

MIRA INFORM REPORT

Report No. :	546972
Report Date :	29.12.2018

IDENTIFICATION DETAILS

Name :	AN DUC BUSINESS AND PRODUCTION COMPANY LIMITED
Registered Office :	Thuong Xuyen Hamlet, Dai Xuyen Commune, Phu Xuyen District, Ha Noi City
Country :	Vietnam
Financials (as on) :	31.12.2017
Date of Incorporation :	26.05.2015
Com. Reg. No.:	0106861030
Legal Form :	Limited liability company
Line of Business :	<ul style="list-style-type: none"> • The subject specializes in manufacturing chalk, glue and crayon and trading stationery. The subject's registered activities are: • Wholesale of other household products • Wholesale of food • Wholesale of beverages • Wholesale of textiles, clothing, footwear • Wholesale of electronic and telecommunications equipment and supplies • Wholesale of computer, computer peripheral equipment and software • Wholesale of other machinery and equipment n.e.c • Wholesale of metals and metal ores • Wholesale of construction materials, installation supplies • Wholesale of waste and scrap and other products n.e.c • Retail sale of books, newspapers, journal and stationary in specialized stores • Repair of electrical equipment • Manufacture of pulp, paper and paperboard • Other business support service activities n.e.c
No. of Employees :	20

RATING & COMMENTS

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

MIRA's Rating :

B

Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring 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 (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

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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

GENERAL INFORMATION

Given Information		Verification
Name	ANH DUC BUSINESS AND PRODUCTION COMPANY LIMITED	Incorrect (AN DUC not ANH DUC)
Address	Thuong Xuyen Hamlet, Dai Xuyen Commune, Phu Xuyen Dist, Ha Noi	Correct

SUBJECT IDENTIFICATION & LEGAL FORM

Registered English Name	ANH DUC BUSINESS AND PRODUCTION COMPANY LIMITED
Registered Vietnamese Name	CONG TY TNHH SAN XUAT VA KINH DOANH AN DUC
Registered Short name	ANDUC BP CO.,LTD
Type of Business	Limited liability company
Year Established	2015
Business Registration No.	0106861030
Date of Registration	26 May 2015
Place of Registration	Ha Noi Department of Planning and Investment
Charter capital	VND 500,000,000
Listed Company	No
Tax code	0106861030
Total Employees	20
Size	Small

ADDRESSES

Head Office and Workshop

Address	Thuong Xuyen Hamlet, Dai Xuyen Commune, Phu Xuyen District, Ha Noi City, Vietnam
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Transaction office in Ha Noi	
Address	No. 24, Lane 66, Yen Lac Street, Vinh Tuy Ward, Hai Ba Trung District, Ha Noi City, Vietnam
Telephone	(84-24) 3636 9113

DIRECTORS

NAME	Ms. LUONG THI TINH
Position	Director
Date of Birth	02 Nov 1986
ID Number/Passport	186206396
Permanent Address	No. 163, Ngo Thi Nham Street, Trung Do Ward, Vinh City, Nghe An Province, Vietnam
Nationality	Vietnamese

BUSINESS NATURE AND ACTIVITIES

The subject specializes in manufacturing chalk, glue and crayon, etc and trading stationery.

The subject's registered activities are:

- Wholesale of other household products
- Wholesale of food
- Wholesale of beverages
- Wholesale of textiles, clothing, footwear
- Wholesale of electronic and telecommunications equipment and supplies
- Wholesale of computer, computer peripheral equipment and software
- Wholesale of other machinery and equipment n.e.c
- Wholesale of metals and metal ores
- Wholesale of construction materials, installation supplies
- Wholesale of waste and scrap and other products n.e.c
- Wholesale on a fee or contract basis
- Wholesale of motor vehicles
- Sale of motor vehicles on a fee or contract basis
- Maintenance and repair of motor vehicles

Sale of motor vehicle part and accessories
Sale of motorcycles
Sale, maintenance and repair of motorcycles
Sale of motorcycle parts and accessories
Retail sale of food stuff in specialized stores
Retail sale of beverages in specialized stores
Retail sale of computer, computer peripheral equipment, software and telecommunication equipment in specialized stores
Retail sale of audio and video equipment in specialized stores
Retail sale of hardware, paints, glass and other construction installation equipment in specialized stores
Retail sale of electrical household appliances, furniture and lighting equipment and other household articles n.e.c in specialized stores
Retail sale of books, newspapers, journal and stationary in specialized stores
Retail sale of sporting equipment in specialized stores
Retail sale of games and toys in Specialized stores
Other retail sale of new goods in specialized stores
Repair of electrical equipment
Repair of machinery
Manufacture of pulp, paper and paperboard
Manufacture of corrugated paper and paperboard and of containers of paper and paperboard
Manufacture of other articles of paper and paperboard n.e.c
Renting and leasing of motor vehicles
Renting and leasing of recreational and sports goods
Other business support service activities n.e.c

TRADE REFERENCE AND IMPORT - EXPORT ACTIVITIES

IMPORT:

- | | |
|----------|--------------|
| • Market | China, India |
|----------|--------------|

EXPORT: *Currently, the subject does not export*

BANKERS

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SAIGON THUONG TIN COMMERCIAL JOINT STOCK BANK HA NOI BRANCH	
Address	No. 65, Ngo Thi Nham Street, Hai Ba Trung District, Ha Noi City, Vietnam
Telephone	(84-24) 3943 7372

SHAREHOLDERS

1. NAME	Ms. LUONG THI TINH
Position	Director
Date of Birth	02 Nov 1986
ID Number/Passport	186206396
Permanent Address	No. 163, Ngo Thi Nham Street, Trung Do Ward, Vinh City, Nghe An Province, Vietnam
Nationality	Vietnamese
Value of shares	VND 275,000,000
Percentage	55%

2. NAME	Mr. HA VAN THICH
Date of Birth	20 Nov 1983
ID Number/Passport	111953529
Permanent Address	An Canh Hamlet, Le Loi Commune, Thuong Tin District, Ha Noi City, Vietnam
Nationality	Vietnamese
Value of shares	VND 225,000,000
Percentage	45%

Note: Mr. Thich is main shareholder of NAM THANH TRADING – SERVICES COMPANY LIMITED which also trades stationery.

FINANCIAL DATA

BALANCE SHEET

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Unit: One VND			
Balance sheet date	FYE 31 Dec 2017	FYE 31 Dec 2016	
ASSETS			
Current Assets	6,730,593,009	4,564,401,289	
Inventories	5,196,771,548	2,155,334,674	
Long-Term Assets	366,311,763	412,062,463	
TOTAL ASSETS	7,096,904,772	4,976,463,752	
LIABILITIES			
LIABILITIES	6,594,121,078	4,482,089,224	
OWNER'S EQUITY	502,783,694	494,374,528	
TOTAL LIABILITIES AND OWNER'S EQUITY	7,096,904,772	4,976,463,752	
PROFIT & LOSS STATEMENT			
Description	FYE 31 Dec 2017	FYE 31 Dec 2016	
Total Sale	7,564,080,156	8,033,767,625	
Net revenue	7,564,080,156	8,033,767,625	
Profit after tax	8,409,166	11,653,662	
INDUSTRY DATA			
The subject is classified in: Other manufacturing (Division 32 of ISIC)			
Items	Industry	Percentage	All Industries
1. Annual average capital of enterprises (Bil VND)	68,531	0.26%	26,049,661
2. Value of fixed asset and long term investment (Bil VND)	33,223	0.26%	12,551,024
3. Net turnover from business of enterprises (Bil VND)	70,228	0.40%	17,436,430
4. Profit before taxes of enterprises (Bil VND)	4,290	0.60%	711,975
5. Number of employees	171,724	1.23%	14,012,276
6. Number of acting enterprises by size of capital (Total)	1,745	0.35%	505,059
6.1 Under 0.5 bil. VND	199	0.35%	57,181

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6.2 From 0.5 to under 1 bil. VND	184	0.34%	53,662
6.3 From 1 to under 5 bil. VND	607	0.30%	204,024
6.4 From 5 to under 10 bil. VND	199	0.29%	69,773

PAYMENT HISTORY & PERFORMANCE EXPERIENCES

Trade Morality	Normal
Liquidity	Low/Medium
Payment status	Slow
Financial Situation	Below Average
Development trend	Stable
Litigation data	No Record
Bankruptcy	No Record
Payment Methods	N/A
Sale Methods	Wholesaler

SUMMARY

The subject was established in May 2015 as a limited liability company. It is running under business registration license No. 0106861030 (same as the tax code) granted by Ha Noi City Department of Planning and Investment. Its charter capital is VND 500 million.

The company has production workshop at Thuong Xuyen Hamlet, Dai Xuyen Commune, Phu Xuyen District, Ha Noi City and transaction office at No. 24, Lane 66, Yen Lac Street, Vinh Tuy Ward, Hai Ba Trung District, Ha Noi City. Its premises and facilities are normal. Total employees are about 20 people.

The subject company specializes in manufacturing chalk, glue and crayon, etc; besides it also trade stationery. It has imported from China and India. The company does not export. Its products are distributed to agents, stores in domestic market.

According to above financial statement, total sales of the subject were acceptable compared with its assets scale, yet profit after tax was low. The company mainly used liabilities to finance for its business operations,

owner's equity by total assets ratio was only 7% in the latest year; this showed that the company's financial structure was risky. Besides, the company's short-term solvency also seemed limited because current liabilities were big in comparison with current assets meanwhile inventory circle was low.

In general, the subject is a small scale company. Its business activities are normal. Its self-financing ability is weak. In our opinion, the subject is graded at B. The company is expected to be vulnerable to adverse changes in circumstances and economic conditions.

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

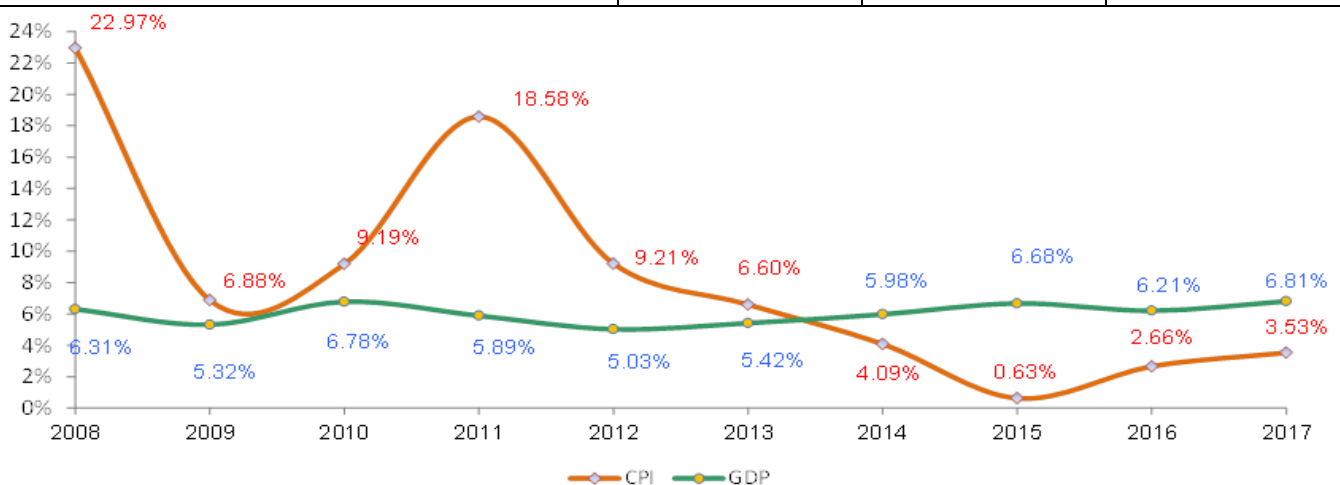


Figure 1: GDP vs. CPI trend in last ten years

• Trade Balance

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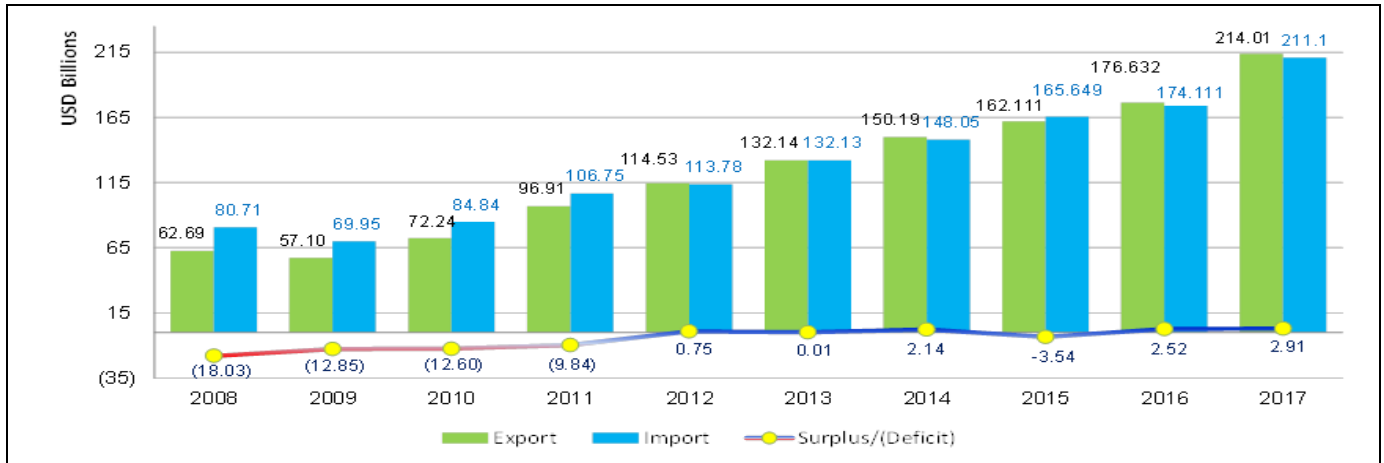


Figure 2: Import – Export balance in last ten years

• Import – Export Value by Major Type of Products

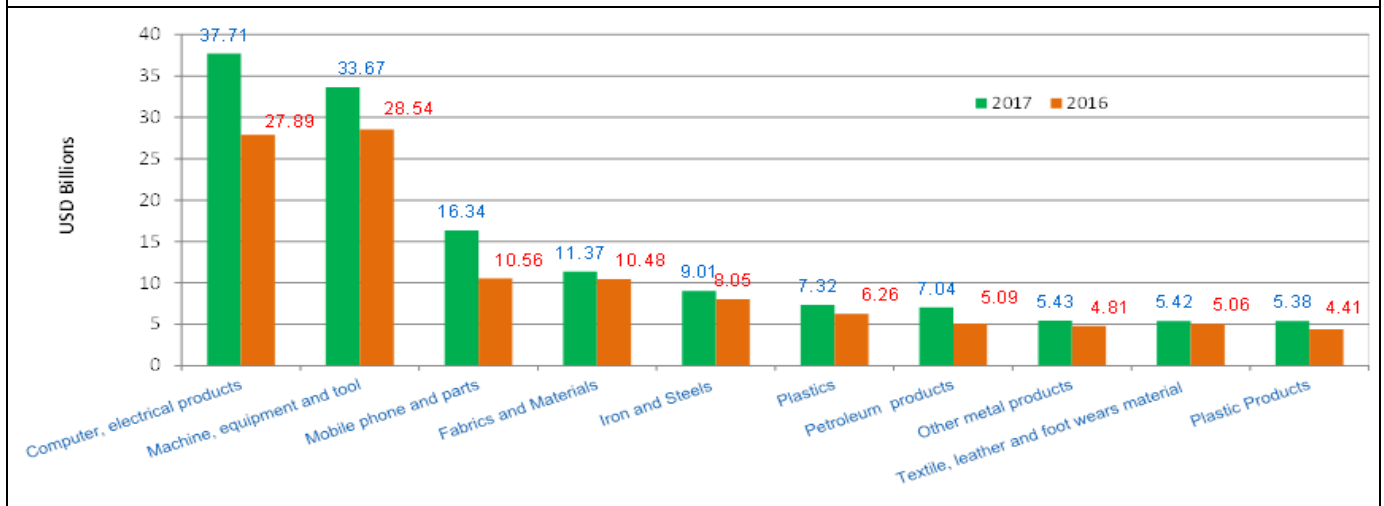


Figure 3: Top ten import products by value in 2016-2017

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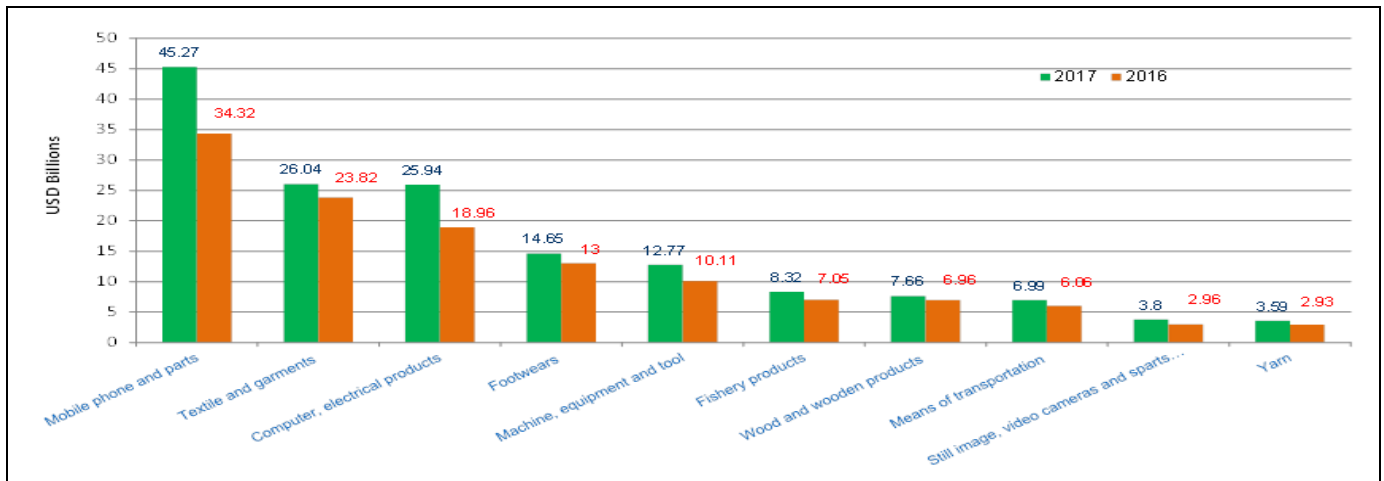


Figure 4: Top ten export products by value in 2016-2017

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:**

- <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>

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.98
UK Pound	1	INR 88.66
Euro	1	INR 80.18
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 :	SYL

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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)