

MIRA INFORM REPORT

Report No. :	541816
Report Date :	04.12.2018

IDENTIFICATION DETAILS

Name :	VEI MONGOLIA LLC
Registered Office :	Bayangol District, Ulaanbaatar
Country :	Mongolia
Date of Incorporation :	22.10.2013
Com. Reg. No.:	5687187
Legal Form :	Limited Liability Company
Line of Business :	Trading as importers and distributors of electronic tools and supplies including on board weighing system.
No. of Employees :	3

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd 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 :	Unknown
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.

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ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Mongolia	B2	B2

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

MONGOLIA - ECONOMIC OVERVIEW

Foreign direct investment in Mongolia's extractive industries – which are based on extensive deposits of copper, gold, coal, molybdenum, fluorspar, uranium, tin, and tungsten - has transformed Mongolia's landlocked economy from its traditional dependence on herding and agriculture. Exports now account for more than 40% of GDP. Mongolia depends on China for more than 60% of its external trade - China receives some 90% of Mongolia's exports and supplies Mongolia with more than one-third of its imports. Mongolia also relies on Russia for 90% of its energy supplies, leaving it vulnerable to price increases. Remittances from Mongolians working abroad, particularly in South Korea, are significant.

Soviet assistance, at its height one-third of GDP, disappeared almost overnight in 1990 and 1991 at the time of the dismantlement of the USSR. The following decade saw Mongolia endure both deep recession, because of political inaction, and natural disasters, as well as strong economic growth, because of market reforms and extensive privatization of the formerly state-run economy. The country opened a fledgling stock exchange in 1991. Mongolia joined the WTO in 1997 and seeks to expand its participation in regional economic and trade regimes.

Growth averaged nearly 9% per year in 2004-08 largely because of high copper prices globally and new gold production. By late 2008, Mongolia was hit by the global financial crisis and Mongolia's real economy contracted 1.3% in 2009. In early 2009, the IMF reached a \$236 million Stand-by Arrangement with Mongolia and it emerged from the crisis with a stronger banking sector and better fiscal management. In October 2009, Mongolia passed long-awaited legislation on an investment agreement to develop the Oyu Tolgoi (OT) mine, among the world's largest untapped copper-gold deposits. However, a dispute with foreign investors developing OT called into question the attractiveness of Mongolia as a destination for foreign investment. This caused a severe drop in FDI, and a slowing economy, leading to the dismissal of Prime Minister Norovyn ALTANKHUYAG in November 2014. The economy had grown more than 10% per year between 2011 and 2013 - largely on the strength of commodity exports and high government spending - before slowing to 7.8% in 2014, and falling to the 2% level in 2015. Growth rebounded from a brief 1.6% contraction in the third quarter of 2016 to 5.8% during the first three quarters of 2017, largely due to rising commodity prices.

The May 2015 agreement with Rio Tinto to restart the OT mine and the subsequent \$4.4 billion finance package signing in December 2015 stemmed the loss of investor confidence. The current government has made restoring investor trust and reviving the economy its top priority, but has failed to invigorate the economy in the face of the large drop-off in foreign direct investment, mounting external debt, and a sizeable budget deficit. Mongolia secured a \$5.5 billion financial assistance package from the IMF and a host of international creditors in May 2017, which is expected to improve Mongolia's long-term fiscal and economic stability as long as Ulaanbaatar can advance the agreement's difficult contingent reforms, such as consolidating the government's off-balance sheet liabilities and rehabilitating the Mongolian banking sector.

Source : CIA

EXECUTIVE SUMMARY

COMMERCIAL NAME	Vei Mongolia LLC		
STREET	P.Jasray Street		
AREA	1st Khoroo		
TOWN	Ulaanbaatar		
COUNTRY	Mongolia		
TELEPHONE	(976) 9910 8472 (976) 9908 5694 (Eng. Chinba)		
E-MAIL	munkhbaatar@veimongolia.com		
ACTIVITIES	Trading as importers and distributors of electronic tools and supplies including on board weighing system.		
EXECUTIVE WORKFORCE	Munkhbaatar Mangalsuren	02/12/2018	Managing Director subject
ESTABLISHED YEAR	3		
MAIN REGISTRATION NO.	2013		
LEGAL FORM	5687187 (TAX NO.)		
STATUS	Limited Liability Company		
CREDIT OPINION	Active We consider it is acceptable to deal with subject for SMALL amounts, however in view of the lack of financial information we recommend international suppliers exercise a degree of caution.		

IDENTIFICATION

COMMERCIAL NAME Vei Mongolia LLC

PRINCIPAL PLACE OF BUSINESS

STREET P.Jasray Street
AREA 1st Khoroo
TOWN Ulaanbaatar
COUNTRY Mongolia
COUNTRY CODE MN
TELEPHONE (976) 9910 8472
(976) 9908 5694 (Eng. Chinba)
E-MAIL munkhbaatar@veimongolia.com
PREMISES Administrative office
DESCRIPTION
TYPE OF OCCUPATION Rented
REGISTERED ADDRESS Bayangol District, Ulaanbaatar, Mongolia

LEGAL DATA

ESTABLISHED YEAR	2013		
INCORPORATION DATE	22/10/2013		
MAIN REGISTRATION NO.	5687187 (TAX NO.)		
TAX NO.	5687187	REGISTERED AT	MONGOLIAN TAX ADMINISTRATION
REGISTRATION PLACE	Ulanbaatar		
CAPITAL	not given		
LEGAL FORM	Limited Liability Company		
OWNERSHIP TYPE	Private		
STATUS	Active		
STATUS DATE	02/12/2018		

OWNERSHIP STRUCTURE

1. NAME	Munkhbaatar Mangalsuren
RELATION TYPE	Shareholder
SHARE PERCENTAGE	100%
NATIONALITY	Mongolia
GENDER	Male
E-MAIL	munkhbaatar@veimongolia.com

WORKFORCE

KEY PERSONNEL

1. NAME	Munkhbaatar Mangalsuren	POSITION	Managing Director
BOARD MEMBER	Yes		
AUTHORISED SIGNATORY	Yes		
NATIONALITY	Mongolia		
GENDER	Male		
E-MAIL	munkhbaatar@veimongolia.com		

2. NAME	Eng. Chinba	POSITION	Sales Engineer
GENDER	Male		

WORKFORCE	PERIOD	NOTES
3	02/12/2018	subject

OPERATIONS

ACTIVITIES

ACTUAL ACTIVITIES	Trading as importers and distributors of electronic tools and supplies including on board weighing system.
IMPORT COUNTRIES	China.
EXPORT COUNTRIES	N/A
NACE CODE (REV. 2)	DESCRIPTION
4618	Agents specialised in the sale of other particular products.

FACILITIES

Rented premises comprising administrative offices located at the heading address.

GENERAL INFORMATION

BANKERS

Subject declined to name its bankers.

FINANCIAL INFORMATION

Private companies are not required to publish or disclose balance sheets. Balance sheets are not available from other sources, and the subject interviewed declined to give any financial information, which the company regards as strictly confidential.

PAYMENT INFORMATION

MODE OF PAYMENT	Unknown
CREDIT OPINION	We consider it is acceptable to deal with subject for SMALL amounts, however in view of the lack of financial information we recommend international suppliers exercise a degree of caution.

Higher amounts may be considered with full fiscal disclosure.

SECTION REMARKS	It is normal accepted practice for international suppliers to deal on secured terms with the local buyers.
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SPECIAL REMARKS

INTERVIEWED
PERSON

Munkhbaatar Mangalsuren

Managing Director

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.03
UK Pound	1	INR 89.50
Euro	1	INR 79.59
MNT	1	INR 0.026

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

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	TRU

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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)