

MIRA INFORM REPORT

Report No. :	546124
Report Date :	27.12.2018

IDENTIFICATION DETAILS

Name :	HA NOI SOLAR TECHNOLOGY COMPANY LIMITED
Registered Office :	B1, B2, Dinh Tram Industrial Zone, Hoang Ninh Commune, Viet Yen District, Bac Giang Province
Country :	Vietnam
Financials (as on) :	31.12.2017
Date of Incorporation :	20.01.2016
Com. Reg. No.:	2400788519
Legal Form :	Limited Liability Company (FDI)
Line of Business :	The subject is specialized in manufacturing solar panels.
No. of Employees :	20

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 :	Slow but correct
Litigation :	Clear

NOTES :

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ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Vietnam	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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VIETNAM - ECONOMIC OVERVIEW

Vietnam is a densely populated developing country that has been transitioning since 1986 from the rigidities of a centrally planned, highly agrarian economy to a more industrial and market based economy, and it has raised incomes substantially. Vietnam exceeded its 2017 GDP growth target of 6.7% with growth of 6.8%, primarily due to unexpected increases in domestic demand, and strong manufacturing exports.

Vietnam has a young population, stable political system, commitment to sustainable growth, relatively low inflation, stable currency, strong FDI inflows, and strong manufacturing sector. In addition, the country is committed to continuing its global economic integration. Vietnam joined the WTO in January 2007 and concluded several free trade agreements in 2015-16, including the EU-Vietnam Free Trade Agreement (which the EU has not yet ratified), the Korean Free Trade Agreement, and the Eurasian Economic Union Free Trade Agreement. In 2017, Vietnam successfully chaired the Asia-Pacific Economic Cooperation (APEC) Conference with its key priorities including inclusive growth, innovation, strengthening small and medium enterprises, food security, and climate change. Seeking to diversify its opportunities, Vietnam also signed the Comprehensive and Progressive Agreement for the Transpacific Partnership in 2018 and continued to pursue the Regional Comprehensive Economic Partnership.

To continue its trajectory of strong economic growth, the government acknowledges the need to spark a 'second wave' of reforms, including reforming state-owned-enterprises, reducing red tape, increasing business sector transparency, reducing the level of non-performing loans in the banking sector, and increasing financial sector transparency. Vietnam's public debt to GDP ratio is nearing the government mandated ceiling of 65%.

In 2016, Vietnam cancelled its civilian nuclear energy development program, citing public concerns about safety and the high cost of the program; it faces growing pressure on energy infrastructure. Overall, the country's infrastructure fails to meet the needs of an expanding middle class. Vietnam has demonstrated a commitment to sustainable growth over the last several years, but despite the recent speed-up in economic growth the government remains cautious about the risk of external shocks.

Source : CIA

SUBJECT IDENTIFICATION & LEGAL FORM

English Name	HA NOI SOLAR TECHNOLOGY COMPANY LIMITED
Vietnamese Name	CONG TY TNHH HA NOI SOLAR TECHNOLOGY
Short name	HA NOI SOLAR CO.,LTD
Type of Business	Limited Liability Company (FDI)
Year Established	2016
Project Code	2141260037
Date Of Issuance	20 Jan 2016
Place of Issuance	Bac Giang Industrial Zone Authority
Business Registration No.	2400788519
Date of Registration	20 Jan 2016
Place of Registration	Bac Giang Department of Planning and Investment
Registered Investment Capital	USD 5,500,000
Charter capital	USD 5,000,000
Investment Duration	42 years
Listed Company	No
Tax code	2400788519
Total Employees	20
Size	Medium

ADDRESSES

Head Office

Address	B1, B2, Dinh Tram Industrial Zone, Hoang Ninh Commune, Viet Yen District, Bac Giang Province, Vietnam
Telephone	(84-204) 366 2396
Website	http://hanoisolar.vn
Occupied Area	1,998 m2
Land-use Right	Leased

DIRECTORS

NAME	Mr. ZHOU ZI XIN
Position	Chairman cum Director
Date of Birth	17 Dec 1973
ID Number/Passport	G48120871
ID Issue Date	10 Jan 2011
Permanent Address	No. 1, Yabang Road, Jiangshu City, China
Current Residence	Lot E1, Quang Chau Industrial Zone, Quang Chau Commune, Viet Yen District, Bac Giang Province, Vietnam

Nationality	Chinese
BUSINESS NATURE AND ACTIVITIES	
The subject is specialized in manufacturing solar panels	
TRADE REFERENCE AND IMPORT - EXPORT ACTIVITIES	
IMPORT:	
Market	China
EXPORT:	
<i>Note: Currently, the subject does not export</i>	
BANKERS	
1. JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM BAC GIANG BRANCH	
Address	No. 278, Hoang Van Thu Street, Dinh Ke Ward, Bac Giang City, Bac Giang Province, Vietnam
Telephone	(84-204) 385 5576
Fax	(84-204) 385 5575
2. MILITARY COMMERCIAL JOINT STOCK BANK- BAC GIANG BRANCH	
Address	Viettel Bac Giang Building, Lot A4, Nguyen Thi Minh Khai Street, Bac Giang City, Bac Giang Province, Vietnam
Telephone	(84-204) 6252538
Fax	(84-204) 6252582
SHAREHOLDERS	
NAME	YABANG SOLAR ENERGY HONG KONG CO.,LTD
Business Registration	1516461
Date of Registration	18 Oct 2010
Address	Flat L, Floor 19th, Phase 2, Goldfield Building, 144-150, Tai Lin Pai Road, Kwai Chung, Hong Kong
Percentage	100%

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FINANCIAL DATA

BALANCE SHEET

Unit: One VND

Balance sheet date	FYE 31 Dec 2017	FYE 31 Dec 2016
ASSETS		
Current Assets	130,039,767,019	29,419,382,346
Inventories	8,352,759,863	3,492,631,087
Long-Term Assets	90,490,397,448	56,965,420,255
TOTAL ASSETS	220,530,164,467	86,384,802,601
LIABILITIES		
LIABILITIES	155,334,781,667	30,924,484,759
OWNER'S EQUITY	65,195,382,800	55,460,317,842
TOTAL LIABILITIES AND OWNER'S EQUITY	220,530,164,467	86,384,802,601

PROFIT & LOSS STATEMENT

Description	FYE 31 Dec 2017	FYE 31 Dec 2016
Total Sale	251,425,039,072	20,753,546,478
Net revenue	251,425,039,072	20,753,546,478
Profit after tax	-1,509,310,042	-9,915,482,158

INDUSTRY DATA

The subject is classified in: Manufacture of electrical equipment (Division 27 of ISIC)

Items	Industry	Percentage	All Industries
1. Annual average capital of enterprises (Bil VND)	166,313	0.64%	26,049,661
2. Value of fixed asset and long term investment (Bil VND)	61,875	0.49%	12,551,024
3. Net turnover from business of enterprises (Bil VND)	236,572	1.36%	17,436,430
4. Profit before taxes of enterprises (Bil VND)	12,188	1.71%	711,975
5. Number of employees	178,432	1.27%	14,012,276
6. Number of acting enterprises by size of capital (Total)	1,380	0.27%	505,059
6.1 Under 0.5 bil. VND	59	0.10%	57,181
6.2 From 0.5 to under 1 bil. VND	69	0.13%	53,662
6.3 From 1 to under 5 bil. VND	362	0.18%	204,024
6.4 From 5 to under 10 bil. VND	170	0.24%	69,773

Note: * The data was calculated by Vietnam Credit from annual publish of GSO Vietnam

PAYMENT HISTORY & PERFORMANCE EXPERIENCES

Trade Morality		Normal
Liquidity		Low/Medium
Payment status		Slow but correct
Financial Situation		Normal
Development trend		Developing
Litigation data		No Record
Bankruptcy		No Record
Payment Methods		LC, TT
Sale Methods		Wholesaler
Public opinion		Normal

INTERPRETATION ON THE SCORES

Founded in early year 2016, HA NOI SOLAR TECHNOLOGY COMPANY LIMITED is now operating under business registration No. 2400788519. The subject remains registered investment capital of USD 5.5 million or VND 122,890,000,000 and charter capital of USD 5 million or VND 111,000,000,000.

Major business lines of the subject focus on manufacturing solar panels. It imports materials for production from the parent company and some Chinese partners including Changzhou Seraphim Trading Co.ltd, Changzhou Renhe New Energy Co.ltd and Kpr Technologies Ltd...

As could be seen from the latest financial data above, after one year of operation, both total assets and total sales had marked growth in 2017. However, the subject had not yet generated profit.

In short, the subject is on the way of developing operation. It is reliable to meet small transactions.

• Economic Indicators

	2017	2016	2015
Population (Millions)	93.70	92.70	91.70
Gross Domestic Products (USD billions)	223	205.3	193
GDP Per Capita (USD/person/year)	2,385	2,215	2,109
GDP Growth (%)	6.81	6.21	6.68
- Agriculture, Forestry and Fishing Growth (%)	2.90	1.36	2.41
- Industry and Construction Growth (%)	8.00	7.57	9.64
- Trade and Services Growth (%)	7.44	6.98	6.33

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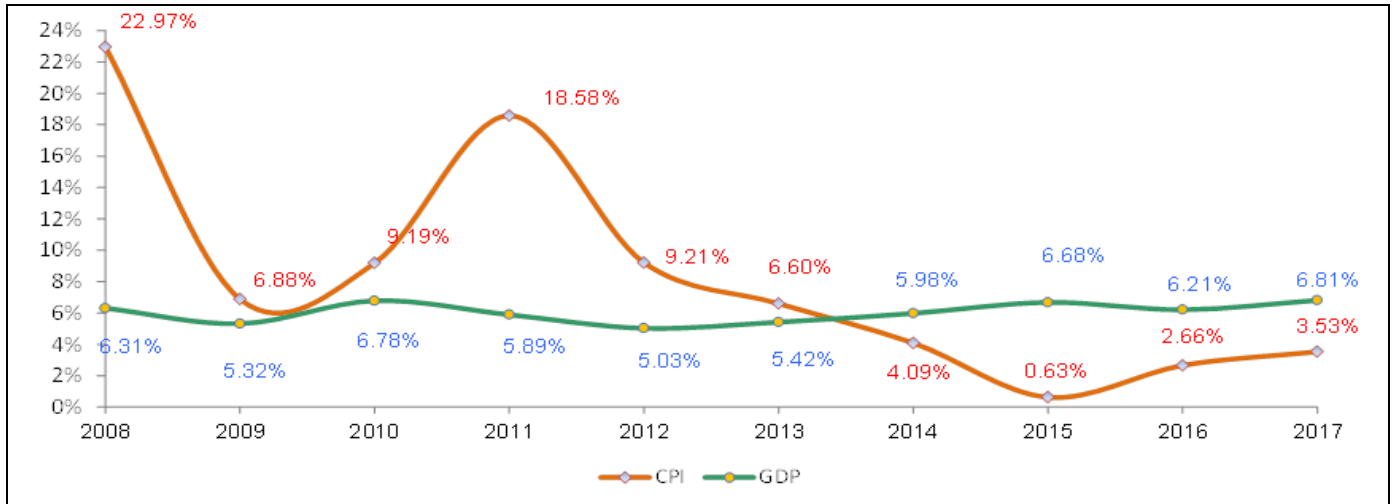


Figure 1: GDP vs. CPI trend in last ten years

• Trade Balance

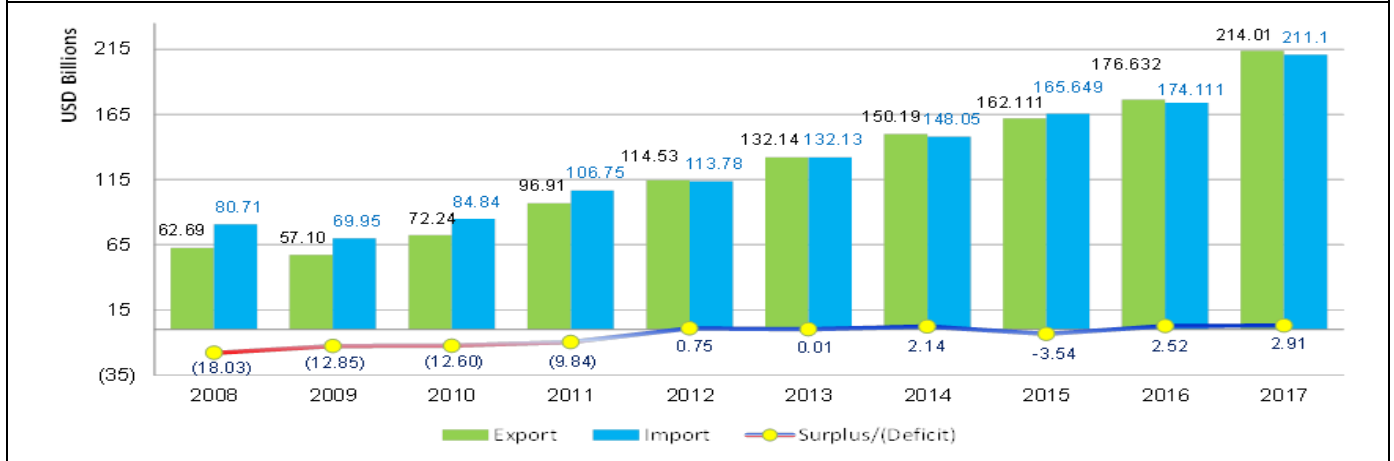


Figure 2: Import – Export balance in last ten years

• Import – Export Value by Major Type of Products

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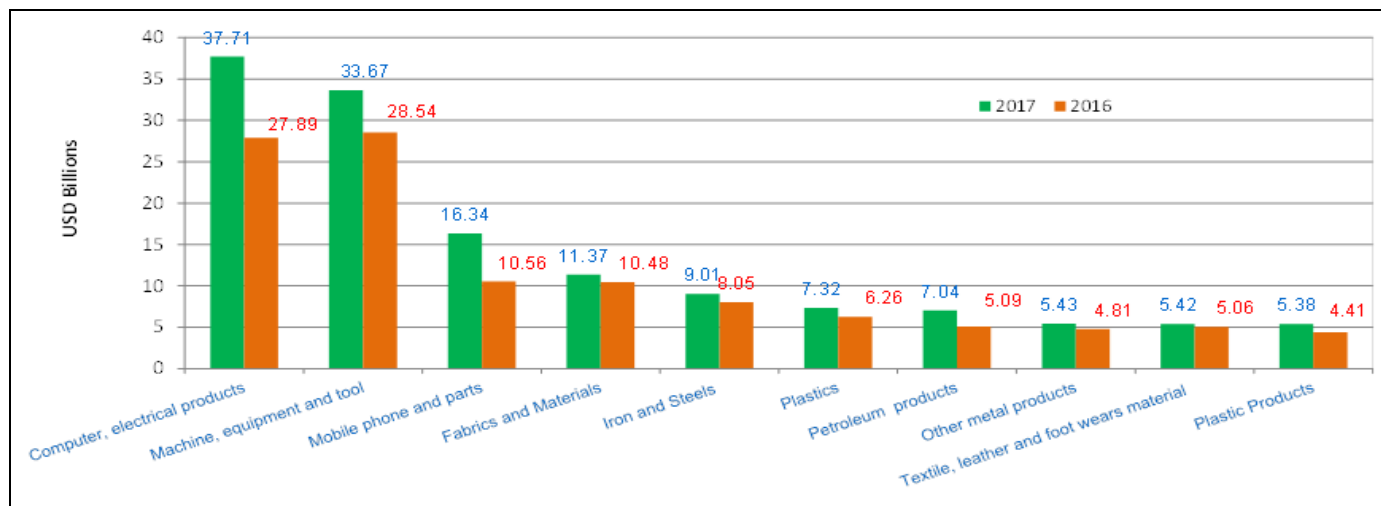


Figure 3: Top ten import products by value in 2016-2017

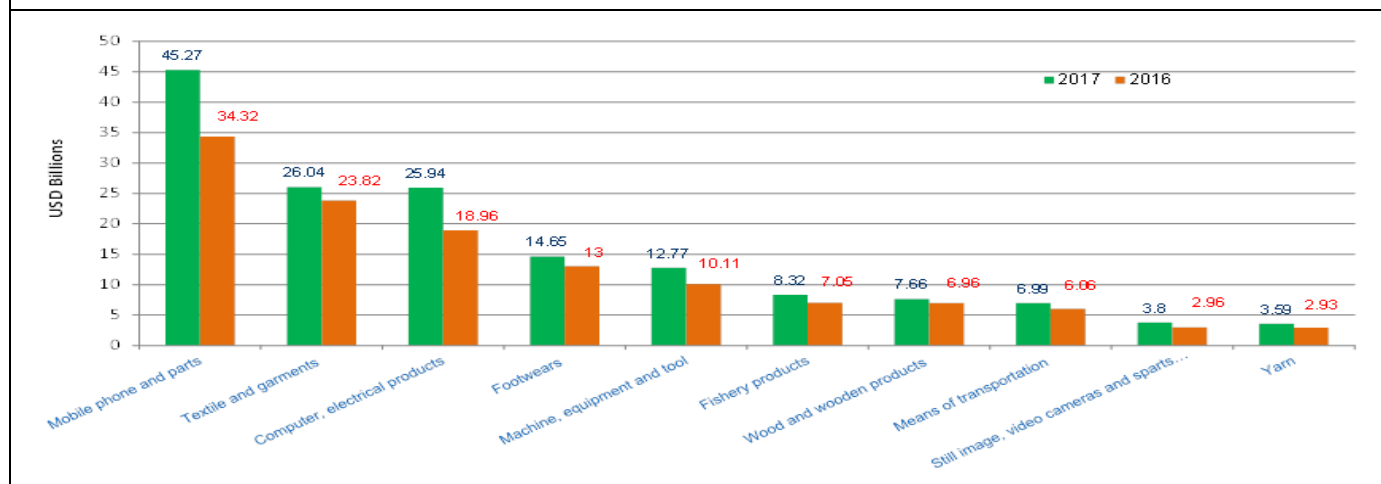


Figure 4: Top ten export products by value in 2016-2017

NOTICE:

- * Registered Investment Capital: Amount of money, assets, value paper... registered with local authorized to execute investment project and appear in Investment Certificate.
- * Charter capital: Amount of money, assets, value paper... contribution from shareholder(s) to form company and it appears in company charter, business registration certificate, and investment certificate.
- * Legal capital: The legal capital is minimum requirement of local authorized for enterprise(s) that doing some special businesses.
- * Paid-up capital: The amount of company's capital that has been paid by shareholder(s).
- * Annual average capital of enterprises: The average amount of resource (liabilities) in a year and in the same industry of group companies.
- * Financial Ratios Calculation:

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-	<i>Current liquidity ratio (Times) = Current Asset/Current Liabilities</i>
-	<i>Quick Liquidity ratio (Times) = (Current Asset - Inventory)/Current Liabilities</i>
-	<i>Inventory circle (Times) = Cost of Goods Sold / Inventory</i>
-	<i>Average receivable period (Days) = {Account Receivable (Trade Only = Receivable from customers + Short-term advances to suppliers) / Net revenue } * 365</i>
-	<i>Utilizing Asset Performance (Times) = Net Sale / Total Assets</i>
-	<i>Inventory/ Monthly Sale (%) = {Inventory / (Total Sales / 12)} * 100</i>
-	<i>Shareholder Equity Ratio (%)= (Owner's Equity / Total Assets) * 100</i>
-	<i>Total Loan/ Total Assets (%) = { (Short-term loans and financial leases + Long-term loans and financial leases) / Totals Assets } * 100</i>
-	<i>Liability/ Total Asset (%)= (Liabilities / Total Assets) * 100</i>
-	<i>Liability/ Owner's equity (%) = (Liabilities / Owner's Equity) * 100</i>
-	<i>Ebit / Total asset (%) ROA = (Ebit / Total asset) * 100</i>
-	<i>Ebit / Owner's equity (%) ROE = (Ebit / Owner's equity) * 100</i>
-	<i>Ebit / Total revenue (%) NPM = (Ebit / Total revenue) * 100</i>
-	<i>Gross Profit / Total revenue (%) GPM = (Gross Profit / Total revenue) * 100</i>

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.99
UK Pound	1	INR 88.95
Euro	1	INR 79.82
VND	1	INR 0.0030

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	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)