

## MIRA INFORM REPORT

Report No. :	547218
Report Date :	29.12.2018

### IDENTIFICATION DETAILS

Name :	GC GLYCOL COMPANY LIMITED
Formerly Known As :	TOC GLYCOL COMPANY LIMITED
Registered Office :	15 <sup>th</sup> Floor, Energy Complex Building A, 555/1 Vibhavadi-Rangsit Road, Chatuchak, Bangkok 10900
Country :	Thailand
Financials (as on) :	31.12.2017
Date of Incorporation :	27.11.2003
Com. Reg. No.:	0105546143745
Legal Form :	Private Limited Company
Line of Business :	The subject is engaged in manufacturing of Ethanolamine [EA] & Monoethylene Glycol [MEG]. The products have been used mainly in polyester fibers and polyethylene terephthalate (PET plastic bottles) industries.
No. of Employees :	180

### RATING & COMMENTS

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

**MIRA's Rating :** A+

Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

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**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.

**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

**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**

**GC GLYCOL COMPANY LIMITED**

**[FORMER: TOC GLYCOL COMPANY LIMITED]**

## **SUMMARY**

**BUSINESS ADDRESS** : 15<sup>TH</sup> FLOOR, ENERGY COMPLEX BUILDING A,  
555/1 VIBHAVADI-RANGSIT ROAD, CHATUCHAK, BANGKOK  
10900, THAILAND

**TELEPHONE** : [66] 2265-8100, 2265-8400

**FAX** : [66] 2265-8111, 2265-8500

**E-MAIL ADDRESS** : egmarketing@glycol.co.th

**REGISTRATION ADDRESS** : SAME AS BUSINESS ADDRESS

**ESTABLISHED** : 2003

**REGISTRATION / TAX ID NO.** : 0105546143745

**CAPITAL REGISTERED** : BHT. 5,395,000,000

**CAPITAL PAID-UP** : BHT. 5,395,000,000

**SHAREHOLDER'S PROPORTION** : THAI : 100%

**FISCAL YEAR CLOSING DATE** : DECEMBER 31

**LEGAL STATUS** : PRIVATE LIMITED COMPANY

**EXECUTIVE** : MR. PATIPARN SUKORNDHAMAN, THAI  
CHIEF OPERATION OFFICER

**NO. OF STAFF** : 180

**LINES OF BUSINESS** : PETROCHEMICALS  
MANUFACTURER, EXPORTER AND DISTRIBUTOR

## **CORPORATE PROFILE**

**OPERATING TREND** : STABLE

**PRESENT SITUATION** : OPERATING NORMALLY

**REPUTATION** : GOOD WITH BORMAL BUSINESS ENGAGEMENT

**MANAGEMENT STANDARD** : MANAGEMENT WITH GOOD PERFORMANCE

## **HISTORY**

The subject was established on November 27, 2003 as a private limited company under the name style "TOC Glycol Company Limited by Thai group.

On December 21, 2018, its registered name was changed to GC GLYCOL COMPANY LIMITED. Its business objective is to produce ethylene glycol and ethylene oxide. The subject currently employs approximately 180 staff.

The subject is a wholly owned subsidiary of PTT Global Chemical Public Company Limited, which is also a member of PTT group of companies.

The subject's registered address was initially at 3<sup>rd</sup> Floor, PTTEP Building, 555 Vibhavadi-Rangsit Rd., Chomphol, Chatuchak, Bangkok 10900.

On September 1, 2004 the subject's registered address was relocated to 123 Vibhavadi-Rangsit Rd., Chomphol, Chatuchak, Bangkok 10900.

On March 22, 2010, the subject's registered address was finally relocated to 15<sup>th</sup> Floor, Energy Complex Building A, 555/1 Vibhavadi-Rangsit Rd., Chatuchak, Bangkok 10900, and this is the subject's current operation address.

#### **THE BOARD OF DIRECTORS**

<u>Name</u>	<u>Nationality</u>	<u>Age</u>
Mrs. Warawan Tippawanich	Thai	55
Mr. Patiparn Sukorndhaman	Thai	57
Mr. Saroj Putthammawong	Thai	-
Mr. Boonchai Chunhawiksit	Thai	57
Mr. Pornsak Mongkoltrirat	Thai	52

#### **AUTHORIZED PERSON**

Anyone of the above directors can sign on behalf of the subject with company's affixed.

#### **MANAGEMENT**

**Mr. Patiparn Sukorndhaman** is the Chief Operation Officer. He is Thai nationality with the age of 57 years old.

**Mr. Pornsak Mongkoltrirat** is the Managing Director. He is Thai nationality with the age of 52 years old.

#### **BUSINESS OPERATIONS**

The subject is engaged in manufacturing of Ethanolamine [EA] & Monoethylene Glycol [MEG]. The products have been used mainly in polyester fibers and polyethylene terephthalate (PET plastic bottles) industries.

#### **PRODUCTION CAPACITY**

Ethanolamine [EA] : 50,000 tons per annum  
Monoethylene Glyco [MEO] : 423,000 tons per annum

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## **PURCHASE**

Some of raw material and chemicals for the production are imported from Japan, Germany, U.S.A., India and Singapore.

## **MAJOR SUPPLIERS**

PTT Global Chemical Public Company Limited	: Thailand
IRPC Public Company Limited	: Thailand
Mitsui Chemicals Inc.	: Japan

## **SALES**

90% of the products is sold locally by wholesale to manufacturers, the remaining 10% is exported to Republic of China, India, Sri Lanka, Vietnam, Korea, Taiwan, Indonesia, Pakistan, Malaysia and the countries in Europe.

## **MAJOR CUSTOMER**

Ranyal Industries (PVT) Ltd. : Pakistan

## **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 L/C at sight or T/T.  
Exports are against T/T.

## **BANKING**

Bangkok Bank Public Company Limited  
TMB Bank Public Company Limited  
The Siam Commercial Bank Public Company Limited

## **EMPLOYMENT**

The subject employs approximately 180 office staff and factory workers.

## **LOCATION DETAILS**

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

Factory I : 9 Soi G-12, Eastern Industrial Estate, Pakorn Songkhraorat Rd.,  
Map Ta Phut, Muang, Rayong 21150  
Tel : [66] 38 922-000, Fax : [66] 38 925-988

Factory II : 9/1 Soi G-12, Eastern Industrial Estate, Pakorn Songkhraorat Rd.,  
Map Ta Phut, Muang, Rayong 21150

## **COMMENT**

The company was established under strong determination to diversify business of PTT Global Chemical Public Company Limited, a leader in Thailand's chemical industry. Subject is created for the purposes of giving added value to PTT Chemical's olefins stream and filling the gap in the country's PET plastic and textile industries. Since the production has been started in 2004, the products have been supplied to textile, plastic film and clear plastic bottles in Thailand and worldwide.

Subject is considered a strong business in petrochemical industry. Its operating performance is solid and remains profitable for many consecutive years.

## **FINANCIAL INFORMATION**

The capital was registered at Bht. 4,515,000,000 divided into 45,150,000 shares of Bht. 100 each.

On March 28, 2005 the capital was increased to Bht. 5,395,000,000 divided into 53,950,000 shares of Bht. 100 each with fully paid.

**THE SHAREHOLDERS LISTED WERE : [as at December 21, 2018]**

### **NAME**

### **HOLDING**

### **%**

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<b>PTT Global Chemical Public Company Limited</b>	53,949,998	100.00
Nationality: Thai		
Address : 555/1 Vibhavadi-Rangsit Rd., Chatuchak, Bangkok 10900		
<b>Ms. Darawadee Denpaibul</b>	1	-
Nationality: Thai		
Address : 125/18 Moo 5, Bangkruay, Nonthaburi		
<b>Mr. Kornkoch Thongmee</b>	1	-
Nationality: Thai		
Address : 30/152 Moo 1, T. Bangmuang, A. Muang, Samutprakarn		

**Total Shareholders : 3**

**Share Structure** [as at December 21, 2018]

Nationality	Shareholders	No. of Share	% Shares
Thai	3	53,950,000	100.00
Foreign	-	-	-
<b>Total</b>	<b>3</b>	<b>53,950,000</b>	<b>100.00</b>

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

Mr. Nathapong Tantijattanont No. 8829

**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	95,595,201	161,656,730	77,636,777
Trade Accounts and Other Receivable	2,587,158,908	2,417,637,832	1,948,094,780
Short-term Loan	2,529,157,210	1,469,250,618	865,303,818
Inventories	640,511,333	801,089,212	652,485,453
Other Current Assets	4,639,835	5,857,246	5,009,804
<b>Total Current Assets</b>	<b>5,857,062,487</b>	<b>4,855,491,638</b>	<b>3,548,530,632</b>
Property, Plant and Equipment	9,847,931,345	10,141,406,346	10,735,634,734
Intangible Assets	186,114,360	199,002,785	211,891,730
Deferred Income Tax	23,736,163	13,765,636	8,023,862

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Other Non-current Assets	930,935,679	787,081,415	917,851,137
<b>Total Assets</b>	<b>16,845,780,034</b>	<b>15,996,747,820</b>	<b>15,421,932,095</b>

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

<b>Current Liabilities</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Trade Accounts and Other Payable	1,489,483,248	1,443,878,839	1,259,534,114
Accrued Income Tax	128,190,450	48,820,200	21,373,677
Other Current Liabilities	1,383,364	1,079,525	1,059,513
<b>Total Current Liabilities</b>	<b>1,619,057,062</b>	<b>1,493,778,564</b>	<b>1,281,967,304</b>
Provision for Employee Benefits	54,026,643	34,274,581	30,142,728
Other Non-current Liabilities	1,005,729	995,834	573,225
<b>Total Liabilities</b>	<b>1,674,089,434</b>	<b>1,529,048,979</b>	<b>1,312,683,257</b>
<b>Shareholders' Equity</b>			
Share capital : Baht 100 value authorized, and issued share capital 53,950,000 shares	5,395,000,000	5,395,000,000	5,395,000,000
Capital Paid	5,395,000,000	5,395,000,000	5,395,000,000
Retained Earning [Deficit]			
Appropriated statutory reserve	539,500,000	539,500,000	539,500,000
Unappropriated	9,237,190,600	8,533,198,841	8,174,748,838
<b>Total Shareholders' Equity</b>	<b>15,171,690,600</b>	<b>14,467,698,841</b>	<b>14,109,248,838</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>16,845,780,034</b>	<b>15,996,747,820</b>	<b>15,421,932,095</b>

**PROFIT & LOSS ACCOUNT**

<b>Revenue</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Sales or Services Income	15,904,599,849	13,153,335,490	14,465,509,062
Interest Income	27,254,270	21,461,032	27,552,575
Other Income	159,250,014	126,306,839	140,334,630
<b>Total Revenues</b>	<b>16,091,104,133</b>	<b>13,301,103,361</b>	<b>14,633,396,267</b>

**Expenses**

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Cost of Goods Sold or Services	12,445,821,451	12,158,725,370	12,275,387,211
Selling Expenses	228,927,296	234,884,151	230,876,489
Administrative Expenses	258,888,755	170,769,122	199,763,809
Financial Cost	373,694	5,604,541	4,604,335
<b>Total Expenses</b>	<b>12,934,011,196</b>	<b>12,569,983,184</b>	<b>12,710,631,844</b>
Profit /[Loss] before Income Tax	3,157,092,937	731,120,177	1,922,764,423
Expenses (Income ) Income Tax	[284,176,337]	[48,970,174]	[168,719,139]
<b>Net Profit / [Loss]</b>	<b>2,872,916,600</b>	<b>682,150,003</b>	<b>1,754,045,284</b>

**FINANCIAL ANALYSIS**

ITEM	UNIT	2017	2016	2015
<b>LIQUIDITY RATIO</b>				
CURRENT RATIO	TIMES	3.62	3.25	2.77
QUICK RATIO	TIMES	3.22	2.71	2.26
<b>ACTIVITY RATIO</b>				
FIXED ASSETS TURNOVER	TIMES	1.62	1.30	1.35
TOTAL ASSETS TURNOVER	TIMES	0.94	0.82	0.94
INVENTORY CONVERSION PERIOD	DAYS	18.78	24.05	19.40
INVENTORY TURNOVER	TIMES	19.43	15.18	18.81
RECEIVABLES CONVERSION PERIOD	DAYS	59.37	67.09	49.16
RECEIVABLES TURNOVER	TIMES	6.15	5.44	7.43
PAYABLES CONVERSION PERIOD	DAYS	43.68	43.34	37.45
CASH CONVERSION CYCLE	DAYS	34.48	47.79	31.11
<b>PROFITABILITY RATIO</b>				
COST OF GOODS SOLD	%	78.25	92.44	84.86
SELLING & ADMINISTRATION	%	3.07	3.08	2.98
INTEREST	%	0.00	0.04	0.03
GROSS PROFIT MARGIN	%	22.92	8.69	16.30
NET PROFIT MARGIN BEFORE EX. ITEM	%	19.85	5.56	13.29
NET PROFIT MARGIN	%	18.06	5.19	12.13
RETURN ON EQUITY	%	18.94	4.71	12.43
RETURN ON ASSET	%	17.05	4.26	11.37
EARNING PER SHARE	BAHT	53.25	12.64	32.51
<b>LEVERAGE RATIO</b>				
DEBT RATIO	TIMES	0.10	0.10	0.09
DEBT TO EQUITY RATIO	TIMES	0.11	0.11	0.09
TIME INTEREST EARNED	TIMES	8,448.34	130.45	417.60
<b>ANNUAL GROWTH</b>				
SALES GROWTH	%	20.92	(9.07)	

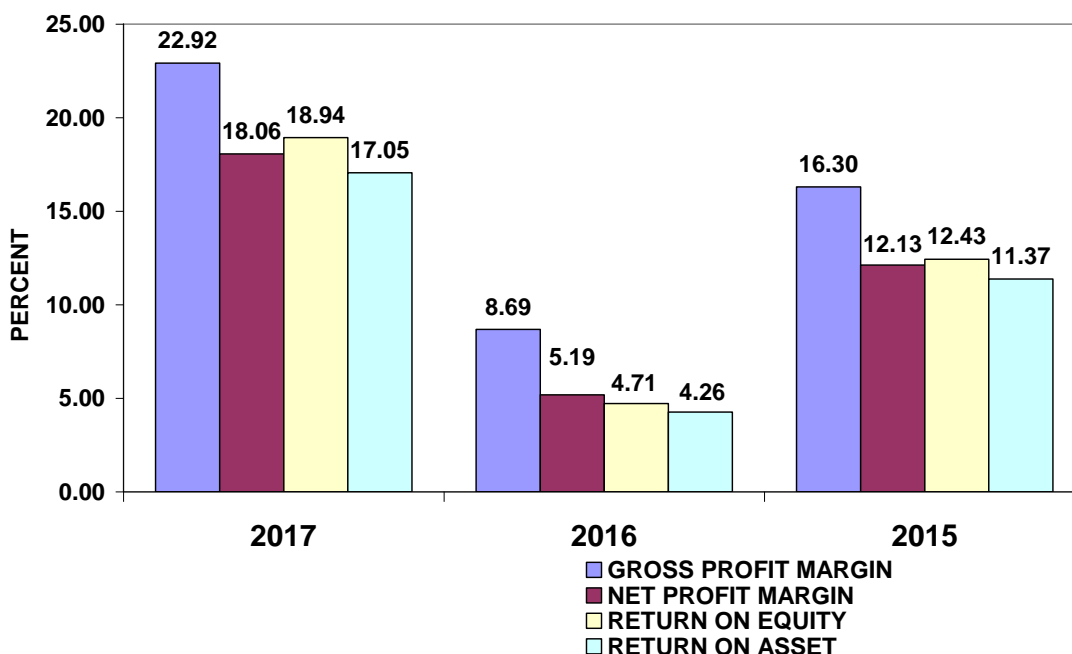
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OPERATING PROFIT	%	331.82	(61.98)
NET PROFIT	%	321.16	(61.11)
FIXED ASSETS	%	(2.89)	(5.54)
TOTAL ASSETS	%	5.31	3.73

**ANNUAL GROWTH : IMPRESSIVE**

An annual sales growth is 20.92%. Sales Income has increased from THB 13,153,335,490.00 in 2016 to THB 15,904,599,849.00 in 2017. While net profit has increased from THB 682,150,003.00 in 2016 to THB 2,872,916,600.00 in 2017. And total assets has increased from THB 15,996,747,820.00 in 2016 to THB 16,845,780,034.00 in 2017.

**PROFITABILITY : IMPRESSIVE**



**PROFITABILITY RATIO**

Gross Profit Margin	22.92	Satisfactory	Industrial Average	29.06
Net Profit Margin	18.06	Impressive	Industrial Average	8.73
Return on Assets	17.05	Satisfactory	Industrial Average	17.89
Return on Equity	18.94	Satisfactory	Industrial Average	26.10

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

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additional expenses and future savings. The company's figure is 22.92%. 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. Net Profit Margin ratio is 18.06% 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.

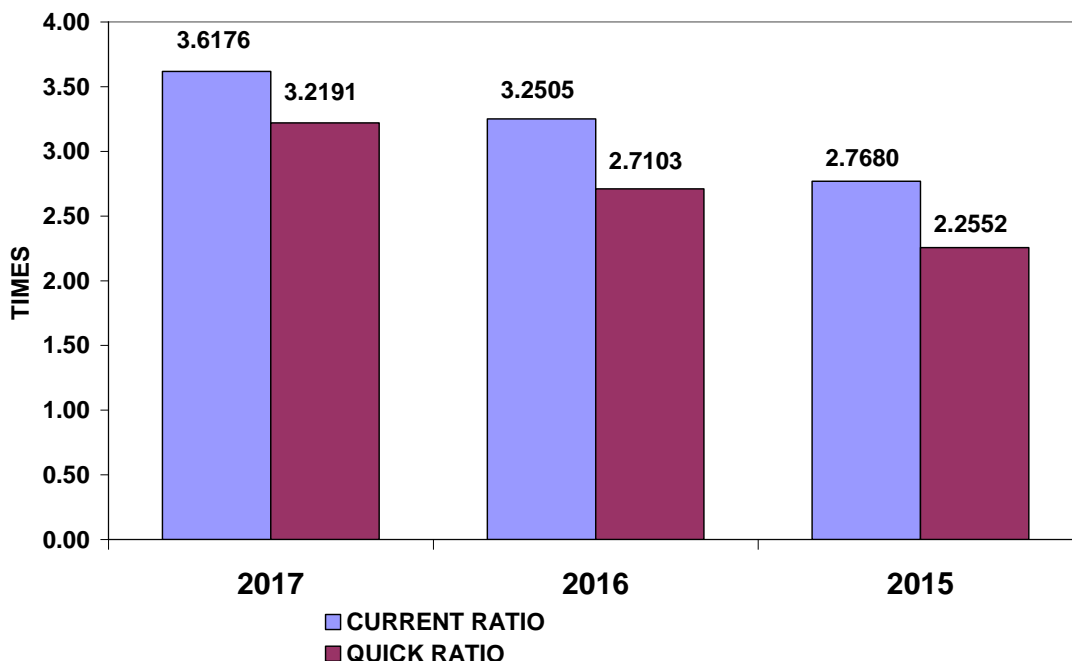
Return on Assets measures how efficiently profits are being generated from the assets employed in the business when compared with the ratios of firms in a similar business. A low ratio in comparison with industry averages indicates an inefficient use of business assets. When compared with the industry average, it was lower, the company's figure is 17.05%.

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 18.94%.

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

Return on Assets                      Uptrend  
 Return on Equity                      Uptrend

**LIQUIDITY : IMPRESSIVE**



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**LIQUIDITY RATIO**

Current Ratio	3.62	Impressive	Industrial Average	1.43
Quick Ratio	3.22			
Cash Conversion Cycle	34.48			

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 3.62 times in 2017, increase from 3.25 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.

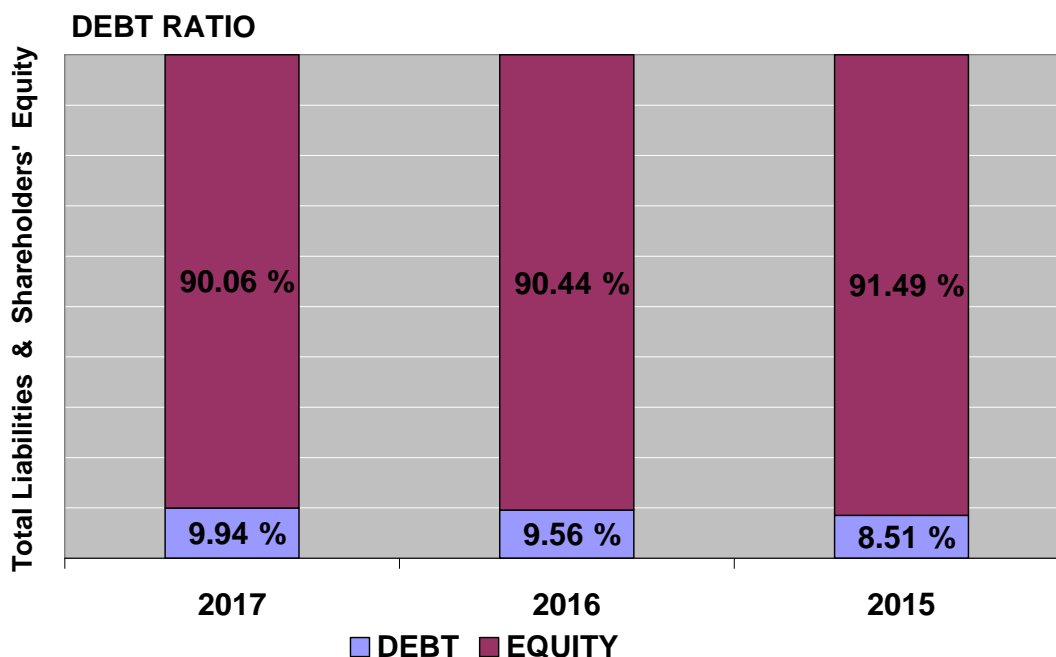
The Quick Ratio is a liquidity indicator that further refines the current ratio by measuring the amount of the most liquid current assets there are to cover current liabilities. The company's figure is 3.22 times in 2017, increase from 2.71 times, although excluding inventory so the company still have 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.

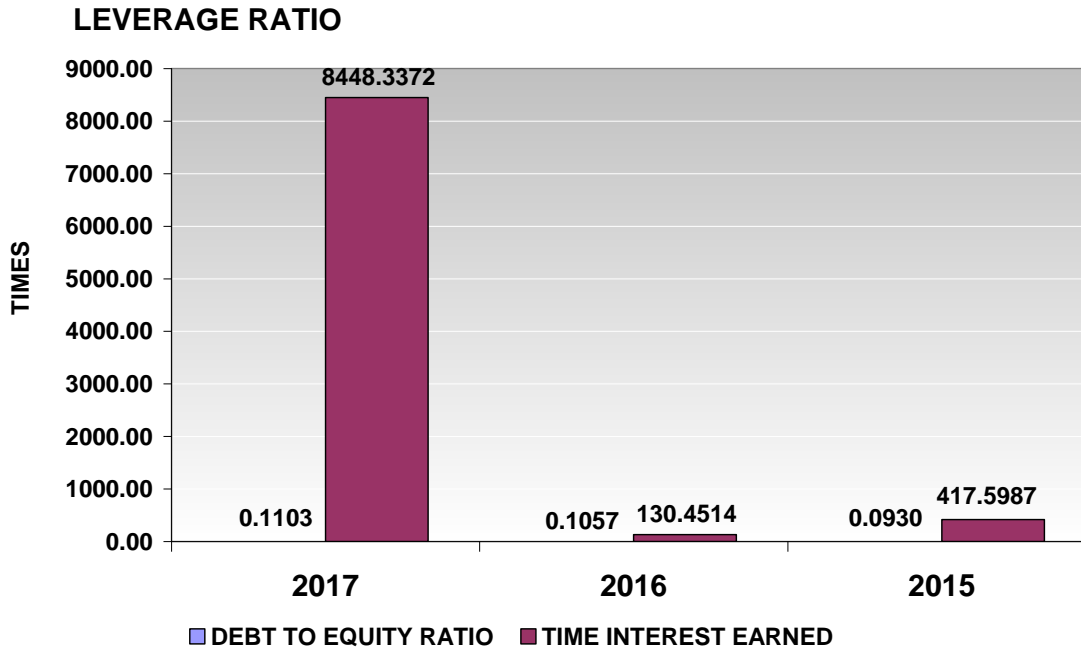
**Trend of the average competitors in the same industry for last 5 years**

Current Ratio                      Downtrend

**LEVERAGE : EXCELLENT**



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**LEVERAGE RATIO**

Debt Ratio	0.10	Impressive	Industrial Average	0.32
Debt to Equity Ratio	0.11	Impressive	Industrial Average	0.48
Times Interest Earned	8,448.34	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 8448.34 higher than 1, so the company can pay interest expenses on outstanding debt.

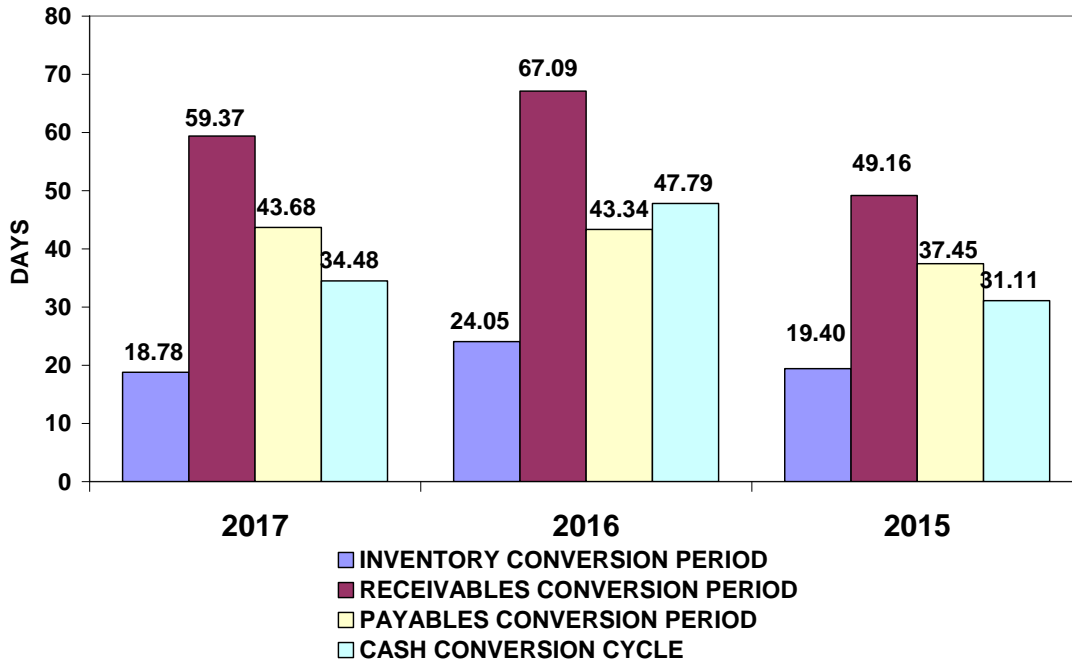
Debt Ratio shows the proportion of a company's assets which are financed through debt. The company's figure is 0.1 less than 0.5, most of the company's assets are financed through equity.

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

Debt Ratio	Downtrend
Times Interest Earned	Stable

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**ACTIVITY : IMPRESSIVE**



**ACTIVITY RATIO**

Fixed Assets Turnover	1.62	Impressive	Industrial Average	-
Total Assets Turnover	0.94	Acceptable	Industrial Average	2.05
Inventory Conversion Period	18.78			
Inventory Turnover	19.43	Impressive	Industrial Average	11.41
Receivables Conversion Period	59.37			
Receivables Turnover	6.15	Satisfactory	Industrial Average	11.42
Payables Conversion Period	43.68			

The company's Account Receivable Ratio is calculated as 6.15 and 5.44 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 24 days at the end of 2016 to 19 days at the end of 2017. This represents a positive trend. And Inventory turnover has increased from 15.18 times in year 2016 to 19.43 times in year 2017.

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The company's Total Asset Turnover is calculated as 0.94 times and 0.82 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 69.98
UK Pound	1	INR 88.66
Euro	1	INR 80.18
Thai Baht	1	INR 2.15

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIS
<b>Report Prepared by :</b>	TPT

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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)