,551,851
Other payables:	210,367,142	585,555,830
- Due to directors	4,656,753	31,681,294
- Non-related parties	205,710,389	553,874,536
Tax provision:	997,617,223	927,377,247
- Corporate income tax	219,962,451	273,279,315
- Commercial tax	629,472,253	505,915,413
- Capital gain tax	148,182,519	148,182,519
Advance received	619,642,212	344,643,256
Accruals	174,406,461	227,347,406
	2,985,632,111	2,904,475,590

On 30 June 2020, Remedial Committee on the Economic Impact of Coronavirus Disease 2019 (COVID - 19) has granted loan of MMK 50,000,000 from COVID – 19 Fund to MRTW Inspection, the wholly owned subsidiary of the Company. The granted loan should be settled with interest at the rate of 1% per annum within 365 days from the date of borrowing.

14. Share capital

	No. of ordinary shares	Amount
30 September 2020		
Beginning of financial year	19,977,223	13,638,599,000
Shares issued	–	–
End of financial year	19,977,223	13,638,599,000
30 September 2019		
Beginning of financial period	10,910,900	5,455,450,000
Shares split	9,066,323	8,183,149,000
End of financial period	19,977,223	13,638,599,000

There is no par value for ordinary shares issued.

The Company has split its one issued and paid up share into twenty issued and paid up shares on 4 October 2018.

The Company has allotted 9,066,323 shares at MMK 8,183,149,000 during the period ended 30 September 2019. Out of which, MMK 6,360,272,166 has been received in the current financial year. This amount has been reflected as subscription receivables in accompanying consolidated financial statements for the period ended 30 September 2019.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

15. Foreign currency translation reserve

	30 September 2020	30 September 2019
Currency translation	<u>287,468,991</u>	<u>401,948,344</u>
(a) Movement		
	30 September 2020	30 September 2019
Beginning of financial period / year	401,948,344	386,462,770
Net currency translation differences of financial statements of subsidiaries and associated companies	(114,479,353)	15,485,574
End of financial period / year	<u>287,468,991</u>	<u>401,948,344</u>

In the previous financial year, the subsidiaries of the Company except EFRLDC JV have maintained their accounting records in USD. The financial statements of the subsidiaries have been translated into MMK as per accounting policy mentioned in Note 2.15 (c) to prepare the consolidated financial statements.

Management has re-determined the functional currencies of its subsidiaries in the financial year 2018 – 2019. As UC and GSA among its subsidiaries are mainly transacted their business in USD, Management of the Group has decided USD to be the currency of UC and GSA for measurement and presentation purposes as it best reflects the economic substance of the underlying events and circumstances relevant to UC and GSA. Accordingly, accounting records of UC and GSA have still maintained in USD. Hence, their financial statements are translated into MMK as stated above to prepare the consolidated financial statements.

Starting from the current financial year, the currency of all other subsidiaries for measurement and presentation purposes is MMK.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

16. Non-controlling interests

	30 September 2020	30 September 2019
Composition:		
EFRLDC	98,821,472	97,132,677
AL	36,364,322	–
	<u>135,185,794</u>	<u>97,132,677</u>

Future Trading Company Limited and Southern Island Company Limited own the equity interest 2.52% and 4.92% in EFRLDC respectively. The equity interest 40% in AL is owned by Ayeyar Hinthar Holdings Co., Ltd.

(a) Movement**(i) NCI - EFRLDC**

	30 September 2020	30 September 2019
Beginning of financial period / year	97,132,677	103,339,322
Share of (loss) / profit for the period / year	1,688,795	(6,206,645)
End of financial period / year	<u>98,821,472</u>	<u>97,132,677</u>

(ii) NCI - AL

	30 September 2020	30 September 2019
Beginning of financial period / year	–	–
Shares contribution	40,000,000	–
Share of loss for the period / year	(3,635,678)	–
End of financial period / year	<u>36,364,322</u>	<u>–</u>

17. Revenue from contracts with customers

	30 September 2020 (12 months)	30 September 2019 (6 months)
Sale of goods (Note 18)	6,358,618,834	3,405,953,748
Rendering of services – logistic services (Note 19)	5,342,971,745	1,642,218,990
Rendering of services – inspection services (Note 20)	1,130,913,016	555,853,533
Total sales	<u>12,832,503,595</u>	<u>5,604,026,271</u>

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

18. Sale of goods

Sales of goods from external customers are derived mainly from the sale of electronic and rubber exported. Breakdown of the sales of goods is as follows:

	30 September 2020 (12 months)	30 September 2019 (6 months)
Composition:		
Electronic goods	3,285,337,611	1,821,394,931
Rubber exported	3,073,281,223	1,584,558,817
	<u>6,358,618,834</u>	<u>3,405,953,748</u>

19. Rendering of services – logistic services

Rendering of services – logistic services from external customers are derived mainly from the freight forwarding and acting as an agent. Breakdown of the rendering of services – logistic services is as follows:

	30 September 2020 (12 months)	30 September 2019 (6 months)
Composition:		
Freight forwarding	2,436,460,017	320,828,496
Commission	233,544,077	132,245,837
Other logistic services	2,672,967,651	1,189,144,657
	<u>5,342,971,745</u>	<u>1,642,218,990</u>

20. Rendering of services – inspection services

Rendering of services – inspection services from external customers are derived mainly from the quality inspection of clothing. Breakdown of the rendering of services – inspection services is as follows:

	30 September 2020 (12 months)	30 September 2019 (6 months)
Composition:		
Inspection	1,126,937,006	545,801,134
Others	3,976,010	10,052,399
	<u>1,130,913,016</u>	<u>555,853,533</u>

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

21. Other income

	30 September 2020 (12 months)	30 September 2019 (6 months)
Interest income		
- Bank deposits	7,043,833	3,093,775
Service income		
- Custom clearance	12,980,000	9,757,757
- Trucking	174,817,796	47,230,278
- Depot	2,576,430	4,418,357
- Warehouse	150,771,920	–
- Rail transport	2,505,450	–
Others	784,001	16,498,492
	351,479,430	80,998,659

22. Staff costs

	30 September 2020 (12 months)	30 September 2019 (6 months)
Wages and salaries	1,336,465,771	705,608,501
Other short-term benefits	150,276,630	41,274,294
	1,486,742,401	746,882,795

23. Operating expenses

	30 September 2020 (12 months)	30 September 2019 (6 months)
Operating expenses – logistic services (Note 24)	3,910,287,361	607,705,980
Operating expenses – inspection services (Note 25)	690,046,303	466,883,732
	4,600,333,664	1,074,589,712

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

24. Operating expenses – logistic services

	30 September 2020 (12 months)	30 September 2019 (6 months)
BL & RO fees	142,172,187	24,498,799
Repair and maintenance – container	1,887,447	1,385,284
Transportation charges	371,474,289	234,909,182
Detention charges	322,162,734	286,042,250
Deconsolidation fees	–	6,243,176
Warehouse charges	182,511,154	55,363,910
Handling fees	(9,175,586)	(62,254,380)
Truck expenses	27,589,137	16,031,223
Project cost	36,489,500	4,934,500
Freight forwarding	2,715,260,303	–
Others	119,916,196	40,552,036
	<u>3,910,287,361</u>	<u>607,705,980</u>

25. Operating expenses – inspection services

	30 September 2020 (12 months)	30 September 2019 (6 months)
Inspection cost	(133,989,749)	24,866,360
Factory expenses	59,271,192	18,731,198
Consultant fees	–	51,001,517
Inspector salary	764,764,860	372,284,657
	<u>690,046,303</u>	<u>466,883,732</u>

26. Purchases

	30 September 2020 (12 months)	30 September 2019 (6 months)
Electronic goods	2,986,397,075	2,149,380,436
Rubber	2,976,134,349	1,537,688,679
	<u>5,962,531,424</u>	<u>3,687,069,115</u>

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

27. Other administrative expenses

	30 September 2020 (12 months)	30 September 2019 (6 months)
Advertising	1,050,850	1,269,343
License & registration fee	34,100,863	16,474,704
Insurance premium	38,834,146	19,037,566
Office expense	14,972,355	12,955,966
Bad debt	47,457,615	3,329,636
(Gain) / Loss on disposal of property, plant and equipment	190,233	(15,798,045)
Write off property, plant and equipment	5,710,044	–
Commercial tax expense	(4,227,850)	89,092
Foreign currency translation	113,461,248	(6,274,949)
Present, donation & entertainment	56,922,575	31,418,889
Travelling expense	146,917,025	101,201,020
Utilities, electricity and communication	111,844,081	51,412,768
Depreciation and amortisation expenses (Note 5,6)	133,940,054	56,716,992
Professional fees	166,626,320	219,777,485
Others	71,936,875	38,109,547
	939,736,434	529,720,014

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

28. Income tax expenses

(a) Income tax expense

	30 September 2020 (12 months)	30 September 2019 (6 months)
Tax expense attributable to profit is made up of:		
- Profit for the financial period / year:		
Current income tax	59,469,627	93,265,310
- Under / (over) provision in prior financial years:		
Current income tax	(8,546,311)	1,444,555
Tax penalty	9,178,554	2,974,341
	60,101,870	97,684,206

On 12 June 2020, The President Office has issued Order 1/2020 relating to Union Taxation Law and granted tax credits to remedy the economic impact of the affected business because of Corona Virus Disease 2019 (COVID 19) in accordance with COVID-19 Economic Relief Plan. Accordingly, the computation of income tax provision for the financial year ended 30 September 2020 (FY 2019 – 2020) has been taken into account tax credits enacted as per Notification No. 65/2020 dated 17 June 2020 issued by Ministry of Planning, Finance and Industry.

(b) Movement in current income tax liabilities

	30 September 2020	30 September 2019
Beginning of financial period / year	273,279,315	322,598,445
Currency translation differences	(6,838,537)	16,912,590
Advance income tax offset	(50,563,466)	(21,000,000)
Income tax paid	(56,016,731)	(142,915,926)
Income tax expense	59,469,627	93,265,310
Under provision in prior financial years	(8,546,311)	1,444,555
Tax penalty	9,178,554	2,974,341
End of financial period / year	219,962,451	273,279,315

(c) Movement in advance income tax

	30 September 2020	30 September 2019
Beginning of financial period / year	300,587,509	217,018,796
Currency translation differences	(794,728)	21,054,197
Advance income tax offset	(100,412,211)	(21,000,000)
Advance income tax paid / year	180,132,855	83,514,516
End of financial period / year	379,513,425	300,587,509

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

28. Income tax expenses (continued)

(d) The tax (charge)/credit relating to each component of other comprehensive income is as follows:

	Before tax	Tax charges	After tax
30 September 2020			
Currency translation differences arising from consolidation of subsidiary	(114,479,353)	–	(114,479,353)
Other comprehensive loss	(114,479,353)	–	(114,479,353)
30 September 2019			
Currency translation differences arising from consolidation of subsidiary	15,485,574	–	15,485,574
Other comprehensive income	15,485,574	–	15,485,574

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

29. Earnings per share**(a) Basic earnings per share**

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	30 September 2020 (12 months)	30 September 2019 (6 months)
Loss attributable to equity holders of the Company (MMK)	(616,529,300)	(350,597,532)
Weighted average number of ordinary shares in issue (shares)	19,977,223	9,988,612
Basic earnings per share (MMK per share)	(31)	(35)

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company does not have dilutive potential ordinary shares such as convertible bonds and share options.

Convertible bonds are assumed to have been converted into ordinary shares at issuance and the profit for the year is adjusted to eliminate the interest expense less the tax effect.

For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the profit for the year.

Diluted earnings per share attributable to equity holders of the Company is calculated as follows:

	30 September 2020 (12 months)	30 September 2019 (6 months)
Loss attributable to equity holders of the Company (MMK)	(616,529,300)	(350,597,532)
Interest expense on convertible bonds, net of tax	–	–
Loss used to determine diluted earnings per share	(616,529,300)	(350,597,532)
Weighted average number of ordinary shares outstanding for basic earnings per share (shares)	19,977,223	9,988,612
Adjustments for		
- Convertible bonds	–	–
- Share options	–	–
	19,977,223	9,988,612
Diluted earnings per share (MMK per share)	(31)	(35)

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

30. Ultimate controlling party

The Company's Ultimate controlling parties are U Kyaw Lwin Oo and Daw Saw Sanda who are residents of Myanmar.

31. Related party transactions

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

(a) Sales and purchases of goods and services

	30 September 2020 (12 months)	30 September 2019 (6 months)
Sales of goods and/or services to		
- associated companies	60,000,000	45,000,000
- other related parties	<u>—</u>	<u>—</u>
	60,000,000	45,000,000
Purchases of goods and/or services from		
- associated companies	<u>—</u>	<u>—</u>
- other related parties	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>
Management fees paid to other related parties	<u>—</u>	<u>—</u>

Other related parties comprise key management personnel of the Group and the Companies which are controlled by the Group's key management personnel and their close family members.

Outstanding balances at 30 September 2020 and 30 September 2019, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from reporting date and are disclosed in Notes 11 and 13 respectively.

(b) Key management personnel compensation

	30 September 2020 (12 months)	30 September 2019 (6 months)
Salaries and benefits	356,464,128	181,090,000

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

32. Changes in financial year

On 19 May 2019, the Internal Revenue Department (IRD), under the Ministry of Planning, Finance and Industry, passed the 2019 Union Taxation Law which provides the change of financial year to coincide with the fiscal year of 30 September year end for all entity for the purpose of tax computation. Thus, the Company had changed its financial reporting date from 31 March to 30 September to align with the new provision.

33. Comparative figures

The financial statements for 30 September 2020 covered twelve months ended 30 September 2020. The financial statements for 30 September 2019 covered the period from 1 April 2019 to 30 September 2019. Hence, the two financial statements are not entirely comparable.

34. Comparative figures – the subsidiaries of the Group

The financial information of the subsidiaries of the Group reflected in the consolidated financial statements for 30 September 2020 covered twelve months ended 30 September 2020. The financial information of the subsidiaries of the Group reflected in the consolidated financial statements for 30 September 2019 covered the period from 1 April 2019 to 30 September 2019. The comparative financial information of the subsidiaries of the Group is as follows:

	← 30 September 2020 (12 months) →		← 30 September 2019 (6 months) →	
	Revenue	Profit / (Loss) for the year	Revenue	Profit / (Loss) for the period
GSA	813,343,499	118,947,667	568,232,652	76,900,620
G Link	2,361,465,754	5,764,829	738,752,478	119,877,943
MRTW	1,027,630,915	(125,184,391)	156,710,457	20,673,929
MRTW Inspection	1,130,913,016	(52,660,475)	555,853,533	(160,945,197)
MES	–	(162,553,151)	–	(51,663,974)
EFR Trading	6,358,618,834	37,594,409	3,405,953,748	13,373,819
UC	950,258,027	(18,023,886)	117,978,002	(4,689,095)
EFR LDC JV	–	22,668,397	–	(83,310,676)
AL	130,273,550	(9,089,196)	–	–
	12,772,503,595	(182,535,797)	5,543,480,870	(69,782,631)

MRTW Inspection is a loss making subsidiary. Accordingly, the Management of MRTW Inspection has planned to restructure the team to cater the demand in market. The Management believes MRTW Inspection will make profit in foreseeable future.

MES, the subsidiary of the Group, has disposed its business and transferred its staff to UTOC MES which is the associated company of the Group on 1 August 2019. Management of MES does not have intention to invest and run any new business itself.

Construction of phase one stage of EFR LDC JV has been completed in current financial year. In order to cover its expenses, EFR LDC JV has rented a warehouse and certain part of containers storage area which are completed in phase one stage. Management of EFR LDC JV expect it can make profit when the construction of phase two stage is completed as, at that time, it can operate as logistic center.

On 13 July 2020, UC, the wholly owned subsidiary of the Company, has contributed MMK 60,000,000 into A Logistics Company Limited (AL) in return of 60% equity interest. A Logistics was incorporated on 13 July 2020 and has started its business in August 2020.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

35. Segment information**(a) Description of segment and principal activities**

The Company invest mainly in logistics through its subsidiaries and associates. The Company also invest in the subsidiaries which operate buying and selling of goods and inspection services. Engineering services are rendered through its associated company. Accordingly, Management of the Group has identified four reportable segments by the nature of business operated by its subsidiaries and associated companies.

- (1) **Logistics** – providing freight forwarding services for total logistics package. The Group provide an integrated service solution of warehousing and distribution, transportation and delivery services and a mixture of valued services that are outside the normal processes. In addition, erecting a dry port and a container yard and running container-related services. The Group can provide through their depot systems services, which offer services for container trucking, maintenance and repairs, warehousing, distribution, and trans loading logistics. Value- added services such as packaging / assembling services for re-transportation, customs bonded warehouse services that have connections with jetties / wharfs and broader container services.
- (2) **Trade of goods wholesale** – selling and distribution electronic goods, importation and distribution of rice roller, exporting rubber and rubber products and agricultural products.
- (3) **Inspection** – providing garments, shoes and bags inspection services especially for special order cargo from Myanmar.
- (4) **Other** – doing engineering services for logistics sectors such as installation for garment on hanging in containers, handling turnkey project cargo, construction of container house, installation and construction of telecommunication tower through the associated company. The results of these operations are included in the 'other' column. The column also includes operations results of the parent company.

(b) Segment revenue, cost of revenue and gross profit

	30 September 2020 (12 months)	30 September 2019 (6 months)
Segment revenue		
Logistics (Note 19)	5,342,971,745	1,642,218,990
Trade of goods wholesale (Note 18)	6,358,618,834	3,405,953,748
Inspection (Note 20)	1,130,913,016	555,853,533
Other	192,000,000	128,400,000
Total segment revenue	13,024,503,595	5,732,426,271
Intersegment elimination	(192,000,000)	(128,400,000)
Segment revenue – external parties	12,832,503,595	5,604,026,271
Segment cost of revenue		
Logistics (Note 24)	(3,910,287,361)	(607,705,980)
Trade of goods wholesale	(6,091,736,285)	(3,267,284,540)
Inspection (Note 25)	(690,046,303)	(466,883,732)
Other	–	–
Total segment cost of revenue	(10,692,069,949)	(4,341,874,252)

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

35. Segment information (continued)

(b) Segment revenue, cost of revenue and gross profit (continued)

	30 September 2020 (12 months)	30 September 2019 (6 months)
Segment gross profit		
Logistics	1,432,684,384	1,034,513,010
Trade of goods wholesale	266,882,549	138,669,208
Inspection	440,866,713	88,969,801
Other	192,000,000	128,400,000
Total segment gross profit	2,332,433,646	1,390,552,019
Intersegment elimination	(192,000,000)	(128,400,000)
Segment gross profit – external parties	2,140,433,646	1,262,152,019

(c) Earnings before interest, tax, depreciation and amortization (EBITDA)

	30 September 2020 (12 months)	30 September 2019 (6 months)
Logistics	110,076,316	232,956,081
Trade of goods wholesale	110,799,336	78,351,784
Inspection	42,086,735	(146,323,808)
Other	58,466,987	66,318,749
EBITDA	321,429,374	231,302,806

EBITDA reconciles to loss before tax as follows:

	30 September 2020 (12 months)	30 September 2019 (6 months)
EBITDA	321,429,374	231,302,806
Intersegment elimination	(397,671,276)	(274,713,166)
Depreciation and amortisation	(133,940,054)	(56,716,992)
Gain / (Loss) on disposal of property, plant and equipment	(190,233)	15,798,045
Write off property, plant and equipment	(5,710,044)	–
Finance cost	(15,900,000)	–
Share of associates loss	(326,392,080)	(174,790,664)
Loss before tax	(558,374,313)	(259,119,971)

Finance cost is allocated to Inspection. There are no unallocated income and expenses as operations of each segment are run by its resources.

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

Currency – Myanmar Kyat (MMK)

35. Segment information (continued)

(d) Other profit and loss disclosures

	Depreciation and amortisation	Share of associates loss	Income tax expenses
30 September 2020 (12 months)			
Logistics	(56,827,446)	(200,010,712)	(58,146,183)
Trade of goods wholesale	(3,363,108)	–	(1,455,687)
Inspection	(73,173,842)	–	–
Other	(575,658)	(126,381,368)	(500,000)
	<u>(133,940,054)</u>	<u>(326,392,080)</u>	<u>(60,101,870)</u>
30 September 2019 (6 months)			
Logistics	(25,999,564)	(121,397,100)	(78,376,026)
Trade of goods wholesale	(1,119,064)	–	(19,308,180)
Inspection	(29,547,614)	–	–
Other	(50,750)	(53,393,564)	–
	<u>(56,716,992)</u>	<u>(174,790,664)</u>	<u>(97,684,206)</u>

(e) Segment assets

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment.

	30 September 2020	30 September 2019
Logistics	7,710,275,975	8,439,601,554
Trade of goods wholesale	2,215,552,905	1,403,551,622
Inspection	595,661,616	625,537,780
Other	8,263,648,430	8,850,733,549
Total segment assets	<u>18,785,138,926</u>	<u>19,319,424,505</u>
Intersegment elimination	(482,474,216)	(404,960,780)
Goodwill	25,192,689	25,192,689
Total assets as per statement of financial position	<u>18,327,857,399</u>	<u>18,939,656,414</u>

EVER FLOW RIVER GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS**

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35. Segment information (continued)

(i) Other disclosures of segment assets

	30 September 2020	30 September 2019
Investment in associates		
Logistics	1,762,175,922	1,962,186,634
Trade of goods wholesale	–	–
Inspection	–	–
Other	123,390,492	249,771,860
Total investment in associates	<u>1,885,566,414</u>	<u>2,211,958,494</u>

(f) Segment liabilities

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment.

	30 September 2020	30 September 2019
Logistics	962,374,687	1,229,676,791
Trade of goods wholesale	1,587,556,143	881,327,759
Inspection	560,721,113	537,936,972
Other	279,454,384	606,494,465
Total segment liabilities	<u>3,390,106,327</u>	<u>3,255,435,987</u>
Intersegment elimination	<u>(404,474,216)</u>	<u>(350,960,397)</u>
Total liabilities as per statement of financial position	<u>2,985,632,111</u>	<u>2,904,475,590</u>

36. Commitments

As at 30 September 2020, the Group had the following outstanding commitment in respect of accrued expenses as follows:

Service agreement commitment

On 22 January 2019, HITLC JV, associated company of the Group, has entered into agreement with Marvelux Home Group Company Limited to construct container store station, container harbor on vacant land area forty acres between the bridges of Aung Zaya and Shwe Pyi Thar fully obtained right of management from Lann Pyi out of the Land area one hundred and fifty acres, Plot No.1, Land Survey No.(15), Shwe Lin Pan Industrial Zone, Yaw Atwin Wun U Phoe Hlaing Street, Hlaing Tharyar Township, Yangon Region, Republic of the Union of Myanmar belonging to Myanmar Economic Holding Limited. The amount payables under non-cancellable service agreement at the end of the reporting period are as follows;

	30 September 2020	30 September 2019
Within one year	400,000,000	400,000,000
Later than one year but not later than five years	5,600,000,000	6,000,000,000
	<u>6,000,000,000</u>	<u>6,400,000,000</u>

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37. COVID-19 pandemic

The recent outbreak of COVID-19, which the World Health Organization has declared a global pandemic, has adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt markets and disruptions in supply chains and economic activity, which are having a particularly adverse impact on the real estate-commercial and industrial leasing industry.

Management determined that such financial and economic market uncertainty is indicative of conditions that arose subsequent to the financial statements date and therefore, the assets and liabilities of the Company as at 30 September 2020 were not adjusted to reflect the impact of COVID-19. However, management considered the impact of COVID-19 in its assessment of the Company's ability to continue as a going concern.

The resulting financial and economic market uncertainty could have a significant adverse impact on the future operations of the Company and cause significant adverse changes to assets or liabilities of the Company. However, given the outcome and timeframe for a recovery from the current pandemic is highly unpredictable, it is not practicable to estimate and disclose any financial effect at this time. Management has taken active measures to significantly reduce cost in the financial year 2021 and will continue to monitor the situation.

38. Authorization of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Ever Flow River Group Public Company Limited on 28 December 2020.

