

MIRA INFORM REPORT

Report No. :	522946
Report Date :	03.08.2018

IDENTIFICATION DETAILS

Name :	BFET COMPANY LIMITED
Registered Office :	111/1 Soi Macharoen 1, Petchakasem Road, Nongkangphlu, Nongkam, Bangkok 10160, Thailand
Country :	Thailand
Financials (as on) :	31.12.2017
Date of Incorporation :	21.11.1990
Com. Reg. No.:	0105533137792
Legal Form :	Private Limited Company
Line of Business :	The subject is engaged in manufacturing, distributing and exporting aluminum die casting and molded parts for automobiles and electric appliance industries.
No. of Employees :	126

RATING & COMMENTS

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

MIRA's Rating :

B

Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	Slow but Correct
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Thailand	A2	A2

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

THAILAND - ECONOMIC OVERVIEW

With a relatively well-developed infrastructure, a free-enterprise economy, and generally pro-investment policies, Thailand is highly dependent on international trade, with exports accounting for about two-thirds of GDP. Thailand's exports include electronics, agricultural commodities, automobiles and parts, and processed foods. The industry and service sectors produce about 90% of GDP. The agricultural sector, comprised mostly of small-scale farms, contributes only 10% of GDP but employs about one-third of the labor force. Thailand has attracted an estimated 3.0-4.5 million migrant workers, mostly from neighboring countries.

Over the last few decades, Thailand has reduced poverty substantially. In 2013, the Thai Government implemented a nationwide 300 baht (roughly \$10) per day minimum wage policy and deployed new tax reforms designed to lower rates on middle-income earners.

Thailand's economy is recovering from slow growth during the years since the 2014 coup. Thailand's economic fundamentals are sound, with low inflation, low unemployment, and reasonable public and external debt levels. Tourism and government spending - mostly on infrastructure and short-term stimulus measures - have helped to boost the economy, and The Bank of Thailand has been supportive, with several interest rate reductions. Over the longer-term, household debt levels, political uncertainty, and an aging population pose risks to growth.

Source : CIA

COMPANY NAME

BFET COMPANY LIMITED

SUMMARY

BUSINESS ADDRESS : 111/1 SOI MACHAROEN 1, PETCHAKASEM ROAD,
NONGKANGPHLU, NONGKAM, BANGKOK 10160,
THAILAND
TELEPHONE : [66] 2812-1627, 2812-1781
FAX : [66] 2812-1628
E-MAIL ADDRESS : marketing@bfet.co.th
REGISTRATION ADDRESS : SAME AS BUSINESS ADDRESS
ESTABLISHED : 1990
REGISTRATION / TAX ID NO. : 0105533137792
CAPITAL REGISTERED : BHT. 20,000,000
CAPITAL PAID-UP : BHT. 20,000,000
SHAREHOLDER'S PROPORTION : THAI : 45.00%
JAPANESE : 55.00%
FISCAL YEAR CLOSING DATE : DECEMBER 31
LEGAL STATUS : PRIVATE LIMITED COMPANY
EXECUTIVE : MR. VIRAJ CHUENMEECHAO, THAI
PRESIDENT
NO. OF STAFF : 126
LINES OF BUSINESS : AULUMINUM DIE CASTING AND MOLDED PARTS
MANUFACTURER, DISTRIBUTOR AND EXPORTER

CORPORATE PROFILE

OPERATING TREND : STABLE
PRESENT SITUATION : OPERATING NORMALLY
REPUTATION : FAIR WITH NORMAL BUSINESS ENGAGEMENT
MANAGEMENT STANDARD : MANAGEMENT WITH FAIR PERFORMANCE

HISTORY

The subject was established on November 21, 1990 as a private limited company under the registered name BFET COMPANY LIMITED, by Thai and Japanese groups, with the business objective to manufacture and distribute aluminum die casting and molded parts for automobiles and electric appliance industries of both domestic and overseas. It currently employs 126 staff.

The subject is a joint venture between K.K. Kyokuto Seiki Co., Ltd. of Japan and Bangkok Foam Co., Ltd., of Thailand, with holding around 55% and 45% of the subject's shares respectively.

The subject's registered address was initially at 63/43 Moo 2, Nongkangphlu, Nongkam, Bangkok 10160.

On July 21, 2008, the subject's registered address has been changed from 63/43 Moo 2 to 111/1 Soi Macharoen 1, Petchakasem Road, Nongkangphlu, Nongkam, Bangkok 10160, by the Nongkam District Office, and this is the subject's current operation address.

THE BOARD OF DIRECTOR

<u>Name</u>		<u>Nationality</u>	<u>Age</u>
Mr. Viraj Chuenmeechao	[x]	Thai	69
Mr. Motoyuki Asano		Japanese	57
Mr. Takeshi Kitano		Japanese	54
Mr. Varin Chuenmeechao		Thai	39
Mr. Hayato Asano		Japanese	55

AUTHORIZED PERSON

Only the mentioned director [x] can sign on behalf of the subject with company's affixed.

MANAGEMENT

Mr. Viraj Chuenmeechao is the President.
He is Thai nationality with the age of 69 years old.

Mr. Hayato Asano is the Managing Director.
He is Japanese nationality with the age of 55 years old.

Mr. Somsuk Pluphan is the Production Manager.
He is Thai nationality.

Mr. Sombat Sutham is the Marketing Manager.
He is Thai nationality.

BUSINESS OPERATIONS

The subject is engaged in manufacturing, distributing and exporting aluminum die casting and molded parts for automobiles and electric appliance industries.

PURCHASE

Raw materials such as aluminum ingots and chemical are purchased from suppliers both domestic and overseas in Japan, India and Republic of China.

SALES

The products are sold to both local and overseas manufacturers in Malaysia, Vietnam, India, South Africa, Philippines, Indonesia, Australia and Hong Kong.

MAJOR CUSTOMERS

Kang Yong Electric Public Company Limited : Thailand
Toyota Group : Thailand
NHK Spring (Thailand) Co., Ltd. : Thailand
SK Auto Interior Co., Ltd. : Thailand
Sharp Appliance (Thailand) Co., Ltd. : Thailand
TS Tech Sun India Private Limited : India
Auto Parts Manufacturers Co. Sdn. Bhd. : Malaysia
Toyota Boshoku Hanoi : Vietnam
Hayashi Telempu (Thailand) Co., Ltd. : Thailand
Feltex Fehrer (Pty) Limited : South Africa

SUBSIDIARY AND AFFILIATED COMPANY

The subject is not found to have any subsidiary or affiliated company here in Thailand.

LITIGATION

Bankruptcy and Receivership

There are no litigation on bankruptcy and receivership cases filed against the subject found at Legal Execution Department for the past five years.

Others

There are no legal suits filed against the subject according for the past two years.

CREDIT

Sales are by cash or on the credits term of 30-60 days.
Local bills are paid by cash or on the credits term of 30-60 days.
Imports are by T/T.
Exports are against T/T.

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BANKING

Bangkok Bank Public Company Limited

EMPLOYMENT

The subject employs 126 staff.

LOCATION DETAILS

The premise is owned for administrative office, factory and warehouse at the heading address. Premise is located in commercial/residential area.

COMMENT

The subject has been sticking to its policy of sustainable growth through developing products which suit market needs. However, overall industrial sector has grown slowly since 2014 from sluggish economy and shrinking new investment and continued to 2017. The subject was inevitably hit and resulted to a slowdown of its operating performance in 2017 from a decrease in both sales or service income and higher net loss comparing to the previous year. Nevertheless, it operated a moderate business with positive retained earning.

FINANCIAL INFORMATION

The capital was registered at Bht. 20,000,000 divided into 200,000 shares of Bht. 100 each with fully paid.

THE SHAREHOLDERS LISTED WERE : [as at March 8, 2018]

<u>NAME</u>	<u>HOLDING</u>	<u>%</u>
K.K. Kyokuto Seiki Co., Ltd. Nationality: Japanese Address : 202-1 Shimoshioda Narumi-Cho, Midori-Ku Nagoya City, Aichi Prefecture, Japan	110,000	55.00
Bangkok Foam Co., Ltd. Nationality: Thai Address : 119/5 Bangbon 5 Road, Bangbon, Bangkok	89,995	45.00
Mr. Viraj Chuenmeechao Nationality: Thai Address : 504/19 Kanchanapisek Road, Bangkaenua, Bangkae, Bangkok	1	-
Mrs. Supatra Chuenmeechao Nationality: Thai Address : 504/19 Kanchanapisek Road, Bangkaenua, Bangkae, Bangkok	1	-
Mr. Varin Chuenmeechao Nationality: Thai	1	-

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Address : 504/19 Kanchanapisek Road, Bangkaenua,
Bangkae, Bangkok

Mr. Varoon Chuenmeechao

1 -

Nationality: Thai

Address : 504/19 Kanchanapisek Road, Bangkaenua,
Bangkae, Bangkok

Mr. Varun Chuenmeechao

1 -

Nationality: Thai

Address : 504/19 Kanchanapisek Road, Bangkaenua,
Bangkae, Bangkok

Total Shareholders : 7

Share Structure [as at March 8, 2018]

Nationality	Shareholders	No. of Share	% Shares
Thai	6	90,000	45.00
Foreign-Japanese	1	110,000	55.00
Total	7	200,000	100.00

NAME OF AUDITOR & CERTIFIED PUBLIC ACCOUNTANT NO. :

Mrs. Visa Hongsirirat No. 6230

FINANCIALS

BFET COMPANY LIMITED

BALANCE SHEET [BAHT]

The latest financial figures published as at December 31, 2017, 2016 & 2015 were:

ASSETS

Current Assets	2017	2016	2015
Cash and Cash Equivalents	12,964,143	23,459,748	94,096,346
Trade Accounts & Other Receivable	7,676,806	9,543,067	10,821,671
Short-term Loan	3,500,000	-	-
Inventories	10,078,429	8,561,103	10,163,584
Other Current Assets	63,419	125,760	133,858
Total Current Assets	34,282,797	41,689,678	115,215,459
Investment in Subsidiary	65,351,036	65,351,036	-

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Fixed Assets	9,419,778	12,891,214	14,858,248
Intangible Assets	2,259,847	2,668,506	2,988,426
Other Non-current Assets	3,082,395	1,935,566	320,250
Total Assets	114,395,853	124,536,000	133,382,383

LIABILITIES & SHAREHOLDERS' EQUITY [BAHT]

Current Liabilities	2017	2016	2015
Trade Accounts & Other Payable	8,665,632	8,857,108	13,097,006
Accrued Income Tax	-	-	127,788
Other Current Liabilities	827,152	1,246,266	1,334,524
Total Current Liabilities	9,492,784	10,103,374	14,559,318
Employee Benefits Obligation	1,771,595	5,797,136	5,633,489
Total Liabilities	11,264,379	15,900,510	20,192,807
Shareholders' Equity			
Share capital : Baht 100 par value authorized, issued and fully paid share capital 200,000 shares	20,000,000	20,000,000	20,000,000
Capital Paid	20,000,000	20,000,000	20,000,000
Retained Earnings:			
Appropriated for Statutory Reserve	2,000,000	2,000,000	2,000,000
Unappropriated	81,134,474	86,635,490	91,189,576
Total Shareholders' Equity	103,131,474	108,635,490	113,189,576
Total Liabilities & Shareholders' Equity	114,395,853	124,536,000	133,382,383

PROFIT & LOSS ACCOUNT

Revenue	2017	2016	2015
Sales & Services Income	52,869,466	74,104,167	87,503,674
Interest Income	34,858	231,786	485,620
Other Income	2,375,017	1,229,564	4,076,756
Total Revenues	55,279,341	75,565,517	92,066,050

Expenses

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Cost of Goods Sold & Service	-	-	62,633,964
Selling Expenses	-	-	5,994,056
Administrative Expenses	-	-	13,853,840
Change in Finished Goods & Work in Progress	[1,990,602]	942,367	-
Raw Material & Material Supplies	8,781,040	10,538,875	-
Employee Benefit Expenses	31,000,008	37,706,163	-
Amortization & Depreciation Expenses	2,302,591	2,729,666	-
Other Expenses	20,289,569	28,130,104	-
Total Expenses	60,382,606	80,047,175	82,481,860
Profit before Financial Cost & Income Tax	[5,103,265]	[4,481,658]	9,584,190
Financial Cost	[400,751]	[72,428]	-
Profit / [Loss] before Income Tax	[5,504,016]	[4,554,086]	9,584,190
Income Tax	-	-	[2,151,265]
Net Profit / [Loss]	[5,504,016]	[4,554,086]	7,432,925

BFET COMPANY LIMITED

FINANCIAL ANALYSIS

ITEM	UNIT	2017	2016	2015
LIQUIDITY RATIO				
CURRENT RATIO	TIMES	3.61	4.13	7.91
QUICK RATIO	TIMES	2.54	3.27	7.21
ACTIVITY RATIO				
FIXED ASSETS TURNOVER	TIMES	5.61	5.75	5.89
TOTAL ASSETS TURNOVER	TIMES	0.46	0.60	0.66
INVENTORY CONVERSION PERIOD	DAYS	541.74	272.17	59.23
INVENTORY TURNOVER	TIMES	0.67	1.34	6.16
RECEIVABLES CONVERSION PERIOD	DAYS	53.00	47.00	45.14
RECEIVABLES TURNOVER	TIMES	6.89	7.77	8.09
PAYABLES CONVERSION PERIOD	DAYS	465.80	281.58	76.32
CASH CONVERSION CYCLE	DAYS	128.94	37.59	28.05
PROFITABILITY RATIO				
COST OF GOODS SOLD	%	12.84	15.49	71.58
SELLING & ADMINISTRATION	%	62.99	54.57	22.68
INTEREST	%	0.76	0.10	-
GROSS PROFIT MARGIN	%	91.71	86.48	33.64
NET PROFIT MARGIN BEFORE EX. ITEM	%	(9.65)	(6.05)	10.95
NET PROFIT MARGIN	%	(10.41)	(6.15)	8.49

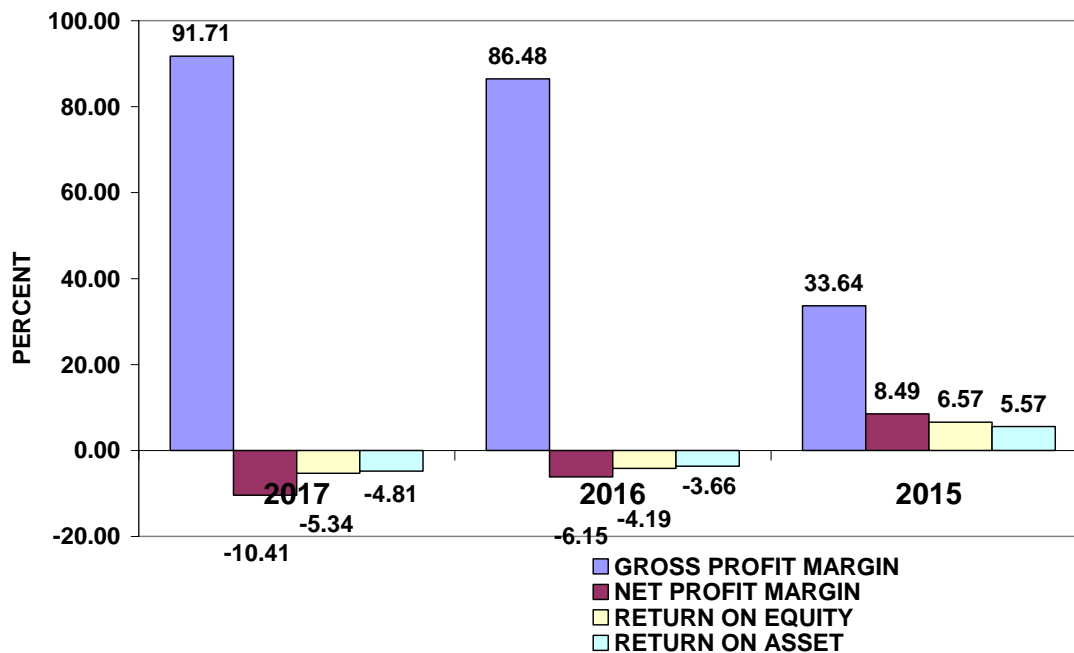
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RETURN ON EQUITY	%	(5.34)	(4.19)	6.57
RETURN ON ASSET	%	(4.81)	(3.66)	5.57
EARNING PER SHARE	BAHT	(27.52)	(22.77)	37.16
LEVERAGE RATIO				
DEBT RATIO	TIMES	0.10	0.13	0.15
DEBT TO EQUITY RATIO	TIMES	0.11	0.15	0.18
TIME INTEREST EARNED	TIMES	(12.73)	(61.88)	-
ANNUAL GROWTH				
SALES GROWTH	%	(28.66)	(15.31)	
OPERATING PROFIT	%	13.87	(146.76)	
NET PROFIT	%	(20.86)	(161.27)	
FIXED ASSETS	%	(26.93)	(13.24)	
TOTAL ASSETS	%	(8.14)	(6.63)	

ANNUAL GROWTH : RISKY

An annual sales growth is -28.66%. Sales Income has decreased from THB 74,104,167.00 in 2016 to THB 52,869,466.00 in 2017. While net profit has decreased from THB -4,554,086.00 in 2016 to THB -5,504,016.00 in 2017. And total assets has decreased from THB 124,536,000.00 in 2016 to THB 114,395,853.00 in 2017.

PROFITABILITY : ACCEPTABLE



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PROFITABILITY RATIO

Gross Profit Margin	91.71	Impressive	Industrial Average	19.88
Net Profit Margin	(10.41)	Deteriorated	Industrial Average	3.58
Return on Assets	(4.81)	Deteriorated	Industrial Average	3.52
Return on Equity	(5.34)	Deteriorated	Industrial Average	8.13

Gross Profit Margin used to assess a firm's financial health by revealing the proportion of money left over from revenues after accounting for the cost of goods sold. Gross profit margin serves as the source for paying additional expenses and future savings. Gross Profit Margin is 91.71%. When compared with the industry average, the ratio of the company was higher, indicated that company was more profitable than the same industry.

Net Profit Margin is the indicator of the company's efficiency in that net profit takes into consideration all expenses of the company. A low profit margin indicates a low margin of safety, higher risk that a decline in sales will erase profits and result in a net loss. The company's figure is -10.41%. When compared with the industry average, the ratio of the company was lower.

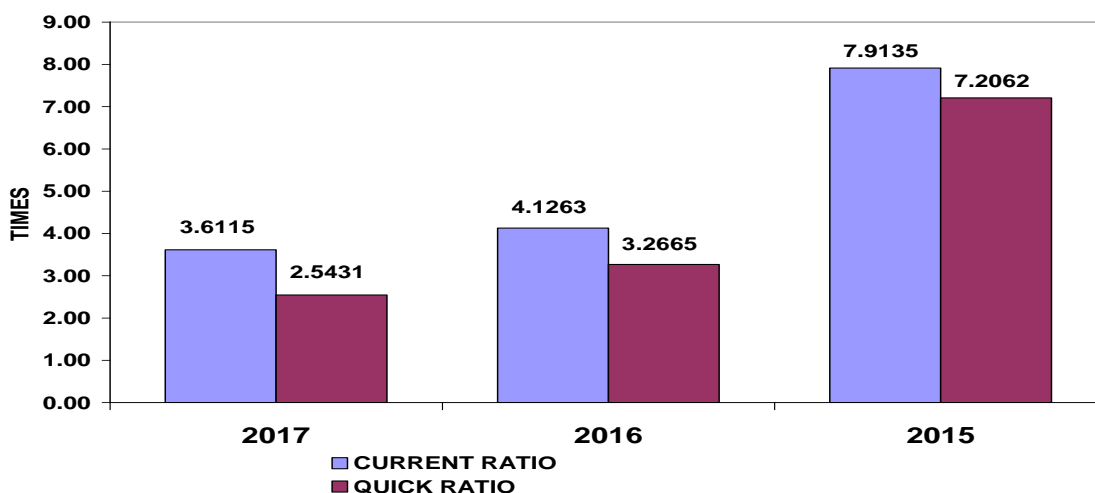
Return on Assets measures how efficiently profits are being generated from the assets employed in the business when compared with the ratios of firms in a similar business. A low ratio in comparison with industry averages indicates an inefficient use of business assets. When compared with the industry average, it was lower, the company's figure is -4.81%.

Return on Equity indicates how profitable a company is by comparing its net income to its average shareholders' equity, ROE measures how much the shareholders earned for their investment in the company. When compared with the industry average, it was lower, the company's figure is -5.34%.

Trend of the average competitors in the same industry for last 5 years

Return on Assets Uptrend
 Return on Equity Uptrend

LIQUIDITY : SATISFACTORY



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LIQUIDITY RATIO

Current Ratio	3.61	Impressive	Industrial Average	1.40
Quick Ratio	2.54			
Cash Conversion Cycle	128.94			

The Current Ratio is to ascertain whether a company's short-term assets are readily available to pay off its short-term liabilities. The company's figure is 3.61 times in 2017, decrease from 4.13 times, then it is generally considered to have good short-term financial strength. When compared with the industry average, the ratio of the company was higher, indicated that company was an efficient operator in a dominant position within its industry.

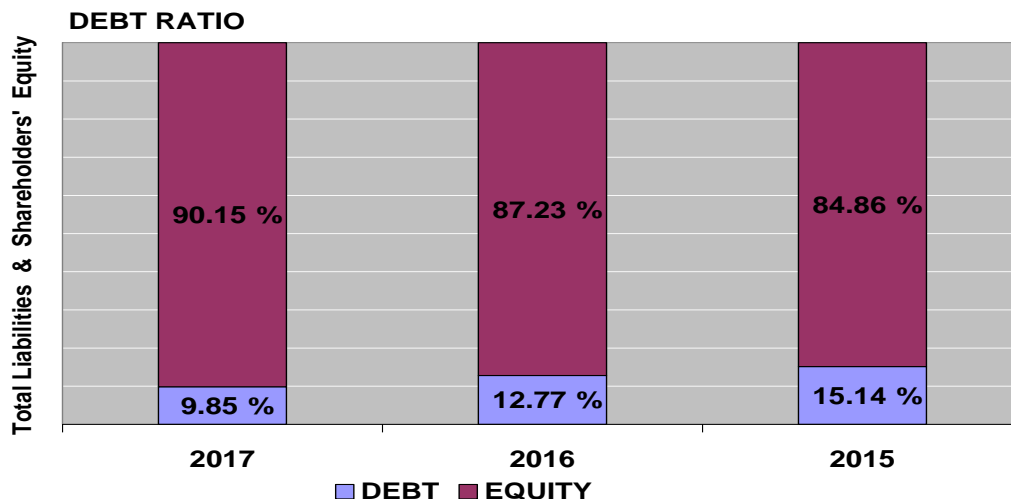
The Quick Ratio is a liquidity indicator that further refines the current ratio by measuring the amount of the most liquid current assets there are to cover current liabilities. The company's figure is 2.54 times in 2017, decrease from 3.27 times, although excluding inventory so the company still have good short-term financial strength.

The Cash Conversion Cycle measures the number of days a company's cash is tied up in the production and sales process of its operations and the benefit from payment terms from its creditors. It meant the company could survive when no cash inflow was received from sale for 129 days.

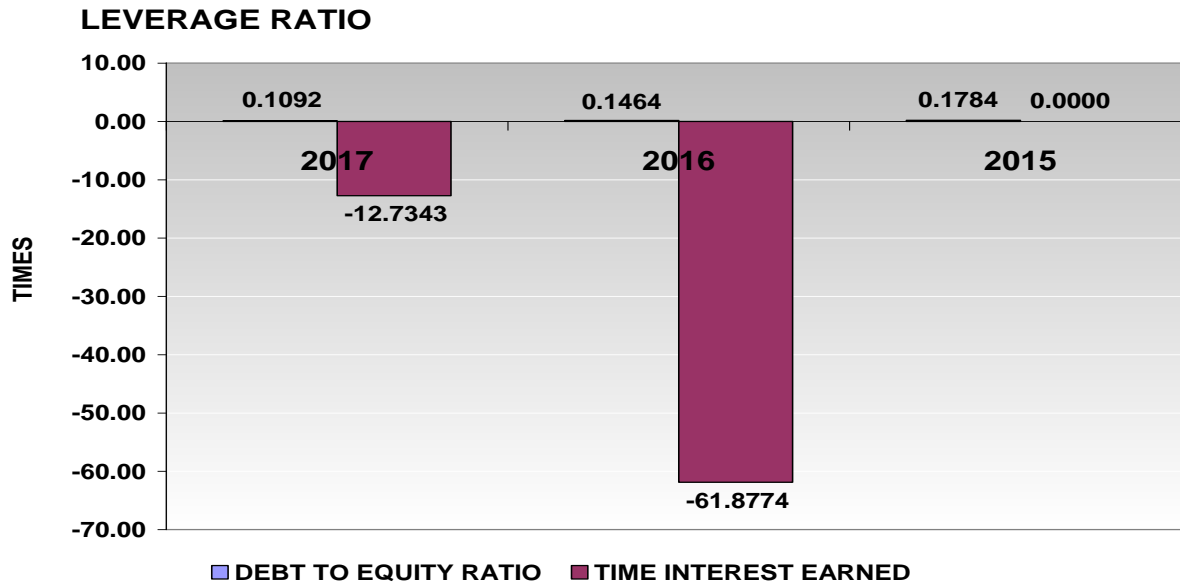
Trend of the average competitors in the same industry for last 5 years

Current Ratio Uptrend

LEVERAGE : SATISFACTORY



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LEVERAGE RATIO

Debt Ratio	0.10	Impressive	Industrial Average	0.56
Debt to Equity Ratio	0.11	Impressive	Industrial Average	1.26
Times Interest Earned	(12.73)	Risky	Industrial Average	-

Debt to Equity Ratio a measurement of how much suppliers, lenders, creditors and obligors have committed to the company versus what the shareholders have committed. A lower the percentage means that the company is using less leverage and has a stronger equity position.

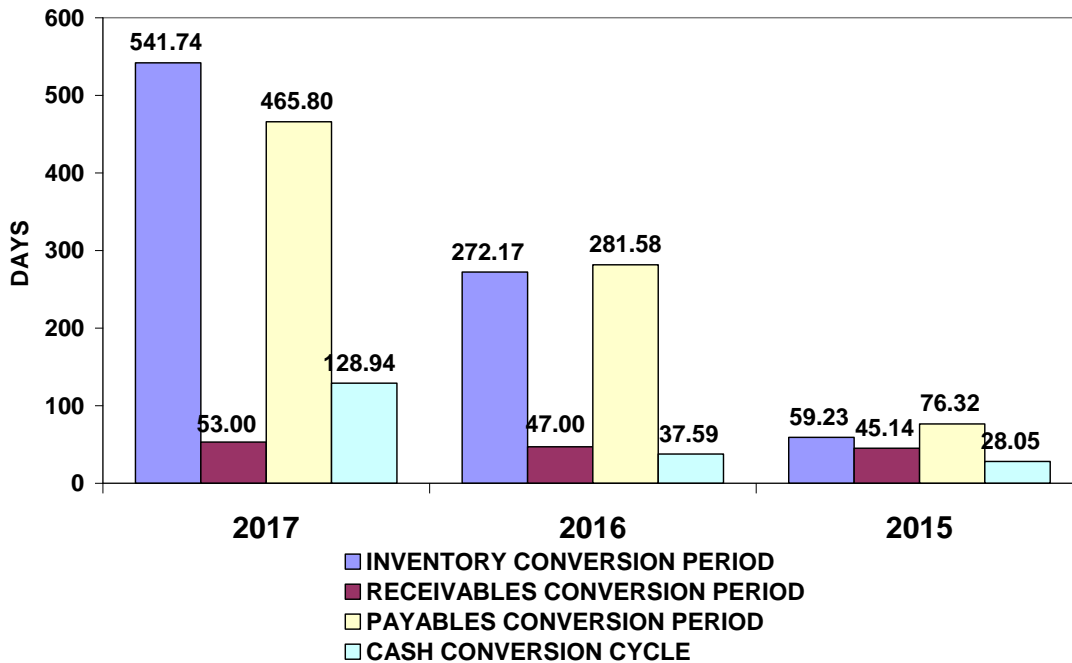
Times Interest Earned measuring a company's ability to meet its debt obligations. Ratio is -12.74 lower than 1, so the company is not generating enough cash from EBIT to meet its interest obligations.

Debt Ratio shows the proportion of a company's assets which are financed through debt. The company's figure is 0.1 less than 0.5, most of the company's assets are financed through equity.

Trend of the average competitors in the same industry for last 5 years

Debt Ratio	Downtrend
Times Interest Earned	Stable

ACTIVITY : SATISFACTORY



ACTIVITY RATIO

Fixed Assets Turnover	5.61	Impressive	Industrial Average	-
Total Assets Turnover	0.46	Acceptable	Industrial Average	0.98
Inventory Conversion Period	541.74			
Inventory Turnover	0.67	Deteriorated	Industrial Average	3.28
Receivables Conversion Period	53.00			
Receivables Turnover	6.89	Impressive	Industrial Average	4.55
Payables Conversion Period	465.80			

The company's Account Receivable Ratio is calculated as 6.89 and 7.77 in 2017 and 2016 respectively. This ratio measures the efficiency of the company in managing its trade debtors to generate revenue. A lower ratio may indicate over extension and collection problems. Conversely, a higher ratio may indicate an overly stringent policy. In this case, the company's A/R ratio in 2017 decreased from 2016. This would suggest the company had deteriorated in the management of its debt collections.

Inventory Turnover in Days Ratio indicates the liquidity of inventory. It estimates the number of days that it will take to sell the current inventory. Inventory is particularly sensitive to change in business activities. The inventory turnover in days has increased from 272 days at the end of 2016 to 542 days at the end of 2017. This represents a negative trend. And Inventory turnover has decreased from 1.34 times in year 2016 to 0.67 times in year 2017.

The company's Total Asset Turnover is calculated as 0.46 times and 0.6 times in 2017 and 2016 respectively. This ratio is determined by dividing total assets into total sales turnover. The ratio measures the activity of the assets and the ability of the firm to generate sales through the use of the assets.

Trend of the average competitors in the same industry for last 5 years

Fixed Assets Turnover	Stable
Total Assets Turnover	Downtrend
Inventory Turnover	Downtrend
Receivables Turnover	Uptrend

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 38.36
UK Pound	1	INR 89.52
Euro	1	INR 79.57
THB	1	INR 2.06

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	KET

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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)