

M/S CNBM INTERNATIONAL (T) LTD

**AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30TH JUNE, 2023**

CNBM INTERNATIONAL (T) LTD
FOR THE YEAR ENDED 30th June, 2023

Country of Incorporation	United Republic of Tanzania
Nature of Business	Import & Sale of building materials
Physical Address of Business and Registered Office	Mandela Road, Plot No 1010/3/1-3 Buguruni Sukita Ilala District Dar es Salaam United Republic of Tanzania
Postal Address	P. O. Box 75753 Dar es Salaam United Republic of Tanzania
Ultimate Holding Company	CNBM Group Co. Ltd
Bankers	United Bank of Africa Standard Chartered Bank CRDB Bank Plc National Microfinance Bank Barclays Bank Tanzania Ltd
Lawyer	AYMAK Attorneys P. O. Box 79575 Dar es Salaam Chole Road, House No 51 Masaki Dar es Salaam
Accountants	AUDITMAX FINANCIAL CONSULTANCY Certified Public Accountants P.O. Box 95921, Dar es Salaam, Tanzania.
Tax Consultant	NMK FINANCIAL CONSULTANTS & ASSOCIATES P. O. Box 3374 IPS BUILDING 10 TH FLOOR City Business District Dar es Salaam

CNBM INTERNATIONAL (T) LTD
REPORT OF THE DIRECTORS FOR
THE YEAR ENDED 30th June, 2023

(CONTINUED)

9. DIRECTORS

The Directors who held office during the period and to the date of this report are: -

<u>Name of Director</u>	<u>Category</u>	<u>Nationality</u>	<u>Date of App</u>
ZHANG XIN	Director	Chinese	6 th April 2023
LI HUAXIAN	Director	Chinese	6 th April 2023
LU XIAOQIANG	Director	Chinese	6 th April 2023

10. AUDITORS

The auditors, AUDITMAX FINANCIAL CONSULTANCY have expressed their willingness to continue in office and are eligible for re-appointment. A resolution proposing their re-appointment as auditors for the year ending 30 June 2023 will be put at the Annual General Meeting.

BY ORDER OF THE BOARD

DATE


.....
DIRECTOR

CNBM INTERNATIONAL (T) LTD
STATEMENT OF DIRECTORS' RESPONSIBILITY
FOR THE YEAR ENDED 30th June, 2023

The Tanzanian Companies Act, 2002 requires the directors to prepare Financial Statements for each financial year which gives a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results of the company for that year. It also requires the directors to ensure the company keeps proper accounting records which disclose with reasonable accuracy at any time the Financial Position of the Company. They are also responsible for safeguarding the assets of the Company.

The directors are responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards and the provisions of the Tanzania Companies Act 2002. This responsibility includes: designing, implementing and maintaining internal controls 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.

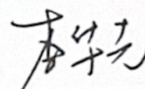
The directors accept responsibility for the Annual Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Companies Act, 2002. The directors are of the opinion that the Financial Statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of Financial Statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement. In addition, the directors confirm that the shareholders' commitment to continue providing the financial support that may be required to enable the company continue operating and meet its obligations as they fall due. On this basis, the directors consider it appropriate to prepare the Financial Statements on the going concern basis.

Approval of the Financial Statements

The Financial Statements of the Company, as indicated above, were approved by the Directors and are signed on its behalf by:

Date



.....
Director

CNBM INTERNATIONAL (T) LTD

DECLARATION OF THE ACCOUNTANT OF CNBM INTERNATIONAL (T) LTD

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act No.33 of 1972, as amended by Act No.2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and Statutory Financial Reporting Requirements. Full legal responsibility for the preparation of financial statements rests with the Directors as under Directors' Responsibility Statement on an earlier page.

I, Celestine Isheigoma..... Being the Accountant of CNBM INTERNATIONAL (T) LTD hereby acknowledge my responsibility of ensuring that Financial Statements for the year ended on 30th June, 2023 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of CNBM INTERNATIONAL (T) LTD on that date and that they have been prepared based on properly maintained financial records.

Signed by: Celestine Isheigoma.....

Position: Accountant

NBAA Membership No. ACPA 3598

Date

ACCOUNTANT'S COMPILATION REPORT OF CNBM INTERNATIONAL (T) LTD FOR THE YEAR ENDED 30th JUNE 2023

TO THE STAKEHOLDERS OF
CNBM INTERNATIONAL (T) LTD
P.O.BOX 75753
Dar es Salaam

Introduction

We have compiled the accompanying financial statements of CNBM INTERNATIONAL (T) LTD based on information provided by the company's management. These financial statements are presented in accordance with the International Financial Reporting Standards (IFRS) as referred to in Note 2 to these financial statements. The financial statements comprise the Statement of Financial Position as of June 30 2023, the Statement of Profit or Loss for the year then ended, the Statement of Changes in Equity, and the Statement of Cash Flows.

Respective Responsibilities

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the applicable financial reporting framework, and for the accuracy and completeness of the information used to compile them. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to conduct the compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements. This Standard requires that we comply with ethical requirements and plan and perform the engagement to obtain reasonable assurance about whether the financial statements are have been presented in accordance with the applicable accounting standards.

Scope of Compilation Engagement

A compilation engagement involves applying our expertise in accounting and financial reporting to assist management in the preparation and presentation of financial information. A compilation differs significantly from an audit or review engagement. We have not performed an audit or a review of these financial statements and, accordingly, do not express an audit opinion or a review conclusion thereon.

Limitation of Opinion

A compilation differs significantly from a review or an audit of financial statements. A compilation does not contemplate performing inquiry, analytical procedures, or other procedures performed in a review. Additionally, a compilation does not contemplate obtaining an understanding of the Company's internal control, assessing fraud risk, or testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or examination. Therefore, a compilation does not provide a basis for expressing an opinion or a conclusion, nor provide any form of assurance on the financial statements.

Conclusion

Based on our compilation of the financial statements, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with International Financial Reporting Standards as described in Note 2.

Alex Mahenge



Signed by:

CPA Alex Mahenge- ACPA PP No 3450

For and on behalf of AuditMax Financial Consultancy

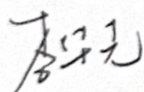
Certified Public Accountants and Tax Consultants

25th November 2024

CNBM INTERNATIONAL (T) LTD

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2023

	NOTES	2023 TZS	2022 TZS
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment	2	26,860,537,621	27,606,469,691
Non Current Assets		<u>26,860,537,621</u>	<u>27,606,469,691</u>
CURRENT ASSETS			
Inventories		27,749,711,002	40,790,177,316
Trade Receivables	3	30,537,653,116	21,990,934,811
Taxation	4	8,346,487,007	9,175,171,202
Cash and Cash Equivalent	5	2,471,964,634	428,976,707
Current Assets		<u>69,105,815,759</u>	<u>72,385,260,036</u>
TOTAL ASSETS		<u>95,966,353,381</u>	<u>99,991,729,727</u>
EQUITY AND LIABILITIES			
EQUITY			
Authorised and Paidup capital	6	25,879,807,184	25,879,807,184
Reserve Fund		74,333,917	74,333,917
Retained Earnings/(Accumulated Loss)		-9,873,234,370	-1,024,365,429
		<u>16,080,906,731</u>	<u>24,929,775,672</u>
LOAN	8b	11,770,172,678	26,315,299,328
CURRENT LIABILITIES			
Trade Payables	7	64,431,929,224	43,897,040,605
Taxation			-175,190,923
Other Payables	8a	3,683,344,748	5,024,805,046
Current Liabilities		<u>68,115,273,972</u>	<u>48,746,654,727</u>
TOTAL EQUITY AND LIABILITIES		<u>95,966,353,381</u>	<u>99,991,729,727</u>
		-0	0



DIRECTOR

--- DATE

CNBM INTERNATIONAL (T) LTD
STATEMENT OF COMPREHENSIVE INCOME AS AT 30TH JUNE, 2022

		2023 TZS	2022 TZS
Income from Sales	NOTES	123,254,044,670	146,853,201,473
Bonus Received		<u>123,254,044,670</u>	<u>147,238,387,403</u>
Opening Inventories		40,790,177,316	33,404,799,795
Add: Purchases		<u>104,573,499,919</u>	<u>147,223,609,661</u>
		145,363,677,235	180,628,409,456
Direct cost		3,179,166,607	
Less: Closing Inventories		<u>27,749,711,002</u>	<u>40,790,177,316</u>
Cost of Stock		<u>117,613,966,233</u>	<u>139,838,232,140</u>
Total Cost of sales		<u>120,793,132,839</u>	<u>139,838,232,140</u>
Gross Profit/(Loss)		2,460,911,831	7,400,155,262
Add: Income from Diposal of asset		2,336,101	10,451,926
Add: non operating income		2,547,448	
		<u>2,465,795,380</u>	<u>7,410,607,189</u>
LESS: OPERATING EXPENSES			
Management Cost	9	5,170,188,208	4,401,788,879
Finance Cost	10	3,865,316,367	2,497,115,616
Sales, Marketing & Advertising Expenses	11	1,158,246,964	2,042,352,888
		<u>10,193,751,539</u>	<u>8,941,257,383</u>
Net Profit/(Loss)		-7,727,956,159	1,530,650,195
Less: CorporateTax 30%			3,521,562
Net Profit/(Loss) after Tax		<u>-7,727,956,159</u>	<u>1,527,128,633</u>



 Director

 DATE

CNBM INTERNATIONAL (T) LTD

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR
ENDED 30TH JUNE, 2023

	SHARE CAPITAL TZS	CAPITAL RESERVES TZS	RETAINED EARNINGS TZS	TOTAL TZS
As at 01st July, 2022	25,879,807,184	74,333,917	-844,560,754	25,109,580,347
Profit/(Loss) for the year			(7,727,956,159)	-7,727,956,159
Prior year Adjustment			1,300,717,457	1,300,717,457
As at 30th June, 2023	<u>25,879,807,184</u>	<u>74,333,917</u>	<u>-7,271,799,456</u>	<u>18,682,341,645</u>
	SHARE CAPITAL TZS	CAPITAL RESERVES TZS	RETAINED EARNINGS TZS	TOTAL TZS
As at 01st July, 2021	25,879,807,184	74,333,917	689,611,003	26,643,752,104
Profit/(Loss) for the year	-	-	(1,534,171,757)	(1,534,171,757)
Prior year Adjustment	-	-	-	-
As at 30th June, 2022	<u>25,879,807,184</u>	<u>74,333,917</u>	<u>(844,560,754)</u>	<u>25,109,580,347</u>


Director

--- DATE

CNBM INTERNATIONAL (T) LTD
STATEMENT OF CASH FLOW AS AT 30TH JUNE, 2023

	2023	2022
	TZS	TZS
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	-7,727,956,159	-1,530,650,195
Adjustment for Depreciation	782,204,750	798,170,952
Bonus Received		-385,185,930
Adjustment for Assets Disposal Loss		-10,451,926
	-6,945,751,409	-1,128,117,099
CHANGE IN WORKING CAPITAL ITEMS		
(Increase)/Decrease in Inventories	13,040,466,314	-7,385,377,521
(Increase)/Decrease in Receivables	-8,546,718,305	12,571,203,009
(Increase)/Decrease in tax Receivables	828,684,195	
Increase/(Decrease) in tax Payables	175,190,923	
Increase/(Decrease) in other Payables	-4,406,069,869	
Increase/(Decrease) in Payables	23,599,498,190	-4,652,025,847
Cash Generated from Operating Activities	17,745,300,039	-594,317,458
Tax paid	-1,413,011,066	-75,000,000
Prior Year		
Net Cash from in Operating Activities	16,332,288,972	-669,317,458
CASH FLOW FROM INVESTING ACTIVITIES		
Assets Acquired	-5,750,984,000	-116,172,425
Disposal	2,336,102	90,000,000
Construction in Progress		-249,665,869
Net Cash from in Investment Activities	-5,748,647,898	-275,838,294
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Loan Payable	-8,539,890,712	418,719,192
Share capital paid up		-
Net Cash from in Financing Activities	-8,539,890,712	418,719,192
Net Increase in Cash and Cash Equivalent	2,043,750,362	-526,436,560
Cash and Cash Equivalent at beginning of period	428,214,272	954,650,832
Cash and Cash Equivalent at end of period	2,471,964,634	428,214,272
	-0	



 Director

 DATE

Accounting Report - page 5
 Notes on page 11 to 15 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR END 30TH JUNE, 2022

1 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Depreciation

Depreciation is calculated to write off the fixed assets in a straight line basis over the highest expected useful lives of the assets concerned deduct the residual rate of 3%. The following are the estimated useful life of the assets:-

Land & Building	20	20 years
Motor Vehicles	10	10 years
Computer Equipments	8	8 years
Other Assets	8	8 years

(b) Translation of Foreign Currency

Translation of Foreign Currencies during the year converted into Tanzanian Shillings at rates ruling at the transaction rates. Assets and liabilities at the statement of financial position date which are expressed in foreign currencies are translated into Tanzanian Shillings at rates ruling at that date. The resulting differences from conversion of and transaction are dealt within the statement of comprehensive income in the year in which they relate.

(c) Inventory Valuation

Inventories are valued by the Management at the average weight method. Provision has been made in the accounts for all slow moving and obsolete inventories.

2 (a) PROPERTY, PLANT AND EQUIPMENT

	Building	Fixture & Fittings	Machinery Equipment	Motor Vehicle 5 years	Trucks & Trailors 10 years	Motor Cycle 5 years	Generator 8 years	Air Condition 8 years	Computer 8 years	TV 8 years	Office Equipment 8 years	Motor Crane 10 years	Container 8 years	Total
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
COST														
At 1st July, 2022	12,254,401,153	4,200,000	93,182,510	256,025,151	305,932,203	4,797,458	33,526,500	332,258,965	56,012,272	10,764,406	459,185,638	257,090,599	29,474,800	14,096,851,655
Addition	5,732,934,000	-	-	-	8,474,576	-	-	-	-	-	9,575,424	-	-	5,750,984,000
Disposal	-	-	-	(533,898)	-	-	-	-	-	-	-	-	-	(533,898)
At 30th June, 2023	17,987,335,153	4,200,000	93,182,510	255,491,253	314,406,779	4,797,458	33,526,500	332,258,965	56,012,272	10,764,406	468,761,062	257,090,599	29,474,800	19,847,301,757
DEPRECIATION														
At 1st July, 2022	2,597,614,783	4,031,563	33,132,273	247,333,432	154,098,475	4,653,534	32,181,947	179,828,376	32,895,869	6,605,452	228,929,153	249,377,881	14,593,056	3,785,275,793
Charge for the year	54,209,136	42,438	753,225	493,084	2,472,952	-	338,758	3,346,068	530,117	79,994	4,705,676	-	297,818	67,269,285
Deletion	-	-	-	-	-	-	-	-	-	-	-	-	-	(128,499)
At 30th June, 2023	2,651,823,919	4,074,000	33,885,498	247,826,515	156,571,427	4,653,534	32,520,705	183,174,445	33,425,986	6,685,446	233,634,828	249,377,881	14,890,875	3,852,416,559
NET BOOK VALUE														
At 30th June, 2023	15,335,511,234	126,000	59,297,012	7,664,738	157,835,353	143,924	1,005,795	149,084,520	22,586,286	4,078,960	235,126,234	7,712,718	14,583,926	15,994,885,198
At 30th June, 2022	9,656,786,370	168,438	60,050,237	8,691,719	151,833,728	143,924	1,344,553	152,430,589	23,116,403	4,158,954	230,256,486	7,712,718	28,879,163	13,255,472,838

(b)

Construction in Progress with value of TZS 5,976,594,364.00 (30.06.2022)

CNBM INTERNATIONAL (T) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR END 30TH JUNE, 2023

	2023	2022
	TZS	TZS
TRADE AND OTHER RECEIVABLES		
Trade Receivable	21,913,595,457	14,900,823,890
Prepayment Expenses	-	
Sundry Debtors	-	
SINOMA East Africa		
SINOMA International		
Other Receivable	886,311,921	226,174,605
Imprest Receivable		111,606,745
Note Receivable	3,450,625,793	1,763,918,541
Advance Payment	4,287,119,945	4,988,411,031
	<u>30,537,653,116</u>	<u>21,990,934,811</u>
TAXATION		
		38,334,801,214
VAT Receivables	8,191,717,792	9,175,275,202
Withholding Tax	4,769,215	(104,000)
Corporate tax	150,000,000	-
	<u>8,346,487,007</u>	<u>9,175,171,202</u>
CASH & CASH EQUIVALENTS		
Cash in Hand (TZS)	171,185,256	71,282,765
Cash in Hand (USD)	47,028,060	49,009,403
Cash at I&M (USD)		-
Cash at I&M (TZS)		-
Cash at Exim (USD)		-
Cash at Exim(TZS)		69,553
Cash at Bank Standard (USD)	25,068,511	1,414,016
Cash at Bank Standard (TZS)	33,774,593	4,940,400
Cash at UBA (TZS)		-
Cash at UBA (USD)		-
Cash at NMB (TZS)	50,967,764	37,158,671
Cash at NMB (USD)	46,980,415	62,190
Cash at Bank CRDB (TZS)	133,614,854	199,397,375
Cash at Bank CRDB (USD)	861,826,257	22,228,075
Cash at Bank BARCLAYS (USD)	6,206,282	371,943
Cash at Bank BARCLAYS (TZS)	2,044,913	10,085,282
Cash at GTBank (TZS)		-
Cash at GTBank (USD)		-
Cash at Bank BOA (TZS)		
Cash at Bank BOA (USD)		32,957,035
Cash at Stanbic Bank (TZS)		
Cash at Stanbic Bank (USD)	1,093,267,730	
	<u>2,471,964,634</u>	<u>428,976,707</u>

CNBM INTERNATIONAL (T) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR END 30TH JUNE, 2023

	2023 TZS	2022 TZS
SHARE CAPITAL		
Authorised Shares Capital 13,552 Shares of 1,909,667/= each		
Paid up Capital 13,552 Shares of 1,909,667/= each	<u>25,879,807,184</u>	<u>25,879,807,184</u>
	<u>25,879,807,184</u>	<u>25,879,807,184</u>
TRADE PAYABLES		
Account payables	64,431,929,224	20,114,213,723
Advance from Customers CNBMG CNBM SINGAPORE		1,657,798,361
	<u>64,431,929,224</u>	<u>22,125,028,521</u>
	<u>64,431,929,224</u>	<u>43,897,040,605</u>
a OTHER PAYABLES		
Salary & Wages		21,151,536
Advance Receipt	3,064,609,571	3,587,069,566
City Levy		
PAYE payable		10,661,365
SDL Payable		4,107,094
LAPF Payable		20,535,472
WCF Payable		616,064
Others	618,735,177	1,380,663,949
	<u>3,683,344,748</u>	<u>5,024,805,046</u>
b LOAN		
Short Loan	11,770,172,678	26,315,299,328
	<u>11,770,172,678</u>	<u>26,315,299,328</u>

CNBM INTERNATIONAL (T) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR END 30TH JUNE, 2023

	2023 TZS	2022 TZS
MANAGEMENT COST		
Salaries and Wages	1,459,577,974	1,287,914,638
NSSF/LAPF Contribution	109,205,918	257,640,262
WCF Contribution	6,360,282	7,730,155
SDL	43,284,388	51,532,766
Office Expenses	622,508,789	326,443,875
Entertainment	92,351,659	46,194,824
Office Rent	-	32,315,896
Telephone, Postage & Internet	74,367,814	74,377,966
Depreciation	782,204,750	798,170,952
Electricity & Water	161,664,768	127,241,571
Transport & Travelling	42,991,862	90,490,675
Insurance	45,283,200	88,224,025
Maintenance	180,069,719	103,909,292
Consultancy fees	131,365,345	123,559,281
Medical Expenses	-	78,271,256
Audit Fees	-	8,000,000
Business Trip	342,289,102.97	532,569,884
City Levy	419,230,837	223,972,460
Stamp Duty	196,387,574	
Training Fees	1,004,237	
Fire protection expenses	-	5,850,000
Labour Protection Expenses	9,746,837	41,738,802
Transport and parking Charges	863,151	-
Security Charges	94,510,000	86,945,300
Garbage Collection	4,920,000	8,695,000
Other	350,000,000	
	<u>5,170,188,208</u>	<u>4,401,788,879</u>

CNBM INTERNATIONAL (T) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR END 30TH JUNE, 2023

	2023 TZS	2022 TZS
FINANCE COSTS		
Exchange Loss/ gain	1,651,777,898	511,657,240
Bank Charges	280,861,774	226,004,541
Interest	1,888,090,878	1,759,453,835
Others	44,585,816	
	<u>3,865,316,366</u>	<u>2,497,115,616</u>

SALES, MARKETING & ADVERTISING EXPENSES

Transportation	1,068,824,477	1,692,821,020
Other Expenses	89,422,488	67,481,601
Sales Discount		199,282,260
Fuel	-	82,768,007
	<u>1,158,246,965</u>	<u>2,042,352,888</u>