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Malad (West), Mumbai - 400 064. INDIA
Tel : 91-22-40448000 (44 lines)
Fax : 91-22-40448045 / 40448046
E-mail : mira@mirainform.com
info@mirainform.com
Website : http://www.mirainform.com
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MIRA INFORM REPORT

Report No. :	540125
Report Date :	23.11.2018

IDENTIFICATION DETAILS

Name :	HWACHEON ASIA PACIFIC PTE. LTD.
Registered Office :	21, Bukit Batok Crescent, 08-79, Wcega Tower, 658065
Country :	Singapore
Financials (as on) :	31.12.2016
Date of Incorporation :	24.04.2006
Com. Reg. No.:	200605892N
Legal Form :	Private Limited (Limited By Share)
Line of Business :	The subject is principally engaged in the trading of industrial machinery and equipment.
No. of Employees :	11 [2018]

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 :

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

ECGC Country Risk Classification List

Country Name	**Previous Rating (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

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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

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EXECUTIVE SUMMARY

REGISTRATION NO.	:	200605892N
COMPANY NAME	:	**HWACHEON ASIA PACIFIC PTE. LTD.**
FORMER NAME	:	N/A
INCORPORATION DATE	:	24/04/2006
COMPANY STATUS	:	EXIST
LEGAL FORM	:	PRIVATE LIMITED (LIMITED BY SHARE)
LISTED STATUS	:	NO
REGISTERED ADDRESS	:	21, BUKIT BATOK CRESCENT, 08-79, WCEGA TOWER, 658065, SINGAPORE.
BUSINESS ADDRESS	:	21, BUKIT BATOK CRESCENT, 08-79, WCEGA TOWER, 658065, SINGAPORE.
TEL.NO.	:	65-65154357
FAX.NO.	:	65-65154358
WEB SITE	:	WWW.HWACHEON.COM
CONTACT PERSON	:	KLAUS HERMANN EWALD LUDWIG (DIRECTOR)
PRINCIPAL ACTIVITY	:	TRADING OF INDUSTRIAL MACHINERY AND EQUIPMENT
ISSUED AND PAID UP CAPITAL	:	1,600,000.00 ORDINARY SHARE, OF A VALUE OF SGD 1,600,000.00
SALES	:	SGD 16,239,991 [2016]
NET WORTH	:	SGD 2,022,412 [2016]
STAFF STRENGTH	:	11 [2018]
BANKER (S)	:	DBS BANK LTD
LITIGATION	:	CLEAR
FINANCIAL CONDITION	:	STRONG
PAYMENT	:	SLOW BUT CORRECT
MANAGEMENT CAPABILITY	:	AVERAGE
COMMERCIAL RISK	:	LOW
CURRENCY EXPOSURE	:	MODERATE
GENERAL REPUTATION	:	SATISFACTORY
INDUSTRY OUTLOOK	:	MARGINAL GROWTH

HISTORY / BACKGROUND

The Subject is a private limited company and is allowed to have a minimum of one and a maximum of forty-nine shareholders. As a private limited company, the Subject must have at least two directors. A private limited company is a separate legal entity from its shareholders. As a separate legal entity, the Subject is capable of owning assets, entering into contracts, sue or be sued by other companies. The liabilities of the shareholders are to the extent of the equity they have taken up and the creditors cannot claim on shareholders' personal assets

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even if the Subject is insolvent. The Subject is governed by the Companies Act and the company must file its annual returns, together with its financial statements with the Registrar of Companies.
The Subject is principally engaged in the (as a / as an) trading of industrial machinery and equipment.

The immediate holding company of the Subject is HWACHEON MACHINE TOOL CO., LTD., a company incorporated in KOREA.

Share Capital History

Date	**Issue & Paid Up Capital**
19/11/2018	SGD 1,600,000.00

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

Current Shareholder(s) :

Name	**Address**	**IC/PP/Loc No**	**Shareholding**	**(%)**
HWACHEON MACHINE TOOL CO., LTD.	123-17, HANAMSANDAN 4BEON-RO, GWANGSAN-GU, GWANGJU 506-733 ,KOREA	T06UF1742	1,600,000.00	100.00
			---------------	------
			1,600,000.00	100.00
			============	=====

+ Also Director

DIRECTORS

DIRECTOR 1

Name Of Subject	:	YOUNG RYUAL KWON
Address	:	512-21, PYEONG CHONG-DONG, JONGNO-GU, SEOUL, SEOUL, KOREA.
IC / PP No	:	NW1045095
Nationality	:	KOREAN
Date of Appointment	:	24/04/2006

INTEREST CHECK

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

INTEREST IN COMPANY

No	**Local No**	**Company**	**Designation**	**App Date**	**Shareholding**		**Profit/(loss) After Tax**	**Financial Year**	**Status**	**As At**
					No.	%				

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1	200605892N	HWACHEON ASIA PACIFIC PTE. LTD.	Director	24/04/2006	0.00	-	SGD191,879.00	2016	-	19/11/2018

DIRECTOR 2

Name Of Subject : YOUNG DOO KWON
Address : 154-3, DONGMYEONG-DONG, DONG-GU, GWANGJU, KOREA.
IC / PP No : GJ0498911
Nationality : KOREAN
Date of Appointment : 24/04/2006

INTEREST CHECK

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

INTEREST IN COMPANY

No	Local No	Company	Designation	App Date	Shareholding No.	%	Profit/(loss) After Tax	Financial Year	Status	As At
1	200605892N	HWACHEON ASIA PACIFIC PTE. LTD.	Director	24/04/2006	0.00	-	SGD191,879.00	2016	-	19/11/2018

DIRECTOR 3

Name Of Subject : MR. KLAUS HERMANN EWALD LUDWIG
Address : 47, CASUARINA WALK, 574097, SINGAPORE.
IC / PP No : S2729355G
Nationality : GERMAN
Date of Appointment : 24/04/2006

INTEREST CHECK

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

INTEREST IN COMPANY

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No	Local No	Company	Designation	App Date	Shareholding No.	Shareholding %	Profit/(loss) After Tax	Financial Year	Status	As At
1	200605892N	HWACHEON ASIA PACIFIC PTE. LTD.	Director	24/04/2006	0.00	-	SGD191,879.00	2016	-	19/11/2018

MANAGEMENT

1) Name of Subject : KLAUS HERMANN EWALD LUDWIG
Position : DIRECTOR

AUDITOR

Firm No	Firm Name	Address	As At Date
	CHEAM H T & CO	N/A	31/12/2017

COMPANY SECRETARIES

1) Company Secretary : JASMINE THAM CHEE KUAN
IC / PP No : S1705105I
Address : 165, BUKIT MERAH CENTRAL, 08-3663, 150165, SINGAPORE.
Date of Appointment : 24/04/2006

BANKING

Banking relations are maintained principally with :
1) Name : DBS BANK LTD

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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	:	WORLDWIDE
Credit Term	:	30 - 60 DAYS
Payment Mode	:	CHEQUES TELEGRAPHIC TRANSFER (TT)

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OPERATIONS

Goods Traded : INDUSTRIAL MACHINERY AND EQUIPMENT

Total Number of Employees:

YEAR	2018	2017	2016	2015
GROUP	N/A	N/A	N/A	N/A
COMPANY	11	9	9	12

Branch : NO

Other Information:

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

The Subject sells CNC Machine Tools and others.

The Subject also sells the spare parts for the machines

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

CURRENT INVESTIGATION

Latest fresh investigations carried out on the Subject indicated that :

Telephone Number Provided By Client	:	N/A
Current Telephone Number	:	65-65154357
Match	:	N/A
Address Provided by Client	:	SINGAPORE
Current Address	:	21, BUKIT BATOK CRESCENT, 08-79, WCEGA TOWER, 658065, SINGAPORE.
Match	:	NO

Other Investigations

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

The address provided is incomplete.

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FINANCIAL ANALYSIS

Profitability

Turnover	:	Decreased	[2012 - 2016]
Profit/(Loss) Before Tax	:	Decreased	[2012 - 2016]
Return on Shareholder Funds	:	Unfavourable	[9.49%]
Return on Net Assets	:	Unfavourable	[9.50%]

The continuous fall in turnover could be due to the lower demand for the Subject's products / services.The Subject's profit fell sharply because of the high operating costs incurred. The unfavourable return on shareholders' funds could indicate that the Subject was inefficient in utilising its assets to generate returns.

Working Capital Control

Debtor Ratio	:	Unfavourable	[76 Days]
Creditors Ratio	:	Favourable	[3 Days]

The high debtors' ratio could indicate that the Subject was weak in its credit control. However, the Subject could also giving longer credit periods to its customers in order to boost its sales or to capture / retain its market share. The 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	[1.38 Times]
Current Ratio	:	Unfavourable	[1.38 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's performance deteriorated over the years with lower turnover and profit. 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 : STRONG

SINGAPORE ECONOMIC / INDUSTRY OUTLOOK

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

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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)
INDUSTRIES (% of Growth) :					
Agriculture					
Production of Principal Crops	1.78	4.29	3.04	-	-
Fish Supply & Wholesale	(3.8)	(8.6)	(8.5)	(9.9)	-
Manufacturing #					
Food, Beverages & Tobacco	97.9	99.4	100.0	103.7	110.3
Textiles	119.5	102.7	100.0	92.4	84.4
Wearing Apparel	334.1	212.6	100.0	83.4	88.2
Leather Products & Footwear	122.0	106.5	100.0	88.8	79.0
Wood & Wood Products	103.0	107.2	100.0	95.0	92.9
Paper & Paper Products	104.4	104.5	100.0	97.3	96.1
Printing & Media	113.8	105.968	100.0	85.1	73.1
Crude Oil Refineries	100.7	92.2	100.0	104.2	113.5
Chemical & Chemical Products	88.4	96.7	100.0	98.9	105.3
Pharmaceutical Products	101.421	109.4	100.0	113.8	96.0
Rubber & Plastic Products	109.497	109.2	100.0	91.4	93.7
Non-metallic Mineral	107.4	90.759	100.0	89.8	72.9
Basic Metals	77.2	99.3	100.0	106.2	108.3
Fabricated Metal Products	107.5	107.757	100.0	93.8	91.3
Machinery & Equipment	109.1	118.2	100.0	80.8	86.1
Electrical Machinery	87.4	97.871	100.0	101.5	111.7
Electronic Components	105.0	105.6	100.0	114.1	151.4
Transport Equipment	111.1	106.68	100.0	101.0	99.5

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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

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CREDIT RISK EVALUATION & RECOMMENDATION

Incorporated in 2006, the Subject is a Private Limited company, focusing on trading of industrial machinery and equipment. Having been in the industry for over a decade, the Subject has achieved a certain market share and has built up a satisfactory reputation in the market. It should have received supports from its regular customers. A paid up capital of SGD 1,600,000 allows the Subject to expand its business more comfortably. With a strong backing from its holding company, the Subject enjoys timely financial assistance should the needs arise.

Over the years, the Subject has penetrated into both the local and overseas market. The Subject has positioned itself in the global market and is competing in the industry. Its stable clientele base will enable the Subject to further enhance its business in the near term. Being a small company, the Subject's business operation is supported by 11 employees. Overall, we regard that the Subject's management capability is average. This indicates that the Subject has greater potential to improve its business performance and raising income for the Subject.

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 it current assets. Hence, it has sufficient working capital to meet its short term financial obligations. Being a zero geared company, the Subject virtually has no financial risk as it is mainly dependent on its internal funds to finance its business. Given a positive net worth standing at SGD 2,022,412, 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.

PROFIT AND LOSS ACCOUNT

THE FINANCIAL STATEMENTS WERE PREPARED IN ACCORDANCE WITH SINGAPORE FINANCIAL REPORTING STANDARDS.
HWACHEON ASIA PACIFIC PTE. LTD.

Financial Year	2016-12-31	2015-12-31	2014-12-31	2013-12-31	2012-12-31

End					
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	SGD	SGD	SGD	SGD	SGD
TURNOVER	16,239,991	21,081,934	26,029,583	24,087,944	26,952,369
Other Income	79,154	141,707	89,423	35,728	30,458
	----------------	----------------	----------------	----------------	----------------
Total Turnover	16,319,145	21,223,641	26,119,006	24,123,672	26,982,827
Costs of Goods Sold	(14,114,422)	(18,774,864)	(23,296,560)	(21,989,603)	(24,359,677)
	----------------	----------------	----------------	----------------	----------------
Gross Profit	2,204,723	2,448,777	2,822,446	2,134,069	2,623,150
	----------------	----------------	----------------	----------------	----------------
PROFIT/(LOSS) FROM OPERATIONS	192,057	322,428	643,113	113,495	509,111
	----------------	----------------	----------------	----------------	----------------
PROFIT/(LOSS) BEFORE TAXATION	192,057	322,428	643,113	113,495	509,111
Taxation	(178)	-	-	-	-
	----------------	----------------	----------------	----------------	----------------
PROFIT/(LOSS) AFTER TAXATION	191,879	322,428	643,113	113,495	509,111
	----------------	----------------	----------------	----------------	----------------
RETAINED PROFIT/(LOSS) BROUGHT FORWARD					
As previously reported	230,533	(91,895)	(735,008)	(848,503)	(1,357,614)
	----------------	----------------	----------------	----------------	----------------
As restated	230,533	(91,895)	(735,008)	(848,503)	(1,357,614)
	----------------	----------------	----------------	----------------	----------------
PROFIT AVAILABLE FOR APPROPRIATIONS	422,412	230,533	(91,895)	(735,008)	(848,503)
	----------------	----------------	----------------	----------------	----------------
RETAINED PROFIT/(LOSS) CARRIED	422,412	230,533	(91,895)	(735,008)	(848,503)

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Fax : 91-22-40448045 / 40448046
E-mail : mira@mirainform.com
info@mirainform.com
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FORWARD					
	=============	=============	=============	=============	=============
DEPRECIATION (as per notes to P&L)	9,146	30,591	12,070	6,949	11,458
	----------------	----------------	----------------	----------------	----------------
Total Amortization And Depreciation	9,146	30,591	12,070	6,949	11,458
	=============	=============	=============	=============	=============

BALANCE SHEET

HWACHEON ASIA PACIFIC PTE. LTD.

ASSETS EMPLOYED:					
FIXED ASSETS	6,593	15,739	16,352	12,788	10,080
	----------------	----------------	----------------	----------------	----------------
TOTAL LONG TERM ASSETS	6,593	15,739	16,352	12,788	10,080
CURRENT ASSETS					
Trade debtors	3,397,017	3,763,728	7,850,017	6,170,140	5,584,955
Other debtors, deposits & prepayments	161,322	98,890	169,384	167,485	279,534
Short term deposits	-	-	-	33,000	34,320
Amount due from holding company	204,719	-	51,249	146,102	50,207
Amount due from related companies	1,607	2,734	-	-	-
Cash & bank balances	3,558,352	2,984,955	2,171,721	1,894,675	657,457
	----------------	----------------	----------------	----------------	----------------
TOTAL CURRENT ASSETS	7,323,017	6,850,307	10,242,371	8,411,402	6,606,473
	----------------	----------------	----------------	----------------	----------------
TOTAL ASSET	7,329,610	6,866,046	10,258,723	8,424,190	6,616,553
	=============	=============	=============	=============	=============
CURRENT LIABILITIES					
Trade creditors	116,000	116,948	857,663	113,277	15,124
Other creditors & accruals	1,656,569	977,796	1,539,140	1,427,665	790,547
Amounts owing to	2,637,388	3,824,990	6,303,315	5,967,550	5,008,948

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holding company					
Amounts owing to related companies	857,241	65,779	-	-	-
Other liabilities	40,000	50,000	50,500	50,706	50,437
	----------------	----------------	----------------	----------------	----------------
TOTAL CURRENT LIABILITIES	5,307,198	5,035,513	8,750,618	7,559,198	5,865,056
	----------------	----------------	----------------	----------------	----------------
NET CURRENT ASSETS/(LIABILITIES)	2,015,819	1,814,794	1,491,753	852,204	741,417
	----------------	----------------	----------------	----------------	----------------
TOTAL NET ASSETS	2,022,412	1,830,533	1,508,105	864,992	751,497
	=============	=============	=============	=============	=============
FINANCED BY:					
SHARE CAPITAL					
Ordinary share capital	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
	----------------	----------------	----------------	----------------	----------------
TOTAL SHARE CAPITAL	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
RESERVES					
Retained profit/(loss) carried forward	422,412	230,533	(91,895)	(735,008)	(848,503)
	----------------	----------------	----------------	----------------	----------------
TOTAL RESERVES	422,412	230,533	(91,895)	(735,008)	(848,503)
	----------------	----------------	----------------	----------------	----------------
SHAREHOLDERS' FUNDS/EQUITY	2,022,412	1,830,533	1,508,105	864,992	751,497
	=============	=============	=============	=============	=============

FINANCIAL RATIO

HWACHEON ASIA PACIFIC PTE. LTD.

TYPES OF FUNDS					
Cash	3,558,352	2,984,955	2,171,721	1,927,675	691,777
Net Liquid Funds	3,558,352	2,984,955	2,171,721	1,927,675	691,777
Net Liquid Assets	2,015,819	1,814,794	1,491,753	852,204	741,417
Net Current Assets/(Liabilities)	2,015,819	1,814,794	1,491,753	852,204	741,417
Net Tangible Assets	2,022,412	1,830,533	1,508,105	864,992	751,497
Net Monetary Assets	2,015,819	1,814,794	1,491,753	852,204	741,417
PROFIT & LOSS ITEMS					
Earnings Before Interest & Tax	192,057	322,428	643,113	113,495	509,111

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(EBIT)					
Earnings Before Interest, Taxes, Depreciation And Amortization (EBITDA)	201,203	353,019	655,183	120,444	520,569
BALANCE SHEET ITEMS					
Total Borrowings	0	0	0	0	0
Total Liabilities	5,307,198	5,035,513	8,750,618	7,559,198	5,865,056
Total Assets	7,329,610	6,866,046	10,258,723	8,424,190	6,616,553
Net Assets	2,022,412	1,830,533	1,508,105	864,992	751,497
Net Assets Backing	2,022,412	1,830,533	1,508,105	864,992	751,497
Shareholders' Funds	2,022,412	1,830,533	1,508,105	864,992	751,497
Total Share Capital	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
Total Reserves	422,412	230,533	(91,895)	(735,008)	(848,503)
GROWTH RATIOS (Year on Year) (%)					
Revenue	(22.97)	(19.01)	8.06	(10.63)	1.15
Proft/(Loss) Before Tax	(40.43)	(49.86)	466.64	(77.71)	(11.97)
Proft/(Loss) After Tax	(40.49)	(49.86)	466.64	(77.71)	(11.97)
Total Assets	6.75	(33.07)	21.78	27.32	(4.58)
Total Liabilities	5.40	(42.46)	15.76	28.89	(12.35)
LIQUIDITY (Times)					
Cash Ratio	0.67	0.59	0.25	0.26	0.12
Liquid Ratio	1.38	1.36	1.17	1.11	1.13
Current Ratio	1.38	1.36	1.17	1.11	1.13
WORKING CAPITAL CONTROL (Days)					
Stock Ratio	0	0	0	0	0
Debtors Ratio	76	65	110	93	76
Creditors Ratio	3	2	13	2	0
SOLVENCY RATIOS (Times)					
Gearing Ratio	0	0	0	0	0
Liabilities Ratio	2.62	2.75	5.80	8.74	7.80
Times Interest Earned Ratio	0	0	0	0	0
Assets Backing Ratio	1.26	1.14	0.94	0.54	0.47
PERFORMANCE RATIO (%)					
Operating Profit Margin	1.18	1.53	2.47	0.47	1.89
Net Profit Margin	1.18	1.53	2.47	0.47	1.89
Return On Net Assets	9.50	17.61	42.64	13.12	67.75
Return On Capital Employed	9.50	17.61	42.64	13.12	67.75
Return On Shareholders' Funds/Equity	9.49	17.61	42.64	13.12	67.75
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 71.32
UK Pound	1	INR 91.72
Euro	1	INR 81.69
SGD	1	INR 51.37

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

INFORMATION DETAILS

Analysis Done by :	PRI
Report Prepared by :	TPT

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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)