

MIRA INFORM REPORT

Report No. :	539024
Report Date :	15.11.2018

IDENTIFICATION DETAILS

Name :	AC2N COMPANY LIMITED
Formerly Known As :	THANCHANG CO., LTD
Registered Office :	1727 Lasan Road, Bangna, Bangna, Bangkok 10260
Country :	Thailand
Financials (as on) :	31.12.2017
Date of Incorporation :	13.09.2006
Com. Reg. No.:	0105549109904
Legal Form :	Private Limited Company
Line of Business :	The subject's main business is engaged in manufacturing, distributing and exporting wood panels such as laminated board, hardboard, MDF and particle board, as well as fuel such as rice husk ash (RHA) and wood pellet for energy, rice mill, power plant
No. of Employees :	60

RATING & COMMENTS

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

MIRA's Rating :

A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	No Complaints
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 (30.06.2018)	Current Rating (30.09.2018)
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

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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

AC2N COMPANY LIMITED
[FORMER: THANCHANG CO., LTD.]

SUMMARY

BUSINESS ADDRESS : 1727 LASAN ROAD, BANGNA, BANGNA,
BANGKOK 10260, THAILAND
TELEPHONE : [66] 2014-4566, 081 848-0568
FAX : [66] 2014-4566
E-MAIL ADDRESS : chami@ac2nthailand.com
REGISTRATION ADDRESS : SAME AS BUSINESS ADDRESS

ESTABLISHED : 2006
REGISTRATION/TAX ID NO. : 0105549109904
CAPITAL REGISTERED : BHT. 1,000,000
CAPITAL PAID-UP : BHT. 1,000,000
SHARES PROPORTION : THAI : 100%
FISCAL YEAR CLOSING DATE : DECEMBER 31
LEGAL STATUS : PRIVATE LIMITED COMPANY
EXECUTIVE : MS. CHAMAIPORN NILKOMHAENG, THAI
MANAGING DIRECTOR

NO. OF STAFF : 60
LINES OF BUSINESS : WOOD PANELS AND FUEL
MANUFACTURER, DISTRIBUTOR AND EXPORTER

CORPORATE PROFILE

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

HISTORY

The subject was established on September 13, 2006 as a private limited company under the originally registered name "*Thanchang Co., Ltd.*" by Thai group, with the business objective to manufacture and distribute wood panels.

On April 29, 2008, the registered name was changed to AC2N COMPANY LIMITED. Its business line has then been expanded to manufacture and distribute fuel products to both domestic and oversea markets. It currently employs approximately 60 staff.

The subject's registered address is 1727 Lasan Road, Bangna, Bangkok 10260, and this is the subject's current operation address.

THE BOARD OF DIRECTOR

<u>Name</u>	<u>Nationality</u>	<u>Age</u>
Ms. Chamaiporn Nilkomhaeng	Thai	48

AUTHORIZED PERSON

The above director signs on behalf of the subject with company's affixed.

MANAGEMENT

Ms. Chamaiporn Nilkomhaeng is the Managing Director. She is Thai nationality with the age of 48 years old.

BUSINESS OPERATIONS

The subject's main business is engaged in manufacturing, distributing and exporting wood panels such as laminated board, hardboard, MDF and particle board, as well as fuel such as rice husk ash (RHA) and wood pellet for energy, rice mill, power plant and etc.

PURCHASE

100% of raw materials is purchased from local suppliers.

SALES

The products are sold by wholesale to both local and overseas customers in India, Republic of China, Indonesia, Malaysia and many countries in Europe.

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.
Exports are against T/T.

BANKING

Bangkok Bank Public Company Limited

EMPLOYMENT

The subject currently employs approximately 60 staff.

LOCATION DETAILS

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

Factory and warehouse is located on approximately 368,800 square meters plot of land, at 599/18 T. Samrongnua, A. Muang, Samutprakarn 10270.

Other warehouse is located at 132 Moo 5, T. U-Tapao, A. Manorom, Chainat 17170.

COMMENT

Despite a decrease in sales or service income in 2017 comparing to the previous year, it obtained higher net profit. Though the subject has encountered a slow growth for the past two years from a decrease in sales or service income figures, its business remains moderate and profitable.

FINANCIAL INFORMATION

The capital was registered at Bht. 1,000,000 divided into 10,000 shares of Bht. 100 each with fully paid.

THE SHAREHOLDERS LISTED WERE : [as at April 30, 2018]

NAME

HOLDING

%

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Ms. Chamaiporn Nilkomhaeng	8,800	88.00
Nationality: Thai		
Address : 83/351 Moo 7, T. Bangmuangmai, A. Muang, Samutprakarn		
Mr. Anucha Chittangkura	200	2.00
Nationality: Thai		
Address : 1727 Lasan Road, Bangna, Bangna, Bangkok		
Mrs. Chompis Nilkomhaeng	200	2.00
Nationality: Thai		
Address : 83/285 Moo 7, T. Bangmuangmai, A. Muang, Samutprakarn		
Mr. Patrakorn Sorawisoot	200	2.00
Nationality: Thai		
Address : 105/7 Moo 3, T. Wad Chalor, A. Bangkruay, Nonthaburi		
Ms. Jarinporn Saraporn	200	2.00
Nationality: Thai		
Address : 50/163 Moo 3, T. Ladsawai, A. Lamlukka, Pathumthani		
Ms. Siriporn Ninkamhaeng	200	2.00
Nationality: Thai		
Address : 83/285 Moo 7, T. Bangmuangmai, A. Muang, Samutprakarn		
Ms. Sukvala Chittangkura	200	2.00
Nationality: Thai		
Address : 193/25 Rajvithi Road, Dusit, Bangkok		

Total Shareholders : 7

Share Structure [as at April 30, 2018]

Nationality	Shareholders	No. of Share	% Shares
Thai	7	10,000	100.00
Foreign	-	-	-
Total	7	10,000	100.00

NAME OF AUDITOR & CERTIFIED PUBLIC ACCOUNTANT NO. :

Mr. Pairach Jiwawiwatsathien No. 11288

FINANCIALS

BALANCE SHEET [BAHT]

The latest financial figures published for December 31, 2017, 2016 and 2015 were:

ASSETS

Current Assets	2017	2016	2015
Cash and Cash Equivalents	2,663,964.30	4,922,513.84	2,339,055.04
Trade Accounts and Other Receivable	4,389,191.03	4,385,786.84	6,290,450.44
Inventories	17,499.45	81,688.02	44,390.00
Total Current Assets	7,070,654.78	9,389,988.70	8,673,895.48
Property, Plant and Equipment	3,805,743.82	1,277,022.02	2,483,189.71
Other Non-current Assets	1,510,083.14	1,496,754.05	1,483,458.34
Total Assets	12,386,481.74	12,163,764.77	12,640,543.53

LIABILITIES & SHAREHOLDERS' EQUITY [BAHT]

Current Liabilities	2017	2016	2015
Trade Accounts and Other Payable	1,388,803.70	2,376,294.38	2,344,173.58
Current Portion of Long-term Liabilities	319,706.06	-	554,328.00
Accrued Income Tax	36,745.97	46,836.42	115,620.71
Total Current Liabilities	1,745,255.73	2,423,130.80	3,014,122.29
Long-term Loan	654,322.78	-	-
Total Liabilities	2,399,578.51	2,423,130.80	3,014,122.29

Shareholders' Equity

Share capital : Baht 100 par value authorized, and issued share capital 10,000 shares	1,000,000.00	1,000,000.00	1,000,000.00
Capital Paid	1,000,000.00	1,000,000.00	1,000,000.00
Retained Earning -Unappropriated [Deficit]	8,986,903.23	8,740,633.97	8,626,421.24
Total Shareholders' Equity	9,986,903.23	9,740,633.97	9,626,421.24

Total Liabilities and Shareholders'

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Equity	12,386,481.74	12,163,764.77	12,640,543.53
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PROFIT & LOSS ACCOUNT

Revenue	2017	2016	2015
Sales or Services Income	28,567,920.51	32,398,284.03	51,090,556.11
Interest Income	-	216,724.68	29,352.87
Other Income	1,330,025.84	-	-
Total Revenues	29,897,946.35	32,615,008.71	51,119,908.98
Expenses			
Cost of Goods Sold or Services	22,692,119.34	24,473,769.91	38,681,874.06
Selling Expenses	4,006,778.64	4,688,054.76	7,859,343.77
Administrative Expenses	2,862,382.11	3,006,970.05	3,717,255.75
Total Expenses	29,561,280.09	32,168,794.72	50,258,473.58
Profit /[Loss] before Financial Cost and Income Tax	336,666.26	446,213.99	861,435.40
Financial Cost	[3,716.39]	[153,944.60]	[174,380.05]
Profit /[Loss] before Income Tax Income Tax	332,949.87 [86,680.61]	292,269.39 [178,056.66]	687,055.35 [230,919.22]
Net Profit / [Loss]	246,269.26	114,212.73	456,136.13

FINANCIAL ANALYSIS

ITEM	UNIT	2017	2016	2015
LIQUIDITY RATIO				
CURRENT RATIO	TIMES	4.05	3.88	2.88
QUICK RATIO	TIMES	4.04	3.84	2.86
ACTIVITY RATIO				
FIXED ASSETS TURNOVER	TIMES	7.51	25.37	20.57
TOTAL ASSETS TURNOVER	TIMES	2.31	2.66	4.04
INVENTORY CONVERSION PERIOD	DAYS	0.28	1.22	0.42
INVENTORY TURNOVER	TIMES	1,296.73	299.60	871.41
RECEIVABLES CONVERSION PERIOD	DAYS	56.08	49.41	44.94
RECEIVABLES TURNOVER	TIMES	6.51	7.39	8.12
PAYABLES CONVERSION PERIOD	DAYS	22.34	35.44	22.12
CASH CONVERSION CYCLE	DAYS	34.02	15.19	23.24
PROFITABILITY RATIO				
COST OF GOODS SOLD	%	79.43	75.54	75.71

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SELLING & ADMINISTRATION	%	24.05	23.75	22.66
INTEREST	%	0.01	0.48	0.34
GROSS PROFIT MARGIN	%	25.22	25.13	24.35
NET PROFIT MARGIN BEFORE EX. ITEM	%	1.18	1.38	1.69
NET PROFIT MARGIN	%	0.86	0.35	0.89
RETURN ON EQUITY	%	2.47	1.17	4.74
RETURN ON ASSET	%	1.99	0.94	3.61
EARNING PER SHARE	BAHT	24.63	11.42	45.61

LEVERAGE RATIO

DEBT RATIO	TIMES	0.19	0.20	0.24
DEBT TO EQUITY RATIO	TIMES	0.24	0.25	0.31
TIME INTEREST EARNED	TIMES	90.59	2.90	4.94

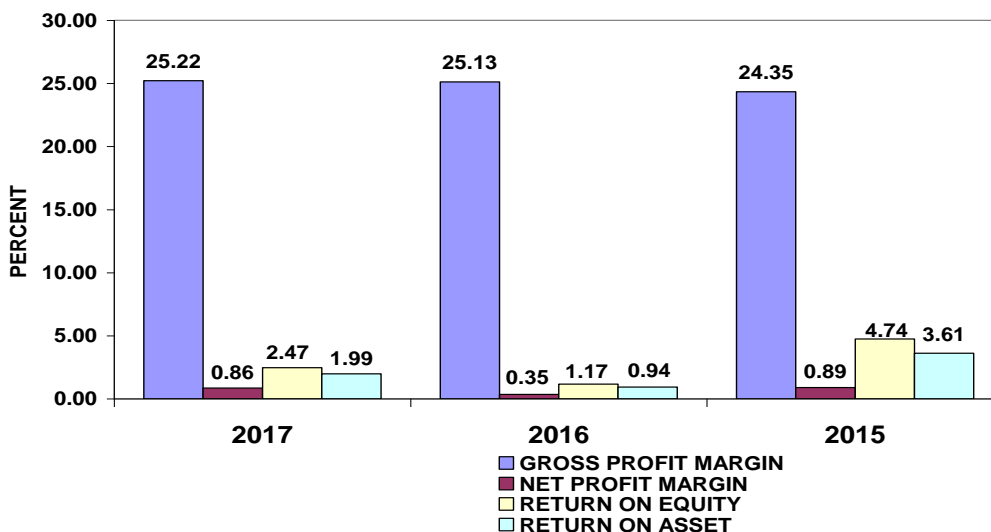
ANNUAL GROWTH

SALES GROWTH	%	(11.82)	(36.59)
OPERATING PROFIT	%	(24.55)	(48.20)
NET PROFIT	%	115.62	(74.96)
FIXED ASSETS	%	198.02	(48.57)
TOTAL ASSETS	%	1.83	(3.77)

ANNUAL GROWTH : SATISFACTORY

An annual sales growth is -11.82%. Sales Income has decreased from THB 32,398,284.03 in 2016 to THB 28,567,920.51 in 2017. While net profit has increased from THB 114,212.73 in 2016 to THB 246,269.26 in 2017. And total assets has increased from THB 12,163,764.77 in 2016 to THB 12,386,481.74 in 2017.

PROFITABILITY : IMPRESSIVE



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PROFITABILITY RATIO

Gross Profit Margin	25.22	Impressive	Industrial Average	0.84
Net Profit Margin	0.86	Impressive	Industrial Average	0.10
Return on Assets	1.99	Impressive	Industrial Average	1.89
Return on Equity	2.47	Acceptable	Industrial Average	5.97

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 25.22%. 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. Net Profit Margin ratio is 0.86%, higher figure when compared with those of its average competitors in the same industry, indicated that business was an efficient operator in a dominant position within its industry.

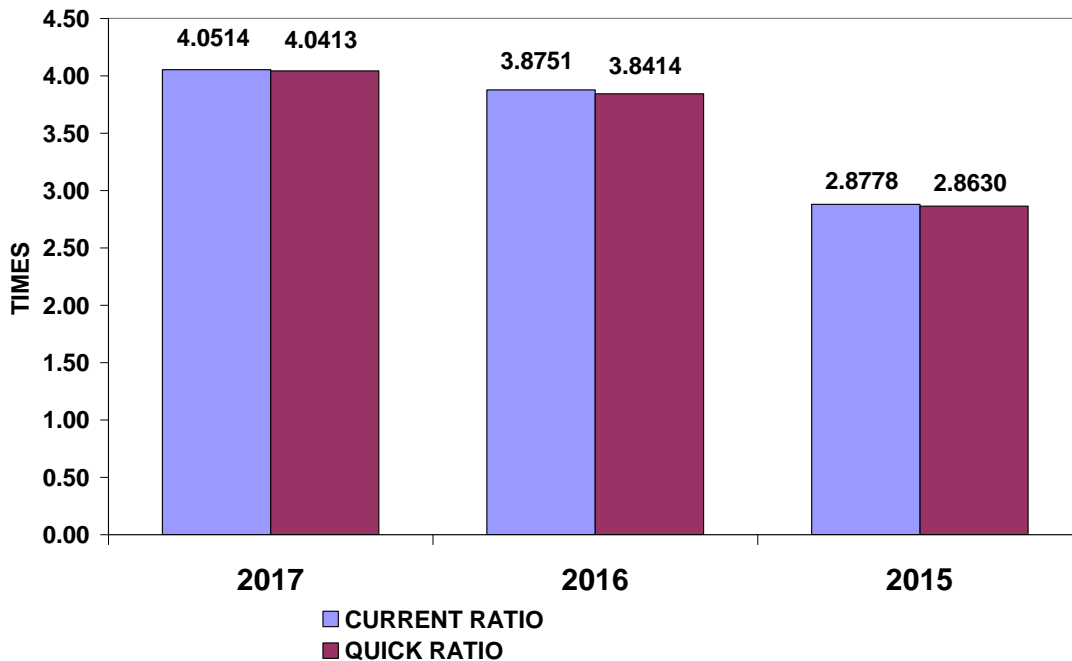
Return on Assets measures how efficiently profits are being generated from the assets employed in the business when compared with the ratios of firms in a similar business. A low ratio in comparison with industry averages indicates an inefficient use of business assets. Return on Assets ratio is 1.99%, higher figure when compared with those of its average competitors in the same industry, indicated that business was an efficient profit in a dominant position within its industry.

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 2.47%.

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

Return on Assets	Uptrend
Return on Equity	Uptrend

LIQUIDITY : IMPRESSIVE



LIQUIDITY RATIO

Current Ratio	4.05	Impressive	Industrial Average	1.65
Quick Ratio	4.04			
Cash Conversion Cycle	34.02			

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 4.05 times in 2017, increase from 3.88 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 4.04 times in 2017, increase from 3.84 times, although excluding inventory so the company still have good short-term financial strength.

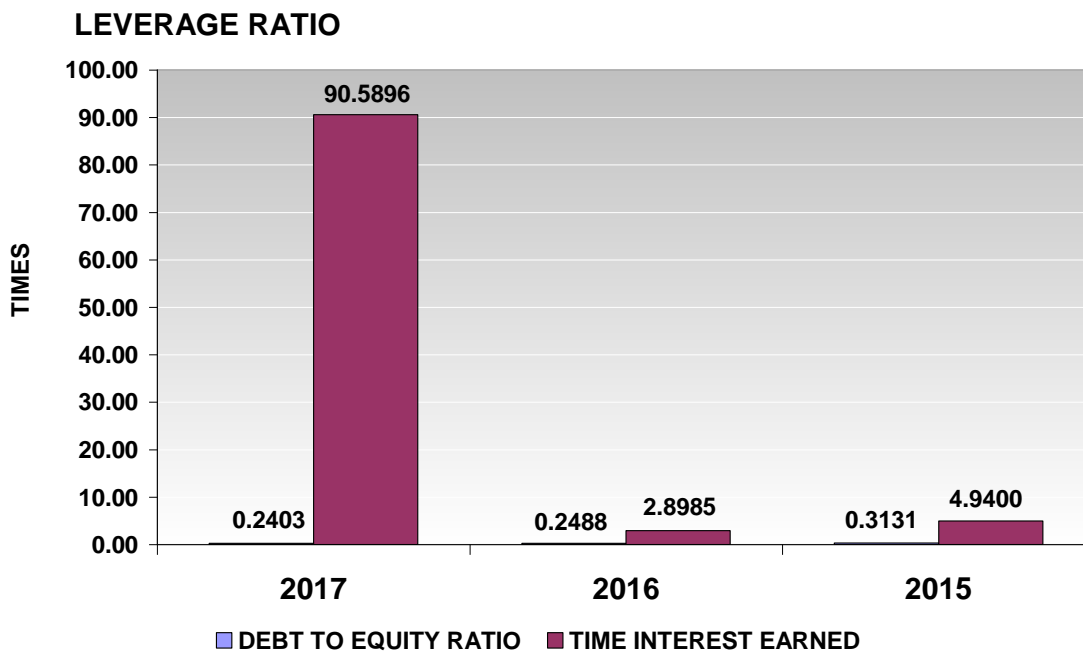
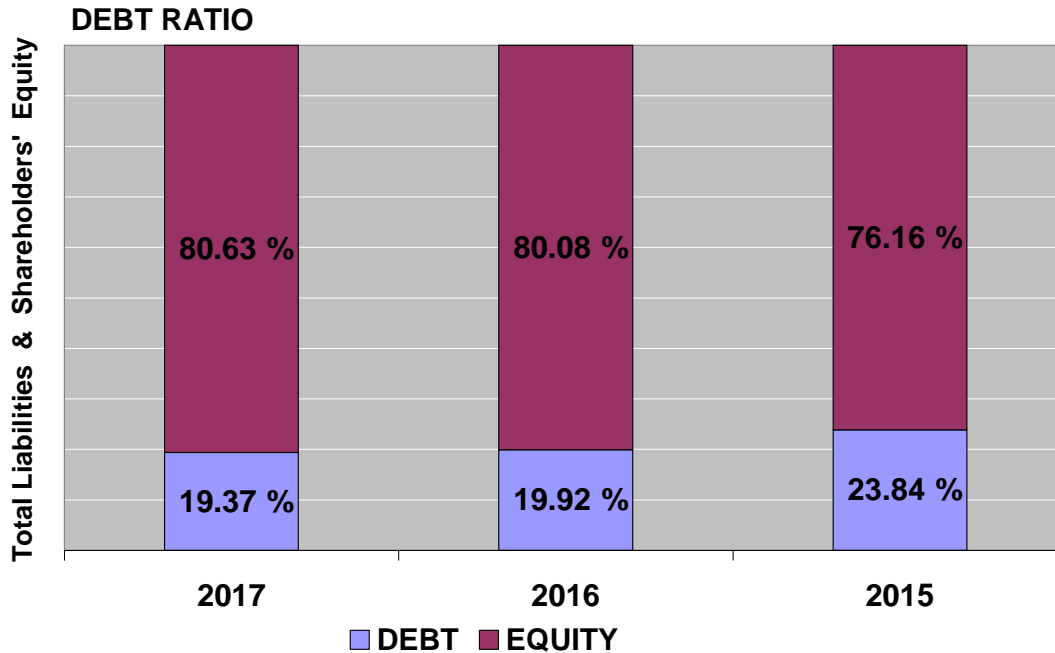
The Cash Conversion Cycle measures the number of days a company's cash is tied up in the production and sales process of its operations and the benefit from payment terms from its creditors. It meant the company could survive when no cash inflow was received from sale for 35 days.

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

Current Ratio Uptrend

LEVERAGE : EXCELLENT

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LEVERAGE RATIO

Debt Ratio	0.19	Impressive	Industrial Average	0.65
Debt to Equity Ratio	0.24	Impressive	Industrial Average	1.82

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Times Interest Earned 90.59 Impressive 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.

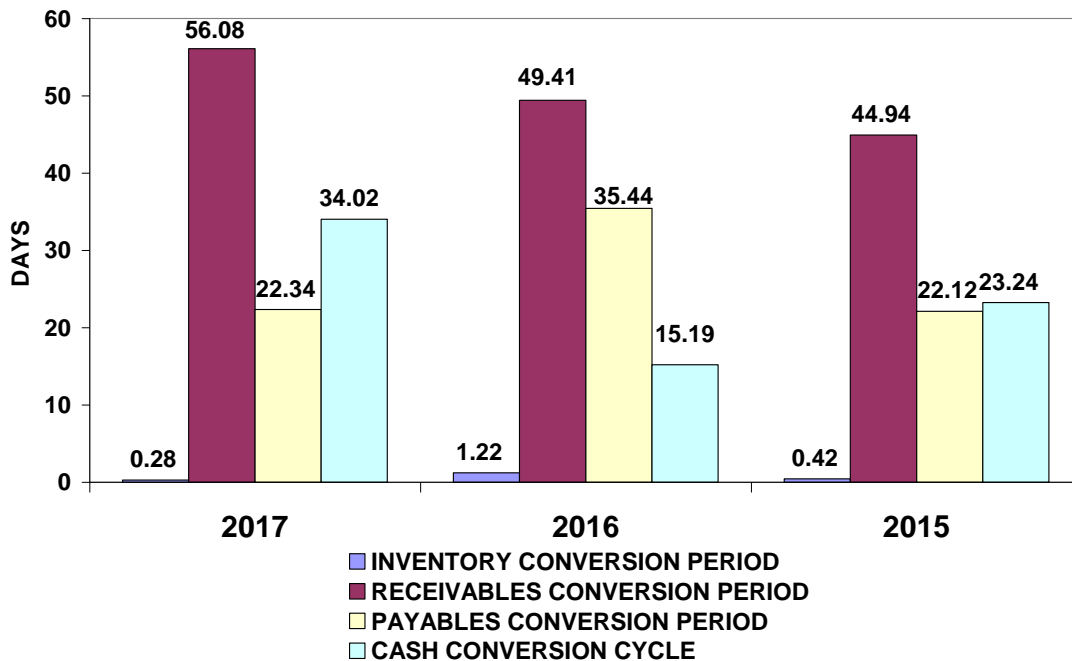
Times Interest Earned measuring a company's ability to meet its debt obligations. Ratio is 90.59 higher than 1, so the company can pay interest expenses on outstanding debt.

Debt Ratio shows the proportion of a company's assets which are financed through debt. The company's figure is 0.19 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 7.51 Impressive Industrial Average -
 Total Assets Turnover 2.31 Deteriorated Industrial Average 19.32
 Inventory Conversion Period 0.28
 Inventory Turnover 1,296.73 Impressive Industrial Average 40.96
 Receivables Conversion Period 56.08

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Receivables Turnover	6.51	Deteriorated	Industrial Average	49.98
Payables Conversion Period	22.34			

The company's Account Receivable Ratio is calculated as 6.51 and 7.39 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 overtly 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 decreased from 1 day at the end of 2016 to 0 day at the end of 2017. This represents a positive trend. And Inventory turnover has increased from 299.6 times in year 2016 to 1296.73 times in year 2017.

The company's Total Asset Turnover is calculated as 2.31 times and 2.66 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	Downtrend

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.10
UK Pound	1	INR 93.70
Euro	1	INR 81.44
THB	1	INR 2.19

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

INFORMATION DETAILS

Analysis Done by :	VIVR
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)