

## MIRA INFORM REPORT

|                      |            |
|----------------------|------------|
| <b>Report No. :</b>  | 523899     |
| <b>Report Date :</b> | 09.08.2018 |

### IDENTIFICATION DETAILS

|                                |   |
|--------------------------------|---|
| <b>Name :</b>                  | KANG SING MANUFACTURING SDN. BHD.   |
| <b>Registered Office :</b>     | 2-3-11 (3rd Floor), Menara Kih Business Centre, 2, Jalan Kasipillay, Off Jalan Sultan Azlan Shah, 51200 Kuala Lumpur, Wilayah Persekutuan |
| <b>Country :</b>               | Malaysia  |
| <b>Financials (as on) :</b>    | 30.06.2016  |
| <b>Date of Incorporation :</b> | 06.04.1991  |
| <b>Com. Reg. No.:</b>          | 215252-T  |
| <b>Legal Form :</b>            | Private Limited (Limited by Shares)   |
| <b>Line of Business :</b>      | The Subject is Principally engaged in the Manufacturing of all kinds of Socks.  |
| <b>No. of Employees :</b>      | 60 (2018)   |

### RATING & COMMENTS

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

|                        |   |
|------------------------|---|
| <b>MIRA's Rating :</b> | A |
|------------------------|---|

| Credit Rating | Explanation     | Rating Comments   |
|---------------|-----------------|---|
| A             | Acceptable Risk | Business dealings permissible with moderate risk of default |

|                            |         |
|----------------------------|---------|
| <b>Status :</b>            | Good    |
| <b>Payment Behaviour :</b> | Regular |
| <b>Litigation :</b>        | Clear   |

#### NOTES :

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

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**ECGC Country Risk Classification List**

| Country Name | Previous Rating<br>(31.12.2017) | Current Rating<br>(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.           | : 215252-T   |
| GST NO.                    | : 001242300416   |
| COMPANY NAME               | : <b>KANG SING MANUFACTURING SDN. BHD.</b>   |
| FORMER NAME                | : N/A  |
| INCORPORATION DATE         | : 06/04/1991   |
| COMPANY STATUS             | : EXIST  |
| LEGAL FORM                 | : PRIVATE LIMITED (LIMITED BY SHARE)   |
| LISTED STATUS              | : NO   |
| REGISTERED ADDRESS         | : 2-3-11 (3RD FLOOR), MENARA KLH BUSINESS CENTRE, 2, JALAN KASIPILLAY, OFF JALAN SULTAN AZLAN SHAH, 51200 KUALA LUMPUR, WILAYAH PERSEKUTUAN, MALAYSIA. |
| BUSINESS ADDRESS           | : LOT 5312, BATU 19, JALAN SEMENYIH, 43500 SEMENYIH, SELANGOR, MALAYSIA.   |
| TEL.NO.                    | : 03-87234796  |
| FAX.NO.                    | : 03-87241533  |
| CONTACT PERSON             | : WOON CHEE MIN ( MANAGING DIRECTOR )  |
| INDUSTRY CODE              | : 14109  |
| PRINCIPAL ACTIVITY         | : MANUFACTURING OF ALL KINDS OF SOCKS  |
| 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 1,000,000.00 DIVIDED INTO ORDINARY SHARES 1,000,000 CASH OF MYR 1.00 EACH.   |
| SALES                      | : MYR 10,103,620 [2016]  |
| NET WORTH                  | : MYR 8,444,506 [2016]   |
| STAFF STRENGTH             | : 60 [2018]  |
| BANKER (S)                 | : ALLIANCE BANK MALAYSIA BHD<br>STANDARD CHARTERED BANK MALAYSIA BHD   |
| LITIGATION                 | : CLEAR  |
| DEFAULTER CHECK            | : CLEAR  |
| FINANCIAL CONDITION        | : STABLE   |
| PAYMENT MANAGEMENT         | : GOOD   |
| 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 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) manufacturing of all kinds of socks.

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

### **Former Address(es)**

| <b>Address</b>   | <b>As At Date</b> |
|--|-------------------|
| 5-3 (3RD FLOOR), JALAN 65C, PEKELILING BUSINESS CENTRE, OFF JALAN PAHANG BARAT, 53000, WILAYAH PERSEKUTUAN, MALAYSIA                 | 08/11/1998        |
| 8 JALAN P2/19, SEC. 2, BANDAR TECHNOLOGY KAJANG, SEMENYIH, SELANGOR, 43500, SELANGOR, MALAYSIA                                       | 15/02/2013        |
| SUITE 1712, 17TH FLOOR, IGB PLAZA, JALAN KAMPAR, 50400, WILAYAH PERSEKUTUAN, MALAYSIA  | 17/12/1995        |
| 2-7-9 (7TH FLOOR), MENARA KLH BUSINESS CENTRE, 2, JALAN KASIPILLAY, OFF 2 1/2 MILE, JALAN IPOH, 51200, WILAYAH PERSEKUTUAN, MALAYSIA | 26/03/2017        |

### **Share Capital History**

| <b>Date</b> | <b>Authorised Shared Capital</b> | <b>Issue &amp; Paid Up Capital</b> |
|-------------|----------------------------------|------------------------------------|
| 16/06/2003  | MYR 1,000,000.00                 | MYR 1,000,000.00                   |
| 09/05/2001  | MYR 1,000,000.00                 | MYR 750,000.00                     |

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

### **Current Shareholder(s) :**

| <b>Name</b>         | <b>Address</b>  | <b>IC/PP/Loc No</b>   | <b>Shareholding</b> | <b>(%)</b> |
|---------------------|---|-----------------------|---------------------|------------|
| MR. WOON CHEE MIN + | 85, JALAN 2, KAJANG JAYA, 43000 KAJANG, SELANGOR, MALAYSIA.                           | 540310-06-53854598678 | 550,000.00          | 55.00      |
| MS. HO MEI CHIN +   | 3, JALAN BUKIT MEWAH 9/6, TAMAN BUKIT MEWAH 9, 43000 KAJANG, SELANGOR, MALAYSIA.      | 521102-06-51688076854 | 200,000.00          | 20.00      |
| MS. WOON YEE LIN +  | 3, JALAN BUKIT MEWAH 9/6, TAMAN BUKIT MEWAH FASA 9, 43000 KAJANG, SELANGOR, MALAYSIA. | 820908-14-6178        | 100,000.00          | 10.00      |
| MR. WOON YUNG       | 3, JALAN BUKIT MEWAH 9/6, TAMAN   | 880405-14-            | 100,000.00          | 10.00      |

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**KANG SING MANUFACTURING SDN. BHD. - 523899**

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|                    |   |                    |                       |                 |
|--------------------|---|--------------------|-----------------------|-----------------|
| KANG +             | BUKIT MEWAH FASA 9, 43000 KAJANG,<br>SELANGOR, MALAYSIA.                                    | 5223               |                       |                 |
| MS. WOON POH LIM + | 3, JALAN BUKIT MEWAH 9/6, TAMAN<br>BUKIT MEWAH FASA 9, 43000 KAJANG,<br>SELANGOR, MALAYSIA. | 851107-14-<br>5396 | 50,000.00             | 5.00            |
|                    |   |                    | -----<br>1,000,000.00 | -----<br>100.00 |
|                    |   |                    | =====                 | =====           |

+ Also Director

***DIRECTORS***

**DIRECTOR 1**

Name Of Subject : MS. WOON POH LIM  
Address : 3, JALAN BUKIT MEWAH 9/6, TAMAN BUKIT MEWAH FASA 9, 43000 KAJANG,  
SELANGOR, MALAYSIA.  
New IC No : 851107-14-5396  
Date of Birth : 07/11/1985  
Nationality : MALAYSIAN  
Date of Appointment : 29/01/2014

**INTEREST CHECK**

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

**INTEREST IN COMPANY**

| N<br>o | Local<br>No | Company                                     | Designat<br>ion | App<br>Date    | Shareholdin<br>g |          | Profit/(loss)<br>After Tax | Financ<br>ial<br>Year | Stat<br>us | As At          |
|--------|-------------|---|-----------------|----------------|------------------|----------|----------------------------|-----------------------|------------|----------------|
|        |             |   |                 |                | No.              | %        |                            |                       |            |                |
| 1      | 21525<br>2T | KANG SING<br>MANUFACTU<br>RING SDN.<br>BHD. | Director        | 29/01/20<br>14 | 50,000.<br>00    | 5.0<br>0 | MYR892,79<br>0.00          | 2016                  | -          | 26/07/20<br>18 |

**DIRECTOR 2**

Name Of Subject : MS. WOON YEE LIN  
Address : 3, JALAN BUKIT MEWAH 9/6, TAMAN BUKIT MEWAH FASA 9, 43000 KAJANG,  
SELANGOR, MALAYSIA.  
New IC No : 820908-14-6178

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**KANG SING MANUFACTURING SDN. BHD. - 523899**

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Date of Birth : 08/09/1982  
Nationality : MALAYSIAN  
Date of Appointment : 09/10/2008

**INTEREST CHECK**

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

**INTEREST IN COMPANY**

| N<br>o | Local<br>No | Company                                     | Designat<br>ion | App<br>Date    | Shareholding<br>No. %    | Profit/(loss<br>) After Tax | Financ<br>ial<br>Year | Stat<br>us | As At          |
|--------|-------------|---|-----------------|----------------|--------------------------|-----------------------------|-----------------------|------------|----------------|
| 1      | 21525<br>2T | KANG SING<br>MANUFACTU<br>RING SDN.<br>BHD. | Director        | 09/10/2<br>008 | 100,000<br>.00 10.<br>00 | MYR892,79<br>0.00           | 2016                  | -          | 26/07/2<br>018 |

**DIRECTOR 3**

Name Of Subject : MR. WOON YUNG KANG  
Address : 3, JALAN BUKIT MEWAH 9/6, TAMAN BUKIT MEWAH FASA 9, 43000 KAJANG,  
SELANGOR, MALAYSIA.  
New IC No : 880405-14-5223  
Date of Birth : 05/04/1988  
Nationality : MALAYSIAN  
Date of Appointment : 09/10/2008

**INTEREST CHECK**

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

**INTEREST IN COMPANY**

| N<br>o | Local<br>No | Company                                     | Designat<br>ion | App<br>Date    | Shareholding<br>No. %    | Profit/(loss<br>) After Tax | Financ<br>ial<br>Year | Stat<br>us | As At          |
|--------|-------------|---|-----------------|----------------|--------------------------|-----------------------------|-----------------------|------------|----------------|
| 1      | 21525<br>2T | KANG SING<br>MANUFACTU<br>RING SDN.<br>BHD. | Director        | 09/10/2<br>008 | 100,000<br>.00 10.<br>00 | MYR892,79<br>0.00           | 2016                  | -          | 26/07/2<br>018 |

**DIRECTOR 4**

Name Of Subject : MS. HO MEI CHIN  
Address : 3, JALAN BUKIT MEWAH 9/6, TAMAN BUKIT MEWAH 9, 43000 KAJANG,  
SELANGOR, MALAYSIA.  
IC / PP No : 8076854  
New IC No : 521102-06-5168  
Date of Birth : 02/11/1952  
Nationality : MALAYSIAN  
Date of Appointment : 06/04/1991

**INTEREST CHECK**

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

**INTEREST IN COMPANY**

| N o | Local No | Company                           | Designation | App Date   | Shareholding No. | Shareholding % | Profit/(loss ) After Tax | Financ ial Year | Stat us | As At      |
|-----|----------|-----------------------------------|-------------|------------|------------------|----------------|--------------------------|-----------------|---------|------------|
| 1   | 21525 2T | KANG SING MANUFACTURING SDN. BHD. | Director    | 06/04/1991 | 200,000 .00      | 20.00          | MYR892,79 0.00           | 2016            | -       | 26/07/2018 |

**INTEREST IN BUSINESS**

| No | Local No   | Business        | Designation         | App Date   | Shareholding (%) | Status  | As At      |
|----|------------|-----------------|---------------------|------------|------------------|---------|------------|
| 1  | 002503886K | HMCW ENTERPRISE | SOLE PROPRIETORSHIP | 13/01/2016 | 100.00           | Expired | 26/07/2018 |

**DIRECTOR 5**

Name Of Subject : MR. WOON CHEE MIN  
Address : 85, JALAN 2, KAJANG JAYA, 43000 KAJANG, SELANGOR, MALAYSIA.  
Other Address(es) : - NO.3,JALAN BUKIT MEWAH 9/6, TAMAN BUKIT MEWAH FASA 9, 43000 KAJANG,  
SELANGOR, MALAYSIA.  
- SELANGOR  
IC / PP No : 4598678  
New IC No : 540310-06-5385  
Date of Birth : 10/03/1954  
Nationality : MALAYSIAN  
Date of Appointment : 06/04/1991

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**INTEREST CHECK**

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

**INTEREST IN COMPANY**

| <b>No</b> | <b>Local No</b> | <b>Company</b>                          | <b>Designation</b> | <b>App Date</b> | <b>Shareholding No.</b> | <b>%</b> | <b>Profit/(loss) After Tax</b> | <b>Financial Year</b> | <b>Status</b> | <b>As At</b> |
|-----------|-----------------|---|--------------------|-----------------|-------------------------|----------|--------------------------------|-----------------------|---------------|--------------|
| 1         | 21525<br>2T     | KANG SING<br>MANUFACTURING SDN.<br>BHD. | Director           | 06/04/1991      | 550,000.00              | 55.00    | MYR892,790.00                  | 2016                  | -             | 26/07/2018   |
| 2         | 19097<br>6A     | LACE<br>MANUFACTURING SDN.<br>BHD.      | Shareholder        | -               | 246,000.00              | 12.30    | MYR(552,668.00)                | 2006                  | -             | 26/07/2018   |
| 3         | 15815<br>8M     | LACE<br>PRODUCTS SDN. BHD.              | Shareholder        | -               | 20,001.00               | 15.00    | MYR59,700.00                   | 2012                  | -             | 26/07/2018   |
| 4         | 44100<br>4W     | SUN TEXTILE<br>INDUSTRIES SDN. BHD.     | Shareholder        | -               | 78,750.00               | 7.50     | MYR(33,549.00)                 | 2006                  | -             | 26/07/2018   |

**FORMER INTEREST**

| <b>No</b> | <b>Local No</b> | <b>Company</b>                   | <b>Designation</b> | <b>App Date</b> | <b>Withdrawn Date</b> | <b>Shareholding</b> | <b>Status</b> |
|-----------|-----------------|----------------------------------|--------------------|-----------------|-----------------------|---------------------|---------------|
| 1         | 190976A         | LACE MANUFACTURING SDN. BHD.     | Director           | 09/09/1991      | 26/05/2009            | -                   | -             |
| 2         | 158158M         | LACE PRODUCTS SDN. BHD.          | Director           | 10/12/1986      | 30/05/2009            | -                   | -             |
| 3         | 441004W         | SUN TEXTILE INDUSTRIES SDN. BHD. | Director           | 07/11/1997      | 26/05/2009            | -                   | -             |

***MANAGEMENT***

- 1) Name of Subject : WOON CHEE MIN  
Position : MANAGING DIRECTOR  
2) Name of Subject : HO MEI CHIN  
Position : FINANCE DIRECTOR

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## **AUDITOR**

| <b>Firm No</b> | <b>Firm Name</b>    | <b>Address</b>  | <b>As At Date</b> |
|----------------|---------------------|---|-------------------|
| AF0951         | K K CHOW & PARTNERS | SUITE 3.01 (3RD FLOOR), WISMA YAP KA, 480, 3RD MILE, JALAN IPOH, 51200 KUALA LUMPUR, WILAYAH PERSEKUTUAN, MALAYSIA.                                       | 30/06/2016        |
| AF0314         | K.K. CHOW & CO.     | 2-7-9 TO 2-7-12, 7TH FLOOR, MENARA KLH BUSINESS CENTRE, 2 JALAN KASIPILLAY OFF 2 1/2 MILES JALAN IPOH, 51200 KUALA LUMPUR, WILAYAH PERSEKUTUAN, MALAYSIA. | 30/06/2014        |

## **COMPANY SECRETARIES**

- 1) Company Secretary : MR. YAP FOO TENG  
IC / PP No : 5131240  
New IC No : 570406-08-6305  
Address : 10, JALAN 5/14, PANDAN INDAH, 55100 KUALA LUMPUR, WILAYAH PERSEKUTUAN, MALAYSIA.  
Date of Appointment : 06/04/1991

## **BANKING**

Banking relations are maintained principally with :

- 1) Name : ALLIANCE BANK MALAYSIA BHD  
2) Name : STANDARD CHARTERED BANK MALAYSIA BHD

## **ENCUMBRANCE (S)**

| <b>Charge No</b> | <b>Creation Date</b> | <b>Charge Description</b> | <b>Chargee Name</b>                 | <b>Total Charge</b> | <b>Status</b> |
|------------------|----------------------|---------------------------|-------------------------------------|---------------------|---------------|
| 2                | 15/11/1991           | N/A                       | DEVELOPMENT COMMERCIAL BANK BERHJAD | MYR 100,000.00      | Satisfied     |
| 1                | 19/11/1991           | N/A                       | KWONG YIK BANK BERHAD               | MYR 119,000.00      | Satisfied     |
| 3                | 08/12/1994           | N/A                       | DCE BANK BERHAD                     | MYR 209,000.00      | Satisfied     |
| 4                | 23/11/1995           | N/A                       | DCB BANK BERHAD                     | MYR 120,000.00      | Satisfied     |

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|    |            |   |  |                  |             |
|----|------------|---|--|------------------|-------------|
| 5  | 23/11/1995 | N/A   | DCB BANK BERHAD  | MYR 259,000.00   | Satisfied   |
| 6  | 23/11/1995 | N/A   | DCB BANK BERHAD  | MYR 379,000.00   | Satisfied   |
| 7  | 23/11/1995 | N/A   | DCB BANK BERHAD  | MYR 379,000.00   | Satisfied   |
| 8  | 29/01/1996 | N/A   | MALAYSIAN<br>INDUSTRIAL<br>DEVELOPMENT<br>FINANCE BERHAD | MYR 390,000.00   | Satisfied   |
| 9  | 13/09/1996 | N/A   | DCB BANK BERHAD  | MYR 430,000.00   | Satisfied   |
| 10 | 24/01/1997 | N/A   | PERWIRA AFFIN BANK<br>BERHAD                             | MYR 79,000.00    | Satisfied   |
| 11 | 26/01/2000 | N/A   | OCBC BANK MALAYSIA<br>BERHAD                             | MYR 910,000.00   | Satisfied   |
| 12 | 10/02/2001 | N/A   | ARABMALAYSIAN<br>FINANCE BERHAD                          | MYR 300,000.00   | Satisfied   |
| 13 | 20/07/2001 | N/A   | OCBC BANK MALAYSIA<br>BERHAD                             | MYR 2,650,000.00 | Satisfied   |
| 14 | 15/10/2001 | N/A   | MALAYSIAN<br>INDUSTRIAL<br>DEVELOPMENT SDN<br>BERHAD     | MYR 740,000.00   | Satisfied   |
| 15 | 29/10/2003 | N/A   | OCBC BANK MALAYSIA<br>BERHAD                             | MYR 568,000.00   | Satisfied   |
| 16 | 28/12/2005 | OPEN CHARGE   | STANDARD<br>CHARTERED BANK<br>MALAYSIA BERHAD            | -                | Satisfied   |
| 17 | 28/12/2005 | N/A   | STANDARD<br>CHARTERED BANK<br>MALAYSIA BERHAD            | MYR 2,442,921.00 | Satisfied   |
| 18 | 24/04/2008 | FACILITIES<br>AGREEMENT, MEMO<br>OF DEPOSIT &<br>LETTER OF SETOFF | ALLIANCE BANK<br>MALAYSIA BERHAD                         | -                | Satisfied   |
| 19 | 30/07/2009 | N/A   | MALAYSIAN<br>INDUSTRIAL<br>DEVELOPMENT<br>FINANCE BERHAD | -                | Satisfied   |
| 20 | 05/04/2011 | N/A   | MALAYSIAN<br>INDUSTRIAL<br>DEVELOPMENT<br>FINANCE BERHAD | MYR 625,000.00   | Satisfied   |
| 21 | 05/04/2012 | DEED OF<br>ASSIGNMENT   | UNITED OVERSEAS<br>BANK (MALAYSIA)<br>BERHAD.            | -                | Unsatisfied |
| 22 | 09/12/2016 | NEGATIVE PLEDGE   | MALAYSIAN<br>INDUSTRIAL<br>DEVELOPMENT<br>FINANCE BERHAD | MYR 300,000.00   | Unsatisfied |
| 23 | 07/08/2017 | FACILITIES<br>AGREEMENT   | RHB BANK BERHAD  | -                | Unsatisfied |

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|    |            |                           |                            |   |             |
|----|------------|---------------------------|----------------------------|---|-------------|
| 24 | 18/08/2017 | MASTER AGREEMENT          | PUBLIC ISLAMIC BANK BERHAD | - | Unsatisfied |
| 25 | 18/08/2017 | MASTER FACILITY AGREEMENT | PUBLIC ISLAMIC BANK BERHAD | - | 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.

No plaintiff record was found in our databank.

## ***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.

## **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 [ X ] | Average 61-90 Days [ ] |
| Fair 91-120 Days [ ] | Poor >120 Days [ ]    |                        |

## **CLIENTELE**

Local : YES  
Domestic : MALAYSIA  
Markets  
Overseas : YES  
Export Market : ASIA  
Credit Term : AS AGREED  
Payment Mode : CHEQUES  
TELEGRAPHIC TRANSFER (TT)

## **OPERATIONS**

Products manufactured : SOCKS  
Member(s) / Affiliate(s) : SMALL & MEDIUM ENTERPRISE

### Total Number of Employees:

YEAR 2018

---

|         |     |
|---------|-----|
| GROUP   | N/A |
| COMPANY | 60  |

Branch : NO  
Other Information:

The Subject is principally engaged in the (as a / as an) manufacturing of all kinds of socks.

As a socks manufacturer, the Subject offer a wide range of stylish socks comprising of Men Socks, Ladies Socks,

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Sport Socks, Soccer Socks, Compression Socks, Children Socks and School Socks on OEM basis.

As OEM producer, all of its products are made with customers' requirement.

## **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 : N/A  
 Provided By Client  
 Current Telephone Number : 03-87234796  
 Match : N/A  
  
 Address Provided by Client : LOT 5312, BATU 19, JALAN SEMENYIH, 43500 SEMENYIH,  
 SELANGOR, SELANGOR, MALAYSIA  
 Current Address : LOT 5312, BATU 19, JALAN SEMENYIH, 43500 SEMENYIH, 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                    | : Erratic    | [ 2012 - 2016 ] |
| Profit/(Loss) Before Tax    | : Increased  | [ 2012 - 2016 ] |
| Return on Shareholder Funds | : Acceptable | [ 10.57% ]      |
| Return on Net Assets        | : Acceptable | [ 15.29% ]      |

The fluctuating turnover reflects the fierce competition among the existing and new market players. The Subject's management have been efficient in controlling its operating costs. The Subject's management had generated acceptable return for its shareholders using its assets.

### **Working Capital Control**

|                 |                |              |
|-----------------|----------------|--------------|
| Stock Ratio     | : Favourable   | [ 52 Days ]  |
| Debtor Ratio    | : Unfavourable | [ 136 Days ] |
| Creditors Ratio | : Favourable   | [ 22 Days ]  |

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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  | : Favourable   | [ 1.35 Times ] |
| Current Ratio | : Unfavourable | [ 1.84 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 | : Acceptable | [ 6.29 Times ] |
| Gearing Ratio  | : Favourable | [ 0.22 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 lowly geared thus it had a low financial risk. The Subject was mainly financed by its shareholders' funds and internally generated funds. In times of economic slowdown / downturn, the Subject being a lowly geared company, will be able to compete better than those companies which are highly geared in the same industry.

**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 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. 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 as a lowly geared company, will be more secured compared to those highly geared companies. It has the ability to meet all its long term obligations.

**Overall financial condition of the Subject : STABLE**

***MALAYSIA ECONOMIC / INDUSTRY OUTLOOK***

| Major Economic Indicators:                              | 2014         | 2015         | 2016         | 2017*        | 2018**       |
|---|--------------|--------------|--------------|--------------|--------------|
| Population ( Million)                                   | 30.0         | 31.0         | 31.6         | 32.1         | 32.9         |
| <b>Gross Domestic Products ( % )</b>                    | <b>6.0</b>   | <b>4.6</b>   | <b>4.2</b>   | <b>5.3</b>   | <b>5.4</b>   |
| Domestic Demand ( % )                                   | 6.4          | 6.2          | 4.3          | 6.3          | 6.4          |
| <b>Private Expenditure ( % )</b>                        | <b>7.9</b>   | <b>6.9</b>   | <b>7.8</b>   | <b>7.4</b>   | <b>7.3</b>   |
| Consumption ( % )                                       | 6.5          | 6.1          | 5.1          | 6.9          | 6.8          |
| Investment ( % )  | 12.0         | 8.1          | 10.0         | 9.3          | 8.9          |
| <b>Public Expenditure ( % )</b>                         | <b>2.3</b>   | <b>4.2</b>   | <b>3.3</b>   | <b>5.3</b>   | <b>5.5</b>   |
| 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)     |
| <b>Government Finance to GDP / Fiscal Deficit ( % )</b> | <b>(3.4)</b> | <b>(3.2)</b> | <b>(3.1)</b> | <b>(3.0)</b> | <b>(2.8)</b> |
| Inflation ( % Change in Composite CPI)                  | 3.2          | 4.0          | 2.1          | 3.5          | 3.0          |

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|   |                |                |                |                |               |
|---|----------------|----------------|----------------|----------------|---------------|
| 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           | -              | -              | -             |
| <b>Average 3 Months of Non-performing Loans ( % )</b> | <b>2.10</b>    | <b>2.00</b>    | <b>1.90</b>    | -              | -             |
| 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 ( % )                                  | -              | -              | -              | -              | -             |
| <b>Registration of New Companies ( No. )</b>          | <b>49,203</b>  | <b>45,658</b>  | <b>43,255</b>  | <b>47,871</b>  | -             |
| Registration of New Companies ( % )                   | 6.1            | (7.2)          | (5.3)          | 10.7           | -             |
| <b>Liquidation of Companies ( No. )</b>               | <b>33,226</b>  | <b>34,667</b>  | <b>36,778</b>  | <b>38,632</b>  | -             |
| Liquidation of Companies ( % )                        | 0.5            | 4.3            | 6.1            | 5.0            | -             |
| <b>Registration of New Business ( No. )</b>           | <b>332,723</b> | <b>364,230</b> | <b>376,720</b> | <b>484,029</b> | -             |
| Registration of New Business ( % )                    | 1.0            | 9.0            | 3.0            | 29.0           | -             |
| <b>Business Dissolved ( No. )</b>                     | <b>26,966</b>  | -              | -              | -              | -             |
| 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)          | -             |
| <b>INDUSTRIES ( % of Growth ):</b>                    | <b>2014</b>    | <b>2015</b>    | <b>2016</b>    | <b>2017*</b>   | <b>2018**</b> |
| <b>Agriculture</b>                                    | <b>2.0</b>     | <b>1.3</b>     | <b>(5.1)</b>   | <b>5.6</b>     | <b>2.4</b>    |
| 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            | -              | -             |
| <b>Mining</b>   | <b>3.3</b>     | <b>5.3</b>     | <b>2.2</b>     | <b>0.5</b>     | <b>0.9</b>    |
| 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            | -              | -             |
| <b>Manufacturing #</b>                                | <b>6.1</b>     | <b>4.9</b>     | <b>4.4</b>     | <b>5.5</b>     | <b>5.3</b>    |
| <b>Exported-oriented Industries</b>                   | <b>7.1</b>     | <b>6.5</b>     | <b>4.3</b>     | <b>6.5</b>     | -             |
| 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            | -             |

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|  |                |                |                |            |            |
|--|----------------|----------------|----------------|------------|------------|
| Textiles & Apparel                                   | 10.8           | 7.5            | 7.5            | 7.4        | -          |
| <b>Domestic-oriented Industries</b>                  | <b>7.7</b>     | <b>4.7</b>     | <b>3.4</b>     | <b>6.2</b> | -          |
| 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           | -          | -          |
| <i>Industry Non-Performing Loans ( MYR Million )</i> | <i>5,730.8</i> | <i>4,243.7</i> | <i>4,214.1</i> | -          | -          |
| <i>% of Industry Non-Performing Loans</i>            | <i>25.6</i>    | <i>19.0</i>    | <i>18.5</i>    | -          | -          |
| <b>Construction</b>                                  | <b>11.7</b>    | <b>8.2</b>     | <b>7.4</b>     | <b>7.6</b> | <b>7.5</b> |
| <i>Industry Non-Performing Loans ( MYR Million )</i> | <i>1,666.4</i> | <i>1,638.0</i> | <i>1,793.9</i> | -          | -          |
| <i>% of Industry Non-Performing Loans</i>            | <i>7.5</i>     | <i>7.3</i>     | <i>7.9</i>     | -          | -          |
| <b>Services</b>                                      | <b>6.6</b>     | <b>5.1</b>     | <b>5.6</b>     | <b>5.9</b> | <b>5.8</b> |
| 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        |
| <i>Industry Non-Performing Loans ( MYR Million )</i> | <i>5,373.5</i> | <i>6,806.6</i> | <i>7,190.6</i> | -          | -          |
| <i>% of Industry Non-Performing Loans</i>            | <i>24.1</i>    | <i>30.5</i>    | <i>31.5</i>    | -          | -          |

\* Estimate / Preliminary

\*\* Forecast

## **INDUSTRY ANALYSIS**

### **MSIC**

#### **CODE**

14109 : Manufacture of other clothing accessories

#### **INDUSTRY MANUFACTURING**

:

The manufacturing sector is forecast to increase 5.3% in year 2018 (2017: 5.5%). Output of export-oriented industries is projected to expand on account of sustained demand for E&E, refined petroleum and woods products. Growth in the domestic-oriented industries is anticipated to remain resilient supported by ongoing construction of infrastructure projects as well as strong demand for consumer products, especially food and transport equipment.

Value added of the manufacturing sector expanded further by 5.8% during the first half of 2017 (January – June 2016: 4.4%) with expansion across a wide range of outputs in both the export- and domestic-oriented industries. During the first eight months, production increased 6.4%, while sales rebounded significantly by 15.6% to

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RM500.2 billion (January – August 2016: 4%; -0.7%; RM432.8 billion). Output of export-oriented industries rose 6.5% (January – August 2016: 4.3%) led by an upturn in global electronics cycle and further enhanced by strong demand for resource-based products. Meanwhile, domestic-oriented industries expanded 6.2% (January – August 2016: 3.4%) benefiting from vibrant consumption and construction activities.

Within the export-oriented industries, E&E output expanded 9.3% while sales surged 16.3% to RM169.5 billion (January – August 2016: 6.8%; 9%; RM145.8 billion). Growth emanated mainly from the expansion in output of printed circuit boards, semiconductor devices and electronic integrated circuits which strengthened further by 24.4%, 11.9% and 16.9% (January – August 2016: 11.9%; 5.9%; 15%), respectively. This is in line with the trend in global semiconductor sales which is expected to expand 11.5% in 2017, the highest level since 2010. On the contrary, the output of computers and peripheral equipment contracted 7.7% (January – August 2016: 3.1%) as a result of lower demand for notebooks and personal computers following rising preferences for smartphones and tablets. Meanwhile, consumer electronics grew at a moderate pace of 2.6% (January – August 2016: 5.3%) partly due to lower demand for in-car entertainment, portable media players and digital cameras.

Output of wood and wood products grew 7.3% (January – August 2016: 7.8%). The growth was primarily supported by output of sawmilling and planning of wood which expanded 14.7% (January – August 2016: 16.8%) in response to strong demand from Australia, Japan and the US. Meanwhile, production of wooden and cane furniture remained steady at 10.9% (January – August 2016: 10.9%), benefiting from greater adoption of technology and diversification of export markets.

Manufacture of food products rose 11.2%, largely attributed to a significant increase in refined palm oil at 26.1% (January – August 2016: 6.3%; -3.3%), following higher production of CPO. Meanwhile, output of other food products grew 7% supported by production of bread, cakes and other bakery (15.6%) as well as biscuits and cookies (12%) to meet the rising demand from households (January – August 2016: 11.1%; 19.2%; 19.1%).

For the year, the manufacturing sector is projected to expand further by 5.5% (2016: 4.4%) mainly attributed to an upturn in global semiconductor sales as well as higher demand for consumer products and construction materials.

**OVERALL INDUSTRY OUTLOOK : Marginal Growth**

## **CREDIT RISK EVALUATION & RECOMMENDATION**

Incorporated in 1991, the Subject is a Private Limited company, focusing on manufacturing of all kinds of socks. 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. A paid up capital of MYR 1,000,000 allows the Subject to expand its business more comfortably. We considered that the Subject's business position in the market is much dependent on the efforts of its directors.

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. The Subject has a total workforce of 60 employees in its business operations. 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.

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 costs. 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 lowly geared

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company, the Subject is exposed to low financial risk as it is mainly dependent on its internal funds to finance its business needs. Given a positive net worth standing at MYR 8,444,506, 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.

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. 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.

## **FINANCIALS**

### **PROFIT AND LOSS ACCOUNT**

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

#### **KANG SING MANUFACTURING SDN. BHD.**

| Financial Year End                           | 2016-06-30 | 2015-06-30 | 2014-06-30 | 2013-06-30 | 2012-06-30 |
|--|------------|------------|------------|------------|------------|
| 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                                     | 10,103,620 | 9,889,323  | 11,469,096 | 10,915,314 | 10,572,368 |
| Total Turnover                               | 10,103,620 | 9,889,323  | 11,469,096 | 10,915,314 | 10,572,368 |
| PROFIT/(LOSS) FROM OPERATIONS                | 1,085,555  | 914,140    | 1,184,673  | 1,386,056  | 2,130,043  |
| PROFIT/(LOSS) BEFORE TAXATION                | 1,085,555  | 914,140    | 1,184,673  | 1,386,056  | 2,130,043  |
| Taxation                                     | (192,765)  | (197,424)  | (256,597)  | (269,916)  | (328,469)  |

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|   |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|
| PROFIT/(LOSS)<br>AFTER<br>TAXATION                        | 892,790   | 716,716   | 928,076   | 1,116,140 | 1,801,574 |
| <b>RETAINED<br/>PROFIT/(LOSS)<br/>BROUGHT<br/>FORWARD</b> |           |           |           |           |           |
| As previously<br>reported                                 | 6,851,716 | 6,535,000 | 6,106,924 | 5,490,784 | 4,189,210 |
| As restated   | 6,851,716 | 6,535,000 | 6,106,924 | 5,490,784 | 4,189,210 |
| PROFIT<br>AVAILABLE FOR<br>APPROPRIATION<br>S             | 7,744,506 | 7,251,716 | 7,035,000 | 6,606,924 | 5,990,784 |
| DIVIDENDS -<br>Ordinary (paid &<br>proposed)              | (300,000) | (400,000) | (500,000) | (500,000) | (500,000) |
| RETAINED<br>PROFIT/(LOSS)<br>CARRIED<br>FORWARD           | 7,444,506 | 6,851,716 | 6,535,000 | 6,106,924 | 5,490,784 |
|   | =         | =         | =         | =         | =         |
| <b>INTEREST<br/>EXPENSE (as per<br/>notes to P&amp;L)</b> |           |           |           |           |           |
| Others  | 205,191   | 243,663   | 262,444   | 228,719   | 261,037   |
|   | 205,191   | 243,663   | 262,444   | 228,719   | 261,037   |
|   | =         | =         | =         | =         | =         |
| DEPRECIATION<br>(as per notes to<br>P&L)                  | 805,976   | 813,256   | 864,907   | 780,584   | 692,520   |
| Total Amortization<br>And Depreciation                    | 805,976   | 813,256   | 864,907   | 780,584   | 692,520   |
|   | =         | =         | =         | =         | =         |

**BALANCE SHEET  
KANG SING MANUFACTURING SDN. BHD.  
ASSETS  
EMPLOYED:**

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|  |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|
| FIXED ASSETS                           | 7,560,996  | 7,791,093  | 8,468,971  | 8,533,338  | 7,875,569  |
| TOTAL LONG TERM ASSETS                 | 7,560,996  | 7,791,093  | 8,468,971  | 8,533,338  | 7,875,569  |
| <b>CURRENT ASSETS</b>                  |            |            |            |            |            |
| Short term quoted/unquoted investments | 47,806     | 64,493     | 86,078     | 225,972    | 220,661    |
| Stocks                                 | 1,426,080  | 1,860,467  | 2,353,477  | 2,151,535  | 982,677    |
| Trade debtors                          | 3,756,929  | 3,558,249  | 3,558,146  | 3,373,562  | 3,554,849  |
| Other debtors, deposits & prepayments  | 107,009    | 60,050     | 63,621     | 68,131     | 59,101     |
| Others                                 | -          | -          | 29,405     | 46,423     | -          |
| TOTAL CURRENT ASSETS                   | 5,337,824  | 5,543,259  | 6,090,727  | 5,865,623  | 4,817,288  |
| TOTAL ASSET                            | 12,898,820 | 13,334,352 | 14,559,698 | 14,398,961 | 12,692,857 |
|  | =          | =          | =          | =          | =          |
| <b>CURRENT LIABILITIES</b>             |            |            |            |            |            |
| Trade creditors                        | 617,521    | 568,168    | 819,064    | 1,133,276  | 916,480    |
| Other creditors & accruals             | 339,880    | 414,456    | 477,322    | 451,551    | 383,335    |
| Hire purchase & lease creditors        | 69,928     | 211,646    | 364,061    | 383,435    | 292,262    |
| Bank overdraft                         | 813,061    | 731,670    | 920,672    | 198,648    | 6,739      |
| Short term borrowings/Term loans       | 256,408    | 238,667    | 344,409    | 546,782    | 526,889    |
| Bill & acceptances payable             | 760,000    | 1,525,000  | 1,846,000  | 1,711,163  | 1,197,631  |
| Amounts owing to director              | -          | -          | 60,000     | -          | -          |
| Provision for taxation                 | 45,950     | 7,292      | -          | -          | 65,747     |
| TOTAL CURRENT LIABILITIES              | 2,902,748  | 3,696,899  | 4,831,528  | 4,424,855  | 3,389,083  |
| NET CURRENT ASSETS/(LIABILITIES)       | 2,435,076  | 1,846,360  | 1,259,199  | 1,440,768  | 1,428,205  |
|  | =          | =          | =          | =          | =          |
| <b>LONG TERM LIABILITIES</b>           |            |            |            |            |            |
| Deferred taxation                      | 1,551,566  | 1,785,737  | 2,193,170  | 2,867,182  | 2,812,990  |

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|  |           |           |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|
| TOTAL LONG TERM LIABILITIES            | 1,551,566 | 1,785,737 | 2,193,170 | 2,867,182 | 2,812,990 |
| TOTAL NET ASSETS                       | 8,444,506 | 7,851,716 | 7,535,000 | 7,106,924 | 6,490,784 |
|  | =         | =         | =         | =         | =         |
| <b>FINANCED BY:</b>                    |           |           |           |           |           |
| <b>SHARE CAPITAL</b>                   |           |           |           |           |           |
| Ordinary share capital                 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| TOTAL SHARE CAPITAL                    | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| <b>RESERVES</b>                        |           |           |           |           |           |
| Retained profit/(loss) carried forward | 7,444,506 | 6,851,716 | 6,535,000 | 6,106,924 | 5,490,784 |
| TOTAL RESERVES                         | 7,444,506 | 6,851,716 | 6,535,000 | 6,106,924 | 5,490,784 |
| SHAREHOLDERS' FUNDS/EQUITY             | 8,444,506 | 7,851,716 | 7,535,000 | 7,106,924 | 6,490,784 |
|  | =         | =         | =         | =         | =         |

**FINANCIAL RATIO**

**KANG SING MANUFACTURING SDN. BHD.**

**TYPES OF FUNDS**

|                                  |             |             |             |             |             |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Cash                             | 0           | 0           | 0           | 0           | 0           |
| Net Liquid Funds                 | (1,573,061) | (2,256,670) | (2,766,672) | (1,909,811) | (1,204,370) |
| Net Liquid Assets                | 1,008,996   | (14,107)    | (1,094,278) | (710,767)   | 445,528     |
| Net Current Assets/(Liabilities) | 2,435,076   | 1,846,360   | 1,259,199   | 1,440,768   | 1,428,205   |
| Net Tangible Assets              | 8,444,506   | 7,851,716   | 7,535,000   | 7,106,924   | 6,490,784   |
| Net Monetary Assets              | (542,570)   | (1,799,844) | (3,287,448) | (3,577,949) | (2,367,462) |

**PROFIT & LOSS ITEMS**

|   |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|
| Earnings Before Interest & Tax (EBIT)                                   | 1,290,746 | 1,157,803 | 1,447,117 | 1,614,775 | 2,391,080 |
| Earnings Before Interest, Taxes, Depreciation And Amortization (EBITDA) | 2,096,722 | 1,971,059 | 2,312,024 | 2,395,359 | 3,083,600 |

**BALANCE SHEET ITEMS**

|                     |            |            |            |            |            |
|---------------------|------------|------------|------------|------------|------------|
| Total Borrowings    | 1,899,397  | 2,706,983  | 3,475,142  | 2,840,028  | 2,023,521  |
| Total Liabilities   | 4,454,314  | 5,482,636  | 7,024,698  | 7,292,037  | 6,202,073  |
| Total Assets        | 12,898,820 | 13,334,352 | 14,559,698 | 14,398,961 | 12,692,857 |
| Net Assets          | 8,444,506  | 7,851,716  | 7,535,000  | 7,106,924  | 6,490,784  |
| Net Assets Backing  | 8,444,506  | 7,851,716  | 7,535,000  | 7,106,924  | 6,490,784  |
| Shareholders' Funds | 8,444,506  | 7,851,716  | 7,535,000  | 7,106,924  | 6,490,784  |
| Total Share Capital | 1,000,000  | 1,000,000  | 1,000,000  | 1,000,000  | 1,000,000  |
| Total Reserves      | 7,444,506  | 6,851,716  | 6,535,000  | 6,106,924  | 5,490,784  |

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**GROWTH RATIOS (Year on Year) (%)**

|                          |         |         |         |         |       |
|--------------------------|---------|---------|---------|---------|-------|
| Revenue                  | 2.17    | (13.77) | 5.07    | 3.24    | 0.93  |
| Profit/(Loss) Before Tax | 18.75   | (22.84) | (14.53) | (34.93) | 60.72 |
| Profit/(Loss) After Tax  | 24.57   | (22.77) | (16.85) | (38.05) | 51.80 |
| Total Assets             | (3.27)  | (8.42)  | 1.12    | 13.44   | 16.22 |
| Total Liabilities        | (18.76) | (21.95) | (3.67)  | 17.57   | 8.20  |

**LIQUIDITY (Times)**

|               |      |      |      |      |      |
|---------------|------|------|------|------|------|
| Cash Ratio    | 0    | 0    | 0    | 0    | 0    |
| Liquid Ratio  | 1.35 | 1.00 | 0.77 | 0.84 | 1.13 |
| Current Ratio | 1.84 | 1.50 | 1.26 | 1.33 | 1.42 |

**WORKING CAPITAL**

**CONTROL (Days)**

|                 |     |     |     |     |     |
|-----------------|-----|-----|-----|-----|-----|
| Stock Ratio     | 52  | 69  | 75  | 72  | 34  |
| Debtors Ratio   | 136 | 131 | 113 | 113 | 123 |
| Creditors Ratio | 22  | 21  | 26  | 38  | 32  |

**SOLVENCY RATIOS (Times)**

|                             |      |      |      |      |      |
|-----------------------------|------|------|------|------|------|
| Gearing Ratio               | 0.22 | 0.34 | 0.46 | 0.40 | 0.31 |
| Liabilities Ratio           | 0.53 | 0.70 | 0.93 | 1.03 | 0.96 |
| Times Interest Earned Ratio | 6.29 | 4.75 | 5.51 | 7.06 | 9.16 |
| Assets Backing Ratio        | 8.44 | 7.85 | 7.54 | 7.11 | 6.49 |

**PERFORMANCE RATIO (%)**

|                                |       |       |       |       |       |
|--------------------------------|-------|-------|-------|-------|-------|
| Operating Profit Margin        | 10.74 | 9.24  | 10.33 | 12.70 | 20.15 |
| Net Profit Margin              | 8.84  | 7.25  | 8.09  | 10.23 | 17.04 |
| Return On Net Assets           | 15.29 | 14.75 | 19.21 | 22.72 | 36.84 |
| Return On Capital Employed     | 11.86 | 10.94 | 13.14 | 15.30 | 24.90 |
| Return On Shareholders'        | 10.57 | 9.13  | 12.32 | 15.70 | 27.76 |
| Funds/Equity                   |       |       |       |       |       |
| Dividend Pay Out Ratio (Times) | 0.34  | 0.56  | 0.54  | 0.45  | 0.28  |

**NOTES TO ACCOUNTS**

|                        |   |   |   |   |   |
|------------------------|---|---|---|---|---|
| Contingent Liabilities | 0 | 0 | 0 | 0 | 0 |
|------------------------|---|---|---|---|---|

**FOREIGN EXCHANGE RATES**

| Currency  | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1    | INR 68.65     |
| UK Pound  | 1    | INR 88.82     |
| Euro      | 1    | INR 79.72     |
| MYR       | 1    | INR 16.86     |

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

**INFORMATION DETAILS**

|                             |     |
|-----------------------------|-----|
| <b>Analysis Done by :</b>   | NIS |
| <b>Report Prepared by :</b> | PRN |

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**RATING EXPLANATIONS**

| <b>Credit Rating</b> | <b>Explanation</b> | <b>Rating Comments</b>   |
|----------------------|--------------------|--|
| 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)