

MIRA INFORM REPORT

| | |
|----------------------|------------|
| Report No. : | 545495 |
| Report Date : | 20.12.2018 |

IDENTIFICATION DETAILS

| | |
|--------------------------------|---|
| Name : | SCHMIDT + CLEMENS (ASIA) SDN. BHD. |
| Registered Office : | Upper Penthouse, Wisma Rkt, No. 2, Jalan Raja Abdullah, Off Jalan Sultan Ismail, 50300 Kuala Lumpur, Wilayah Persekutuan. |
| Country : | Malaysia |
| Financials (as on) : | 31.12.2017 |
| Date of Incorporation : | 22.05.2000 |
| Com. Reg. No.: | 514800-V |
| Legal Form : | Private Limited |
| Line of Business : | The Subject is principally engaged in the manufacturing of centricast alloy tubes, radiant coils and harps. |
| No. of Employees : | 60 (2017) |

RATING & COMMENTS

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

| | |
|------------------------|---|
| MIRA's Rating : | A |
|------------------------|---|

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

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

NOTES :

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

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ECGC Country Risk Classification List

| Country Name | Previous Rating (30.06.2018) | Current Rating (30.09.2018) |
|--------------|---------------------------------|--------------------------------|
| 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. | : 514800-V |
| COMPANY NAME | : SCHMIDT + CLEMENS (ASIA) SDN. BHD. |
| FORMER NAME | : N/A |
| INCORPORATION DATE | : 22/05/2000 |
| COMPANY STATUS | : EXIST |
| LEGAL FORM | : PRIVATE LIMITED |
| LISTED STATUS | : NO |
| REGISTERED ADDRESS | : UPPER PENTHOUSE, WISMA RKT, NO. 2, JALAN RAJA ABDULLAH, OFF JALAN SULTAN ISMAIL, 50300 KUALA LUMPUR, WILAYAH PERSEKUTUAN, MALAYSIA. |
| BUSINESS ADDRESS | : LOT 11641, JALAN TECH VALLEY 7/2, KAWASAN PERINDUSTRIAN SENDAYAN TECH VALLEY, 71950 BANDAR SRI SENDAYAN, NEGERI SEMBILAN, MALAYSIA. |
| TEL.NO. | : 06-7818000 |
| FAX.NO. | : 06-7818180 |
| WEB SITE | : WWW.SCHMIDT-CLEMENS.COM |
| CONTACT PERSON | : MARIA STEPHANIE VON STUMM (DIRECTOR) |
| INDUSTRY CODE | : 25999 |
| PRINCIPAL ACTIVITY | : MANUFACTURING OF CENTRICAST ALLOY TUBES, RADIANT COILS AND HARPS |
| ISSUED AND PAID UP CAPITAL | : 22,000,000.00 ORDINARY SHARE, OF A VALUE OF MYR 22,000,000.00 |
| SALES | : MYR 136,171,538 [2017] |
| NET WORTH | : MYR 20,167,206 [2017] |
| STAFF STRENGTH | : N/A |
| BANKER (S) | : CIMB BANK BHD HSBC BANK MALAYSIA BHD |
| LITIGATION | : CLEAR |
| DEFAULTER CHECK | : CLEAR |
| FINANCIAL CONDITION | : SATISFACTORY |
| PAYMENT MANAGEMENT | : SLOW BUT CORRECT |
| CAPABILITY | : AVERAGE |
| COMMERCIAL RISK | : LOW |
| CURRENCY EXPOSURE | : MODERATE |
| GENERAL REPUTATION | : GOOD |
| 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 centricast alloy tubes, radiant coils and harps.

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

The immediate holding company of the Subject is SCHMIDT + CLEMENS GMBH, a company incorporated in GERMANY.

The ultimate holding company of the Subject is SCHMIDT + CLEMENS GMBH + CO.KG, a company incorporated in GERMANY.

Former Address(es)

| Address | As At Date |
|---|------------|
| LOT 60,JALAN IJUK 26/5,SEC.26, HICOM INDUSTRIAL ESTATE, SHAH ALAM;S'GOR, 40000, SELANGOR, MALAYSIA | 15/02/2013 |
| 15, JALAN PEMAJU U1/15, SEKSYEN U1,, HICOM GLENMARIE INDUSTRIAL PARK, 40150, SELANGOR, MALAYSIA | 16/08/2013 |
| SUITE B13A-4, TOWER B, LEVEL 13A, NORTHPOINT OFFICES, MID VALLEY CITY, NO.1, MEDAN SYED PUTRA UTARA, 59200, WILAYAH PERSEKUTUAN, MALAYSIA | 27/05/2016 |

Share Capital History

| Date | Authorised Shared Capital | Issue & Paid Up Capital |
|------------|---------------------------|-------------------------|
| 26/12/2017 | N/A | MYR 22,000,000.00 |
| 24/03/2015 | MYR 10,000,000.00 | MYR 10,000,000.00 |
| 24/02/2015 | MYR 10,000,000.00 | MYR 5,000,000.00 |
| 15/02/2013 | MYR 5,000,000.00 | MYR 5,000,000.00 |

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

Current Shareholder(s) :

| Name | Address | IC/PP/Loc No | Shareholding | (%) |
|------------------------|--|--------------|---------------------------------|--------------------------|
| SCHMIDT + CLEMENS GMBH | POSTFACH 1140 D-51779, LINDLAR GERMANY | XLZ000019377 | 22,000,000.00 | 100.00 |
| | | | ----- 22,000,000.00 ===== | ----- 100.00 ===== |

+ Also Director

DIRECTORS

DIRECTOR 1

Name Of Subject : MS. MARIA STEPHANIE VON STUMM
Address : 11A, JALAN 6/13, 46000 PETALING JAYA, SELANGOR, MALAYSIA.
New IC No : 600815-71-5330
Nationality : MALAYSIAN
Date of : 31/03/2004
Appointment

INTEREST CHECK

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

INTEREST IN COMPANY

| N o | Local No | Company | Designa tion | App Date | Shareholding No. % | Profit/(loss) After Tax | Finan cial Year | Status | As At |
|--------|--------------|---|-----------------|----------------|-----------------------|----------------------------|-----------------------|---|----------------|
| 1 | 408874 X | ASIA PACIFIC INDUSTRIA L & SOFTWARE DEVELOP MENT SDN. BHD. | Director | 05/11/1 996 | 1.00 33.33 | MYR(6,646.0 0) | 2007 | Disolved by Registrar (17/05/2 013) | 21/11/2 018 |
| 2 | 457816 X | DRAGON HOLD SDN. BHD. | Director | 17/02/1 998 | 1.00 50.00 | - | 2000 | Disolved by Registrar (24/02/2 017) | 21/11/2 018 |
| 3 | 103795 0M | ENHAPRO SDN. BHD. | Shareho lder | - | 60.00 60.00 | - | - | Disolved by Registrar (19/02/2 016) | 21/11/2 018 |
| 4 | 446165 H | GETRIEBE SCHAFFER (MALAYSIA) SDN. BHD. | Director | 02/12/1 999 | 0.00 | MYR(257,073 .00) | 2000 | Disolved by Registrar (24/02/2 017) | 21/11/2 018 |
| 5 | 749348 H | SCHMIDT + CLEMENS | Director | 04/10/2 006 | 0.00 | MYR(8,750.0 0) | 2007 | Disolved by | 21/11/2 018 |

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SCHMIDT + CLEMENS (ASIA) SDN. BHD. - 545495

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| | | (ASIA) SALES SDN. BHD. | | | | | | | Member Voluntar y (30/11/2 009) | |
|--------|--------------|---|----------|----------------|----------------|-----------|-----------------------|------|--|----------------|
| 6 | 514800 V | SCHMIDT + CLEMENS (ASIA) SDN. BHD. | Director | 31/03/2 004 | 0.00 | - | MYR(9,127,0 37.00) | 2017 | - | 21/11/2 018 |
| 7 | 811926 P | SICION SDN. BHD. | Director | 01/04/2 008 | 202,50 0.00 | 81. 00 | MYR(26,008. 00) | 2017 | - | 21/11/2 018 |
| 8 | 458495 X | TAIECOSE LL SDN. BHD. | Director | 21/08/1 998 | 0.00 | - | MYR(27,257. 00) | 2000 | Disolved by Registrar (29/08/2 002) | 21/11/2 018 |
| 9 | 102950 2K | URBAN AREA SDN. BHD. | Director | 28/12/2 012 | 6.00 | 60. 00 | - | - | Disolved by Registrar (19/02/2 016) | 21/11/2 018 |
| 1 0 | 515149 K | WORLDWI DE PRECISIO N (M) SDN. BHD. | Director | 25/05/2 000 | 350,00 0.00 | 70. 00 | MYR(690,645 .00) | 2003 | Winding- Up by High Court (22/11/2 004) | 21/11/2 018 |

FORMER INTEREST

| No | Local No | Company | Designation | App Date | Withdrawn Date | Shareholding | Status |
|----|----------|-----------------------------------|-------------|------------|-------------------|--------------|--|
| 1 | 811371U | EMP 3 SDN. BHD. | Director | 27/03/2008 | 25/03/2009 | - | In the process of striking off |
| 2 | 811371U | EMP 3 SDN. BHD. | Shareholder | - | - | - | In the process of striking off |
| 3 | 908507V | ENERBON SDN. BHD. | Director | 13/06/2012 | 01/08/2013 | - | - |
| 4 | 908507V | ENERBON SDN. BHD. | Shareholder | - | - | 500000.00 | - |
| 5 | 1037950M | ENHAPRO SDN. BHD. | Director | 12/03/2013 | 18/09/2013 | - | Disolved by Registrar (19/02/2016) |
| 6 | 162791P | EVERTS (MALAYSIA) SDN. BHD. | Director | 02/06/1997 | 26/09/2011 | - | - |
| 7 | 791979D | PMCC- INTERNATIONAL | Director | 12/10/2007 | 25/10/2017 | - | - |

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| | | | | | | | | |
|----|---------|---|-------------|------------|------------|--------|---|--|
| 8 | 791979D | SDN. BHD. PMCC- INTERNATIONAL SDN. BHD. | Shareholder | - | - | 250000 | - | |
| 9 | 421480X | SCHRADER NURSERY (M) SDN. BHD. | Director | 14/02/1998 | 26/07/1999 | - | - | Disolved by Registrar (21/10/2011) |
| 10 | 460007K | SIEMENS CERBERUS SDN. BHD. | Director | 27/03/1998 | 15/06/1998 | - | - | Disolved by High Court |
| 11 | 811437D | WESTERN GULF ADVISORY MALAYSIA SDN. BHD. | Director | 27/03/2008 | 08/08/2008 | - | - | Disolved by Registrar (08/06/2018) |
| 12 | 811437D | WESTERN GULF ADVISORY MALAYSIA SDN. BHD. | Shareholder | - | - | - | - | Disolved by Registrar (08/06/2018) |

DIRECTOR 2

Name Of Subject : RALF KLAUSMEIER
Address : STRUNDENER STRASSE 73, KOLN, FEDERAL REPUBLIC OF GERMANY, 51069,
MALAYSIA.
IC / PP No : C2CTL7PRJ
Nationality : GERMAN
Date of : 17/04/2013
Appointment
Remark : ALTERNATE DIRECTOR

INTEREST CHECK

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

INTEREST IN COMPANY

| N | Local | Compan | Designati | App Date | Shareholdi | Profit/(loss) After | Financi | Statu | As At | |
|---|-------------|---|-----------|----------------|------------|---------------------|-----------------------|-------|-------|----------------|
| o | No | y | on | | ng | Tax | al Year | s | | |
| | | | | | No. % | | | | | |
| 1 | 514800 V | SCHMID T + CLEMEN S (ASIA) SDN. BHD. | Director | 17/04/20 13 | 0.00 | - | MYR(9,127,037. 00) | 2017 | - | 21/11/20 18 |

DIRECTOR 3

Name Of Subject : DOMINIC OTTE
Address : LANDWEG 85, HOLZWICKEDE, GERMANY, 59439, MALAYSIA.
IC / PP No : C7WMKV0KX
Date of : 17/04/2013
Appointment

INTEREST CHECK

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

INTEREST IN COMPANY

| N o | Local No | Compan y | Designati on | App Date | Sharehold ing No. % | Profit/(loss) After Tax | Financi al Year | Statu s | As At |
|--------|-------------|---|-----------------|----------------|---------------------------|----------------------------|--------------------|------------|----------------|
| 1 | 514800 V | SCHMID T + CLEMEN S (ASIA) SDN. BHD. | Director | 17/04/20 13 | 0.00 - | MYR(9,127,037. 00) | 2017 | - | 21/11/20 18 |

DIRECTOR 4

Name Of Subject : LUIS ESTEBAN ARNEDILLO REMIREZ
Address : GUSTAVO DE MAEZTU 1, 4B 31200 ESTELLA (NAVARRA)
IC / PP No : AAE619832
Date of : 04/04/2018
Appointment

INTEREST CHECK

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

INTEREST IN COMPANY

| N o | Local No | Compan y | Designati on | App Date | Sharehold ing No. % | Profit/(loss) After Tax | Financi al Year | Statu s | As At |
|--------|-------------|-------------------------|-----------------|----------------|---------------------------|----------------------------|--------------------|------------|----------------|
| 1 | 514800 V | SCHMID T + CLEMEN | Director | 04/04/20 18 | 0.00 - | MYR(9,127,037. 00) | 2017 | - | 21/11/20 18 |

S (ASIA)
SDN.
BHD.

FORMER DIRECTOR(S)

| Name | Address | IC/PP No | Appointed Date | Withdrawn Date |
|--------------------------------|---|----------------|----------------|----------------|
| WONG SHU FONG | A.03.06, DESA TANJUNG APT, PUSAT BANDAR PUCHONG, PUCHONG, SELANGOR, MALAYSIA | 660709-02-5218 | 29/08/2012 | 17/04/2013 |
| BERNHARD FRANZ WILHELM WELLERS | 79-M,MEDAN SETIA 1, BUKIT DAMANSARA, KUALA LUMPUR, KUALA LUMPUR, WILAYAH PERSEKUTUAN, MALAYSIA | 3326031118 | 29/03/2002 | 31/03/2004 |
| DIVYYANSHU DAMANKUMAR MEHTA | C/0 SHERATON SUBANG HOTEL & TOWERA, JALAN AA12/1, S.JAYA, SUBANG JAYA, SELANGOR, MALAYSIA | 1508333 | 27/03/2003 | 02/10/2006 |
| EDGAR POETS | 28,JALAN GALLAGHER, BUKIT TUNKU, KUALA LUMPUR, KUALA LUMPUR, WILAYAH PERSEKUTUAN, MALAYSIA | 3306020989 | 23/01/2002 | 27/03/2003 |
| GERHARD HEINZ ARTUR VOELKNER | MAX-PLANCK-STR.9, KAISERSLAUTERN, DEUTSCHLAND, MALAYSIA | 2159441787 | 09/06/2000 | 02/10/2006 |
| GERHARD JULIUS SCHMITT | ELSTERSTEINSTR.19B, ST.INGBERT, DEUTSCHLAND, MALAYSIA | 2364166617 | 09/06/2000 | 05/07/2001 |
| JAN JAKOB SCHMIDT-KRAYER | AUF DER GUMMERSHARDT 24, GUMMERSBACH, GERMANY, MALAYSIA | 332604309 | 21/09/2006 | 20/05/2011 |
| THOMAS HEINZ HELLIGE | HOMBERG STR. 15, 50996KOLN, GERMANY | 533999259 | 21/06/2011 | 17/04/2013 |
| TEOH LING HENG | NO. 2A, JALAN PENGATURCARA U1/51B,, SAUJANA O LOT GLENMARIE,, SHAH ALAM, SELANGOR, MALAYSIA | 590725-08-5527 | 21/09/2006 | 30/09/2012 |
| FRANK FELDHOFF | LOT 11641,JALAN TECH VALLEY 7/2, KAWASAN PERINDUSTRIAN SENDAYAN, TECH VALLEY,BANDAR SRI SENDAYAN, SEREMBAN, NEGERI SEMBILAN, MALAYSIA | C78NPM9XR | 20/10/2014 | 03/04/2018 |
| GUNASEKAR A/L MURUGAIAH | NO. 844, JALAN S2 A24, EMERALD PARK, SEREMBAN 2, SEREMBAN, NEGERI SEMBILAN, MALAYSIA | 721112-05-5533 | 17/04/2013 | 31/03/2015 |
| SITI SHAZANA SHYAMALA | 9,JALAN SS7/17C, KELANA JAYA, PETALING JAYA, SELANGOR, PETALING JAYA, SELANGOR, MALAYSIA | 700114-10-6100 | 22/05/2000 | 31/03/2002 |
| JOHANNES ROMER | NO 6 EU TONG STREET, #07-19 SINGAPORE 059817 | C4KH60JMG | 22/05/2000 | 31/03/2002 |

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Note : The above information was generated from our database.

MANAGEMENT

- 1) Name of Subject : MARIA STEPHANIE VON STUMM
Position : DIRECTOR

AUDITOR

| Firm No | Firm Name | Address | As At Date |
|---------|---------------------------|---|------------|
| AF0768 | RSM MALAYSIA | 5TH FLOOR, PENTHOUSE, WISMA RKT, BLOCK A, NO. 2, JALAN RAJA ABDULLAH, OFF JALAN SULTAN ISMAIL, 50300 KUALA LUMPUR, WILAYAH PERSEKUTUAN, MALAYSIA. | 31/12/2017 |
| AF0320 | ONG BOON BAH & CO. | B-10-1 MEGAN AVENUE 1, 189 JALAN TUN RAZAK, 50400 KUALA LUMPUR, WILAYAH PERSEKUTUAN, MALAYSIA. | 31/12/2011 |
| AF0758 | KPMG PLT (LLP0010081-LCA) | LEVEL 10, KPMG TOWER,, 8 FIRST AVENUE, BANDAR UTAMA, PETALING JAYA, 47800 PETALING JAYA, SELANGOR, MALAYSIA. | 31/12/2010 |
| AF0039 | ERNST & YOUNG | LEVEL 23A, MENARA MILENIUM,, JALAN DAMANLELA,, PUSAT BANDAR DAMANSARA,, 50490 KUALA LUMPUR, WILAYAH PERSEKUTUAN, MALAYSIA. | 31/12/2001 |

COMPANY SECRETARIES

- 1) Company Secretary : ENG BEE HONG
IC / PP No : 8254998
New IC No : 570809-71-5006
Address : 23, JALAN SS 26/5, TAMAN MAYANG JAYA, 47301 PETALING JAYA, SELANGOR, MALAYSIA.
Date of Appointment : 01/08/2016
- 2) Company Secretary : MS. WOO CHOOI YOKE
IC / PP No : 6807051
New IC No : 620517-10-6172
Address : 24, JALAN 31, TAMAN PUTRA, 68000 AMPANG, SELANGOR, MALAYSIA.
Date of Appointment : 01/08/2016

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BANKING

Banking relations are maintained principally with :

- 1) Name : CIMB BANK BHD
- 2) Name : HSBC BANK MALAYSIA BHD

ENCUMBRANCE (S)

| Charge No | Creation Date | Charge Description | Chargee Name | Total Charge | Status |
|-----------|---------------|--------------------|-----------------------------|------------------|-------------|
| 1 | 26/08/2003 | DEED OF DEBENTURE | CIMB BANK BERHAD | MYR 6,500,000.00 | Satisfied |
| 2 | 26/08/2003 | DEED OF DEBENTURE | CIMB BANK BERHAD | MYR 6,500,000.00 | Satisfied |
| 3 | 28/06/2004 | DEED OF DEBENTURE | CIMB BANK BERHAD | MYR 7,000,000.00 | Satisfied |
| 4 | 24/08/2005 | DEED OF DEBENTURE | CIMB BANK BERHAD | - | Satisfied |
| 5 | 14/08/2008 | DEED OF DEBENTURE | HSBC BANK MALAYSIA BERHAD | - | Satisfied |
| 6 | 26/04/2011 | DEED OF DEBENTURE | CIMB BANK BERHAD | - | Satisfied |
| 7 | 17/03/2015 | N/A | CIMB BANK BERHAD | - | Satisfied |
| 8 | 15/10/2015 | N/A | HSBC AMANAH MALAYSIA BERHAD | - | Unsatisfied |
| 9 | 15/10/2015 | N/A | HSBC AMANAH MALAYSIA 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 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.*

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

- 1 case(s) filed in year 2017

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.
- 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).

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
Import : ASIA
Countries

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 [X]

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

CLIENTELE

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

SPAIN

EUROPE

ASIA
Credit Term : AS AGREED
Payment Mode : CHEQUES
TELEGRAPHIC TRANSFER (TT)
LETTER OF CREDIT (LC)

OPERATIONS

Products manufactured : CENTRICAST ALLOY TUBES, RADIANT COILS AND HARPS

Ownership of premises : LEASED/RENTED

Total Number of Employees:

| YEAR | 2017 | 2016 |
|---------|------|------|
| GROUP | N/A | N/A |
| COMPANY | 60 | 60 |

Branch : NO

Other Information:

The Subject is principally engaged in the (as a / as an) manufacturing of centricast alloy tubes, radiant coils and harps.

The Subject provides the final fabrication of tube systems based on prefabricated centricast tubes and fittings out.

This includes comprehensive welding services which are certified according to ASME section 9 as well as DIN EN 287-1, offering fabrication of complete furnace systems, installation of spare parts on-site and welding of aged materials.

Besides that the Subject also offers the full scope of high skilled manufacturing techniques like melting, casting and machining of extremely difficult materials.

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The Subject utilizes advanced automated and semi-automated machineries to ensure production of high quality products.

We were informed that the Subject has a warehouse at the same premises to keep the stocks.

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 : 60 6 7818030

Client

Current Telephone Number : 06-7818000

Match : NO

Address Provided by Client : LOT 11641, JALAN TECH VALLEY 7/2 BANDAR SRI SENDAYAN
71950, SEREMBAN

Current Address : LOT 11641, JALAN TECH VALLEY 7/2, KAWASAN PERINDUSTRIAN
SENDAYAN TECH VALLEY, 71950 BANDAR SRI SENDAYAN,
NEGERI SEMBILAN, MALAYSIA.

Match : NO

Latest Financial Accounts : YES

Other Investigations

We contacted one of the staff from the Subject's registered office and she provided some information.

She refused to disclose the number of employees.

The address provided is incomplete. The contact number provided is not answered.

FINANCIAL ANALYSIS

Profitability

| | | | | | |
|-----------------------------|---|--------------|---|-------------|---|
| Turnover | : | Erratic | [| 2013 - 2017 |] |
| Profit/(Loss) Before Tax | : | Decreased | [| 2013 - 2017 |] |
| Return on Shareholder Funds | : | Unfavourable | [| (45.26%) |] |
| Return on Net Assets | : | Unfavourable | [| (13.30%) |] |

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The fluctuating turnover reflects the fierce competition among the existing and new market players. 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

| | | | | | |
|-----------------|---|--------------|---|----------|---|
| Stock Ratio | : | Unfavourable | [| 128 Days |] |
| Debtor Ratio | : | Favourable | [| 19 Days |] |
| Creditors Ratio | : | Favourable | [| 47 Days |] |

The Subject could be incurring higher holding cost. As its capital was tied up in stocks, it could face liquidity problems. The favourable debtors' days could be due to the good credit control measures implemented by the Subject. 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 | [| 1.94 Times |] |
| Current Ratio | : | Favourable | [| 2.32 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 | : | Unfavourable | [| (1.04 Times) |] |
| Gearing Ratio | : | Unfavourable | [| 1.04 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 increased but its turnover showed a fluctuating trend. This indicate the Subject was slowly losing its market share due to its competitors. 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'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: | 2015 | 2016 | 2017 | 2018* | 2019** |
|--|----------|----------|----------|----------|--------|
| Population (Million) | 31.0 | 31.6 | 32.1 | 32.4 | - |
| Gross Domestic Products (%) | 4.6 | 4.2 | 5.3 | 5.4 | - |
| Domestic Demand (%) | 6.2 | 4.3 | 6.3 | 6.4 | - |
| Private Expenditure (%) | 6.9 | 7.8 | 7.4 | 7.3 | - |
| Consumption (%) | 6.1 | 5.1 | 6.9 | 6.8 | 34.7 |
| Investment (%) | 8.1 | 10.0 | 9.3 | 8.9 | 10.8 |
| Public Expenditure (%) | 4.2 | 3.3 | 5.3 | 5.5 | - |
| Consumption (%) | 4.3 | 2.0 | 2.7 | 1.3 | 7.6 |
| Investment (%) | (1.0) | 1.1 | 3.4 | 3.8 | 4.2 |
| Balance of Trade (MYR Million) | 91,577 | 88,145 | 94,593 | 96,993 | - |
| Government Finance (MYR Million) | (37,194) | (38,401) | (39,887) | (39,790) | - |
| Government Finance to GDP / Fiscal Deficit (%) | (3.2) | (3.1) | (3.0) | (2.8) | - |
| Inflation (% Change in Composite CPI) | 4.0 | 2.1 | 3.5 | 3.0 | - |
| Unemployment Rate | 3.1 | 3.4 | 3.4 | 3.4 | - |
| Net International Reserves (MYR Billion) | 441 | 451 | 450 | 423 | - |
| Average Risk-Weighted Capital Adequacy Ratio (%) | 3.50 | - | - | - | - |
| Average 3 Months of Non-performing Loans (%) | 2.00 | 1.90 | - | - | - |
| Average Base Lending Rate (%) | 6.79 | 6.81 | 6.73 | - | - |
| Business Loans Disbursed(%) | 2.2 | - | - | - | - |
| Foreign Investment (MYR Million) | 43,435 | - | - | - | - |
| Consumer Loans (%) | - | - | - | - | - |
| Registration of New Companies (No.) | 45,658 | 43,255 | 47,871 | - | - |
| Registration of New Companies (%) | (7.2) | (5.3) | 10.7 | - | - |
| Liquidation of Companies (No.) | 34,667 | 36,778 | 38,632 | - | - |
| Liquidation of Companies (%) | 4.3 | 6.1 | 5.0 | - | - |
| Registration of New Business (No.) | 364,230 | 376,720 | 484,029 | - | - |
| Registration of New Business (%) | 9.0 | 3.0 | 29.0 | - | - |
| Business Dissolved (No.) | - | - | - | - | - |
| Business Dissolved (%) | - | - | - | - | - |
| Sales of New Passenger Cars (' 000 Unit) | 591.3 | 514.6 | 514.7 | 405.0 | - |
| Cellular Phone Subscribers (Million) | 44.2 | 44.0 | - | - | - |
| Tourist Arrival (Million Persons) | 25.7 | 30.2 | 30.1 | - | - |
| Hotel Occupancy Rate (%) | 58.8 | 61.2 | - | - | - |
| Credit Cards Spending (%) | 6.8 | 6.3 | - | - | - |
| Bad Cheque Offenders (No.) | - | - | - | - | - |
| Individual Bankruptcy (No.) | 18,457 | 19,588 | 18,227 | - | - |
| Individual Bankruptcy (%) | (17.4) | 6.1 | (7.0) | - | - |

SCHMIDT + CLEMENS (ASIA) SDN. BHD. - 545495

PAGE NO. : 19

| INDUSTRIES (% of Growth): | 2015 | 2016 | 2017 | 2018* | 2019** |
|---|---------|---------|--------|-------|--------|
| Agriculture | 1.4 | (5.2) | 7.2 | (0.2) | 3.1 |
| Palm Oil | 7.0 | (12.7) | 11.8 | - | - |
| Rubber | (11.0) | (6.3) | 10.8 | - | - |
| Forestry & Logging | (7.2) | (3.0) | (15.0) | - | - |
| Fishing | 2.1 | 2.2 | 0.2 | - | - |
| Other Agriculture | 6.0 | 5.1 | 2.4 | - | - |
| Industry Non-Performing Loans (MYR Million) | 343.7 | 420.3 | - | - | - |
| % of Industry Non-Performing Loans | 1.5 | 1.8 | - | - | - |
| Mining | 5.3 | 2.1 | 1.0 | (0.6) | 0.7 |
| Oil & Gas | 3.5 | 4.5 | - | - | - |
| Other Mining | 47.1 | 42.6 | - | - | - |
| Industry Non-performing Loans (MYR Million) | 180.1 | 190.0 | - | - | - |
| % of Industry Non-performing Loans | 0.8 | 0.8 | - | - | - |
| Manufacturing # | 4.8 | 4.4 | 6.0 | 4.9 | 4.7 |
| Exported-oriented Industries | 6.5 | 4.3 | 6.5 | - | - |
| Electrical & Electronics | 9.2 | 7.5 | 7.3 | 5.8 | - |
| Rubber Products | 5.1 | 3.6 | 4.6 | 3.9 | - |
| Wood Products | 7.0 | 3.3 | 3.4 | 5.2 | - |
| Textiles & Apparel | 7.5 | 6.8 | 8.0 | 4.8 | - |
| Domestic-oriented Industries | 4.7 | 3.4 | 6.2 | - | - |
| Food, Beverages & Tobacco | 8.9 | 2.1 | 10.9 | 4.1 | - |
| Chemical & Chemical Products | 3.5 | 4.5 | 3.5 | - | - |
| Plastic Products | 3.9 | 5.1 | - | - | - |
| Iron & Steel | 1.6 | 2.2 | - | - | - |
| Fabricated Metal Products | 4.6 | 5.0 | 4.9 | 5.1 | - |
| Non-metallic Mineral | 6.8 | 4.4 | 4.5 | 6.0 | - |
| Transport Equipment | 5.2 | (2.7) | 5.5 | 5.6 | - |
| Paper & Paper Products | 3.2 | 5.4 | 5.8 | - | - |
| Crude Oil Refineries | 14.3 | 13.7 | - | - | - |
| Industry Non-Performing Loans (MYR Million) | 4,243.7 | 4,214.1 | - | - | - |
| % of Industry Non-Performing Loans | 19.0 | 18.5 | - | - | - |
| Construction | 8.4 | 7.4 | 6.7 | 4.5 | 4.7 |
| Industry Non-Performing Loans (MYR Million) | 1,638.0 | 1,793.9 | - | - | - |
| % of Industry Non-Performing Loans | 7.3 | 7.9 | - | - | - |
| Services | 5.3 | 5.7 | 6.2 | 6.3 | 5.9 |
| Electric, Gas & Water | 3.7 | 5.4 | 2.9 | 4.7 | 4.6 |
| Transport, Storage & Communication | 7.65 | 6.90 | 7.30 | 6.95 | 6.75 |
| Wholesale, Retail, Hotel & Restaurant | 6.70 | 6.70 | 7.25 | 7.55 | 6.60 |
| Finance, Insurance & Real Estate | 3.0 | 4.8 | 6.0 | 6.4 | 6.0 |
| Government Services | 4.2 | 4.9 | 4.9 | 4.4 | 4.2 |
| Other Services | 4.8 | 4.9 | 5.1 | 5.3 | 5.1 |
| Industry Non-Performing Loans (MYR Million) | 6,806.6 | 7,190.6 | - | - | - |
| % of Industry Non-Performing Loans | 30.5 | 31.5 | - | - | - |

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* Estimate / Preliminary

** Forecast

Based On Manufacturing Production Index

INDUSTRY ANALYSIS

MSIC

CODE

25999 : Manufacture of any other fabricated metal products n.e.c.

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 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 planing 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

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CREDIT RISK EVALUATION & RECOMMENDATION

Incorporated in 2000, the Subject is a Private Limited company, focusing on manufacturing of centricast alloy tubes, radiant coils and harps. Having been in the industry for over a decade, the Subject has achieved a certain market share and has built up a good reputation in the market. It should have received supports from its regular customers. With a large issued and paid up capital of MYR 22,000,000 and strong backing from its holding company, the Subject enjoys timely financial assistance should the needs arise. These favourable conditions has minimised its risk in the industry compared to other players.

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.

Despite the higher turnover, the Subject suffered pre-tax losses which reflected a highly competitive business environment. The Subject has generated an unfavourable return on shareholders' funds indicating that the management was inefficient in utilising its funds to generate return. 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. 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 20,167,206, 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 Subject's payment habit is average. With its adequate working capital, the Subject should be able to pay its short term debts.

The industry has reached its maturity stage and only enjoying a marginal growth. The steady growth of the country's economy will further enhance the industry activities. Thus, the Subject's future performance is very much depend on its marketing strategies in order to retain its position in the market.

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

FINANCIALS

PROFIT AND LOSS ACCOUNT

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

SCHMIDT + CLEMENS (ASIA) SDN. BHD.

| Financial Year End | 2017-12-31 | 2016-12-31 | 2015-12-31 | 2014-12-31 | 2013-12-31 |
|--------------------|------------|------------|------------|------------|------------|
| Months | 12 | 12 | 12 | 12 | 12 |
| Consolidated | Company | Company | Company | Company | Company |

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| | | | | | |
|---|-------------|------------|-------------|--------------|-------------|
| Account | | | | | |
| Audited Account | YES | YES | YES | YES | YES |
| Unqualified | YES | YES | YES | YES | YES |
| Auditor's Report (Clean Opinion) | | | | | |
| Financial Type | FULL | FULL | FULL | FULL | FULL |
| Currency | MYR | MYR | MYR | MYR | MYR |
| TURNOVER | 136,171,538 | 94,645,302 | 112,149,160 | 56,409,500 | 62,859,403 |
| Other Income | - | - | 340,238 | - | 1,046,353 |
| | ----- | ----- | ----- | ----- | ----- |
| Total Turnover | 136,171,538 | 94,645,302 | 112,489,398 | 56,409,500 | 63,905,756 |
| | ----- | ----- | ----- | ----- | ----- |
| PROFIT/(LOSS) FROM OPERATIONS | (5,273,610) | 3,894,046 | (6,291,871) | (12,748,860) | 9,673,721 |
| | ----- | ----- | ----- | ----- | ----- |
| PROFIT/(LOSS) BEFORE TAXATION | (5,273,610) | 3,894,046 | (6,291,871) | (12,748,860) | 9,673,721 |
| | ----- | ----- | ----- | ----- | ----- |
| Taxation | (3,853,427) | 627,471 | 1,789,449 | 55,994 | (2,131,436) |
| | ----- | ----- | ----- | ----- | ----- |
| PROFIT/(LOSS) AFTER TAXATION | (9,127,037) | 4,521,517 | (4,502,422) | (12,692,866) | 7,542,285 |
| | ----- | ----- | ----- | ----- | ----- |
| RETAINED PROFIT/(LOSS) BROUGHT FORWARD | | | | | |
| As previously reported | 7,294,243 | 2,772,726 | 7,275,148 | 19,968,014 | 12,425,729 |
| | ----- | ----- | ----- | ----- | ----- |
| As restated | 7,294,243 | 2,772,726 | 7,275,148 | 19,968,014 | 12,425,729 |
| | ----- | ----- | ----- | ----- | ----- |
| PROFIT AVAILABLE FOR APPROPRIATION S | (1,832,794) | 7,294,243 | 2,772,726 | 7,275,148 | 19,968,014 |
| | ----- | ----- | ----- | ----- | ----- |
| RETAINED PROFIT/(LOSS) CARRIED FORWARD | (1,832,794) | 7,294,243 | 2,772,726 | 7,275,148 | 19,968,014 |
| | ===== | ===== | ===== | ===== | ===== |
| | = | = | = | = | = |
| INTEREST EXPENSE (as per notes to P&L) | | | | | |
| Bank overdraft | - | - | - | 3,315 | 29,233 |

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| | | | | | |
|-------------------------------------|-----------|-----------|-----------|-----------|---------|
| Lease interest | 8,883 | 23,532 | 12,738 | - | - |
| Loan from holding company | 1,215,166 | 1,269,721 | 2,329,818 | 1,232,171 | 376,276 |
| Term loan / Borrowing | 1,367,006 | 1,429,642 | 123,958 | - | - |
| | ----- | ----- | ----- | ----- | ----- |
| | 2,591,055 | 2,722,895 | 2,466,514 | 1,235,486 | 405,509 |
| | ===== | ===== | ===== | ===== | ===== |
| | = | = | = | = | = |
| DEPRECIATION (as per notes to P&L) | 4,125,040 | 3,861,055 | 3,331,400 | 776,878 | 852,097 |
| | ----- | ----- | ----- | ----- | ----- |
| Total Amortization And Depreciation | 4,125,040 | 3,861,055 | 3,331,400 | 776,878 | 852,097 |
| | ===== | ===== | ===== | ===== | ===== |
| | = | = | = | = | = |

BALANCE SHEET

SCHMIDT + CLEMENS (ASIA) SDN. BHD.

ASSETS

EMPLOYED:

| | | | | | |
|--|------------|------------|------------|------------|------------|
| FIXED ASSETS | 75,582,352 | 77,560,487 | 78,493,809 | 75,924,654 | 2,665,949 |
| LONG TERM INVESTMENTS/OTHER ASSETS | | | | | |
| Deferred assets | - | 3,830,000 | 3,197,244 | 1,407,795 | 1,005,724 |
| | ----- | ----- | ----- | ----- | ----- |
| TOTAL LONG TERM INVESTMENTS/OTHER ASSETS | - | 3,830,000 | 3,197,244 | 1,407,795 | 1,005,724 |
| | ----- | ----- | ----- | ----- | ----- |
| TOTAL LONG TERM ASSETS | 75,582,352 | 81,390,487 | 81,691,053 | 77,332,449 | 3,671,673 |
| CURRENT ASSETS | | | | | |
| Stocks | 10,978,935 | 11,026,883 | 14,805,574 | 26,061,365 | 17,945,532 |
| Contract work-in-progress | 36,624,637 | 43,538,235 | 9,996,767 | - | - |
| Trade debtors | 7,164,180 | 2,654,954 | 8,684,790 | 3,395,389 | 5,818,410 |
| Other debtors, deposits & prepayments | 4,048,361 | 2,664,838 | 3,254,421 | 319,158 | 4,500,630 |
| Short term deposits | - | - | - | 2,380,347 | - |
| Amount due from holding company | 4,364,077 | 4,131,252 | 10,418,312 | 4,304,655 | - |
| Cash & bank balances | 3,381,844 | 877,578 | 4,227,683 | 10,855,806 | 11,632,440 |
| Others | 968,093 | 968,520 | 961,306 | 961,306 | - |
| | ----- | ----- | ----- | ----- | ----- |
| TOTAL CURRENT ASSETS | 67,530,127 | 65,862,260 | 52,348,853 | 48,278,026 | 39,897,012 |

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| | | | | | |
|--|-------------|-------------|-------------|-------------|------------|
| TOTAL ASSET | 143,112,479 | 147,252,747 | 134,039,906 | 125,610,475 | 43,568,685 |
| CURRENT LIABILITIES | | | | | |
| Trade creditors | 17,348,875 | 12,916,575 | 9,384,744 | 11,054,165 | 1,405,568 |
| Other creditors & accruals | 5,151,191 | 8,243,108 | 13,359,493 | 21,369,018 | 2,967,285 |
| Hire purchase & lease creditors | 65,756 | 191,486 | 233,698 | - | - |
| Short term borrowings/Term loans | 2,135,305 | 2,011,766 | 1,895,836 | - | - |
| Amounts owing to holding company | 4,391,206 | 12,086,011 | 26,604 | 2,323 | 13,514,820 |
| Amounts owing to related companies | - | 1,018,869 | 438,508 | 482,873 | - |
| Provision for taxation | - | - | - | - | 712,998 |
| TOTAL CURRENT LIABILITIES | 29,092,333 | 36,467,815 | 25,338,883 | 32,908,379 | 18,600,671 |
| NET CURRENT ASSETS/(LIABILITIES) | 38,437,794 | 29,394,445 | 27,009,970 | 15,369,647 | 21,296,341 |
| LONG TERM LIABILITIES | | | | | |
| Long term loans | 18,802,857 | 20,941,823 | 22,951,199 | - | - |
| Lease obligations | 9,062 | 74,818 | 226,772 | - | - |
| Others | 75,041,021 | 72,474,048 | 72,750,326 | 75,426,948 | - |
| TOTAL LONG TERM LIABILITIES | 93,852,940 | 93,490,689 | 95,928,297 | 75,426,948 | - |
| TOTAL NET ASSETS | 20,167,206 | 17,294,243 | 12,772,726 | 17,275,148 | 24,968,014 |
| FINANCED BY: | | | | | |
| SHARE CAPITAL | | | | | |
| Ordinary share capital | 22,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 5,000,000 |
| TOTAL SHARE CAPITAL | 22,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 5,000,000 |
| RESERVES | | | | | |
| Retained profit/(loss) carried forward | (1,832,794) | 7,294,243 | 2,772,726 | 7,275,148 | 19,968,014 |

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| | | | | | |
|---|--------------|--------------|--------------|--------------|------------|
| TOTAL RESERVES | (1,832,794) | 7,294,243 | 2,772,726 | 7,275,148 | 19,968,014 |
| SHAREHOLDERS' FUNDS/EQUITY | 20,167,206 | 17,294,243 | 12,772,726 | 17,275,148 | 24,968,014 |
| | ===== | ===== | ===== | ===== | ===== |
| | == | == | == | == | == |
| FINANCIAL RATIO | | | | | |
| SCHMIDT + CLEMENS (ASIA) SDN. BHD. | | | | | |
| TYPES OF FUNDS | | | | | |
| Cash | 3,381,844 | 877,578 | 4,227,683 | 13,236,153 | 11,632,440 |
| Net Liquid Funds | 3,381,844 | 877,578 | 4,227,683 | 13,236,153 | 11,632,440 |
| Net Liquid Assets | 27,458,859 | 18,367,562 | 12,204,396 | (10,691,718) | 3,350,809 |
| Net Current Assets/(Liabilities) | 38,437,794 | 29,394,445 | 27,009,970 | 15,369,647 | 21,296,341 |
| Net Tangible Assets | 20,167,206 | 17,294,243 | 12,772,726 | 17,275,148 | 24,968,014 |
| Net Monetary Assets | (66,394,081) | (75,123,127) | (83,723,901) | (86,118,666) | 3,350,809 |
| PROFIT & LOSS ITEMS | | | | | |
| Earnings Before Interest & Tax (EBIT) | (2,682,555) | 6,616,941 | (3,825,357) | (11,513,374) | 10,079,230 |
| Earnings Before Interest, Taxes, Depreciation And Amortization (EBITDA) | 1,442,485 | 10,477,996 | (493,957) | (10,736,496) | 10,931,327 |
| BALANCE SHEET ITEMS | | | | | |
| Total Borrowings | 21,012,980 | 23,219,893 | 25,307,505 | 0 | 0 |
| Total Liabilities | 122,945,273 | 129,958,504 | 121,267,180 | 108,335,327 | 18,600,671 |
| Total Assets | 143,112,479 | 147,252,747 | 134,039,906 | 125,610,475 | 43,568,685 |
| Net Assets | 20,167,206 | 17,294,243 | 12,772,726 | 17,275,148 | 24,968,014 |
| Net Assets Backing | 20,167,206 | 17,294,243 | 12,772,726 | 17,275,148 | 24,968,014 |
| Shareholders' Funds | 20,167,206 | 17,294,243 | 12,772,726 | 17,275,148 | 24,968,014 |
| Total Share Capital | 22,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 5,000,000 |
| Total Reserves | (1,832,794) | 7,294,243 | 2,772,726 | 7,275,148 | 19,968,014 |
| GROWTH RATIOS (Year on Year) (%) | | | | | |
| Revenue | 43.88 | (15.61) | 98.81 | (10.26) | 5.48 |
| Profit/(Loss) Before Tax | (235.43) | 161.89 | 50.65 | (231.79) | 41.30 |
| Profit/(Loss) After Tax | (301.86) | 200.42 | 64.53 | (268.29) | 49.26 |
| Total Assets | (2.81) | 9.86 | 6.71 | 188.30 | 6.09 |
| Total Liabilities | (5.40) | 7.17 | 11.94 | 482.43 | (21.32) |
| LIQUIDITY (Times) | | | | | |
| Cash Ratio | 0.12 | 0.02 | 0.17 | 0.40 | 0.63 |
| Liquid Ratio | 1.94 | 1.50 | 1.48 | 0.68 | 1.18 |
| Current Ratio | 2.32 | 1.81 | 2.07 | 1.47 | 2.14 |
| WORKING CAPITAL CONTROL (Days) | | | | | |
| Stock Ratio | 128 | 210 | 81 | 169 | 104 |
| Debtors Ratio | 19 | 10 | 28 | 22 | 34 |
| Creditors Ratio | 47 | 50 | 31 | 72 | 8 |
| SOLVENCY RATIOS (Times) | | | | | |

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| | | | | | |
|--------------------------------------|---------|-------|---------|---------|-------|
| Gearing Ratio | 1.04 | 1.34 | 1.98 | 0 | 0 |
| Liabilities Ratio | 6.10 | 7.51 | 9.49 | 6.27 | 0.74 |
| Times Interest Earned Ratio | (1.04) | 2.43 | (1.55) | (9.32) | 24.86 |
| Assets Backing Ratio | 0.92 | 1.73 | 1.28 | 1.73 | 4.99 |
| PERFORMANCE RATIO (%) | | | | | |
| Operating Profit Margin | (3.87) | 4.11 | (5.61) | (22.60) | 15.39 |
| Net Profit Margin | (6.70) | 4.78 | (4.01) | (22.50) | 12.00 |
| Return On Net Assets | (13.30) | 38.26 | (29.95) | (66.65) | 40.37 |
| Return On Capital Employed | (2.35) | 5.96 | (3.51) | (12.42) | 40.37 |
| Return On Shareholders' Funds/Equity | (45.26) | 26.14 | (35.25) | (73.47) | 30.21 |
| Dividend Pay Out Ratio (Times) | 0 | 0 | 0 | 0 | 0 |
| NOTES TO ACCOUNTS | | | | | |
| Contingent Liabilities | 0 | 0 | 0 | 0 | 0 |

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FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 70.11 |
| UK Pound | 1 | INR 88.74 |
| Euro | 1 | INR 79.82 |
| MYR | 1 | INR 16.74 |

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

INFORMATION DETAILS

| | |
|----------------------|-----|
| Analysis Done by : | VIV |
| Report Prepared by : | KET |

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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)