

## MIRA INFORM REPORT

Report No. :	522144
Report Date :	01.08.2018

### IDENTIFICATION DETAILS

Name :	RACER GLOBAL TRADE CO., LTD.
Registered Office :	137 Moo 9 Soi Somthong, Petchkasem 91 Rd, Samutsakorn 74110
Country :	Thailand
Financials (as on) :	31.12.2017
Date of Incorporation :	04.09.2001
Com. Reg. No.:	0745544001701
Legal Form :	Private Limited Company
Line of Business :	Distributor and Exporter of Electrical Equipment.
No. of Employees :	30

### RATING & COMMENTS

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

MIRA's Rating :	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	No Complaints
Litigation :	Clear

#### NOTES:

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

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**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**

RACER GLOBALTRADECO.,LTD.

## **SUMMARY**

**BUSINESS ADDRESS** : 137 MOO 9, SOI SORNTHONG,  
PETCHAKASEM 91 ROAD, T. SUANLUANG,  
A. KRATHUMBAN, SAMUTSAKORN 74110,  
THAILAND

**TELEPHONE** : [66] 2811-1741-5  
**FAX** : [66] 2420-0293  
**E-MAIL ADDRESS** : info@racerlighting.com  
**REGISTRATION ADDRESS** : SAME AS BUSINESS ADDRESS

**ESTABLISHED** : 2001  
**REGISTRATION/TAX ID NO.** : 0745544001701  
**CAPITAL REGISTERED** : BHT. 5,000,000  
**CAPITAL PAID-UP** : BHT. 5,000,000  
**SHAREHOLDER'S PROPORTION** : THAI : 100%  
**FISCAL YEAR CLOSING DATE** : DECEMBER 31  
**LEGAL STATUS** : PRIVATE LIMITED COMPANY  
**EXECUTIVE** : MS. NAPAVALAI RANGSISINGPIPAT, THAI  
MANAGING DIRECTOR

**NO. OF STAFF** : 30  
**LINES OF BUSINESS** : ELECTRICAL EQUIPMENT  
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 September 4, 2001 as a private limited company under the registered name RACER GLOBAL TRADE CO., LTD., by Thai groups. Its business objective is to distribute various kinds of electrical equipment to both domestic and overseas markets. It currently employs approximately 30 staff.

The subject's registered address is 137 Moo 9, Soi Sornthong, Petchakasem 91 Road, T. Suanluang, A. Krathumban, Samutsakorn 74110, and this is the subject's current operation address.

## **THE BOARD OF DIRECTOR**

<u>Name</u>	<u>Nationality</u>	<u>Age</u>
Ms. Napavilai Rangsisingpipat	Thai	46

## **AUTHORIZED PERSON**

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

## **MANAGEMENT**

**Ms. Napavilai Rangsisingpipat** is the Managing Director. She is Thai nationality with the age of 46 years old.

## **BUSINESS OPERATIONS**

The subject is engaged in distributing and exporting various kinds of electrical equipment such as ballast, electromagnetic ballast, fluorescent lamp, starter, etc.

### **MAJOR BRAND**

"RACER", "OCTANE" and etc.

### **PURCHASE**

100% of the products is purchased from local suppliers.

### **MAJOR SUPPLIER**

Racer Electric (Thailand) Co., Ltd. : Thailand

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## **SALES**

The products are sold by wholesale to both local and overseas customers in Malaysia, Indonesia, Myanmar, India and Laos.

## ***RELATED AND AFFILIATED COMPANY***

### **Racer Electric (Thailand) Co., Ltd.**

Business Type: Manufacturer of electrical equipment

## ***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 employs approximately 30 staff.

## ***LOCATION DETAILS***

The premise is owned for administrative office at the heading address. Premise is located in provincial.

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## **COMMENT**

Despite a decrease in both sales or service income and net profit in 2017 comparing to the previous year, it operates a moderate business and remains profitable.

## **FINANCIAL INFORMATION**

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

On May 21, 2013, the registered capital was increased to Bht. 5,000,000 divided into 50,000 shares of Bht.100 each with fully paid.

## **THE SHAREHOLDERS LISTED WERE**

[As at April 30, 2018]

<u>NAME</u>	<u>HOLDING</u>	<u>%</u>
<b>Ms. Napavilai Rangsisingpipat</b> Nationality: Thai Address : 5 Soi Sirindhorn 9, Bangbamru, Bangplad, Bangkok	20,000	40.00
<b>Mr. Visrut Rangsisingpipat</b> Nationality: Thai Address : 195/1 Pradipat Road, Samsennai, Phayathai, Bangkok	15,000	30.00
<b>Mr. Vises Rangsisingpipat</b> Nationality: Thai Address : 168/1 Bangwaek Road, Bangpai, Bangkae, Bangkok	15,000	30.00

**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	3	50,000	100.00
Foreign	-	-	-

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Total 3 50,000 100.00

**NAME OF AUDITOR & CERTIFIED PUBLIC  
ACCOUNTANT NO.**

Ms. Chantrarat Boonfahprathan No. 6496

**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	3,850,608.00	6,844,281.50	1,190,824.33
Trade Accounts and Other Receivable	47,210,475.90	47,429,110.04	34,330,161.00
Short-term Loan	-	-	53,310,111.18
Inventories	128,317.11	250,906.08	12,000.00
Other Current Assets	48,344,056.52	32,603,495.71	6,566,528.09
<b>Total Current Assets</b>	<b>99,533,457.53</b>	<b>87,127,793.33</b>	<b>95,409,624.60</b>
Property, Plant and Equipment	2,086,268.70	3,463,806.06	4,773,725.37
Intangible Assets	82,011.35	147,420.85	-
Other Non-current Assets	239,623.10	239,623.10	239,623.10
<b>Total Assets</b>	<b>101,941,360.68</b>	<b>90,978,643.34</b>	<b>100,422,973.07</b>

**LIABILITIES & SHAREHOLDERS' EQUITY [BAHT]**

Current Liabilities	2017	2016	2015
Bank Overdraft & Short-term Loan from Financial Institution	53,240,000.00	42,460,000.00	-
Trade Accounts & Other Payable	6,360,305.61	10,116,063.43	9,946,954.45
Current Portion of Long-term Liabilities	470,986.74	754,163.20	-
Short-term Loan	-	-	50,090,000.00
Accrued Income Tax	400,342.85	2,425,141.08	-
Other Current Liabilities	10,211,881.16	793,017.48	2,997,563.31
<b>Total Current Liabilities</b>	<b>70,683,516.36</b>	<b>56,548,385.19</b>	<b>63,034,517.76</b>

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***RACER GLOBAL TRADE CO., LTD. - 522144***

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Other Non-current Liabilities	647,432.33	1,118,419.07	1,829,117.55
<b>Total Liabilities</b>	<b>71,330,948.69</b>	<b>57,666,804.26</b>	<b>64,863,635.31</b>
<b>Shareholders' Equity</b>			
Share capital : Baht 100 par value Authorized, issued & fully paid-up share capital 50,000 shares			
	5,000,000.00	5,000,000.00	5,000,000.00
Capital Paid	5,000,000.00	5,000,000.00	5,000,000.00
Retained Earning Appropriated for Statutory Reserve	500,000.00	500,000.00	500,000.00
Unappropriated	25,110,411.99	27,811,839.08	30,059,337.76
<b>Total Shareholders' Equity</b>	<b>30,610,411.99</b>	<b>33,311,839.08</b>	<b>35,559,337.76</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>101,941,360.68</b>	<b>90,978,643.34</b>	<b>100,422,973.07</b>

**PROFIT & LOSS ACCOUNT**

<b>Revenue</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Sales or Service Income	266,903,248.41	327,014,617.63	327,822,192.28
Other Income	2,357,091.58	5,176,974.83	3,023,302.14
<b>Total Revenues</b>	<b>269,260,339.99</b>	<b>332,191,592.46</b>	<b>330,845,494.42</b>
<b>Expenses</b>			
Cost of Goods Sold or Service	247,316,006.89	304,436,888.51	305,791,545.98
Selling Expenses	7,485,870.28	8,561,827.63	8,915,277.22
Administrative Expenses	10,364,964.68	12,540,726.14	11,815,015.04
<b>Total Expenses</b>	<b>265,166,841.85</b>	<b>325,539,442.28</b>	<b>326,521,838.24</b>
Profit /[Loss] before Financial Cost & Income Tax	4,093,498.14	6,652,150.18	4,323,656.18
Financial Cost	[1,985,972.14]	[1,974,507.78]	[1,540,380.12]
Profit /[Loss] before Income Tax Income Tax	2,107,526.00 [808,953.09]	4,677,642.40 [2,925,141.08]	2,783,276.06 [989,763.03]
<b>Net Profit/ [Loss]</b>	<b>1,298,572.91</b>	<b>1,752,501.32</b>	<b>1,793,513.03</b>

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**FINANCIAL ANALYSIS**

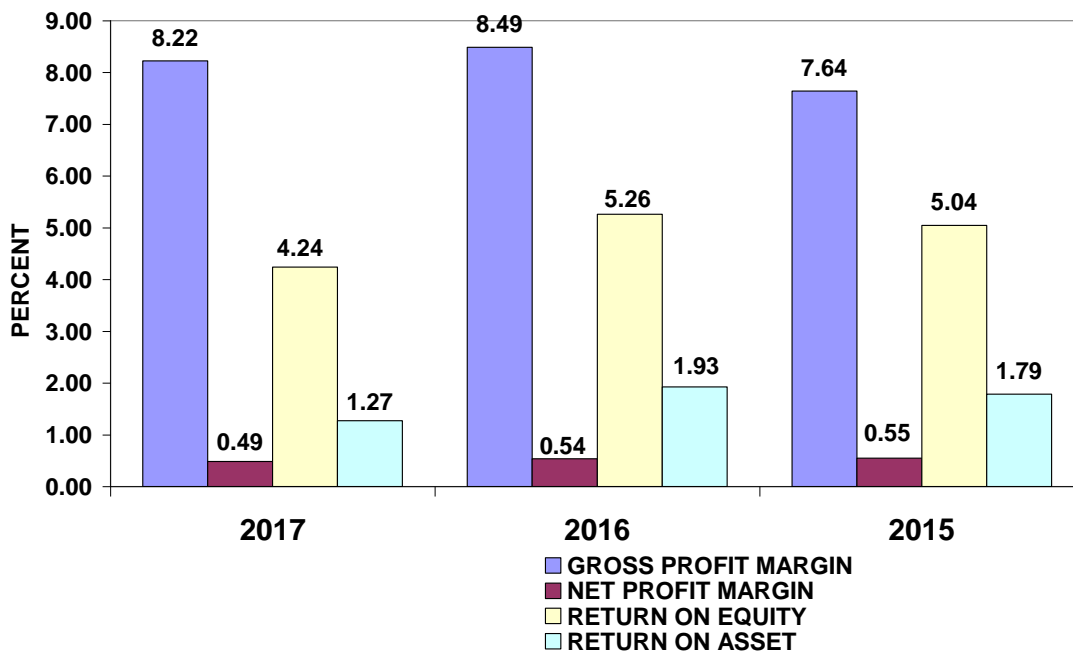
ITEM	UNIT	2017	2016	2015
<b>LIQUIDITY RATIO</b>				
CURRENT RATIO	TIMES	1.41	1.54	1.51
QUICK RATIO	TIMES	0.72	0.96	1.41
<b>ACTIVITY RATIO</b>				
FIXED ASSETS TURNOVER	TIMES	127.93	94.41	68.67
TOTAL ASSETS TURNOVER	TIMES	2.62	3.59	3.26
INVENTORY CONVERSION PERIOD	DAYS	0.19	0.30	0.01
INVENTORY TURNOVER	TIMES	1,927.38	1,213.35	25,482.63
RECEIVABLES CONVERSION PERIOD	DAYS	64.56	52.94	38.22
RECEIVABLES TURNOVER	TIMES	5.65	6.89	9.55
PAYABLES CONVERSION PERIOD	DAYS	9.39	12.13	11.87
CASH CONVERSION CYCLE	DAYS	55.36	41.11	26.36
<b>PROFITABILITY RATIO</b>				
COST OF GOODS SOLD	%	92.66	93.10	93.28
SELLING & ADMINISTRATION INTEREST	%	6.69	6.45	6.32
GROSS PROFIT MARGIN	%	8.22	8.49	7.64
NET PROFIT MARGIN BEFORE EX. ITEM	%	1.53	2.03	1.32
NET PROFIT MARGIN	%	0.49	0.54	0.55
RETURN ON EQUITY	%	4.24	5.26	5.04
RETURN ON ASSET	%	1.27	1.93	1.79
EARNING PER SHARE	BAHT	25.97	35.05	35.87
<b>LEVERAGE RATIO</b>				
DEBT RATIO	TIMES	0.70	0.63	0.65
DEBT TO EQUITY RATIO	TIMES	2.33	1.73	1.82
TIME INTEREST EARNED	TIMES	2.06	3.37	2.81
<b>ANNUAL GROWTH</b>				
SALES GROWTH	%	(18.38)	(0.25)	
OPERATING PROFIT	%	(38.46)	53.85	
NET PROFIT	%	(25.90)	(2.29)	
FIXED ASSETS	%	(39.77)	(27.44)	
TOTAL ASSETS	%	12.05	(9.40)	

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**ANNUAL GROWTH: RISKY**

An annual sales growth is -18.38%. Sales Income has decreased from THB 327,014,617.63 in 2016 to THB 266,903,248.41 in 2017. While net profit has decreased from THB 1,752,501.32 in 2016 to THB 1,298,572.91 in 2017. And total assets has increased from THB 90,978,643.34 in 2016 to THB 101,941,360.68 in 2017.

**PROFITABILITY: RISKY**



**PROFITABILITY RATIO**

Gross Profit Margin	8.22	Deteriorated	Industrial Average	74.89
Net Profit Margin	0.49	Deteriorated	Industrial Average	2.49
Return on Assets	1.27	Deteriorated	Industrial Average	5.10
Return on Equity	4.24	Acceptable	Industrial Average	13.03

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 8.22%. 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

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profits and result in a net loss. The company's figure is 0.49%. When compared with the industry average, the ratio of the company was lower.

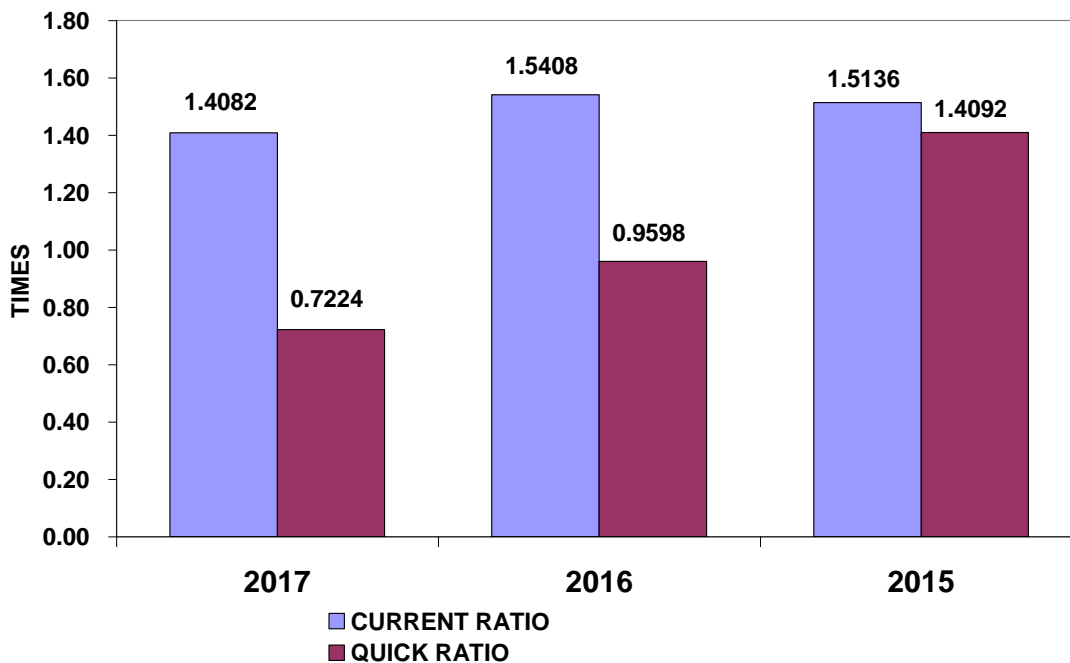
Return on Assets measures how efficiently profits are being generated from the assets employed in the business when compared with the ratios of firms in a similar business. A low ratio in comparison with industry averages indicates an inefficient use of business assets. When compared with the industry average, it was lower, the company's figure is 1.27%.

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 4.24%.

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

Return on Assets                      Downtrend  
 Return on Equity                    Downtrend

**LIQUIDITY : ACCEPTABLE**



**LIQUIDITY RATIO**

Current Ratio	1.41	Satisfactory	Industrial Average	1.70
Quick Ratio	0.72			
Cash Conversion Cycle	55.36			

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 1.41 times in 2017, decrease from 1.54 times, then it is generally

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considered to have good short-term financial strength. When compared with the industry average, the ratio of the company was lower.

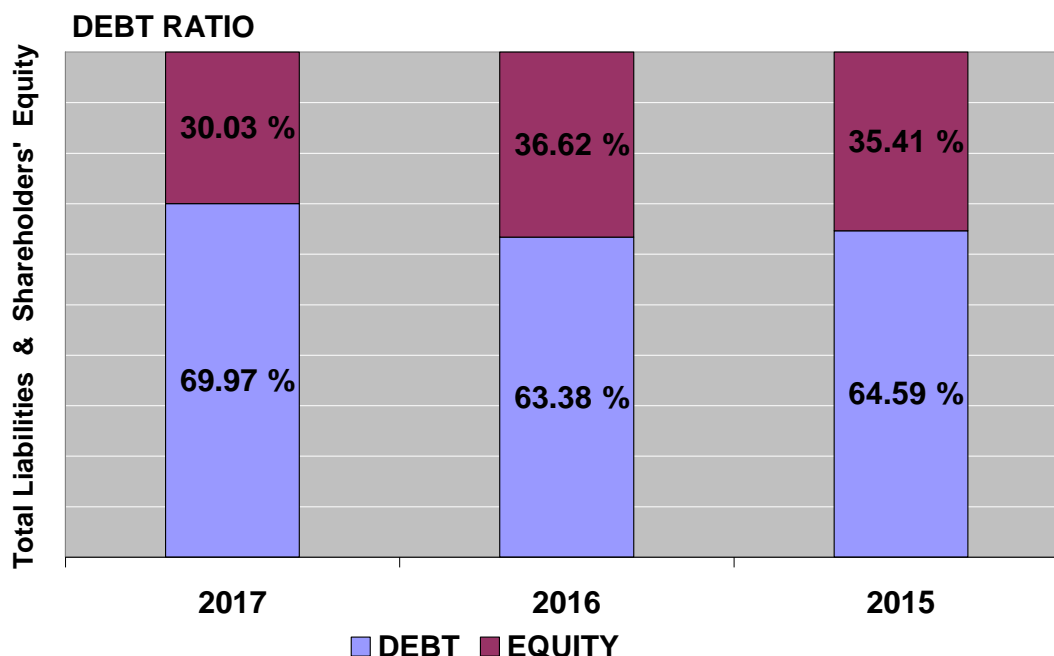
The Quick Ratio is a liquidity indicator that further refines the current ratio by measuring the amount of the most liquid current assets there are to cover current liabilities. The company's figure is 0.72 times in 2017, decrease from 0.96 times, then the company has not enough current assets that presumably can be quickly converted to cash for pay financial obligations.

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 56 days.

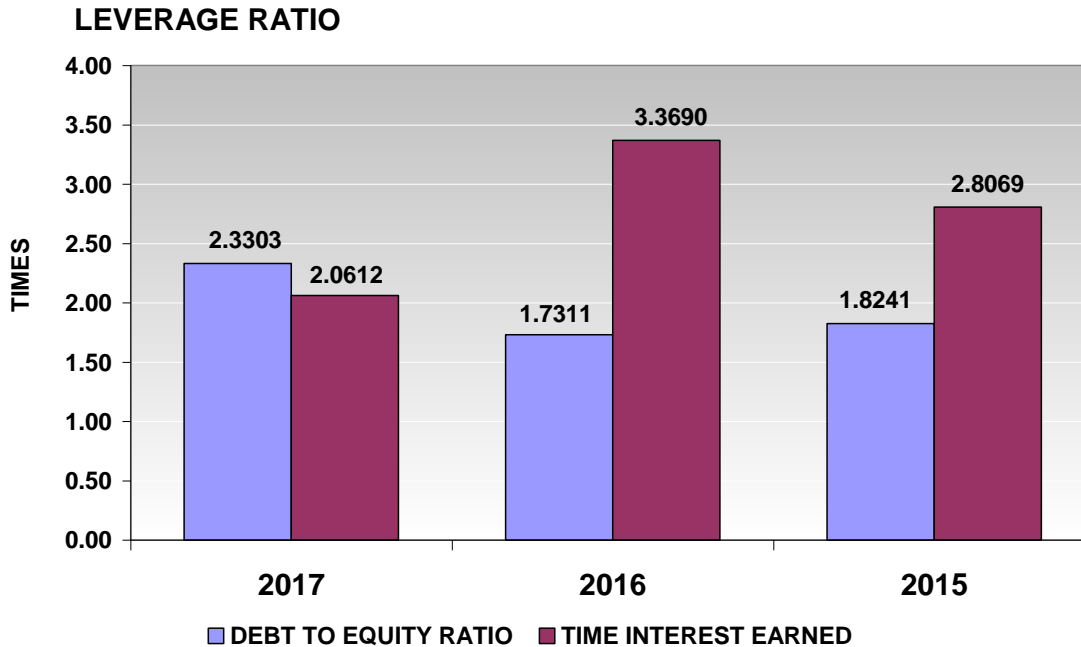
**Trend of the average competitors in the same industry for last 5 years**

Current Ratio                      Uptrend

**LEVERAGE : ACCEPTABLE**



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**LEVERAGE RATIO**

Debt Ratio	0.70	Acceptable	Industrial Average	0.60
Debt to Equity Ratio	2.33	Risky	Industrial Average	1.51
Times Interest Earned	2.06	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 higher the percentage means that the company is using less equity and has stronger leverage position.

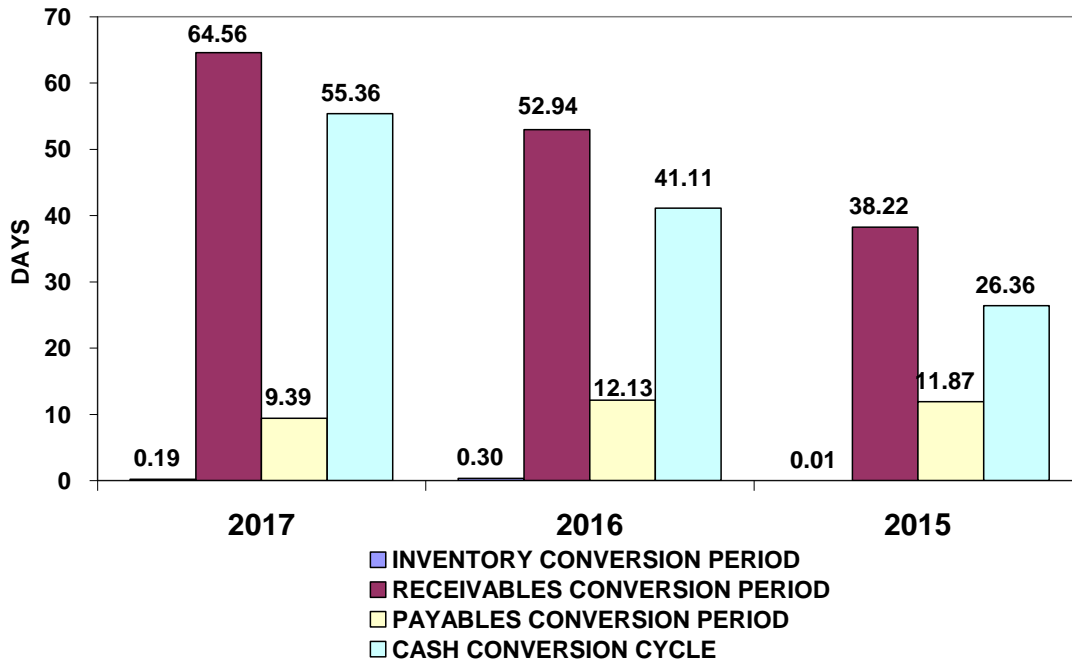
Times Interest Earned measuring a company's ability to meet its debt obligations. Ratio is 2.07 higher than 1, so the company can pay interest expenses on outstanding debt.

Debt Ratio shows the proportion of a company's assets which are financed through debt. The company's figure is 0.7 greater than 0.5, most of the company's assets are financed through debt.

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

Debt Ratio	Downtrend
Times Interest Earned	Stable

**ACTIVITY : EXCELLENT**



**ACTIVITY RATIO**

Fixed Assets Turnover	127.93	Impressive	Industrial Average	-
Total Assets Turnover	2.62	Impressive	Industrial Average	2.05
Inventory Conversion Period	0.19			
Inventory Turnover	1,927.38	Impressive	Industrial Average	5.42
Receivables Conversion Period	64.56			
Receivables Turnover	5.65	Impressive	Industrial Average	4.36
Payables Conversion Period	9.39			

The company's Account Receivable Ratio is calculated as 5.65 and 6.89 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 is 0 day at the end of 2016, same figure as in 2017. This represents a positive trend. And Inventory turnover has increased from 1213.35 times in year 2016 to 1927.38 times in year 2017.

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The company's Total Asset Turnover is calculated as 2.62 times and 3.59 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 68.61
UK Pound	1	INR 90.07
Euro	1	INR 80.37
Thai Baht	1	INR 2.07

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIY
<b>Report Prepared by :</b>	NIT

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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)