

## MIRA INFORM REPORT

Report No. :	535498
Report Date :	23.10.2018

### IDENTIFICATION DETAILS

Name :	ANGRED MARKETING AND SERVICES SDN. BHD.
Registered Office :	1-1, Jalan 3/109e, Jalan Desa, Desa Business Park, Taman Desa, Off Jalan Klang Lama, 58100 Kuala Lumpur, Wilayah Persekutuan
Country :	Malaysia
Financials (as on) :	31.12.2017
Date of Incorporation :	22.08.2013
Com. Reg. No.:	1059262-U
Legal Form :	Private Limited
Line of Business :	The Subject is principally engaged in trading of timber.
No. of Employees :	Not available

**RATING & COMMENTS**

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

**MIRA's Rating :**

B

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

<b>Status :</b>	Moderate
<b>Payment Behaviour :</b>	Slow but Correct
<b>Litigation :</b>	Clear

**NOTES :**

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

**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.	: 1059262-U
COMPANY NAME	: <b>ANGRED MARKETING AND SERVICES SDN. BHD.</b>
FORMER NAME	: N/A
INCORPORATION DATE	: 22/08/2013
COMPANY STATUS	: EXIST
LEGAL FORM	: PRIVATE LIMITED
LISTED STATUS	: NO
REGISTERED ADDRESS	: 1-1, JALAN 3/109E, JALAN DESA, DESA BUSINESS PARK, TAMAN DESA, OFF JALAN KLANG LAMA, 58100 KUALA LUMPUR, WILAYAH PERSEKUTUAN, MALAYSIA.
BUSINESS ADDRESS	: SUITE 212, LEVEL 2, BLOCK B3, LEISURE COMMERCE SQUARE, JALAN PJS 8/9,, 46150 PETALING JAYA, SELANGOR, MALAYSIA.
TEL.NO.	: 03-78652734
FAX.NO.	: N/A
MOBILE NO.	: 0129205506
CONTACT PERSON	: ALFRED A/L ANTHONYSAMY ( DIRECTOR )
INDUSTRY CODE	: 46203
PRINCIPAL ACTIVITY	: TRADING OF TIMBER
AUTHORISED CAPITAL	: MYR 400,000.00 DIVIDED INTO ORDINARY SHARE 400,000.00 OF MYR 1.00 EACH.
ISSUED AND PAID UP CAPITAL	: MYR 250,000.00 DIVIDED INTO ORDINARY SHARES 250,000 CASH OF MYR 1.00 EACH.
SALES	: MYR 6,987,977 [2017]
NET WORTH	: MYR 211,720 [2017]
STAFF STRENGTH	: N/A
LITIGATION	: CLEAR
DEFAULTER CHECK	: CLEAR
FINANCIAL CONDITION	: LIMITED
PAYMENT	: SLOW BUT CORRECT
MANAGEMENT	: AVERAGE
CAPABILITY	
COMMERCIAL RISK	: MODERATE
CURRENCY EXPOSURE	: HIGH
GENERAL REPUTATION	: SATISFACTORY
INDUSTRY OUTLOOK	: MARGINAL GROWTH

## **HISTORY / BACKGROUND**

The Subject is a private limited company and is allowed to have a minimum of one and a maximum of forty-nine shareholders. As a private limited company, the Subject shall have a minimum one director. A private limited company is a separate legal entity from its shareholders. As a separate legal entity, the Subject is capable of owning assets, entering into contracts, sue or be sued by other companies. The liabilities of the shareholders are to the extent of the equity they have taken up and the creditors cannot claim on shareholders' personal assets even if the Subject is insolvent. The Subject is governed by the Companies Act, 1965 and the company must file its annual returns, together with its financial statements with the Registrar of Companies.

The Subject is principally engaged in the (as a / as an) trading of timber.

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

### **Share Capital History**

<b>Date</b>	<b>Authorised Shared Capital</b>	<b>Issue &amp; Paid Up Capital</b>
20/03/2017	MYR 400,000.00	MYR 250,000.00
22/08/2013	MYR 400,000.00	MYR 10,000.00

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

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

<b>Name</b>	<b>Address</b>	<b>IC/PP/Loc No</b>	<b>Shareholding</b>	<b>(%)</b>
MR. ALFRED A/L ANTHONYSAMY +	22-0-A SD APARTMENT, PERSIARAN MERANTI, BANDAR SRI DAMANSARA, 52200 KUALA LUMPUR, WILAYAH PERSEKUTUAN, MALAYSIA.	780721-05-5221	125,000.00	50.00
MS. SUGUNESWARI A/P KRISHNAN +	SUITE 209, LEVEL 2, BLOCK B3, LEISURE COMMERCE SQUARE, JALAN PJS 8/9, 46150 PETALING JAYA, SELANGOR, MALAYSIA.	740713-06-5140 A2975964	125,000.00	50.00
			----- 250,000.00 =====	----- 100.00 =====

+ Also Director

## **DIRECTORS**

### **DIRECTOR 1**

Name Of Subject	: MR. ALFRED A/L ANTHONYSAMY
Address	: 22-0-A SD APARTMENT, PERSIARAN MERANTI, BANDAR SRI DAMANSARA, 52200 KUALA LUMPUR, WILAYAH PERSEKUTUAN, MALAYSIA.
Other Address(es)	: SUITE 209, LEVEL 2, BLOCK B3,, LEISURE COMMERCE SQUARE, JALAN PJS 8/9,, 46150 PETALING JAYA, SELANGOR, MALAYSIA.

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New IC No : 780721-05-5221  
Nationality : MALAYSIAN  
Date of : 22/08/2013  
Appointment

**INTEREST CHECK**

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

**INTEREST IN COMPANY**

N o	Local No	Company	Designation	App Date	Shareholding No.	%	Profit/(loss ) After Tax	Financial Year	Status	As At
1	105926 2U	ANGRED MARKETI NG AND SERVICE S SDN. BHD.	Director	22/08/20 13	125,000. 00	50.0 0	MYR1,023. 00	2017	-	21/09/20 18
2	904664 K	HALMAS STARS SDN. BHD.	Sharehold er	-	40,000.0 0	10.0 0	MYR(2,050. 00)	2016	-	21/09/20 18

**INTEREST IN BUSINESS**

N o	Local No	Business	Designation	App Date	Shareholdin g (%)	Status	As At
1	001467260 T	CODEMASTER S COMPUTER SHOP	PARTNERSHI P	18/06/200 4	50.00	Expired (28/02/2005 )	21/09/201 8
2	001235407 K	ON LINE NET COM	PARTNERSHI P	18/06/200 4	33.00	Expired (14/07/2003 )	21/09/201 8
3	001384181 P	SAT COMPUTER	PARTNERSHI P	18/06/200 4	33.00	Expired (02/12/2003 )	21/09/201 8

**DIRECTOR 2**

Name Of Subject : MS. SUGUNESWARI A/P KRISHNAN  
Address : SUITE 209, LEVEL 2, BLOCK B3, LEISURE COMMERCE SQUARE, JALAN PJS 8/9,  
46150 PETALING JAYA, SELANGOR, MALAYSIA.  
IC / PP No : A2975964  
New IC No : 740713-06-5140  
Date of Birth : 13/07/1974

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**PAGE NO. : 7**

Nationality : MALAYSIAN  
Date of : 22/08/2013  
Appointment

**INTEREST CHECK**

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

INTEREST IN COMPANY

N o	Local No	Company	Designati on	App Date	Shareholding No. %	Profit/(los s) After Tax	Financi al Year	Stat us	As At
1	105926 2U	ANGRED MARKETI NG AND SERVICE S SDN. BHD.	Director	22/08/20 13	125,000. 00 50.0 0	MYR1,023 .00	2017	-	21/09/20 18

INTEREST IN BUSINESS

N o	Local No	Business	Designation	App Date	Shareholdin g (%)	Status	As At
1	001892387 D	ANGRED MARKETING AND SERVICES	SOLE PROPRIETORSHI P	07/09/200 9	100.00	Expired (01/03/2018 )	21/09/201 8
2	IP0125177K	SKKSM ENTERPRIS E	SOLE PROPRIETORSHI P	18/06/200 4	100.00	Expired (11/06/1999 )	21/09/201 8

**MANAGEMENT**

1) Name of : ALFRED A/L ANTHONYSAMY  
Subject  
Position : DIRECTOR

**AUDITOR**

Firm No	Firm Name	Address	As At Date
AF002122	GUNAMARAN	8-1 & 8-2, LEVEL 8, MENARA CIMB, 1, JALAN STESEN	31/12/2017

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SENTRAL 2, KUALA LUMPUR SENTRAL, 50470 KUALA  
LUMPUR, WILAYAH PERSEKUTUAN, MALAYSIA.

## **COMPANY SECRETARIES**

- 1) Company Secretary : MR. SAHADEVAN A/L MUNUSAMY  
IC / PP No : A1351536  
New IC No : 690920-02-5923  
Address : 14, JALAN 1/5, PUSAT BANDAR PUTRA PERMAI, 43300 SERI KEMBANGAN,  
SELANGOR, MALAYSIA.  
Date of Appointment : 22/08/2013

### **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. 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.*

No criminal record was found in our databank.

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

*\* A check has been conducted in our databank against the Subject whether the Subject has been involved in any litigation. Our databank consists of 99% of the wound up companies in Malaysia.*

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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 : N/A  
Overseas : N/A

The Subject refused to disclose its suppliers.

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

**OVERALL PAYMENT HABIT**

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

## **CLIENTELE**

Local	: NO	Percentage	: 100%
Overseas	: YES		
Export Market	: INDIA		
Credit Term	: N/A		
Payment Mode	: TELEGRAPHIC TRANSFER (TT)		

## **OPERATIONS**

Goods : TIMBER  
Traded

Branch : NO  
Other Information:

The Subject is principally engaged in the (as a / as an) trading of timber.

The Subject refused to disclose its operation.

## **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	: 603-78652734
Client	
Current Telephone Number	: 0129205506 / 03-78652734
Match	: YES
Address Provided by Client	: SUIT 212, LEVEL 2, BLOCK B3, LEISURE COMMERCE SQUARE

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Current Address : JALAN PJS 8/9, 46150 PETALING JAYA, SELANGOR  
: SUITE 212, LEVEL 2, BLOCK B3, LEISURE COMMERCE SQUARE,  
JALAN PJS 8/9,, 46150 PETALING JAYA, SELANGOR, MALAYSIA.  
Match : YES  
Latest Financial Accounts : YES

**Other Investigations**

We contacted the Director Mr Alfred and he provided some information.

He refused to disclose the fax number, bankers and employees.

**FINANCIAL ANALYSIS**

**Profitability**

Turnover	:	Erratic	[	2014 - 2017	]
Profit/(Loss) Before Tax	:	Increased	[	2014 - 2017	]
Return on Shareholder Funds	:	Unfavourable	[	0.48%	]
Return on Net Assets	:	Unfavourable	[	4.33%	]

The fluctuating turnover reflects the fierce competition among the existing and new market players. The management had succeeded in turning the Subject into a profit making company. The profit could be due to better control of its operating costs and efficiency in utilising its resources. 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	:	Unfavourable	[	129 Days	]
Debtor Ratio	:	Favourable	[	15 Days	]
Creditors Ratio	:	Favourable	[	43 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	:	Unfavourable	[	0.45 Times	]
Current Ratio	:	Unfavourable	[	1.05 Times	]

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

**Solvency**

Interest Cover	:	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 turnover showed a volatile trend but its losses were lower when compared to the previous corresponding period. This could suggest that the Subject was more efficient in its operating cost control and was

more competitive. Due to its weak liquidity position, the Subject will be faced with problems in meeting all its short term obligations if no short term loan is obtained or additional capital injected into the Subject. The Subject 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 : LIMITED**

## **MALAYSIA ECONOMIC / INDUSTRY OUTLOOK**

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

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Credit Cards Spending ( % )	5.8	6.8	6.3	-	-
Bad Cheque Offenders (No.)	-	-	-	-	-
Individual Bankruptcy ( No.)	22,351	18,457	19,588	18,227	-
Individual Bankruptcy ( % )	1.7	(17.4)	6.1	(7.0)	-

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

Wholesale, Retail, Hotel & Restaurant	7.70	6.65	6.65	7.05	6.65
Finance, Insurance & Real Estate	5.15	2.90	4.70	5.70	5.90
Government Services	6.3	4.0	4.9	4.4	4.5
Other Services	4.8	4.7	4.8	5.3	5.3
Industry Non-Performing Loans ( MYR Million )	5,373.5	6,806.6	7,190.6	-	-
% of Industry Non-Performing Loans	24.1	30.5	31.5	-	-

\* Estimate / Preliminary

\*\* Forecast

# Based On Manufacturing Production Index

## **INDUSTRY ANALYSIS**

### **MSIC CODE**

46203 : Wholesale of lumber and timber

### **INDUSTRY TRADING**

:

Malaysia's retail sales will likely grow 3.7% in 2017, slower than previously estimated 3.9%, as consumer sentiment remains weak amid rising cost of living in Southeast Asia's third largest economy.

The cut in forecast was the second of such revision by Retail Group Malaysia, a retail consulting firm, from an initial target of 5% retail sales expansion pace in 2017. The estimate follows a survey of members of Malaysia Retailers Association on their second quarter performance and outlook for the year. Retail sales grew 1.7% in 2016.

According to Retail Group Malaysia (RGM), Malaysian retailers have seen the sales expanded 4.9 % from April to June 2017, reversing a dismal performance in first three months 2017. For the first six months 2016, the retail sale growth rate was 2.5 %. However, the businesses in the next three months are not optimistic, estimating an average growth rate of 2.9 %. The department stores cum supermarket operators are expecting to return to red with a contraction of 2.5 %. Similarly, the department store operators expect their businesses to dip with a negative 1.5 %.

The rise of purchasing power will continue to fall behind the increase in prices of retail goods. More retail goods are expected to raise prices because of higher fuel prices in recent months.

The wholesale trade sub-sector index increased 5.9 % to 165.9 points year-on-year (y-o-y) driven mainly by other specialised wholesale (7.5 %), wholesale of agricultural raw materials and livestock (7.3 %) and wholesale of machinery, equipment and supplies (6.2 %).

Over 60% of Gross Domestic Product (GDP) is contributed by domestic consumption. Therefore the wholesale and retail sector plays a crucial role in driving Malaysia's growth over the next decade despite the ongoing global economic slowdown. By 2020, Malaysia's wholesale and retail sector is expected to boost the country's total Gross National Income (GNI) by RM156 billion, creating 454,190 new jobs.

### **OVERALL INDUSTRY OUTLOOK : Marginal Growth**

## **CREDIT RISK EVALUATION & RECOMMENDATION**

Incorporated in 2013, the Subject is a Private Limited company, focusing on trading of timber. The Subject has been in business for less than 5 years and it has slowly been building up contact with its clients while competing in the industry. However, it has yet to enjoy a stable market shares as it need to compete many well established players in the same field. Being a small company with an issued and a paid up capital of MYR 250,000 contributed from individual shareholders, the Subject does not have strong shareholders' backing. Without a strong backing, the Subject may face difficulties in its attempt to further expand its business in the future.

The Subject focuses only on overseas market. This global approach has enabled the Subject to generate a better growth sales. Being an export-oriented company, the Subject however is subjected to certain inherent risk of global economy slowdown, foreign currencies fluctuations and stiff competition in the international market. Overall, we regard that the Subject's management capability is average. This indicates that the Subject has greater potential to improve its business performance and raising income for the Subject.

We noted that both the turnover and profits have increased compared to the previous year. The higher profit could be due to increase in turnover and better control over its operating costs. The Subject has generated an unfavourable return on shareholders' funds indicating that the management was inefficient in utilising its funds to generate return. Due to its weak liquidity position, the Subject may face working capital deficiency in meeting its short term financial obligations if no fresh capital are injected into the Subject. 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.

The Subject's overall payment habit is fair and this clearly implied a weak credit control of the Subject.

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.

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

## **PROFIT AND LOSS ACCOUNT**

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

#### **ANGRED MARKETING AND SERVICES SDN. BHD.**

Financial Year End	2017-12-31	2016-10-31	2015-10-31	2014-08-31
Months	14	12	14	12
Consolidated Account	Company	Company	Company	Company
Audited Account	YES	YES	YES	YES
Unqualified Auditor's Report (Clean Opinion)	YES	YES	YES	YES
Financial Type	FULL	FULL	FULL	FULL
Currency	MYR	MYR	MYR	MYR
TURNOVER	6,987,977	1,280,899	2,995,964	-
Other Income	29	-	-	-

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Total Turnover	6,988,006	1,280,899	2,995,964	-
Costs of Goods Sold	(6,566,131)	(1,000,713)	(2,441,777)	-
Gross Profit	421,875	280,186	554,187	-
PROFIT/(LOSS) FROM OPERATIONS	9,167	(10,443)	(14,659)	(5,780)
PROFIT/(LOSS) BEFORE TAXATION	9,167	(10,443)	(14,659)	(5,780)
Taxation	(8,144)	(2,128)	(6,293)	-
PROFIT/(LOSS) AFTER TAXATION	1,023	(12,571)	(20,952)	(5,780)
<b>RETAINED PROFIT/(LOSS) BROUGHT FORWARD</b>				
As previously reported	(39,303)	(26,732)	(5,780)	-
As restated	(39,303)	(26,732)	(5,780)	-
PROFIT AVAILABLE FOR APPROPRIATIONS	(38,280)	(39,303)	(26,732)	(5,780)
RETAINED PROFIT/(LOSS) CARRIED FORWARD	(38,280)	(39,303)	(26,732)	(5,780)
DEPRECIATION (as per notes to P&L)	6,242	6,216	3,074	-
Total Amortization And Depreciation	6,242	6,216	3,074	-

**BALANCE SHEET**

**ANGRED MARKETING AND SERVICES SDN. BHD.**

**ASSETS EMPLOYED:**

FIXED ASSETS	8,928	13,213	11,853	-
TOTAL LONG TERM ASSETS	8,928	13,213	11,853	-
<b>CURRENT ASSETS</b>				
Stocks	2,464,753	-	-	-
Trade debtors	284,070	286,575	102,971	-
Other debtors, deposits &	1,444,877	71,666	-	7,600

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prepayments				
Cash & bank balances	139,566	4,430	93,447	-
Others	-	-	16,020	-
	-----	-----	-----	-----
<b>TOTAL CURRENT ASSETS</b>	<b>4,333,266</b>	<b>362,671</b>	<b>212,438</b>	<b>7,600</b>
	-----	-----	-----	-----
<b>TOTAL ASSET</b>	<b>4,342,194</b>	<b>375,884</b>	<b>224,291</b>	<b>7,600</b>
	=====	=====	=====	=====
<b>CURRENT LIABILITIES</b>				
Trade creditors	770,493	357,849	43,480	-
Other creditors & accruals	3,355,387	44,224	28,159	3,380
Amounts owing to director	-	-	163,091	-
Provision for taxation	3,194	1,714	5,306	-
	-----	-----	-----	-----
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,129,074</b>	<b>403,787</b>	<b>240,036</b>	<b>3,380</b>
	-----	-----	-----	-----
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	<b>204,192</b>	<b>(41,116)</b>	<b>(27,598)</b>	<b>4,220</b>
	-----	-----	-----	-----
<b>LONG TERM LIABILITIES</b>				
Deferred taxation	1,400	1,400	987	-
	-----	-----	-----	-----
<b>TOTAL LONG TERM LIABILITIES</b>	<b>1,400</b>	<b>1,400</b>	<b>987</b>	<b>-</b>
	-----	-----	-----	-----
<b>TOTAL NET ASSETS</b>	<b>211,720</b>	<b>(29,303)</b>	<b>(16,732)</b>	<b>4,220</b>
	=====	=====	=====	=====
<b>FINANCED BY:</b>				
<b>SHARE CAPITAL</b>				
Ordinary share capital	250,000	10,000	10,000	10,000
	-----	-----	-----	-----
<b>TOTAL SHARE CAPITAL</b>	<b>250,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
	-----	-----	-----	-----
<b>RESERVES</b>				
Retained profit/(loss) carried forward	(38,280)	(39,303)	(26,732)	(5,780)
	-----	-----	-----	-----
<b>TOTAL RESERVES</b>	<b>(38,280)</b>	<b>(39,303)</b>	<b>(26,732)</b>	<b>(5,780)</b>
	-----	-----	-----	-----
<b>SHAREHOLDERS' FUNDS/EQUITY</b>	<b>211,720</b>	<b>(29,303)</b>	<b>(16,732)</b>	<b>4,220</b>
	=====	=====	=====	=====

**FINANCIAL RATIO**

**ANGRED MARKETING AND SERVICES SDN. BHD.  
TYPES OF FUNDS**

Cash	139,566	4,430	93,447	0
Net Liquid Funds	139,566	4,430	93,447	0

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Net Liquid Assets	(2,260,561)	(41,116)	(27,598)	4,220
Net Current Assets/(Liabilities)	204,192	(41,116)	(27,598)	4,220
Net Tangible Assets	211,720	(29,303)	(16,732)	4,220
Net Monetary Assets	(2,261,961)	(42,516)	(28,585)	4,220
<b>PROFIT &amp; LOSS ITEMS</b>				
Earnings Before Interest & Tax (EBIT)	9,167	(10,443)	(14,659)	(5,780)
Earnings Before Interest, Taxes, Depreciation And Amortization (EBITDA)	15,409	(4,227)	(11,585)	(5,780)
<b>BALANCE SHEET ITEMS</b>				
Total Borrowings	0	0	0	0
Total Liabilities	4,130,474	405,187	241,023	3,380
Total Assets	4,342,194	375,884	224,291	7,600
Net Assets	211,720	(29,303)	(16,732)	4,220
Net Assets Backing	211,720	(29,303)	(16,732)	4,220
Shareholders' Funds	211,720	(29,303)	(16,732)	4,220
Total Share Capital	250,000	10,000	10,000	10,000
Total Reserves	(38,280)	(39,303)	(26,732)	(5,780)
<b>GROWTH RATIOS (Year on Year) (%)</b>				
Revenue	445.55	(57.25)	-	-
Profit/(Loss) Before Tax	187.78	28.76	(153.62)	-
Profit/(Loss) After Tax	108.14	40.00	(262.49)	-
Total Assets	1,055.20	67.59	2,851.20	-
Total Liabilities	919.40	68.11	7,030.86	-
<b>LIQUIDITY (Times)</b>				
Cash Ratio	0.03	0.01	0.39	0
Liquid Ratio	0.45	0.90	0.89	2.25
Current Ratio	1.05	0.90	0.89	2.25
<b>WORKING CAPITAL CONTROL (Days)</b>				
Stock Ratio	129	0	0	0
Debtors Ratio	15	82	13	0
Creditors Ratio	43	131	6	0
<b>SOLVENCY RATIOS (Times)</b>				
Gearing Ratio	0	0	0	0
Liabilities Ratio	19.51	(13.83)	(14.40)	0.80
Times Interest Earned Ratio	0	0	0	0
Assets Backing Ratio	0.85	(2.93)	(1.67)	0.42
<b>PERFORMANCE RATIO (%)</b>				
Operating Profit Margin	0.13	(0.82)	(0.49)	0
Net Profit Margin	0.01	(0.98)	(0.70)	0
Return On Net Assets	4.33	35.64	87.61	(136.97)
Return On Capital Employed	4.30	37.43	93.10	(136.97)
Return On Shareholders' Funds/Equity	0.48	42.90	125.22	(136.97)
Dividend Pay Out Ratio (Times)	0	0	0	0
<b>NOTES TO ACCOUNTS</b>				
Contingent Liabilities	0	0	0	0

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.30
UK Pound	1	INR 95.93
Euro	1	INR 84.57
MYR	1	INR 17.67

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIVR
<b>Report Prepared by :</b>	SYL

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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)