

## MIRA INFORM REPORT

Report No. :	539341
Report Date :	17.11.2018

### IDENTIFICATION DETAILS

Name :	HITACHI METALS SINGAPORE PTE. LTD.
Registered Office :	12, Gul Avenue, 629656
Country :	Singapore
Financials (as on) :	31.03.2018
Date of Incorporation :	17.01.1979
Com. Reg. No.:	197900145E
Legal Form :	Private Limited (Limited By Share)
Line of Business :	Trading of Special Steel, Casting and Metal Products.
No. of Employees :	70 [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+
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Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

### NOTES:

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

**ECGC Country Risk Classification List**

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Singapore	A1	A1

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

**SINGAPORE - ECONOMIC OVERVIEW**

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

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

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

Source : CIA

## **EXECUTIVE SUMMARY**

REGISTRATION NO.	: 197900145E
COMPANY NAME	: HITACHI METALS SINGAPORE PTE. LTD.
FORMER NAME	: HITACHI METALS SINGAPORE PTE L TD (18/01/1979)
INCORPORATION DATE	: 17/01/1979
COMPANY STATUS	: EXIST
LEGAL FORM	: PRIVATE LIMITED (LIMITED BY SHARE)
LISTED STATUS	: NO
REGISTERED ADDRESS	: 12, GUL AVENUE, 629656, SINGAPORE.
BUSINESS ADDRESS	: 12 GUL AVENUE, 629656, SINGAPORE.
TEL.NO.	: 65-68617711
FAX.NO.	: 65-68611519
EMAIL	: ENQUIRY.HM@HMS.HITACHI-METALS.COM
WEB SITE	: WWW.HITACHI-METALS.COM.SG
CONTACT PERSON	: TATSURO KUMANO ( DIRECTOR )
PRINCIPAL ACTIVITY	: TRADING OF SPECIAL STEEL, CASTING AND METAL PRODUCTS
ISSUED AND PAID UP CAPITAL	: 8,300,001.00 ORDINARY SHARE, OF A VALUE OF SGD 25,500,000.00
SALES	: USD 231,642,250 [2018]
NET WORTH	: USD 52,681,316 [2018]
STAFF STRENGTH	: 70 [2018]
LITIGATION	: CLEAR
FINANCIAL CONDITION	: FAIR
PAYMENT MANAGEMENT CAPABILITY	: REGULAR 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 must have at least two directors. A private limited company is a separate legal entity from its shareholders. As a separate legal entity, the Subject is capable of owning assets, entering into contracts, sue or be sued by other companies. The liabilities of the shareholders are to the extent of the equity they have taken up and the creditors cannot claim on shareholders' personal assets even if the Subject is insolvent. The Subject is governed by the Companies Act and the company must file its annual returns, together with its financial statements with the Registrar of Companies.

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The Subject is principally engaged in the (as a / as an) trading of special steel, casting and metal products.

The immediate holding company of the Subject is HITACHI METALS, LTD., a company incorporated in JAPAN.

The ultimate holding company of the Subject is HITACHI METALS GROUP, a company incorporated in JAPAN.

Share Capital History

Date	Issue & Paid Up Capital
14/11/2018	SGD 25,500,000.00

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

Current Shareholder(s): Name	Address	IC/PP/Loc No	Shareholding	(%)
HITACHI METALS, LTD.	SHINAGAWA SEASON TERRACE 2-70, KONAN 1-CHOME, MINATO-KU, TOKYO 108-0075 JAPAN	T07UF0019	8,300,001.00	100.00
			----- 8,300,001.00 =====	----- 100.00 =====

+ Also Director

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

Local No	Country	Company	Status	(%)	As At
	THAILAND	HCAS THAI TRADING COMPANY LIMITED	-	100.00	31/03/2018

***DIRECTORS***

DIRECTOR 1

Name Of Subject : TATSURO KUMANO  
Address : 60, HAVELOCK ROAD, 07-16, RIVER PLACE, 169658, SINGAPORE.  
IC / PP No : G3235409U  
Nationality : JAPANESE  
Date of Appointment : 01/05/2017

**INTEREST CHECK**

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

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**INTEREST IN COMPANY**

N	Local No	Company	Designation	App Date	Shareholding No.	%	Profit/(loss) After Tax	Financial Year	Status	As At
1	19790014 5E	HITACHI METALS SINGAPORE PTE. LTD.	Director	01/05/20 17	0.00	-	USD2,543,479 .00	2018	-	14/11/20 18

**DIRECTOR 2**

Name Of Subject : HIROO KAWABATA  
Address : 23, NEWTON ROAD, 07-05, L'VIV, 307955, SINGAPORE.  
IC / PP No : G3034777W  
Nationality : JAPANESE  
Date of Appointment : 01/06/2014

**INTEREST CHECK**

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

**INTEREST IN COMPANY**

N	Local No	Company	Designation	App Date	Shareholding No.	%	Profit/(loss) After Tax	Financial Year	Status	As At
1	19790014 5E	HITACHI METALS SINGAPORE PTE. LTD.	Director	01/06/20 14	0.00	-	USD2,543,479 .00	2018	-	14/11/20 18

**DIRECTOR 3**

Name Of Subject : EIICHIRO SHOJI  
Address : KAMITAKADA 3-27-3-207, NAKANOKU, TOKYO, JAPAN.  
IC / PP No : TR4217564  
Nationality : JAPANESE  
Date of Appointment : 01/08/2016

**INTEREST CHECK**

Interest in companies : see below

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

**INTEREST IN COMPANY**

N	Local No	Company	Designati on	App Date	Shareholdi ng No.	%	Profit/(loss) After Tax	Financi al Year	Statu s	As At
1	19790014 5E	HITACHI METALS SINGAPO RE PTE. LTD.	Director	01/08/20 16	0.00	-	USD2,543,479 .00	2018	-	14/11/20 18
2	995582U	HITACHI METALS SINGAPO RE PTE. LTD.	Director	01/08/20 16	0.00	-	MYR13,971.0 0	2018	-	22/10/20 18

**DIRECTOR 4**

Name Of Subject : AKIHIRO DAIRIKI  
 Address : 1-17-10-30, AZUSAWA ITABASHI-KU, TOKYO 174-0051, JAPAN.  
 IC / PP No : TR9222274  
 Nationality : JAPANESE  
 Date of : 23/07/2018  
 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	Local No	Company	Designati on	App Date	Shareholdi ng No.	%	Profit/(loss) After Tax	Financi al Year	Statu s	As At
1	19790014 5E	HITACHI METALS SINGAPO RE PTE. LTD.	Director	23/07/20 18	0.00	-	USD2,543,479 .00	2018	-	14/11/20 18
2	995582U	HITACHI METALS SINGAPO RE PTE. LTD.	Director	23/07/20 18	0.00	-	MYR13,971.0 0	2018	-	22/10/20 18

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## **MANAGEMENT**

- 1) Name of Subject : HIROO KAWABATA  
Position : MANAGING DIRECTOR
- 2) Name of Subject : TATSURO KUMANO  
Position : DIRECTOR

## **AUDITOR**

Firm No	Firm Name	Address
	ERNST & YOUNG LLP	N/A

As At Date  
31/03/2018

## **COMPANY SECRETARIES**

- 1) Company Secretary : DOROTHY HO LAI YONG  
IC / PP No : S1105012C  
Address : 60, LAKESIDE DRIVE, 08-41, CASPIAN, 648320, SINGAPORE.  
Date of Appointment : 09/06/2006

## **BANKING**

No Banker found in our databank.

## **ENCUMBRANCE (S)**

No encumbrance was found in our databank at the time of investigation.

## **CIVIL LITIGATION CHECK - SUBJECT COMPANY AS A DEFENDANT**

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

No legal action was found in our databank.

No winding up petition was found in our databank.

## **PAYMENT RECORD**

### SOURCES OF RAW MATERIALS:

Local : YES  
Overseas : YES

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

### OVERALL PAYMENT HABIT

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

## **CLIENTELE**

Local : YES  
Domestic Markets : SINGAPORE  
Overseas : YES  
Export Market : ASIA  
Credit Term : N/A  
Payment Mode : CHEQUES  
TELEGRAPHIC TRANSFER (TT)

## **OPERATIONS**

Goods : SPECIAL STEEL, CASTING AND METAL PRODUCTS  
Traded

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Total Number of Employees:

YEAR	2018	2017	2015	2014
GROUP	N/A	N/A	N/A	N/A
COMPANY	70	70	100	100

Branch : NO

Other Information:

The Subject is principally engaged in the (as a / as an) trading of special steel, casting and metal products.

The Subject provides a wide range of Automotive, Infrastructure, Electronics and Motor and Tool Steels related products.

The Subject has always been striving to improve the value of its products and services by better understanding the needs of our industry and customers in the fields of Automotive, Industrial Infrastructure and Electronics.

## **CURRENT INVESTIGATION**

Latest fresh investigations carried out on the Subject indicated that:

Telephone Number Provided By Client	:	N/A
Current Telephone Number Match	:	65-68617711 N/A
Address Provided by Client	:	12 GUL AVENUE 629656 SINGAPORE
Current Address Match	:	12 GUL AVENUE,, 629656, SINGAPORE. YES

Other Investigations

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

The Subject refused to disclose its bankers.

## **FINANCIAL ANALYSIS**

Profitability			
Turnover	:	Erratic	[ 2014 - 2018 ]
Profit/(Loss) Before Tax	:	Decreased	[ 2014 - 2018 ]
Return on Shareholder Funds	:	Unfavourable	[ 4.83% ]
Return on Net Assets	:	Unfavourable	[ 5.52% ]

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

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profit could be due to the stiff market competition which reduced the Subject's profit margin. The unfavourable return on shareholders' funds could indicate that the Subject was inefficient in utilising its assets to generate returns.

**Working Capital Control**

Stock Ratio	:	Favourable	[	14 Days	]
Debtor Ratio	:	Acceptable	[	57 Days	]
Creditors Ratio	:	Favourable	[	7 Days	]

The Subject's stocks were moving fast thus reducing its holding cost. This had reduced funds being tied up in stocks. The Subject's management was quite efficient in handling its debtors. The Subject's debtors days were at an acceptable range, thus the risk of its debts turning bad was minimised. 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	[	1.92 Times	]
Current Ratio	:	Favourable	[	2.12 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	:	Nil	[	0.00 Times	]
Gearing Ratio	:	Favourable	[	0.00 Times	]

The Subject's interest cover was nil as it did not pay any interest during the year. The Subject had no gearing and hence it had virtually no financial risk. The Subject was financed by its shareholders' funds and internally generated fund. During the economic downturn, the Subject, having a zero gearing, will be able to compete better than those which are highly geared in the same industry.

**Overall Assessment :**

The Subject recorded lower profits as its turnover showed a erratic trend. The Subject's management was unable to control its costs efficiently as its profit showed a downward trend. The Subject was in good liquidity position with its total current liabilities well covered by its total current assets. With its current net assets, the Subject should be able to repay its short term obligations. The Subject did not make any interest payment during the year. The Subject was dependent on its shareholders' funds to finance its business needs. The Subject was a zero gearing company, it was solely dependant on its shareholders to provide funds to finance its business. The Subject has good chance of getting loans, if the needs arises.

Overall financial condition of the Subject : FAIR

**SINGAPORE ECONOMIC / INDUSTRY OUTLOOK**

Major Economic Indicators :	2013	2014	2015	2016	2017*
Population (Million)	5.40	5.47	5.54	5.61	5.61
Gross Domestic Products ( % )	5.1	3.9	2.2	2.4	3.6

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Consumer Price Index	2.4	1.0	(0.5)	(0.5)	0.6
Total Imports (Million)	466,762.0	463,779.1	407,767.9	398,372.0	403,300.0
Total Exports (Million)	513,391.0	518,922.7	476,285.4	468,552.0	466,900.0
Unemployment Rate (%)	1.9	1.9	1.9	2.1	-
Tourist Arrival (Million)	15.46	15.01	15.23	16.28	-
Hotel Occupancy Rate (%)	86.3	85.5	84.0	83.1	84.7
Cellular Phone Subscriber (Million)	1.97	1.98	1.99	-	-
Registration of New Companies (No.)	37,288	41,589	34,243	35,227	37,395
Registration of New Companies (%)	9.8	11.5	(17.7)	2.9	6.2
Liquidation of Companies (No.)	17,369	18,767	21,384	23,218	22,379
Liquidation of Companies (%)	(5.3)	8.0	13.9	8.6	(3.6)
Registration of New Businesses (No.)	22,893	35,773	28,480	27,120	22,148
Registration of New Businesses (%)	1.70	56.30	(20.39)	(4.78)	(18.33)
Liquidation of Businesses (No.)	22,598	22,098	26,116	35,866	24,344
Liquidation of Businesses (%)	0.5	(2.2)	18.2	37.3	(32.1)
Bankruptcy Orders (No.)	1,992	1,757	1,776	1,797	1,638
Bankruptcy Orders (%)	14.0	(11.8)	1.0	1.2	(8.9)
Bankruptcy Discharges (No.)	2,584	3,546	3,499	4,359	2,030
Bankruptcy Discharges (%)	37.4	37.2	(1.3)	24.6	(53.4)
<b>INDUSTRIES ( % of Growth ) :</b>					
<b>Agriculture</b>					
Production of Principal Crops	1.78	4.29	3.04	-	-
Fish Supply & Wholesale	(3.8)	(8.6)	(8.5)	(9.9)	-
<b>Manufacturing #</b>					
Food, Beverages & Tobacco	97.9	99.4	100.0	103.7	110.3
Textiles	119.5	102.7	100.0	92.4	84.4
Wearing Apparel	334.1	212.6	100.0	83.4	88.2
Leather Products & Footwear	122.0	106.5	100.0	88.8	79.0
Wood & Wood Products	103.0	107.2	100.0	95.0	92.9
Paper & Paper Products	104.4	104.5	100.0	97.3	96.1
Printing & Media	113.8	105.968	100.0	85.1	73.1
Crude Oil Refineries	100.7	92.2	100.0	104.2	113.5
Chemical & Chemical Products	88.4	96.7	100.0	98.9	105.3
Pharmaceutical Products	101.421	109.4	100.0	113.8	96.0
Rubber & Plastic Products	109.497	109.2	100.0	91.4	93.7
Non-metallic Mineral	107.4	90.759	100.0	89.8	72.9
Basic Metals	77.2	99.3	100.0	106.2	108.3
Fabricated Metal Products	107.5	107.757	100.0	93.8	91.3
Machinery & Equipment	109.1	118.2	100.0	80.8	86.1
Electrical Machinery	87.4	97.871	100.0	101.5	111.7
Electronic Components	105.0	105.6	100.0	114.1	151.4
Transport Equipment	111.1	106.68	100.0	101.0	99.5

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Construction	25.40	22.00	-	-	-
Real Estate	88.5	145.1	-	-	-
Services					
Electricity, Gas & Water	6.70	6.50	-	-	-
Transport, Storage & Communication	9.80	14.20	-	-	-
Finance & Insurance	3.30	6.00	-	7.40	-
Government Services	6.50	6.30	-	-	-
Education Services	3.10	5.98	-	2.40	-

\* Estimate / Preliminary

# Based on Index of Industrial Production (2015 = 100)

## **INDUSTRY ANALYSIS**

### INDUSTRY TRADING

:

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

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

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

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

For the full year 2017, retail sales volume expanded by 1.3%, similar to the 1.5% growth recorded in 2016.

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

OVERALL INDUSTRY OUTLOOK : MARGINAL GROWTH

## ***CREDIT RISK EVALUATION & RECOMMENDATION***

Incorporated in 1979, the Subject is a Private Limited company, focusing on trading of special steel, casting and metal products. The Subject has been in business for over two decades. It has built up a strong clientele base and good reputation will enable the Subject to further enhance its business in the near term. The Subject is expected to enjoy a stable market shares. With a large issued and paid up capital of SGD 25,500,000 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. The Subject has a total workforce of 70 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.

The Subject's business performance showed a reverse trend as both its turnover and pre-tax profit have decreased compared to the previous year. 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. Being a zero geared company, the Subject virtually has no financial risk as it is mainly dependent on its internal funds to finance its business. Given a positive net worth standing at USD 52,681,316, 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.

## ***PROFIT AND LOSS ACCOUNT***

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

**HITACHI METALS SINGAPORE PTE. LTD.**

Financial Year End	2018-03-31	2017-03-31	2016-03-31	2015-03-31	2014-03-31
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Months Consolidated Account	12 Company	12 Company	12 Company	12 Company	12 Company
Audited Account Unqualified	YES	YES	YES	YES	YES
Auditor's Report (Clean Opinion)	YES	YES	YES	YES	YES
Financial Type	FULL	FULL	FULL	FULL	FULL
Currency	USD	USD	USD	USD	USD
TURNOVER	231,642,250	242,175,812	242,023,752	286,031,476	201,453,855
Total Turnover	231,642,250	242,175,812	242,023,752	286,031,476	201,453,855
Costs of Goods Sold	(222,831,628)	(232,364,659)	(231,926,280)	(275,005,024)	(191,760,955)
Gross Profit	8,810,622	9,811,153	10,097,472	11,026,452	9,692,900
PROFIT/(LOSS) FROM OPERATIONS	2,905,914	3,430,080	(728,312)	5,563,752	1,625,476
PROFIT/(LOSS) BEFORE TAXATION	2,905,914	3,430,080	(728,312)	5,563,752	1,625,476
Taxation	(362,435)	(508,665)	(605,273)	(277,940)	(261,253)
PROFIT/(LOSS) AFTER TAXATION	2,543,479	2,921,415	(1,333,585)	5,285,812	1,364,223
RETAINED PROFIT/(LOSS) BROUGHT FORWARD					
As previously reported	27,746,345	24,824,930	28,272,515	23,532,392	22,794,858
As restated	27,746,345	24,824,930	28,272,515	23,532,392	22,794,858
PROFIT AVAILABLE FOR APPROPRIATIONS	30,289,824	27,746,345	26,938,930	28,818,204	24,159,081
DIVIDENDS - Ordinary (paid & proposed)	(2,045,000)	-	(2,114,000)	(545,689)	(626,689)
RETAINED PROFIT/(LOSS)	28,244,824	27,746,345	24,824,930	28,272,515	23,532,392

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CARRIED  
FORWARD

	=====	=====	=====	=====	=====
	=	=	=	=	=
INTEREST EXPENSE (as per notes to P&L)					
Loan from holding company	-	-	-	-	255
Others	-	-	-	989	-
	-----	-----	-----	-----	-----
	-	-	-	989	255
	=====	=====	=====	=====	=====
	=	=	=	=	=
DEPRECIATION (as per notes to P&L)	130,021	168,655	175,606	189,439	210,849
AMORTIZATION	477	2,805	2,805	3,493	4,736
	-----	-----	-----	-----	-----
Total Amortization And Depreciation	130,498	171,460	178,411	192,932	215,585
	=====	=====	=====	=====	=====
	=	=	=	=	=

## **BALANCE SHEET**

### **HITACHI METALS SINGAPORE PTE. LTD.**

#### **ASSETS**

##### **EMPLOYED:**

FIXED ASSETS	463,754	392,635	350,912	341,217	381,973
LONG TERM INVESTMENTS/OTH ER ASSETS					
Subsidiary companies	-	-	-	-	84,465
Associated companies	-	-	-	4,148,909	-
Investments	1,000,487	1,000,487	1,000,487	1,000,487	1,000,487
	-----	-----	-----	-----	-----
TOTAL LONG TERM INVESTMENTS/OTH ER ASSETS	1,000,487	1,000,487	1,000,487	5,149,396	1,084,952
INTANGIBLE ASSETS					
Others	10,020	10,497	52,875	55,680	59,173
	-----	-----	-----	-----	-----
TOTAL INTANGIBLE ASSETS	10,020	10,497	52,875	55,680	59,173

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TOTAL LONG TERM ASSETS	1,474,261	1,403,619	1,404,274	5,546,293	1,526,098
CURRENT ASSETS					
Stocks	9,042,968	6,084,593	5,792,793	8,538,888	10,357,600
Trade debtors	36,189,842	33,421,390	36,546,987	41,887,184	42,549,375
Other debtors, deposits & prepayments	429,538	405,437	385,024	256,890	253,283
Short term deposits	13,876,922	16,412,105	14,546,369	16,819,647	24,303,390
Short term loans & advances	-	-	13,670,000	7,496,000	-
Short term loan to financial institutions	12,900,000	18,532,000	-	-	-
Amount due from holding company	1,402,621	1,082,697	1,960,107	1,017,130	630,463
Amount due from related companies	18,979,546	12,062,883	9,125,577	11,857,451	11,613,176
Cash & bank balances	4,151,996	3,170,433	5,792,126	2,674,969	3,980,413
<b>TOTAL CURRENT ASSETS</b>	<b>96,973,433</b>	<b>91,171,538</b>	<b>87,818,983</b>	<b>90,548,159</b>	<b>93,687,700</b>
<b>TOTAL ASSET</b>	<b>98,447,694</b>	<b>92,575,157</b>	<b>89,223,257</b>	<b>96,094,452</b>	<b>95,213,798</b>
CURRENT LIABILITIES					
Trade creditors	4,480,355	3,749,756	2,763,462	1,651,568	2,390,974
Other creditors & accruals	2,156,560	2,219,514	1,909,340	2,769,709	2,842,960
Amounts owing to holding company	18,340,485	19,403,770	17,918,652	14,179,938	12,619,570
Amounts owing to related companies	20,490,329	14,500,473	17,015,635	24,576,911	28,997,892
Provision for taxation	298,649	518,807	354,746	207,319	387,754
<b>TOTAL CURRENT LIABILITIES</b>	<b>45,766,378</b>	<b>40,392,320</b>	<b>39,961,835</b>	<b>43,385,445</b>	<b>47,239,150</b>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	<b>51,207,055</b>	<b>50,779,218</b>	<b>47,857,148</b>	<b>47,162,714</b>	<b>46,448,550</b>
LONG TERM LIABILITIES					
Deferred taxation	-	-	-	-	5,764
<b>TOTAL LONG TERM</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,764</b>

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**LIABILITIES**

TOTAL NET ASSETS	52,681,316	52,182,837	49,261,422	52,709,007	47,974,648
FINANCED BY:					
SHARE CAPITAL					
Ordinary share capital	16,008,765	16,008,765	16,008,765	16,008,765	16,008,765
TOTAL SHARE CAPITAL	16,008,765	16,008,765	16,008,765	16,008,765	16,008,765
RESERVES					
General reserve	-	-	8,427,727	8,427,727	8,427,727
Retained profit/(loss) carried forward	28,244,824	27,746,345	24,824,930	28,272,515	23,532,392
Others	8,427,727	8,427,727	-	-	-
TOTAL RESERVES	36,672,551	36,174,072	33,252,657	36,700,242	31,960,119
SHAREHOLDERS' FUNDS/EQUITY	52,681,316	52,182,837	49,261,422	52,709,007	47,968,884

**FINANCIAL RATIO**

**HITACHI METALS SINGAPORE PTE. LTD.**

**TYPES OF FUNDS**

Cash	18,028,918	19,582,538	20,338,495	19,494,616	28,283,803
Net Liquid Funds	18,028,918	19,582,538	20,338,495	19,494,616	28,283,803
Net Liquid Assets	42,164,087	44,694,625	42,064,355	38,623,826	36,090,950
Net Current Assets/(Liabilities)	51,207,055	50,779,218	47,857,148	47,162,714	46,448,550
Net Tangible Assets	52,671,296	52,172,340	49,208,547	52,653,327	47,915,475
Net Monetary Assets	42,164,087	44,694,625	42,064,355	38,623,826	36,085,186
PROFIT & LOSS ITEMS					
Earnings Before Interest & Tax (EBIT)	2,905,914	3,430,080	(728,312)	5,564,741	1,625,731
Earnings Before Interest, Taxes, Depreciation And Amortization (EBITDA)	3,036,412	3,601,540	(549,901)	5,757,673	1,841,316
BALANCE SHEET ITEMS					
Total Borrowings	0	0	0	0	0
Total Liabilities	45,766,378	40,392,320	39,961,835	43,385,445	47,244,914
Total Assets	98,447,694	92,575,157	89,223,257	96,094,452	95,213,798
Net Assets	52,681,316	52,182,837	49,261,422	52,709,007	47,974,648

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Net Assets Backing	52,681,316	52,182,837	49,261,422	52,709,007	47,968,884
Shareholders' Funds	52,681,316	52,182,837	49,261,422	52,709,007	47,968,884
Total Share Capital	16,008,765	16,008,765	16,008,765	16,008,765	16,008,765
Total Reserves	36,672,551	36,174,072	33,252,657	36,700,242	31,960,119
<b>GROWTH RATIOS (Year on Year) (%)</b>					
Revenue	(4.35)	-	(15.39)	41.98	54.29
Profit/(Loss) Before Tax	(15.28)	-	(113.09)	242.28	(4.05)
Profit/(Loss) After Tax	(12.94)	-	(125.23)	287.46	8.84
Total Assets	6.34	3.76	(7.15)	0.92	80.52
Total Liabilities	13.30	1.08	(7.89)	(8.17)	96.77
<b>LIQUIDITY (Times)</b>					
Cash Ratio	0.39	0.48	0.51	0.45	0.60
Liquid Ratio	1.92	2.11	2.05	1.89	1.76
Current Ratio	2.12	2.26	2.20	2.09	1.98
<b>WORKING CAPITAL CONTROL (Days)</b>					
Stock Ratio	14	9	9	11	19
Debtors Ratio	57	50	55	53	77
Creditors Ratio	7	6	4	2	5
<b>SOLVENCY RATIOS (Times)</b>					
Gearing Ratio	0	0	0	0	0
Liabilities Ratio	0.87	0.77	0.81	0.82	0.98
Times Interest Earned Ratio	0	0	0	5,626.63	6,375.42
Assets Backing Ratio	3.29	3.26	3.07	3.29	2.99
<b>PERFORMANCE RATIO (%)</b>					
Operating Profit Margin	1.25	1.42	(0.30)	1.95	0.81
Net Profit Margin	1.10	1.21	(0.55)	1.85	0.68
Return On Net Assets	5.52	6.57	(1.48)	10.56	3.39
Return On Capital Employed	5.51	6.57	(1.48)	10.55	3.38
Return On Shareholders' Funds/Equity	4.83	5.60	(2.71)	10.03	2.84
Dividend Pay Out Ratio (Times)	0.80	0	1.59	0.10	0.46
<b>NOTES TO ACCOUNTS</b>					
Contingent Liabilities	0	0	0	0	0

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.80
UK Pound	1	INR 91.92
Euro	1	INR 81.46
SGD	1	INR 52.13

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

**INFORMATION DETAILS**

Analysis Done by :	VIV
Report Prepared by :	NIT

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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)

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