

MIRA INFORM REPORT

Report No. :	546348
Report Date :	26.12.2018

IDENTIFICATION DETAILS

Name :	VIETNAM DAIRY COW ONE MEMBER COMPANY LIMITED
Registered Office :	No. 10, Tan Trao Street, Tan Phu Ward, District 7, Ho Chi Minh City,
Country :	Vietnam
Financials (as on) :	31.12.2017
Date of Incorporation :	11.07.2007
Com. Reg. No.:	5000268824
Legal Form :	One Member Limited Liability Company
Line of Business :	<p>Subject specializes in raising the dairy cow. Its registered items:</p> <ul style="list-style-type: none"> • Raising of cattle and buffaloes • Mixed farming • Wholesale on a fee or contract basis • Wholesale of agricultural raw materials (except wood, bamboo) and live animals • Manufacture of prepared animal, fish, poultry feeds Freight transport by road • Wholesale of food • Wholesale of waste and scrap and other products n.e.c • Support activities for animal production • Other retail sale of new goods in specialized stores • Growing of tea tree • Manufacture of other food products n.e.c.
No. of Employees :	1000

RATING & COMMENTS

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

MIRA's Rating : A

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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	No Complaints
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 (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

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

Current legal status	
Registered English Name	VIETNAM DAIRY COW ONE-MEMBER COMPANY LIMITED
Registered Vietnamese Name	CONG TY TNHH MOT THANH VIEN BO SUA VIET NAM
Registered Short name	VINACOW
Type of Business	One Member Limited liability company
Year Established	2006
Business Registration No.	5000268824
Date of Registration	11 Jul 2007
Place of Registration	Ho Chi Minh Department of Planning and Investment
Charter capital	VND 1,820,000,000,000
Listed Company	No
Tax code	5000268824
Total Employees	1,000
Size	Large

Historical Identification & Legal form

List	Changed Items	Date of changes
1	Subject has got former Charter capital: VND 1,550,000,000,000 Changed to: VND 1,820,000,000,000	25 Aug 2016
2	Subject has got former Address: Dat Khe Hamlet, Phu Lam Commune, Yen Son District, Tuyen Quang Province Changed to: No. 10, Tan Trao Street, Tan Phu Ward, District 7, Ho Chi Minh City	2007
3	Subject has got former Business Registration No: 1504000003 Changed to: 5000268824	N/A

ADDRESSES

Head Office Address	No. 10, Tan Trao Street, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam
Telephone	(84-28) 5415 5555
Fax	(84-28) 5416 1226
Website	https://www.vinamilk.com.vn
Branch in Tuyen Quang Address	Dat Khe Hamlet, Phu Lam Commune, Yen Son District, Tuyen Quang Province, Vietnam
Telephone	(84-207) 3773 993
Note: Tax code: 5000268824-001	

Branch in Binh Dinh
Address Nam Tuong 3 Hamlet, Nhon Tan Commune, An Nhon Town, Binh Dinh
Province, Vietnam
Telephone (84-256) 3637 206 - 2472 158
Note: Tax code: 5000268824-002

Branch in Nghe An
Address Dong Thanh Hamlet, Dong Hieu Commune, Thai Hoa Town, Nghe An
Province, Vietnam
Telephone (84-238) 3962 673
Fax (84-238) 3962 672
Note: Tax code: 5000268824-003

Branch in Thanh Hoa
Address Ban Lai Hamlet, Xuan Phu Commune, Tho Xuan District, Thanh Hoa
Province, Vietnam
Telephone (84-237) 2469 252
Fax (84-237) 2469 252
Note: Tax Code: 5000268824-004

Branch in Lam Dong
Address Lac Truong Hamlet, Tu Tra Commune, Don Duong District, Lam Dong
Province, Vietnam
Telephone (84-263) 3641 289
Fax (84-263) 3641 289
Note: Tax Code: 5000268824-005

Branch in Ha Tinh
Address Hamlet 2, Son Le Commune, Huong Son District, Ha Tinh Province,
Vietnam
Telephone (84-239) 6558666
Note: Tax code: 5000268824-007

Branch in Tay Ninh
Address Group 60, Long Thinh Hamlet, Long Khanh Commune, Ben Cau District,
Tay Ninh Province, Vietnam
Telephone (84-276) 357202
Note: Tax code: 5000268824-008

Branch in Thanh Hoa
Address Phu Quang Hamlet, Phu Nhuan Commune, Nhu Thanh District, Thanh
Hoa Province, Vietnam
Telephone (84-237) 8762222
Note: Tax code: 5000268824-009

Branch in Ben Tre
Address Land Lot No.228, Map No.2, An Hoa Hamlet, An Binh Tay Commune,
Ba Tri District, Ben Tre Province, Vietnam
Note: Tax code: 5000268824-010

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DIRECTORS

1. NAME	Mr. TRINH QUOC DUNG
Position	Director
Date of Birth	05 Oct 1962
ID Number/Passport	042062000192
ID Issue Date	22 Mar 2017
ID Issue Place	Police Department of Registration, Residence Management and National Database on Population
Permanent Address	7.4 Shappire 2, Saigon Pearl, No. 92 Nguyen Huu Canh, Ward 22, Binh Thanh District, Ho Chi Minh City, Vietnam
Current Residence	Suite 1002, Saphire 1, Saigon Pearl, No. 92, Nguyen Huu Canh, Ward 22, Binh Thanh District, Ho Chi Minh City, Vietnam
Nationality	Vietnamese
2. NAME	Mr. NGO PHUOC LOC
Position	Chief Accountant
Nationality	Vietnamese

BUSINESS NATURE AND ACTIVITIES

The subject specializes in raising the dairy cow.

Its registered items:

Raising of cattle and buffaloes

Mixed farming

Wholesale on a fee or contract basis

Wholesale of agricultural raw materials (except wood, bamboo) and live animals

Manufacture of prepared animal, fish, poultry feeds

Freight transport by road

Wholesale of food

Wholesale of waste and scrap and other products n.e.c

Support activities for animal production

Other retail sale of new goods in specialized stores

Growing of tea tree

Manufacture of other food products n.e.c.

TRADE REFERENCE AND IMPORT - EXPORT ACTIVITIES

IMPORT:

Market USA, Australia, Thailand, Netherlands

EXPORT:

Note: Currently, the subject does not export

BANKERS

DEUTSCHE BANK AG - HO CHI MINH CITY BRANCH

Address Room 1001, 10th Floor, Deutsches Haus Ho Chi Minh City Building, No. 33, Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Telephone (84-28) 6299 9000
Fax (84-28) 3822 2760

SHAREHOLDERS

NAME	VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY
Business Registration	0300588569
Date of Registration	20 Nov 2003
Place of Registration	Ho Chi Minh Department of Planning and Investment
Charter Capital	VND 14,514,534,290,000
Tax code	0300588569
Address	No. 10, Tan Trao Street, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam
Tel	(84-28) 5415 5555
Fax	(84-28) 5416 1226 - 5416 1230
Email	vinamilk@vinamilk.com.vn
Website	www.vinamilk.com.vn
Value of shares	VND 1,820,000,000,000
Percentage	100%

FINANCIAL DATA

BALANCE SHEET

Unit: One VND

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VIETNAM DAIRY COW ONE MEMBER COMPANY LIMITED - 546348

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Balance sheet date	FYE 31 Dec 2017	FYE 31 Dec 2016	FYE 31 Dec 2015
ASSETS			
Current Assets	349,760,931,691	293,367,813,433	365,210,906,143
Inventories	121,110,321,528	91,361,031,080	75,981,234,504
Long-Term Assets	2,256,063,201,103	1,979,492,777,343	1,480,370,665,755
TOTAL ASSETS	2,605,824,132,794	2,272,860,590,776	1,845,581,571,898
LIABILITIES			
LIABILITIES	204,116,273,521	184,841,912,759	273,626,844,167
OWNER'S EQUITY	2,401,707,859,273	2,088,018,678,017	1,571,954,727,731
TOTAL LIABILITIES AND OWNER'S EQUITY	2,605,824,132,794	2,272,860,590,776	1,845,581,571,898

PROFIT & LOSS STATEMENT

Description	FYE 31 Dec 2017	FYE 31 Dec 2016	FYE 31 Dec 2015
Total Sale	1,722,760,965,710	1,237,403,325,361	564,782,969,357
Net revenue	1,722,760,965,710	1,237,403,325,361	564,782,969,357
Profit after tax	190,458,943,397	75,283,950,286	14,139,974,546

INDUSTRY DATA

The subject is classified in: **Agriculture and related service activities (Division 01 of ISIC)**

Items	Industry	Percentage	All Industries
1. Annual average capital of enterprises (Bil VND)	210,278	0.81%	26,049,661
2. Value of fixed asset and long term investment (Bil VND)	168,967	1.35%	12,551,024
3. Net turnover from business of enterprises (Bil VND)	60,382	0.35%	17,436,430
4. Profit before taxes of enterprises (Bil VND)	2,643	0.37%	711,975
5. Number of employees	189,012	1.35%	14,012,276
6. Number of acting enterprises by size of capital (Total)	2,164	0.43%	505,059
6.1 Under 0.5 bil. VND	291	0.51%	57,181
6.2 From 0.5 to under 1 bil. VND	197	0.37%	53,662
6.3 From 1 to under 5 bil. VND	640	0.31%	204,024
6.4 From 5 to under 10 bil. VND	240	0.34%	69,773

PAYMENT HISTORY & PERFORMANCE EXPERIENCES

Trade Morality	Normal
Liquidity	Medium/High
Payment status	No Complaints
Financial Situation	Strong
Development trend	Stable

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Litigation data	No Record
Bankruptcy	No Record
Payment Methods	Cash, T/T
Sale Methods	To contracts
Public opinion	Normal

SUMMARY

The subject was officially incorporated in 2006. Its registered English name and abbreviated name are VIETNAM DAIRY COW ONE-MEMBER COMPANY LIMITED and VINACOW; respectively. At present, it is operating under Business Registration No. 5000268824 issued by Ho Chi Minh Department of Planning and Investment with charter capital of VND 1,820 billion. Mr. TRINH QUOC DUNG is director cum legal representative of this subject. Its headquarter is located at No. 10, Tan Trao Street, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam. In addition, it has many branches in Tuyen Quang, Binh Dinh, Nghe An, Thanh Hoa, Lam Dong, Tay Ninh Provinces,...The subject managed nine farms which achieved ISO 9001 certification and GLOBALG.A.P. IFA Dairy Standard with the total herd of 20,851 cow heads. The subject has completed and operated Ba Tri Raw Milk Center since 2018. Total labor force of the subject is 1,000 employees now. It is subsidiary of VIETNAM PRODUCTS JOINT STOCK COMPANY (VINAMILK). The subject specializes in raising dairy cows. Besides, it also operates in other fields such as: Producing compound feed for cattle, poultry and fishery; combining animal husbandry and cultivation; trading raw materials of agriculture and forestry, and livestock.

Regarding the above financial data, its assets scale was expanded and had an upward trend over the years. Its total assets reached about VND 2,605,824 million in FY2017; increasing by 15% and 41% against the data of FY2016 and FY2015. The subject earned VND 1,722,761 million in total sales and VND 190,459 million in profit after tax. Its profitability indexes were impressive. Overall, the subject is operating effectively now. It has ability to meet all normal commitments.

• 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

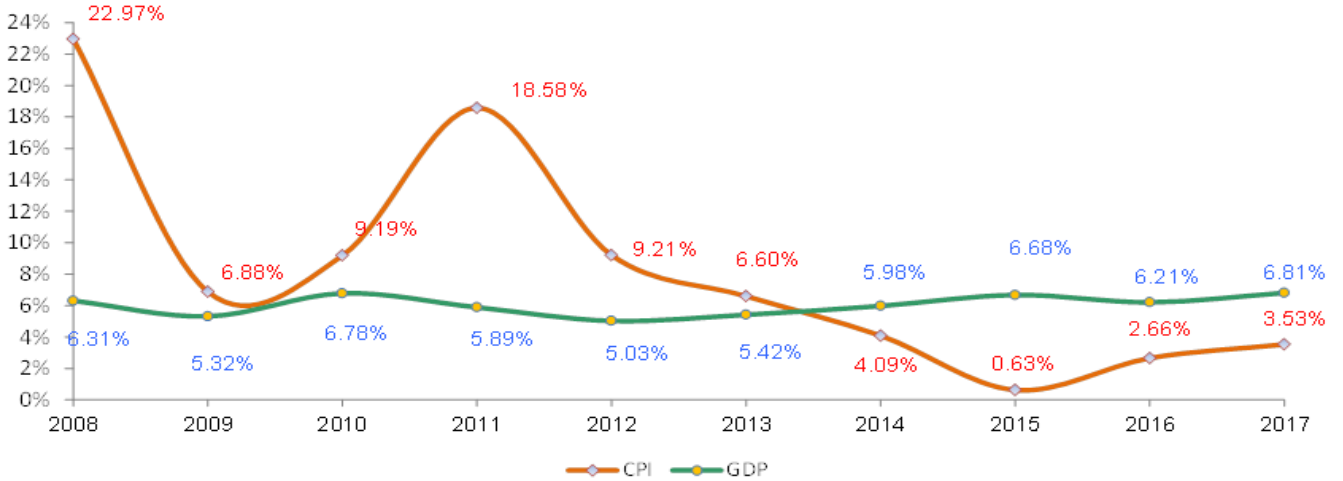


Figure 1: GDP vs. CPI trend in last ten years
 • Trade Balance

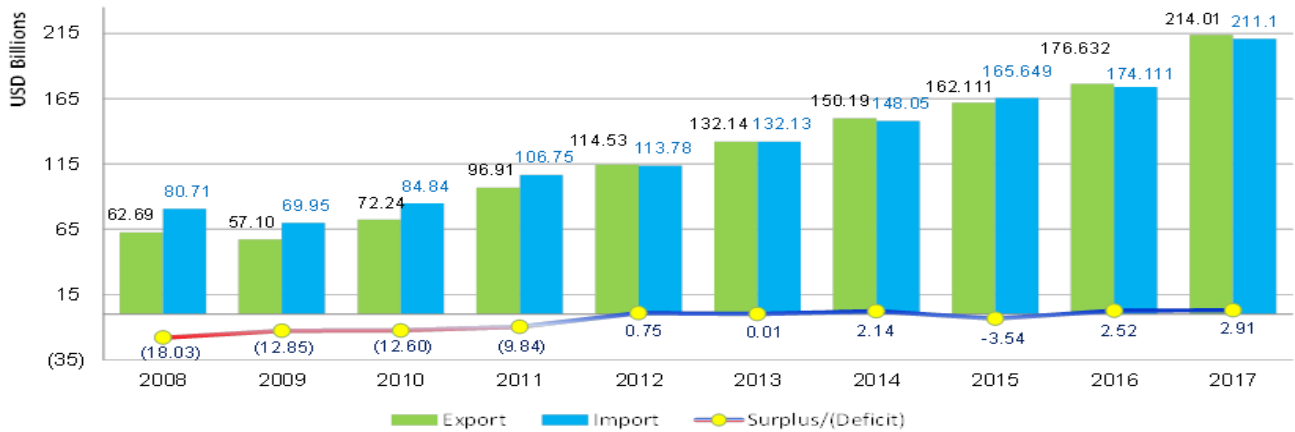


Figure 2: Import – Export balance in last ten years
 • Import – Export Value by Major Type of Products

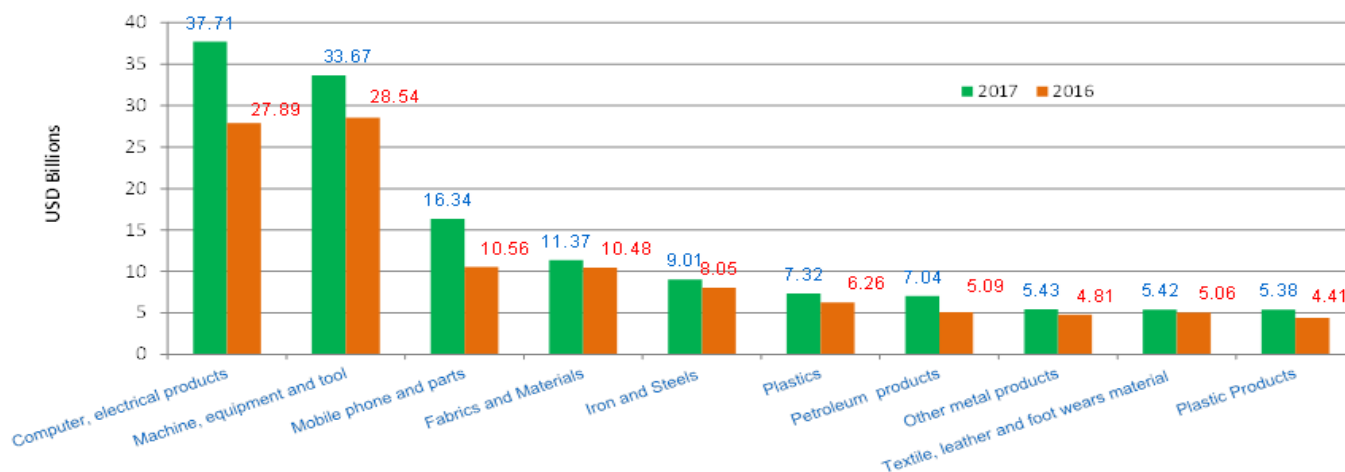


Figure 3: Top ten import products by value in 2016-2017

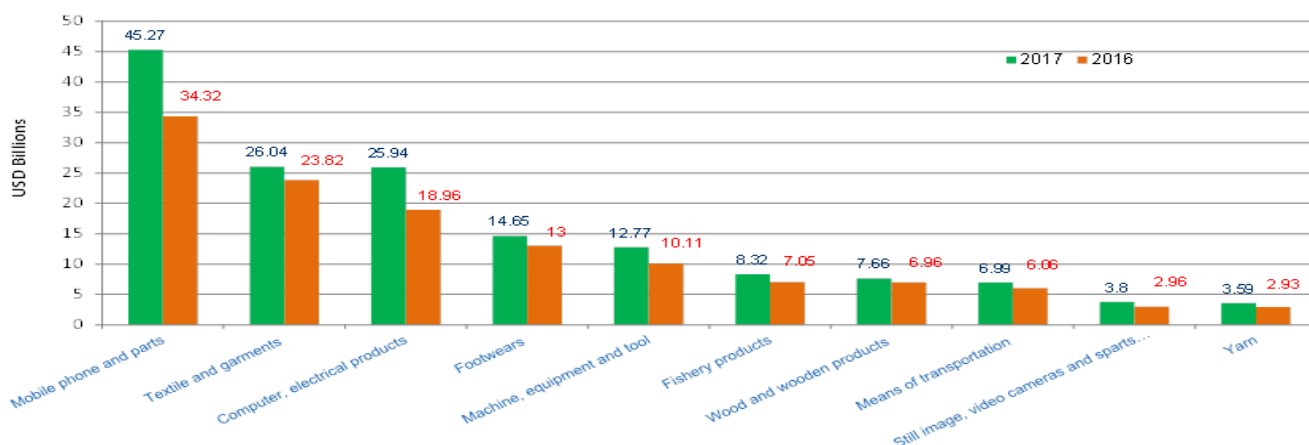


Figure 4: Top ten export products by value in 2016-2017

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:
 - $Current\ liquidity\ ratio\ (Times) = \frac{Current\ Asset}{Current\ Liabilities}$
 - $Quick\ Liquidity\ ratio\ (Times) = \frac{(Current\ Asset - Inventory)}{Current\ Liabilities}$
 - $Inventory\ circle\ (Times) = \frac{Cost\ of\ Goods\ Sold}{Inventory}$
 - $Average\ receivable\ period\ (Days) = \{Account\ Receivable\ (Trade\ Only = Receivable\ from\ customers +$

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*Short-term advances to suppliers) / Net revenue } * 365*

- Utilizing Asset Performance (Times) = Net Sale / Total Assets
- Inventory/ Monthly Sale (%) = {Inventory / (Total Sales / 12)} * 100
- Shareholder Equity Ratio (%)= (Owner's Equity / Total Assets) * 100
- Total Loan/ Total Assets (%) = { (Short-term loans and financial leases + Long-term loans and financial leases) / Totals Assets } * 100
- Liability/ Total Asset (%)= (Liabilities / Total Assets) * 100
- Liability/ Owner's equity (%) = (Liabilities / Owner's Equity) * 100
- Ebit / Total asset (%) ROA = (Ebit / Total asset) * 100
- Ebit / Owner's equity (%) ROE = (Ebit / Owner's equity) * 100
- Ebit / Total revenue (%) NPM = (Ebit / Total revenue) * 100
- Gross Profit / Total revenue (%) GPM = (Gross Profit / Total revenue) * 100

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.18
UK Pound	1	INR 88.87
Euro	1	INR 79.88
VND	1	INR 0.0030

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	POJ

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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)