



**Credit Report**

Your reference : XXXXX  
Total number of pages : 21

Subscriber No : XXXX  
Our reference No : 9XXXXX  
Type of report : Standard

Enquiry on : XXXXXXXX AIRWAYS XXX. BHD.  
XXXXX @ OASIS CORPORATE PARK,  
XX-X-XX, BLOCK X NO X XXXXXXXX PJU XX/X,  
ARA XXXXX,  
47301 PETALING JAYA, SELANGOR,  
MALAYSIA.

Report Date : April 04, 2023

**REPORT ON :** **XXXXXXXX AIRWAYS XXX. BHD.**  
XXXXX @ OASIS CORPORATE PARK,  
XX-X-XX, BLOCK X NO X XXXXXXXX PJU XX/X,  
ARA XXXXX,  
47301 PETALING JAYA, SELANGOR,  
MALAYSIA.

**Score: X (out of 10)**

Score Explanation:

It is a financial rating which assesses the probability of companies defaulting within one year.

The assessments are presented over ten distinct positions, each reflecting an average default rate in the coming year: the lower a company's credit score is, the riskier its situation is; the higher its score is, the less risky its situation is.

**Different levels and description:**

<b>Default</b>	<b>Very high risk</b>			<b>Medium high risk</b>		<b>Low risk</b>				
0	1	2	3	4	5	6	7	8	9	10

**0**: Insolvency/preliminary/debt regulation proceedings

**1**: Extremely high risk of insolvency

**2**: Very high risk of insolvency

**3**: High risk

**4**: Significant risk

**5**: Medium high risk

**6**: Acceptable risk

**7**: Moderate risk

**8**: Low risk

**9**: Very low risk

**10**: Excellent risk

**CREDIT RECOMMENDATION WITHOUT OBLIGATION**

**Recommended maximum credit: NIL**

**SUMMARY:**

Founded	:	20XX
Legal form	:	Private limited (limited by share)
Registration date	:	27/09/20XX
Activity	:	Provision of air transport services
Staff	:	N/A
Issued and paid up capital	:	MYR 1,726,414,598.00 divided into Ordinary shares 61,000,000.00 cash Preference shares 259,084,598.00 cash and 1,406,330,000.00 Otherwise
Annual revenue	:	MYR 2,288,698,000 [2018]
Total assets	:	MYR 495,048,000 [2018]
Payments	:	N/A
Litigation record	:	Traced

**All figures are shown in MYR unless otherwise stated.**

**IDENTIFICATION**

Company name : XXXXXXX AIRWAYS XXX. BHD.  
 XXXXX @ OASIS CORPORATE PARK,  
 XX-X-XX, BLOCK X NO X XXXXXX PJU XX/X,  
 ARA XXXXX,  
 47301 PETALING JAYA, SELANGOR,  
 MALAYSIA.

Tel. : 03-7841XXXX/2035XXXX  
 Fax : N/A  
 Email : N/A  
 Website : WWW.XXXXXXXXXX.COM

Registered address : XXTH FLOOR, XXXXX HAP XXXX,  
 X & X, XXXX P.XXXXXX,  
 50250 KUALA LUMPUR, WILAYAH PERSEKUTUAN,  
 MALAYSIA.

**LEGAL FORM**

Subject is established as Private limited (limited by share) on September 27, 20XX.

Registration No. : 20120103XXXX (101XXXX-X)  
 Sst Number : B16-1808-3101XXXX  
 Company Name : **XXXXXXXX AIRWAYS XXX. BHD.**  
 Former Name : N/A  
 Incorporation Date : 27/09/20XX

Company Status : Exist  
 Legal Form : Private Limited (Limited By Share)  
 Listed Status : No

**NATURE OF BUSINESS**

Industry Code : 51  
 Principal Activity : Provision Of Air Transport Services

**CAPITAL**

Issued And Paid Up Capital : MYR 1,726,414,598.00 Divided Into  
 Ordinary Shares 61,000,000.00 Cash  
 Preference Shares 259,084,598.00 Cash And 1,406,330,000.00  
 Otherwise

**SHARE CAPITAL HISTORY**

Date	Authorised Shared Capital	Issue & Paid Up Capital
04/06/2020	N/A	MYR 1,726,414,598.00
27/06/2019	N/A	MYR 591,414,598.00
11/06/2019	N/A	MYR 576,414,598.00
25/01/2018	N/A	MYR 561,414,598.00
26/12/2017	N/A	MYR 554,084,598.00
22/08/2017	N/A	MYR 260,084,598.00
28/09/2012	MYR 5,000,000.00	MYR 1,000,000.00
27/09/2012	MYR 5,000,000.00	MYR 2.00

**SHAREHOLDER**

Name	Address	IC/PP/Loc No	Shareholding	(%)
LX XXXXXX SDN. BHD.	Meritus @ XXX XXXXX XXX, XX-X-XX, Block X, X, Jalan Pju XX/2, Ara Damansara, 47301 Petaling Jaya, Selangor, Malaysia.	1231XXX	1,665,414,598.00	96.47
XXX ONE XXXXX SDN. BHD.	XX, Jalan XX/X, XXXX XXXXX, Persiaran Mimbar, Bukit Jelutong, 40150 Shah Alam, Selangor, Malaysia.	10164XXX	31,110,000.00	1.80
XX LION XXXX	XXXX Air Tower, XX XXX XXXX No.XX Jakarta Pusat, 10130 Indonesia	-	29,890,000.00	1.73
			-----	-----
			1,726,414,598.00	100.00
			=====	=====

+ Also Director

**FORMER SHAREHOLDER(S)**

Name	Country	IC/PP/Loc No	Shareholding	Last Updated
XXXX BIN JOHAN,XXX	MALAYSIA	450621-13-XXXX	N/A	16/08/20XX
XXXX AEROSPACE & XXXX XXXX BERHAD	MALAYSIA	1123XX	N/A	16/08/20XX
XXXXX KANA	MALAYSIA	A1224XXX	N/A	16/08/20XX
XXXXX KIRANA	MALAYSIA	A5115XXX	N/A	28/05/20XX

**DIRECTORS****DIRECTOR 1**

Name Of Subject : MS. XXX CHOOI XXXXX  
Address : XX, XXXXX XXX X/X TAMAN PUNCAK JALIL, PUTRA PERMAI, 43300 XXX  
XXXX, SELANGOR, MALAYSIA.  
IC / PP No : A3911XXX  
New IC No : 780206-10-5XXX  
Nationality : MALAYSIAN  
Date of Appointment : 30/01/20XX

**DIRECTOR 2**

Name Of Subject : XXXX LUMINGKEWAS  
Address : XXXX CISADANE XX, XX XXX/XXX CIKINI, XXXXX JAKARTA PUSAT,  
JAKARTA, 00000, INDONESIA.  
IC / PP No : X219XXX  
Date of Birth : 22/07/19XX  
Nationality : INDONESIAN  
Date of Appointment : 04/12/20XX

**DIRECTOR 3**

Name Of Subject : MR. XXXXXX XXX MUSTAFA XXXX  
Address : X-XX-X, JALAN CYBERIA X, XXXXXX XXXXXX, 63000 CYBERJAYA,  
SELANGOR, MALAYSIA.  
Other Address(es) : PT XXXX, JALAN BBN XX/XX, XXXX.XXXX MELATI, NILAI, 71800 NILAI,  
NEGERI SEMBILAN, MALAYSIA.  
IC / PP No : A2970XXX  
New IC No : 750203-04-XXXX  
Date of Birth : 03/02/19XX  
Nationality : MALAYSIAN  
Date of Appointment : 23/09/20XX

**FORMER DIRECTOR(S)**

Name	Address	IC/PP No	Appointed Date	Withdrawn Date
XXXX ELKANY BIN XXXX	X, XXXX PENGATURCARA XX/XXX, TEMASYA INDUSTRIAL PARK, XXXXX, SELANGOR, MALAYSIA	730427-13- XXX	27/09/20XX	09/10/20XX
XXXX KIRANA	XX PTD XXXX, LEISURE FARM XXXX, XXX XXX, JOHOR, MALAYSIA	A5115XXX	27/09/20XX	04/12/20XX
XXXXX A/L XXXX MUTHY	NO. XX JALAN SP X/XXX, XXXX XXXXXX XXXXX, SEK. X SUBANG PERDANA, SHAH ALAM, SELANGOR, MALAYSIA	791206-05- XXX	08/10/20XX	23/09/20XX
XXX BURHAN XXX ARMEIN	XXXX MAMPANG XXXXX, XXX NO.X12790, JAKARTA, INDONESIA	A7294XXX	05/04/20XX	14/07/20XX
XXXXX BIN XXXX	XX-X-XX, XXX XXXX, JALAN XX/XXA, TAMAN SETIAWANGSA, XXXX XXXX, WILAYAH PERSEKUTUAN, MALAYSIA	450621-13- XXX	27/09/20XX	30/01/20XX

Note: The above information was generated from our database.

**MANAGEMENT**

N/A

**AUDITOR**

Firm No	Firm Name	Address	As At Date
AF0XXX	XXXXX PLT	LEVEL XX, XXXXX XXXX, XFIRST AVENUE, XXXX XXX, XXXX XXXX, 47800 PETALING JAYA, SELANGOR, MALAYSIA.	31/12/20XX

**COMPANY SECRETARIES**

- 1) Company Secretary : MS. XXX MEE XXX  
 New IC No : 770214-14-XXXX  
 Address : XX, JALAN BANGAU X, XXXXX XXXX XXXX, 47100 PUCHONG,  
 SELANGOR, MALAYSIA.  
 Date of Appointment : 10/11/20XX
  
- 2) Company Secretary : MS. XXXX ALLISON XX XXXXX  
 New IC No : 681119-10-XXXX  
 Address : X, JALAN DESA RIA SATU, XXXXX XXXXX, 58100 KUALA LUMPUR,  
 WILAYAH PERSEKUTUAN, MALAYSIA.  
 Date of Appointment : 23/09/20XX

**HISTORY**

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) provision of air transport services.

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

The immediate holding company of the Subject is LX XXXXXX SDN. BHD., a company incorporated in MALAYSIA.

**ACTIVITY**

Provision of air transport services

**PREMISES****Former Address (es)**

<b>Address</b>	<b>As At Date</b>
XXX XXXXX, Pt XXX, Jalan Lapangan Terbang Subang, 47200, Selangor, Malaysia	09/10/20XX
Unit XXXX, Block X, Mentari Business Park, XXXXX XXX X/X, Bandar Sunway, 46150, Selangor, Malaysia	09/11/20XX
Unit XXX, Block X, XXXX XXXX XXXX, Jalan Pjs X/X, Bandar Sunway, 46150, Selangor, Malaysia	15/05/20XX
XXX, Ss XX/XX, 47500, Selangor, Malaysia	20/03/20XX4
C-X-0X, Block X, XXX XXX XXXX, Jalan Pju Xa/Xa, 47301, Selangor, Malaysia	27/11/20XX

**PARENT COMPANY**

LX XXXXXX SDN. BHD.

**RELATED COMPANIES**

XXX ONE XXXXX SDN. BHD.

XX LION XXXX

**SUBSIDIARIES/ASSOCIATES**

<b>Local No</b>	<b>Country</b>	<b>Company</b>	<b>Status</b>	<b>(%)</b>	<b>As At</b>
1077XXXX	MALAYSIA	XXXXXX HOLIDAYS XXX. BHD.	-	99.00	16/05/2019



## **FINANCIAL ANALYSIS**

### **Profitability**

Turnover	:	Increased	[	2014 - 2018	]
Profit/(Loss) Before Tax	:	Increased	[	2014 - 2018	]
Return on Shareholder Funds	:	Unfavourable	[	53.90%	]
Return on Net Assets	:	Unfavourable	[	53.85%	]

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. Although the Subject's returns showed positive figures it is not reflective of the true situation. The Subject incurred losses during the year and its shareholders' funds have turned red. The positive returns on shareholders' funds is the result of losses divided by negative shareholders' funds. The Subject's management was inefficient in utilising the assets to generate returns.

### **Working Capital Control**

Debtor Ratio	:	Favourable	[	14 Days	]
Creditors Ratio	:	Favourable	[	32 Days	]

The favourable debtors' days could be due to the good credit control measures implemented by the Subject. The Subject had a favourable creditors' ratio where the Subject could be taking advantage of the cash discounts and also wanting to maintain goodwill with its creditors.

### **Liquidity**

Liquid Ratio	:	Unfavourable	[	0.24 Times	]
Current Ratio	:	Unfavourable	[	0.24 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	[	(1,043.32 Times)	]
Gearing Ratio	:	Unfavourable	[	(0.01 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's gearing was negative during the year as its shareholders' funds was in the red. This means the Subject is running its business using borrowed money. We consider the Subject as facing high financial risks.

**FINANCE****PROFIT AND LOSS ACCOUNT****THE FINANCIAL STATEMENTS WERE PREPARED IN ACCORDANCE WITH MALAYSIAN  
FINANCIAL REPORTING STANDARDS (FRS)****XXXXXXX AIRWAYS XXX. BHD.**

Financial Year End	2018-12-31	2017-12-31	2016-12-31	2015-12-31	2014-12-31
Months	12	12	12	12	12
Consolidated Account	GROUP	GROUP	GROUP	GROUP	Company
Audited Account	YES	YES	YES	YES	YES
Unqualified Auditor's Report (Clean Opinion)	YES	YES	YES	YES	YES
Financial Type	FULL	FULL	FULL	FULL	FULL
Currency	MYR	MYR	MYR	MYR	MYR
TURNOVER	2,288,698,000	2,090,465,000	1,379,660,000	824,480,000	570,473,000
Other Income	44,682,000	65,432,000	39,104,000	19,304,000	9,825,000
	-----	-----	-----	-----	-----
Total Turnover	2,333,380,000	2,155,897,000	1,418,764,000	843,784,000	580,298,000
Costs of Goods Sold	(2,581,320,000)	(2,358,920,000)	(1,435,690,000)	(838,240,000)	(598,536,000)
	-----	-----	-----	-----	-----
Gross Profit	(247,940,000)	(203,023,000)	(16,926,000)	5,544,000	(18,238,000)
	-----	-----	-----	-----	-----
PROFIT/(LOSS) FROM OPERATIONS	(582,731,000)	(499,273,000)	(273,146,000)	(130,325,000)	(89,327,000)
	-----	-----	-----	-----	-----
PROFIT/(LOSS) BEFORE TAXATION	(582,731,000)	(499,273,000)	(273,146,000)	(130,325,000)	(89,327,000)
Taxation	(48,000)	(4,000)	-	-	-
	-----	-----	-----	-----	-----
PROFIT/(LOSS) AFTER TAXATION	(582,779,000)	(499,277,000)	(273,146,000)	(130,325,000)	(89,327,000)
Minority interests	(2,000)	7,000	(6,000)	(1,000)	-
	-----	-----	-----	-----	-----
PROFIT/(LOSS) BEFORE EXTRAORDINAR Y ITEMS	(582,781,000)	(499,270,000)	(273,152,000)	(130,326,000)	(89,327,000)

PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS	(582,781,000)	(499,270,000)	(273,152,000)	(130,326,000)	(89,327,000)
<b>RETAINED PROFIT/(LOSS) BROUGHT FORWARD</b>					
As previously reported	(1,059,792,000)	(560,522,000)	(287,370,000)	(157,044,000)	(67,917,000)
As restated	(1,059,792,000)	(560,522,000)	(287,370,000)	(157,044,000)	(67,917,000)
PROFIT AVAILABLE FOR APPROPRIATION S	(1,642,573,000)	(1,059,792,000)	(560,522,000)	(287,370,000)	(157,244,000)
RETAINED PROFIT/(LOSS) CARRIED FORWARD	(1,642,573,000)	(1,059,792,000)	(560,522,000)	(287,370,000)	(157,244,000)
	=	=	=	=	=
<b>INTEREST EXPENSE (as per notes to P&amp;L)</b>					
Others	558,000	187,000	5,000	5,000	5,000
	558,000	187,000	5,000	5,000	5,000
	=	=	=	=	=
DEPRECIATION (as per notes to P&L)	19,293,000	12,070,000	7,386,000	3,681,000	1,454,000
Total Amortization And Depreciation	19,293,000	12,070,000	7,386,000	3,681,000	1,454,000
	=	=	=	=	=

**BALANCE SHEET****XXXXXXX AIRWAYS XXX. BHD.**

Financial Year End	2018-12-31	2017-12-31	2016-12-31	2015-12-31	2014-12-31
Months	12	12	12	12	12
Currency	MYR	MYR	MYR	MYR	MYR
<b>ASSETS</b>					
<b>EMPLOYED:</b>					
FIXED ASSETS	116,159,000	91,167,000	28,466,000	17,783,000	11,277,000
<b>LONG TERM INVESTMENTS/OTHER ASSETS</b>					
Associated companies	400,000	200,000	200,000	-	-
Investments	16,000	16,000	-	-	-
	-----	-----	-----	-----	-----
TOTAL LONG TERM INVESTMENTS/OTHER ASSETS	416,000	216,000	200,000	-	-
	-----	-----	-----	-----	-----
TOTAL LONG TERM ASSETS	116,575,000	91,383,000	28,666,000	17,783,000	11,277,000
<b>CURRENT ASSETS</b>					
Stocks	162,000	45,000	20,000	16,000	194,000
Trade debtors	87,318,000	74,252,000	58,058,000	27,158,000	18,118,000
Other debtors, deposits & prepayments	171,214,000	173,447,000	111,522,000	92,777,000	19,868,000
Short term deposits	14,949,000	14,883,000	10,104,000	9,092,000	1,851,000
Amount due from related companies	71,526,000	22,761,000	121,242,000	71,506,000	47,230,000
Cash & bank balances	33,304,000	34,387,000	18,641,000	26,149,000	8,118,000
	-----	-----	-----	-----	-----
TOTAL CURRENT ASSETS	378,473,000	319,775,000	319,587,000	226,698,000	95,379,000
	-----	-----	-----	-----	-----
TOTAL ASSET	495,048,000	411,158,000	348,253,000	244,481,000	106,656,000
	=====	=====	=====	=====	=====
	==	==	==	==	==
<b>CURRENT LIABILITIES</b>					
Trade creditors	226,802,000	148,507,000	184,583,000	71,516,000	-

Other creditors & accruals	804,652,000	86,957,000	88,409,000	177,678,000	-
Hire purchase & lease creditors	157,000	79,000	-	-	-
Short term borrowings/Term loans	890,000	602,000	-	-	-
Amounts owing to related companies	368,141,000	293,330,000	291,907,000	246,975,000	-
Amounts owing to director	-	-	259,085,000	-	-
Lease payables	-	-	28,000	28,000	117,000
Other liabilities	162,090,000	369,252,000	83,688,000	34,557,000	-
	-----	-----	-----	-----	-----
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,562,732,000</b>	<b>898,727,000</b>	<b>907,700,000</b>	<b>530,754,000</b>	<b>117,000</b>
	-----	-----	-----	-----	-----
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	<b>(1,184,259,000)</b>	<b>(578,952,000)</b>	<b>(588,113,000)</b>	<b>(304,056,000)</b>	<b>95,262,000</b>
	-----	-----	-----	-----	-----
<b>LONG TERM LIABILITIES</b>					
Long term loans	13,308,000	10,683,000	-	-	-
Lease obligations	155,000	118,000	61,000	89,000	28,000
Others	-	-	-	-	262,755,000
	-----	-----	-----	-----	-----
<b>TOTAL LONG TERM LIABILITIES</b>	<b>13,463,000</b>	<b>10,801,000</b>	<b>61,000</b>	<b>89,000</b>	<b>262,783,000</b>
	-----	-----	-----	-----	-----
<b>TOTAL NET ASSETS</b>	<b>(1,081,147,000)</b>	<b>(498,370,000)</b>	<b>(559,508,000)</b>	<b>(286,362,000)</b>	<b>(156,244,000)</b>
	=====	=====	=====	=====	=====
	==	==	==	==	==
<b>FINANCED BY:</b>					
<b>SHARE CAPITAL</b>					
Ordinary share capital	561,415,000	561,415,000	1,000,000	1,000,000	1,000,000
	-----	-----	-----	-----	-----
<b>TOTAL SHARE CAPITAL</b>	<b>561,415,000</b>	<b>561,415,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
	-----	-----	-----	-----	-----
<b>RESERVES</b>					
Exchange equalisation/fluctuation reserve	2,000	-	-	-	-
Retained profit/(loss) carried forward	(1,642,573,000)	(1,059,792,000)	(560,522,000)	(287,370,000)	(157,244,000)

TOTAL RESERVES	(1,642,571,000 )	(1,059,792,000 )	(560,522,000)	(287,370,000)	(157,244,000)
MINORITY INTEREST	9,000	7,000	14,000	8,000	-
SHAREHOLDERS' FUNDS/EQUITY	(1,081,147,000 )	(498,370,000)	(559,508,000)	(286,362,000)	(156,244,000)
	=====	=====	=====	=====	=====
	==	==	==	==	==

### FINANCIAL RATIO

#### XXXXXXX AIRWAYS XXX. BHD.

Financial Year End	2018-12-31	2017-12-31	2016-12-31	2015-12-31	2014-12-31
Months	12	12	12	12	12
Currency	MYR	MYR	MYR	MYR	MYR
<b>TYPES OF FUNDS</b>					
Cash	48,253,000	49,270,000	28,745,000	35,241,000	9,969,000
Net Liquid Funds	48,253,000	49,270,000	28,745,000	35,241,000	9,969,000
Net Liquid Assets	(1,184,421,000)	(578,997,000)	(588,133,000)	(304,072,000)	95,068,000
Net Current Assets/(Liabilities)	(1,184,259,000)	(578,952,000)	(588,113,000)	(304,056,000)	95,262,000
Net Tangible Assets	(1,081,147,000)	(498,370,000)	(559,508,000)	(286,362,000)	(156,244,000)
Net Monetary Assets	(1,197,884,000)	(589,798,000)	(588,194,000)	(304,161,000)	(167,715,000)
<b>PROFIT &amp; LOSS ITEMS</b>					
Earnings Before Interest & Tax (EBIT)	(582,173,000)	(499,086,000)	(273,141,000)	(130,320,000)	(89,322,000)
Earnings Before Interest, Taxes, Depreciation And Amortization (EBITDA)	(562,880,000)	(487,016,000)	(265,755,000)	(126,639,000)	(87,868,000)
<b>BALANCE SHEET ITEMS</b>					
Total Borrowings	14,510,000	11,482,000	61,000	89,000	28,000
Total Liabilities	1,576,195,000	909,528,000	907,761,000	530,843,000	262,900,000
Total Assets	495,048,000	411,158,000	348,253,000	244,481,000	106,656,000
Net Assets	(1,081,147,000)	(498,370,000)	(559,508,000)	(286,362,000)	(156,244,000)
Net Assets Backing	(1,081,147,000)	(498,370,000)	(559,508,000)	(286,362,000)	(156,244,000)

Shareholders' Funds	(1,081,147,000)	(498,370,000)	(559,508,000)	(286,362,000)	(156,244,000)
Total Share Capital	561,415,000	561,415,000	1,000,000	1,000,000	1,000,000
Total Reserves	(1,642,571,000)	(1,059,792,000)	(560,522,000)	(287,370,000)	(157,244,000)
Cash Convertible Assets (CCA)	135,571,000	123,522,000	86,803,000	62,399,000	28,087,000
Tangible Net Worth (TNW)	(1,081,147,000)	(498,370,000)	(559,508,000)	(286,362,000)	(156,244,000)
Free Cash Flow (FCF)	0	0	0	0	0
<b>GROWTH RATIOS (Year on Year) (%)</b>					
Revenue	9.48	51.52	67.34	44.53	241.34
Profit/(Loss) Before Tax	(16.72)	(82.79)	(109.59)	(45.90)	(31.52)
Profit/(Loss) After Tax	(16.72)	(82.79)	(109.59)	(45.90)	(31.52)
Total Assets	20.40	18.06	42.45	129.22	117.71
Total Liabilities	73.30	0.19	71.00	101.92	126.82
<b>LIQUIDITY (Times)</b>					
Cash Ratio	0.03	0.05	0.03	0.07	85.21
Liquid Ratio	0.24	0.36	0.35	0.43	813.55
Current Ratio	0.24	0.36	0.35	0.43	815.21
Debt to EBITDA	0	0	0	0	0
<b>WORKING CAPITAL CONTROL (Days)</b>					
Stock Ratio	0	0	0	0	0
Debtors Ratio	14	13	15	12	12
Creditors Ratio	32	23	47	31	0
<b>SOLVENCY RATIOS (Times)</b>					
Gearing Ratio	(0.01)	(0.02)	0	0	0
Liabilities Ratio	(1.46)	(1.83)	(1.62)	(1.85)	(1.68)
Times Interest Earned Ratio	(1,043.32)	(2,668.91)	(54,628.20)	(26,064.00)	(17,864.40)
Assets Backing Ratio	(1.93)	(0.89)	(559.51)	(286.36)	(156.24)
<b>PERFORMANCE RATIO (%)</b>					
Operating Profit Margin	(25.46)	(23.88)	(19.80)	(15.81)	(15.66)
Net Profit Margin	(25.46)	(23.88)	(19.80)	(15.81)	(15.66)
Return On Net Assets	53.85	100.14	48.82	45.51	57.17

Return On Capital Employed	54.54	102.38	48.82	45.52	(83.84)
Return On Shareholders' Funds/Equity	53.90	100.18	48.82	45.51	57.17
Dividend Pay Out Ratio (Times)	0	0	0	0	0
<b>NOTES TO ACCOUNTS</b>					
Contingent Liabilities	0	0	0	0	0

**PAYMENT**

None report

**MORTGAGE RECORD**

N/A

**LITIGATION**

Traced

**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 winding up petition was found in our databank.

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

- 1 case(s) filed in year 2020
- 1 case(s) filed in year 2019

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

- 1 case(s) filed in year 2018
- 1 case(s) filed in year 2017

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

- 1 case(s) filed in year 2020
- 1 case(s) filed in year 2019

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 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.

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

- 1 case(s) filed in year 2020

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).

**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.

No plaintiff record was found in our databank.

**CRIMINAL RECORDS CHECK - SUBJECT COMPANY AS A PLAINTIFF**

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

No plaintiff record was found in our databank.

**RED ALERT FROM CENTRAL BANK OF MALAYSIA**

\* A check has been conducted with the Central Bank of Malaysia whether the Subject has carried out any illegal or suspicious financial activities.

The Subject has not been carried out any illegal money services business without licence under the Money Services Business Act 2011.

The Subject has not been placed under the Financial Consumer Alert list by the Central Bank of Malaysia.

**INVESTOR ALERT BY SECURITIES COMMISSION MALAYSIA & BURSA MALAYSIA**

\* A check has been conducted with the Securities Commission Malaysia whether the Subject has involved in any unlicensed capital market activities under the Securities Laws and Bursa Malaysia should the Subject is listed as Practice Note (PN) 17 or Guidance Note (GN) 3.

The Subject has not been carried out any unlicensed capital market activities.

**BANKER**

Banking relations are maintained principally with:

1) Name : XXX FARGO XXXX NORTHWEST, XXXX ASSOCIATION

2) Name : BXX XXXXX

**CREDIT OPINION WITHOUT OBLIGATION**

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 has high financial risks. If its shareholders do not inject more capital into the company or if its business performance does not improve, its going concern may be in question.

Overall financial condition of the Subject: POOR

\*\*\*\*\*

**MAJOR MACRO ECONOMIC INDICATORS OF MALAYSIA \*****COUNTRY RISK ASSESSMENT\***

Country Risk Assessment:

A4

**MAJOR MACRO ECONOMIC INDICATORS**

	2017	2018	2019 (e)	2020 (f)
GDP growth (%)	5.9	4.7	4.5	4.4
Inflation (yearly average, %)	3.8	1.0	1.0	2.1
Budget balance (% GDP)	-3.0	-3.7	-3.4	-3.2
Current account balance (% GDP)	2.8	2.1	3.1	1.9
Public debt (% GDP)	54.4	55.6	56.5	56.0

(e): Estimate. (f): Forecast.

**STRENGTHS**

- Diversified exports
- Growing domestic demand mitigating external headwinds
- Dynamic services sector
- High R&D
- Investment supported by expansion of local financial market and access to FDIs
- Exchange rate flexibility
- High per capita income
- Travel hub

**WEAKNESSES**

- Budget income highly dependent on performances in the gas and oil sector
- Very high private debt levels (80% of GDP)
- Low fiscal revenues (14% of GDP), lack of transparency in budget spending
- Erosion of price competitiveness due to increasing labour costs
- Persistent regional disparities
- Ethnic and religious disputes

**RISK ASSESSMENT****Growth will remain strong despite external headwinds, driven by private consumption**

Growth will remain resilient to global trade downturn as the economy is gradually rebalancing from an originally export-driven growth towards a domestic consumption (58% of GDP) one, which reduces the

impact of external headwinds. Though household debt remains high at 83.2% of GDP, consumption is set to remain strong underpinned by high disposable income and low unemployment rate while inflation is expected to remain low. This partly offsets the sluggish export performance due to lower global demand for electronics and electrical components, especially from its main trading partners China and the United States. That said, Malaysia might see trade opportunities through free trade agreements in the region, which would partially buffer slowing exports. The ASEAN Economic Community facilitates regional integration with free flows of products, investment and productivity gains. In that sense, exports to ASEAN (28% of total exports) from Malaysia would likely to increase on the back of lower tariff barriers decline, but might not be enough to offset the US-China conflicts. Moreover, the government has yet decided to ratify the CPTPP agreement that entered into force in 2019. In addition, palm oil export, which accounts for 2.8% of GDP in 2018 would accelerate this year in the back of stronger demand from main export trade partners such India along with a pick-up in palm oil prices. Service industry contributes more to growth (55% of GDP in 2019) than manufacturing and is expected to remain strong, as domestic consumption would create more demand for services. Investment will contribute positively (albeit moderate) to growth this year, notably with a rise in public investment through large infrastructure projects. Construction will perform well this year and is expected to see a 3.7% growth as the East Coast Rail Link project resumed after renegotiation of the terms with China, including bringing costs down. That said, the government unveiled an expansionary stance to boost domestic demand in order to achieve the official target growth of 4.8% which is challenged the global economic downturn. The banking industry is well capitalized and liquid, which is credit supportive. Household debt is high but NPLs are contained at this stage (1.4%).

### **Challenging fiscal consolidation and high external debt**

The government unveiled a tighter budget for 2020 due to a fall in revenues collection. The government replaced the GST (a form of VAT) by the SST (Sales and Services Taxes), which tightened the tax base and generated a revenue shortfall estimated approximately to 10% of the expected revenue. In this regard, the fiscal deficit is expected to widen to 3.2% from the original target of 3% which would challenge government's fiscal consolidation efforts (targeting deficit at 2% GDP in the medium term). Public debt is set to remain high though manageable with a large share denominated in local currency, including for the part detained by non-residents, which helps to mitigate risk.

Despite pressure from the slowing global demand along with trade disputes between the US and China, the current account, although declining in result of a shift from export-led growth to domestic demand, is set to remain in surplus in line with the trade balance. The income balance deficit is expected to increase in result of higher repatriation of funds by foreign companies. External debt (61% of GDP at Q3 2019, with 77% of the total owed by private sector) is high but manageable since one-third is denominated in local currency and half has medium to long-term maturity. International reserves, fed by the current account surplus and foreign investment, remain adequate covering 7.3 months of imports and sufficient to cover total short-term debt (1.1 times).

### **Mahatir's New Malaysia challenged by scandals**

The centre-left four-party Pakatan Harapan (Alliance of Hope) coalition led by former Prime Minister Mahatir Mohamad (1981-2003) came again to power in 2018 on high expectations. Though policy initiatives have been proposed, it struggles to deliver on the election promises which led to a sharp fall in public approval rates. Further to this, the coalition's unity is challenged by a recent sex scandal within its largest component Parti Keadilan Rakyat (PKR, 50/129 seats of the coalition) involving Malaysia's Economic Affairs Minister Azmin Ali. Even though Anwar Ibrahim (PKR) is expected to succeed Mahatir Mohamad as Prime Minister, this scandal exacerbates the political divide within the party – one side supporting Anwar for Mahatir's succession and the other backing Azmin. As the country is facing internal hostility, the government reiterated its non-aligned status through the Foreign Policy Framework of New Malaysia, especially when dealing with China and the United States. The administration recently renegotiated the terms for the East coast rail link, a part of the Belt and Road Initiative with China, and construction resumed. Closer bilateral defense relationship with the United States would provide support to the country in the South China Sea where it is confronted with China.

For further information of country rating and payment experience such as Assets – weaknesses – risk outlook; Industries overview; Insolvency trend; Means of payment and collection methods; and Nonpayment index, please visit our group's official homepage at [www.coface.com](http://www.coface.com) or go directly to your interest at [http://www.coface.com/CofacePortal/COM\\_en\\_EN/pages/home/risks\\_home](http://www.coface.com/CofacePortal/COM_en_EN/pages/home/risks_home)

Remarks: The information here has been prepared for informational purposes only. It is understood that this report and credit recommendation are based upon information obtained from public or third party sources deemed reliable, the accuracy of which is no manner guaranteed by Coface Greater China Services Ltd. ("CGCS"). Neither CGCS nor any of our employees accept any responsibility on any ground whatsoever, including liability in negligence, to any other person. Please contact our Customer Service Specialist at +852 23788900 for any questions or service regarding credit management. If you look for credit insurance service, please contact our commercial colleagues at +852 25859188 for more details.

\*\*\*\*\*