

CREDIT REPORT

Case No. : 1400000000
Subject Enquired : XX
Registration No : 20000-E
Date Report Sent : 04/05/2013

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N/A - Not Applicable

EXECUTIVE SUMMARY

REGISTRATION NO. : 20000-E
COMPANY NAME : XX BHD.
FORMER NAME : N/A
INCORPORATION DATE : 28/08/1976
COMPANY STATUS : EXIST
LEGAL FORM : PRIVATE LIMITED
LISTED STATUS : NO
REGISTERED ADDRESS : XXX HOUSE, XXX DAGANGAN DANA 1, JALAN PJU 2A/47,
LEVEL 9, 47000 PETALING JAYA, SELANGOR, MALAYSIA.
BUSINESS ADDRESS : 4, XXX BJ 5, XXX INDUSTRIAN BELMAS JOHAN, 48000
RAWANG, SELANGOR, MALAYSIA.
TEL.NO. : 03-60000000
FAX.NO. : 03-60000000
EMAIL : sales@xx.com
WEB SITE : www.xx.com
CONTACT PERSON : HONG XX (DIRECTOR)
INDUSTRY CODE : 27101
PRINCIPAL ACTIVITY : ASSEMBLY OF LINEAR AND SWITCHING POWER
TRANSFORMERS
AUTHORISED CAPITAL : MYR 1,000,000.00 DIVIDED INTO

	ORDINARY SHARE 1,000,000.00 OF MYR 1.00 EACH.
ISSUED AND PAID UP CAPITAL :	MYR 733,333.00 DIVIDED INTO ORDINARY SHARES 133,333 CASH AND 600,000 OTHERWISE OF MYR 1.00 EACH.
SALES :	MYR 17,259,464 [2012]
NET WORTH :	MYR 2,467,378 [2012]
STAFF STRENGTH :	100 [2014]
BANKER (S) :	XX BANK BHD XX BANK (MALAYSIA) BHD XX BANK BHD
LITIGATION :	CLEAR
DEFAULTER CHECK :	CLEAR
FINANCIAL CONDITION :	FAIR
PAYMENT :	GOOD
MANAGEMENT CAPABILITY :	GOOD
COMMERCIAL RISK :	MODERATE
CURRENCY EXPOSURE :	MODERATE
GENERAL REPUTATION :	GOOD
INDUSTRY OUTLOOK :	MARGINAL GROWTH
PROPOSED CREDIT LIMIT :	MYR 1,022,000 (USD 324,000)

CREDIT RATING : **A** (Please refer to appendix)

HISTORY / BACKGROUND

The Subject is a private limited company and is allowed to have a minimum of one and a maximum of forty-nine shareholders. As a private limited company, the Subject must have at least two directors. A private limited company is a separate legal entity from its shareholders. As a separate legal entity, the Subject is capable of owning assets, entering into contracts, sue or be sued by other companies. The liabilities of the shareholders are to the extent of the equity they have taken up and the creditors cannot claim on shareholders' personal assets even if the Subject is insolvent. The Subject is governed by the Companies Act, 1965 and the company must file its annual returns, together with its financial statements with the Registrar of Companies.

The Subject is principally engaged in the (as a / as an) assembly of linear and switching power

transformers.

The Subject is not listed on Bursa Malaysia (Malaysia Stock Exchange).

The immediate holding company of the Subject is XX, a company incorporated in MALAYSIA.

Share Capital History

Date	Authorised Shared Capital	Issue & Paid Up Capital
15/02/2014	MYR 1,000,000.00	MYR 733,333.00
25/07/2002	MYR 1,000,000.00	MYR 533,333.00
11/05/2002	MYR 1,000,000.00	MYR 500,000.00

The major shareholder(s) of the Subject are shown as follows:

<u>Name</u>	<u>Address</u>	<u>IC/PP/Loc No</u>	<u>Shareholding (%)</u>	
XX.	3, JALAN BJ 6, TAMAN INDUSTRI BELMAS JOHAN, 40000 RAWANG, SELANGOR, MALAYSIA.	900000U	733,333.00	100.00
			-----	-----
			733,333.00	100.00
			=====	=====

+ Also Director

DIRECTORS

DIRECTOR 1

Name Of Subject : MR. XX
Address : 10, JALAN DESA 7/6, BANDAR COUNTRY HOMES, 40000
 RAWANG, SELANGOR, MALAYSIA.
IC / PP No : B0000000
New IC No : 600000-00-5500
Date of Birth : 25/12/1966
Nationality : MALAYSIAN
Date of Appointment : 11/11/1999

DIRECTOR 2

Name Of Subject : MR. HONG XX
Address : C3-7, JALAN TULIP SEK BS-3, BUKIT SENTOSA, 40000 RAWANG,
SELANGOR, MALAYSIA.
IC / PP No : 7000000
New IC No : 600000-00-5200
Date of Birth : 07/08/1965
Nationality : MALAYSIAN
Date of Appointment : 11/11/1999

MANAGEMENT

1) Name of Subject : HONG XX
Position : DIRECTOR
2) Name of Subject : XX
Position : ACCOUNTANT
3) Name of Subject : CHAI XX
Position : MARKETING MANAGER

AUDITOR

Auditor : XX
Auditor' Address : SUITE 12.06, THE GARDENS SOUTH TOWER, MID VALLEY CITY,
LINGKARAN SYED PUTRA, LEVEL 12, 50000 KUALA LUMPUR,
WILAYAH PERSEKUTUAN, MALAYSIA.

COMPANY SECRETARIES

1) Company Secretary : MS. LEONG XX
IC / PP No : A0000000
New IC No : 600000-00-5400
Address : 208, BLOCK F, PARADESA TROPICA, 8, PERSIARAN MERANTI,
PJU 10, BANDAR SRI DAMANSARA, 50000 KUALA LUMPUR,
WILAYAH PERSEKUTUAN, MALAYSIA.
2) Company Secretary : MS. SEE XX
IC / PP No : A0000000
New IC No : 600000-00-5800
Address : 18, JALAN ARA SD8/5G, BANDAR SRI DAMANSARA, 50000
KUALA LUMPUR, WILAYAH PERSEKUTUAN, MALAYSIA.

BANKING

Banking relations are maintained principally with :

- 1) Name : XX BANK BHD
- 2) Name : XX BANK (MALAYSIA) BHD
- 3) Name : XX BANK BHD

ENCUMBRANCE (S)

Charge No	Creation Date	Charge Description	Chargee Name	Total Charge	Status
1	21/11/2012	THIRD LEGAL CHARGE UNDER THE NATIONAL LAND CODE	XX BANK (MALAYSIA) BHD	MYR 2,500,000.00	Unsatisfied
2	24/09/2013	LETTER OF SET-OFF	XX BANK BERHAD	-	Unsatisfied

LEGAL CHECK AGAINST SUBJECT

* A check has been conducted in our databank against the Subject whether the subject has been involved in any litigation. Our databank consists of 99% of the wound up companies in Malaysia.

No legal action was found in our databank.

No winding up petition was found in our databank.

DEFAULTER CHECK AGAINST SUBJECT

* We have checked through the Subject in our defaulters' database which comprised of debtors that have been blacklisted by our customers and debtors that have been placed or assigned to us for collection since 1990. Information was provided by third party where the debt amount can be disputed. Please check with creditors for confirmation as alleged debts may have been paid since recorded or are being disputed.

No blacklisted record & debt collection case was found in our defaulters' databank.

PAYMENT RECORD

SOURCES OF RAW MATERIALS:

Local : YES

Overseas : YES
Import Countries : CHINA

The Subject refused to provide any name of trade/service supplier and we are unable to conduct any trade enquiry. However, from financial historical data we conclude that:

OVERALL PAYMENT HABIT

Prompt 0-30 Days Good 31-60 Days Average 61-90 Days
 Fair 91-120 Days Poor >120 Days

CLIENTELE

Local : YES
 Domestic Markets : MALAYSIA
 Overseas : YES
 Export Market : CHINA
 Credit Term : 30 DAYS, AS AGREED
 Payment Mode : CASH
 CHEQUES
 BANK TRANSFER
 Type of Customer : MANUFACTURING INDUSTRIES

OPERATIONS

Products manufactured : LINEAR AND SWITCHING POWER TRANSFORMERS
 Factory / Premises : 12, XXX TIRAM DUA, XXX PERINDUSTRIAN TIRAM, BATU 16, JALAN SUNGAI TIRAM, 80000 ULU TIRAM, JOHOR, MALAYSIA.
 Tel No: 07-0000000
 Fax No: 07-0000000

Total Number of Employees:

YEAR	2014	2012
GROUP	N/A	N/A
COMPANY	100	50

Branch : YES

Other Information:

The Subject is principally engaged in the (as a / as an) assembly of linear and switching power transformers.

The Subject major customers are mainly Japanese manufacturers based in Malaysia & China.

The Subject has progressively evolves to include ODM in Magnetic Components, Electronic Scale and CNC precision machining parts to our business portfolios.

The Subject strengths in Low Cost Manufacturing, Good Location and Engineering Capability provide us with the ability to adapt and transform to meet the Constant Change in the Business environment and ensures our Growth.

CURRENT INVESTIGATION

Latest fresh investigations carried out on the Subject indicated that :

Telephone Number Provided By Client	:	600-00000000
Current Telephone Number	:	03-00000000
Match	:	YES
Address Provided by Client	:	NO.3, XXX BJ 6, TAMAN PERIDUSTRIAN BELMAS JOHAN, 40000 RAWANG, SELANGOR D.E. MALAYSIA
Current Address	:	3, XXX BJ 6, TAMAN INDUSTRIAN BELMAS JOHAN, 40000 RAWANG, SELANGOR, MALAYSIA.
Match	:	YES
Latest Financial Accounts	:	YES

Other Investigations

On 31th March 2014 we contacted one of the staff from the Subject and she provided some information.

FINANCIAL ANALYSIS

Profitability

Turnover	: Erratic	[2008 - 2012]
Profit/(Loss) Before Tax	: Increased	[2008 - 2012]
Return on Shareholder Funds	: Favourable	[57.53%]
Return on Net Assets	: Favourable	[53.76%]

The fluctuating turnover reflects the fierce competition among the existing and new market players. The higher profit could be attributed to the increase in turnover. Generally the Subject was profitable. The favourable return on shareholders' funds and return on net assets indicate that the Subject's management was efficient in utilising the assets to generate returns.

Working Capital Control

Stock Ratio	: Favourable	[32 Days]
Debtor Ratio	: Unfavourable	[90 Days]
Creditors Ratio	: Favourable	[7 Days]

The Subject's stocks were moving fast thus reducing its holding cost. This had reduced funds being tied up in stocks. The Subject's debtors ratio was high. The Subject should tighten its credit control and improve its collection period. The Subject had a favourable creditors' ratio where the Subject could be taking advantage of the cash discounts and also wanting to maintain goodwill with its creditors.

Liquidity

Liquid Ratio	: Acceptable	[0.93 Times]
Current Ratio	: Unfavourable	[1.08 Times]

The Subject's liquid ratio was slightly low. This could indicate that the Subject's working capital was slightly deficient. The Subject will have to improve its liquidity position either by obtaining short term financing or increase its paid up capital so that it can meet all its short term obligations as and when they fall due.

Solvency

Interest Cover	: Acceptable	[6.81 Times]
Gearing Ratio	: Unfavourable	[2.12 Times]

The Subject's interest cover was slightly low. If there is no sharp fall in its profit or sudden increase in the interest rates, we believe the Subject is able to generate sufficient income to service its interest and repay the loans. The Subject was highly geared, thus it had a high financial risk. The Subject was dependent on loans to finance its business needs. In times of economic downturn and / or high interest rate, the Subject will become less profitable and competitive than other firms in the same industry, which are lowly geared. This is because the Subject has to service the interest and to repay the loan, which will erode part of its profits. The profits will fluctuate depending on the Subject's turnover and the interest it needs to pay.

Overall Assessment :

Although the turnover was erratic, the Subject had maintained a steady growth in its profit. This indicate the management's efficiency in controlling its costs and profitability. The Subject's liquidity was at an acceptable range. If the Subject is able to obtain further short term financing, it should be able to meet all its short term obligations. The Subject had an acceptable interest cover. If there is no sudden sharp increase in interest rate or fall in the Subject's profit, we do believe the Subject is able to generate sufficient cash flow to service its interest payment. The Subject's gearing level was high and its going concern will be in doubt if there is no injection of additional shareholders' funds in times of economic downturn and / or high interest rates.

Overall financial condition of the Subject : FAIR

MALAYSIA ECONOMIC / INDUSTRY OUTLOOK

Major Economic Indicators:	2009	2010	2011	2012*	2013**
Population (Million)	28.13	28.35	28.70	29.30	29.80
Gross Domestic Products (%)	(0.5)	7.2	5.1	5.6	5.3
Domestic Demand (%)	2.9	6.3	8.2	9.4	5.6
Private Expenditure (%)	(2.7)	8.1	8.2	8.0	7.4
Consumption (%)	0.7	6.7	7.1	1.0	5.7
Investment (%)	(17.2)	17.7	12.2	11.7	13.3
Public Expenditure (%)	5.2	3.8	8.4	13.3	1.2
Consumption (%)	3.1	0.2	16.1	11.3	(1.2)
Investment (%)	8.0	2.8	(0.3)	15.9	4.2
Balance of Trade (MYR Million)	89,650	118,356	116,058	106,300	110,700
Government Finance (MYR Million)	(28,450)	(40,482)	(45,511)	(42,297)	(39,993)
Government Finance to GDP / Fiscal Deficit (%)	(4.8)	(5.6)	(5.4)	(4.5)	(4.0)
Inflation (% Change in Composite CPI)	(5.2)	5.1	3.1	1.6	2.5
Unemployment Rate	4.5	3.9	3.3	3.2	3.0
Net International Reserves (MYR Billion)	331	329	415	427	-
Average Risk-Weighted Capital Adequacy Ratio (%)	2.87	2.20	3.50	2.20	-
Average 3 Months of Non-performing Loans (%)	11.08	15.30	14.80	14.70	-
Average Base Lending Rate (%)	5.53	6.30	6.60	6.53	-
Business Loans Disbursed(%)	10.5	14.7	15.3	32.2	-
Foreign Investment (MYR Million)	22,156.8	22,517.9	23,546.1	26,230.4	-
Consumer Loans (%)	-	-	-	-	-
Registration of New Companies (No.)	41,578	44,148	45,455	45,441	-
Registration of New Companies (%)	(0.1)	6.2	3.0	(0.0)	-
Liquidation of Companies (No.)	39,075	25,585	132,476	-	-
Liquidation of Companies (%)	39.6	(34.5)	417.8	-	-
Registration of New Business (No.)	312,581	271,414	284,598	324,761	-
Registration of New Business (%)	-	-	-	-	-
Business Dissolved (No.)	19,345	19,738	20,121	-	-
Business Dissolved (%)	2.4	2.0	1.9	-	-
Sales of New Passenger Cars (' 000 Unit)	486.3	543.6	535.1	552.2	-
Cellular Phone Subscribers (Million)	30.1	32.8	35.3	38.5	-
Tourist Arrival (Million Persons)	23.6	24.6	24.7	25.0	-
Hotel Occupancy Rate (%)	58.0	63.0	60.6	62.4	-
Credit Cards Spending (%)	12.8	14.1	15.6	12.6	-
Bad Cheque Offenders (No.)	36,667	33,568	32,627	26,982	-
Individual Bankruptcy (No.)	16,228	18,119	19,167	19,575	-
Individual Bankruptcy (%)	16.7	11.7	5.8	2.1	-

INDUSTRIES (% of Growth):	2009	2010	2011	2012*	2013**
Agriculture	0.4	2.1	5.9	0.6	2.4
Palm Oil	(1.1)	(3.4)	10.8	(2.8)	-
Rubber	(19.8)	9.9	6.1	(0.6)	-
Forestry & Logging	(5.9)	(3.3)	(7.6)	(2.2)	-
Fishing	5.5	5.6	2.1	(0.7)	-
Other Agriculture	9.0	7.9	7.1	6.4	-
<i>Industry Non-Performing Loans (MYR Million)</i>	<i>413.7</i>	<i>508.4</i>	<i>634.1</i>	-	-
<i>% of Industry Non-Performing Loans</i>	<i>1.3</i>	<i>2.1</i>	<i>3.2</i>	-	-
Mining	(3.8)	0.2	(5.7)	1.5	2.7
Oil & Gas	2.1	0.5	(1.7)	-	-
Other Mining	-	-	-	-	-
<i>Industry Non-performing Loans (MYR Million)</i>	<i>44.2</i>	<i>49.7</i>	<i>46.5</i>	-	-
<i>% of Industry Non-performing Loans</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	-	-
Manufacturing #	(9.4)	11.4	4.7	4.2	4.9
Exported-oriented Industries	(19.0)	12.1	2.8	4.1	-
Electrical & Electronics	(30.3)	28.4	(4.9)	1.6	-
Rubber Products	(10.1)	25.3	15.4	3.6	-
Wood Products	(24.1)	20.1	(4.9)	4.6	-
Textiles & Apparel	(19.5)	(0.4)	14.8	(7.1)	-
Domestic-oriented Industries	(9.8)	16.3	6.5	8.6	-
Food, Beverages & Tobacco	0.2	3.0	4.2	-	-
Chemical & Chemical Products	(7.7)	16.2	5.5	9.9	-
Plastic Products	(9.1)	2.4	3.8	-	-
Iron & Steel	(32.7)	29.3	2.4	-	-
Fabricated Metal Products	(2.5)	14.9	25.2	-	-
Non-metallic Mineral	(15.5)	20.2	27.1	6.6	-
Transport Equipment	(13.5)	36.5	(10.4)	13.7	-
Paper & Paper Products	(5.0)	18.7	14.8	(7.8)	-
Crude Oil Refineries	0.2	(11.4)	9.3	-	-
<i>Industry Non-Performing Loans (MYR Million)</i>	<i>6,007.3</i>	<i>6,217.5</i>	<i>6,537.2</i>	-	-
<i>% of Industry Non-Performing Loans</i>	<i>18.3</i>	<i>23.8</i>	<i>25.7</i>	-	-
Construction	5.8	5.1	4.4	15.5	11.2
<i>Industry Non-Performing Loans (MYR Million)</i>	<i>3,241.8</i>	<i>4,038.5</i>	<i>3,856.9</i>	-	-
<i>% of Industry Non-Performing Loans</i>	<i>9.9</i>	<i>10.7</i>	<i>10.2</i>	-	-
Services	2.6	6.5	6.4	5.5	5.6
Electric, Gas & Water	0.4	8.5	5.6	4.8	-
Transport, Storage & Communication	1.6	7.7	6.5	7.3	-
Wholesale, Retail, Hotel & Restaurant	2.8	4.7	5.2	6.9	-
Finance, Insurance & Real Estate	3.8	6.1	6.3	6.5	-
Government Services	2.0	6.7	7.6	5.6	-
Other Services	4.4	4.2	5.4	5.7	-
<i>Industry Non-Performing Loans (MYR Million)</i>	<i>6,631.3</i>	<i>7,384.6</i>	<i>6,825.2</i>	-	-
<i>% of Industry Non-Performing Loans</i>	<i>20.2</i>	<i>25.7</i>	<i>23.4</i>	-	-

* Estimate / Preliminary

** Forecast

Based On Manufacturing Production Index

(Source : Department of Statistics / Economic Report / Bank Negara Report)

INDUSTRY ANALYSIS

MSIC CODE

27101 : Manufacture of electric motors, generators and transformers

INDUSTRY : ELECTRICAL & ELECTRONIC

The Electrical & Electronics (E&E) industry is the leading industry within the manufacturing sector and is the largest contributor to manufacturing output, employment, investment, exports and imports. Malaysia is a key player in the fast expanding Asia Pacific E&E market, its major export destinations include Singapore, United States, Europe, Japan and Taiwan. The E&E industry is targeted under the National Key Economic Areas (NKEA) to gear the nation towards high-income economy by focusing on high-value and high-growth manufacturing activities.

According to Ministry of Finance, in the year 2013 the electrical and electronic (E&E) subsector is expected to grow further, driven by higher demand for electronic equipment and parts as well as semiconductors in line with recovery in advanced economies.

Output of E&E rebounded 1.6% during the first seven months of 2012 mainly driven by the higher production of semiconductor devices (14.5%) as well as audio, visual and communication apparatus (6%). The improved performance of E&E was partly due to chip vendors and storage producers taking advantage of stable prices and supply of parts to replenish inventories as well as the launching of new products which was delayed by massive floods in Thailand during the fourth quarter of 2011.

Despite the slowdown in global demand, E&E manufacturers continued to invest in new technology and product development to upscale the value chain. Approved capital spending in the E&E subsector amounted to RM1.72 billion in 46 projects, of which RM1.35 billion were from foreign investors. This further reaffirms Malaysia as an attractive and cost-efficient E&E manufacturing base in the region. The continued strong investments will further strengthen growth in the E&E subsector and create more skilled jobs.

Softening of world demand for solar panels impact Malaysia on it's downturn in small scale compared to China where it facing great impact. The decline in E&E products was also due to the weak global demand.

E&E has been instrumental in the development of the Northern Corridor Klang Valley, Johor and Sarawak, contributing significantly to the socio-economic development of the relevant communities. However, the E&E sector faces significant challenges in maintaining growth with intense competition from China, Taiwan, Singapore and other Asian countries. Over the last 10 years, E&E's share of Malaysian exports has gradually declined.

Malaysia's E&E sector remains focused on assembly, the lower value-added part of the industry while Taiwan, South Korea and Singapore have captured the higher value-added activities in research and development, design and manufacturing.

To propel the E&E industry to a higher level, under the Economic Transformation Programme (ETP) launched by the Government, a few sub-sectors namely integrated circuits, solar photovoltaics, light emitting diodes, and solid state lighting & integrated electronics have been identified for greater promotion based on their potential to contribute significantly towards Gross National Income (GNI) targets 2020.

OVERALL INDUSTRY OUTLOOK : Marginal Growth

CREDIT RISK EVALUATION & RECOMMENDATION

Incorporated in 1976, the Subject is a Private Limited company, focusing on assembly of linear and switching power transformers. The Subject has been in business for over 3 decades. It has built up a strong clientele base and good reputation will enable the Subject to further enhance its business in the near term. The Subject is expected to enjoy a stable market shares. Having strong support from its holding company has enabled the Subject to remain competitive despite the challenging business environment.

Over the years, the Subject has penetrated into both the local and overseas market. The Subject has positioned itself in the global market and is competing in the industry. Its stable clientele base will enable the Subject to further enhance its business in the near term. Being a moderate size company, the Subject has a total workforce of 150 employees in its business operations. The Subject has a good management capability. Its capable management team has enabled the Subject to keep its business on going. Hence, the future prospect of the Subject is bright.

We noted that both the turnover and profits have increased compared to the previous year. The higher profit could be due to increase in turnover and better control over its operating

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costs. Based on the higher profitability, the Subject has generated a favourable return based on its existing shareholders' funds which indicated that the management was efficient in utilising its funds to generate income. The Subject managed to maintain an adequate liquidity level, indicating that the Subject has the ability to meet its financial obligations. The high gearing ratio clearly implied that the Subject was supported by more debt than equity. Nevertheless, given a positive net worth standing at MYR 2,467,370,000 the Subject should be able to maintain its business in the near terms.

Having a strong assets backing, the Subject possesses latent assets as collateral for further financial extension. Hence, it has good chance of getting loans if the needs arises. The Subject's supplier are from both the local and overseas countries. This will eliminates the risk of dependency on deliveries from a number of key suppliers and insufficient quantities of its raw materials. Overall the Subject has a good control over its resources.

Overall, the Subject's payment habit is good as the Subject has a good credit control and it could be taking advantage of the cash discounts while maintaining a good reputation with its creditors.

The industry has reached its maturity stage and only enjoying a marginal growth. The steady growth of the country's economy will further enhance the industry activities. As the Subject is long presence in the market, it should have acquired competitive edge against other players in the same fields.

Based on the above condition, we recommend credit be granted to the Subject promptly.

~ END OF REPORT ~

PROFIT AND LOSS ACCOUNT

THE FINANCIAL STATEMENTS WERE PREPARED IN ACCORDANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS(FRS)

XXX BHD.

Financial Year End	2012-12-31	2011-12-31	2010-12-31	2009-12-31	2008-12-31
Months	12	12	12	12	12
Consolidated Account	Company	Company	Company	Company	Company
Audited Account	YES	YES	YES	YES	YES
Unqualified Auditor's Report (Clean Opinion)	YES	YES	YES	YES	YES
Financial Type	FULL	FULL	SUMMARY	SUMMARY	SUMMARY
Currency	MYR	MYR	MYR	MYR	MYR
TURNOVER	17,259,464	13,122,323	22,948,500	17,435,982	21,352,317
Other Income	79,252	236,087	-	-	-
Total Turnover	17,338,716	13,358,410	22,948,500	17,435,982	21,352,317
Costs of Goods Sold	(13,287,747)	(11,198,403)	-	-	-
Gross Profit	4,050,969	2,160,007	-	-	-
PROFIT/(LOSS) FROM OPERATIONS	1,828,965	294,487	665,023	1,158,146	628,592
PROFIT/(LOSS) BEFORE TAXATION	1,828,965	294,487	665,023	1,158,146	628,592
Taxation	(409,400)	-	(23,148)	(174,104)	(163,174)
PROFIT/(LOSS) AFTER TAXATION	1,419,565	294,487	641,875	984,042	465,418
RETAINED PROFIT/(LOSS) BROUGHT FORWARD					
As previously reported	4,433,664	4,464,471	4,295,613	3,311,571	3,031,099
Prior year adjustment	-	(325,294)	-	-	-
As restated	4,433,664	4,139,177	4,295,613	3,311,571	3,031,099
PROFIT AVAILABLE FOR APPROPRIATIONS	5,853,229	4,433,664	4,937,488	4,295,613	3,496,517
TRANSFER TO RESERVES - General	-	-	(250,274)	-	(184,946)
DIVIDENDS - Ordinary (paid & proposed)	(4,312,513)	-	(222,743)	-	-
RETAINED PROFIT/(LOSS) CARRIED FORWARD	1,540,716	4,433,664	4,464,471	4,295,613	3,311,571

INTEREST EXPENSE (as per notes to P&L)

Bankers' acceptance	77,310	19,900	-	-	-
Hire purchase	29,621	24,019	-	-	-
Term loan / Borrowing	78,400	87,328	-	-	-
Others	129,329	70,279	-	-	-
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	314,660	201,526	-	-	-
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BALANCE SHEET

XXX BHD.

ASSETS EMPLOYED:

FIXED ASSETS	3,175,755	3,308,613	3,130,182	2,835,891	2,850,041
TOTAL LONG TERM ASSETS	3,175,755	3,308,613	3,130,182	2,835,891	2,850,041
CURRENT ASSETS					
Stocks	1,495,025	1,697,331	-	-	-
Trade debtors	4,672,994	2,641,918	-	-	-
Other debtors, deposits & prepayments	2,122,010	730,454	-	-	-
Short term deposits	509,910	300,000	-	-	-
Amount due from holding company	974,435	503,249	-	-	-
Amount due from related companies	-	864,232	-	-	-
Cash & bank balances	24,524	25,676	-	-	-
Dividend Received	1,163,196	2,159,095	-	-	-
Others	-	105,778	-	-	-
TOTAL CURRENT ASSETS	10,962,094	9,027,733	10,672,416	8,131,079	7,081,061
TOTAL ASSET	14,137,849	12,336,346	13,802,598	10,966,970	9,931,102
CURRENT LIABILITIES					
Trade creditors	240,956	212,720	-	-	-
Other creditors & accruals	261,457	134,140	-	-	-
Hire purchase & lease creditors	152,696	159,012	-	-	-
Bank overdraft	1,498,669	3,917,746	-	-	-
Short term borrowings/Term loans	187,287	175,226	-	-	-
Bill & acceptances payable	1,967,000	197,949	-	-	-
Amounts owing to related companies	1,286,828	387,088	-	-	-
Amounts owing to director	-	1,245	-	-	-
Provision for taxation	242,722	-	-	-	-
Dividends payable/proposed	4,312,513	-	-	-	-
TOTAL CURRENT LIABILITIES	10,150,128	5,185,126	6,754,514	4,131,689	3,961,658
NET CURRENT ASSETS/(LIABILITIES)	811,966	3,842,607	3,917,902	3,999,390	3,119,403
TOTAL NET ASSETS	3,987,721	7,151,220	7,048,084	6,835,281	5,969,444

SHARE CAPITAL					
Ordinary share capital	733,333	733,333	733,333	733,333	733,333
TOTAL SHARE CAPITAL	733,333	733,333	733,333	733,333	733,333
RESERVES					
Share premium	193,329	193,329	736,137	786,327	860,490
Retained profit/(loss) carried forward	1,540,716	4,433,664	4,464,471	4,295,613	3,311,571
TOTAL RESERVES	1,734,045	4,626,993	5,200,608	5,081,940	4,172,061
SHAREHOLDERS' FUNDS/EQUITY	2,467,378	5,360,326	5,933,941	5,815,273	4,905,394
LONG TERM LIABILITIES					
Long term loans	1,085,474	1,264,049	-	-	-
Hire purchase creditors	373,969	526,845	-	-	-
Deferred taxation	60,900	-	-	-	-
TOTAL LONG TERM LIABILITIES	1,520,343	1,790,894	1,114,143	1,020,008	1,064,050
	3,987,721	7,151,220	7,048,084	6,835,281	5,969,444
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FINANCIAL RATIO

XXX BHD.

TYPES OF FUNDS

Cash	534,434	325,676	-	-	-
Net Liquid Funds	(2,931,235)	(3,790,019)	-	-	-
Net Liquid Assets	(683,059)	2,145,276	3,917,902	3,999,390	3,119,403
Net Current Assets/(Liabilities)	811,966	3,842,607	3,917,902	3,999,390	3,119,403
Net Tangible Assets	3,987,721	7,151,220	7,048,084	6,835,281	5,969,444
Net Monetary Assets	(2,203,402)	354,382	2,803,759	2,979,382	2,055,353

BALANCE SHEET ITEMS

Total Borrowings	5,265,095	6,240,827	-	-	-
Total Liabilities	11,670,471	6,976,020	7,868,657	5,151,697	5,025,708
Total Assets	14,137,849	12,336,346	13,802,598	10,966,970	9,931,102
Net Assets	3,987,721	7,151,220	7,048,084	6,835,281	5,969,444
Net Assets Backing	2,467,378	5,360,326	5,933,941	5,815,273	4,905,394
Shareholders' Funds	2,467,378	5,360,326	5,933,941	5,815,273	4,905,394
Total Share Capital	733,333	733,333	733,333	733,333	733,333
Total Reserves	1,734,045	4,626,993	5,200,608	5,081,940	4,172,061

LIQUIDITY (Times)

Cash Ratio	0.05	0.06	-	-	-
Liquid Ratio	0.93	1.41	-	-	-
Current Ratio	1.08	1.74	1.58	1.97	1.79

WORKING CAPITAL CONTROL (Days)

Stock Ratio	32	47	-	-	-
Debtors Ratio	99	73	-	-	-
Creditors Ratio	7	7	-	-	-

SOLVENCY RATIOS (Times)

Gearing Ratio	2.13	1.16	-	-	-
Liabilities Ratio	4.73	1.30	1.33	0.89	1.02
Times Interest Earned Ratio	6.81	2.46	-	-	-
Assets Backing Ratio	5.44	9.75	9.61	9.32	8.14

PERFORMANCE RATIO (%)

Operating Profit Margin	10.60	2.24	2.90	6.64	2.94
Net Profit Margin	8.22	2.24	2.80	5.64	2.18
Return On Net Assets	53.76	6.94	9.44	16.94	10.53
Return On Capital Employed	38.01	4.42	9.44	16.94	10.53
Return On Shareholders' Funds/Equity	57.53	5.49	10.82	16.92	9.49
Dividend Pay Out Ratio (Times)	3.04	0.00	0.35	-	-

NOTES TO ACCOUNTS

Contingent Liabilities	0	0			
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APPENDIX

RATING	CREDIT RISK	CREDIT RECOMMENDATION	PROPOSED CREDIT LIMIT (in concerned business field)
AA	Very Low	Credit can be proceeded with favourable terms	Large amount
A	Low	Credit can be proceeded promptly	Fairly large amount
BB	Below Average	Credit can be proceeded with normally	Moderate amount
B	Average	Credit can be proceeded with monitor	Small amount - periodical
C	Above Average	Credit can be extended under guarantee	C.O.D to small amount
D	High	Credit is not recommended	C.O.D
E	Very High	Not qualified for credit assessment	Deposit or advance payment

The above rating reflects the credit risk and confidence level of Subject and serves as a guide in setting the amount of credit to be extended. It is calculated from a composite weighted scores obtained from each of the major and micro analyses as epitomized by the 6 Cs.

CHARACTER (25%)

It refers to the study of behavioral measures, management capacity and integrity of Subject.

CAPITAL (30%)

It refers to an evaluation of the financial position of the company taking consideration of company's financial and operational ratios. These are normally the organization's capital adequacy, management efficiency, earning and liquidity.

CAPACITY (12.5%)

It refers to the study of its payment records, potential resources and capacity, stakeholder's alliances and value chain analysis.

CONDITION (15%)

It refers to the environment scanning, industry study and benchmarking, SWOT analysis, market trend and corporation's value chain analysis in evaluating its current position and future prospects.

CONTACT (5%)

It indicates the influence of business networking, political connection and market coverage in achieving business success.

CONTROL & CONTIGENCY (12.5%)

It refers to the situational and sensitivity analysis, cost-benefit study, asset quality and coverage for untoward happenings, etc.

In case of unlimited companies, currently commenced companies or lack of financial data, more weight is given to other 5 Cs(non-financial measures) in our analysis.