

MIRA INFORM REPORT

Report No. :	519785
Report Date :	14.07.2018

IDENTIFICATION DETAILS

Name :	THAI GLYCERINE CO., LTD.
Formerly Known As :	THAI HAN KANG CO., LTD.
Registered Office :	102 Moo 3, T. Thasao, A. Krathumbaen, Samutsakorn 74110
Country :	Thailand
Financials (as on) :	31.12.2017
Date of Incorporation :	23.09.2011
Com. Reg. No.:	0105554127877
Legal Form :	Private Limited Company
Line of Business :	Manufacturer, Distributor and Exporter of Industrial Chemicals.
No. of Employees :	90

RATING & COMMENTS

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

MIRA's Rating :

C

Credit Rating	Explanation	Rating Comments
C	Medium High Risk	Business dealings permissible preferably on secured basis

Status :	Moderate
Payment Behaviour :	Slow
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

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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 AND ADDRESS

THAI GLYCERINE CO., LTD.

[FORMER : THAI HAN KANG CO., LTD.]

SUMMARY

BUSINESS ADDRESS : 102 MOO 3, T. THASAO, A. KRATHUMBAEN,
SAMUTSAKORN 74110, THAILAND

TELEPHONE : [66] 34 440-999, 34 460-883-4, 061 389-9882

FAX : [66] 34 440-996, 34 460-885

E-MAIL ADDRESS : info@thaiglycerine.com
infothaiglycerine@yahoo.com

REGISTRATION ADDRESS : SAME AS BUSINESS ADDRESS

ESTABLISHED : 2011

REGISTRATION NO. / TAX ID NO. : 0105554127877

CAPITAL REGISTERED : BHT. 100,000,000

CAPITAL PAID-UP : BHT. 100,000,000

SHAREHOLDER'S PROPORTION : THAI : 90.00%
CHINESE : 10.00%

FISCAL YEAR CLOSING DATE : DECEMBER 31

LEGAL STATUS : PRIVATE LIMITED COMPANY

EXECUTIVE : MR. SONGDET PORNTeparak, THAI
MANAGING DIRECTOR

NO. OF STAFF : 90

LINES OF BUSINESS : INDUSTRIAL CHEMICALS
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 September 23, 2011 as a private limited company under the originally registered name "Thai Han Kang Co., Ltd.", by Thai and Chinese groups. On March 14, 2014, the subject's registered name was changed to THAI GLYCERINE CO., LTD. Its business objective is to manufacture and distribute industrial chemicals to both domestic and overseas markets. It currently employs approximately 90 staff.

The subject achieved the ISO 9001 : 2008, HACCP & GMP certificates for the production management system.

The subject's registered address is 102 Moo 3, T. Thasao, A. Krathumbaen, Samutsakorn 74110, and this is the subject's current operation address.

THE BOARD OF DIRECTOR

<u>Name</u>	<u>Nationality</u>	<u>Age</u>
Mr. Wiradol Trakulhun	Thai	49
Mr. Cheng Niruttinanon	Thai	74
Ms. Tipawan Woramankhong	Thai	46
Mr. Songdet Pornteparak	Thai	57

AUTHORIZED PERSON

Two of the mentioned directors can jointly sign on behalf of the subject with company's affixed.

MANAGEMENT

Mr. Songdet Pornteparak is the Managing Director.
He is Thai nationality with the age of 57 years old.

Ms. Tipawan Woramankhong is the Deputy Managing Director/ Finance & Accounting Manager.
She is Thai nationality with the age of 46 years old.

BUSINESS OPERATIONS

The subject is engaged in manufacturing, distributing and exporting industrial chemicals mainly as Glycerine [99.5% purified Glycerine], as well as by-products such as Methanol [MeOH], Sodium Chloride [NaCl], Palm Fatty Acid Distillate [PFAD] and Matter Organic Non-Glycerol [MONG], for various industries such as foods, pharmaceuticals, cosmetics, consumer goods, petroleum, agricultural and etc.

PRODUCTION CAPACITY

100 tons per days

PURCHASE

Raw material mainly palm oil is purchased from both domestic and overseas suppliers in Japan, Republic of China, Germany and Malaysia.

MAJOR SUPPLIER

Thai-MC Company Limited : Thailand

SALES

80% of the products is sold locally by wholesale to manufacturers and end-users, the remaining 20% is exported to Republic of China, Japan, Malaysia, Singapore, India, Pakistan, Indonesia and the country in Europe.

MAJOR CUSTOMERS

Siam Absolute Chemical Co., Ltd. : Thailand
Lok Chemicals Pvt. Ltd. : India

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.

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

COMMENT

The subject's sales income in 2017 has seen an improvement with a sharp increase in sales figures and a decrease in net loss comparing to the previous year, which was resulted by high consumption of the products and effective market expansion in overseas countries in the past year.

Nevertheless, its accumulated losses (deficit retained earning) remains high which could affect on its normal business operation and financial liquidity flow in the future.

FINANCIAL INFORMATION

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

THE SHAREHOLDERS LISTED WERE

[As at April 5, 2018]

<u>NAME</u>	<u>HOLDING</u>	<u>%</u>
Mr. Cheng Niruttinanon Nationality: Thai Address : 161/532 Charansanitwong Road, Bangkhunsri, Bangkoknoi, Bangkok	400,000	40.00
Mr. Songdet Pornteparak Nationality: Thai Address : 3769/160 Bangklo, Bangkorlaem, Bangkok	200,000	20.00
Mr. Wu Haihui Nationality: Chinese Address : 102 Moo 3, T. Thasao, A. Krathumbaen, Samutsakorn	100,000	10.00
Mr. Nakorn Niruttinanon Nationality: Thai Address : 274 Nanglinchee Road, Chongnonsee, Yannawa, Bangkok	100,000	10.00
Mr. Narin Niruttinanon Nationality: Thai Address : 274 Nanglinchee Road, Chongnonsee, Yannawa, Bangkok	100,000	10.00
Ms. Tipawan Woramankhong Nationality: Thai Address : 67/1344 Moo 2, T. Kokkrabue, A. Muang, Samutsakorn	50,000	5.00
Mr. Wiradol Trakulhun Nationality: Thai Address : 118/204 Moo 6, T. Phantainorasingh, A. Muang, Samutsakorn	50,000	5.00

Total Shareholders : 7

SHARE STRUCTURE

[As at April 5, 2018]

<u>Nationality</u>	<u>Shareholders</u>	<u>No. of Share</u>	<u>% Shares</u>
Thai	6	900,000	90.00
Foreign - Chinese	1	100,000	10.00

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Total 7 1,000,000 100.00

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

Ms. Karnrawee Anuntaakarakul No. 5702

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	25,055,075.98	63,133,041.75	10,918,841.43
Trade Accounts and Other Receivable	50,819,982.51	27,542,200.98	7,340,212.79
Inventories	55,673,842.99	54,151,632.00	116,295,258.35
Other Current Assets	63,047,589.42	47,596,618.33	32,142,571.63
Total Current Assets	194,596,490.90	192,423,493.06	166,696,884.20
Property, Plant and Equipment	593,965,328.33	469,427,688.81	295,074,722.75
Intangible Assets	3,750,399.92	4,249,999.96	4,750,000.00
Other Non-current Assets	1,596,011.61	982,539.61	345,005.61
Total Assets	793,908,230.76	667,083,721.44	466,866,612.56

LIABILITIES & SHAREHOLDERS' EQUITY [BAHT]

Current Liabilities	2017	2016	2015
Trade Accounts and Other Payable	28,535,907.94	15,516,945.12	8,038,666.12
Current Portion of Long-term Liabilities	1,867,560.00	4,939,116.00	4,939,116.00
Short-term Payable from Person or Related Company	17,449,366.04	8,401,803.27	20,393,298.50
Other Current Liabilities	5,015,925.80	10,488,235.49	1,747,586.29
Total Current Liabilities	52,868,759.78	39,346,099.88	35,118,666.91
Long-term Loans	753,856,942.08	627,349,546.68	377,172,145.54

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Other Non-current Liabilities	3,828,781.00	1,462,639.00	6,401,755.00
Total Liabilities	810,554,482.86	668,158,285.56	418,692,567.45
Shareholders' Equity			
Share capital : Baht 100 value authorized, issued and fully paid share capital 1,000,000 shares	100,000,000.00	100,000,000.00	100,000,000.00
Capital Paid	100,000,000.00	100,000,000.00	100,000,000.00
Retained Earning -Unappropriated [Deficit]	[116,646,252.10]	[101,074,564.12]	[51,825,954.89]
Total Shareholders' Equity	[16,646,252.10]	[1,074,564.12]	48,174,045.11
Total Liabilities and Shareholders' Equity	793,908,230.76	667,083,721.44	466,866,612.56

PROFIT & LOSS ACCOUNT

Revenue	2017	2016	2015
Sales or Services Income	307,230,365.59	173,970,093.15	18,651,678.26
Interest Income	-	-	106,114.20
Other Income	242,630.60	33,380,637.78	868,144.39
Total Revenues	307,472,996.19	207,350,730.93	19,625,936.85
Expenses			
Cost of Goods Sold or Services	265,971,418.30	192,319,939.58	18,297,945.57
Selling Expenses	14,900,413.82	12,215,795.35	2,599,389.36
Administrative Expenses	31,057,565.88	26,603,566.72	19,700,118.74
Total Expenses	311,929,398.00	231,139,301.65	40,597,453.67
Profit / [Loss] before Financial Cost & Income Tax	[4,456,401.81]	[23,788,570.72]	[20,971,516.82]
Financial Cost	[11,115,286.18]	[18,880,038.51]	[11,812,486.23]
Profit / [Loss] before Income Tax Income Tax expenses	[15,571,687.98]	[42,668,609.23]	[32,784,003.05]
Net Profit / [Loss]	[15,571,687.98]	[42,668,609.23]	[32,784,003.05]

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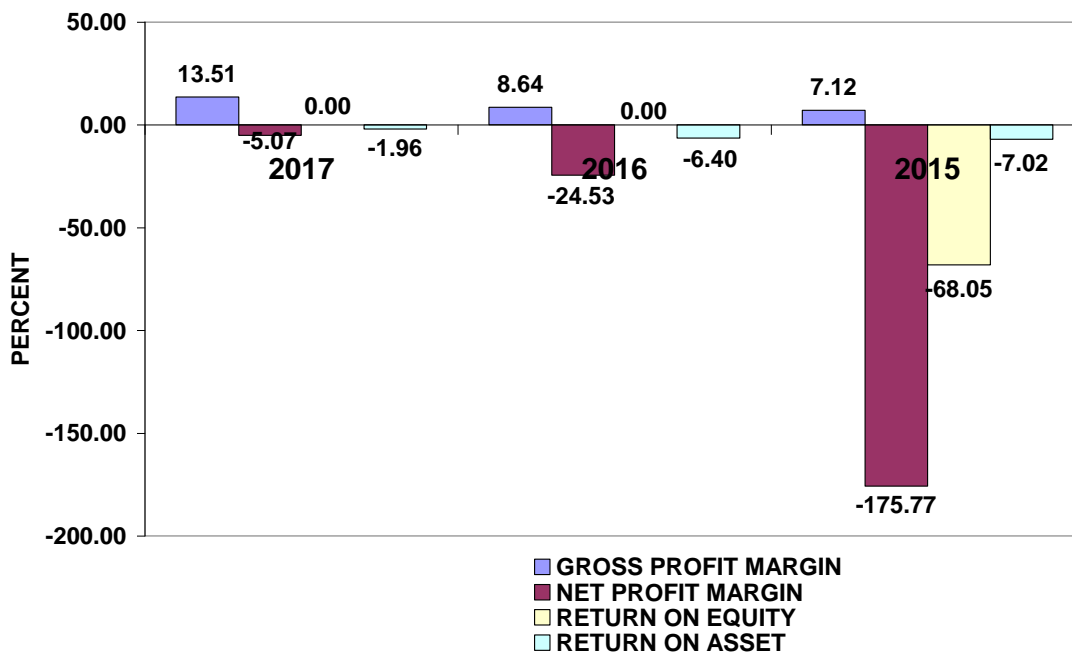
FINANCIAL ANALYSIS

ITEM	UNIT	2017	2016	2015
LIQUIDITY RATIO				
CURRENT RATIO	TIMES	3.68	4.89	4.75
QUICK RATIO	TIMES	1.44	2.30	0.52
ACTIVITY RATIO				
FIXED ASSETS TURNOVER	TIMES	0.52	0.37	0.06
TOTAL ASSETS TURNOVER	TIMES	0.39	0.26	0.04
INVENTORY CONVERSION PERIOD	DAYS	76.40	102.77	2,319.81
INVENTORY TURNOVER	TIMES	4.78	3.55	0.16
RECEIVABLES CONVERSION PERIOD	DAYS	60.38	57.79	143.64
RECEIVABLES TURNOVER	TIMES	6.05	6.32	2.54
PAYABLES CONVERSION PERIOD	DAYS	39.16	29.45	160.35
CASH CONVERSION CYCLE	DAYS	97.62	131.11	2,303.10
PROFITABILITY RATIO				
COST OF GOODS SOLD	%	86.57	110.55	98.10
SELLING & ADMINISTRATION INTEREST	%	14.96	22.31	119.56
GROSS PROFIT MARGIN	%	3.62	10.85	63.33
NET PROFIT MARGIN BEFORE EX. ITEM	%	13.51	8.64	7.12
NET PROFIT MARGIN	%	(1.45)	(13.67)	(112.44)
RETURN ON EQUITY	%	(5.07)	(24.53)	(175.77)
RETURN ON ASSET	%	-	-	(68.05)
EARNING PER SHARE	BAHT	(1.96)	(6.40)	(7.02)
		(15.57)	(42.67)	(32.78)
LEVERAGE RATIO				
DEBT RATIO	TIMES	1.02	1.00	0.90
DEBT TO EQUITY RATIO	TIMES	(48.69)	(621.79)	8.69
TIME INTEREST EARNED	TIMES	(0.40)	(1.26)	(1.78)
ANNUAL GROWTH				
SALES GROWTH	%	76.60	832.73	
OPERATING PROFIT	%	(81.27)	13.43	
NET PROFIT	%	63.51	(30.15)	
FIXED ASSETS	%	26.53	59.09	
TOTAL ASSETS	%	19.01	42.89	

ANNUAL GROWTH: IMPRESSIVE

An annual sales growth is 76.6%. Sales Income has increased from THB 173,970,093.15 in 2016 to THB 307,230,365.59 in 2017. While net profit has increased from THB -42,668,609.23 in 2016 to THB -15,571,687.98 in 2017. And total assets has increased from THB 667,083,721.44 in 2016 to THB 793,908,230.76 in 2017.

PROFITABILITY: ACCEPTABLE



PROFITABILITY RATIO

Gross Profit Margin	13.51	Impressive	Industrial Average	-
Net Profit Margin	(5.07)	Deteriorated	Industrial Average	3.70
Return on Assets	(1.96)	Deteriorated	Industrial Average	7.28
Return on Equity	-		Industrial Average	12.36

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 13.51%. 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

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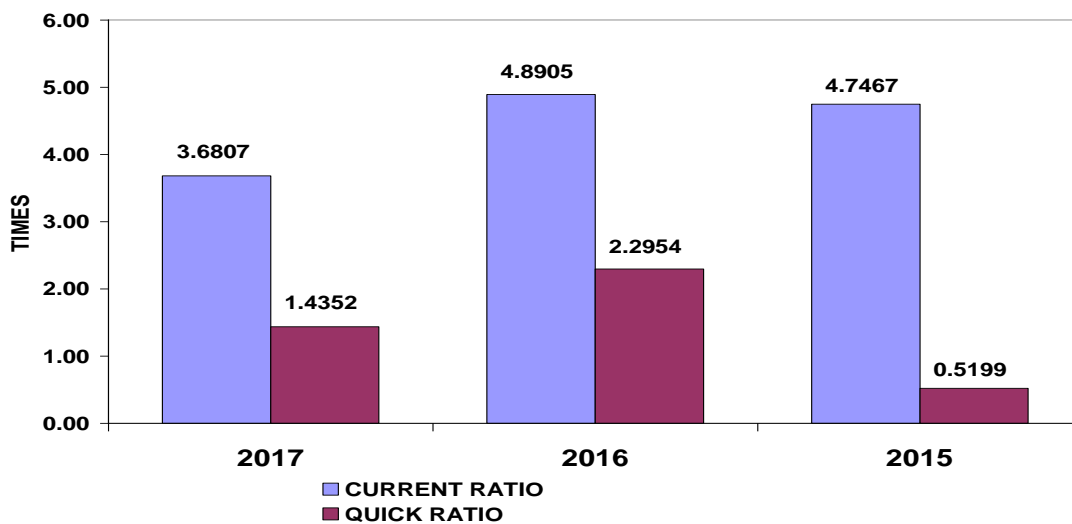
profits and result in a net loss. The company's figure is -5.07%. When compared with the industry average, the ratio of the company was lower.

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 -1.96%.

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

Return on Assets Uptrend
 Return on Equity Downtrend

LIQUIDITY : ACCEPTABLE



LIQUIDITY RATIO

Current Ratio	3.68	Impressive	Industrial Average	1.93
Quick Ratio	1.44			
Cash Conversion Cycle	97.62			

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 3.68 times in 2017, decrease from 4.89 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 1.44 times in 2017, decrease from 2.3 times, although excluding inventory so the company still have good short-term financial strength.

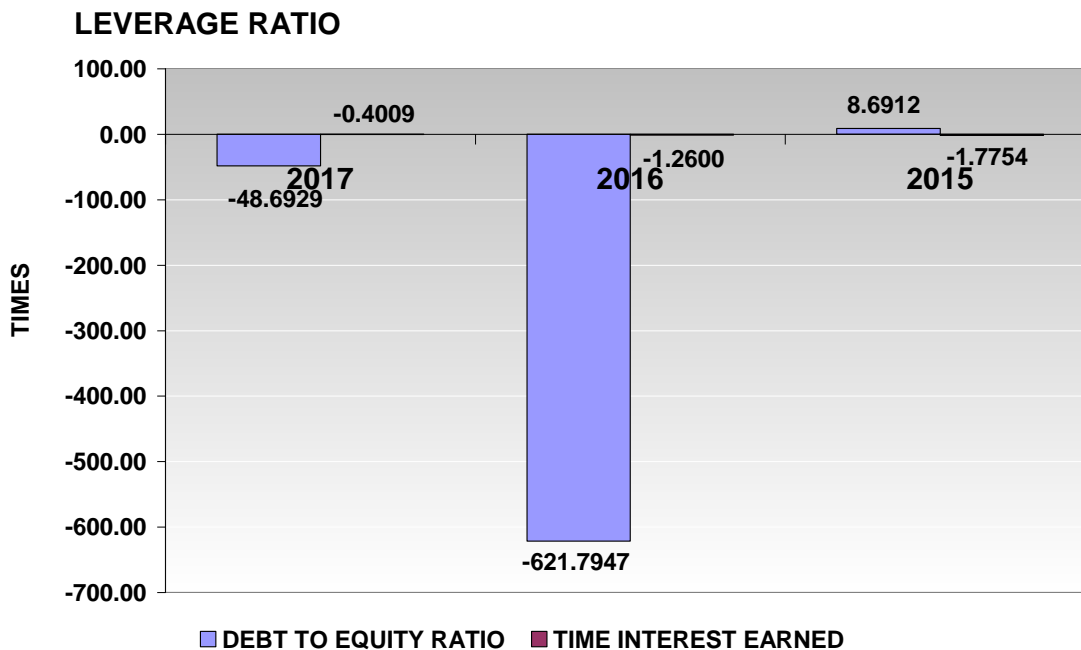
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The Cash Conversion Cycle measures the number of days a company's cash is tied up in the production and sales process of its operations and the benefit from payment terms from its creditors. It meant the company could survive when no cash inflow was received from sale for 98 days.

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

Current Ratio Uptrend

LEVERAGE : RISKY



LEVERAGE RATIO

Debt Ratio	1.02	Risky	Industrial Average	0.34
Debt to Equity Ratio	(48.69)	Risky	Industrial Average	0.50
Times Interest Earned	(0.40)	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 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 -0.41 lower than 1, so the company is not generating enough cash from EBIT to meet its interest obligations.

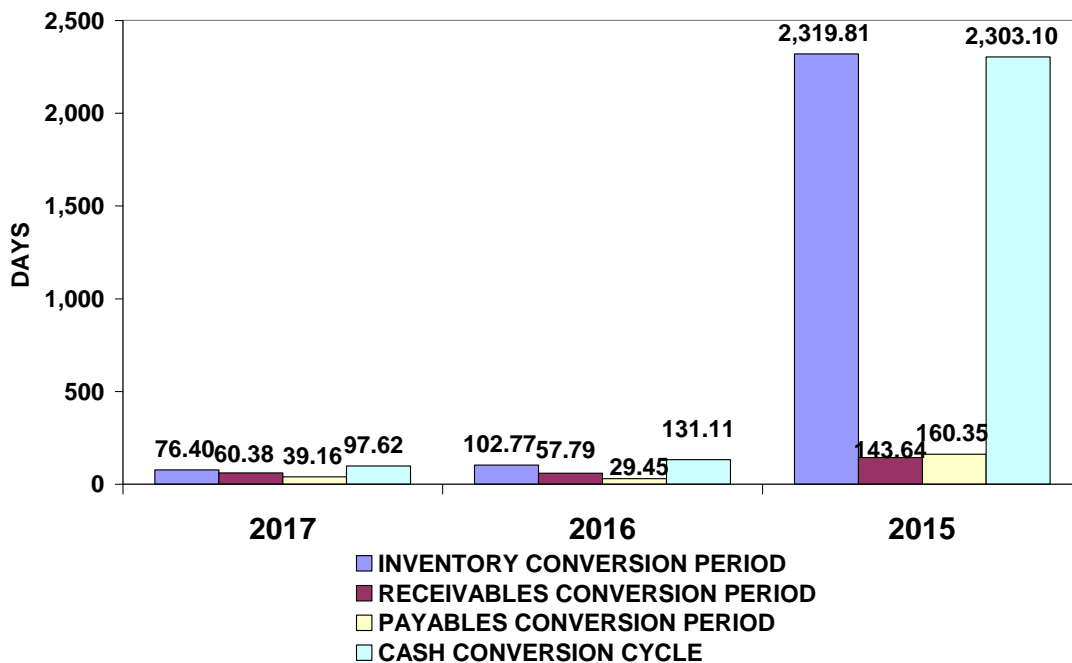
Debt Ratio shows the proportion of a company's assets which are financed through debt. The company's figure is 1.02 greater than 0.5, most of the company's assets are financed through debt.

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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	0.52	Impressive	Industrial Average	-
Total Assets Turnover	0.39	Deteriorated	Industrial Average	1.97
Inventory Conversion Period	76.40			
Inventory Turnover	4.78	Impressive	Industrial Average	-
Receivables Conversion Period	60.38			
Receivables Turnover	6.05	Satisfactory	Industrial Average	8.74
Payables Conversion Period	39.16			

The company's Account Receivable Ratio is calculated as 6.05 and 6.32 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 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 103 days at the end of 2016 to 76 days at the end of 2017. This represents a positive trend. And Inventory turnover has increased from 3.55 times in year 2016 to 4.78 times in year 2017.

The company's Total Asset Turnover is calculated as 0.39 times and 0.26 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	Downtrend
Receivables Turnover	Uptrend

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.41
UK Pound	1	INR 90.07
Euro	1	INR 79.62
Thai Baht	1	INR 2.06

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	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)