

## MIRA INFORM REPORT

<b>Report No. :</b>	531409
<b>Report Date :</b>	26.09.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	KOA DENKO (S) PTE LTD
<b>Registered Office :</b>	72, Bendemeer Road, 06-28, Luzerne, 339941
<b>Country :</b>	Singapore
<b>Financials (as on) :</b>	31.03.2018
<b>Date of Incorporation :</b>	24.01.1981
<b>Com. Reg. No.:</b>	198100353C
<b>Legal Form :</b>	Private Limited (Limited By Share)
<b>Line of Business :</b>	The Subject is principally engaged in trading of electronic components, products.
<b>No. of Employees :</b>	54 [2018]

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Regular
<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.

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**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.	: 198100353C
COMPANY NAME	: <b>KOA DENKO (S) PTE LTD</b>
FORMER NAME	: N/A
INCORPORATION DATE	: 24/01/1981
COMPANY STATUS	: EXIST
LEGAL FORM	: PRIVATE LIMITED (LIMITED BY SHARE)
LISTED STATUS	: NO
REGISTERED ADDRESS	: 72, BENDEMEER ROAD, 06-28, LUZERNE, 339941, SINGAPORE.
BUSINESS ADDRESS	: 72, BENDEMEER ROAD, 06-28, LUZERNE,, 339941, SINGAPORE.
TEL.NO.	: 65-63395151
FAX.NO.	: 65-63398556
WEB SITE	: WWW.KOASPORE.COM.SG
CONTACT PERSON	: MUKAIYAMA KOSEI ( MANAGING DIRECTOR )
PRINCIPAL ACTIVITY	: TRADING OF ELECTRONIC COMPONENTS, PRODUCTS
ISSUED AND PAID UP CAPITAL	: 100,000.00 ORDINARY SHARE, OF A VALUE OF SGD 100,000.00
SALES	: USD 43,640,977 [2018]
NET WORTH	: USD 13,734,172 [2018]
STAFF STRENGTH	: 54 [2018]
LITIGATION	: CLEAR
FINANCIAL CONDITION	: LIMITED
PAYMENT MANAGEMENT CAPABILITY	: REGULAR AVERAGE
COMMERCIAL RISK	: LOW
CURRENCY EXPOSURE	: MODERATE
GENERAL REPUTATION	: SATISFACTORY
INDUSTRY OUTLOOK	: MARGINAL GROWTH

## **HISTORY / BACKGROUND**

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

The Subject is principally engaged in the (as a / as an) trading of electronic components, products.

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The immediate and ultimate holding company of the Subject is KOA CORPORATION, a company incorporated in JAPAN.

**Share Capital History**

**Date Issue & Paid Up Capital**  
24/09/2018 SGD 100,000.00

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

**Current Shareholder(s) :**

Name	Address	IC/PP/Loc No	Shareholding	(%)
KOA CORPORATION	3672, OAZA INA INA-CITY NAGANO PREF JAPAN	S81UF0326	100,000.00	100.00
			----- 100,000.00 =====	----- 100.00 =====

+ Also Director

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

Local No	Country	Company	Status	(%)	As At
16365W	MALAYSIA	KOA DENKO (MALAYSIA) SDN. BHD.	-	64.36	31/03/2018

***DIRECTORS***

**DIRECTOR 1**

Name Of Subject : LIM POH BENG  
Address : 84B, LORONG 2, TOA PAYOH, 03-303, 312084, SINGAPORE.  
IC / PP No : S1293104B  
Nationality : SINGAPOREAN  
Date of : 01/08/2010  
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 o	Local No	Compa ny	Designati on	App Date	Shareholdi ng	Profit/(loss) After Tax	Financi al Year	Statu s	As At
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**KOA DENKO (S) PTE LTD - 531409**

**PAGE NO. : 6**

					No.	%				
1	19810035 3C	KOA DENKO (S) PTE LTD	Director	01/08/20 10	0.00	-	USD672,059 .00	2018	-	24/09/20 18

**DIRECTOR 2**

Name Of Subject : MUKAIYAMA KOSEI  
Address : 15, TONG WATT ROAD, 18-09, THE WHARF RESIDENCE, 238026, SINGAPORE.  
IC / PP No : G3488078L  
Nationality : JAPANESE  
Date of : 31/08/2018  
Appointment

**INTEREST CHECK**

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

**INTEREST IN COMPANY**

N	Local No	Compa ny	Designati on	App Date	Shareholdi ng No.	%	Profit/(loss) After Tax	Financi al Year	Statu s	As At
1	19810035 3C	KOA DENKO (S) PTE LTD	Director	31/08/20 18	0.00	-	USD672,059 .00	2018	-	24/09/20 18

**DIRECTOR 3**

Name Of Subject : AKIRA NONOMURA  
Address : 415, 2-24-1, NISHI KUNITACHI-CITY, TOKYO, 186-0005, JAPAN.  
IC / PP No : TK8820601  
Nationality : JAPANESE  
Date of : 12/08/2016  
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	Compa ny	Designati on	App Date	Shareholdi ng		Profit/(loss) After Tax	Financi al Year	Statu s	As At
					No.	%				
1	19810035 3C	KOA DENKO (S) PTE LTD	Director	12/08/20 16	0.00	-	USD672,059 .00	2018	-	24/09/20 18

**DIRECTOR 4**

Name Of Subject : KAYOKO FUKANO  
Address : 2-7304-15, SHOEI-CHO IIDA CITY, NAGANO, JAPAN.  
IC / PP No : TS0379505  
Nationality : JAPANESE  
Date of Appointment : 18/08/2011

**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	Compa ny	Designati on	App Date	Shareholdi ng		Profit/(loss) After Tax	Financi al Year	Statu s	As At
					No.	%				
1	19810035 3C	KOA DENKO (S) PTE LTD	Director	18/08/20 11	0.00	-	USD672,059 .00	2018	-	24/09/20 18

***MANAGEMENT***

1) Name of Subject : MUKAIYAMA KOSEI  
Position : MANAGING DIRECTOR

***AUDITOR***

Firm No	Firm Name	Address	As At Date
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GRANT  
THORNTON  
AUDIT LLP

N/A

31/03/2018

## **COMPANY SECRETARIES**

- 1) Company : DOROTHY HO LAI YONG  
Secretary  
IC / PP No : S1105012C  
Address : 60, LAKESIDE DRIVE, 08-41, CASPIAN, 648320, SINGAPORE.  
Date of : 10/03/1997  
Appointment

### **BANKING**

No Banker found in our databank.

### **ENCUMBRANCE (S)**

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

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

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

No legal action was found in our databank.

No winding up petition was found in our databank.

## **PAYMENT RECORD**

### **SOURCES OF RAW MATERIALS:**

Local : YES  
Overseas : YES

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

### **OVERALL PAYMENT HABIT**

Prompt 0-30 Days [ ]      Good 31-60 Days [ ]      Average 61-90 Days [ X ]

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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 : ELECTRONIC COMPONENTS, PRODUCTS  
Traded

Total Number of Employees:  
YEAR 2018

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GROUP N/A  
COMPANY 54

Branch : NO  
Other Information:

The Subject is principally engaged in the (as a / as an) trading of electronic components, products.

The Subject distributes quality resistors and other essential electronic components.

## **CURRENT INVESTIGATION**

Latest fresh investigations carried out on the Subject indicated that :

Telephone Number Provided By : N/A  
Client  
Current Telephone Number : 65-63395151  
Match : N/A  
Address Provided by Client : N/A  
Current Address : 72, BENDEMEER ROAD, 06-28, LUZERNE,, 339941, SINGAPORE.  
Match : N/A

### Other Investigations

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

## **FINANCIAL ANALYSIS**

### Profitability

Turnover	:	Erratic	[	2013 - 2018	]
Profit/(Loss) Before Tax	:	Increased	[	2013 - 2018	]
Return on Shareholder Funds	:	Unfavourable	[	4.89%	]
Return on Net Assets	:	Unfavourable	[	5.15%	]

The fluctuating turnover reflects the fierce competition among the existing and new market players. The Subject's management have been efficient in controlling its operating costs. The unfavourable return on shareholders' funds could indicate that the Subject was inefficient in utilising its assets to generate returns.

### Working Capital Control

Stock Ratio	:	Favourable	[	31 Days	]
Debtor Ratio	:	Unfavourable	[	69 Days	]
Creditors Ratio	:	Favourable	[	3 Days	]

The Subject's stocks were moving fast thus reducing its holding cost. This had reduced funds being tied up in stocks. The high debtors' ratio could indicate that the Subject was weak in its credit control. However, the Subject could also giving longer credit periods to its customers in order to boost its sales or to capture / retain its market share. The Subject had a favourable creditors' ratio where the Subject could be taking advantage of the cash discounts and also wanting to maintain goodwill with its creditors.

### Liquidity

Liquid Ratio	:	Favourable	[	1.26 Times	]
Current Ratio	:	Unfavourable	[	1.60 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 :

Although the turnover was erratic, the Subject had maintained a steady growth in its profit. This indicate the management's efficiency in controlling its costs and profitability. 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 : LIMITED

## **SINGAPORE ECONOMIC / INDUSTRY OUTLOOK**

<b>Major Economic Indicators :</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017*</b>
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)
<b>INDUSTRIES ( % of Growth ) :</b>					
<b>Agriculture</b>					
Production of Principal Crops	1.78	4.29	3.04	-	-
Fish Supply & Wholesale	(3.8)	(8.6)	(8.5)	(9.9)	-
<b>Manufacturing #</b>					
Food, Beverages & Tobacco	97.9	99.4	100.0	103.7	110.3
Textiles	119.5	102.7	100.0	92.4	84.4
Wearing Apparel	334.1	212.6	100.0	83.4	88.2
Leather Products & Footwear	122.0	106.5	100.0	88.8	79.0
Wood & Wood Products	103.0	107.2	100.0	95.0	92.9
Paper & Paper Products	104.4	104.5	100.0	97.3	96.1
Printing & Media	113.8	105.968	100.0	85.1	73.1
Crude Oil Refineries	100.7	92.2	100.0	104.2	113.5
Chemical & Chemical Products	88.4	96.7	100.0	98.9	105.3
Pharmaceutical Products	101.421	109.4	100.0	113.8	96.0
Rubber & Plastic Products	109.497	109.2	100.0	91.4	93.7
Non-metallic Mineral	107.4	90.759	100.0	89.8	72.9

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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
<b>Construction</b>	<b>25.40</b>	<b>22.00</b>	-	-	-
Real Estate	88.5	145.1	-	-	-
<b>Services</b>					
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 1981, the Subject is a Private Limited company, focusing on trading of electronic components, products. The Subject has been in business for over two decades. It has built up a strong clientele base and satisfactory reputation will enable the Subject to further enhance its business in the near term. The Subject is expected to enjoy a stable market shares. Presently, the issued and paid up capital of the Subject stands at SGD 100,000. However, with a strong backing from its holding company, the Subject enjoys timely financial assistance should the needs arise.

Over the years, the Subject has penetrated into both the local and overseas market. The Subject has positioned itself in the global market and is competing in the industry. Its stable clientele base will enable the Subject to further enhance its business in the near term. Being a moderate size company, the Subject has a total workforce of 54 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.

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. The Subject is in good liquidity position with its current liabilities well covered by its current assets. Hence, it has sufficient working capital to meet its short term financial obligations. Being a zero geared company, the Subject virtually has no financial risk as it is mainly dependent on its internal funds to finance its business. Given a positive net worth standing at USD 13,734,172, 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 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 only enjoying a marginal growth. The steady growth of the country's economy will further enhance the industry activities. Thus, the Subject's future performance is very much depend on its marketing strategies in order to retain its position in the market.

Based on the above condition, we recommend credit be granted to the Subject promptly.

## **PROFIT AND LOSS ACCOUNT**

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

### **KOA DENKO (S) PTE LTD**

Financial Year End	2018-03-31	2017-03-31
Months	12	12
Consolidated Account	Company	Company
Audited Account	YES	YES
Unqualified Auditor's Report (Clean Opinion)	YES	YES
Financial Type	FULL	FULL
Currency	USD	USD
TURNOVER	43,640,977	37,559,892
Other Income	143,885	120,928
	-----	-----
Total Turnover	43,784,862	37,680,820
Costs of Goods Sold	(37,738,338)	(31,755,213)
	-----	-----
Gross Profit	6,046,524	5,925,607
	-----	-----
PROFIT/(LOSS) FROM OPERATIONS	707,472	656,636
	-----	-----
PROFIT/(LOSS) BEFORE TAXATION	707,472	656,636
Taxation	(35,413)	(50,999)
	-----	-----
PROFIT/(LOSS) AFTER TAXATION	672,059	605,637
	-----	-----
<b>RETAINED PROFIT/(LOSS) BROUGHT FORWARD</b>		
As previously reported	13,619,780	13,746,143
	-----	-----
As restated	13,619,780	13,746,143
	-----	-----
PROFIT AVAILABLE FOR APPROPRIATIONS	14,291,839	14,351,780
DIVIDENDS - Ordinary (paid & proposed)	(605,000)	(732,000)
	-----	-----
RETAINED PROFIT/(LOSS) CARRIED FORWARD	13,686,839	13,619,780
	=====	=====
<b>INTEREST EXPENSE (as per notes to P&amp;L)</b>		
DEPRECIATION (as per notes to P&L)	65,544	58,709
	-----	-----
Total Amortization And Depreciation	65,544	58,709
	=====	=====

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## **BALANCE SHEET**

### **KOA DENKO (S) PTE LTD**

#### **ASSETS EMPLOYED:**

<b>FIXED ASSETS</b>	293,712	172,793
<b>LONG TERM INVESTMENTS/OTHER ASSETS</b>		
Subsidiary companies	6,838,252	6,838,252
	-----	-----
<b>TOTAL LONG TERM INVESTMENTS/OTHER ASSETS</b>	6,838,252	6,838,252
<b>INTANGIBLE ASSETS</b>		
Others	175,195	175,195
	-----	-----
<b>TOTAL INTANGIBLE ASSETS</b>	175,195	175,195
	-----	-----
<b>TOTAL LONG TERM ASSETS</b>	7,307,159	7,186,240
<b>CURRENT ASSETS</b>		
Stocks	3,697,124	2,699,719
Trade debtors	8,251,571	6,592,855
Other debtors, deposits & prepayments	213,163	230,880
Short term deposits	4,300,000	4,900,000
Amount due from subsidiary companies	2,561	8,356
Cash & bank balances	738,854	648,092
	-----	-----
<b>TOTAL CURRENT ASSETS</b>	17,203,273	15,079,902
	-----	-----
<b>TOTAL ASSET</b>	24,510,432	22,266,142
	=====	=====
<b>CURRENT LIABILITIES</b>		
Trade creditors	263,995	205,647
Other creditors & accruals	319,384	295,029
Amounts owing to holding company	10,053,951	7,967,187
Amounts owing to subsidiary companies	54,361	51,931
Provision for taxation	55,662	50,328
	-----	-----
<b>TOTAL CURRENT LIABILITIES</b>	10,747,353	8,570,122
	-----	-----
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	6,455,920	6,509,780
	-----	-----
<b>LONG TERM LIABILITIES</b>		
Deferred taxation	28,907	28,907
	-----	-----
<b>TOTAL LONG TERM LIABILITIES</b>	28,907	28,907
	-----	-----
<b>TOTAL NET ASSETS</b>	13,734,172	13,667,113
	=====	=====
<b>SHARE CAPITAL</b>		
Ordinary share capital	47,333	47,333
	-----	-----

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TOTAL SHARE CAPITAL	47,333	47,333
<b>RESERVES</b>		
Retained profit/(loss) carried forward	13,686,839	13,619,780
	-----	-----
TOTAL RESERVES	13,686,839	13,619,780
	-----	-----
SHAREHOLDERS' FUNDS/EQUITY	13,734,172	13,667,113
	=====	=====

**FINANCIAL RATIO**

**KOA DENKO (S) PTE LTD**

**TYPES OF FUNDS**

Cash	5,038,854	5,548,092
Net Liquid Funds	5,038,854	5,548,092
Net Liquid Assets	2,758,796	3,810,061
Net Current Assets/(Liabilities)	6,455,920	6,509,780
Net Tangible Assets	13,558,977	13,491,918
Net Monetary Assets	2,729,889	3,781,154

**PROFIT & LOSS ITEMS**

Earnings Before Interest, Taxes, Depreciation And Amortization (EBITDA)	773,016	715,345
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**BALANCE SHEET ITEMS**

Total Liabilities	10,776,260	8,599,029
Total Assets	24,510,432	22,266,142
Net Assets	13,734,172	13,667,113
Net Assets Backing	13,734,172	13,667,113
Shareholders' Funds	13,734,172	13,667,113
Total Share Capital	47,333	47,333
Total Reserves	13,686,839	13,619,780

**GROWTH RATIOS (Year on Year) (%)**

Revenue	16.19	(29.07)
Profit/(Loss) Before Tax	7.74	(44.47)
Profit/(Loss) After Tax	10.97	(47.78)
Total Assets	(17.24)	(24.82)
Total Liabilities	(9.81)	(28.03)

**LIQUIDITY (Times)**

Cash Ratio	0.47	0.65
Liquid Ratio	1.26	1.44
Current Ratio	1.60	1.76

**WORKING CAPITAL CONTROL (Days)**

Stock Ratio	31	26
Debtors Ratio	69	64
Creditors Ratio	3	2

**SOLVENCY RATIOS (Times)**

Liabilities Ratio	0.78	0.63
Assets Backing Ratio	286.46	285.04

**PERFORMANCE RATIO (%)**

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Operating Profit Margin	1.62	1.75
Net Profit Margin	1.54	1.61
Return On Net Assets	5.15	4.80
Return On Capital Employed	5.08	4.73
Return On Shareholders' Funds/Equity	4.89	4.43
Dividend Pay Out Ratio (Times)	0.90	1.21

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.81
UK Pound	1	INR 95.50
Euro	1	INR 85.62
SGD	1	INR 53.17

**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)

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