

## MIRA INFORM REPORT

<b>Report No. :</b>	532995
<b>Report Date :</b>	03.10.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	HAPPY HANDS GLOVES CO., LTD.
<b>Registered Office :</b>	43/16 Moo 1, T. Bangduen, A. Phun Phin, Suratthani 84130,
<b>Country :</b>	Thailand
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	18.10.2007
<b>Com. Reg. No.:</b>	0845550005061
<b>Legal Form :</b>	Private Limited Company
<b>Line of Business :</b>	The subject is engaged in manufacturing, exporting and distributing latex gloves such as lightly powdered latex examination gloves and latex examination gloves powder free under its own "HAPPY HANDS" brand and customers' brands for variety of industries such as households, medical, foods, laboratory, cleaning and etc.
<b>No. of Employees :</b>	80

**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	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Status :</b>	Satisfactory
<b>Payment Behaviour :</b>	Slow but Correct
<b>Litigation :</b>	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.

**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 AND ADDRESS**

**HAPPY HANDS GLOVES CO., LTD.**

### **SUMMARY**

**BUSINESS ADDRESS** : 43/2 MOO 1, T. BANGDUEN, A. PHUN PHIN,  
43/2 MOO 1, T. BANGDUEN, A. PHUN PHIN,  
**TELEPHONE** : [66] 77 443-142-3, 097 032-3652  
**FAX** : [66] 77 443-144  
**E-MAIL ADDRESS** : [marketing@happyhandsgloves.com](mailto:marketing@happyhandsgloves.com)  
**REGISTRATION ADDRESS** : 43/16 MOO 1, T. BANGDUEN, A. PHUN PHIN,  
SURATTHANI 84130, THAILAND

**ESTABLISHED** : 2007  
**REGISTRATION/TAX ID NO.** : 0845550005061  
**CAPITAL REGISTERED** : BHT. 12,000,000  
**CAPITAL PAID-UP** : BHT. 7,500,000  
**SHAREHOLDER'S PROPORTION** : THAI : 52.00%  
INDIAN : 48.00%  
**FISCAL YEAR CLOSING DATE** : DECEMBER 31  
**LEGAL STATUS** : PRIVATE LIMITED COMPANY  
**EXECUTIVE** : MR. RAJA BABU DWIVEDY, INDIAN  
MANAGING DIRECTOR

**NO. OF STAFF** : 80  
**LINES OF BUSINESS** : INDUSTRIAL LATEX GLOVES  
MANUFACTURER, EXPORTER AND DISTRIBUTOR

### **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 October 18, 2007 as a private limited company under the registered name HAPPY HANDS GLOVES CO., LTD., by Thai and Indian groups, with the business objective to manufacture latex gloves to both domestic and international markets. It currently employs approximately 80 staff.

The subject's registered address is 43/16 Moo 1, T. Bangduen, A. Phun Phin, Suratthani 84130, while the current operation address is 43/2 Moo 1, T. Bangduen, A. Phun Phin, Suratthani 84130.

#### **THE BOARD OF DIRECTOR**

<u>Name</u>	<u>Nationality</u>	<u>Age</u>
Mr. Raja Babu Dwivedy	Indian	31

#### **AUTHORIZED PERSON**

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

#### **MANAGEMENT**

**Mr. Raja Babu Dwivedy** is the Managing Director.  
He is Indian nationality with the age of 31 years old.

#### **BUSINESS OPERATIONS**

The subject is engaged in manufacturing, exporting and distributing latex gloves such as lightly powdered latex examination gloves and latex examination gloves powder free under its own "HAPPY HANDS" brand and customers' brands for variety of industries such as households, medical, foods, laboratory, cleaning and etc.

#### **PRODUCTION CAPACITY**

50 million pieces per month

#### **PURCHASE**

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

#### **SALES**

80% of the products is exported to Japan, Taiwan, India, Republic of China, Australia and the country in Europe and Middle East, the remaining 20% is sold locally.

#### **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.

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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.  
Imports are by T/T.  
Exports are against T/T.

**BANKING**

Bangkok Bank Public Company Limited

**EMPLOYMENT**

The subject employs approximately 80 staff.

**LOCATION DETAILS**

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

**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 moderately grown in line with a regular demand of the products from various industries of both local and overseas countries.

**FINANCIAL INFORMATION**

The capital was registered at Bht. 2,000,000 divided into 20,000 shares of Bht. 100 each with fully paid.

The capital was increased later as follows:

Bht. 4,000,000 on March 5, 2012  
Bht. 6,000,000 on August 7, 2012  
Bht. 12,000,000 on October 22, 2014

The latest registered capital was increased to Bht. 12,000,000 divided into 120,000 shares of Bht. 100 each, with a current capital paid-up at Bht. 7,500,000 or 60,000 shares of Bht. 25 each and 60,000 shares of Bht. 100 each.

**THE SHAREHOLDERS LISTED WERE :** [as at May 23, 2018] at Bht. 7,500,000 of capitalization.

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<u>NAME</u>	<u>HOLDING</u>	<u>%</u>
<b>Ms. Shweta Dwivedy</b> Nationality: Thai Address : 8/56 Moo 17, T. Kukot, A. Lamlukka, Pathumthani	61,400	51.17
<b>Mr. Raja Babu Dwivedy</b> Nationality: Indian Address : 43/2 Moo 1, T. Bangduen, A. Phun Phin, Suratthani	57,600	48.00
<b>Mrs. Yanisa Nintachan</b> Nationality: Thai Address : 39/26 Tarabodee Road, T. Thakam, A. Phun Phin, Suratthani	1,000	0.83

**Total Shareholders : 3**

**Share Structure** [as at May 23, 2018]

<u>Nationality</u>	<u>Shareholders</u>	<u>No. of Share</u>	<u>% Shares</u>
Thai	2	62,400	52.00
Foreign - Indian	1	57,600	48.00
<b>Total</b>	<b>3</b>	<b>120,000</b>	<b>100.00</b>

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

Pol. Capt. Kannika Phrapitak No. 10164

## **FINANCIALS**

**BALANCE SHEET [BAHT]**

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

	<u>ASSETS</u>		
<u>Current Assets</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Cash and Cash Equivalents	113,451.75	1,063,271.13	215,100.09
Short-term Investment	2,727,261.49	2,703,176.19	7,188,588.03
Trade Accounts and Other Receivable	9,915,314.25	3,329,126.40	6,298,539.48
Inventories	2,259,186.50	3,095,745.00	4,115,745.00
Other Current Assets	537,467.58	936,059.74	610,319.16

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**HAPPY HANDS GLOVES CO., LTD. - 532995**

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<b>Total Current Assets</b>	15,552,681.57	11,127,378.46	18,428,291.76
Long-term Loans	53,180,000.00	13,780,000.00	-
Property, Plant and Equipment	76,598,810.04	70,803,473.81	44,856,776.53
<b>Total Assets</b>	<b>145,331,491.61</b>	<b>95,710,852.27</b>	<b>63,285,068.29</b>

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

<b>Current Liabilities</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Bank Overdraft and Short-term Loan			
From Financial Institutions	58,927,127.55	74,463,073.67	43,663,548.03
Trade Accounts and Other Payable	477,269.48	451,852.70	733,894.60
Current Portion of Long-term Liabilities	2,439,240.60	-	-
Other Current Liabilities	4,560,531.22	3,385,722.14	2,676,171.51
<b>Total Current Liabilities</b>	<b>66,404,168.85</b>	<b>78,300,648.51</b>	<b>47,073,614.14</b>
Long-term Loan	58,427,273.31	-	1,800,000.00
<b>Total Liabilities</b>	<b>124,831,442.16</b>	<b>78,300,648.51</b>	<b>48,873,614.14</b>
<b>Shareholders' Equity</b>			
Share capital : Baht 100 par value authorized, and issued share capital 120,000 shares	12,000,000.00	12,000,000.00	12,000,000.00
Capital Paid	7,500,000.00	7,500,000.00	7,500,000.00
Retained Earning -Unappropriated [Deficit]	13,000,049.45	9,910,203.76	6,911,454.15
<b>Total Shareholders' Equity</b>	<b>20,500,049.45</b>	<b>17,410,203.76</b>	<b>14,411,454.15</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>145,331,491.61</b>	<b>95,710,852.27</b>	<b>63,285,068.29</b>

**PROFIT & LOSS ACCOUNT**

<b>Revenue</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Sales or Services Income	131,084,858.69	126,264,060.01	143,524,280.65
Other Income	42,085.30	-	5,729,359.10
<b>Total Revenues</b>	<b>131,126,943.99</b>	<b>126,264,060.01</b>	<b>149,253,639.75</b>

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**Expenses**

Cost of Goods Sold or Services	113,594,736.79	109,757,598.57	137,264,655.40
Selling Expenses	118,224.00	632,990.00	103,000.00
Administrative Expenses	8,902,134.78	8,423,970.58	6,420,437.83
<b>Total Expenses</b>	<b>122,615,095.57</b>	<b>118,814,559.15</b>	<b>143,788,093.23</b>
Profit /[Loss] before Financial Cost and Income Tax	8,511,848.42	7,449,500.86	5,465,546.52
Financial Cost	[4,649,541.31]	[3,700,205.61]	[1,784,999.53]
Profit /[Loss] before Income Tax Income Tax	3,862,307.11 [772,461.42]	3,749,295.25 [750,545.64]	3,680,546.99 [914,839.54]
<b>Net Profit / [Loss]</b>	<b>3,089,845.69</b>	<b>2,998,749.61</b>	<b>2,765,707.45</b>

**FINANCIAL ANALYSIS**

ITEM	UNIT	2017	2016	2015
<b>LIQUIDITY RATIO</b>				
CURRENT RATIO	TIMES	0.23	0.14	0.39
QUICK RATIO	TIMES	0.19	0.09	0.29
<b>ACTIVITY RATIO</b>				
FIXED ASSETS TURNOVER	TIMES	1.71	1.78	3.20
TOTAL ASSETS TURNOVER	TIMES	0.90	1.32	2.27
INVENTORY CONVERSION PERIOD	DAYS	7.26	10.29	10.94
INVENTORY TURNOVER	TIMES	50.28	35.45	33.35
RECEIVABLES CONVERSION PERIOD	DAYS	27.61	9.62	16.02
RECEIVABLES TURNOVER	TIMES	13.22	37.93	22.79
PAYABLES CONVERSION PERIOD	DAYS	1.53	1.50	1.95
CASH CONVERSION CYCLE	DAYS	33.33	18.42	25.01
<b>PROFITABILITY RATIO</b>				
COST OF GOODS SOLD	%	86.66	86.93	95.64
SELLING & ADMINISTRATION INTEREST	%	6.88	7.17	4.55
GROSS PROFIT MARGIN	%	3.55	2.93	1.24
NET PROFIT MARGIN BEFORE EX. ITEM	%	13.37	13.07	8.35
NET PROFIT MARGIN	%	6.49	5.90	3.81
RETURN ON EQUITY	%	2.36	2.37	1.93
RETURN ON ASSET	%	15.07	17.22	19.19
EARNING PER SHARE	BAHT	2.13	3.13	4.37
		41.20	39.98	36.88
<b>LEVERAGE RATIO</b>				
DEBT RATIO	TIMES	0.86	0.82	0.77

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DEBT TO EQUITY RATIO	TIMES	6.09	4.50	3.39
TIME INTEREST EARNED	TIMES	1.83	2.01	3.06

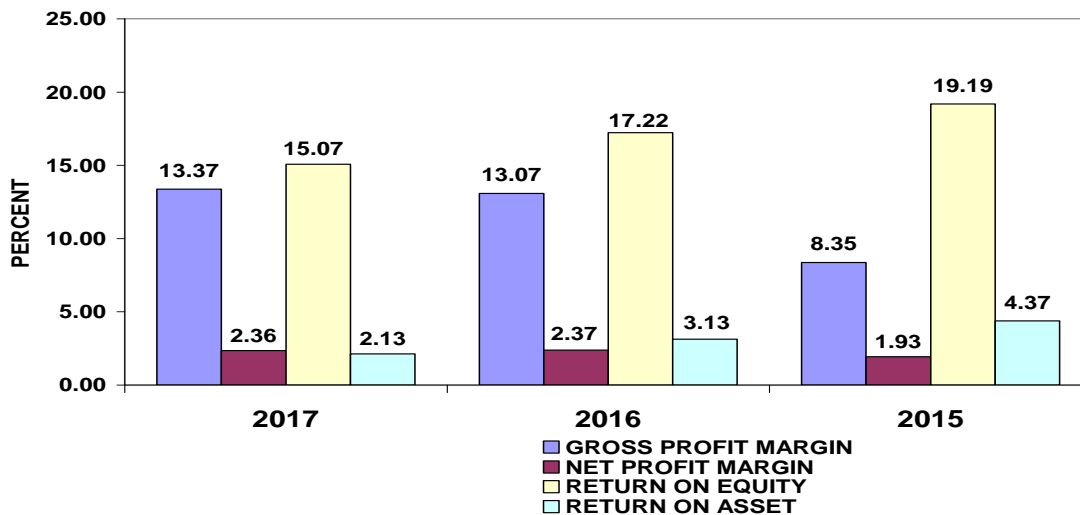
**ANNUAL GROWTH**

SALES GROWTH	%	3.82	(12.03)
OPERATING PROFIT	%	14.26	36.30
NET PROFIT	%	3.04	8.43
FIXED ASSETS	%	8.19	57.84
TOTAL ASSETS	%	51.84	51.24

**ANNUAL GROWTH : EXCELLENT**

An annual sales growth is 3.82%. Sales Income has increased from THB 126,264,060.01 in 2016 to THB 131,084,858.69 in 2017. While net profit has increased from THB 2,998,749.61 in 2016 to THB 3,089,845.69 in 2017. And total assets has increased from THB 95,710,852.27 in 2016 to THB 145,331,491.61 in 2017.

**PROFITABILITY : EXCELLENT**



**PROFITABILITY RATIO**

Gross Profit Margin	13.37	Impressive	Industrial Average	-
Net Profit Margin	2.36	Impressive	Industrial Average	(5.40)
Return on Assets	2.13	Impressive	Industrial Average	(5.91)
Return on Equity	15.07	Impressive	Industrial Average	(15.75)

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 13.37%. When compared with the industry average, the ratio of the company was higher, indicated that company was more profitable than the same industry.

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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 2.36%, 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.

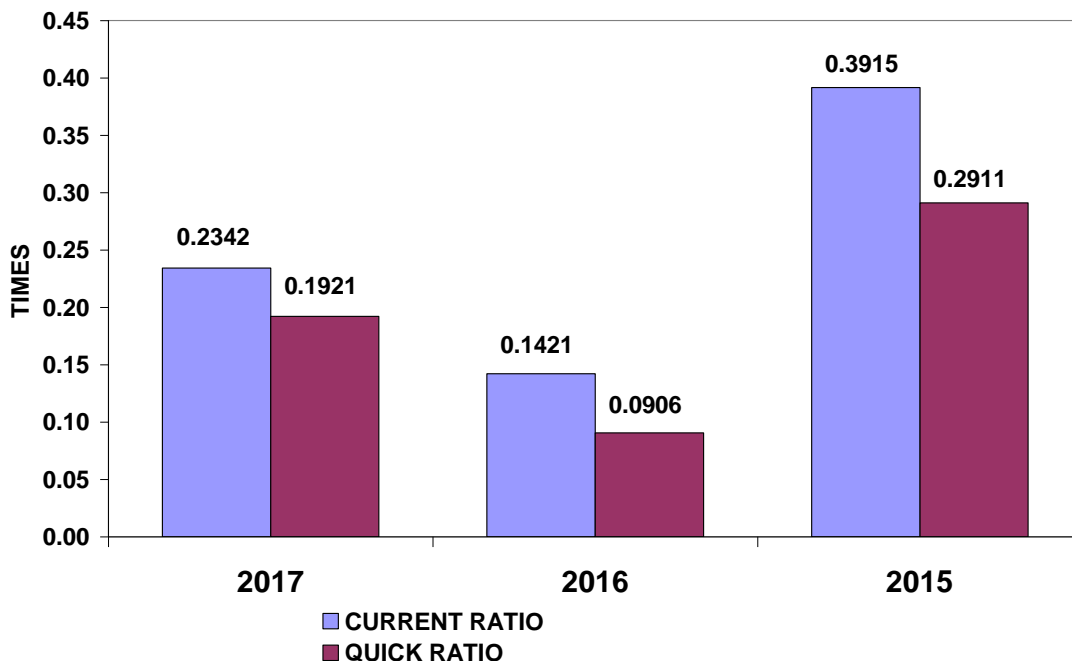
Return on Assets measures how efficiently profits are being generated from the assets employed in the business when compared with the ratios of firms in a similar business. A low ratio in comparison with industry averages indicates an inefficient use of business assets. Return on Assets ratio is 2.13%, 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. Return on Equity ratio is 15.07%, 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.

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

Return on Assets                      Downtrend  
 Return on Equity                      Downtrend

**LIQUIDITY : RISKY**



**LIQUIDITY RATIO**

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Current Ratio	0.23	Risky	Industrial Average	1.50
Quick Ratio	0.19			
Cash Conversion Cycle	33.33			

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 0.23 times in 2017, increase from 0.14 times, then the company may not be efficiently using its current assets. When compared with the industry average, the ratio of the company was lower.

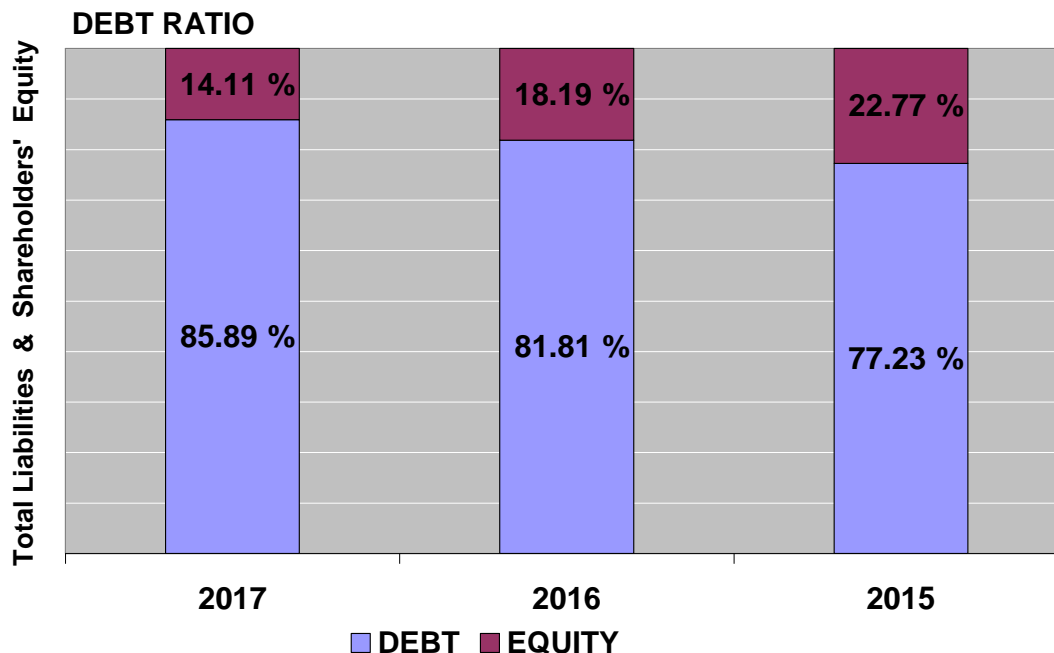
The Quick Ratio is a liquidity indicator that further refines the current ratio by measuring the amount of the most liquid current assets there are to cover current liabilities. The company's figure is 0.19 times in 2017, increase from 0.09 times, then the company has not enough current assets that presumably 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 34 days.

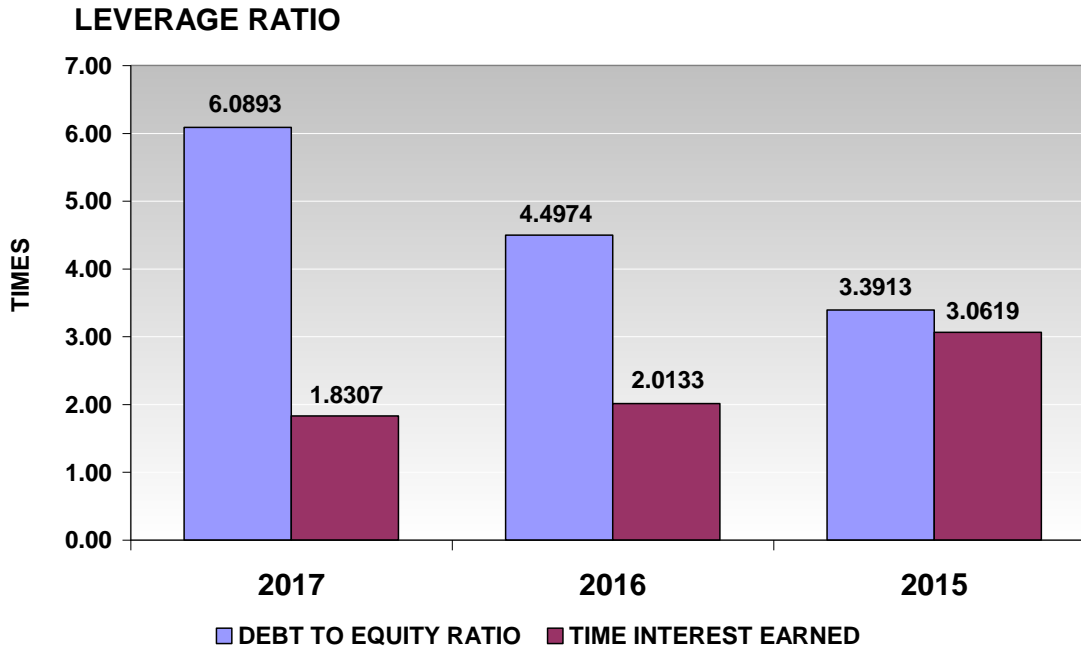
**Trend of the average competitors in the same industry for last 5 years**

Current Ratio                      Downtrend

**LEVERAGE : ACCEPTABLE**



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**ACTIVITY RATIO**

Fixed Assets Turnover	1.71	Impressive	Industrial Average	-
Total Assets Turnover	0.90	Satisfactory	Industrial Average	1.09
Inventory Conversion Period	7.26			
Inventory Turnover	50.28	Impressive	Industrial Average	4.35
Receivables Conversion Period	27.61			
Receivables Turnover	13.22	Impressive	Industrial Average	4.69
Payables Conversion Period	1.53			

The company's Account Receivable Ratio is calculated as 13.22 and 37.93 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 has decreased from 10 days at the end of 2016 to 7 days at the end of 2017. This represents a positive trend. And Inventory turnover has increased from 35.45 times in year 2016 to 50.28 times in year 2017.

The company's Total Asset Turnover is calculated as 0.9 times and 1.32 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 Rupee
US Dollar	1	INR72.80
UK Pound	1	INR 94.88
Euro	1	INR 84.38
THB	1	INR 2.26

**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)

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