



COOPERATIVE INSIGHTS REPORT

LITE

360-DEGREE REVIEW OF THE MANAGEMENT AND EFFECTIVENESS OF COOPERATIVES



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SAMPLE CO-OPERATIVE

Industry: BUILDING CONSTRUCTION

Currency: RM Latest FY: 2018

Date of Report: 8th Jan 2021



Table of Contents

1.	Financial Snapshot		p2
2.	Financial Impact	30,	рЗ
3.	Key Media Findings	23	p4
4.	Company Sentiments		р5
5.	Industry Sentiments		р6
6.	Country Sentiments		р7
7.	Key Financial Ratios	~	p8

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FINANCIAL SNAPSHOT





NO

Liabilitiesto-Equity

130.3%



YES

Profit Margin (after tax)





Sales Grow 1



FINANCIAL HEALTHCHECK

1.1%

Good growth was recorded by the Co-operative, well-supported by a consistent demand for its products and services. Costs levels have generally increased for the Co-operative with corresponding increase in operational needs and activities. The cost of generating additional revenue was almost similar compared to the previous year. Highly limited profit margins were recorded by the Co-operative during the period. Growth had been fairly consistent year on year with a fairly moderate movement in profit margins.

Very high returns to stakeholders was achieved by the Co-operative during the period. There could be a high likelihood that the Co-operative's underlying valuation could improve as a result. Significantly high levels of exposure to liabilities, have likely contributed to an extremely weak solvency position indicating a high risk balance sheet profile for the period. The Co-operative's valuation is very likely to be adversely affected as a result. The Co-operative experienced strong profit growth compared to the previous year. Profit levels remained modest relative to sales. May not be adequately attractive for stakeholders who may demand for higher margins.

FINANCIAL RISK AREAS



Costs levels have generally increased for the Co-operative with corresponding increase in operational needs and activities.

55.0%

Business Performance



Sign, cantly high levels of exposure to liabilities, no e likely contributed to ar extremely weak solvency position indicating a high risk balance sheet profile for the period.

70.0%

Shareholders' Value



Very high exposure to short-term creditors/financing to support asset base extremely high frequency dealings to manage creditors to meet working capital orders.

16.7%

Risk & Liabilities



The profitability growth of the Co-operative experienced strong growth compared to the previous year..

53.3%

Productivity

FINANCIAL OUTLOOK



Check if the increase in costs is part of the Co-Operative's expansion plans; that corresponds to higher sales.

Business Performance

2

Determine whether the liability in the Co-Operative is short-term or long-term and what it is the cost to the Co-Operative, to maintain this level of debt in the business.

Shareholders' Value

-(3

Urgency to spread out the duration and lengthen the degree of short-term financing.



Examine to what extent price margins or debt acquisition was responsible for the increased level of profits.

Risk & Liabilities

Productivity

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FINANCIAL IMPACT



Was the co-operative able to generate **higher sales**?



YES

Sales Growth

21.3%

This indicates where the cooperative's topline is growing or not and to find out if there are any structural or cyclical factors affecting it. Did **sales move faster** than cost growth?



YES

Cost Growth /Sales

-0.2%

This gives a broad picture if the costs are growing. Nine with the growth in sales or if the cooperative is exposed to higher cost structure even if the sales is growing.

Was the co-operative **financially strong** generally?



NO

Credit Score

48.8%

The credit score takes into account balance sheet and P&L of the co-operative. A higher score indicates a stronger credit position.

Was the **exposure to liabilities manageable?**



NO

Licbilities to Equity

3890.4%

This reflects the extent the cooperative is exposed to fixed obligations versus the capital it has built over the years and whether it has adequate buffer.

Was the co-operative relying heavily on short-term obligations?



NO

Current Liability Ratio

1.03

Assesse the proportion of total liabilities that are due in the near term. A secondary measure of liquidity as it does not measure the cooperative's ability to pay for the liabilities.

Were the **shareholders well rewarded** by the co-operative's performance?



YES

Return on Equity

49.51%

This measure relates to how much profits the co-operative is generating for the co-operative's shareholders; a higher ROE needs to be measured against the risks it is taking.

Were the **profit levels growing**?



YES

Pre-Tax Profit

48.3%

A co-operative that is showing consistent earnings growth indicates a positive outlook. A co-operative that shows negative growth may indicate tougher times ahead.

Were the **assets generating profits**?



YES

Return on Asset

1.2%

This is a measure of how well the co-operative is utilising its assets to generate profits for the co-operative. A productive asset backed by a cost-efficient operation is a good indicator of a well-rup co-operative.

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KEY MEDIA FINDINGS





Is the company operating in a risky industry?

YES



What is the overall sentiment on the industry in the last 12 months?

NEGATIVE



Would the industry situation significantly affect the company?

YES



Is the information about the company readily available?

YES



is there negative news reported on the company?

NO





Is there negative news reported on the company's officers?

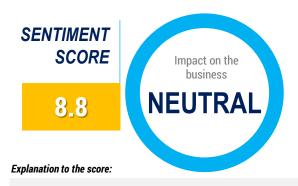
NO

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COMPANY SENTIMENTS



SAMPLE COMPANY WORDCLOUD



The related news extracted has a sentiment score of **8.8**. This means that the overall sentiment or tone of the extracted news is essentially neutral.



Latest News

Is SAMPLE COMPANY A Risky Investment? | Simply Wall St, August 6, 2023

David Iben put it well when he said, 'Volatility is not a risk we care about. What we care about is avoiding the permanent loss of capital.' So it seems the smart money !mows that debt — which is usually involved in bankruptcies — is a very important factor, when you assess how risky a company is. We can see that SAMPLE COMPANY does use debt in its business. But the more important question is: how much risk is that debt creating? Why Does Debt Bring Risk? Debt and other habitates become risky for a business when it cannot easily fulfill those obligations, either with free cash flow or by raising capital at an attractive price. In the worst case scenario, a company can go bankrupt if it cannot pay its creditors. However, a more usual (but still expensive) situation is where a company must dilute shareholders at a cheap share price simply to get debt under control. By replacing dilution, though debt can be an extremely good tool for businesses that need capital to invest in growth at high rate of return. The first step when considering a company's debt levels is to consider its cash and debt together.

SAMPLE COMPANY seeks extension for disposal of assets competing with SLB unit | Business Times, May 24, 2020

SAMPLE COMPANY has asked for a further extension of time to dispose of competing business in relation to its unit SLB Development, he in the mainboard-listed construction firm and Catalist-listed SLB announced on Friday night. The Sample Country Exchange said it has no objections to granting an extension, subject to SLB announcing the extended ocadline and the rationale for seeking an extension, Lian Beng's plans to fulfil the disposal by the new deadline, and the audit committee's views on whether the extension will be prejudicial to SLB and its minority charcholders. Before SLB was listed in 2018, SAMPLE COMPANY's business had included property development. To mitigate potential conflicts of interest with SLB post-listing, Lian Beng had voluntaril undertaken to dispose of three properties in Australia and wind up or liquidate two companies.

Hit by construction halt, Lian Beng Group earnings fall 12.8% y-o-y in FY2020 | The Edge Sample Country, July 29, 2020

SAMPLE COMPANY posted a 12.8% y-o-y fall in earnings to \$28.7 million for the FY2020 ended May 31, although revenue increased 43.8% y-o-y to \$556.0 million for the same period, owing to higher revenue generated from the construction segment. "The higher revenue from the construction segment was due to the progressive revenue recognition of construction projects for about the first 10 months of FY2020. The Group did not record much revenue for the months of April and May as a result of circuit breaker measures implemented by the Sample Country government to combat the Covid-19 pandemic," says the company via an SGX filing on July 27. Earnings per share fell to 5.73 cents in FY2020 from 6.58 cents in FY2019. In line with the increase in construction activity following the commencement of new projects, cost of sales outstripped the growth in revenue, rising 54.6% y-o-y to \$471.58 million in FY2020. In light of the above, gross profit increased marginally by 3.3% to \$84.5 million in FY2020 from \$81.8 million in FY2019.

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INDUSTRY SENTIMENTS



BUILDING CONSTRUCTION

WORDCLOUD



The related news extracted has a sentiment score of **– 24.3**. This means that the overall sentiment or tone of the extracted news is somewhat negative / serious.

jobs Over outbreak financial Sectors recovery resource spaces uilding sustainability Sector following expected develop MND temporary Building sustainability shed circuit-breaker higher Masterplan likely retail Other St Straits local GlobalData other wholesale transformation activities demand green waste COVIDSaic ministry's quarter ova billing all rate workforce plans breaker water note Service affections are the service reduce sharms affect community one ruck eye work addendum affected

Latest News

GlobalData: Sample Country construction industry to post V-chap at the Country construction industry construction industry

The Sample Countryan construction industry is expected to post a V-shaped recovery in 2021 with the industry rebounding to post a growth of 11.2%, measured at constant 2017 US dollar exchange rates, following the sharp contraction of 17.8% in 2020. Therea ter, the industry is expected to grow at an annual average rate of 2.7% over the remaining part of the foreast period (2022 –2024) to grow to US\$19.9 billion in 2024, which is still below the 2019 level, says Crobal Lata, a leading data and analytics company. The unprecedented contraction in 2020 has been driven by a complete halt of construction activities, except for work on some essential projects during the near two-month 'circuit-breaker' period of 7 April to 1 June 2020. Moreover, the unavailability of manpower coupled with supply chain disruptions caused lengthy delays in project implementation.

Construction, F&B services in Sample Country see biggest employment declines in Q2 | Straits Times, August 5 2020

The retail trade industry shed & 900 v orkers, while food and beverage services saw a plunge of 22,900. The construction sector also saw one of the largest declines in employment, by 13,600 workers. The coronavirus pandemic has hit busine says and workers hard, with those in the consumer-facing and tourism-related sectors bearing the brunk of the hit, as well as those affected by temporary work stoppages. These sectors include manufacturing, construction, wholesale and retail trade, accommodation and food services, and arts, entertainment and recreation, according to the labour market report for the second quarter out yesterday. They were also the most affected by the circuit breaker and safe distancing measures, the report noted. The construction sector saw one of the largest declines in employment, by 13,600 workers, while food and beverage services saw a plunge of 22,900. Workers at construction firms had their labour halted, especially during the circuit breaker months. Straits Construction executive director Kenneth Loo said some staff were put on forms of compulsory leave. Other firms also cut workers' pay.

Pace of transformation for Sample Country construction sector to be stepped up | Straits Time, July 27, 2020

THE Ministry of National Development (MND) will step up the pace of industry transformation for the construction sector, to help them get on a stronger footing post-Covid-19. "This includes adopting advanced building technologies to allow for cleaner, higher quality, and less manpower-intensive construction. We will drive research, innovation and digitalisation across the built environment value chain, from construction to property transactions services and facilities management," said Minister for National Development Desmond Lee in his ministry's addendum to the President's Address. "We will also enhance professionalism at all levels across the sector, to create new and better jobs for Sample Countryans, guided by a comprehensive Skills Framework. Separately, as part of plans to refresh and enliven community spaces, the government will

broaden and deepen community engagement.

Page 7

Broaden and deepen community engagement.

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COUNTRY SENTIMENTS

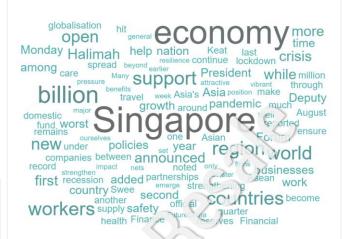


Sample Country ECONOMY

WORDCLOUD



The related news extracted has a sentiment score of **16.2** This means that the overall sentiment or tone of the extracted news is somewhat positive / enthusiastic.



Latest News

Sample Country must remain open to benefit from Asia's growth: Hen a Business Times, August 10, 2020

Sample Country can contribute to and benefit from Asia's growth only if it remains open and connected to the world, while forging new partnerships and evolving its enproaches, Deputy Prime Minister Heng Swee Keat said. In a keynote speech at the FutureChina Global Forcin on Tuesday, Mr Heng noted that many workers are anxious about their jobs and the benefits of conomic openness. "But we must not undermine what has made us successful, by closing ourselves on from the world," said Mr Heng, who is also Finance Minister. "To ensure that the benefits of globalisation remain beneficial to all countries, we will have to restructure our economies and upskill our workers." In Sample Country, the government is adjusting its employment policies, upskilling workers and strengthening its social safety nets to ensure they continue to serve the interests of Sample Countryans, he said. China, too, is continuing to reform its economy, and President Xi Jinping has spoken about heart the domestic market for goods and services and "international circulation" must reinforce each other in the country's new economic model, Mr Heng noted.

Sample Country announces another \$5.8 billion to boost its coronavirus-hit economy | CNBC, August 7, 2020

Sample Country's Deputy Prime Minister and Finance Minister Heng Swee Keat announced another 8 billion Sample Country dollars (\$ 5.8 billion) to support an economy under pressure from the coronavirus pandemic. The country's open and trade-dependent economy has been among the hardest hit in Asia following lockdown measures around the world aimed at slowing the spread of the coronavirus. Sample Country's government has allocated another 8 billion Sample Country dollars (\$5.8 billion) to support the economy that has come under pressure from the coronavirus pandemic, Deputy Prime Minister and Finance Minister Heng Swee Keat said Monday. "The resulting economic impact has been severe," Heng, who's also coordinating minister for economic policies, said in a televised address. He added that "the global economy remains very we are and any recovery "will depend on how well countries contain the spread of the virus."

'Great Urgancy' to Make Over Sample Country's Economy, Says President | Bloomberg, August 4, 2020

With the coronavirus pandemic threatening the global openness and integration that have allowed Sample Country to prosper, President Halimah Yacob said there's "great urgency" to transform the city-state's economy. "Much of our economy thrives because we have made ourselves a vibrant hub for the region and an attractive place for trade, investments, talent and ideas," Halimah said Monday, addressing the first session of parliament since July's general election. "We cannot take our hub status for granted, or assume that its scope and role will remain the same." She said the country will resume air travel safely and help its companies develop links to new markets. Meanwhile, efforts to bolster resilience in critical areas such as food, health care and supply chain management can become new sources of growth, while the Southeast Asian nation will also make a major push for sustainable growth including for green financing across the region, she said.

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KEY FINANCIAL RATIOS



FINANCIAL DATA

Currency: RM	2018	2017	% Change
Sales	1,397,102.33	1,151,649.61	21.3%
Profit Before Tax	15,610.04	10,524.02	49.3%
Profit After Tax	15,610.04	10,524.02	48.3%
Total Asset	1,258,030.43	819,166.72	53.6%
Total Liabilities	1,226,504.40	303,242.70	52.7%
Current Liabilities	1,226,504.40	803,250.73	52.7%
Shareholders' Fund	31,526.03	15,924.02	98.0%

PERFORMANGE METRICS



Business Potential Ratios



Risk & Valuation Ratios

	(C),
Rate of Sales Growth	21.3%
Rate of Cost Growth	21.1%
Cost/Sales Gowth	-0.2%
Profit Margh (after tax)	1.1%
Profit Ma gin Growth	0.2%
Return On Assets Growth	0.0%
Return on Assets (after tax)	1.2%
Profit Before Tax Growth	48.3%
Asset Growth	53.6%

	%
Return on Equity (pre tax)	49.5%
Total Liabilities-to-Equity Ratio	3,890.4%
Profit Before Tax Growth	48.3%
Profit Margin (after tax)	1.1%
Current Liability Ratio	97.5%
Total Liability Growth vs Sales Growth	31.4%
Rate of Sales Growth	21.3%

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