

MIRA INFORM REPORT

Report No. :	522576
Report Date :	02.08.2018

IDENTIFICATION DETAILS

Name :	CANNON FAR EAST PTE LTD
Registered Office :	2, Woodlands Sector 1, 03-08, Woodlands Spectrum, 738068
Country :	Singapore
Financials (as on) :	31.12.2017
Date of Incorporation :	25.05.2000
Com. Reg. No.:	200004511Z
Legal Form :	Private Limited (Limited By Share)
Line of Business :	The subject is engaged in the trading of industrial machinery and equipment
No. of Employees :	30

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A+
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Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

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ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Singapore	A1	A1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

SINGAPORE - ECONOMIC OVERVIEW

Singapore has a highly developed and successful free-market economy. It enjoys a remarkably open and corruption-free environment, stable prices, and a per capita GDP higher than that of most developed countries. Unemployment is very low. The economy depends heavily on exports, particularly of electronics, petroleum products, chemicals, medical and optical devices, pharmaceuticals, and on Singapore's vibrant transportation, business, and financial services sectors.

The economy contracted 0.6% in 2009 as a result of the global financial crisis, but has continued to grow since 2010. Growth from 2012-2017 was slower than during the previous decade, a result of slowing structural growth - as Singapore reached high-income levels - and soft global demand for exports. Growth recovered to 3.6% in 2017 with a strengthening global economy.

The government is attempting to restructure Singapore's economy to reduce its dependence on foreign labor, raise productivity growth, and increase wages amid slowing labor force growth and an aging population. Singapore has attracted major investments in advanced manufacturing, pharmaceuticals, and medical technology production and will continue efforts to strengthen its position as Southeast Asia's leading financial and technology hub. Singapore is a signatory of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and a party to the Regional Comprehensive Economic Partnership (RCEP) negotiations with nine other ASEAN members plus Australia, China, India, Japan, South Korea, and New Zealand. In 2015, Singapore formed, with the other ASEAN members, the ASEAN Economic Community.

Source : CIA

EXECUTIVE SUMMARY

REGISTRATION NO.	: 200004511Z
COMPANY NAME	: CANNON FAR EAST PTE LTD
FORMER NAME	: C.F.E. SOLUTIONS PTE LTD (31/05/2001)
INCORPORATION DATE	: 25/05/2000
COMPANY STATUS	: EXIST
LEGAL FORM	: PRIVATE LIMITED (LIMITED BY SHARE)
LISTED STATUS	: NO
REGISTERED ADDRESS	: 2, WOODLANDS SECTOR 1, 03-08, WOODLANDS SPECTRUM, 738068, SINGAPORE.
BUSINESS ADDRESS	: 2, WOODLANDS SECTOR 1, WOODLANDS SPECTRUM 1, 03-08, 738068, SINGAPORE.
TEL.NO.	: 65-67532900
FAX.NO.	: 65-67532741
WEB SITE	: WWW.CANNONFAREAST.COM/
CONTACT PERSON	: WONG LEE MENG (DIRECTOR)
PRINCIPAL ACTIVITY	: TRADING OF INDUSTRIAL MACHINERY AND EQUIPMENT
ISSUED AND PAID UP CAPITAL	: 2,000,000.00 ORDINARY SHARE, OF A VALUE OF SGD 2,000,000.00
SALES	: SGD 51,810,084 [2017]
NET WORTH	: SGD 16,113,825 [2017]
STAFF STRENGTH	: 30 [2018]
BANKER (S)	: CITIBANK N.A.
LITIGATION	: CLEAR
FINANCIAL CONDITION	: STRONG
PAYMENT	: REGULAR
MANAGEMENT CAPABILITY	: AVERAGE
COMMERCIAL RISK	: LOW
CURRENCY EXPOSURE	: MODERATE
GENERAL REPUTATION	: SATISFACTORY
INDUSTRY OUTLOOK	: MARGINAL GROWTH

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

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even if the Subject is insolvent. The Subject is governed by the Companies Act 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) trading of industrial machinery and equipment.

The immediate holding company of the Subject is WORLDWIDE POLYURETHANES B.V, a company incorporated in NETHERLANDS.

The ultimate holding company of the Subject is CANON S.P.A., a company incorporated in ITALY.

Share Capital History

Date	Issue & Paid Up Capital
31/07/2018	SGD 2,000,000.00

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

Current Shareholder(s) :

Name	Address	IC/PP/Loc No	Shareholding	(%)
WONG LEE MENG +	110, ANG MO KIO AVENUE 4, 06-44, 560110, SINGAPORE.	S0148913E	150,000.00	7.50
WORLDWIDE POLYURETHANES B.V	ROKIN 55, 1012, KK AMSTERDAM NL NETHERLANDS	T07UF0560	1,850,000.00	92.50
			----- 2,000,000.00 =====	----- 100.00 =====

+ Also Director

The Subject's interest in other companies (Subsidiaries/Associates) are shown as follow :

Local No	Country	Company	Status	(%)	As At
520343P	MALAYSIA	CANNON FAR EAST (M) SDN. BHD.	-	90.00	31/12/2017
200406449W	SINGAPORE	CANNON FAR EAST INVESTMENTS PTE. LTD.	-	100.00	31/07/2018

DIRECTORS

DIRECTOR 1

Name Of Subject : MARCO PIERO ANTONIO DE GUIDI
Address : VIALE MONTE NERO, 48 MILANO, ITALY.
IC / PP No : YA2498504
Nationality : ITALIAN
Date of : 01/04/2015
Appointment

INTEREST CHECK

Interest in : see below

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companies
Interest in business : none in our databank
Former interest : none in our databank

INTEREST IN COMPANY

No	Local No	Company	Designation	App Date	Shareholding		Profit/(loss) After Tax	Financial Year	Status	As At
					No.	%				
1	20000451 1Z	CANNON FAR EAST PTE LTD	Director	01/04/2015	0.00	-	SGD2,189,044.00	2017	-	31/07/2018

DIRECTOR 2

Name Of Subject : GARY STEVEN WILLIAMS
Address : 73, BELMONT ROAD GATLEY STOCKPORT SK8 4AG, ENGLAND, UNITED KINGDOM.
IC / PP No : 514907057
Nationality : BRITISH
Date of Appointment : 25/05/2000

INTEREST CHECK

Interest in companies : see below
Interest in business : none in our databank
Former interest : none in our databank

INTEREST IN COMPANY

No	Local No	Company	Designation	App Date	Shareholding		Profit/(loss) After Tax	Financial Year	Status	As At
					No.	%				
1	20000451 1Z	CANNON FAR EAST PTE LTD	Director	25/05/2000	0.00	-	SGD2,189,044.00	2017	-	31/07/2018

DIRECTOR 3

Name Of Subject : WONG LEE MENG
Address : 110, ANG MO KIO AVENUE 4, 06-44, 560110, SINGAPORE.
IC / PP No : S0148913E
Nationality : SINGAPOREAN
Date of Appointment : 01/07/2000

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Appointment

INTEREST CHECK

Interest in : see below
companies
Interest in business : none in our databank
Former interest : none in our databank

INTEREST IN COMPANY

N	Local No	Compa ny	Designati on	App Date	Shareholding No.	%	Profit/(loss) After Tax	Financ ial Year	Stat us	As At
1	520343P	CANNO N FAR EAST (M) SDN. BHD.	Director	14/07/20 00	0.00	-	MYR189,364. 00	2016	-	26/06/20 18
2	20000451 1Z	CANNO N FAR EAST PTE LTD	Secretary Director	12/01/20 10 01/07/20 00	150,000. 00	7.5 0	SGD2,189,04 4.00	2017	-	31/07/20 18

MANAGEMENT

1) Name of : WONG LEE MENG
Subject
Position : DIRECTOR

AUDITOR

Firm No	Firm Name	Address	As At Date
	RSM CHIO LIM LLP	N/A	31/12/2017

COMPANY SECRETARIES

1) Company : WONG LEE MENG

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Secretary
IC / PP No : S0148913E
Address : 110, ANG MO KIO AVENUE 4, 06-44, 560110, SINGAPORE.
Date of : 12/01/2010
Appointment

BANKING

Banking relations are maintained principally with :

1) Name : CITIBANK N.A.

ENCUMBRANCE (S)

Charge No	Creation Date	Charge Description	Chargee Name	Total Charge	Status
C200804490	15/05/2008	N/A	UNICREDIT BANK AG	-	Unsatisfied
C200907153	06/11/2009	N/A	CITIBANK N.A.	-	Unsatisfied

CIVIL LITIGATION CHECK - SUBJECT COMPANY AS A DEFENDANT

* A check has been conducted in our databank against the Subject whether the subject has been involved in any litigation.

No legal action was found in our databank.

No winding up petition was found in our databank.

PAYMENT RECORD

SOURCES OF RAW MATERIALS:

Local : YES
Overseas : YES

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 [X]

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Fair 91-120 Days [] Poor >120 Days [] Days

CLIENTELE

Local : YES
Domestic Markets : SINGAPORE
Overseas : YES
Export Market : ASIA

ITALY

NETHERLANDS
Credit Term : N/A
Payment Mode : CHEQUES
LETTER OF CREDIT (LC)

OPERATIONS

Goods : INDUSTRIAL MACHINERY AND EQUIPMENT
Traded

Total Number of Employees:

YEAR 2018

GROUP N/A
COMPANY 30

Branch : NO
Other Information:

The Subject is principally engaged in the (as a / as an) trading of industrial machinery and equipment.

The Subject is dealers, distributors, importers and exporters of all kinds of machinery, tools, equipment and commission agent.

The Subject provides worldwide industries with dedicated engineering for reactive polymers processing technologies (polyurethanes and composites), thermoforming, steam & water solutions and industrial automation.

Among the products traded by the Subject includes the reaction process equipment, thermoforming equipment, aluminium die-casting, industrial boilers and water treatment system.

The Subject sells the products based on customer's demands and requirement.

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CURRENT INVESTIGATION

Latest fresh investigations carried out on the Subject indicated that :

Telephone Number Provided By : N/A
Client
Current Telephone Number : 65-67532900
Match : N/A
Address Provided by Client : 2 WOODLANDS SECTOR 1, NO.03-08, WOODLANDS SPECTRUM 1
SINGAPORE 738068
Current Address : 2, WOODLANDS SECTOR 1, WOODLANDS SPECTRUM 1, 03-08,
738068, SINGAPORE.
Match : YES

Other Investigations

We have contacted one of the staff from the Subject and he provided some information.

FINANCIAL ANALYSIS

Profitability

Turnover	:	Erratic	[2014 - 2017]
Profit/(Loss) Before Tax	:	Decreased	[2014 - 2017]
Return on Shareholder Funds	:	Acceptable	[12.69%]
Return on Net Assets	:	Acceptable	[19.05%]

The fluctuating turnover reflects the fierce competition among the existing and new market players. The dip in profit could be due to the stiff market competition which reduced the Subject's profit margin. The Subject's management had generated acceptable return for its shareholders using its assets.

Working Capital Control

Stock Ratio	:	Favourable	[55 Days]
Debtor Ratio	:	Unfavourable	[70 Days]
Creditors Ratio	:	Favourable	[40 Days]

The Subject's stocks were moving fast thus reducing its holding cost. This had reduced funds being tied up in stocks. The high debtors' ratio could indicate that the Subject was weak in its credit control. However, the Subject could also giving longer credit periods to its customers in order to boost its sales or to capture / retain its market share. 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	:	Favourable	[1.64 Times]
Current Ratio	:	Unfavourable	[1.81 Times]

A minimum liquid ratio of 1 should be maintained by the Subject in order to assure its creditors of its ability to meet short term obligations and the Subject was in a good liquidity position. Thus, we believe the Subject is able to meet all its short term obligations as and when they fall due.

Solvency

Interest Cover	:	Favourable	[6,303.71 Times]
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Gearing Ratio : Favourable [0.00 Times]

The interest cover showed that the Subject was able to service the interest. The favourable interest cover could indicate that the Subject was making enough profit to pay for the interest accrued. The Subject had no gearing and hence it had virtually no financial risk. The Subject was financed by its shareholders' funds and internally generated fund. During the economic downturn, the Subject, having a zero gearing, will be able to compete better than those which are highly geared in the same industry.

Overall Assessment :

The Subject recorded lower profits as its turnover showed a erratic trend. The Subject's management was unable to control its costs efficiently as its profit showed a downward trend. The Subject was in good liquidity position with its total current liabilities well covered by its total current assets. With its current net assets, the Subject should be able to repay its short term obligations. With the favourable interest cover, the Subject could be able to service all the accrued interest without facing any difficulties. The Subject was a zero gearing company, it was solely dependant on its shareholders to provide funds to finance its business. The Subject has good chance of getting loans, if the needs arises.

Overall financial condition of the Subject : STRONG

SINGAPORE ECONOMIC / INDUSTRY OUTLOOK

Major Economic Indicators :	2013	2014	2015	2016	2017*
Population (Million)	5.40	5.47	5.54	5.61	5.61
Gross Domestic Products (%)	5.1	3.9	2.2	2.4	3.6
Consumer Price Index	2.4	1.0	(0.5)	(0.5)	0.6
Total Imports (Million)	466,762.0	463,779.1	407,767.9	398,372.0	403,300.0
Total Exports (Million)	513,391.0	518,922.7	476,285.4	468,552.0	466,900.0
Unemployment Rate (%)	1.9	1.9	1.9	2.1	-
Tourist Arrival (Million)	15.46	15.01	15.23	16.28	-
Hotel Occupancy Rate (%)	86.3	85.5	84.0	83.1	84.7
Cellular Phone Subscriber (Million)	1.97	1.98	1.99	-	-
Registration of New Companies (No.)	37,288	41,589	34,243	35,227	37,395
Registration of New Companies (%)	9.8	11.5	(17.7)	2.9	6.2
Liquidation of Companies (No.)	17,369	18,767	21,384	23,218	22,379
Liquidation of Companies (%)	(5.3)	8.0	13.9	8.6	(3.6)
Registration of New Businesses (No.)	22,893	35,773	28,480	27,120	22,148
Registration of New Businesses (%)	1.70	56.30	(20.39)	(4.78)	(18.33)
Liquidation of Businesses (No.)	22,598	22,098	26,116	35,866	24,344
Liquidation of Businesses (%)	0.5	(2.2)	18.2	37.3	(32.1)
Bankruptcy Orders (No.)	1,992	1,757	1,776	1,797	1,638
Bankruptcy Orders (%)	14.0	(11.8)	1.0	1.2	(8.9)
Bankruptcy Discharges (No.)	2,584	3,546	3,499	4,359	2,030
Bankruptcy Discharges (%)	37.4	37.2	(1.3)	24.6	(53.4)

INDUSTRIES (% of Growth) :

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Agriculture

Production of Principal Crops	1.78	4.29	3.04	-	-
Fish Supply & Wholesale	(3.8)	(8.6)	(8.5)	(9.9)	-

Manufacturing #

Food, Beverages & Tobacco	97.9	99.4	100.0	103.7	110.3
Textiles	119.5	102.7	100.0	92.4	84.4
Wearing Apparel	334.1	212.6	100.0	83.4	88.2
Leather Products & Footwear	122.0	106.5	100.0	88.8	79.0
Wood & Wood Products	103.0	107.2	100.0	95.0	92.9
Paper & Paper Products	104.4	104.5	100.0	97.3	96.1
Printing & Media	113.8	105.968	100.0	85.1	73.1
Crude Oil Refineries	100.7	92.2	100.0	104.2	113.5
Chemical & Chemical Products	88.4	96.7	100.0	98.9	105.3
Pharmaceutical Products	101.421	109.4	100.0	113.8	96.0
Rubber & Plastic Products	109.497	109.2	100.0	91.4	93.7
Non-metallic Mineral	107.4	90.759	100.0	89.8	72.9
Basic Metals	77.2	99.3	100.0	106.2	108.3
Fabricated Metal Products	107.5	107.757	100.0	93.8	91.3
Machinery & Equipment	109.1	118.2	100.0	80.8	86.1
Electrical Machinery	87.4	97.871	100.0	101.5	111.7
Electronic Components	105.0	105.6	100.0	114.1	151.4
Transport Equipment	111.1	106.68	100.0	101.0	99.5

Construction

Real Estate	25.40	22.00	-	-	-
	88.5	145.1	-	-	-

Services

Electricity, Gas & Water	6.70	6.50	-	-	-
Transport, Storage & Communication	9.80	14.20	-	-	-
Finance & Insurance	3.30	6.00	-	7.40	-
Government Services	6.50	6.30	-	-	-
Education Services	3.10	5.98	-	2.40	-

* Estimate / Preliminary

Based on Index of Industrial Production (2015 = 100)

INDUSTRY ANALYSIS

INDUSTRY : TRADING

According to the Ministry of Trade and Industry, the wholesale & retail trade sector expanded to 3.0% in the fourth quarter of 2017, moderating from the 3.3% growth in the previous quarter. The wholesale trade segment was boosted by an improvement in foreign wholesale sales volume, which more than offset the weakness in domestic wholesale sales volume. For the whole of 2017, the sector expanded by 2.3%, faster than the 1.0% growth in 2016. The improvement in growth can be attributed to the wholesale segment.

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The domestic wholesale sales volume fell by 1.1% in the fourth quarter 2017, reversing the 2.0% growth in the preceding quarter. The poorer outturn was led by declines in the sales volume of household equipment & furniture (-27%) and general wholesale merchandise (-19%), which outweighed the increase in the sales volume of telecommunications & computers (20%). For the whole of 2017, the domestic wholesale trade index expanded by 1.0%, a turnaround from the 2.7% decline in 2016.

On the other hand, foreign wholesale sales volume rose to 6.2% in the fourth quarter 2017, a step-up from the 5.1% growth in the preceding quarter. Growth was driven by expansions in the sales of petroleum & petroleum-related products (11%), telecommunications & computers (19%) and electronic components (16%). However, growth was partly offset by a 20% decline in the sales volume of metals, timber & construction materials. For the full year 2017, the foreign wholesale trade index rose by 3.6%, faster than the increase of 1.5% in the previous year.

Besides, retail sales volume rose by 2.1% in the fourth quarter 2017, improving from the 0.9% growth recorded in the third quarter. Growth was supported by improvements in both motor vehicle and non-motor vehicle sales volumes. While motor vehicle sales benefitted from an on-year increase in COE supply, growth in non-motor vehicle sales came on the back of an improvement in consumer sentiments. Notably, the sales volume of discretionary goods such as recreational goods, computer & telecommunication equipment and wearing apparel & footwear grew by 4.6%, 4.3 % and 3.1% respectively.

For the full year 2017, retail sales volume expanded by 1.3%, similar to the 1.5% growth recorded in 2016. Growth was driven by both motor vehicle sales and non-motor vehicle sales, which the former rising by 1.5% and the latter increasing by 1.3%. The rise in non-motor vehicle sales was underpinned by higher sales of discretionary goods. For instance, the sales volume of recreational goods (3.9%), watches & jewellery (2.4%), computer & telecommunications equipment (1.7%) and wearing apparel & footwear (1.5%) improved in 2017.

OVERALL INDUSTRY OUTLOOK : MARGINAL GROWTH

CREDIT RISK EVALUATION & RECOMMENDATION

Incorporated in 2000, the Subject is a Private Limited company, focusing on trading of industrial machinery and equipment. Having been in the industry for over a decade, the Subject has achieved a certain market share and has built up a satisfactory reputation in the market. It should have received supports from its regular customers. A paid up capital of SGD 2,000,000 allows the Subject to expand its business more comfortably. With a strong backing from its holding company, the Subject enjoys timely financial assistance should the needs arise.

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 small company, the Subject's business operation is supported by 30 employees. Overall, we regard that the Subject's management capability is average. This indicates that the Subject has greater potential to improve its business performance and raising income for the Subject.

Financially, the Subject registered a higher turnover compared to previous year. However, its profits showed a reverse trend. The lower profit achieved was a result of higher operating cost and increased competition. Return on shareholders' funds of the Subject was at an acceptable range which indicated that the management was efficient in utilising its funds to generate income. The Subject is in good liquidity position with its current liabilities well covered by its current assets. Hence, it has sufficient working capital to meet its short term financial obligations. Being a zero geared company, the Subject virtually has no financial risk as it is mainly dependent on its internal funds to finance its business. Given a positive net worth standing at SGD 16,113,825, the Subject

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should be able to maintain its business in the near terms.

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.

The Subject's payment habit is average. With its adequate working capital, the Subject should be able to pay its short term debts.

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. Thus, the Subject's future performance is very much depend on its marketing strategies in order to retain its position in the market.

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

PROFIT AND LOSS ACCOUNT

THE FINANCIAL STATEMENTS WERE PREPARED IN ACCORDANCE WITH SINGAPORE FINANCIAL REPORTING STANDARDS.

CANNON FAR EAST PTE LTD

Financial Year End	2017-12-31	2016-12-31	2015-12-31	2014-12-31
Months	12	12	12	12
Consolidated Account	GROUP	GROUP	GROUP	GROUP
Audited Account	YES	YES	YES	YES
Unqualified Auditor's Report (Clean Opinion)	YES	YES	YES	YES
Financial Type	FULL	FULL	FULL	FULL
Currency	SGD	SGD	SGD	SGD
TURNOVER	51,810,084	32,240,851	42,558,358	52,587,840
Total Turnover	51,810,084	32,240,851	42,558,358	52,587,840
Costs of Goods Sold	(36,241,511)	(18,464,127)	(29,560,399)	(37,432,749)
Gross Profit	15,568,573	13,776,724	12,997,959	15,155,091
PROFIT/(LOSS) FROM OPERATIONS	3,069,419	3,089,413	2,407,437	3,888,976
PROFIT/(LOSS) BEFORE TAXATION	3,069,419	3,089,413	2,407,437	3,888,976
Taxation	(880,375)	(938,851)	(796,630)	(892,766)
PROFIT/(LOSS) AFTER TAXATION	2,189,044	2,150,562	1,610,807	2,996,210
Minority interests	(144,076)	(171,542)	(599,097)	(381,697)
PROFIT/(LOSS) BEFORE	2,044,968	1,979,020	1,011,710	2,614,513

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EXTRAORDINARY ITEMS

PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS	2,044,968	1,979,020	1,011,710	2,614,513
RETAINED PROFIT/(LOSS) BROUGHT FORWARD				
As previously reported	12,336,304	10,299,301	11,687,591	10,579,699
As restated	12,336,304	10,299,301	11,687,591	10,579,699
PROFIT AVAILABLE FOR APPROPRIATIONS	14,381,272	12,278,321	12,699,301	13,194,212
TRANSFER TO RESERVES - Statutory	-	-	-	(85,621)
TRANSFER TO RESERVES - General	(64,420)	1,257,983	-	-
DIVIDENDS - Ordinary (paid & proposed)	(1,200,000)	(1,200,000)	(2,400,000)	(1,421,000)
RETAINED PROFIT/(LOSS) CARRIED FORWARD	13,116,852	12,336,304	10,299,301	11,687,591
INTEREST EXPENSE (as per notes to P&L)				
Others	487	795	1,260	1,834
	487	795	1,260	1,834
DEPRECIATION (as per notes to P&L)	198,017	212,433	194,893	173,113
Total Amortization And Depreciation	198,017	212,433	194,893	173,113

BALANCE SHEET

CANNON FAR EAST PTE LTD

ASSETS EMPLOYED:

FIXED ASSETS	521,789	528,181	660,830	693,925
TOTAL LONG TERM ASSETS	521,789	528,181	660,830	693,925
CURRENT ASSETS				
Stocks	3,537,640	4,362,761	3,676,588	5,413,130
Contract work-in-progress	4,232,063	3,599,359	1,839,270	1,767,409
Trade debtors	9,989,516	6,900,434	8,183,935	10,341,070
Other debtors, deposits &	1,348,889	2,711,364	468,456	384,029

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prepayments				
Amount due from holding company	3,775,919	3,785,401	3,773,735	3,788,506
Amount due from related companies	225,307	990,266	464,901	886,900
Cash & bank balances	12,918,475	9,498,614	8,071,165	7,492,247
Others	-	102,767	494,248	605,960
	-----	-----	-----	-----
TOTAL CURRENT ASSETS	36,027,809	31,950,966	26,972,298	30,679,251
	-----	-----	-----	-----
TOTAL ASSET	36,549,598	32,479,147	27,633,128	31,373,176
	=====	=====	=====	=====
CURRENT LIABILITIES				
Trade creditors	3,933,723	4,075,649	4,300,088	4,130,212
Other creditors & accruals	6,950,034	7,490,837	2,229,084	2,371,426
Amounts owing to holding company	149,690	114,077	146,435	138,893
Amounts owing to related companies	7,809,992	4,546,481	5,476,495	8,326,322
Provision for taxation	783,913	434,032	378,792	445,411
Lease payables	-	-	6,205	12,790
Other liabilities	231,984	6,362	-	-
	-----	-----	-----	-----
TOTAL CURRENT LIABILITIES	19,859,336	16,667,438	12,537,099	15,425,054
	-----	-----	-----	-----
NET CURRENT ASSETS/(LIABILITIES)	16,168,473	15,283,528	14,435,199	15,254,197
	-----	-----	-----	-----
LONG TERM LIABILITIES				
Lease obligations	1,145	7,768	14,424	23,702
Deferred taxation	438,475	355,167	289,745	161,655
Retirement benefits provision	136,817	124,224	104,170	94,352
	-----	-----	-----	-----
TOTAL LONG TERM LIABILITIES	576,437	487,159	408,339	279,709
	-----	-----	-----	-----
TOTAL NET ASSETS	16,113,825	15,324,550	14,687,690	15,668,413
	=====	=====	=====	=====
FINANCED BY:				
SHARE CAPITAL				
Ordinary share capital	2,000,000	2,000,000	2,000,000	2,000,000
	-----	-----	-----	-----
TOTAL SHARE CAPITAL	2,000,000	2,000,000	2,000,000	2,000,000
RESERVES				
Exchange equalisation/fluctuation reserve	(138,846)	(90,044)	-	-
General reserve	611,530	552,478	-	-
Retained profit/(loss) carried forward	13,116,852	12,336,304	10,299,301	11,687,591
Others	-	-	639,130	696,186
	-----	-----	-----	-----

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TOTAL RESERVES	13,589,536	12,798,738	10,938,431	12,383,777
MINORITY INTEREST	524,289	525,812	1,749,259	1,284,636
	-----	-----	-----	-----
SHAREHOLDERS' FUNDS/EQUITY	16,113,825	15,324,550	14,687,690	15,668,413
	=====	=====	=====	=====

FINANCIAL RATIO

CANNON FAR EAST PTE LTD

TYPES OF FUNDS

Cash	12,918,475	9,498,614	8,071,165	7,492,247
Net Liquid Funds	12,918,475	9,498,614	8,071,165	7,492,247
Net Liquid Assets	12,630,833	10,920,767	10,758,611	9,841,067
Net Current Assets/(Liabilities)	16,168,473	15,283,528	14,435,199	15,254,197
Net Tangible Assets	16,113,825	15,324,550	14,687,690	15,668,413
Net Monetary Assets	12,054,396	10,433,608	10,350,272	9,561,358

PROFIT & LOSS ITEMS

Earnings Before Interest & Tax (EBIT)	3,069,906	3,090,208	2,408,697	3,890,810
Earnings Before Interest, Taxes, Depreciation And Amortization (EBITDA)	3,267,923	3,302,641	2,603,590	4,063,923

BALANCE SHEET ITEMS

Total Borrowings	1,145	7,768	14,424	23,702
Total Liabilities	20,435,773	17,154,597	12,945,438	15,704,763
Total Assets	36,549,598	32,479,147	27,633,128	31,373,176
Net Assets	16,113,825	15,324,550	14,687,690	15,668,413
Net Assets Backing	16,113,825	15,324,550	14,687,690	15,668,413
Shareholders' Funds	16,113,825	15,324,550	14,687,690	15,668,413
Total Share Capital	2,000,000	2,000,000	2,000,000	2,000,000
Total Reserves	13,589,536	12,798,738	10,938,431	12,383,777

GROWTH RATIOS (Year on Year) (%)

Revenue	60.70	(24.24)	(19.07)	-
Profit/(Loss) Before Tax	(0.65)	28.33	(38.10)	-
Profit/(Loss) After Tax	1.79	33.51	(46.24)	-
Total Assets	12.53	17.54	(11.92)	-
Total Liabilities	19.13	32.51	(17.57)	-

LIQUIDITY (Times)

Cash Ratio	0.65	0.57	0.64	0.49
Liquid Ratio	1.64	1.66	1.86	1.64
Current Ratio	1.81	1.92	2.15	1.99

WORKING CAPITAL CONTROL (Days)

Stock Ratio	55	90	47	50
Debtors Ratio	70	78	70	72
Creditors Ratio	40	81	53	40

SOLVENCY RATIOS (Times)

Gearing Ratio	0	0	0	0
Liabilities Ratio	1.27	1.12	0.88	1.00

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Times Interest Earned Ratio	6,303.71	3,887.05	1,911.66	2,121.49
Assets Backing Ratio	8.06	7.66	7.34	7.83
PERFORMANCE RATIO (%)				
Operating Profit Margin	5.92	9.58	5.66	7.40
Net Profit Margin	3.95	6.14	2.38	4.97
Return On Net Assets	19.05	20.17	16.40	24.83
Return On Capital Employed	17.83	18.91	14.30	22.58
Return On Shareholders' Funds/Equity	12.69	12.91	6.89	16.69
Dividend Pay Out Ratio (Times)	0.59	0.61	2.37	0.54
NOTES TO ACCOUNTS				
Contingent Liabilities	0	0	0	0

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.61
UK Pound	1	INR 89.93
Euro	1	INR 80.12
SGD	1	INR 50.23

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	TRU

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)