

MIRA INFORM REPORT

Report No. :	529082
Report Date :	15.09.2018

IDENTIFICATION DETAILS

Name :	TWIN DISC (FAR EAST) PTE. LTD.
Registered Office :	80, Robinson Road, 02-00, 068898,
Country :	Singapore
Financials (as on) :	30.06.2017
Date of Incorporation :	28.12.2010
Com. Reg. No.:	201027287C
Legal Form :	Private Limited (Limited By Share)
Line of Business :	Subject is principally engaged in the wholesale of marine equipment and accessories, land base products.
No. of Employees :	26 [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 :	Good
Payment Behaviour :	Regular
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.

ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Singapore	A1	A1

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

SINGAPORE - ECONOMIC OVERVIEW

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

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

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

Source : CIA

EXECUTIVE SUMMARY

REGISTRATION NO.	: 201027287C
COMPANY NAME	: TWIN DISC (FAR EAST) PTE. LTD.
FORMER NAME	: N/A
INCORPORATION DATE	: 28/12/2010
COMPANY STATUS	: EXIST
LEGAL FORM	: PRIVATE LIMITED (LIMITED BY SHARE)
LISTED STATUS	: NO
REGISTERED ADDRESS	: 80, ROBINSON ROAD, 02-00, 068898, SINGAPORE.
BUSINESS ADDRESS	: 6, TUAS AVENUE 1,, 639491, SINGAPORE.
TEL.NO.	: 65-62670800
FAX.NO.	: 65-62642080
WEB SITE	: WWW.TWINDISC.COM
CONTACT PERSON	: JOHN HITCHCOCK BATTEN (DIRECTOR)
PRINCIPAL ACTIVITY	: WHOLESALE OF MARINE EQUIPMENT AND ACCESSORIES, LAND BASE PRODUCTS
ISSUED AND PAID UP CAPITAL	: 9,004,732.00 ORDINARY SHARE, OF A VALUE OF SGD 9,004,732.00
SALES	: SGD 23,244,876 [2017]
NET WORTH	: SGD 25,146,667 [2017]
STAFF STRENGTH	: 26 [2018]
LITIGATION	: CLEAR
FINANCIAL CONDITION	: FAIR
PAYMENT	: REGULAR
MANAGEMENT	: AVERAGE
CAPABILITY	
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 even if the Subject is insolvent. The Subject is governed by the Companies Act and the company must file its annual returns, together with its financial statements with the Registrar of Companies.

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The Subject is principally engaged in the (as a / as an) wholesale of marine equipment and accessories, land base products.

Share Capital History

Date Issue & Paid Up Capital
07/09/2018 SGD 9,004,732.00

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

Current Shareholder(s) :

Name	Address	IC/PP/Loc No	Shareholding	(%)
TWIN DISC (FAR EAST) LIMITED	119, SOUTH STATE STREET, DOVER, DELAWARE UNITED STATES	T11UF3625	9,004,731.00	100.00
TWIN DISC, INCORPORATED	1328, RACINE STREET, RACINE WI 53403 UNITED STATES	T11UF1006	1.00	0.00
			-----	-----
			9,004,732.00	100.00
			=====	=====

+ Also Director

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

Local No	Country	Company	Status	(%)	As At
	INDIA	TWIN DISC POWER TRANSMISSION PTE LTD	-	99.00	30/06/2012

DIRECTORS

DIRECTOR 1

Name Of Subject : JOHN HITCHCOCK BATTEN
Address : 704, WATERS EDGE ROAD, RACINE, WI 53402, UNITED STATES.
IC / PP No : 488777377
Nationality : AMERICAN
Date of Appointment : 28/12/2010

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
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TWIN DISC (FAR EAST) PTE. LTD. - 529082

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1	20102728 7C	TWIN DISC (FAR EAST) PTE. LTD.	Director	28/12/20 10	0.0 0	-	SGD1,088,49 9.00	2017	-	07/09/20 18
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DIRECTOR 2

Name Of Subject : JEFFREY SCOTT KNUTSON
Address : 1170, TERRACE DRIVE, ELM GROVE, WISCONSIN, 53122, UNITED STATES.
IC / PP No : 530501924
Nationality : AMERICAN
Date of : 28/12/2010
Appointment

INTEREST CHECK

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

INTEREST IN COMPANY

N	Local No	Compa ny	Designati on	App Date	Sharehold ing No. %	Profit/(loss) After Tax	Financi al Year	Statu s	As At
1	20102728 7C	TWIN DISC (FAR EAST) PTE. LTD.	Director	28/12/20 10	0.0 0	SGD1,088,49 9.00	2017	-	07/09/20 18

DIRECTOR 3

Name Of Subject : KENNY YEO WAI SOON
Address : 24, WATTEN VIEW, WATTEN HILL, 287145, SINGAPORE.
IC / PP No : S1676753J
Nationality : SINGAPOREAN
Date of : 28/12/2010
Appointment

INTEREST CHECK

Interest in : see below
companies
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.	%				
1	20102728 7C	TWIN DISC (FAR EAST) PTE. LTD.	Director	28/12/20 10	0.0 0	-	SGD1,088,49 9.00	2017	-	07/09/20 18

DIRECTOR 4

Name Of Subject : DEAN JEFFREY BRATEL
Address : 5775, GOLDEN RAIN LANE, NEW BERLIN, WISCONSIN, 53151, UNITED STATES.
IC / PP No : 488969992
Nationality : AMERICAN
Date of Appointment : 15/06/2015

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.	%				
1	20102728 7C	TWIN DISC (FAR EAST) PTE. LTD.	Director	15/06/20 15	0.0 0	-	SGD1,088,49 9.00	2017	-	07/09/20 18

MANAGEMENT

1) Name of Subject : JOHN HITCHCOCK BATTEN
Position : DIRECTOR

AUDITOR

Firm No	Firm Name	Address	As At Date
	RSM CHIO LIM LLP	N/A	30/06/2017

COMPANY SECRETARIES

- 1) Company Secretary
IC / PP No : LOO CHOON KEOW
Address : S7188952A
Date of Appointment : 123D, RIVERVALE DRIVE, 10-161, 544123, SINGAPORE.
29/09/2017
- 2) Company Secretary
IC / PP No : LEE BEE FONG
Address : S7376654J
Date of Appointment : 80, ROBINSON ROAD, 02-00, 068898, SINGAPORE.
09/03/2011

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.

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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 : N/A
Payment Mode : CHEQUES
TELEGRAPHIC TRANSFER (TT)

OPERATIONS

Goods : MARINE EQUIPMENT AND ACCESSORIES, LAND BASE PRODUCTS
Traded

Total Number of Employees:

YEAR	2018	2017
GROUP	N/A	N/A
COMPANY	26	40

Branch : NO
Other Information:

The Subject is principally engaged in the (as a / as an) wholesale of marine equipment and accessories, land base products.

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The Subject has been distributing power transmission products that make things work.

The Subject supplies the commercial, pleasure craft and military segments of the marine market with transmissions, surface and waterjet drives, propellers and electronic controls.

The products are as follows:

Veth Thrusters
Transmissions
Propulsion Control Systems
Steering Systems
Trim Tabs
Propulsion
Marine Control Drives
Pump Drives
Power Take-Offs

LAND-BASED PRODUCTS are as follows:

Power-Shift Transmissions
Power Take-Offs
Pump Drives
Clutches
Gear Boxes
Electronic Control System
Torque Converters
Universal Control Drives

The Subject sells the products according to its customers' requirements.

CURRENT INVESTIGATION

Latest fresh investigations carried out on the Subject indicated that :

Telephone Number Provided By : N/A
Client
Current Telephone Number : 65-62670800
Match : N/A
Address Provided by Client : 6-TUAS AVENUE 1 639491
Current Address : 6, TUAS AVENUE 1,, 639491, SINGAPORE.
Match : YES

Other Investigations

we contacted one of the staff from the Subject and he provided some information.

FINANCIAL ANALYSIS

Profitability

Turnover	:	Decreased	[	2013 - 2017]
Profit/(Loss) Before Tax	:	Decreased	[	2013 - 2017]
Return on Shareholder Funds	:	Unfavourable	[	4.33%]
Return on Net Assets	:	Unfavourable	[	6.42%]

The continuous fall in turnover could be due to the lower demand for the Subject's products / services. The dip in profit could be due to the stiff market competition which reduced the Subject's profit margin. The unfavourable return on shareholders' funds could indicate that the Subject was inefficient in utilising its assets to generate returns.

Working Capital Control

Stock Ratio	:	Unfavourable	[	257 Days]
Debtor Ratio	:	Favourable	[	41 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	:	Favourable	[	2.02 Times]
Current Ratio	:	Favourable	[	4.71 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 : FAIR

SINGAPORE ECONOMIC / INDUSTRY OUTLOOK

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

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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
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%), 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

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& footwear grew by 4.6%, 4.3 % and 3.1% respectively.

For the full year 2017, retail sales volume expanded by 1.3%, similar to the 1.5% growth recorded in 2016. Growth was driven by both motor vehicle sales and non-motor vehicle sales, which the former rising by 1.5% and the latter increasing by 1.3%. The rise in non-motor vehicle sales was underpinned by higher sales of discretionary goods. For instance, the sales volume of recreational goods (3.9%), watches & jewellery (2.4%), computer & telecommunications equipment (1.7%) and wearing apparel & footwear (1.5%) improved in 2017.

OVERALL INDUSTRY OUTLOOK : MARGINAL GROWTH

CREDIT RISK EVALUATION & RECOMMENDATION

Incorporated in 2010, the Subject is a Private Limited company, focusing on wholesale of marine equipment and accessories, land base products. 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. A paid up capital of SGD 9,004,732 allows the Subject to expand its business more comfortably. With a strong backing from its shareholders, 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 26 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 its current assets. Hence, it has sufficient working capital to meet its short term financial obligations. Being a zero geared company, the Subject virtually has no financial risk as it is mainly dependent on its internal funds to finance its business. Given a positive net worth standing at SGD 25,146,667, the Subject should be able to maintain its business in the near terms.

The Subject's suppliers are from both the local and overseas countries. This will eliminate 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 is 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 dependent 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 promptly.

PROFIT AND LOSS ACCOUNT

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

TWIN DISC (FAR EAST) PTE. LTD.

Financial Year End	2017-06-30	2016-06-30	2015-06-30	2014-06-30	2013-06-30
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	SUMMARY	SUMMARY
Currency	SGD	SGD	SGD	SGD	SGD
TURNOVER	23,244,876	31,427,658	62,304,855	85,222,256	81,980,879
Other Income	46,802	106,859	39,742	-	-
Total Turnover	23,291,678	31,534,517	62,344,597	85,222,256	81,980,879
Costs of Goods Sold	(16,502,004)	(23,540,614)	(49,742,016)	-	-
Gross Profit	6,789,674	7,993,903	12,602,581	-	-
PROFIT/(LOSS) FROM OPERATIONS	1,613,360	1,688,165	5,397,888	9,216,213	8,591,362
PROFIT/(LOSS) BEFORE TAXATION	1,613,360	1,688,165	5,397,888	9,216,213	8,591,362
Taxation	(524,861)	(268,319)	(563,632)	(1,426,400)	(1,775,851)
PROFIT/(LOSS) AFTER TAXATION	1,088,499	1,419,846	4,834,256	7,789,813	6,815,511
RETAINED PROFIT/(LOSS) BROUGHT FORWARD					
As previously reported	24,847,624	23,427,778	18,593,522	10,803,709	3,988,198
As restated	24,847,624	23,427,778	18,593,522	10,803,709	3,988,198
PROFIT AVAILABLE FOR	25,936,123	24,847,624	23,427,778	18,593,522	10,803,709

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APPROPRIATION					
S					
DIVIDENDS - Ordinary (paid & proposed)	(9,590,007)	-	-	-	-
	-----	-----	-----	-----	-----
RETAINED PROFIT/(LOSS) CARRIED FORWARD	16,346,116	24,847,624	23,427,778	18,593,522	10,803,709
	=====	=====	=====	=====	=====
	=	=	=	=	=
DEPRECIATION (as per notes to P&L)	465,771	490,227	391,139	-	-
	-----	-----	-----	-----	-----
Total Amortization And Depreciation	465,771	490,227	391,139	-	-
	=====	=====	=====	=====	=====
	=	=	=		

BALANCE SHEET

TWIN DISC (FAR EAST) PTE. LTD.

ASSETS

EMPLOYED:

FIXED ASSETS	839,894	2,162,130	2,604,695	3,293,557	3,021,659
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LONG TERM

INVESTMENTS/OTH

ER ASSETS

Subsidiary companies	1,775,094	1,775,094	1,775,094	-	-
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Deferred assets	-	54,669	92,676	-	-
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Others	995,746	350,000	350,000	-	-
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TOTAL LONG TERM INVESTMENTS/OTH ER ASSETS	2,770,840	2,179,763	2,217,770	-	-
-------------------------------------------------	-----------	-----------	-----------	---	---

TOTAL LONG TERM ASSETS	3,610,734	4,341,893	4,822,465	3,293,557	3,021,659
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CURRENT ASSETS

Stocks	15,693,453	18,943,626	23,377,226	-	-
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Contract work-in- progress	655,352	324,130	-	-	-
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Trade debtors	2,608,126	3,595,019	10,897,094	-	-
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Other debtors, deposits &	272,833	282,785	299,863	-	-
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prepayments					
Amount due from holding company	1,412,000	2,740,466	1,359,919	-	-
Amount due from related companies	2,198,930	2,528,891	-	-	-
Cash & bank balances	4,613,223	7,639,202	4,262,786	-	-
Others	-	58,692	-	-	-
	-----	-----	-----	-----	-----
TOTAL CURRENT ASSETS	27,453,917	36,112,811	40,196,888	34,912,403	34,751,649
	-----	-----	-----	-----	-----
TOTAL ASSET	31,064,651	40,454,704	45,019,353	38,205,960	37,773,308
	=====	=====	=====	=====	=====
	==	==	==	==	==
CURRENT LIABILITIES					
Trade creditors	1,930,674	1,806,047	3,027,286	-	-
Other creditors & accruals	1,008,560	1,051,974	1,672,450	-	-
Deposits from customers	1,688,376	2,007,827	2,641,721	-	-
Amounts owing to holding company	214,197	-	1,939,969	-	-
Amounts owing to related companies	831,334	2,317,251	3,016,905	-	-
Provision for taxation	-	-	502,658	-	-
Other liabilities	154,043	-	-	-	-
	-----	-----	-----	-----	-----
TOTAL CURRENT LIABILITIES	5,827,184	7,183,099	12,800,989	10,884,988	18,171,966
	-----	-----	-----	-----	-----
NET CURRENT ASSETS/(LIABILITIES)	21,626,733	28,929,712	27,395,899	24,027,415	16,579,683
	-----	-----	-----	-----	-----
LONG TERM LIABILITIES					
Deferred taxation	90,800	-	-	-	-
	-----	-----	-----	-----	-----
TOTAL LONG TERM LIABILITIES	90,800	-	-	27,715	14,938
	-----	-----	-----	-----	-----
TOTAL NET ASSETS	25,146,667	33,271,605	32,218,364	27,293,257	19,586,404
	=====	=====	=====	=====	=====
	==	==	==	==	==
FINANCED BY:					
SHARE CAPITAL					
Ordinary share capital	9,004,732	9,004,732	9,004,732	9,004,732	9,004,732
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TWIN DISC (FAR EAST) PTE. LTD. - 529082

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TOTAL SHARE CAPITAL	9,004,732	9,004,732	9,004,732	9,004,732	9,004,732
RESERVES					
Exchange equalisation/fluctuation reserve	(204,181)	(580,751)	(214,146)	-	-
Retained profit/(loss) carried forward	16,346,116	24,847,624	23,427,778	18,593,522	10,803,709
Others	-	-	-	(304,997)	(222,037)
TOTAL RESERVES	16,141,935	24,266,873	23,213,632	18,288,525	10,581,672
SHAREHOLDERS' FUNDS/EQUITY	25,146,667	33,271,605	32,218,364	27,293,257	19,586,404
	=====	=====	=====	=====	=====
	==	==	==	==	==

FINANCIAL RATIO

TWIN DISC (FAR EAST) PTE. LTD.

TYPES OF FUNDS

Cash	4,613,223	7,639,202	4,262,786	-	-
Net Liquid Funds	4,613,223	7,639,202	4,262,786	-	-
Net Liquid Assets	5,933,280	9,986,086	4,018,673	24,027,415	16,579,683
Net Current Assets/(Liabilities)	21,626,733	28,929,712	27,395,899	24,027,415	16,579,683
Net Tangible Assets	25,146,667	33,271,605	32,218,364	27,293,257	19,586,404
Net Monetary Assets	5,842,480	9,986,086	4,018,673	23,999,700	16,564,745

PROFIT & LOSS ITEMS

Earnings Before Interest & Tax (EBIT)	1,613,360	1,688,165	5,397,888	-	-
Earnings Before Interest, Taxes, Depreciation And Amortization (EBITDA)	2,079,131	2,178,392	5,789,027	-	-

BALANCE SHEET ITEMS

Total Borrowings	0	0	0	-	-
Total Liabilities	5,917,984	7,183,099	12,800,989	10,912,703	18,186,904
Total Assets	31,064,651	40,454,704	45,019,353	38,205,960	37,773,308
Net Assets	25,146,667	33,271,605	32,218,364	27,293,257	19,586,404
Net Assets Backing	25,146,667	33,271,605	32,218,364	27,293,257	19,586,404
Shareholders' Funds	25,146,667	33,271,605	32,218,364	27,293,257	19,586,404
Total Share Capital	9,004,732	9,004,732	9,004,732	9,004,732	9,004,732
Total Reserves	16,141,935	24,266,873	23,213,632	18,288,525	10,581,672

GROWTH RATIOS (Year on Year) (%)

Revenue	(26.04)	(49.56)	(26.89)	3.95	32.39
Profit/(Loss) Before Tax	(4.43)	(68.73)	(41.43)	7.27	75.83

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Profit/(Loss) After Tax	(23.34)	(70.63)	(37.94)	14.30	70.89
Total Assets	(23.21)	(10.14)	17.83	1.15	41.95
Total Liabilities	(17.61)	(43.89)	17.30	(40.00)	33.31
LIQUIDITY (Times)					
Cash Ratio	0.79	1.06	0.33	-	-
Liquid Ratio	2.02	2.39	1.31	-	-
Current Ratio	4.71	5.03	3.14	3.21	1.91
WORKING CAPITAL CONTROL (Days)					
Stock Ratio	257	224	137	-	-
Debtors Ratio	41	42	64	-	-
Creditors Ratio	43	28	22	-	-
SOLVENCY RATIOS (Times)					
Gearing Ratio	0	0	0	-	-
Liabilities Ratio	0.24	0.22	0.40	0.40	0.93
Times Interest Earned Ratio	0	0	0	-	-
Assets Backing Ratio	2.79	3.69	3.58	3.03	2.18
PERFORMANCE RATIO (%)					
Operating Profit Margin	6.94	5.37	8.66	10.81	10.48
Net Profit Margin	4.68	4.52	7.76	9.14	8.31
Return On Net Assets	6.42	5.07	16.75	33.77	43.86
Return On Capital Employed	6.39	5.07	16.75	33.73	43.83
Return On Shareholders' Funds/Equity	4.33	4.27	15.00	28.54	34.80
Dividend Pay Out Ratio (Times)	8.81	0	0	-	-
NOTES TO ACCOUNTS					
Contingent Liabilities	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
SGD	1	INR 52.47

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

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	POJ

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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)