

MIRA INFORM REPORT

| | |
|---------------|------------|
| Report No. : | 530321 |
| Report Date : | 15.09.2018 |

IDENTIFICATION DETAILS

| | |
|-------------------------|---|
| Name : | BAHRU STAINLESS SDN. BHD. |
| Registered Office : | Ptd 4069 (Plo 108), Jalan Rumbia 4, Tanjung Langsat Industrial, Complex, 81700 Pasir Gudang, Johor, |
| Country : | Malaysia |
| Financials (as on) : | 31.12.2016 |
| Date of Incorporation : | 27.03.2008 |
| Com. Reg. No.: | 811430-H |
| Legal Form : | Private Limited (Limited By Share) |
| Line of Business : | The Subject is engaged in the manufacturing of stainless steel. |
| No. of Employees : | 100 |

RATING & COMMENTS

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

| | |
|-----------------|---|
| MIRA's Rating : | B |
|-----------------|---|

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

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

NOTES :

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

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ECGC Country Risk Classification List

| Country Name | Previous Rating (31.12.2017) | Current Rating (01.04.2018) |
|--------------|---------------------------------|--------------------------------|
| Malaysia | A2 | A2 |

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

MALAYSIA - ECONOMIC OVERVIEW

Malaysia, an upper middle-income country, has transformed itself since the 1970s from a producer of raw materials into a multi-sector economy. Under current Prime Minister NAJIB, Malaysia is attempting to achieve high-income status by 2020 and to move further up the value-added production chain by attracting investments in high technology, knowledge-based industries and services. NAJIB's Economic Transformation Program is a series of projects and policy measures intended to accelerate the country's economic growth. The government has also taken steps to liberalize some services sub-sectors. Malaysia is vulnerable to a fall in world commodity prices or a general slowdown in global economic activity.

The NAJIB administration is continuing efforts to boost domestic demand and reduce the economy's dependence on exports. Domestic demand continues to anchor economic growth, supported mainly by private consumption, which accounts for 53% of GDP. Nevertheless, exports - particularly of electronics, oil and gas, and palm oil - remain a significant driver of the economy. In 2015, gross exports of goods and services were equivalent to 73% of GDP. The oil and gas sector supplied about 22% of government revenue in 2015, down significantly from prior years amid a decline in commodity prices and diversification of government revenues. Malaysia has embarked on a fiscal reform program aimed at achieving a balanced budget by 2020, including rationalization of subsidies and the 2015 introduction of a 6% value added tax. Sustained low commodity prices throughout the period not only strained government finances, but also shrunk Malaysia's current account surplus and weighed heavily on the Malaysian ringgit, which was among the region's worst performing currencies during 2013-17. The ringgit hit new lows following the US presidential election amid a broader selloff of emerging market assets.

Bank Negara Malaysia (the central bank) maintains adequate foreign exchange reserves; a well-developed regulatory regime has limited Malaysia's exposure to riskier financial instruments, although it remains vulnerable to volatile global capital flows. In order to increase Malaysia's competitiveness, Prime Minister NAJIB raised possible revisions to the special economic and social preferences accorded to ethnic Malays under the New Economic Policy of 1970, but retreated in 2013 after he encountered significant opposition from Malay nationalists and other vested interests. In September 2013 NAJIB launched the new Bumiputra Economic Empowerment Program, policies that favor and advance the economic condition of ethnic Malays.

Malaysia signed the 12-nation Trans-Pacific Partnership (TPP) free trade agreement in February 2016, although the future of the TPP remains unclear following the US withdrawal from the agreement. Along with nine other ASEAN members, Malaysia established the ASEAN Economic Community in 2015, which aims to advance regional economic integration.

Source : CIA

EXECUTIVE SUMMARY

| | |
|----------------------------|---|
| REGISTRATION NO. | : 811430-H |
| GST NO. | : 000247611392 |
| COMPANY NAME | : BAHRU STAINLESS SDN. BHD. |
| FORMER NAME | : N/A |
| INCORPORATION DATE | : 27/03/2008 |
| COMPANY STATUS | : EXIST |
| LEGAL FORM | : PRIVATE LIMITED (LIMITED BY SHARE) |
| LISTED STATUS | : NO |
| REGISTERED ADDRESS | : PTD 4069 (PLO 108), JALAN RUMBIA 4, TANJUNG LANGSAT INDUSTRIAL, COMPLEX, 81700 PASIR GUDANG, JOHOR, MALAYSIA. |
| BUSINESS ADDRESS | : PTD 4069 (PLO 108), JALAN RUMBIA 4, TANJUNG LANGSAT INDUSTRIAL COMPLEX, 81700 PASIR GUDANG, JOHOR, MALAYSIA. |
| TEL.NO. | : N/A |
| FAX.NO. | : 07-2513186 |
| MOBILE NO. | : 0197795888 |
| WEB SITE | : WWW.ACERINOX.COM |
| CONTACT PERSON | : DARIO MESONERO-ROMANOS VIVANCO (DIRECTOR) |
| INDUSTRY CODE | : 24102 |
| PRINCIPAL ACTIVITY | : MANUFACTURING OF STAINLESS STEEL |
| AUTHORISED CAPITAL | : MYR 1,151,600,000.00 DIVIDED INTO ORDINARY SHARE 1,151,600.00 OF MYR 1,000.00 EACH. |
| ISSUED AND PAID UP CAPITAL | : MYR 1,151,600,000.00 DIVIDED INTO ORDINARY SHARES 1,151,600 CASH OF MYR 1,000.00 EACH. |
| SALES | : MYR 1,511,501,000 [2016] |
| NET WORTH | : MYR 487,243,000 [2016] |
| STAFF STRENGTH | : 100 [2018] |
| BANKER (S) | : MALAYAN BANKING BHD |
| LITIGATION | : CLEAR |
| DEFAULTER CHECK | : CLEAR |
| FINANCIAL CONDITION | : LIMITED |
| PAYMENT MANAGEMENT | : SLOW BUT CORRECT |
| CAPABILITY | : AVERAGE |
| COMMERCIAL RISK | : MODERATE |
| CURRENCY EXPOSURE | : MODERATE |
| GENERAL REPUTATION | : SATISFACTORY |
| INDUSTRY OUTLOOK | : MARGINAL GROWTH |

HISTORY / BACKGROUND

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

The immediate and ultimate holding company of the Subject is ACERINOX, S. A., a company incorporated in SPAIN.

Former Address(es) **Address**

**As At
Date**

| | |
|--|------------|
| SUITE 5.3A, LEVEL 5, MENARA PELANGI, 2, JALAN KUNING, TAMAN PELANGI,, 80400, JOHOR, MALAYSIA | 06/05/2008 |
| LOT PTD 3532, JALAN TEGAR, PERINDUSTRIAN TANJUNG LANGSAT, 81700, JOHOR, MALAYSIA | 15/02/2013 |
| SUIET 3.6, LEVEL 3, MENARA PELANGI, 2, JALAN KUNING, TAMAN PELANGI, 80400, JOHOR, MALAYSIA | 31/12/2012 |
| LEVEL 2, TLP BUILDING, TANJUNG LANGSAT, INDUSTRIAL COMPLEX, 81707, JOHOR, MALAYSIA | N/A |

Share Capital History

| Date | Authorised Shared Capital | Issue & Paid Up Capital |
|-------------|----------------------------------|------------------------------------|
| 27/08/2010 | MYR 1,151,600,000.00 | MYR 1,151,600,000.00 |
| 14/08/2009 | MYR 551,600,000.00 | MYR 551,600,000.00 |
| 30/03/2009 | MYR 551,600,000.00 | MYR 551,600,000.00 |
| 24/12/2008 | MYR 1,000,000,000.00 | MYR 106,000,000.00 |
| 10/12/2008 | MYR 1,000,000,000.00 | MYR 16,000,000.00 |
| 27/03/2008 | MYR 100,000.00 | MYR 2.00 |

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

Current Shareholder(s) :

| Name | Address | IC/PP/Loc No | Shareholding | (%) |
|---------------------------|---|---------------------|-----------------------|-----------------|
| ACERINOX, S. A. | CALLE SANTIAGO DE COMPOSTELA, 100, MADRID 28035 ,SPAIN | XLZ00213186 | 771,572.00 | 67.00 |
| NISSHIN STEEL CO. LTD. | 4-1, MARUNOUCHI 3-CHOME, CHIYODA-KU, TOKYO JAPAN | XLZ00214048 | 345,480.00 | 30.00 |
| HANWA CO., LTD. | 3-9 FUSHIMI-MACHI, 4-CHOME, CHUO- KU, OSAKA JAPAN | XLZ00227734 | 34,548.00 | 3.00 |
| | | | ----- 1,151,600.00 | ----- 100.00 |

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+ Also Director

Former Shareholder(s) :

| Name | Country | IC/PP/Loc No | Shareholding | Last Updated |
|------------------------|----------|----------------|--------------|--------------|
| METAL ONE CORPORATION | JAPAN | XLZ00214588 | 34,548.00 | N/A |
| PETER JOHN A/L FRANCIS | MALAYSIA | 591109-10-5445 | N/A | N/A |
| RAMOS FLORES BENJAMIN | MALAYSIA | XDA918292 | N/A | N/A |

DIRECTORS

DIRECTOR 1

Name Of Subject : DARIO MESONERO-ROMANOS VIVANCO
Address : NO. 7, JALAN HANG TUAH 2/1, EAST LEDANG, MALAYSIA, 79250 NUSAJAYA, JOHOR, MALAYSIA.
IC / PP No : XDC717543
Date of Appointment : 15/06/2016

INTEREST CHECK

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

INTEREST IN COMPANY

| N o | Local No | Compan y | Designati on | App Date | Shareholdi ng No. % | Profit/(loss) After Tax | Financ ial Year | Stat us | As At |
|-----|----------|----------------------------------|--------------|------------|---------------------|-------------------------|-----------------|---------|------------|
| 1 | 199110U | ACERIN OX SC MALAYSI A SDN. BHD. | Director | 30/06/2016 | 0.00 - | MYR(2,465,363.00) | 2016 | - | 26/03/2018 |
| 2 | 811430H | BAHRU STAINLE SS SDN. BHD. | Director | 15/06/2016 | 0.00 - | MYR(262,521,000.00) | 2016 | - | 26/03/2018 |

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DIRECTOR 2

Name Of Subject : LUIS GIMENO VALLEDOR
Address : C.ALIMOCHE 32, LAS MATAS,, PINAR MONTE ROZAS, LAS ROZAS ,, 28230
MADRID
IC / PP No : AAI 151374
Date of : 30/10/2017
Appointment

INTEREST CHECK

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

INTEREST IN COMPANY

| N o | Local No | Compan y | Designati on | App Date | Shareholdi ng No. % | Profit/(loss) After Tax | Financ ial Year | Stat us | As At |
|--------|-------------|-------------------------------------|-----------------|----------------|---------------------------|----------------------------|-----------------------|------------|----------------|
| 1 | 81143 OH | BAHRU STAINLE SS SDN. BHD. | Director | 30/10/20 17 | 0.00 - | MYR(262,521,00 0.00) | 2016 | - | 26/03/20 18 |

DIRECTOR 3

Name Of Subject : OSWALD WOLFE GOMEZ
Address : NO. 10, JALAN HANG TUAH 1/1, TAMAN EAST LEDANG, ISKANDAR PUTERI
JOHOR MALAYSIA, 79250 NUSAJAYA, JOHOR, MALAYSIA.
IC / PP No : XDC853962
Nationality : SPANIARD
Date of : 01/11/2014
Appointment

INTEREST CHECK

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

INTEREST IN COMPANY

| N o | Local No | Compan y | Designati on | App Date | Shareholdi ng No. % | Profit/(loss) After Tax | Financ ial Year | Stat us | As At |
|--------|-------------|-------------|-----------------|-------------|---------------------------|----------------------------|-----------------------|------------|----------|
| 1 | 81143 | BAHRU | Director | 01/11/20 | 0.00 - | MYR(262,521,00 | 2016 | - | 26/03/20 |

OH STAINLE 14 0.00) 18
SS SDN.
BHD.

DIRECTOR 4

Name Of Subject : RYO HATTORI
Address : B-16-07, MOLEK PINE 4,, JALAN MOLEK 1/27,, MALAYSIA, 81100 JOHOR BAHRU,
JOHOR, MALAYSIA.
IC / PP No : MZ1182670
Nationality : JAPANESE
Date of : 04/12/2014
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 | Compan | Designati | App | Shareholdi | Profit/(loss) | Financ | Stat | As At | |
|---|-------|---------|-----------|----------|------------|---------------|----------------|------|-------|----------|
| o | No | y | on | Date | ng | After Tax | ial | us | | |
| | | | | | No. | | Year | | | |
| | | | | | % | | | | | |
| 1 | 81143 | BAHRU | Director | 04/12/20 | 0.00 | - | MYR(262,521,00 | 2016 | - | 26/03/20 |
| | OH | STAINLE | | 14 | | | 0.00) | | | 18 |
| | | SS SDN. | | | | | | | | |
| | | BHD. | | | | | | | | |

DIRECTOR 5

Name Of Subject : CRISTOBAL FUENTES
Address : NO. 109, MAJAVE TR, CARROLLTON, KENTUCKY, UNITEC STATES OF AMERICA
Other Address(es) : 109, MAJAVE TR, CARROLLTON, KENTUCKY, UNITED STATES.
IC / PP No : 505669635
Nationality : AMERICAN
Date of : 17/06/2016
Appointment

INTEREST CHECK

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

INTEREST IN COMPANY

| N o | Local No | Compan y | Designati on | App Date | Shareholdi ng | | Profit/(loss) After Tax | Financ ial Year | Stat us | As At |
|--------|-------------|-------------------------------------|-----------------|----------------|------------------|---|----------------------------|-----------------------|------------|----------------|
| | | | | | No. | % | | | | |
| 1 | 81143 OH | BAHRU STAINLE SS SDN. BHD. | Director | 17/06/20 16 | 0.00 | - | MYR(262,521,00 0.00) | 2016 | - | 26/03/20 18 |

DIRECTOR 6

Name Of Subject : EIICHIRO TOGO
 Address : 3-1-113 YATSU NARASHINO-CITY, CHIBA, JAPAN 275-0026
 IC / PP No : MZ1120457
 Nationality : JAPANESE
 Date of Appointment : 01/07/2017

INTEREST CHECK

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

INTEREST IN COMPANY

| N o | Local No | Compan y | Designati on | App Date | Shareholdi ng | | Profit/(loss) After Tax | Financ ial Year | Stat us | As At |
|--------|-------------|--|-----------------|----------------|------------------|---|----------------------------|-----------------------|------------|----------------|
| | | | | | No. | % | | | | |
| 1 | 811430 H | BAHRU STAINLE SS SDN. BHD. | Director | 01/07/20 17 | 0.00 | - | MYR(262,521,00 0.00) | 2016 | - | 26/03/20 18 |
| 2 | 434550 M | NISSHIN METAL SERVICE S (M) SDN. BHD. | Director | 24/08/20 17 | 0.00 | - | MYR806,063.00 | 2016 | - | 26/03/20 18 |

FORMER DIRECTOR(S)

| Name | Address | IC/PP No | Appointed Date | Withdrawn Date |
|----------------------|--|-----------|----------------|----------------|
| SHIGERU MATSUNAGA | 4-4-3-303 DAIJIN, SHUNAN-SI, YAMGUCHI-KEN, 746-0018 JAPAN | TH8890608 | 16/04/2009 | 16/06/2011 |

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BAHRU STAINLESS SDN. BHD. - 530321

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| | | | | |
|--------------------------------|--|----------------|------------|------------|
| RAFAEL GARVIN SALAZAR | BLOCK D12-E3, STRAITS VIEW CONDOMINIUM, BANDAR BARU PERMAS JAYA, JOHOR BAHRU, JOHOR, MALAYSIA | XD416942 | 20/11/2008 | 07/04/2009 |
| MOHD RIZAL BIN OMAR | 31,JALAN TENANG 12, TAMAN DAMAI JAYA, SKUDAI, JOHOR, MALAYSIA | 831129-01-5121 | 27/03/2008 | 07/04/2009 |
| PETER JOHN A/L FRANCIS | 32, JALAN BULAT, TAMAN CENTURY, JOHOR BAHRU, JOHOR, MALAYSIA | 591109-10-5445 | 27/03/2008 | 13/05/2009 |
| ANTONIO JUAN DE LA ROSA GARCIA | BLOCK D7-E3, STRAITS VIEW CONDOMINIUM, JALAN PERMAS SELATAN, BANDAR BARU PERMAS JAYA, JOHOR BAHRU, JOHOR, MALAYSIA | AAB863399 | 30/03/2009 | 18/11/2011 |
| MIGUEL FERRANDIS TORRES | C/ PABLO VIDAL, 72C,, MADRID, SPAIN, MALAYSIA | BE463961 | 07/04/2009 | 02/12/2010 |
| KOJI MIZUMOTO | SHIN KOKUSAI BUILDING 4-1, MARUNOUCHI 3 CHOME, CHIYODA-KU TOKYO 100-8366 JAPAN | TK5027968 | 16/06/2011 | 07/06/2012 |
| NAOTO HIRAMATSU | NO. 9, JALAN RUMBIA, 11-14 THE IMPERIAL, SINGAPORE 239620 | MZ0715473 | 07/06/2012 | 04/12/2014 |
| LUCIEN MAURICE MATTHEWS | NO. 170, JALAN MOLEK 2/17, TAMAN MOLEK, JOHOR BAHRU, JOHOR, MALAYSIA | M00097633 | 18/11/2011 | 01/11/2014 |
| BENJAMIN RAMOS FLORES | NO. 8, JALAN MOLEK 2/16,, TAMAN MOLEK, JOHOR BAHRU, JOHOR, MALAYSIA | XDA918292 | 27/03/2008 | 20/03/2016 |
| BERNARDO VELAZQUEZ HERREROS | SOPELANA 9 CASA 4, , MADRID, MALAYSIA | AAI151372 | 07/04/2009 | 17/06/2016 |
| HIROYUKI MIZUMOTO | TOWER 4, BLOCK 1-13-01,, MOLEK PINE APARTMENT, NO.9, JALAN MOLEK 1/27,, JOHOR BAHRU, JOHOR, MALAYSIA | MZ1117923 | 16/04/2009 | 30/06/2017 |
| STEPHEN BLAISE SHAVER | BLOCK D12-E3, STRAITS VIEW CONDOMINIUM, BANDAR BARU PERMAS JAYA, JOHOR BAHRU, JOHOR, MALAYSIA | 215563289 | 20/11/2008 | 07/04/2009 |
| DANIEL TOMAS AZPITARTE ZEMP | C/AZALEA 372, 28109 ALCOBENDAS, MADRID, SPIN, MALAYSIA | AAA159226 | 19/06/2014 | 30/10/2017 |

Note : The above information was generated from our database.

MANAGEMENT

- 1) Name of Subject Position : DARIO MESONERO-ROMANOS VIVANCO
: DIRECTOR

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AUDITOR

Auditor : KPMG PLT (LLP0010081-LCA)
Auditor' : LEVEL 10, KPMG TOWER, 8 FIRST AVENUE, BANDAR UTAMA, 47800 PETALING
Address : JAYA, SELANGOR, MALAYSIA.

COMPANY SECRETARIES

1) Company Secretary : MS. JERRY YIN WA
IC / PP No : A0397689
New IC No : 660629-01-5634
Address : 20, JALAN MOLEK 3/16, TAMAN MOLEK, 81100 JOHOR BAHRU, JOHOR, MALAYSIA.

BANKING

Banking relations are maintained principally with :

1) Name : MALAYAN BANKING BHD

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 RECORDS CHECK - SUBJECT COMPANY AS A DEFENDANT

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

No criminal record was found in our databank.

CIVIL LITIGATION CHECK - SUBJECT COMPANY AS A PLAINTIFF

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

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

- 1 case(s) filed in year 2016

According to the Credit Reporting Agencies Act 2010, consent from the Subject is required for the disclosure of this credit information. In order to have the consent from the Subject, we need to serve a notice to the Subject by disclose the following according to the Act Section 23(1) :

- 1) Enquirer or Company who request for this credit information.
- 2) Contact person of Enquirer
- 3) Purpose of this credit information being used.
- 4) Contact person of the Subject.

We shall appreciate if you can furnish us the above in order for us to serve a notice or inform the Subject accordingly. Otherwise, we are prohibited to disclose this credit information if there is no consent from the Subject according to the Act Section 24(1)(a).

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.

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 : MALAYSIA
Overseas : YES
Export Market : ASIA
Credit Term : 30 - 60 DAYS
Payment Mode : CHEQUES
TELEGRAPHIC TRANSFER (TT)
No of Customer : N/A

OPERATIONS

Products manufactured : STAINLESS STEEL
Factory / Premises : PLO 108, KAWASAN PERINDUSTRIAN TANJUNG LANGSAT, JALAN RUMBIA
3, KAMPUNG TANJUNG LANGSAT, 81700 PASIR GUDANG, JOHOR,
MALAYSIA.

Total Number of Employees:

| YEAR | 2018 | 2017 | 2016 | 2015 | 2014 |
|------|------|------|------|------|------|
|------|------|------|------|------|------|

| | | | | | |
|---------|-----|-----|-----|-----|-----|
| GROUP | N/A | N/A | N/A | N/A | N/A |
| COMPANY | 100 | 100 | 100 | 100 | 100 |

Branch : NO

Other Information:

The Subject is principally engaged in the (as a / as an) manufacturing of stainless steel.

The Subject mainly focuses on cold rolled stainless steel sheets and other metal product and hardware.

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

The Subject supplies a wide range of high quality stainless steel types and finishes.

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 : N/A

Client

Current Telephone Number : 0197795888

Match : N/A

Address Provided by Client : PTD 4069 (PLO 108), JALAN RUMBIA 4, TANJUNG LANGSAT INDUSTRIAL COMPLEX, 81700 PASIR GUDANG JOHOR

Current Address : PTD 4069 (PLO 108), JALAN RUMBIA 4, TANJUNG LANGSAT INDUSTRIAL COMPLEX, 81700 PASIR GUDANG, JOHOR, MALAYSIA.

Match : YES

Latest Financial Accounts : YES

Other Investigations

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

The Subject can only be contacted via mobile phone.

FINANCIAL ANALYSIS

Profitability

| | | | | | |
|-----------------------------|---|--------------|---|-------------|---|
| Turnover | : | Increased | [| 2012 - 2016 |] |
| Profit/(Loss) Before Tax | : | Increased | [| 2012 - 2016 |] |
| Return on Shareholder Funds | : | Unfavourable | [| (53.88%) |] |
| Return on Net Assets | : | Unfavourable | [| (32.92%) |] |

The Subject's turnover increased steadily as the demand for its products / services increased due to the goodwill built up over the years. Higher losses before tax during the year could be due to the higher operating costs incurred. The Subject's unfavourable returns on shareholders' funds indicate the management's inefficiency in utilising its assets to generate returns.

Working Capital Control

| | | | | | |
|-----------------|---|--------------|---|---------|---|
| Stock Ratio | : | Unfavourable | [| 79 Days |] |
| Debtor Ratio | : | Unfavourable | [| 92 Days |] |
| Creditors Ratio | : | Favourable | [| 23 Days |] |

The Subject could be incurring higher holding cost. As its capital was tied up in stocks, it could face liquidity problems. The Subject's debtors ratio was high. The Subject should tighten its credit control and improve its collection period. The Subject had a favourable creditors' ratio where the Subject could be taking advantage of the cash discounts and also wanting to maintain goodwill with its creditors.

Liquidity

| | | | | | |
|---------------|---|--------------|---|------------|---|
| Liquid Ratio | : | Unfavourable | [| 0.61 Times |] |
| Current Ratio | : | Unfavourable | [| 0.87 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 | : | Unfavourable | [| (1.57 Times) |] |
| Gearing Ratio | : | Favourable | [| 0.24 Times |] |

The Subject incurred losses in the year. It did not generate sufficient income to service its interest. If the situation does not improve, the Subject may be vulnerable to default in servicing the interest. The Subject was lowly geared thus it had a low financial risk. The Subject was mainly financed by its shareholders' funds and internally generated funds. In times of economic slowdown / downturn, the Subject being a lowly geared company, will be able to compete better than those companies which are highly geared in the same industry.

Overall Assessment :

Although the Subject's turnover increased its profits however showed a reverse trend. The losses could be due to the management's failure to maintain its competitiveness in the market. 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's interest cover was negative, indicating that it did not generate sufficient income to service its interest. If its result does not show impressive improvements or succeed obtaining short term financing or capital injection, it may not be able to service its interest and repay the loans. The Subject as a lowly geared company, will be more secured compared to those highly geared companies. It has the ability to meet all its long term obligations.

Overall financial condition of the Subject : LIMITED

MALAYSIA ECONOMIC / INDUSTRY OUTLOOK

| Major Economic Indicators: | 2014 | 2015 | 2016 | 2017* | 2018** |
|---|----------------|----------------|----------------|--------------|---------------|
| Population (Million) | 30.0 | 31.0 | 31.6 | 32.1 | 32.9 |
| Gross Domestic Products (%) | 6.0 | 4.6 | 4.2 | 5.3 | 5.4 |
| Domestic Demand (%) | 6.4 | 6.2 | 4.3 | 6.3 | 6.4 |
| Private Expenditure (%) | 7.9 | 6.9 | 7.8 | 7.4 | 7.3 |
| Consumption (%) | 6.5 | 6.1 | 5.1 | 6.9 | 6.8 |
| Investment (%) | 12.0 | 8.1 | 10.0 | 9.3 | 8.9 |
| Public Expenditure (%) | 2.3 | 4.2 | 3.3 | 5.3 | 5.5 |
| 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) |
| Government Finance to GDP / Fiscal Deficit (%) | (3.4) | (3.2) | (3.1) | (3.0) | (2.8) |
| 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) | 417 | 390 | 391 | - | - |
| Average Risk-Weighted Capital Adequacy Ratio (%) | 4.00 | 3.50 | - | - | - |
| Average 3 Months of Non-performing Loans (%) | 2.10 | 2.00 | 1.90 | - | - |
| 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 (%) | - | - | - | - | - |
| Registration of New Companies (No.) | 49,203 | 45,658 | 43,255 | - | - |
| Registration of New Companies (%) | 6.1 | (7.2) | (5.3) | - | - |
| Liquidation of Companies (No.) | 11,099 | 7,066 | - | - | - |
| Liquidation of Companies (%) | (19.5) | (36.3) | - | - | - |
| Registration of New Business (No.) | 332,723 | 364,230 | 376,720 | - | - |
| Registration of New Business (%) | 1.0 | 9.0 | 3.0 | - | - |
| Business Dissolved (No.) | 21,436 | - | - | - | - |
| Business Dissolved (%) | 18.0 | - | - | - | - |
| Sales of New Passenger Cars (' 000 Unit) | 588.3 | 591.3 | 514.6 | 527.8 | - |
| Cellular Phone Subscribers (Million) | 44.0 | 44.2 | 44.0 | - | - |
| Tourist Arrival (Million Persons) | 27.4 | 25.7 | 30.2 | 30.1 | - |
| Hotel Occupancy Rate (%) | 63.6 | 58.8 | 61.2 | - | - |
| Credit Cards Spending (%) | 5.8 | 6.8 | 6.3 | - | - |
| Bad Cheque Offenders (No.) | - | - | - | - | - |
| Individual Bankruptcy (No.) | 22,351 | 18,457 | - | - | - |
| Individual Bankruptcy (%) | 1.7 | (17.4) | - | - | - |

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| INDUSTRIES (% of Growth): | 2014 | 2015 | 2016 | 2017* | 2018** |
|---|-------------|-------------|--------------|--------------|---------------|
| Agriculture | 2.0 | 1.3 | (5.1) | 5.6 | 2.4 |
| 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 | - | - |
| Mining | 3.3 | 5.3 | 2.2 | 0.5 | 0.9 |
| 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 | - | - |
| Manufacturing # | 6.1 | 4.9 | 4.4 | 5.5 | 5.3 |
| Exported-oriented Industries | 7.1 | 6.5 | 4.3 | 6.5 | - |
| 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 | - |
| Domestic-oriented Industries | 7.7 | 4.7 | 3.4 | 6.2 | - |
| 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 | - | - |
| Construction | 11.7 | 8.2 | 7.4 | 7.6 | 7.5 |
| 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 | - | - |
| Services | 6.6 | 5.1 | 5.6 | 5.9 | 5.8 |
| 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 | - | - |

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* Estimate / Preliminary

** Forecast

Based On Manufacturing Production Index

INDUSTRY ANALYSIS

MSIC CODE

24102 : Production of bars and rods of stainless steel or other alloy steel

INDUSTRY : MANUFACTURING

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

Value added of the manufacturing sector expanded further by 5.8% during the first half of 2017 (January – June 2016: 4.4%) with expansion across a wide range of outputs in both the export- and domestic-oriented industries. During the first eight months, production increased 6.4%, while sales rebounded significantly by 15.6% to RM500.2 billion (January – August 2016: 4%; -0.7%; RM432.8 billion). Output of export-oriented industries rose 6.5% (January – August 2016: 4.3%) led by an upturn in global electronics cycle and further enhanced by strong demand for resource-based products. Meanwhile, domestic-oriented industries expanded 6.2% (January – August 2016: 3.4%) benefiting from vibrant consumption and construction activities.

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

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

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

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

OVERALL INDUSTRY OUTLOOK : Marginal Growth

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CREDIT RISK EVALUATION & RECOMMENDATION

Incorporated in 2008, the Subject is a Private Limited company, focusing on manufacturing of stainless steel. Having been in business for more than 5 years, the Subject has established a remarkable clientele base for itself which has contributed to its business growth. Presently, the issued and paid up capital of the Subject stands at MYR 1,151,600,000.

Investigation revealed, 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 100 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.

Despite the higher turnover, the Subject suffered pre-tax losses which reflected a highly competitive business environment. The Subject has generated an unfavourable return on shareholders' funds indicating that the management was inefficient in utilising its funds to generate return. 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 lowly geared company, the Subject is exposed to low financial risk as it is mainly dependent on its internal funds to finance its business needs. Given a positive net worth standing at MYR 487,243,000, 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.

In view of the above, we only recommend credit be proceeded to the Subject with guarantee.

PROFIT AND LOSS ACCOUNT

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

BAHRU STAINLESS SDN. BHD.

| Financial Year End | 2016-12-31 | 2015-12-31 | 2014-12-31 | 2013-12-31 | 2012-12-31 |
|----------------------|------------|------------|------------|------------|------------|
| Months | 12 | 12 | 12 | 12 | 12 |
| Consolidated Account | Company | Company | Company | Company | Company |
| Audited Account | YES | YES | YES | YES | YES |
| Unqualified | YES | YES | YES | YES | YES |

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Auditor's Report
(Clean Opinion)

| Financial Type | FULL | FULL | FULL | FULL | FULL |
|---|-----------------|-----------------|-----------------|---------------|---------------|
| Currency | MYR | MYR | MYR | MYR | MYR |
| TURNOVER | 1,511,501,000 | 1,302,942,000 | 1,063,398,000 | 791,083,000 | 535,403,000 |
| Other Income | 1,367,000 | 471,000 | 2,188,000 | 4,247,000 | 6,979,000 |
| Total Turnover | 1,512,868,000 | 1,303,413,000 | 1,065,586,000 | 795,330,000 | 542,382,000 |
| Costs of Goods Sold | (1,597,677,000) | (1,456,371,000) | (1,131,078,000) | (823,973,000) | (593,293,000) |
| Gross Profit | (84,809,000) | (152,958,000) | (65,492,000) | (28,643,000) | (50,911,000) |
| PROFIT/(LOSS) FROM OPERATIONS | (262,521,000) | (227,523,000) | (141,494,000) | (104,364,000) | (94,053,000) |
| PROFIT/(LOSS) BEFORE TAXATION | (262,521,000) | (227,523,000) | (141,494,000) | (104,364,000) | (94,053,000) |
| Taxation | - | (48,353,000) | (46,344,000) | - | 136,000 |
| PROFIT/(LOSS) AFTER TAXATION | (262,521,000) | (275,876,000) | (187,838,000) | (104,364,000) | (93,917,000) |
| RETAINED PROFIT/(LOSS) BROUGHT FORWARD | | | | | |
| As previously reported | (707,889,000) | (432,013,000) | (244,175,000) | (139,811,000) | (45,894,000) |
| As restated | (707,889,000) | (432,013,000) | (244,175,000) | (139,811,000) | (45,894,000) |
| PROFIT AVAILABLE FOR APPROPRIATIONS | (970,410,000) | (707,889,000) | (432,013,000) | (244,175,000) | (139,811,000) |
| RETAINED PROFIT/(LOSS) CARRIED FORWARD | (970,410,000) | (707,889,000) | (432,013,000) | (244,175,000) | (139,811,000) |
| INTEREST EXPENSE (as per notes to P&L) | | | | | |

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| | | | | | |
|--|-------------|------------|------------|------------|------------|
| Others | 102,122,000 | 53,025,000 | 49,394,000 | 8,437,000 | 8,843,000 |
| | ----- | ----- | ----- | ----- | ----- |
| | 102,122,000 | 53,025,000 | 49,394,000 | 8,437,000 | 8,843,000 |
| | ===== | ===== | ===== | ===== | ===== |
| | = | = | = | = | = |
| DEPRECIATION (as per notes to P&L) | 139,532,000 | 92,295,000 | 77,986,000 | 11,280,000 | 10,296,000 |
| AMORTIZATION | - | - | - | 960,000 | 923,000 |
| | ----- | ----- | ----- | ----- | ----- |
| Total Amortization And Depreciation | 139,532,000 | 92,295,000 | 77,986,000 | 12,240,000 | 11,219,000 |
| | ===== | ===== | ===== | ===== | ===== |
| | = | = | = | = | = |

BALANCE SHEET

BAHRU STAINLESS SDN. BHD.

ASSETS

EMPLOYED:

| | | | | | |
|--------------|---------------|---------------|---------------|---------------|---------------|
| FIXED ASSETS | 3,477,715,000 | 3,427,134,000 | 2,787,676,000 | 2,540,068,000 | 2,112,568,000 |
| | ----- | ----- | ----- | ----- | ----- |

**INTANGIBLE
ASSETS**

| | | | | | |
|----------------------------|---------|---------|---------|---------|-----------|
| Computer software | 880,000 | 309,000 | 392,000 | 982,000 | 1,625,000 |
| | ----- | ----- | ----- | ----- | ----- |
| TOTAL INTANGIBLE ASSETS | 880,000 | 309,000 | 392,000 | 982,000 | 1,625,000 |
| | ----- | ----- | ----- | ----- | ----- |

| | | | | | |
|---------------------------|---------------|---------------|---------------|---------------|---------------|
| TOTAL LONG TERM ASSETS | 3,478,595,000 | 3,427,443,000 | 2,788,068,000 | 2,541,050,000 | 2,114,193,000 |
| | ----- | ----- | ----- | ----- | ----- |

CURRENT ASSETS

| | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| Stocks | 290,123,000 | 186,608,000 | 221,081,000 | 119,034,000 | 126,520,000 |
| Contract work-in- progress | 35,300,000 | 75,883,000 | - | - | - |
| Trade debtors | 380,475,000 | 271,470,000 | 209,646,000 | 174,849,000 | 144,490,000 |
| Other debtors, deposits & prepayments | 42,468,000 | 12,412,000 | 54,498,000 | 47,310,000 | 45,850,000 |
| Short term deposits | - | 6,345,000 | 5,156,000 | 4,841,000 | 111,031,000 |
| Amount due from holding company | 1,027,000 | 344,000 | 2,000 | 10,000 | 27,000 |
| Amount due from related companies | 152,852,000 | 108,574,000 | 86,986,000 | 66,415,000 | 73,281,000 |
| Cash & bank balances | 63,069,000 | 67,082,000 | 140,251,000 | 104,318,000 | 39,619,000 |
| Others | - | - | - | - | 303,000 |

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| | | | | | |
|------------------------------------|---------------|---------------|---------------|-----------------|---------------|
| TOTAL CURRENT ASSETS | 965,314,000 | 728,718,000 | 717,620,000 | 516,777,000 | 541,121,000 |
| TOTAL ASSET | 4,443,909,000 | 4,156,161,000 | 3,505,688,000 | 3,057,827,000 | 2,655,314,000 |
| | = | = | = | = | = |
| CURRENT LIABILITIES | | | | | |
| Trade creditors | 100,103,000 | 189,882,000 | 124,261,000 | 52,534,000 | 19,451,000 |
| Other creditors & accruals | 62,672,000 | 56,927,000 | 57,234,000 | 98,961,000 | 271,820,000 |
| Hire purchase & lease creditors | - | - | - | 63,000 | 50,000 |
| Short term borrowings/Term loans | 115,782,000 | 233,881,000 | 180,284,000 | 48,644,000 | 11,334,000 |
| Other borrowings | - | - | - | 21,000,000 | - |
| Amounts owing to holding company | 5,586,000 | 1,723,000 | 1,674,000 | 1,460,381,000 | 830,150,000 |
| Amounts owing to related companies | 752,124,000 | 568,777,000 | 493,988,000 | 243,806,000 | 326,063,000 |
| Lease payables | 13,000 | 69,000 | - | - | - |
| Other liabilities | 67,290,000 | 64,380,000 | - | - | 14,447,000 |
| TOTAL CURRENT LIABILITIES | 1,103,570,000 | 1,115,639,000 | 857,441,000 | 1,925,389,000 | 1,473,315,000 |
| NET CURRENT ASSETS/(LIABILITIES) | (138,256,000) | (386,921,000) | (139,821,000) | (1,408,612,000) | (932,194,000) |
| | = | = | = | = | = |
| LONG TERM LIABILITIES | | | | | |
| Long term loans | - | 63,623,000 | 103,683,000 | 145,930,000 | 181,339,000 |
| Lease obligations | - | - | - | 134,000 | 197,000 |
| Others | 2,853,096,000 | 2,236,132,000 | 1,695,075,000 | - | - |
| TOTAL LONG TERM LIABILITIES | 2,853,096,000 | 2,299,755,000 | 1,798,758,000 | 146,064,000 | 181,536,000 |
| TOTAL NET ASSETS | 487,243,000 | 740,767,000 | 849,489,000 | 986,374,000 | 1,000,463,000 |
| | = | = | = | = | = |
| FINANCED BY: SHARE CAPITAL | | | | | |
| Ordinary share capital | 1,151,600,000 | 1,151,600,000 | 1,151,600,000 | 1,151,600,000 | 1,151,600,000 |

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| | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| TOTAL SHARE CAPITAL | 1,151,600,000 | 1,151,600,000 | 1,151,600,000 | 1,151,600,000 | 1,151,600,000 |
| RESERVES | | | | | |
| Exchange equalisation/fluctuation reserve | 305,945,000 | 296,818,000 | 129,604,000 | 78,747,000 | - |
| Retained profit/(loss) carried forward | (970,410,000) | (707,889,000) | (432,013,000) | (244,175,000) | (139,811,000) |
| Others | 108,000 | 238,000 | 298,000 | 202,000 | (11,326,000) |
| TOTAL RESERVES | (664,357,000) | (410,833,000) | (302,111,000) | (165,226,000) | (151,137,000) |
| SHAREHOLDERS' FUNDS/EQUITY | 487,243,000 | 740,767,000 | 849,489,000 | 986,374,000 | 1,000,463,000 |
| | = | = | = | = | = |

FINANCIAL RATIO

BAHRU STAINLESS SDN. BHD.

TYPES OF FUNDS

| | | | | | |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Cash | 63,069,000 | 73,427,000 | 145,407,000 | 109,159,000 | 150,650,000 |
| Net Liquid Funds | 63,069,000 | 73,427,000 | 145,407,000 | 109,159,000 | 150,650,000 |
| Net Liquid Assets | (428,379,000) | (573,529,000) | (360,902,000) | (1,527,646,000) | (1,058,714,000) |
| Net Current Assets/(Liabilities) | (138,256,000) | (386,921,000) | (139,821,000) | (1,408,612,000) | (932,194,000) |
| Net Tangible Assets | 486,363,000 | 740,458,000 | 849,097,000 | 985,392,000 | 998,838,000 |
| Net Monetary Assets | (3,281,475,000) | (2,873,284,000) | (2,159,660,000) | (1,673,710,000) | (1,240,250,000) |

PROFIT & LOSS

ITEMS

| | | | | | |
|---|---------------|---------------|--------------|--------------|--------------|
| Earnings Before Interest & Tax (EBIT) | (160,399,000) | (174,498,000) | (92,100,000) | (95,927,000) | (85,210,000) |
| Earnings Before Interest, Taxes, Depreciation And Amortization (EBITDA) | (20,867,000) | (82,203,000) | (14,114,000) | (83,687,000) | (73,991,000) |

BALANCE SHEET

ITEMS

| | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| Total Borrowings | 115,782,000 | 297,504,000 | 283,967,000 | 215,771,000 | 192,920,000 |
| Total Liabilities | 3,956,666,000 | 3,415,394,000 | 2,656,199,000 | 2,071,453,000 | 1,654,851,000 |
| Total Assets | 4,443,909,000 | 4,156,161,000 | 3,505,688,000 | 3,057,827,000 | 2,655,314,000 |
| Net Assets | 487,243,000 | 740,767,000 | 849,489,000 | 986,374,000 | 1,000,463,000 |
| Net Assets Backing Shareholders' Funds | 487,243,000 | 740,767,000 | 849,489,000 | 986,374,000 | 1,000,463,000 |
| Total Share Capital | 1,151,600,000 | 1,151,600,000 | 1,151,600,000 | 1,151,600,000 | 1,151,600,000 |

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| | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|
| Total Reserves | (664,357,000) | (410,833,000) | (302,111,000) | (165,226,000) | (151,137,000) |
| GROWTH RATIOS (Year on Year) (%) | | | | | |
| Revenue | 16.01 | 22.53 | 34.42 | 47.75 | 615.88 |
| Profit/(Loss) Before Tax | (15.38) | (60.80) | (35.58) | (10.96) | (340.08) |
| Profit/(Loss) After Tax | 4.84 | (46.87) | (79.98) | (11.12) | (336.66) |
| Total Assets | 6.92 | 18.55 | 14.65 | 15.16 | 36.68 |
| Total Liabilities | 15.85 | 28.58 | 28.23 | 25.17 | 93.44 |
| LIQUIDITY (Times) | | | | | |
| Cash Ratio | 0.06 | 0.07 | 0.17 | 0.06 | 0.10 |
| Liquid Ratio | 0.61 | 0.49 | 0.58 | 0.21 | 0.28 |
| Current Ratio | 0.87 | 0.65 | 0.84 | 0.27 | 0.37 |
| WORKING CAPITAL CONTROL (Days) | | | | | |
| Stock Ratio | 79 | 74 | 76 | 55 | 86 |
| Debtors Ratio | 92 | 76 | 72 | 81 | 99 |
| Creditors Ratio | 23 | 48 | 40 | 23 | 12 |
| SOLVENCY RATIOS (Times) | | | | | |
| Gearing Ratio | 0.24 | 0.40 | 0.33 | 0.22 | 0.19 |
| Liabilities Ratio | 8.12 | 4.61 | 3.13 | 2.10 | 1.65 |
| Times Interest Earned Ratio | (1.57) | (3.29) | (1.86) | (11.37) | (9.64) |
| Assets Backing Ratio | 0.42 | 0.64 | 0.74 | 0.86 | 0.87 |
| PERFORMANCE RATIO (%) | | | | | |
| Operating Profit Margin | (17.37) | (17.46) | (13.31) | (13.19) | (17.57) |
| Net Profit Margin | (17.37) | (21.17) | (17.66) | (13.19) | (17.54) |
| Return On Net Assets | (32.92) | (23.56) | (10.84) | (9.73) | (8.52) |
| Return On Capital Employed | (4.80) | (5.74) | (3.48) | (8.46) | (7.20) |
| Return On Shareholders' Funds/Equity | (53.88) | (37.24) | (22.11) | (10.58) | (9.39) |
| 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 71.81 |
| UK Pound | 1 | INR 94.15 |
| Euro | 1 | INR 83.97 |
| MYR | 1 | INR 17.42 |

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

INFORMATION DETAILS

| | |
|----------------------|-----|
| Analysis Done by : | DIV |
| Report Prepared by : | DNS |

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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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