

MIRA INFORM REPORT

Report No. :	531480
Report Date :	27.09.2018

IDENTIFICATION DETAILS

Name :	CHING CHENG WIRE MATERIAL (THAILAND) CO., LTD.
Registered Office :	207 Moo 3, Laemchabang Industrial Estate, T. Thungsukhla, A. Sriracha, Chonburi 20230
Country :	Thailand
Financials (as on) :	31.12.2017
Date of Incorporation :	21.09.1995
Com. Reg. No.:	0205538005605
Legal Form :	Private Limited Company
Line of Business :	The subject is engaged in manufacturing, distributing and exporting various kinds of electrical equipment's such as power cords, power cord sets, power cable, and PVC plug under its owned brand "CHING CHENG". Its products are used in variety of industries such as electric appliances, telecommunication, medical devices, computer network equipment
No. of Employees :	90

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 :	Good
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 (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

CHING CHENG WIRE MATERIAL (THAILAND) CO., LTD.

SUMMARY

BUSINESS ADDRESS : 207 MOO 3, LAEMCHABANG INDUSTRIAL ESTATE,
T. THUNGSUKHLA, A. SRIRACHA, CHONBURI 20230,
THAILAND
TELEPHONE : [66] 38 400-490-2
FAX : [66] 38 400-493
E-MAIL ADDRESS : edchang@chingcheng.com.tw
REGISTRATION ADDRESS : SAME AS BUSINESS ADDRESS
ESTABLISHED : 1995
REGISTRATION/TAX ID NO. : 0205538005605
CAPITAL REGISTERED : BHT. 15,000,000
CAPITAL PAID-UP : BHT. 15,000,000
SHAREHOLDER'S PROPORTION : TAIWANESE : 100%
FISCAL YEAR CLOSING DATE : DECEMBER 31
LEGAL STATUS : PRIVATE LIMITED COMPANY
EXECUTIVE : MR. ED CHANG, TAIWANESE
CHIEF EXECUTIVE OFFICER
NO. OF STAFF : 90
LINES OF BUSINESS : ELECTRICAL EQUIPMENT
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 21, 1995 as a private limited company under the registered name CHING CHENG WIRE MATERIALS (THAILAND) CO., LTD., by Taiwanese group, with the business objective to manufacture and distribute electrical equipments to both domestic and international markets. It currently employs approximately 90 staff.

The subject's registered address is 207 Moo 3, Laemchabang Industrial Estate, T. Thungasukha, A. Sriracha, Chonburi 20230, and this is the subject's current operation address.

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THE BOARD OF DIRECTOR

<u>Name</u>	<u>Nationality</u>	<u>Age</u>
Mr. Teng Chin Chen	Taiwanese	68

AUTHORIZED PERSON

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

MANAGEMENT

Mr. Ed Chang is the Chief Executive Officer.
He is Taiwanese nationality.

Mr. Teng Chin Chen is the Managing Director.
He is Taiwanese nationality with the age of 68 years old.

BUSINESS OPERATIONS

The subject is engaged in manufacturing, distributing and exporting various kinds of electrical equipments such as power cords, power cord sets, power cable, and PVC plug under its owned brand "CHING CHENG". Its products are used in variety of industries such as electric appliances, telecommunication, medical devices, computer network equipment and etc.

PURCHASE

Raw materials are purchased from suppliers both domestic and overseas in Taiwan, Republic of China and Germany.

MAJOR SUPPLIER

Ching Cheng Wire Material Co., Ltd. : Taiwan

SALES

The products are sold locally by wholesale to traders and manufacturers, which 70% to locally and the remaining 30% to overseas such as U.S.A., Taiwan, India, Malaysia, Vietnam, Singapore, Hong Kong, Australia, and the 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 to 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.

BANKING

Bangkok Bank Public Company Limited

EMPLOYMENT

The subject employs approximately 90 staff.

LOCATION DETAILS

The premise is rented for administrative office, factory and warehouse at the heading address. Premise is located in provincial.

Note

Refer to your given contact person, "MR. OWEN YANG", please be informed that the given name was the former Chief Executive Officer of the subject.

COMMENT

The subject's operating performance in 2017 was satisfactory with an increase in both sales or service income and net profit comparing to the previous year. The subject's business is promising and growing steadily in line with a high demand of the service from local and overseas clients.

FINANCIAL INFORMATION

The capital was registered at Bht. 15,000,000 divided into 1,500,000 shares of Bht. 10 each with fully paid.

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

<u>NAME</u>	<u>HOLDING</u>	<u>%</u>
Mr. Teng Chin Chen Nationality: Taiwanese Address : Tan-Shih, Taiwan	1,200,000	80.00
Mr. Chew Wen Teng Nationality: Taiwanese Address : Tan-Shih, Taiwan	150,000	10.00
Mr. Chew Chen Teng Nationality: Taiwanese Address : Tan-Shih, Taiwan	150,000	10.00

Total Shareholders : 3

SHARE STRUCTURE [AS AT APRIL 30, 2018]

<u>Nationality</u>	<u>Shareholders</u>	<u>No. of Share</u>	<u>% Shares</u>
Thai	-	-	-
Foreign-Taiwanese	3	1,500,000	100.00
Total	3	1,500,000	100.00

NAME OF AUDITOR & CERTIFIED PUBLIC ACCOUNTANT NO.

Mrs. Priya Suwanchotechuang No. 1548

FINANCIALS

CHING CHENG WIRE MATERIAL (THAILAND) CO., LTD.

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	11,598,341.41	16,955,009.75	21,193,666.05
Trade Accounts and Other Receivable	18,860,553.30	24,439,112.09	18,826,219.25
Inventories	21,698,402.03	20,518,171.73	11,100,468.20
Other Current Assets	1,958,130.62	1,936,809.81	1,167,761.95
Total Current Assets	54,115,427.36	63,849,103.38	52,288,115.45
Property, Plant and Equipment	18,235,782.34	6,722,660.63	5,909,380.05
Total Assets	72,351,209.70	70,571,764.01	58,197,495.50

LIABILITIES & SHAREHOLDERS' EQUITY [BAHT]

Current Liabilities	2017	2016	2015
Trade Accounts and Other Payable	30,778,223.43	32,296,395.35	16,176,574.74
Current Portion of Long-term Liabilities	-	60,163.37	89,018.74
Other Current Liabilities	1,060,031.18	1,983,513.81	3,347,295.48
Total Current Liabilities	31,838,254.61	34,340,072.53	19,612,888.96
Long-term Loans	-	-	60,163.61
Total Liabilities	31,838,254.61	34,340,072.53	19,673,052.57
Shareholders' Equity			
Share capital : Baht 10 value authorized, and issued share capital 1,500,000 shares	15,000,000.00	15,000,000.00	15,000,000.00
Capital Paid	15,000,000.00	15,000,000.00	15,000,000.00
Retained Earning [Deficit]			
Appropriated statutory reserve	1,500,000.00	1,500,000.00	1,500,000.00
Unappropriated	24,012,955.09	19,731,691.48	22,024,442.93

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Total Shareholders' Equity	40,512,955.09	36,231,691.48	38,524,442.93
Total Liabilities and Shareholders' Equity	72,351,209.70	70,571,764.01	58,197,495.50

PROFIT & LOSS ACCOUNT

Revenue	2017	2016	2015
Sales or Services Income	188,702,435.63	178,977,075.74	191,163,944.20
Other Income	3,551,961.46	557,656.37	155,003.85
Total Revenues	192,254,397.09	179,534,732.11	191,318,948.05
Expenses			
Cost of Sold Goods or Services	168,809,650.71	154,634,359.31	164,183,978.76
Selling Expenses	3,300,636.09	2,838,162.52	3,042,534.18
Administrative Expenses	15,141,756.52	14,451,592.31	14,282,957.63
Total Expenses	187,252,043.32	171,924,114.14	181,509,470.57
Profit/[Loss] before Financial Cost and Income Tax	5,002,353.77	7,610,617.97	9,809,477.48
Financial Cost	[6,257.23]	[9,392.28]	[23,630.43]
Profit/[Loss] before Income Tax	4,996,096.54	7,601,225.69	9,785,847.05
Income Tax	[714,832.93]	[1,572,938.19]	[2,112,577.77]
Net Profit / [Loss]	4,281,263.61	6,028,287.50	7,673,269.28

CHING CHENG WIRE MATERIAL (THAILAND) CO., LTD.

FINANCIAL ANALYSIS

ITEM	UNIT	2017	2016	2015
LIQUIDITY RATIO				
CURRENT RATIO	TIMES	1.70	1.86	2.67
QUICK RATIO	TIMES	0.96	1.21	2.04
ACTIVITY RATIO				
FIXED ASSETS TURNOVER	TIMES	10.35	26.62	32.35
TOTAL ASSETS TURNOVER	TIMES	2.61	2.54	3.28
INVENTORY CONVERSION PERIOD	DAYS	46.92	48.43	24.68
INVENTORY TURNOVER	TIMES	7.78	7.54	14.79

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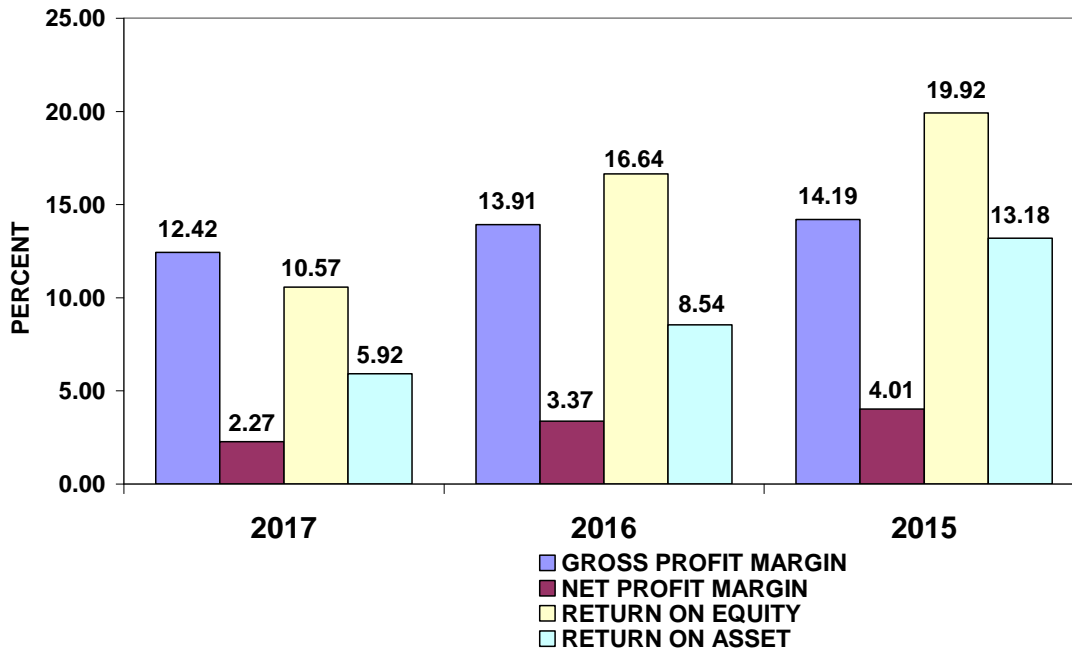
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RECEIVABLES CONVERSION PERIOD	DAYS	36.48	49.84	35.95
RECEIVABLES TURNOVER	TIMES	10.01	7.32	10.15
PAYABLES CONVERSION PERIOD	DAYS	66.55	76.23	35.96
CASH CONVERSION CYCLE	DAYS	16.85	22.04	24.66
PROFITABILITY RATIO				
COST OF GOODS SOLD	%	89.46	86.40	85.89
SELLING & ADMINISTRATION	%	9.77	9.66	9.06
INTEREST	%	0.00	0.01	0.01
GROSS PROFIT MARGIN	%	12.42	13.91	14.19
NET PROFIT MARGIN BEFORE EX. ITEM	%	2.65	4.25	5.13
NET PROFIT MARGIN	%	2.27	3.37	4.01
RETURN ON EQUITY	%	10.57	16.64	19.92
RETURN ON ASSET	%	5.92	8.54	13.18
EARNING PER SHARE	BAHT	2.85	4.02	5.12
LEVERAGE RATIO				
DEBT RATIO	TIMES	0.44	0.49	0.34
DEBT TO EQUITY RATIO	TIMES	0.79	0.95	0.51
TIME INTEREST EARNED	TIMES	799.45	810.31	415.12
ANNUAL GROWTH				
SALES GROWTH	%	5.43	(6.38)	
OPERATING PROFIT	%	(34.27)	(22.42)	
NET PROFIT	%	(28.98)	(21.44)	
FIXED ASSETS	%	171.26	13.76	
TOTAL ASSETS	%	2.52	21.26	

ANNUAL GROWTH : SATISFACTORY

An annual sales growth is 5.43%. Sales Income has increased from THB 178,977,075.74 in 2016 to THB 188,702,435.63 in 2017. While net profit has decreased from THB 6,028,287.50 in 2016 to THB 4,281,263.61 in 2017. And total assets has increased from THB 70,571,764.01 in 2016 to THB 72,351,209.70 in 2017.

PROFITABILITY : SATISFACTORY



PROFITABILITY RATIO

Gross Profit Margin	12.42	Acceptable	Industrial Average	43.04
Net Profit Margin	2.27	Satisfactory	Industrial Average	3.54
Return on Assets	5.92	Impressive	Industrial Average	5.01
Return on Equity	10.57	Satisfactory	Industrial Average	12.27

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. The company's figure is 12.42%. When compared with the industry average, the ratio of the company was lower. This indicated that company may have problems with control over its costs.

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 2.27%. 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. Return on Assets ratio is 5.92%, 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.

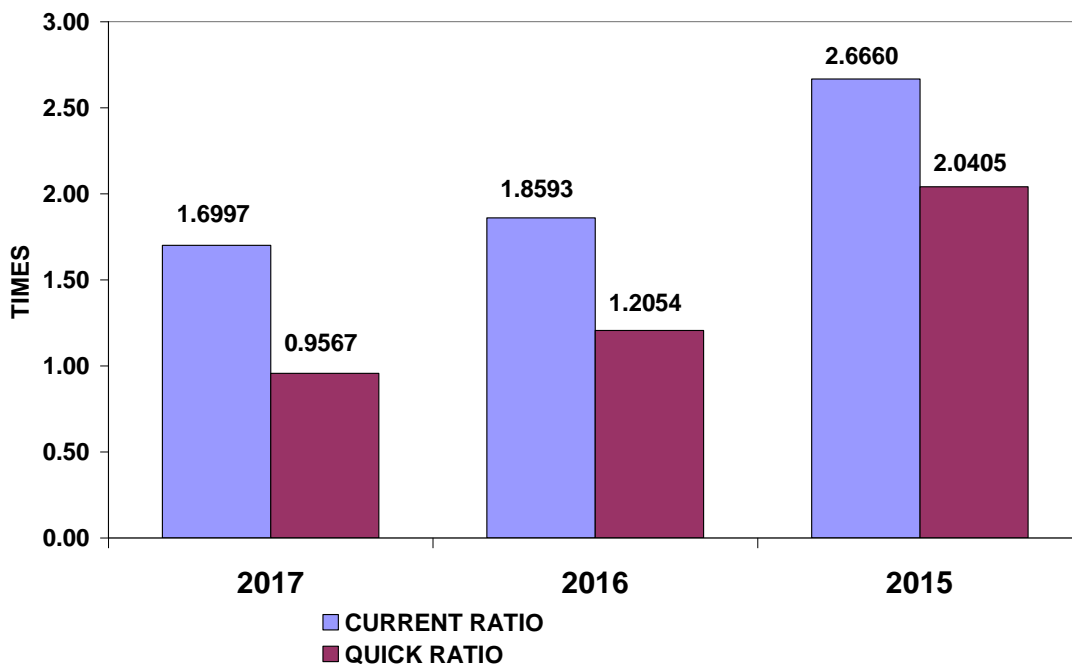
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Return on Equity indicates how profitable a company is by comparing its net income to its average shareholders' equity, ROE measures how much the shareholders earned for their investment in the company. When compared with the industry average, it was lower, the company's figure is 10.57%.

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

Return on Assets Uptrend
 Return on Equity Uptrend

LIQUIDITY : SATISFACTORY



LIQUIDITY RATIO

Current Ratio	1.70	Impressive	Industrial Average	1.55
Quick Ratio	0.96			
Cash Conversion Cycle	16.85			

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 1.7 times in 2017, decrease from 1.86 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 0.96 times in 2017, decrease from 1.21 times, by excluding inventory, the company may have problems meeting current liabilities.

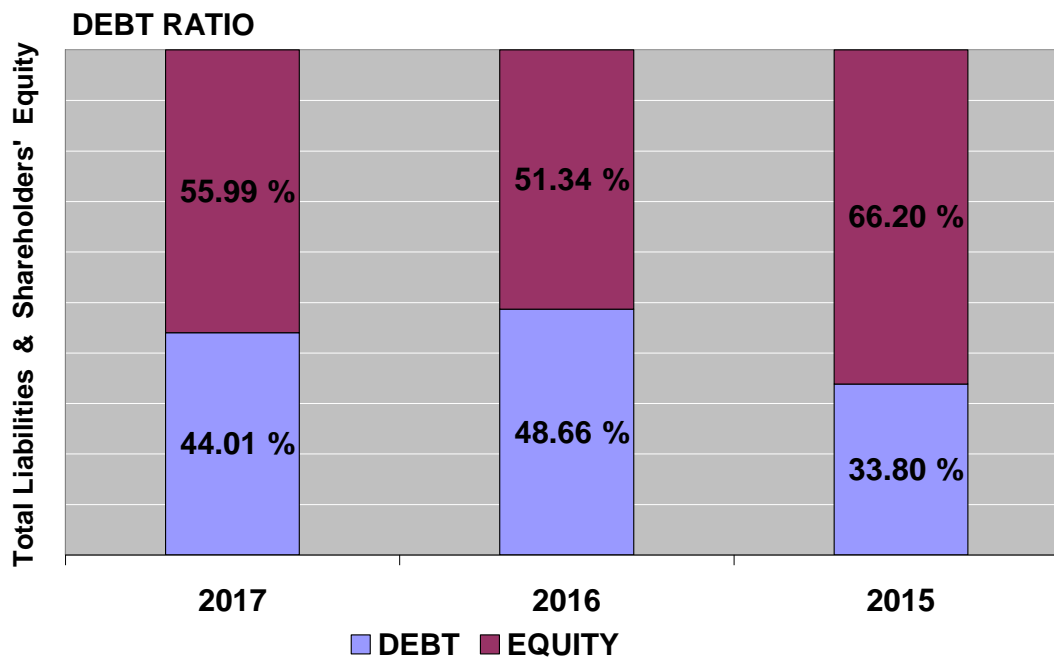
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The Cash Conversion Cycle measures the number of days a company's cash is tied up in the production and sales process of its operations and the benefit from payment terms from its creditors. It meant the company could survive when no cash inflow was received from sale for 17 days.

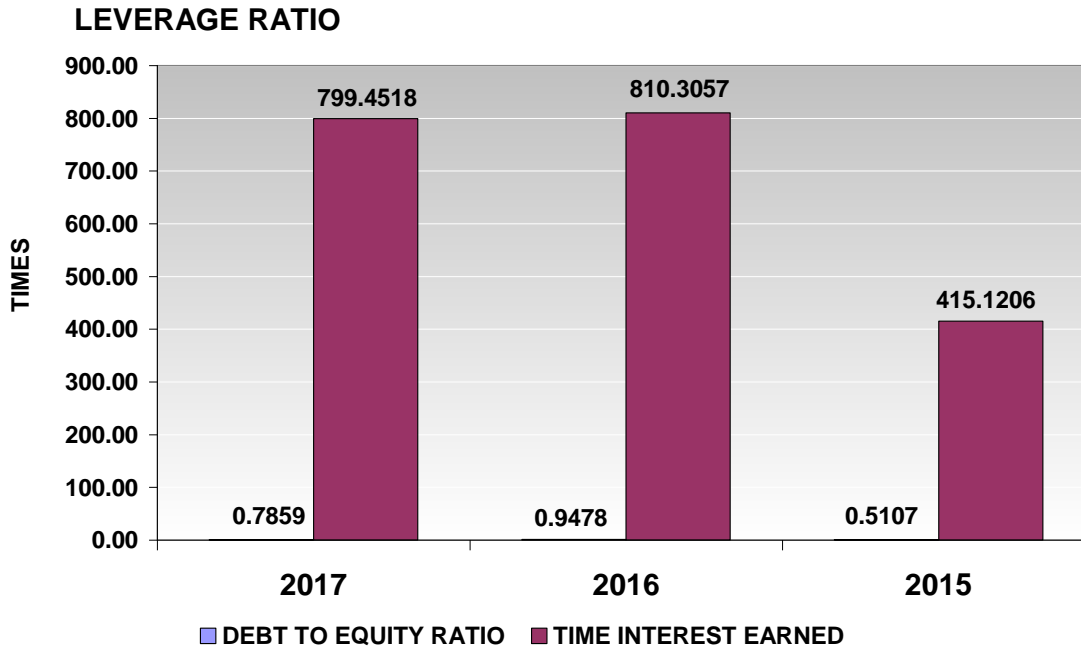
Trend of the average competitors in the same industry for last 5 years

Current Ratio Uptrend

LEVERAGE : EXCELLENT



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LEVERAGE RATIO

Debt Ratio	0.44	Impressive	Industrial Average	0.58
Debt to Equity Ratio	0.79	Impressive	Industrial Average	1.39
Times Interest Earned	799.45	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 799.46 higher than 1, so the company can pay interest expenses on outstanding debt.

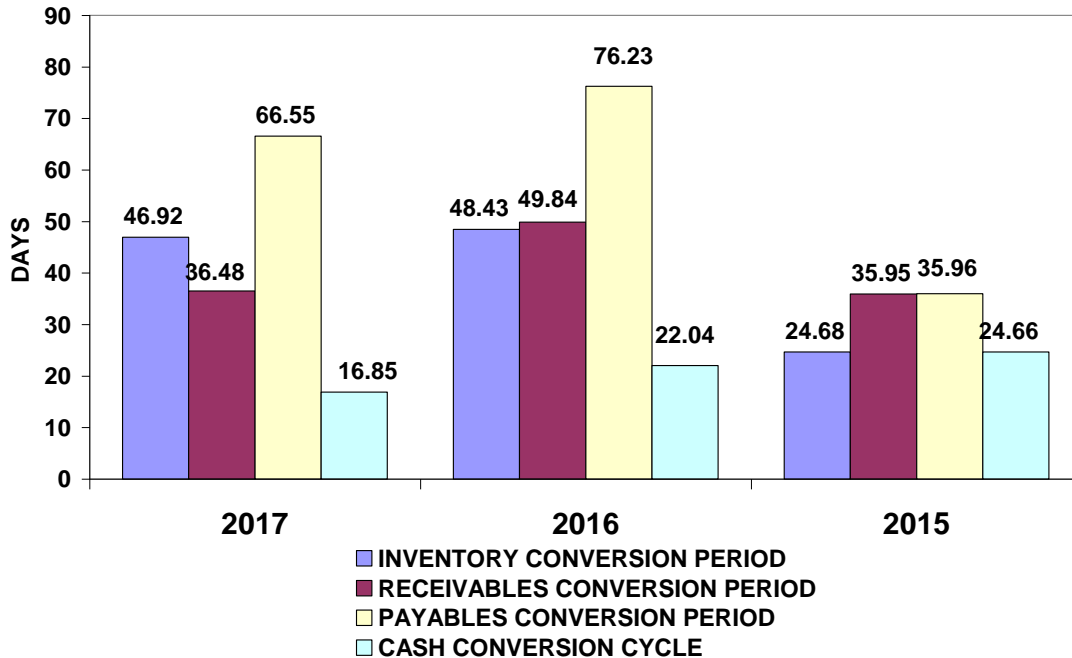
Debt Ratio shows the proportion of a company's assets which are financed through debt. The company's figure is 0.44 less than 0.5, most of the company's assets are financed through equity.

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

Debt Ratio	Downtrend
Times Interest Earned	Stable

ACTIVITY : EXCELLENT

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ACTIVITY RATIO

Fixed Assets Turnover	10.35	Impressive	Industrial Average	-
Total Assets Turnover	2.61	Impressive	Industrial Average	1.41
Inventory Conversion Period	46.92			
Inventory Turnover	7.78	Impressive	Industrial Average	3.86
Receivables Conversion Period	36.48			
Receivables Turnover	10.01	Impressive	Industrial Average	3.80
Payables Conversion Period	66.55			

The company's Account Receivable Ratio is calculated as 10.01 and 7.32 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 increased from 2016. This would suggest the company had good performance 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 48 days at the end of 2016 to 47 days at the end of 2017. This represents a positive trend. And Inventory turnover has increased from 7.54 times in year 2016 to 7.78 times in year 2017.

The company's Total Asset Turnover is calculated as 2.61 times and 2.54 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	Uptrend
Inventory Turnover	Uptrend
Receivables Turnover	Uptrend

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.72
UK Pound	1	INR 95.77
Euro	1	INR 85.54
Thai baht	1	INR 2.24

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	SYL

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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)