

Authentic Group of Companies

ANNUAL REPORT

2021





COMPANY PROFILE

Authentic Group of Companies is based in Myanmar and represents three different interrelated business units - Construction, Trading and Production.

Authentic Construction and Authentic Trading were formed in Yangon, Myanmar in March 2009.

Authentic Construction Company specializes in the field of Industrial and Commercial sectors such as factories, apartments, hotels, condominiums, landmarks and residential buildings.

Authentic Construction also designed and implemented the infrastructure projects such as road and bridge, water and waste water engineering and

power supply for requirements of national development. In this year, we are implementing and already getting milestone projects of water supply works and power supply in Myanmar.

Authentic Trading Company was initially founded to provide construction materials, such as steel structure, construction chemicals and flooring system to the projects of Authentic Construction. Later, Authentic Trading Company expanded the business by providing the geo-synthetic materials such as road retaining wall, protection of river embankment, railway stabilized and coastal area.

In 2012, **Authentic Production Co.,Ltd** was founded to produce quality and cost effective products such as water and wastewater pipes, water tanks, septic tanks, grease trap, dust bin, biofilter, road blocks and other related products.

As a group of companies, we are also committed to satisfying Our Valuable Customers and Partners with Reliable Services, Cost Effective Technologies and Environmental Protection as well as growing profitability at the top level of our professional business.

We promise Our Customers to get the best Professional Service and Value from Authentic Group of Companies.

COMPANY STATISTICS

Authentic Group of Companies has more than **800 full time**, permanent employees and more than **600 temporary workers** in 2020-2021 financial year.

800 PEOPLE

The head office and production factory are located in **Yangon** and Branch Offices in **Nay Pyi Taw** and **Mandalay**.

32.4 MILLION

The Group turn-over is **32.4 million US dollars** in **2020-2021** financial year, which is **19%** increase compared to 2019-2020.

19% INCREASE

We paid over **3.667 billion MMK of tax** from the 2019 financial year to 2021-2022 financial year.

3.667 BILLION



OUR VISION

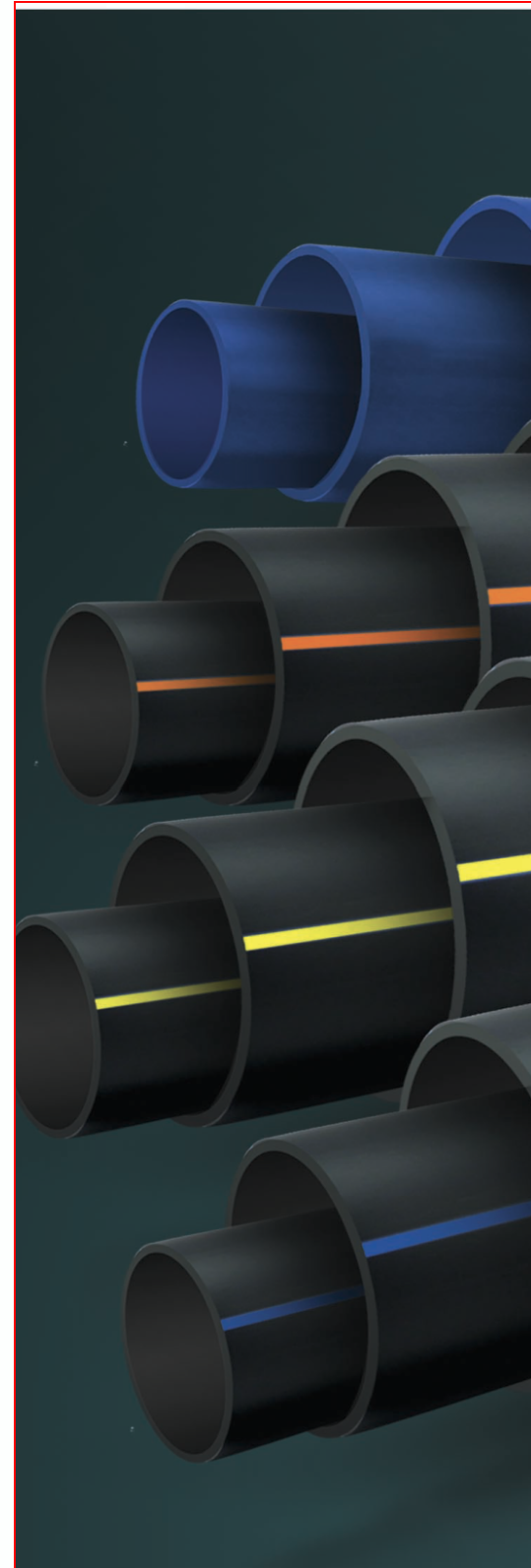
To be a leading and trustworthy construction, production, solar energy, clean energy, telecommunication and trading company, for international partners and local customers in the area of developing infrastructures, commercial buildings, water (and wastewater) treatment systems, solar powered systems, telecommunication infrastructures and services.

OUR MISSION

We provide reliable professional services and quality products to international, local partners and customers with our heart, honesty, integrity, transparency, reliability, efficiency, hard work and good will. Their projects are our future investments and better customer experience and customer satisfaction is our happiness.

CORE VALUES

- **Safety & Health** - We create a healthy working environment and keep people safe from harm.
- **Quality** - We always find to provide the best products and services in all our projects. We care about our reputation by giving quality products and services.
- **Integrity** - We value and respect our colleagues, partners and customers.
- **Innovation** - We always seek, learn and listen to the best idea to apply on products, services and constructions.
- **Deliver** - We grow our business through operational excellence and flawless execution.
- **Ethics** - We are promising in our integrity, honesty and loyalty.
- **Humanity** - We love humans. We are working for society and contributing to humanity.
- **Satisfaction** - Customer satisfaction is our first priority and our happiness.
- **Good Governance** - We always make sure our policies and controls are reliable for business decisions, comply with the law, and meet obligations to stakeholders.
- **Environment** - We always try to minimize waste and energy-intensive production of materials.
- **Sustainability** - We approach to create long term value to operate in the ecological, social and economic environment where communications and good intentions are long enough.



BOD'S MESSAGE

Thank you for giving us your time to look through our report. Our report allows us to show Who we are, What we do, Where we operate, our missions, core values, leadership, milestones, and the latest company news.

Having spent over 13 years in the industry, we have grown to be one of the few companies with success, reliability, and customer satisfaction.

We are a company that offers various types of services and goods: institutes, residential, commercial buildings and infrastructure construction work, HDPE & uPVC Pipe and fittings, waste tank, septic tank etc.

In addition, we aim to develop strong relationships with our clients by providing quality products, fast delivery, and technical services (for slope protection, gravity retaining walls, road construction, water and wastewater engineering, power supply, etc.) at all times.

Moreover, the construction section, one of the branches of Authentic Group of Companies, is successfully involved in industrial, residential, commercial buildings, infrastructure projects such as water supply, water and wastewater treatment plant and power supply which have been introduced for over a decade.

Our group of companies also supplies construction chemicals, waterproofing works, epoxy flooring systems, water supply design, and various water-supplied pipes, accessories, and landscape sprinkler systems.

Furthermore, the production part of our business manufactures over 400 products, including HDPE pipes, fittings, uPVC pipes, PE water storage tanks, and septic tanks.

We guarantee that all products mentioned and produced are ISO certified for quality, health, safety, and environment. Thus, they are beneficial and cost-effective for the people in Myanmar.

We believe the key to our success is our professionalism towards clients and the above satisfactory service we provide.

Our mission is to fulfill our customers' needs, carefully examining every detail. Our customers seem to appreciate this approach genuinely. They have continuously complimented us by recommending us to their friends and acquaintances.

The past few years have been a challenging time for everyone. We, the Authentic Group of Companies, are also working hard to stay on track despite current situations.

We are looking forward to sharing our professionalism, unmatched service, and our companies' experience in our respective professional fields with you and your communities. For inquiry, please feel free to contact + 95-1-655690.

With Best Wishes

BODs'

Authentic Group of Companies

MANAGEMENT TEAM

Dr. Tun Than Tun

Chairman

- B.E (Civil)
- MSc. (Water & Waste Water Engineering)
- Loughborough University of Technology, UK
- Ph.D (Water Resources & Development Engineering)
- Head of Department (Retd;) YCDC
- Engineering Department (Water and Sanitation) , YCDC
- M.Eng.C (P.E) Reg; No. 0579 (Water Supply & Sanitation)

The Chairman is monitoring, reviewing all the strategies and implementations of the Authentic Group of Companies and providing necessary advisory to fulfill short term and long term goals.

U Aung Myo Hein

Managing Director

- B.E (Civil)
- M.E (Civil)
- Licensed Contractor (YCDC) LC - 500
- Licensed Contractor (MCDC) LC – 070

As a member of the Board of Directors, Aung is always trying to ensure the Authentic Group of Companies is following the Rules and Regulations of Myanmar. Aung is also monitoring and reviewing the efficiency of Projects, Services and Internal Controls. Aung is also responsible to make sure the Authentic Group of Companies is performing all the related business operations very well, responsibly, ethically and environmentally friendly.

Daw Ni Ni Tin Tun

Director

- B.E (Civil)
- M.E (Civil)

Ni Ni is responsible for providing necessary support to the Managing Director. Ni Ni is also overseeing the Administration, Business Operation and Human Resources activities of the Group.

MANAGEMENT TEAM

U Aung Kyaw Swar Zan

Project Director

- Project Director
- B.E (Civil), M.E (Civil)
- M.Sc. (Offshore) Engineering, Singapore
- M.Sc. (Civil) Engineering, Singapore
- Carry out a review of work progress on a regular basis
- Oversee and handle the negotiation of terms of agreements, drafting of contracts, and the acquisition of permits and licenses
- Analyze, manage, and mitigate risks
- Make sure that construction standards are of high quality and also ensure the use of proper construction techniques
- Plan, as well as make decisions to prevent problems and any emerging ones
- Coordinate and direct the activities of construction workers and subcontractors

Daw Yin Yin Khaing

Chief Engineer (Construction)

- B.E (Civil)
- PE Reg; No.0555 (Construction)
- ACPE Reg; No.0555 (Civil)
- ASEAN ENG; (2018)
- Communicating the goals of the company to all engineers and professional
- Supervising every phase of the project from start to completion
- Calculating costs, material, labor, and time required for each project
- Approving designs and budgets
- Delegating tasks to engineering teams
- Supervising staff training as well as equipment installation
- Performing quality control checks on all systems and products
- Quickly resolving disputes between staffs
- Acknowledging or rewarding good work
- Analyzing data and drafting reports for review

MANAGEMENT TEAM

Dr. Myo Aung

Chief Engineer (Design)

- B.E (Civil)
- M.E (Civil Structural)
- Ph.D. (Civil)
- P.E (Structural) Reg: No. 0785

Dr. Myo Aung is responsible for

- Preparing Structural Design and Method Statement for “Design and Build Projects” Implemented by Construction Branch of Authentic Group of Companies.
- Going Site Investigation, Preparing Structural Design and Method Statement, Discussing Design Concept with Clients for Some Selected Structures Built by Using Newly Imported Construction Materials Imported by Trading Branch of Authentic Group of Companies.

The Management Team is responsible for:

- Ensuring the compliance of Authentic Group of Companies with the Laws, Rules and Regulations of the Government of Myanmar
- Protecting Authentic Group of Company's financial and operational sustainability in short terms and long terms
- Monitoring and Reviewing the efficiency of the products, services, projects, procedures, internal controls
- Safeguarding Authentic Group of Company's reputation by making sure that the Group is conducting its business responsibly and ethically.

The chairman of the Board's responsibilities are broad, as he has to:

- Chair the AGM,
- Safeguard the core values of Authentic Group of Companies,
- Review the implementation of Group's strategy by the management team,
- Steer the company in a direction which will create value for the Company, its founders and stakeholders.

In 2021, the Board met 6 times. Each time, 3 major topics were discussed:

- The risks, the products and services, the progresses and the efficiency of Authentic Group of Companies,
- The Covid-19 and other related issues,
- The financial sustainability of the company, which is its ability to sustain and grow its business.
- The topics include new products and services, promotions of the key players in the Group, acquiring new talents and professionals etc.

OUR GOALS & OPERATING PRINCIPLES

Our goal is to be a leading and trustworthy company with the area of focus on Construction, Production, Solar energy, Clean energy, Telecommunication and Trading for international partners, local customers, government organizations, NGOs, communities and individuals. We are bringing the best value propositions for our clients and our employees.

Authentic Production is manufacturing HDPE Pipes and fittings, uPVC Pipe, PE Water storage tanks and septic tanks in Myanmar starting from 2013 with over 400 different products total. Our HDPE & PVC products are widely used in various local projects. This makes the project timelines shorter and also saves thousands of dollars since no longer need to import from other countries.

With the combination of products from Authentic Manufacturing and imported products from Authentic Trading, Authentic Construction is developing infrastructures, commercial buildings, water treatment plants and wastewater projects for the public to protect the environment, to make better communities, higher living standards and healthier society, as well as to create job opportunities.

We are following international standards, best practices, thinking globally and acting locally to be the best fit with the requirements of the local communities with the help of talented people and technology.

In the near future, we are planning to extend our core business area to Solar Energy, Clean Energy and Telecommunication industries to help and contribute in building of better communities in Myanmar.

BUSINESS OVERVIEW

Management	Financial, Legal, Human Resources, Technology			
	Construction	Production	Trading	Water & Wastewater
Inputs & Resources	<ul style="list-style-type: none"> - Capitals - Raw materials - Technology - Human Resources 	<ul style="list-style-type: none"> - Raw Materials - Innovative technologies - Continuous R & D - Quality Control 	<ul style="list-style-type: none"> - Cormix Construction Chemicals - MACCAFERRI Engineering a Better Solution 	<ul style="list-style-type: none"> - Capitals - Raw materials - Technology - Human Resources
Products & Services	<ul style="list-style-type: none"> - Government Offices - Commercial Buildings - Water Distribution Plants 	<ul style="list-style-type: none"> - HDPE Pipes, fittings, uPVC Pipe, - PE Water storage tanks and septic tanks - over 400 different products 	<ul style="list-style-type: none"> - Waterproofing and concrete repair systems, - Polyurethane foams & resins, cementitious & epoxy grouts, - Concrete & shotcrete admixtures and swelling waterstops 	<ul style="list-style-type: none"> - Government Offices - Commercial Buildings - M & E implementations
Customers	Government Organizations, NGOs, Private Sectors, Communities, Telecoms			
Performance	<ul style="list-style-type: none"> - Government Offices - Commercial Buildings - Water Distribution plants - Hospitals, Sport Complex, Apartments - Achieve ISO 9001:2015 Quality Management System of Construction - Achieve ISO 14001:2015 Environmental Management System of Construction 	<ul style="list-style-type: none"> - HDPE: 18,472 MTon - UPVC: 57,892 MTon - Tank: 43,057 Nos - Achieve ISO 14001:2015 Environmental Management System - Achieve ISO 45001:2018 Occupational Health and Safety Management System - Achieve ISO 9001:2015 Quality Management System 	<ul style="list-style-type: none"> - Achieve ISO 9001:2015 Quality Management System - Thai & China suppliers for Gabion 	<ul style="list-style-type: none"> - Patheingyi Water Supply Project, project value 17 Billions MMK, - Distributing treated water 45 million gallons/day to 25,000 households - from 9 quarters in Patheingyi - Starting from 25 Jan 2022. - Total 5 Water Distribution Plants in 2020-2021
Profit and Values, Tax, Donations to Communities				
Stakeholders	Business Partners, Suppliers, Communities, Clients, Customers, Employees, Government Organizations, NGOs			

RISK MANAGEMENT

The Investment & Risk Management committee is formed with BOD members and other management level employees who have strong experiences in risk management and project management.

The committee is responsible for

- Ensuring the company's risk management system is properly formulated,
- Following the international and local standards,
- Protecting the company assets and projects
- The number of committee members can be increased based on the important requirements. The committee met at least once every year.

The following major risk categories are mainly discussed during the meetings.



No.	Category	Risk	Risk Management
1	Human Resources	Not able to hire right person, develop and retain the reliable talents at the relevant job functions	Enhance HR Management. Develop a recruitment and hiring plan. Provide proper onboarding and training. Create a welcoming culture for everyone in the Group.
2	Governance	Failure of financial controls (including through employee dishonesty)	Implementing advanced and reliable IT systems, internal audit procedures and work flows such as how cash payments are received and banked.
3	Society	Losing trust from regulators, partners, customers and employees.	Assessing all potential risks for every project to cover environmental, social and governance related risks. Make sure to discuss and obtain the agreements with all the stakeholders in each project as early as possible.
4	Environment	Natural disasters such as fire, earthquake etc.	Emergency response procedures, action plans, training and drills.
5	Finance	Currency depreciation	Supporting local suppliers and local products and contracting with MMK as much as possible to make the cash flow with local currency.

OUR CONTRIBUTIONS IN 2020 & 2021

The Authentic Group of Companies aim to operate our businesses professionally, responsibly, successfully and sustainably. To achieve this, we are working closely with all our customers, partners, employees, business associations, NGOs & other non-profit organizations and also with the Myanmar Government to build good and sustainable relationships with them.



People

Our people are the most valuable assets of the Authentic Group of Companies.

We rely on the skills and commitment of our people to deliver outstanding products and services to our customers and our partners.

Therefore, we are trying hard to be one of the best employers in Myanmar.

Our HR team is responsible for defining and implementing our HR strategy and action plans.

Working conditions

Benefit provided by the company for employees

- Basic Salary, Uniform, Ferry, Bonus
- Meal, Hostel
- Providing school fees for staff's children
- Annual Bread Payment
- Annual promotion and salary increase
- Trips
- Anniversary event

Results

No.	Category	2019	2020	2021
1	Full Time Employees	900	860	800
2	Average Turnover Rate (%)	8.12%	7.9%	7.25%
3	Female Workforce (%)	22.23%	22.12%	22.02%

Safety

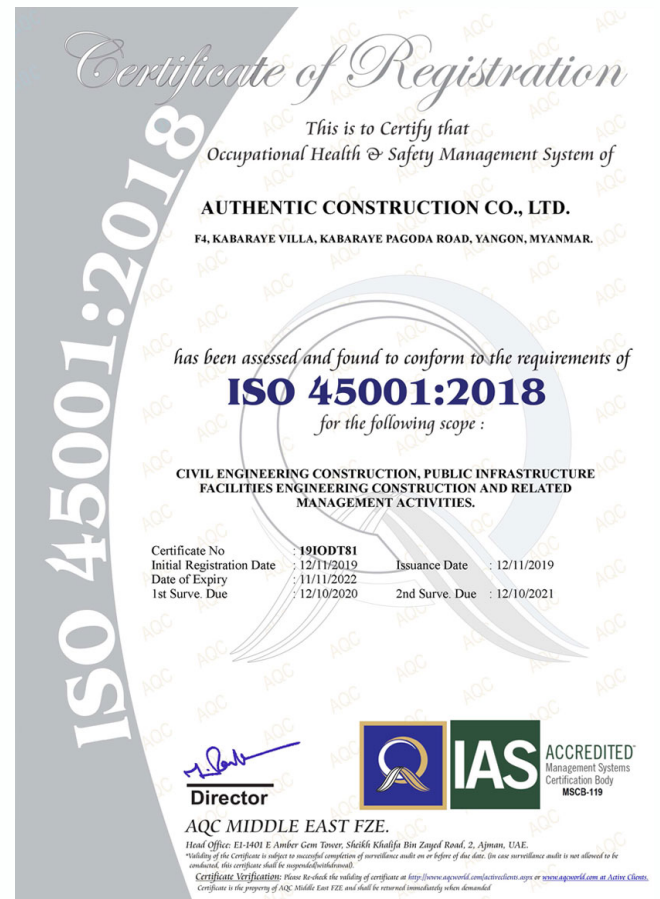
Authentic Group of Companies is offering, creating and maintaining safe working conditions for our employees, contractors and our partners.

Moreover public safety is one of the priority core values for Authentic Group of Companies.

To set and promote an efficient culture of safety, we have relied on:

- Our HSE team. 12 people are working to ensure that authentic operations are conducted safely.
- Our Occupational Health and Safety policy, which is approved by our MD, and which is available [here](#).
- Our Health, Safety and Environmental policy, which is approved by our MD, and which is available [here](#).
- Our safety management system was audited by a third-party. Authentic is **ISO-45001:2018 compliant**.

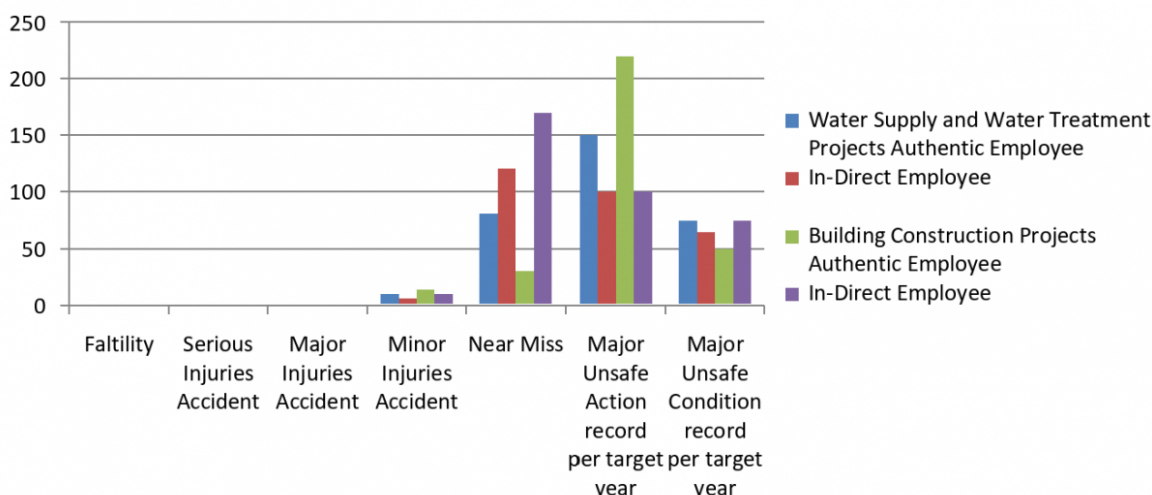
We are proud to be **one the first companies in Myanmar to achieve compliance to the ISO 45001 standard**.



We encourage all our employees and contractors to report any situation which might be unsafe.

- Between January and December 2019, 420 incidents were reported and 123 were related to safety.
- Between January to December 2020, 400 times of near miss, 40 minor injuries and 4 accidents related to the public happened.
- Between January to December 2021, 250 times of near miss, 25 minor injuries and 1 major injury happened.
- Our Accident Frequency Rate is low: 0.63% in Year 2019, 2.6 in Year 2020 due to Covid-19 and 0.89 in 2021.
- The Fatality Rate is 0 for 2019, 2020 and 2021.

Health and Safety Recorded Data (2020)



Planet

The Authentic Group of Companies is always trying to make our operations not harmful to the environment.

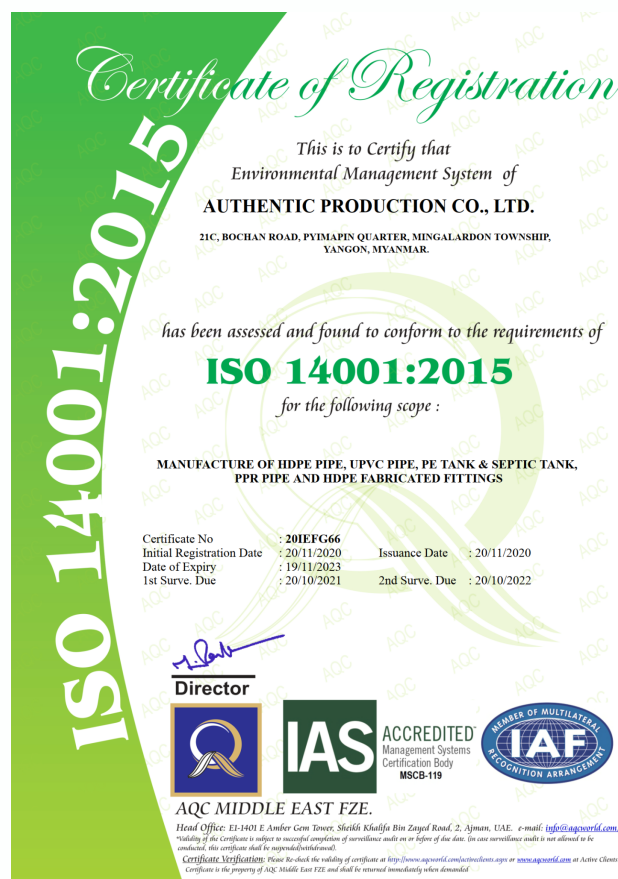
We are trying to make our environmental footprint as low as possible. Our environmental policy is published [here](#).

Our Environmental Management System was audited by a third-party. Authentic Construction Co. Ltd is **ISO-45001:2015** compliant for the following scopes:

- Civil Engineering Construction
- Public Infrastructure
- Facilities Engineering Construction and Related Management Activities

Authentic Production Co. Ltd is **ISO-45001:2015** compliant for the following scopes:

- Manufacturing of HDPE Pipes, UPVC Pipes, PE Tank and Septic Tank
- PPR Pipe and HDPE Fabricated Fittings



Waste

In Authentic, we always work to reduce and recycle as much as possible the waste produced by our daily activities, products, services, constructions, productions and operations.

For hazardous waste, they have to “be disposed of to a site that is licensed to handle the type of waste identified”.

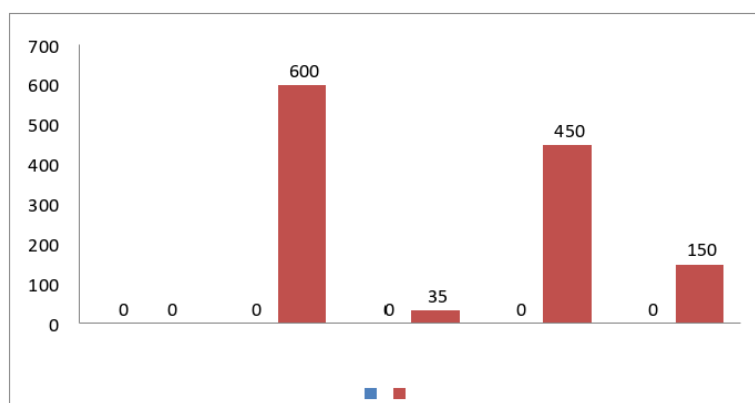
Our waste management in 2021 is described in the graph.

Energy and GHG Emission

To run our operations, we are using:

- Diesel for our generators to power our headquarters in Yangon, production facilities at Bochan, our branches and construction sites when we cannot rely on the electricity provided by the government.

Waste Item	Generate Amount (Ton)	Reuse Amount (Ton)
Excavated Soil	600	450
Bricks	35	20
Concrete	450	380
Metal Scrap	150	80
Wood	300	250



- Gasoline for our fleet of vehicles.
- Electricity from the grid, when it is available.

Society

The Authentic Group of Companies is contributing to Myanmar society as much as we can. The Group also donated to the victims of Cyclone Nagis in 2008.

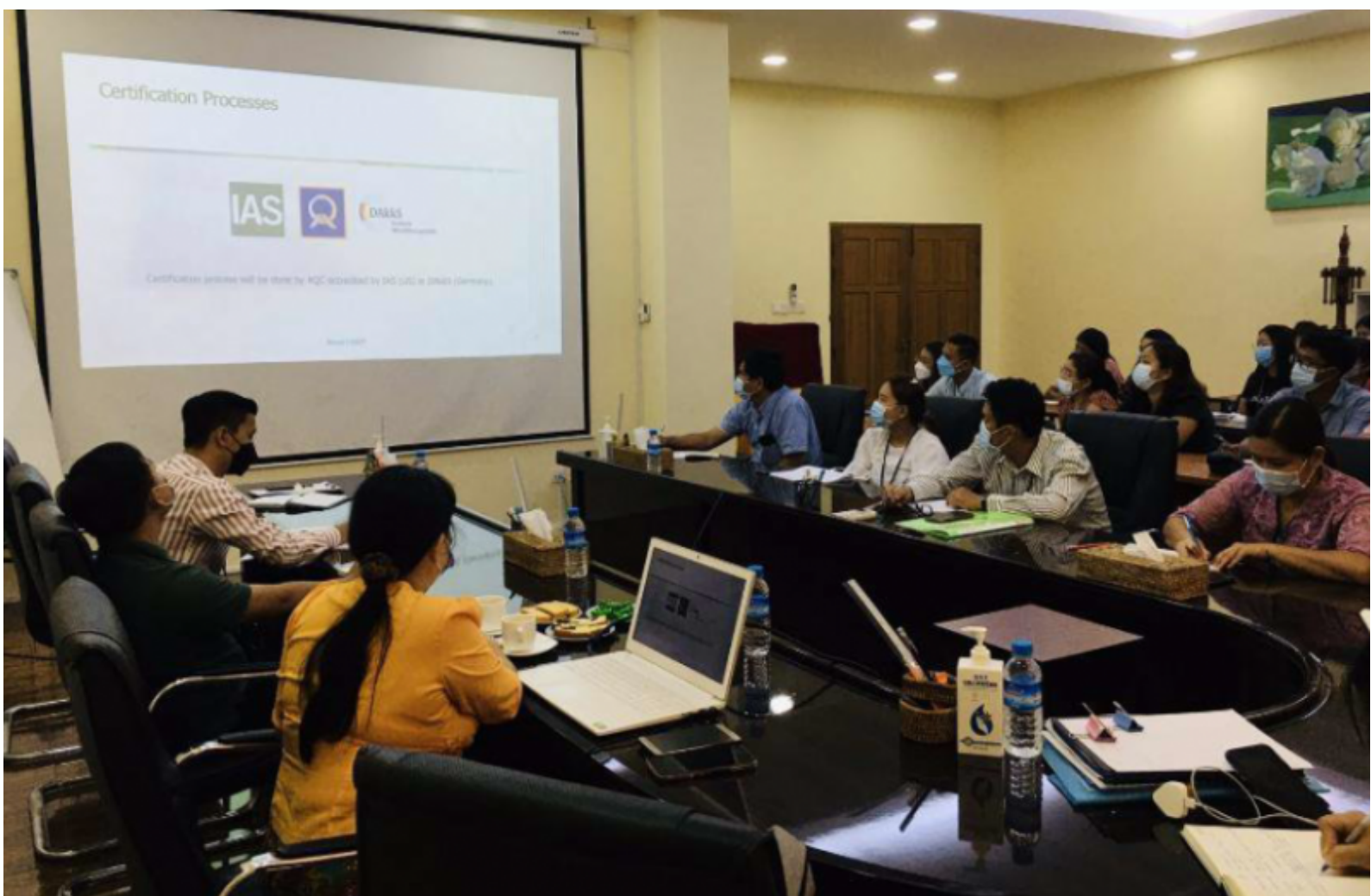
In **2019**, Authentic Construction is accepting **5 Civil Engineering Students as Internship Program** at **Patheingyi Water Supply project** and **9 Mile Condo** construction projects. Among them **2 engineering students are female**.

The Authentic Group of Companies is also proud to be among the most significant taxpayers in Myanmar. We paid over **3.667 billion MMK of tax from the 2019 financial year to 2021-2022 financial year**.

Trainings

The **ISO Awareness Training** creates the following benefits to the employees of Authentic Group of Companies.

- General understanding of the concepts of the ISO 9000 series of standards,
- Basic understanding of the requirements of ISO standards,
- How the requirements impact the day-to-day operations of organizations in the industry.
- In our Group, we regularly conduct ISO Awareness training every year.



Authentic Group of Companies regularly conduct the **Fire Safety Trainings and Drills** every 6 months for below reasons.

- To reduce Fire Hazards in our workplace.
- To keep an Eye on Fire-Prone Rooms.
- To keep up-to-Date the Fire Detection and Suppression System.
- To mark Emergency Exits.



PROTECTION & RESPONSES TO COVID-19

We fight the COVID-19 pandemic together with our staff, their families and the society. The following activities are our activities and contributions to fight against COVID-19.

- Distribution of Masks to all the employees every month
- Maintaining enough stocks of Masks and Hand Gel for office, construction sites and other operating activities
- Covid-19 Vaccination to the employees
- Following social distancing standards in offices and construction sites
- Providing transportation and ferry services for office employees
- Work-from-Home facilities
- Contribute over 3270 Lakhs MMK to fight Covid-19 in terms of Masks, Oxygen Generators, Medicines and other necessities.
- The following photo gallery is a collection of Covid-19 protection and prevention activities in head office and production factory.



OUR ACHIEVEMENTS IN 2020, 2021

1. Pathein Water Supply Project with the project value **17 Billions MMK** which is distributing treated water **45 million gallons/day** to 25,000 households from 9 quarters in Pathein starting from 25 Jan 2022.



2. Ranked at the **23th position as Myanmar's Most Transparent Company** on Pwint Thit Sa Report in 2020.
3. Contribute over **3270 Lakhs MMK to fight Covid-19** in terms of Masks, Oxygen Generators, Medicines and other necessities.
4. ISO Certifications for Production Factory - **ISO 14001:2015, ISO 45001:2018**
5. **ICB-04 Greater Yangon Water Supply Project** with the collaboration with YCDC.

The main distribution line and distribution network connected with existing YCDC water distribution network to distribute water with good pressure to the following areas.

- Dagon Seik Kan Township (Yuzana Garden Resident),
- 29th Ward and 30th Ward of Thingang Gyun Township,
- Dawbon Township,
- Thaketa Township,
- 93th Ward and 94th Ward of South Dagon Township,
- 27th Ward (Pin Lon Housings) North Dagon Township

6. Two new products launched - **HDPE Flexible Pipe, Double Wall Conjugated Pipe**



REPORTING

The Authentic Group of Companies embraces the following standards.

- Sustainable Development Goals (SDG) by UN
- Universal Declaration of Human Rights by UN
- Conventions and Recommendations by ILO

The Authentic Group of Companies embraces the following standards.

SDG Item	Explanation	Results
3. Good Health and Well Being	The treated water from our projects remove harmful minerals, chemicals and microorganisms	Our treated water was free from harmful chemicals, minerals and microorganisms such as free chlorine, free colour, lead, arsenic, fluorite, manganese, etc... tested by third party. (see the attached)
5. Equality Gender	Authentic Group of Companies priority target to gender equality	<ul style="list-style-type: none"> • 22.23% of our workforce is female • 10% of middle management positions are female staff.
6. Clean water and Sanitation	Our environmentally friendly products also help to improve better living standards and healthier lifestyles for Myanmar people.	<ul style="list-style-type: none"> • We produce various PE Water storage tanks and septic tanks are improvement of ecosystem and healthier life styles in Myanmar starting from 2013 • Authentic Production has been accredited ISO 9001:2008 since 21st October 2014. • We built a Clean Drinking Water System in Tamu Township, Chin State on 4.5.2017. • We built 27000 Liter/Day Drinking Water Facility in Seikkyi Kanaungto Township on 19.12.2019. • Our Water Distribution project to supply 4,500,000 Gallons/Day Treated Water to 125970 people in Pathein Township started from 25.1.2022.
8. Decent Work and Economic Growth	The Authentic Group of Companies is contributing to the economic development of Myanmar.	<ul style="list-style-type: none"> • 800 people are working at the Group. • 2 senior level staff were promoted to Manager positions to perform more responsibilities in 2019. • Almost 400 new people are hired in 2019 for new projects.
9. Industry, Innovation, and Infrastructure	Our products and services are empowering Myanmar to achieve better buildings and infrastructures. Our environmentally friendly products also help to improve better living standards and healthier lifestyles for Myanmar people.	<ul style="list-style-type: none"> • We produce various HDPE Pipes, and fittings, uPVC Pipe, PE Water storage tanks and septic tanks in Myanmar starting from 2013 with over 400 different products total. • Authentic Production has been accredited ISO 9001:2008 since 21st October 2014.

If you need more information about this Annual Report, feel free to contact us at info@authentic-mm.com.



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