

## ABC SDN BHD

NO. X , PERSIARAN XXXXX  
OFF JALAN XXXXX  
50450 KUALA LUMPUR  
Tel : (603) XXXX XXXX  
Fax : (603) XXXX XXXX  
Web Site : [www.abc.com.my](http://www.abc.com.my)  
Email : [info@abc.com.my](mailto:info@abc.com.my)

### Executive Summary

DUNS : 123456789  
Registration Date : 23<sup>rd</sup> April 1920  
Registration Number : XXXXXX-X  
Legal Form : Limited Private Company  
Chief Executive : Mr. XXX (Managing Director)  
Staff Strength : Approximately XXX  
Paid Up Capital : RMX, XXX, XXX  
Line of Business : Beverage Manufacturing  
SIC Code : XXXX  
Banker (s) : Maybank

### Corporate Profile

SC was incorporated on 23<sup>rd</sup> April 1920 as a LIMITED PRIVATE COMPANY under the name style of ABC SDN BHD. The company is registered with the Companies Commission of Malaysia under registration number XXXXXX-X.

SC has set up business in beverages manufacturing. An establishment of about 86 years, SC has been in this line of business since the commencement of its business operations.

SC's registered office and operating at No. X, Persiaran XXXX, 50450 Kuala Lumpur. The above address houses its sales cum administrative office.

Headed by Mr. XXX, this company is a subsidiary of XXXXX Sdn. Bhd. a company incorporated in Malaysia. Checks revealed that SC has maintains four factories located at:

- XXXXX Pahang
- XXX, Pahang
- XXXXXX, Banting, Selangor
- XXXX, Negeri Sembilan

### Credit Rating

**CA3**

#### Credit Rating

CA3

#### Credit Risk

Average

#### Payment

Average

#### Recommended Credit Range

RM900,000 to RM1,800,000

#### Financial Condition

Average

#### Operational Trend

Fairly Stable

#### General Reputation

Good

#### Legal Status

Limited Private Company

A Limited Private Company is one that has a group of shareholders of not more than 50 people. A private company cannot ask the public to invest in it or to deposit money with it. Capital must be raised privately from this group of shareholders or through bank loans.

As of July 2005, SC's authorized and paid-up capital stands as follows:

	<u>Amount</u>	<u>V/Share</u>	<u>Currency</u>
Authorized Capital	XX,XXX,XXX	1.0000	Malaysian Ringgit
Issued Ordinary	XX,XXX,XXX	1.0000	Malaysian Ringgit
Paid-up Ordinary	XX,XXX,XXX	1.0000	Malaysian Ringgit

## Company Secretary

- Name : XXXX XXXXXXXX  
IC/Passport : XXXXXX-XX-XXXX  
Nationality : MALAYSIAN  
Address : XX, JALAN XXX  
47600 SUBANG JAYA  
SELANGOR  
Date of Appointment : 01.04.2003  
Position : COMPANY SECRETARY



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## Shareholder's Information

### Details of Shareholders (as per registry records):

1. Name : XXX SDN BHD  
Registration Number : XXXX-X  
Place of Origin : MALAYSIA  
Number of Ordinary Shares : XX,XXX,XXX @ RM1 each
  
2. Name : XXX BHD  
Registration Number : XXXXXX-X  
Place of Origin : MALAYSIA  
Number of Ordinary Shares : XX,XXX,XXXX @ RM1 each
  
3. Name : XXXXXX XXXX  
Shareholder ID : XXXXX  
Nationality : -  
Number of Ordinary Shares : XXX,XXX @ RM1 each
  
4. Name : XXX XXXXXXXX  
Shareholder ID : XXXXXXXX  
Nationality : -  
Number of Ordinary Shares : XXX,XXX @ RM1 each
  
5. Name : XXXX XXXXXXXXXXX XXXXXXXX  
Shareholder ID : XXXXX  
Nationality : -  
Number of Ordinary Shares : XXX,XXX @ RM1 each
  
6. Name : XXXXXXXXXXXXXXX XXXXXX  
Shareholder ID : XXXXXX-XX-XXXX  
Nationality : MALAYSIAN  
Number of Ordinary Shares : XXX,XXX @ RM1 each
  
7. Name : XXX XXX XXX  
Shareholder ID : XXXXXX  
Nationality : -  
Number of Ordinary Shares : XXX,XXX @ RM1 each
  
8. Name : XX XXXX XXXXX  
Shareholder ID : XXXXXX-XX-XXXX  
Nationality : MALAYSIAN  
Number of Ordinary Shares : XX,XXX @ RM1 each
  
9. Name : OTHER SHAREHOLDERS



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Number of Ordinary Shares : XXX,XXX @ RM1 each

#### Board of Directors:

1. Name : XXX  
IC/Passport : XXXXXX-XX-XXXX  
Nationality : MALAYSIAN  
Address : X, XXX RD.  
XXX  
AUSTRALIA  
Date of Appointment : 01.08.1987  
Position : DIRECTOR
2. Name : XXX  
IC/Passport : XXXXXX-XX-XXXX  
Nationality : MALAYSIAN  
Address : X, PERSIARAN XXX  
50450 KUALA LUMPUR  
Date of Appointment : 01.12.1994  
Position : DIRECTOR
3. Name : XXX  
IC/Passport : XXXXXX  
Nationality : SINGAPOREAN  
Address : X, JALAN XXX  
TAMAN TUN DR ISMAIL  
60000 KUALA LUMPUR  
Date of Appointment : 16.01.2001  
Position : DIRECTOR
4. Name : XXX  
IC/Passport : XXXXXX-XX-XXXX  
Nationality : MALAYSIAN  
Address : XX , Road XX  
XXXXXXXX  
OXFORDSHIRE OXB 4U  
UNITED KINGDOM  
Date of Appointment : NA  
Position : DIRECTOR
5. Name : XXX  
IC/Passport : XXXXXX-XX-XXXX  
Nationality : MALAYSIAN  
Address : X, PESIARAN XXX  
50450 KUALA LUMPUR  
Date of Appointment : -  
Position : DIRECTOR

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Page 4 of 22

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6. Name : XXX  
IC/Passport : XXXXXX-XX-XXXX  
Nationality : MALAYSIAN  
Address : X, JALAN XXXX  
DAMANSARA HEIGHTS  
50490 KUALA LUMPUR  
Date of Appointment : -  
Position : DIRECTOR

*Note: The record above is retrieved from Companies Commission of Malaysia.*



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## Key Personnel

Heading the management is Mr. XXX as the Chairman of the company. Internal sources revealed that Mr. XXX is the person in charged and key decision maker in SC.

Assisting Mr. XXX is a team of experienced personnel who are responsible for the different aspects of the business.

In summary, the key personnel are as follows:

Chairman	:	Mr.	XXX
Chief Executive Officer	:	Ms.	XXX
Group Financial Controller	:	Mr.	XXX
Finance Manager	:	Ms.	XXX
Accounts Manager	:	Mr.	XXX
General Manager-Sales	:	Mr.	XXX
Marketing Manager	:	Ms.	XXX
Information System Manager	:	Mr.	XXX
Procurement Manager	:	Mr.	XXX

According to our checks, the company has an approximately staff strength of XXX assisting in its daily activities.

**Staff Strength (Approx)**  
900



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## Business Operations

According to the records with the Companies Commission of Malaysia, SC is engaged in the business of growing and production of drinks for the retail trade and growing of tea. Current investigations revealed that SC specialized in manufacturing and retailing of beverages.

Checks revealed that SC is one of the largest drinks producers in Malaysia with 1200 hectares of tea gardens both in highland and lowland areas. The company has received numerous awards in recognition of its successes in various corporate and commercial arenas. According to a market research conducted by AC Nielsen, SC is recognised as the preferred brand of drinks of Malaysians.

From previous investigation revealed that SC catered to both local (90%) and oversea (10%) market. The company exports to:

- Japan
- Singapore
- U.S.A.
- Brunei
- Taiwan
- Kuwait

As reportedly among some of the company's well-known products are:

- The Health Range
  - Jasmine green tea
  - Camomile
  - Peppermint
- The Flavoured Teas:
  - Vanilla
  - Passion fruit
  - Clove & cardamom
  - Cinnamon
  - Earl grey with tangerine
  - Lemon with mandarin
  - Lychee with rose
  - Lime & ginger
  - Mango
- Speciality teas
  - Tippy assam
  - Ceylon
  - Darjeeling
  - Java
  - Kenya
  - Lapsang souchong
- Ice Teas

The management elaborated that in general business transactions SC grants customers 45 days to 60 days credit terms.



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## Related Companies

Immediate Holding Company:

Name	% of shareholding
XXX Company Sdn Bhd, Malaysia	72

Subsidiaries (as at FYE2004):

Name	% of shareholding
XXX Singapore (Pte) Ltd, Singapore	100
XXX Tea Pty Ltd, Australia	55

## Litigations

There is no database record of any legal suits filed against the company during the course of our investigation.

This section of the report was compiled after a legal check was conducted on the CLJ Legal Network's electronic database which contains all notices published on company petitions and winding up since January 1993.

However, the public record items contained in this report may have been paid, terminated, vacated or released prior to the date this report was printed.



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## Payment

SC is considered to have an Average Credit Risk status, and therefore, dealings on open terms may be possible for moderate amounts depending on individual judgement and experience.

As a cautious estimate, a Recommended Credit Range of RM900,000 to RM1,800,000 would appear to be within the Company's capabilities at present.

## Payment Rating

AVERAGE

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### Rating Guide

Rating Key	Implications
1	Excellent
2	Above Average
3	Average
4	Fair
5	Below Average
6	Poor
NR	No Data

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The rating indicates the payment pattern of SC based upon the D&B Payment Database, comments from suppliers of SC as well as industrial sources.

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## Banking

SC's banking relations are maintained principally with:

- HSBC Bank Malaysia Bhd

### Charge(s) :

1	Charge Number	: 001
	Date Of Registration	:
	Charge Amount	: RM650,000
	Chargee(s)	: HSBC BANK MALAYSIA BHD
	Charge Status	: FULLY SATISFIED



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## Financial Highlights

# TWO YEAR FINANCIAL ANALYSIS REPORT

## Financial Highlights

### Profitability

- Increased in turnover
- Decreased in earnings
- Higher cost of sales and operating expenses

### Liquidity

- Strong liquidity standing
- Experienced cash flow flexibility

### Asset Management

- Efficient management of its fixed assets
- Shortened collection and payment periods
- Average inventory control

### Capital Structure and Solvency

- Undertaken much greater current liabilities to finance its operations and these current liabilities are reported to be decreasing
- Low leveraged

## Financial Rating

**FR3**

### **Auditor**

Pricewaterhousecoopers

### **Financial Statement Type**

Group

### **Fiscal Year**

31 December 2003 to 2004

### **Currency**

RM

**Table 1: Key Balance Sheet Data (RM)**

<b>FYE December</b>	<b>2004</b>	<b>2003</b>	<b>% Changes</b>
Current Assets	72,596,244	67,787,303	7.1
Other Assets	18,599,036	14,354,650	29.6
Fixed Assets	64,654,468	65,211,349	(0.9)
<b>Total Assets</b>	<b>155,849,748</b>	<b>147,353,302</b>	<b>5.8</b>
Current Liabilities	10,659,503	13,244,090	(19.5)
Non-Current Liabilities	6,055,520	5,891,840	2.8
<b>Total Liabilities</b>	<b>16,715,023</b>	<b>19,135,930</b>	<b>(12.7)</b>
<b>Working Capital</b>	<b>61,936,741</b>	<b>54,543,213</b>	<b>13.6</b>
Share Capital	52,140,000	52,140,000	-
Reserves	9,076,054	8,730,722	4.0
Minority Interests	8,485,216	7,518,159	12.9
Accumulated Profit (Loss)	69,433,455	59,828,491	16.1
<b>Total Shareholder's Equity</b>	<b>139,134,725</b>	<b>128,217,372</b>	<b>8.5</b>

### **Financial Rating Guide**

FR1	Strong
FR2	Above Average
FR3	Average
FR4	Fair
FR5	Below Average
FR6	Poor
NR	No Rating

This rating serves as a reference to assess SC's financial performance. The financial rating assigned to SC takes into account of the following considerations: Profitability, Return on Invested Capital, Liquidity, Asset Management and Capital Structure and Solvency.

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**Table 2: Key Earnings Data (RM)**

<b>FYE December</b>	<b>2004</b>	<b>2003</b>	<b>% Changes</b>
<b>Turnover</b>	<b>118,707,378</b>	<b>108,765,840</b>	<b>9.1</b>
Profit (Loss) Before Tax	24,092,234	24,516,931	(1.7)
Income Tax	(6,301,552)	(6,599,217)	4.5
<b>Profit (Loss) After Tax</b>	<b>17,790,682</b>	<b>17,917,714</b>	<b>(0.7)</b>
Minority Interests	(677,558)	(719,085)	5.8
Dividend	(7,508,160)	(7,132,752)	(5.3)
Translation gain	-	30,280	-
Accumulated Profit (Loss) B/Forward	59,828,491	49,732,334	20.3
<b>Accumulated Profit (Loss) C/Forward</b>	<b>69,433,455</b>	<b>59,828,491</b>	<b>16.1</b>

**Table 3: Key Cash Flow Data (RM)**

<b>FYE December</b>	<b>2004</b>	<b>2003</b>	<b>% Changes</b>
Net Cash Flow from Operating Activities	17,864,822	15,487,739	15.3
Net Cash Flow from Investing Activities	(5,578,986)	(10,527,780)	47.0
Net Cash Flow from Financing Activities	(7,508,160)	(7,132,752)	(5.3)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>4,777,676</b>	<b>(2,172,793)</b>	<b>319.9</b>
Currency translation difference	689,904	4,549,493	(84.8)
Cash and Cash Equivalents B/Forward	35,247,016	32,870,316	7.2
<b>Cash and Cash Equivalents C/Forward</b>	<b>40,714,596</b>	<b>35,247,016</b>	<b>15.5</b>



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**Table 4: Key Financial Ratios**

<b>FYE December</b>		<b>2004</b>	<b>2003</b>
<b>Profitability</b>			
Gross Profit (Loss) Margin (%)	Gross Earnings/Turnover*100%	48.2	48.7
Pre-Tax Profit (Loss) Margin (%)	Pre-Tax Earnings/Turnover*100%	20.3	22.5
Net Profit (Loss) Margin (%)	Net Earnings/Turnover*100%	15.0	16.5
Earnings Per Share (RM)	Net Earnings/No. Of Shares Outstanding	0.3	0.3
<b>Return on Invested Capital</b>			
Return on Assets (%)	Net Earnings/Total Assets*100%	11.4	12.2
Return on Equity (%)	Net Earnings/Total Equity*100%	12.8	14.0
<b>Liquidity</b>			
Current Ratio	Current Assets/Current Liabilities	6.8	5.1
Quick Ratio	(Current Assets- Inventories)/Current Liabilities	5.2	3.7
Cash Ratio	Cash/Current Assets	0.1	0.1
Accounts Receivable Turnover Ratio (Times)	Turnover / A/C Receivable	9.4	8.3
Accounts Payable Turnover Ratio (Times)	Turnover / A/C Payable	18.3	12.6
Collection Period (Days)	A/C Receivable/Turnover*365	39	44
Payment Period (Days)	A/C Payable/Turnover*365	20	29
Inventory Turnover Ratio (Times)	Turnover/Inventory	6.9	5.9
Inventory Conversion Period (Days)	Inventory/Turnover*365	53	62
<b>Asset Management</b>			
Fixed Asset Turnover Ratio (Times)	Turnover/Fixed Assets	1.8	1.7
Asset Turnover Ratio (Times)	Turnover/Total Assets	0.8	0.7
<b>Capital Structure And Solvency</b>			
Total Debt to Asset Ratio (%)	Total Liabilities/Total Assets*100%	10.7	13.0
Total Debt to Equity Ratio (%)	Total Liabilities/Total Equity*100%	12.0	14.9
Non-Current Debt to Equity Ratio (%)	Non-Current Liabilities/Total Equity*100%	4.4	4.6



## Profitability

Turnover has featured an increasing trend (Refer to Chart 1). Specifically, SC has achieved an annual turnover growth rate of 9.1% in FYE2004. Turnover, representing revenue from sales of tea net of discount, fresh fruit bunches, food and beverages from the souvenir centres and tea shops totaled RM118.71 million in FYE2004, increasing by RM9.94 million from FYE2003.

Apart from improvement in turnover, SC has generated higher other operating income of RM3.19 million in FYE2004 as compared to RM3.10 million in FYE2003.

### Profitability

Increased in turnover;  
Decreased in earnings;  
Enlarged accumulated profits

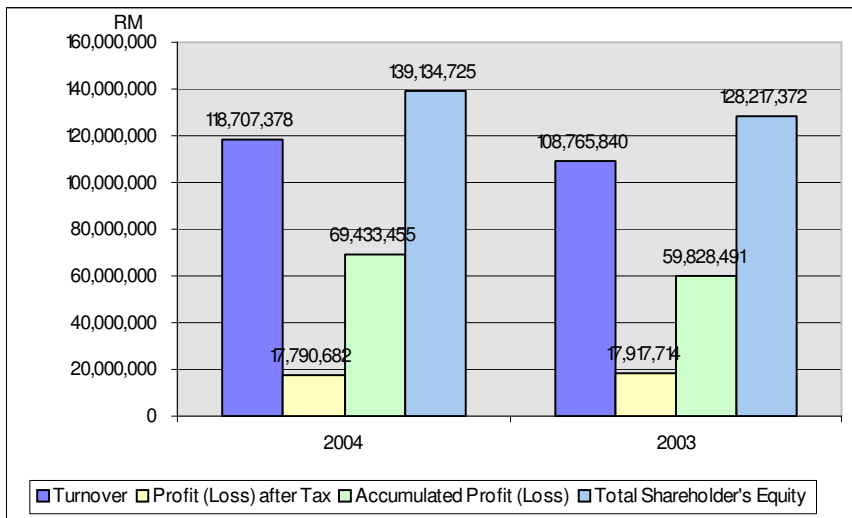


Chart 1: Comparative Performance of Turnover, Earnings and Total Shareholder's Equity

While turnover performance has demonstrated improvement, earnings fell in FYE2004 (Refer to Chart 1). Earnings after tax declined by 0.7% to RM17.79 million in FYE2004.

SC has incurred higher cost of sales during FYE2004. Cost of sales has increased by 10.1% from RM55.84 million in FYE2003 to RM61.49 million in FYE2004. Similarly, operating expenses have also increased by 15.3% from RM31.31 million in FYE2003 to RM36.09 million in FYE2004. Turnover has proved sufficient to fully cover cost of sales and operating expenses during the FYE2004 thereby leading to operating profits RM24.31 million in FYE2004.

Further on, SC has distributed dividend of RM7.51 million and incurred minority interest totaling RM0.68 million in FYE2004. Nonetheless, the production of earnings during the current year has helped boost accumulated profits by 16.1% to RM69.43 million in FYE2004. In addition, SC has increased its reserves by 4.0% to RM9.08 million while minority interests has also risen by 12.9% to RM8.49 million in FYE2004. The overall expansion of SC's equity items has translated into enlarged total shareholder's equity, which appreciated by 8.5% to RM139.13 million in FYE2004.



Decide with Confidence

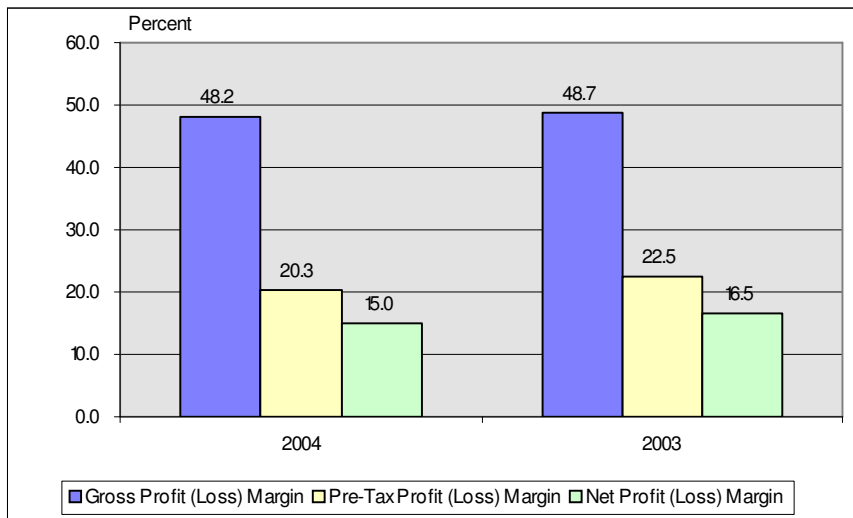


Chart 2: Analysis of Profit (Loss) Margin Ratios

Following the decline in its earnings, SC has become less profitable during FYE2004. The net profit margin ratio shows that the company has generated a profit of 15.0% per unit of turnover in FYE2004 as compared to 16.5% in FYE2003 (Refer to Chart 2). The gross profit margin registered at 48.2% and 48.7% in FYE2004 and FYE2003 respectively. Pre-tax margin dropped from 22.5% in FYE2003 to 20.3% in FYE2004.

## Return on Invested Capital

**Return On Invested Capital**  
Lower ROA and ROE

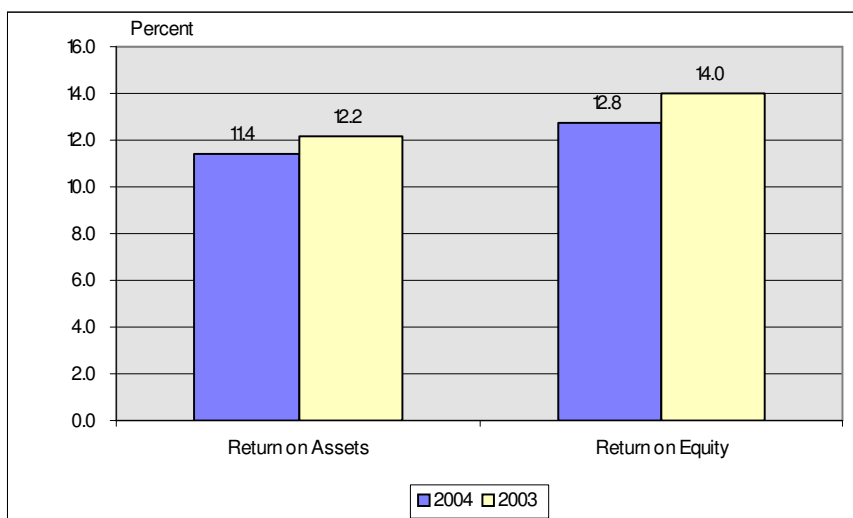


Chart 3: Comparative Changes in Return on Assets Ratio and Return on Equity Ratio



Similarly to net profit margin, ROA and ROE were decreasing in FYE2004 (Refer to Chart 3). ROA dropped to 11.4% in FYE2004, while ROE plunged to 12.8% in FYE2004.

The fact that the bulk of assets are financed by common equity capital rather than creditors is further reflected in the small debt to asset ratio, which amounted to 10.7% in FYE2004.

## Liquidity

Current ratio stood at 6.8 in FYE2004 against the benchmark of 1.20. According to the current ratio, SC's liquidity is rated as strong since the level of current assets is able to fully cover current liabilities during FYE2004 and FYE2003, as evidenced by the realisation of working capital surplus of RM61.94 million during FYE2004 (Refer to Chart 4).

## Liquidity

Strong liquidity standing

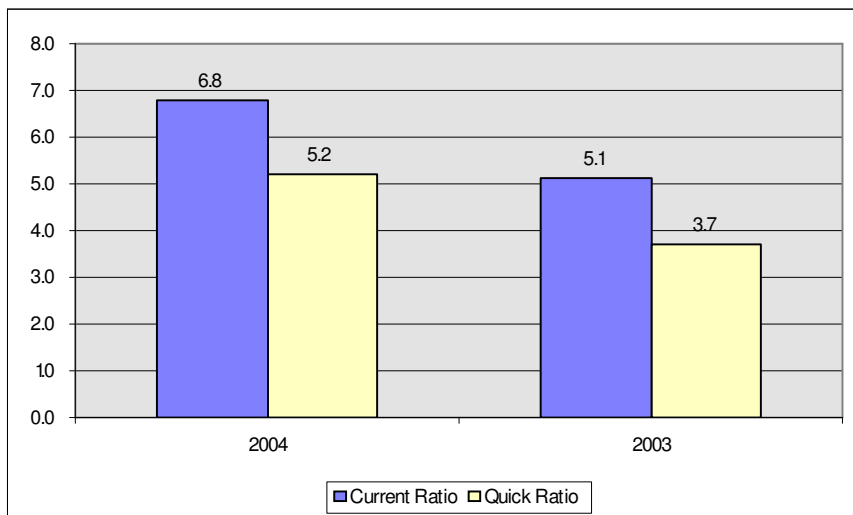


Chart 4: Comparative Changes in Current Ratio and Quick Ratio

Meanwhile, quick ratio continued to confirm SC's ability to meet short-term obligations for the past two financial years. With current ratio indicating SC's strong liquidity performance, SC is expected to score even lower quick ratios since acid-test ratio is a more stringent liquidity measure. Quick ratio stood at 5.2 and 3.7 in FYE2003 and FYE2004 (Refer to Chart 4). Current assets (after deducting inventories, which are deemed to be the most illiquid of all current assets) can fully cover the current liabilities taken on by SC.

Apart from current and quick ratios, it is important to examine a company's cash flow statements since liabilities are paid with cash. The company has increased its net operating cash of RM15.49 million in FYE2003 to RM17.86 million in FYE2004. Meanwhile, expenditure in investing activities reduced by 47.0% to RM5.58 million in FYE2004. On the other hand, net cash used in financing activities dived to RM7.51 million in FYE2004 from RM7.13 million in FYE2003 (Refer to Table 3).



Unlike previous financial year, SC has generated enough net operating cash surplus to cover total cash outlays incurred during the FYE2004. SC has generated net cash surplus of RM4.78 million in FYE2004, denoting an improvement of 319.9% from a deficit of RM2.17 million in FYE2003. Furthermore, the generation of net cash surplus has enabled cash balance to expand by 15.5% to RM40.71 million in FYE2004.

Chart 5 revealed an improvement of SC's collection and payment periods in FYE2004. Both collection and payment periods have exhibited improvement in the overall turnover of its receivables and payables in FYE2004. While collection period has dropped from 44 days to 39 days in FYE2004, payment period has also shortened to 20 days in FYE2004 from 29 days in FYE2003.

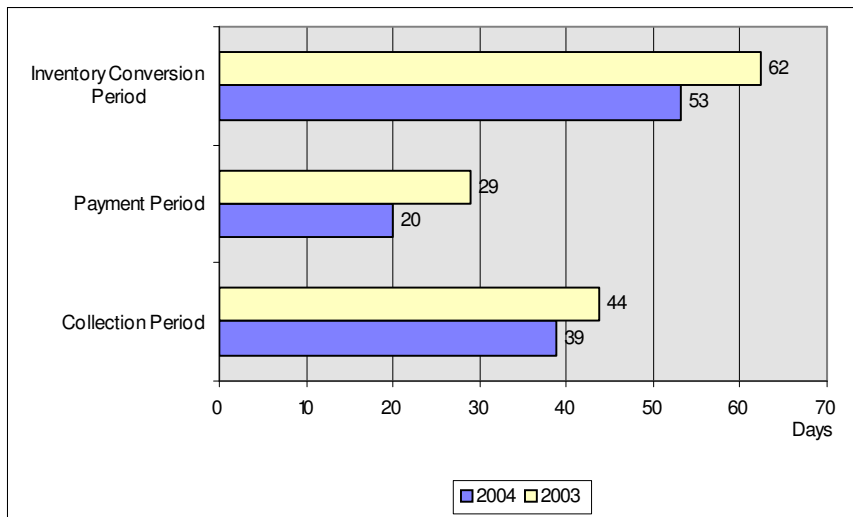


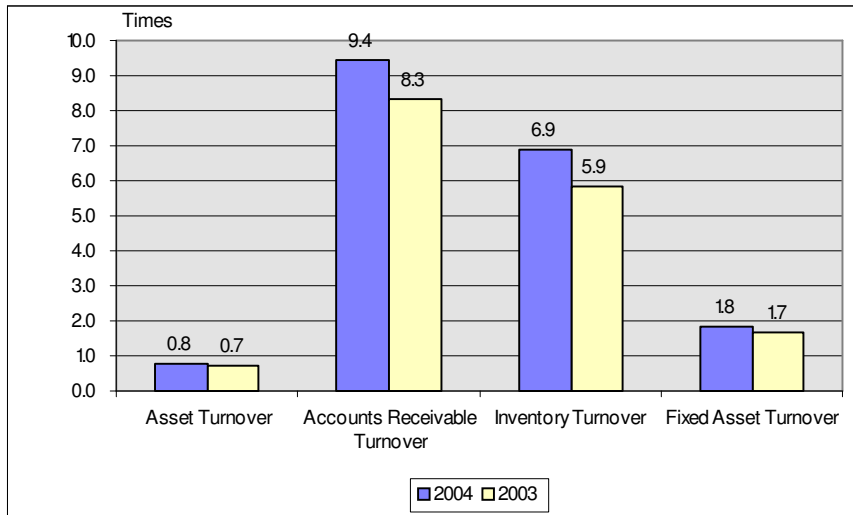
Chart 5: Analysis of Collection, Payment and Inventory Conversion Periods

It was observed that SC has basically kept to low inventory upkeep. Inventories accounted for 23 per cent of total current assets during current financial year. SC's inventories turn around 5.9 times in FYE2003 and 6.9 times FYE2004. Generally speaking, the higher the turnover number, the better for the company because low inventories often suggest a minimal risk of unsalable goods and indicate efficient use of capital.



## Asset Management

Meanwhile, SC has displayed efficient management of its fixed assets during FYE2004. As indicated in Chart 6, SC's fixed assets turned around 1.8 times in FYE2004 as compared to 1.7 times in FYE2003. However, it should be highlighted that fixed asset turnover may not be a good indicator of SC's efficiency since it has invested minimally on fixed assets.



**Chart 6: Comparative Changes in Asset, Accounts Receivable, Inventory and Fixed Asset Turnover Ratios**

A better representation of SC's efficiency of assets will be to look at its asset turnover ratio. The turnaround frequency for assets rose by 0.1 times to 0.8 times in FYE2004 (Refer to Chart 6).



Decide with Confidence

## Capital Structure and Solvency

### Capital Structure and Solvency

Undertaken much greater current liabilities to finance its operations; Low leveraged

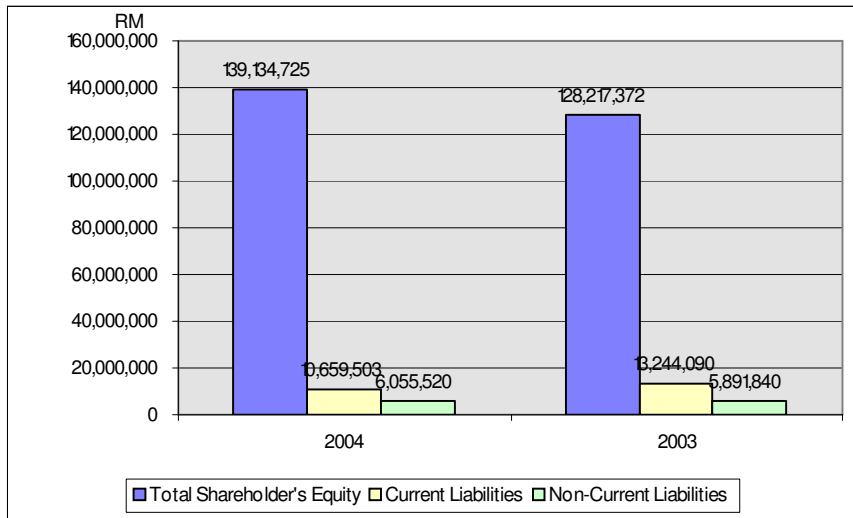


Chart 7: Analysis of Total Shareholder's Equity and Liabilities

SC has undertaken much greater current liabilities than long-term liabilities to finance its operations during both financial years (Refer to Chart 7). Contrary to long-term liabilities, it was observed that current liabilities are decreasing during FYE2004. Current liabilities posted a decrement of 19.5% and have fallen to RM10.66 million in FYE2004. Meanwhile, long-term liabilities posted an increment of 2.8% and have risen to RM6.06 million in FYE2004. In comparison to total shareholder's equity totaling RM139.13 million and RM128.22 million in FYE2004 and FYE2003 respectively.

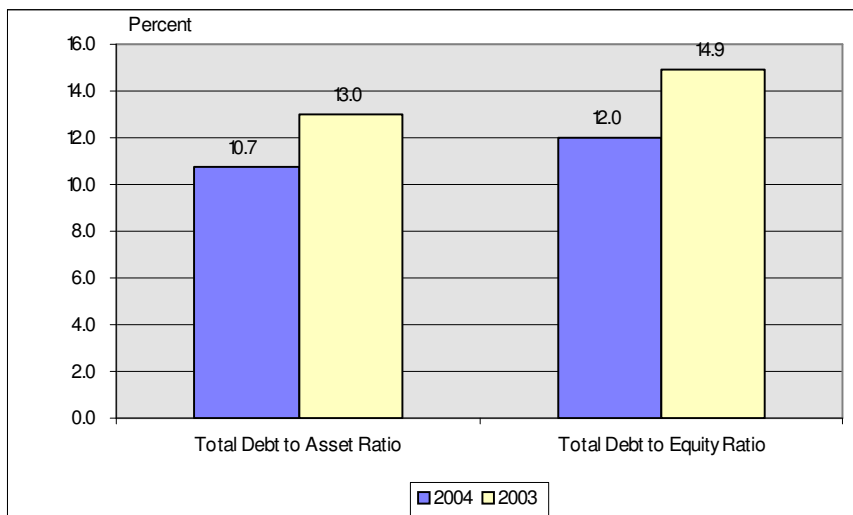


Chart 8: Comparative Changes in Total Debt to Asset Ratio and Total Debt to Equity Ratio



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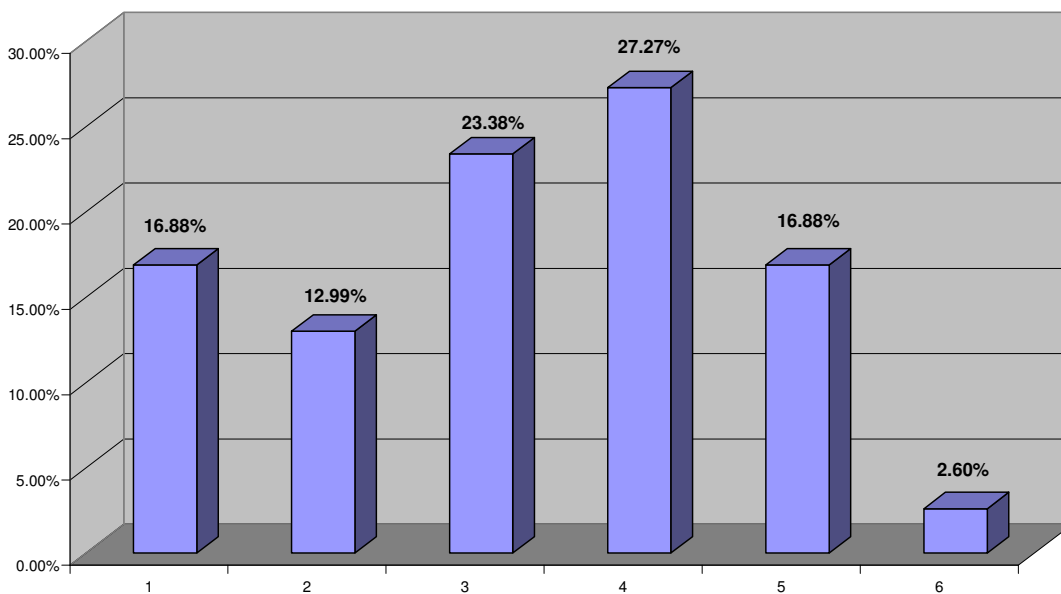
Chart 8 unveiled that SC is basically a low leveraged, or geared company. The debt to asset ratio hovered around the 10 per cent mark during both financial years. The company's leverage has slid by 2.3% to 10.7% in FYE2004. This reduced leverage is also reflected in total debt to equity, whereby it shrunk by 2.9% to 12.0% in FYE2004. This low leverage position acts as an incentive to its potential lenders as it suggests that SC will not faced difficulty in repaying its debts.

## Risk Index Industry Norm

### Agriculture, Fishing & Forestry Industry

The Risk Index Industry Norm is developed from the industry samples currently available in the ICD&B database and used ICD&B's advanced statistical techniques. The industry is defined by the first 4 digits of Standard Industry Code.

Risk Index Industry Norm



Bank Negara has projected that the Malaysian economy will grow by 6 percent this year, up from an earlier estimate of 5.5 percent. This higher growth (5.3% in 2005) is expected to be private sector driven, backed by a strong global economy. All sectors are expected to register positive growth with manufacturing and the services sectors taking the lead with estimated increase of 7% and 6% respectively. Bank Negara indicated that policy initiatives in 2006 will focus on generating quality growth in the short-term to provide a strong foundation for long-term sustainable growth. These would include measures to enhance national



Decide with Confidence

resilience and the ability to meet external challenges in an increasingly competitive global environment as well as rising oil prices.

The global economy continues to grow at a moderate pace, despite the high price of oil and rising interest rates. The US economy is still expected to grow by a robust 3.3 per cent in 2006, slowing down slightly from a 3.5 per cent growth last year as higher interest rates dampen economic growth. The International Monetary Fund (IMF) has projected the global economy to remain stable at a 4.3 per cent growth in 2006 (2005: 4.3%).

The Malaysian economy is moving at moderate speed, partly underpinned by the resilient domestic demand and the upturn in the global electronics sector. In the first two months of 2006, industrial production had grown moderately, while exports rose at double-digit pace. The leading index inched up by 4.7 per cent in Jan'06, from a gain of 4.4 per cent in Dec'05, pointing to a marginal improvement in growth in the first half of 2006.

On balance, Malaysian economy expected to benefit from the rebound in electronics, firm commodity prices, and a resilient domestic demand. Under these conditions, GDP growth could edge up to 5.5 per cent in 2006, from 5.3 per cent last year. Barring unforeseen events, with a steadier global economy and stable domestic conditions, growth rate could drift closer to its potential level (estimated at 6.0 per cent), garnering a 5.8 per cent expansion in 2007.

## Remarks

Established in 1929, SC has gained 86 years of experience in this line of business. Current investigations revealed that SC specialized in specialized in manufacturing and retailing of beverages.

Based on the financial statements, SC's financial performance appears to be average. SC has been in its line of business for about 86 years. Taking into account its long-standing history, reputation in the market, as well as its financial condition, we recommend that credit may proceed in moderate amounts depending on individual judgment and past business dealings with SC.

## END OF THIS REPORT



## Appendix

### Credit Rating Guide

RATING KEY		CREDIT RISK ASSESSMENT	PROPOSED CREDIT LIMIT (in concerned business field)
<b>CA1</b>	Minimal	Credit can proceed with favorable terms	Large amount
<b>CA2</b>	Low	Credit can proceed promptly	Fairly large amount
<b>CA3</b>	Average	Credit can proceed normally	Moderate amount
<b>CA4</b>	Above average	Credit should proceed with monitor	Small amount – periodical review
<b>CA5</b>	Fairly High	Credit should be extended under guarantee	C.O.D. To small amount
<b>CA6</b>	High	Credit is not recommended	C.O.D.
<b>NR</b>	Assessment not conducted	Insufficient data available	No recommendation

This rating 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 and their relative weights (as indicated through %) in our credit analysis are as follows:

Financial condition (40%)	Ownership background (5%)	Payment record (10%)
Credit history (30%)	Market trend (5%)	Operational size (10%)

In case of unlimited companies, newly established companies, or lack of financial data, more weight is given to 'Ownership background' and 'Payment record' in our analysis.

#### Adopted abbreviations:

NA - Not Available    MYR - Malaysian Ringgit    SC - subject company (the company inquired by you)



Decide with Confidence

**Dun & Bradstreet (D&B) MALAYSIA SDN BHD**

**RESEARCH & OPERATIONS DEPARTMENT**

Level 9-3A, Menara Milenium, Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur

Tel: 603 – 2080 6000 Fax: 603 – 2080 6001

**Subject Company:**

ABC Sdn Bhd

Dear Sir/Madam,

Enclosed please find the credit report(s) you have requested. As part of our effort in enhancing report quality, please **EMAIL/FAX** ([csc@dnb.com.my](mailto:csc@dnb.com.my)) us this note upon receipt of this report. If we do not receive your acknowledgment within 24 hours, we will contact you to reconfirm the delivery of this report. Should there be anything you can suggest to help us improve our reports and services, please do not hesitate to let us know.

Thank you very much.

Message from Research & Operations Department

**~ ACKNOWLEDGMENT ~**

TO : RESEARCH & OPERATIONS DEPARTMENT  
FROM :  
DATE : / /2006

Feedback - Please TICK the appropriate box.

- |                               |                                |                               |
|-------------------------------|--------------------------------|-------------------------------|
| <b>Content</b>                | <b>Layout and Presentation</b> | <b>Speed of Delivery</b>      |
| <input type="checkbox"/> Good | <input type="checkbox"/> Good  | <input type="checkbox"/> Good |
| <input type="checkbox"/> Fair | <input type="checkbox"/> Fair  | <input type="checkbox"/> Fair |
| <input type="checkbox"/> Poor | <input type="checkbox"/> Poor  | <input type="checkbox"/> Poor |
| <b>Information</b>            | <b>Overall Impression</b>      |                               |
| <input type="checkbox"/> Good | <input type="checkbox"/> Good  |                               |
| <input type="checkbox"/> Fair | <input type="checkbox"/> Fair  |                               |
| <input type="checkbox"/> Poor | <input type="checkbox"/> Poor  |                               |

FURTHER COMMENT \_\_\_\_\_

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Company's Stamp & Signature,