

MIRA INFORM REPORT

| | |
|---------------|------------|
| Report No. : | 523503 |
| Report Date : | 07.08.2018 |

IDENTIFICATION DETAILS

| | |
|-------------------------|---|
| Name : | TAC SYSTEM FORMWORK SDN. BHD. |
| Formerly Known As : | <ul style="list-style-type: none"> • TAC BINARI SDN. BHD. • TAC CONSULTANCY SDN. BHD. |
| Registered Office : | 32B, Jalan Ss2/66, 47300 Petaling Jaya, Selangor |
| Country : | Malaysia |
| Financials (as on) : | 31.12.2016 |
| Date of Incorporation : | 02.09.1996 |
| Com. Reg. No.: | 400588-P |
| Legal Form : | Private Limited (Limited By Share) |
| Line of Business : | The subject is engaged in the construction, sub-contract works and structural works. |
| No. of Employees : | No Available |

RATING & COMMENTS

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

| | |
|-----------------|---|
| MIRA's Rating : | B |
|-----------------|---|

| Credit Rating | Explanation | Rating Comments |
|---------------|-------------|---|
| B | Medium Risk | Business dealings permissible on a regular monitoring basis |

| | |
|---------------------|------------------|
| Status : | Moderate |
| Payment Behaviour : | Slow but Correct |
| Litigation : | Clear |

NOTES :

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

ECGC Country Risk Classification List

| Country Name | Previous Rating (31.12.2017) | Current Rating (01.04.2018) |
|--------------|---------------------------------|--------------------------------|
| Malaysia | A2 | A2 |

| 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 |

MALAYSIA - ECONOMIC OVERVIEW

Malaysia, an upper middle-income country, has transformed itself since the 1970s from a producer of raw materials into a multi-sector economy. Under current Prime Minister NAJIB, Malaysia is attempting to achieve high-income status by 2020 and to move further up the value-added production chain by attracting investments in high technology, knowledge-based industries and services. NAJIB's Economic Transformation Program is a series of projects and policy measures intended to accelerate the country's economic growth. The government has also taken steps to liberalize some services sub-sectors. Malaysia is vulnerable to a fall in world commodity prices or a general slowdown in global economic activity.

The NAJIB administration is continuing efforts to boost domestic demand and reduce the economy's dependence on exports. Domestic demand continues to anchor economic growth, supported mainly by private consumption, which accounts for 53% of GDP. Nevertheless, exports - particularly of electronics, oil and gas, and palm oil - remain a significant driver of the economy. In 2015, gross exports of goods and services were equivalent to 73% of GDP. The oil and gas sector supplied about 22% of government revenue in 2015, down significantly from prior years amid a decline in commodity prices and diversification of government revenues. Malaysia has embarked on a fiscal reform program aimed at achieving a balanced budget by 2020, including rationalization of subsidies and the 2015 introduction of a 6% value added tax. Sustained low commodity prices throughout the period not only strained government finances, but also shrunk Malaysia's current account surplus and weighed heavily on the Malaysian ringgit, which was among the region's worst performing currencies during 2013-17. The ringgit hit new lows following the US presidential election amid a broader selloff of emerging market assets.

Bank Negara Malaysia (the central bank) maintains adequate foreign exchange reserves; a well-developed regulatory regime has limited Malaysia's exposure to riskier financial instruments, although it remains vulnerable to volatile global capital flows. In order to increase Malaysia's competitiveness, Prime Minister NAJIB raised possible revisions to the special economic and social preferences accorded to ethnic Malays under the New Economic Policy of 1970, but retreated in 2013 after he encountered significant opposition from Malay nationalists and other vested interests. In September 2013 NAJIB launched the new Bumiputra Economic Empowerment Program, policies that favor and advance the economic condition of ethnic Malays.

Malaysia signed the 12-nation Trans-Pacific Partnership (TPP) free trade agreement in February 2016, although the future of the TPP remains unclear following the US withdrawal from the agreement. Along with nine other ASEAN members, Malaysia established the ASEAN Economic Community in 2015, which aims to advance regional economic integration.

Source : CIA

EXECUTIVE SUMMARY

| | |
|-------------------------------|---|
| REGISTRATION NO. | : 400588-P |
| GST NO. | : 001722322944 |
| COMPANY NAME | : TAC SYSTEM FORMWORK SDN. BHD. |
| FORMER NAME | : TAC BINARI SDN. BHD. (07/01/2005) TAC CONSULTANCY SDN. BHD. (18/03/2003) |
| INCORPORATION DATE | : 02/09/1996 |
| COMPANY STATUS | : EXIST |
| LEGAL FORM | : PRIVATE LIMITED (LIMITED BY SHARE) |
| LISTED STATUS | : NO |
| REGISTERED ADDRESS | : 32B, JALAN SS2/66, 47300 PETALING JAYA, SELANGOR, MALAYSIA. |
| BUSINESS ADDRESS | : NO 159A, JALAN KENARI 23A, BANDAR PUCHONG JAYA, 47100 PUCHONG, SELANGOR, MALAYSIA. |
| TEL.NO. | : 03-80707562 |
| FAX.NO. | : 03-80754075 |
| EMAIL | : IVANTGC@GMAIL.COM |
| WEB SITE | : WWW.TACSYSTEMFORMWORK.COM |
| CONTACT PERSON | : IVAN TEH (CEO) |
| INDUSTRY CODE | : 42101 |
| PRINCIPAL ACTIVITY | : CONSTRUCTION, SUB-CONTRACT WORKS AND STRUCTURAL WORKS |
| AUTHORISED CAPITAL | : MYR 500,000.00 DIVIDED INTO ORDINARY SHARE 500,000.00 OF MYR 1.00 EACH. |
| ISSUED AND PAID UP CAPITAL | : MYR 500,000.00 DIVIDED INTO ORDINARY SHARES 500,000 CASH OF MYR 1.00 EACH. |
| SALES | : MYR 14,666,115 [2016] |
| NET WORTH | : MYR 2,859,233 [2016] |
| STAFF STRENGTH | : N/A |
| BANKER (S) | : PUBLIC BANK BHD |
| LITIGATION | : CLEAR |
| DEFAULTER CHECK | : CLEAR |
| FINANCIAL CONDITION | : POOR |
| PAYMENT MANAGEMENT | : SLOW BUT CORRECT AVERAGE |
| CAPABILITY | |
| COMMERCIAL RISK | : MODERATE |
| CURRENCY EXPOSURE | : MODERATE |
| GENERAL REPUTATION | : SATISFACTORY |
| INDUSTRY OUTLOOK | : AVERAGE 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 shall have a minimum one director. 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) construction, sub-contract works and structural works. The Subject is not listed on Bursa Malaysia (Malaysia Stock Exchange).

Former Address(es)

| Address | As At Date |
|--|-------------------|
| 43A, JALAN KENARI, 17-C, BANDAR PUCHONG JAYA, 47100, SELANGOR, MALAYSIA | 01/07/2007 |
| 24A, JALAN SS 21/35, DAMANSARA UTAMA, 47400, SELANGOR, MALAYSIA | 17/10/1996 |
| AC-02-19, SUBANG PERDANA, COURT 10, USJ PERSIARAN KEWAJIPAN, 47610, SELANGOR, MALAYSIA | 21/03/1999 |
| 3 (MEZZANINE FLOOR), JALAN SS 2/64, 47300, SELANGOR, MALAYSIA | 23/08/1998 |
| 176H, JALAN SIREH, OFF JALAN MERU, 41050, SELANGOR, MALAYSIA | 30/12/2006 |
| 26-A, JALAN SIREH, 41050, SELANGOR, MALAYSIA | 31/10/1996 |

Share Capital History

| Date | Authorised Shared Capital | Issue & Paid Up Capital |
|-------------|----------------------------------|------------------------------------|
| 20/09/2002 | MYR 500,000.00 | MYR 500,000.00 |

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

Current Shareholder(s) :

| Name | Address | IC/PP/Loc No | Shareholding | (%) |
|-------------------------|--|---------------------|---------------------|------------|
| MR. TEH GUAN CHUAN + | 128, JALAN TR 8/3, TROPICANA GOLF & COUNTRY RESORT, 47410 PETALING JAYA, SELANGOR, MALAYSIA. | 790707-10-5279 | 175,000.00 | 35.00 |
| MS. TEH SIOK LEE + | 128, JALAN TR 8/3, TROPICANA GOLF & COUNTRY RESORT, 47410 PETALING JAYA, SELANGOR, MALAYSIA. | 810505-10-5516 | 175,000.00 | 35.00 |
| MS. TEH SIOK YEN | 128, JALAN TR 8/3, TROPICANA GOLF & COUNTRY RESORT, 47410 PETALING JAYA, SELANGOR, MALAYSIA. | 901008-10-5084 | 150,000.00 | 30.00 |
| | | | ===== | ----- |
| | | | 500,000.00 | 100.00 |
| | | | ===== | ===== |

+ Also Director

Former Shareholder(s) :

| Name | Country | IC/PP/Loc No | Shareholding | Last Updated |
|--|----------|----------------|--------------|--------------|
| MOHD ZAIRI BIN ABDUL RAZAK | N/A | 680304-05-5505 | N/A | N/A |
| SUPERIOR CORPORATE RESOURCES SDN. BHD. | MALAYSIA | 442219U | N/A | N/A |
| TAU WEI HERNG | MALAYSIA | 740505-06-5031 | 50,000.00 | 02/10/2017 |
| TEH KIAN BENG | MALAYSIA | 471020-10-6269 | 200,000.00 | N/A |

DIRECTORS

DIRECTOR 1

Name Of Subject : MR. TEH GUAN CHUAN
Address : 128, JALAN TR 8/3, TROPICANA GOLF & COUNTRY RESORT, 47410 PETALING JAYA, SELANGOR, MALAYSIA.
New IC No : 790707-10-5279
Date of Birth : 07/07/1979
Nationality : MALAYSIAN
Date of Appointment : 17/10/2008

INTEREST CHECK

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

INTEREST IN COMPANY

| No | Local No | Company | Designation | App Date | Shareholding No. | % | Profit/(loss) After Tax | Financial Year | Status | As At |
|----|----------|--------------------------------------|-------------|------------|------------------|-------|-------------------------|----------------|-----------------------|------------|
| 1 | 197695U | PRECOR P CONCRETE PRODUCTS SDN. BHD. | Director | 01/11/2004 | 34,000.00 | 34.00 | MYR(1,950.00) | 2005 | Disolved by Registrar | 26/07/2018 |
| 2 | 228489U | PRECOR P HOLDING | Director | 02/04/2004 | 35,000.00 | 17.50 | MYR10,892.00 | 2016 | - | 26/07/2018 |

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TAC SYSTEM FORMWORK SDN. BHD. - 523503

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|---|-------------|---|-------------|----------------|----------------|-----------|-----------------------|------|---|----------------|
| 3 | 44221 9U | (M) SDN. BHD. SUPERIOR CORPORATE RESOURCES SDN. BHD. | Shareholder | - | 200,000 .00 | 20. 00 | MYR218,360. 00 | 2001 | - | 26/07/2 018 |
| 4 | 44154 1U | TAC CONTRACTS SDN. BHD. | Director | 15/03/2 004 | 180,000 .00 | 2.4 0 | MYR(1,347,43 5.00) | 2016 | - | 26/07/2 018 |
| 5 | 40058 8P | TAC SYSTEM FORMWORK SDN. BHD. | Director | 17/10/2 008 | 175,000 .00 | 35. 00 | MYR(1,199,15 5.00) | 2016 | - | 26/07/2 018 |

FORMER INTEREST

| No | Local No | Company | Designation | App Date | Withdrawn Date | Shareholding | Status |
|----|----------|--|-------------|------------|----------------|--------------|--------|
| 1 | 181116M | PERKASA INDERA SDN. BHD. | Director | 16/08/2007 | 10/04/2008 | - | - |
| 2 | 818122T | TAC MARKETING & CONSTRUCTION SDN. BHD. | Director | 30/03/2010 | 07/12/2015 | - | - |
| 3 | 818122T | TAC MARKETING & CONSTRUCTION SDN. BHD. | Shareholder | - | - | 1.00 | - |

DIRECTOR 2

Name Of Subject : MS. TEH SIOK LEE
 Address : 128, JALAN TR 8/3, TROPICANA GOLF & COUNTRY RESORT, 47410 PETALING
 JAYA, SELANGOR, MALAYSIA.
 New IC No : 810505-10-5516
 Date of Birth : 05/05/1981
 Nationality : MALAYSIAN
 Date of Appointment : 17/10/2008

INTEREST CHECK

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

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INTEREST IN COMPANY

| N o | Local No | Company | Designa tion | App Date | Shareholding No. | % | Profit/(loss) After Tax | Finan cial Year | Statu s | As At |
|--------|-------------|--|-----------------|----------------|---------------------|-----------|----------------------------|-----------------------|----------------------------------|----------------|
| 1 | 80194 0W | FGMC ADVERTISI NG SDN. BHD. | Sharehol der | - | 5,000.0 0 | 50. 00 | MYR72,263.0 0 | 2016 | - | 02/10/2 017 |
| 2 | 19769 5U | PRECORP CONCRETE PRODUCTS SDN. BHD. | Director | 01/11/2 004 | 44,000. 00 | 44. 00 | MYR(1,950.0 0) | 2005 | Disolv ed by Regist rar | 26/07/2 018 |
| 3 | 22848 9U | PRECORP HOLDING (M) SDN. BHD. | Director | 02/04/2 004 | 35,000. 00 | 17. 50 | MYR10,892.0 0 | 2016 | - | 26/07/2 018 |
| 4 | 44221 9U | SUPERIOR CORPORAT E RESOURCE S SDN. BHD. | Sharehol der | - | 200,000 .00 | 20. 00 | MYR218,360. 00 | 2001 | - | 26/07/2 018 |
| 5 | 44154 1U | TAC CONTRACT S SDN. BHD. | Director | 01/11/2 004 | 190,000 .00 | 2.5 3 | MYR(1,347,4 35.00) | 2016 | - | 26/07/2 018 |
| 6 | 81812 2T | TAC MARKETIN G & CONSTRUC TION SDN. BHD. | Director | 30/03/2 010 | 125,008 .00 | 50. 00 | MYR103,059. 00 | 2016 | - | 26/07/2 018 |
| 7 | 40058 8P | TAC SYSTEM FORMWOR K SDN. BHD. | Director | 17/10/2 008 | 175,000 .00 | 35. 00 | MYR(1,199,1 55.00) | 2016 | - | 26/07/2 018 |
| 8 | 74543 6U | VIRTUALTA C CONTRACT ORS (MALAYSIA) SDN. BHD. | Director | 05/03/2 007 | 0.00 | - | - | 2001 | Disolv ed by Regist rar | 26/07/2 018 |

FORMER INTEREST

| No | Local No | Company | Designation | App Date | Withdrawn Date | Shareholding | Status |
|----|----------|------------------|-------------|------------|-------------------|--------------|--------|
| 1 | 801940W | FGMC ADVERTISING | Director | 11/11/2008 | 25/08/2017 | - | - |

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2 181116M SDN. BHD.
PERKASA INDERA SDN. Director 10/06/2014 01/06/2016 - -
BHD.

FORMER DIRECTOR(S)

| Name | Address | IC/PP No | Appointed Date | Withdrawn Date |
|------------------------------------|---|-----------------|-----------------------|-----------------------|
| THIA BOON HUWA | WW10-5, KONDOMINIUM MENARA REGENSI, JALAN PELANGI, KLANG, SELANGOR, MALAYSIA | 650516-10-6450 | 21/05/2002 | 17/06/2002 |
| TEH KIAN BENG | 128,JALAN TR 8/3, TROPICANA GOLF & COUNTRY RESORT, S'NGOR, PETALING JAYA, SELANGOR, MALAYSIA | 471020-10-6269 | 30/03/2006 | 17/10/2008 |
| SUZLITA BINTI NASRON | LOT 871 KAMPUNG SUNGAI KAYU ARA, DAMANSARA UTAMA, PETALING JAYA, SELANGOR, MALAYSIA | 760614-10-5002 | 02/09/1996 | 18/10/1996 |
| LIEW YEE FUN | 12-12A, LINTANG ENGGANG, OFF JALAN MERU, KLANG, SELANGOR, MALAYSIA | 700817-71-5076 | 18/10/1996 | 17/06/2002 |
| LEE BEE BEE | 2C,JALAN KALABAN, SABAK BERANAM, SELANGOR, SABAK BERNAM, SELANGOR, MALAYSIA | 2187559 | 18/10/1996 | 21/05/2002 |
| KANG CHONG YEOW | 22,JALAN PJS5/8, PETALING JAYA, SELANGORUR, PETALING JAYA, SELANGOR, MALAYSIA | 490805-07-5443 | 17/06/2002 | 18/01/2003 |
| KANG CHONG JIN | NO.11,JALAN USJ 3/1D, UEP SUBANG JAYA, SELANGOR | 610802075353 | 18/01/2003 | 15/03/2004 |
| FOO KUM YUEN | 15 LORONG KOTA RAJA, BUKIT SEPUTEH, KUALA LUMPUR, KUALA LUMPUR, WILAYAH PERSEKUTUAN, MALAYSIA | 560608-08-6363 | 13/08/2002 | 31/10/2002 |
| HASLINA BINTI MOHAMMED FESAL ARBEE | LOT 2457C, BATU 17, KUANG, SELANGOR, MALAYSIA | 630106-08-5206 | 02/09/1996 | 18/10/1996 |
| TAU WEI HERNG | 94,TAMAN HIJAU, KARAK, MALAYSIA | 740505-06-5031 | 30/03/2006 | 07/11/2016 |
| SANDY LIEW YEE FUN | 12-12A, LINTANG ENGGANG, OFF JALAN MERU, KLANG, SELANGOR, MALAYSIA | E6080397F | 18/10/1996 | 17/06/2002 |

Note : The above information was generated from our database.

MANAGEMENT

- 1) Name of : IVAN TEH
Subject
Position : CEO

AUDITOR

| Firm No | Firm Name | Address | As At Date |
|----------------|----------------------|---|-------------------|
| AF1219 | YTS & ASSOCIATES | 336, LEVEL 3 (LIFT 7), BLOCK A, DAMANSARA INTAN, 47400 PETALING JAYA, SELANGOR, MALAYSIA. | 31/12/2016 |
| AF1104 | T.L. LIM AND COMPANY | 9B, 2ND FLOOR, JALAN GOH HOCK HUAT, 41400 KLANG, SELANGOR, MALAYSIA. | 31/12/2001 |
| AF1030 | GEP ASSOCIATES | NO. 25, JALAN PJU 1/42A, DATARAN PRIMA, 47301 PETALING JAYA, SELANGOR, MALAYSIA. | 31/12/1998 |

COMPANY SECRETARIES

- 1) Company Secretary : MR. TAN LIM KUAN
IC / PP No : 4520426
New IC No : 530409-07-5621
Address : 68, JALAN PJS 10/7, SUBANG INDAH, 46000 PETALING JAYA, SELANGOR, MALAYSIA.
Date of Appointment : 30/10/2007

BANKING

Banking relations are maintained principally with :

- 1) Name : PUBLIC BANK BHD

ENCUMBRANCE (S)

| Charge No | Creation Date | Charge Description | Chargee Name | Total Charge | Status |
|------------------|----------------------|---------------------------|--------------------------|---------------------|---------------|
| 1 | 05/12/2012 | LEGAL CHARGE | CIMB ISLAMIC BANK BERHAD | MYR 2,582,663.40 | Unsatisfied |

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| | | | | | |
|---|------------|------------------------------------|--------------------|------------------|-------------|
| 2 | 09/01/2013 | 1ST PARTY LEGAL CHARGE | PUBLIC BANK BERHAD | - | Unsatisfied |
| 3 | 20/08/2014 | FACILITIES AGREEMENT & OPEN CHARGE | CIMB BANK BERHAD | - | Unsatisfied |
| 4 | 14/11/2014 | MEMORANDUM OF DEPOSIT | CIMB BANK BERHAD | MYR 2,200,000.00 | 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. 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.

CRIMINAL RECORDS 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. Our databank consists of 99% of the wound up companies in Malaysia.

No criminal record was found in our databank.

CIVIL LITIGATION CHECK - SUBJECT COMPANY AS A PLAINTIFF

* 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.

There is/are PENDING litigation case(s) on the Subject in our database as below:

- 1 case(s) filed in year 2018

According to the Credit Reporting Agencies Act 2010, consent from the Subject is required for the disclosure of this credit information. In order to have the consent from the Subject, we need to serve a notice to the Subject by disclose the following according to the Act Section 23(1) :

1) Enquirer or Company who request for this credit information.

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- 2) Contact person of Enquirer
- 3) Purpose of this credit information being used.
- 4) Contact person of the Subject.

We shall appreciate if you can furnish us the above in order for us to serve a notice or inform the Subject accordingly. Otherwise, we are prohibited to disclose this credit information if there is no consent from the Subject according to the Act Section 24(1)(a).

CRIMINAL RECORDS CHECK - SUBJECT COMPANY AS A PLAINTIFF

** 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 plaintiff record 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 listed by our customers and debtors that have been placed or assigned to us for collection.*

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

RED ALERT FROM CENTRAL BANK OF MALAYSIA

** A check has been conducted with the Central Bank of Malaysia whether the Subject has carried out any illegal or suspicious financial activities.*

The Subject has not been carried out any illegal money services business without licence under the Money Services Business Act 2011.

The Subject has not been placed under the Financial Consumer Alert list by the Central Bank of Malaysia.

INVESTOR ALERT BY SECURITIES COMMISSION MALAYSIA & BURSA MALAYSIA

** A check has been conducted with the Securities Commission Malaysia whether the Subject has involved in any unlicensed capital market activities under the Securities Laws and Bursa Malaysia should the Subject is listed as Practice Note (PN) 17 or Guidance Note (GN) 3.*

The Subject has not been carried out any unlicensed capital market activities.

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

CLIENTELE

Local : YES
Domestic Markets : MALAYSIA
Overseas : YES
Export Market : BAHRAIN

INDIA

MIDDLE EAST

UNITED ARAB EMIRATES

ASIA

Credit Term : PROGRESSIVE PAYMENTS
Payment Mode : CHEQUES
TELEGRAPHIC TRANSFER (TT)
Type of Customer : PRIVATE SECTORS, GOVERNMENT SECTORS

OPERATIONS

Services : CONSTRUCTION, SUB-CONTRACT WORKS AND STRUCTURAL WORKS

Product Brand Name : TAC SYSTEM FORMWORK

Member(s) / Affiliate(s) : MALAYSIA EXTERNAL TRADE DEVELOPMENT CORPORATION (MATRADE)

Branch : NO

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Other Information:

The Subject is principally engaged in the (as a / as an) construction, sub-contract works and structural works.

The Subject design and custom manufacture aluminium formwork for all types of building.

The formwork consists of aluminium panels which are pre-designed according to the architectural plans to form all the concrete found in the building superstructure, i.e. the walls (external and internal), floor slabs, columns, beams, stairs, window hoods, curved sections and other intricate decorative features.

The products are used in both residential and non-residential projects.

TAC System Formwork manufactures the TAC formwork building system. A 100% home-grown building technology that has been designed to suit Malaysian and Asian building industry.

It consists of pre-engineered aluminium panels according to the architectural plans to form all the concrete found in the building superstructure, i.e. the walls (external and internal), floor slabs, columns, beams, stairs, window hoods, curved sections and other intricate decorative features.

RECENT DEVELOPMENT

We have checked with the Malaysian National News Agency's (BERNAMA) database, but no recent development was noted during the time of inspection.

CURRENT INVESTIGATION

Latest fresh investigations carried out on the Subject indicated that :

| | |
|------------------------------|--|
| Telephone Number Provided By | : N/A |
| Client | |
| Current Telephone Number | : 03-80707562 |
| Match | : N/A |
| Address Provided by Client | : NO 159A, JALAN KENARI 23A BANDAR PUCHONG JAYA 47100 PUCHONG SELANGOR |
| Current Address | : NO 159A, JALAN KENARI 23A, BANDAR PUCHONG JAYA, 47100 PUCHONG, SELANGOR, MALAYSIA. |
| Match | : YES |
| Latest Financial Accounts | : YES |

Other Investigations

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

FINANCIAL ANALYSIS

Profitability

| | | | | | |
|-----------------------------|---|--------------|---|-------------|---|
| Turnover | : | Decreased | [| 2012 - 2016 |] |
| Profit/(Loss) Before Tax | : | Decreased | [| 2012 - 2016 |] |
| Return on Shareholder Funds | : | Unfavourable | [| (41.94%) |] |
| Return on Net Assets | : | Unfavourable | [| (26.46%) |] |

The continuous fall in turnover could be due to the lower demand for the Subject's products / services. The Subject incurred losses during the year due to the inefficient control of its operating costs. The Subject's unfavourable returns on shareholders' funds indicate the management's inefficiency in utilising its assets to generate returns.

Working Capital Control

| | | | | | |
|-----------------|---|--------------|---|----------|---|
| Debtor Ratio | : | Unfavourable | [| 66 Days |] |
| Creditors Ratio | : | Unfavourable | [| 200 Days |] |

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 unfavourable creditors' ratio could be due to the Subject taking advantage of the credit granted by its suppliers. However this may affect the goodwill between the Subject and its suppliers and the Subject may inadvertently have to pay more for its future supplies.

Liquidity

| | | | | | |
|---------------|---|--------------|---|------------|---|
| Liquid Ratio | : | Unfavourable | [| 0.47 Times |] |
| Current Ratio | : | Unfavourable | [| 0.66 Times |] |

A low liquid ratio means that the Subject may be facing working capital deficiency. If the Subject cannot obtain additional financing or injection of fresh capital, it may face difficulties in meeting its short term obligations.

Solvency

| | | | | | |
|----------------|---|--------------|---|--------------|---|
| Interest Cover | : | Unfavourable | [| (1.67 Times) |] |
| Gearing Ratio | : | Unfavourable | [| 1.67 Times |] |

The Subject incurred losses in the year. It did not generate sufficient income to service its interest. If the situation does not improve, the Subject may be vulnerable to default in servicing the interest. 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 :

The Subject's losses could be attributed to the lower turnover which in turn could be the result of unfavourable market conditions. Due to its weak liquidity position, the Subject will be faced with problems in meeting all its short term obligations if no short term loan is obtained or additional capital injected into the Subject. The Subject's interest cover was negative, indicating that it did not generate sufficient income to service its interest. If its result does not show impressive improvements or succeed obtaining short term financing or capital injection, it may not be able to service its interest and repay the loans. 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 : POOR

MALAYSIA ECONOMIC / INDUSTRY OUTLOOK

| Major Economic Indicators: | 2014 | 2015 | 2016 | 2017* | 2018** |
|---|----------------|----------------|----------------|----------------|---------------|
| Population (Million) | 30.0 | 31.0 | 31.6 | 32.1 | 32.9 |
| Gross Domestic Products (%) | 6.0 | 4.6 | 4.2 | 5.3 | 5.4 |
| Domestic Demand (%) | 6.4 | 6.2 | 4.3 | 6.3 | 6.4 |
| Private Expenditure (%) | 7.9 | 6.9 | 7.8 | 7.4 | 7.3 |
| Consumption (%) | 6.5 | 6.1 | 5.1 | 6.9 | 6.8 |
| Investment (%) | 12.0 | 8.1 | 10.0 | 9.3 | 8.9 |
| Public Expenditure (%) | 2.3 | 4.2 | 3.3 | 5.3 | 5.5 |
| Consumption (%) | 2.1 | 4.3 | 2.0 | 2.7 | 1.3 |
| Investment (%) | 2.6 | (1.0) | 1.1 | 3.4 | 3.8 |
| Balance of Trade (MYR Million) | 82,480 | 91,577 | 88,145 | 94,593 | 96,993 |
| Government Finance (MYR Million) | (37,414) | (37,194) | (38,401) | (39,887) | (39,790) |
| Government Finance to GDP / Fiscal Deficit (%) | (3.4) | (3.2) | (3.1) | (3.0) | (2.8) |
| Inflation (% Change in Composite CPI) | 3.2 | 4.0 | 2.1 | 3.5 | 3.0 |
| Unemployment Rate | 2.9 | 3.1 | 3.4 | 3.4 | 3.3 |
| Net International Reserves (MYR Billion) | 428 | 441 | 451 | 450 | 423 |
| Average Risk-Weighted Capital Adequacy Ratio (%) | 4.00 | 3.50 | - | - | - |
| Average 3 Months of Non-performing Loans (%) | 2.10 | 2.00 | 1.90 | - | - |
| Average Base Lending Rate (%) | 6.85 | 6.79 | 6.81 | 6.73 | - |
| Business Loans Disbursed(%) | 18.6 | 2.2 | - | - | - |
| Foreign Investment (MYR Million) | 43,486.6 | 43,435.0 | - | - | - |
| Consumer Loans (%) | - | - | - | - | - |
| Registration of New Companies (No.) | 49,203 | 45,658 | 43,255 | 47,871 | - |
| Registration of New Companies (%) | 6.1 | (7.2) | (5.3) | 10.7 | - |
| Liquidation of Companies (No.) | 33,226 | 34,667 | 36,778 | 38,632 | - |
| Liquidation of Companies (%) | 0.5 | 4.3 | 6.1 | 5.0 | - |
| Registration of New Business (No.) | 332,723 | 364,230 | 376,720 | 484,029 | - |
| Registration of New Business (%) | 1.0 | 9.0 | 3.0 | 29.0 | - |
| Business Dissolved (No.) | 26,966 | - | - | - | - |
| Business Dissolved (%) | 48.5 | - | - | - | - |
| Sales of New Passenger Cars (' 000 Unit) | 588.3 | 591.3 | 514.6 | 527.8 | - |
| Cellular Phone Subscribers (Million) | 44.0 | 44.2 | 44.0 | - | - |
| Tourist Arrival (Million Persons) | 27.4 | 25.7 | 30.2 | 30.1 | - |
| Hotel Occupancy Rate (%) | 63.6 | 58.8 | 61.2 | - | - |
| Credit Cards Spending (%) | 5.8 | 6.8 | 6.3 | - | - |
| Bad Cheque Offenders (No.) | - | - | - | - | - |
| Individual Bankruptcy (No.) | 22,351 | 18,457 | 19,588 | 18,227 | - |
| Individual Bankruptcy (%) | 1.7 | (17.4) | 6.1 | (7.0) | - |

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| INDUSTRIES (% of Growth): | 2014 | 2015 | 2016 | 2017* | 2018** |
|---|-------------|-------------|--------------|--------------|---------------|
| Agriculture | 2.0 | 1.3 | (5.1) | 5.6 | 2.4 |
| Palm Oil | 6.7 | 7.0 | (12.7) | 11.8 | - |
| Rubber | (10.4) | (11.0) | (6.3) | 10.8 | - |
| Forestry & Logging | (4.2) | (7.2) | (3.0) | (15.0) | - |
| Fishing | 2.7 | 2.1 | 2.2 | 0.2 | - |
| Other Agriculture | 6.2 | 6.0 | 5.1 | 2.4 | - |
| Industry Non-Performing Loans (MYR Million) | 303.8 | 343.7 | 420.3 | - | - |
| % of Industry Non-Performing Loans | 1.4 | 1.5 | 1.8 | - | - |
| Mining | 3.3 | 5.3 | 2.2 | 0.5 | 0.9 |
| Oil & Gas | 3.0 | 3.5 | 4.5 | - | - |
| Other Mining | 46.6 | 47.1 | 42.6 | - | - |
| Industry Non-performing Loans (MYR Million) | 63.5 | 180.1 | 190.0 | - | - |
| % of Industry Non-performing Loans | 0.3 | 0.8 | 0.8 | - | - |
| Manufacturing # | 6.1 | 4.9 | 4.4 | 5.5 | 5.3 |
| Exported-oriented Industries | 7.1 | 6.5 | 4.3 | 6.5 | - |
| Electrical & Electronics | 11.8 | 9.2 | 6.8 | 9.3 | - |
| Rubber Products | (1.3) | 5.1 | 5.0 | 6.9 | - |
| Wood Products | 7.8 | 7.0 | 7.8 | 7.3 | - |
| Textiles & Apparel | 10.8 | 7.5 | 7.5 | 7.4 | - |
| Domestic-oriented Industries | 7.7 | 4.7 | 3.4 | 6.2 | - |
| Food, Beverages & Tobacco | 6.1 | 8.9 | 7.5 | 11.0 | - |
| Chemical & Chemical Products | 1.4 | 3.5 | 4.5 | 3.5 | - |
| Plastic Products | 2.7 | 3.9 | 5.1 | - | - |
| Iron & Steel | 2.8 | 1.6 | 2.2 | - | - |
| Fabricated Metal Products | 2.8 | 4.6 | 5.6 | 4.6 | - |
| Non-metallic Mineral | 6.9 | 6.8 | 6.3 | 5.4 | - |
| Transport Equipment | 14.4 | 5.2 | (3.1) | 4.7 | - |
| Paper & Paper Products | 4.7 | 3.2 | 5.4 | 5.8 | - |
| Crude Oil Refineries | 13.0 | 14.3 | 13.7 | - | - |
| Industry Non-Performing Loans (MYR Million) | 5,730.8 | 4,243.7 | 4,214.1 | - | - |
| % of Industry Non-Performing Loans | 25.6 | 19.0 | 18.5 | - | - |
| Construction | 11.7 | 8.2 | 7.4 | 7.6 | 7.5 |
| Industry Non-Performing Loans (MYR Million) | 1,666.4 | 1,638.0 | 1,793.9 | - | - |
| % of Industry Non-Performing Loans | 7.5 | 7.3 | 7.9 | - | - |
| Services | 6.6 | 5.1 | 5.6 | 5.9 | 5.8 |
| Electric, Gas & Water | 3.8 | 3.6 | 5.4 | 2.5 | 2.6 |
| Transport, Storage & Communication | 7.70 | 7.55 | 6.85 | 7.35 | 7.30 |
| Wholesale, Retail, Hotel & Restaurant | 7.70 | 6.65 | 6.65 | 7.05 | 6.65 |
| Finance, Insurance & Real Estate | 5.15 | 2.90 | 4.70 | 5.70 | 5.90 |
| Government Services | 6.3 | 4.0 | 4.9 | 4.4 | 4.5 |
| Other Services | 4.8 | 4.7 | 4.8 | 5.3 | 5.3 |
| Industry Non-Performing Loans (MYR Million) | 5,373.5 | 6,806.6 | 7,190.6 | - | - |
| % of Industry Non-Performing Loans | 24.1 | 30.5 | 31.5 | - | - |

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* Estimate / Preliminary

** Forecast

Based On Manufacturing Production Index

INDUSTRY ANALYSIS

MSIC CODE

42101 : Construction of motorways, streets, roads, other vehicular and pedestrian ways

INDUSTRY : CONSTRUCTION

The construction sector consists of four subsectors: residential, non-residential, civil engineering and special trade works. During a period of rapid economic expansion, the sector generally outperforms Gross Domestic Product (GDP) growth.

During a period of rapid economic expansion, the sector generally outperforms Gross Domestic Product (GDP) growth. The construction sector is expected to grow by 8% to RM170 billion for year 2017, boosted by the numerous mega infrastructure projects in the country. The total allocation for Budget 2017 is RM260.8 billion — an increase of 3.4% from the revised Budget 2016.

The non-residential property subsector grew by 4.9% to RM6.4 billion in the first half of 2017 (1H17). This growth was due to the rebound in starts for shops (29.3%, compared with a 46.7% contraction in 1H16 and serviced apartments (14%, compared with a 35% contraction in 1H16). However, construction starts in the industrial and small office home office (SoHo) declined 9.7% and 16.1% respectively (1H16: -76.7% and -24.9%), mainly due to moderation in the O&G-related industries.

The industry indeed has a bright future, considering numerous mega infrastructure projects that will continue to fuel the construction demand. The projects include the Refinery and Petrochemical Integrated Development (Rapid) in Pengerang, East Coast Rail Line from Port Klang to Tumpat, High-Speed Rail from Kuala Lumpur to Singapore, Pan Borneo Highway in Sabah and Sarawak, Damansara-Shah Alam elevated highway, light rail transit from Bandar Utama to Johan Setia, West Coast Expressway from Banting to Taiping and mass rapid transit line 2.

In addition, there are commercial real estate projects which will boost construction demand even further such as Bandar Malaysia and Cyberjaya City Centre. Construction industry is one of the key sector which will propel the nation into prosperity. Bank Negara Malaysia has raised the country's gross domestic product outlook to between 4.3% and 4.8% for 2017 and analysts have a consensus view that it will be driven by primary sectors and construction projects.

OVERALL INDUSTRY OUTLOOK : Average Growth

CREDIT RISK EVALUATION & RECOMMENDATION

Incorporated in 1996, the Subject is a Private Limited company, focusing on construction, sub-contract works and structural works. The Subject has been in business for over two decades. It has built up a strong clientele base and satisfactory reputation will enable the Subject to further enhance its business in the near term. The Subject is expected to enjoy a stable market shares. With an issued and paid up capital of MYR 500,000 contributed by individual shareholders, the Subject may face difficulties in its attempt to further expand its business in the future. Thus, the Subject should put more efforts on its business to gain higher market share while competing aggressively in the market.

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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. 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.

Due to the challenging market conditions, the Subject's business performance seems to be deteriorating and losses incurred. The Subject has generated an unfavourable return on shareholders' funds indicating that the management was inefficient in utilising its funds to generate return. Due to its weak liquidity position, the Subject may face working capital deficiency in meeting its short term financial obligations if no fresh capital are injected into the Subject. The high gearing ratio clearly implied that the Subject was supported by more debt than equity. Thus, the Subject is exposed to high financial risk. Given a positive net worth standing at MYR 2,859,233, the Subject 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 poor payment habit may affect the goodwill between the Subject and its suppliers and the Subject may inadvertently have to pay more for its future supplies.

The industry shows an upward trend and this trend is very likely to sustain in the near terms.

In view of the above, we recommend credit be granted to the Subject with close monitoring.

PROFIT AND LOSS ACCOUNT

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

TAC SYSTEM FORMWORK SDN. BHD.

| Financial Year End | 2016-12-31 | 2015-12-31 | 2014-12-31 | 2013-12-31 | 2012-12-31 |
|--|--------------|--------------|--------------|--------------|------------|
| 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 | FULL | FULL | FULL |
| Currency | MYR | MYR | MYR | MYR | MYR |
| TURNOVER | 14,666,115 | 30,988,442 | 33,340,088 | 24,993,649 | 22,939,469 |
| Other Income | 467,461 | 356,262 | 690,740 | 339,540 | 1,742,281 |
| Total Turnover | 15,133,576 | 31,344,704 | 34,030,828 | 25,333,189 | 24,681,750 |
| Costs of Goods Sold | (12,578,043) | (25,818,390) | (32,097,061) | (24,884,923) | - |

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| | | | | | |
|---|-------------|-----------|-----------|-----------|-----------|
| Gross Profit | 2,555,533 | 5,526,314 | 1,933,767 | 448,266 | - |
| PROFIT/(LOSS) FROM OPERATIONS | (1,209,410) | 1,257,763 | 1,467,583 | 23,033 | 1,307,703 |
| PROFIT/(LOSS) BEFORE TAXATION | (1,209,410) | 1,257,763 | 1,467,583 | 23,033 | 1,307,703 |
| Taxation | 10,255 | (415,280) | (458,788) | (53,417) | (27,987) |
| PROFIT/(LOSS) AFTER TAXATION | (1,199,155) | 842,483 | 1,008,795 | (30,384) | 1,279,716 |
| RETAINED PROFIT/(LOSS) BROUGHT FORWARD | | | | | |
| As previously reported | 3,558,388 | 3,579,912 | 2,571,117 | 2,601,501 | 404,885 |
| Prior year adjustment | - | (564,007) | - | - | 916,900 |
| As restated | 3,558,388 | 3,015,905 | 2,571,117 | 2,601,501 | 1,321,785 |
| PROFIT AVAILABLE FOR APPROPRIATION S | 2,359,233 | 3,858,388 | 3,579,912 | 2,571,117 | 2,601,501 |
| DIVIDENDS - Ordinary (paid & proposed) | - | (300,000) | - | - | - |
| RETAINED PROFIT/(LOSS) CARRIED FORWARD | 2,359,233 | 3,558,388 | 3,579,912 | 2,571,117 | 2,601,501 |
| | = | = | = | = | = |
| INTEREST EXPENSE (as per notes to P&L) | | | | | |
| Bank overdraft | 2,621 | 10,089 | 19,416 | 19,004 | 16,252 |
| Hire purchase | - | - | 4,232 | 1,645 | - |
| Lease interest | 18,148 | 21,604 | - | - | - |
| Term loan / Borrowing | 354,879 | 314,007 | 42,098 | 60,296 | 5,202 |

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| | | | | | |
|--|---------|---------|---------|---------|---------|
| Others | 77,150 | 213,708 | 400,438 | 344,288 | 186,041 |
| | ----- | ----- | ----- | ----- | ----- |
| | 452,798 | 559,408 | 466,184 | 425,233 | 207,495 |
| | ===== | ===== | ===== | ===== | ===== |
| | = | = | = | = | = |
| DEPRECIATION (as per notes to P&L) | 727,045 | 687,461 | 521,584 | 695,965 | 651,917 |
| | ----- | ----- | ----- | ----- | ----- |
| Total Amortization And Depreciation | 727,045 | 687,461 | 521,584 | 695,965 | 651,917 |
| | ===== | ===== | ===== | ===== | ===== |
| | = | = | = | = | = |

BALANCE SHEET

TAC SYSTEM FORMWORK SDN. BHD.

ASSETS

EMPLOYED:

FIXED ASSETS 7,893,867 8,279,796 8,243,782 7,026,554 6,289,316

LONG TERM

INVESTMENTS/OTH

ER ASSETS

Associated companies 50,500 50,500 50,500 50,500 -

Investment properties 2,753,592 2,775,250 2,884,483 2,877,500 2,877,500

Investment securities - 208,124 90,000 - -

TOTAL LONG TERM 2,804,092 3,033,874 3,024,983 2,928,000 2,877,500

INVESTMENTS/OTH

ER ASSETS

TOTAL LONG TERM 10,697,959 11,313,670 11,268,765 9,954,554 9,166,816

ASSETS

CURRENT ASSETS

Stocks 2,192,581 18,766 277,238 282,630 1,374,183

Trade debtors 2,663,150 4,138,280 7,760,427 5,370,824 5,429,905

Other debtors, 306,595 216,244 434,930 219,118 140,633

deposits &

prepayments

Short term deposits 954,062 2,395,337 2,129,136 950,000 720,000

Amount due from - - 655,628 834,406 -

related companies

Amount due from 250,000 - - - -

director

Cash & bank balances 863,136 1,465,091 2,211,930 623,185 535,663

Others 238,009 - - - -

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TAC SYSTEM FORMWORK SDN. BHD. - 523503

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| | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| TOTAL CURRENT ASSETS | 7,467,533 | 8,233,718 | 13,469,289 | 8,280,163 | 8,200,384 |
| TOTAL ASSET | 18,165,492 | 19,547,388 | 24,738,054 | 18,234,717 | 17,367,200 |
| CURRENT LIABILITIES | | | | | |
| Trade creditors | 6,882,110 | 7,012,627 | 7,110,863 | 6,243,461 | 6,094,064 |
| Other creditors & accruals | 3,582,436 | 2,224,794 | 5,253,928 | 3,090,991 | 3,018,688 |
| Hire purchase & lease creditors | 113,532 | 128,245 | 63,982 | 18,000 | - |
| Bank overdraft | - | 156,987 | 187,867 | 250,825 | 172,293 |
| Short term borrowings/Term loans | 176,706 | 292,060 | 192,888 | 188,331 | 187,468 |
| Other borrowings | 508,089 | 516,068 | 3,139,284 | 982,028 | 334,980 |
| Provision for taxation | - | 45,242 | 308,335 | 71,450 | 61,745 |
| TOTAL CURRENT LIABILITIES | 11,262,873 | 10,376,023 | 16,257,147 | 10,845,086 | 9,869,238 |
| NET CURRENT ASSETS/(LIABILITIES) | (3,795,340) | (2,142,305) | (2,787,858) | (2,564,923) | (1,668,854) |
| LONG TERM LIABILITIES | | | | | |
| Long term loans | 3,766,217 | 4,745,275 | 4,089,434 | 4,277,514 | 4,288,461 |
| Lease obligations | 197,169 | 310,702 | - | - | - |
| Hire purchase creditors | - | - | 270,561 | - | - |
| Deferred taxation | 80,000 | 57,000 | 41,000 | 41,000 | 108,000 |
| TOTAL LONG TERM LIABILITIES | 4,043,386 | 5,112,977 | 4,400,995 | 4,318,514 | 4,396,461 |
| TOTAL NET ASSETS | 2,859,233 | 4,058,388 | 4,079,912 | 3,071,117 | 3,101,501 |
| SHARE CAPITAL | | | | | |
| Ordinary share capital | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| TOTAL SHARE CAPITAL | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| RESERVES | | | | | |
| Retained profit/(loss) carried forward | 2,359,233 | 3,558,388 | 3,579,912 | 2,571,117 | 2,601,501 |

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| | | | | | |
|----------------------------|-----------|-----------|-----------|-----------|-----------|
| TOTAL RESERVES | 2,359,233 | 3,558,388 | 3,579,912 | 2,571,117 | 2,601,501 |
| SHAREHOLDERS' FUNDS/EQUITY | 2,859,233 | 4,058,388 | 4,079,912 | 3,071,117 | 3,101,501 |
| | ===== | ===== | ===== | ===== | ===== |
| | == | == | == | == | == |

FINANCIAL RATIO

TAC SYSTEM FORMWORK SDN. BHD.

TYPES OF FUNDS

| | | | | | |
|----------------------------------|--------------|-------------|-------------|-------------|-------------|
| Cash | 1,817,198 | 3,860,428 | 4,341,066 | 1,573,185 | 1,255,663 |
| Net Liquid Funds | 1,817,198 | 3,703,441 | 4,153,199 | 1,322,360 | 1,083,370 |
| Net Liquid Assets | (5,987,921) | (2,161,071) | (3,065,096) | (2,847,553) | (3,043,037) |
| Net Current Assets/(Liabilities) | (3,795,340) | (2,142,305) | (2,787,858) | (2,564,923) | (1,668,854) |
| Net Tangible Assets | 2,859,233 | 4,058,388 | 4,079,912 | 3,071,117 | 3,101,501 |
| Net Monetary Assets | (10,031,307) | (7,274,048) | (7,466,091) | (7,166,067) | (7,439,498) |

PROFIT & LOSS ITEMS

| | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|
| Earnings Before Interest & Tax (EBIT) | (756,612) | 1,817,171 | 1,933,767 | 448,266 | 1,515,198 |
| Earnings Before Interest, Taxes, Depreciation And Amortization (EBITDA) | (29,567) | 2,504,632 | 2,455,351 | 1,144,231 | 2,167,115 |

BALANCE SHEET ITEMS

| | | | | | |
|---------------------|------------|------------|------------|------------|------------|
| Total Borrowings | 4,761,713 | 6,149,337 | 7,944,016 | 5,716,698 | 4,983,202 |
| Total Liabilities | 15,306,259 | 15,489,000 | 20,658,142 | 15,163,600 | 14,265,699 |
| Total Assets | 18,165,492 | 19,547,388 | 24,738,054 | 18,234,717 | 17,367,200 |
| Net Assets | 2,859,233 | 4,058,388 | 4,079,912 | 3,071,117 | 3,101,501 |
| Net Assets Backing | 2,859,233 | 4,058,388 | 4,079,912 | 3,071,117 | 3,101,501 |
| Shareholders' Funds | 2,859,233 | 4,058,388 | 4,079,912 | 3,071,117 | 3,101,501 |
| Total Share Capital | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Total Reserves | 2,359,233 | 3,558,388 | 3,579,912 | 2,571,117 | 2,601,501 |

GROWTH RATIOS (Year on Year) (%)

| | | | | | |
|--------------------------|----------|---------|----------|----------|-----------|
| Revenue | (52.67) | (7.05) | 33.39 | 8.95 | 113.32 |
| Profit/(Loss) Before Tax | (196.16) | (14.30) | 6,271.65 | (98.24) | 3,684.52 |
| Profit/(Loss) After Tax | (242.34) | (16.49) | 3,420.15 | (102.37) | 16,281.41 |
| Total Assets | (10.78) | (20.98) | 35.66 | 5.00 | 132.21 |
| Total Liabilities | (1.18) | (25.02) | 36.24 | 6.29 | 117.00 |

LIQUIDITY (Times)

| | | | | | |
|---------------|------|------|------|------|------|
| Cash Ratio | 0.16 | 0.37 | 0.27 | 0.15 | 0.13 |
| Liquid Ratio | 0.47 | 0.79 | 0.81 | 0.74 | 0.69 |
| Current Ratio | 0.66 | 0.79 | 0.83 | 0.76 | 0.83 |

WORKING CAPITAL

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CONTROL (Days)

| | | | | | |
|-----------------|-----|----|----|----|----|
| Stock Ratio | 55 | 0 | 3 | 4 | 22 |
| Debtors Ratio | 66 | 49 | 85 | 78 | 86 |
| Creditors Ratio | 200 | 99 | 81 | 92 | 97 |

SOLVENCY RATIOS

(Times)

| | | | | | |
|-----------------------------|--------|------|------|------|------|
| Gearing Ratio | 1.67 | 1.52 | 1.95 | 1.86 | 1.61 |
| Liabilities Ratio | 5.35 | 3.82 | 5.06 | 4.94 | 4.60 |
| Times Interest Earned Ratio | (1.67) | 3.25 | 4.15 | 1.05 | 7.30 |
| Assets Backing Ratio | 5.72 | 8.12 | 8.16 | 6.14 | 6.20 |

PERFORMANCE RATIO

(%)

| | | | | | |
|--------------------------------------|---------|-------|-------|--------|-------|
| Operating Profit Margin | (8.25) | 4.06 | 4.40 | 0.09 | 5.70 |
| Net Profit Margin | (8.18) | 2.72 | 3.03 | (0.12) | 5.58 |
| Return On Net Assets | (26.46) | 44.78 | 47.40 | 14.60 | 48.85 |
| Return On Capital Employed | (10.78) | 19.22 | 22.14 | 5.85 | 19.75 |
| Return On Shareholders' Funds/Equity | (41.94) | 20.76 | 24.73 | (0.99) | 41.26 |
| Dividend Pay Out Ratio (Times) | - | 0.36 | - | - | - |

FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 68.68 |
| UK Pound | 1 | INR 89.26 |
| Euro | 1 | INR 79.38 |
| MYR | 1 | INR 16.87 |

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

INFORMATION DETAILS

| | |
|----------------------|-----|
| Analysis Done by : | DIV |
| 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)