

## MIRA INFORM REPORT

<b>Report No. :</b>	537797
<b>Report Date :</b>	03.11.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	HAI THIEN SYNTHETIC FIBER LIMITED COMPANY
<b>Registered Office :</b>	Lot J25-26, Road 6, Hai Son Industrial Park (Stage 3, 4), Binh Tien 2 Hamlet, Duc Hoa Ha Commune, Duc Hoa District, Long An Province
<b>Country :</b>	Vietnam
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	17.10.2016
<b>Com. Reg. No.:</b>	1101833218
<b>Legal Form :</b>	Limited liability company (FDI)
<b>Line of Business :</b>	<ul style="list-style-type: none"> <li>The subject specializes in manufacturing recycled synthetic fiber and recycled polyester fiber</li> <li>Manufacture of plastics and synthetic rubber in primary forms</li> </ul>
<b>No. of Employees :</b>	150

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

<b>Status :</b>	Relatively New Business
<b>Payment Behaviour :</b>	Slow but Correct

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<b>Litigation :</b>	Clear
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**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 (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

## **GENERAL INFORMATION**

Given Information		Verification
Name	HAI THIEN SYNTHETIC FIBER LIMITED	Incomplete
Address	Lot J25-26, Road 6, Hai Son IP, Binh Tien 2 Hamlet, Duc Hoa Ha Commune, Duc Hoa Dist, Long An	Incomplete

## **SUBJECT IDENTIFICATION & LEGAL FORM**

<i>Current legal status</i>	
Registered English Name	HAI THIEN SYNTHETIC FIBER LIMITED COMPANY
Registered Vietnamese Name	CONG TY TNHH XO TONG HOP HAI THIEN
Type of Business	Limited liability company (FDI)
Year Established	2016
Project Code	6580033155
Date Of Issuance	06 Oct 2016
Place of Issuance	Long An Industrial Zones Authority
Business Registration No.	1101833218
Date of Registration	17 Oct 2016
Place of Registration	Long An Department of Planning and Investment
Registered Investment Capital	USD 1,000,000
Charter capital	USD 1,000,000 ~ VND 22,260,000,000
Listed Company	No
Tax code	1101833218
Total Employees	About 150
Size	Small

### **Historical Identification & Legal form**

List	Changed Items	Date of changes
1	Subject has got former Charter capital: VND 11,130,000,000 Changed to: VND 22,260,000,000	N/A

## **ADDRESSES**

Head Office	
Address	Lot J25-26, Road 6, Hai Son Industrial Park (Stage 3, 4), Binh Tien 2 Hamlet, Duc Hoa Ha Commune, Duc Hoa District, Long An Province, Vietnam
Telephone	(84-272) 3774 881 / +84 982 736 870
<i>Note: The above telephone number is temporarily not working</i>	

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## **DIRECTORS**

NAME	Mr. GUO BIAO
Position	Director
Date of Birth	05 Jul 1977
ID Number/Passport	E48910642
ID Issue Date	14 Apr 2015
ID Issue Place	Jiangsu
Permanent Address	No. 108, Xiaoshizi Street, Pingjiang Ward, Suzhou Jiangsu City, China
Current Residence	No. B3.19.08 Him Lam Cho Lon, Ward 11, District 6, Ho Chi Minh City, Vietnam
Nationality	Chinese

## **BUSINESS NATURE AND ACTIVITIES**

The subject specializes in manufacturing recycled synthetic fiber and recycled polyester fiber  
Its registered item:  
Manufacture of plastics and synthetic rubber in primary forms

## **TRADE REFERENCE AND IMPORT - EXPORT ACTIVITIES**

<b>IMPORT:</b>	
Types of products	Scrap
Market	Japan
<b>EXPORT:</b>	
Types of products	Polyester fiber, synthetic fiber
Market	China, Turkey, Brazil, India

## **BANKERS**

<b>SAIGON THUONG TIN COMMERCIAL JOINT STOCK BANK</b>	
Address	Binh Tien 1 Hamlet, Duc Hoa Ha Commune, Duc Hoa District, Long An Province, Vietnam
Telephone	(84-272) 3763 976
Fax	(84-272) 3763 978

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## **SHAREHOLDERS**

1. NAME	Mr. GUO BIAO
Position	Director
Date of Birth	05 Jul 1977
ID Number/Passport	E48910642
Issued on	14 Apr 2015
Issued Place	Jiangsu
Permanent Address	No. 108, Xiaoshizi Street, Pingjiang Ward, Suzhou Jiangsu City, China
Current Residence	No. B3.19.08 Him Lam Cho Lon, Ward 11, District 6, Ho Chi Minh City, Vietnam
Nationality	Chinese
Value of shares	USD 550,000 ~ VND 12,243,000,000
Percentage	55%
2. NAME	Mr. ZHENG YI KANG
Date of Birth	25 Mar 1973
ID Number/Passport	G48788369
Permanent Address	No. 1102, House 20, Jinrijiayuan, Huqiu Ward, Suzhou Jiangsu City, China
Mobile phone	+84 934 624 506
Nationality	Chinese
Value of shares	USD 350,000 ~ VND 7,791,000,000
Percentage	35%
3. NAME	Mr. NIU FANG YUAN
Date of Birth	20 Feb 1978
ID Number/Passport	E68985328
Permanent Address	No. 402, House 54, Baizhuangyi Hamlet, Xishan Ward, Wusu Jiangsu City, China
Nationality	Chinese
Value of shares	USD 100,000 ~ VND 2,226,000,000
Percentage	10%

## **FINANCIAL DATA**

BALANCE SHEET	
<i>Unit: One VND</i>	
Balance sheet date	FYE 31 Dec 2017
ASSETS	
Current Assets	39,453,476,326
Inventories	4,299,068,878
Long-Term Assets	40,568,302,576
TOTAL ASSETS	80,021,778,902

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<b>LIABILITIES</b>	
LIABILITIES	75,442,324,961
OWNER'S EQUITY	4,579,453,941
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>80,021,778,902</b>
<b>PROFIT &amp; LOSS STATEMENT</b>	
Description	FYE 31 Dec 2017
Total Sale	130,189,996,144
Net revenue	130,189,996,144
Profit after tax	-1,663,046,059

## **INDUSTRY DATA**

The subject is classified in: Manufacture of chemicals and chemical products (Division 20 of ISIC)			
Items	Industry	Percentage	All Industries
1. Annual average capital of enterprises (Bil VND)	260,543	1.00%	26,049,661
2. Value of fixed asset and long term investment (Bil VND)	117,375	0.94%	12,551,024
3. Net turnover from business of enterprises (Bil VND)	280,663	1.61%	17,436,430
4. Profit before taxes of enterprises (Bil VND)	20,994	2.95%	711,975
5. Number of employees	130,905	0.93%	14,012,276
6. Number of acting enterprises by size of capital (Total)	3,370	0.67%	505,059
6.1 Under 0.5 bil. VND	269	0.47%	57,181
6.2 From 0.5 to under 1 bil. VND	283	0.53%	53,662
6.3 From 1 to under 5 bil. VND	1,046	0.51%	204,024
6.4 From 5 to under 10 bil. VND	438	0.63%	69,773

## **PAYMENT HISTORY & PERFORMANCE EXPERIENCES**

Trade Morality	Fair
Liquidity	Low
Payment status	Slow but Correct
Financial Situation	Below Average
Development trend	Developing
Litigation data	No Record
Bankruptcy	No Record
Payment Methods	T/T, L/C
Sale Methods	Wholesaler
Public opinion	Limited

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## **SUMMARY**

The subject - **HAI THIEN SYNTHETIC FIBER LIMITED COMPANY** is a new company. It has just been established in 2016 under the Project Code No. 6580033155, granted by Long An Industrial Zones Authority and Business Registration No. 1101833218, granted by Long An Department of Planning and Investment. Its charter capital is USD 1 million. Mr. GUO BIAO is its Legal Representative cum Director.

The subject is headquartered at "Lot J25-26, Road 6, Hai Son Industrial Park (Stage 3, 4), Binh Tien 2 Hamlet, Duc Hoa Ha Commune, Duc Hoa District, Long An Province, Vietnam". Currently, it specializes in manufacturing recycled synthetic fiber and recycled polyester fiber. As revealed, the subject imports scrap from Japan and its products are exported to China, Turkey, Brazil, India, etc. Although it was established in Oct 2016, it operates officially in 2017 with total employees of 150 people.

According to financial data, its total assets and net revenue reached VND 80 billion and VND 130 billion respectively in 2017. It made a loss of VND 1.7 billion. However, this is just a figure in the first operation year.

Generally, the subject is a small company in the industry. Being a new company, its market share is still small. Thus, caution is needed with medium and big financial 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

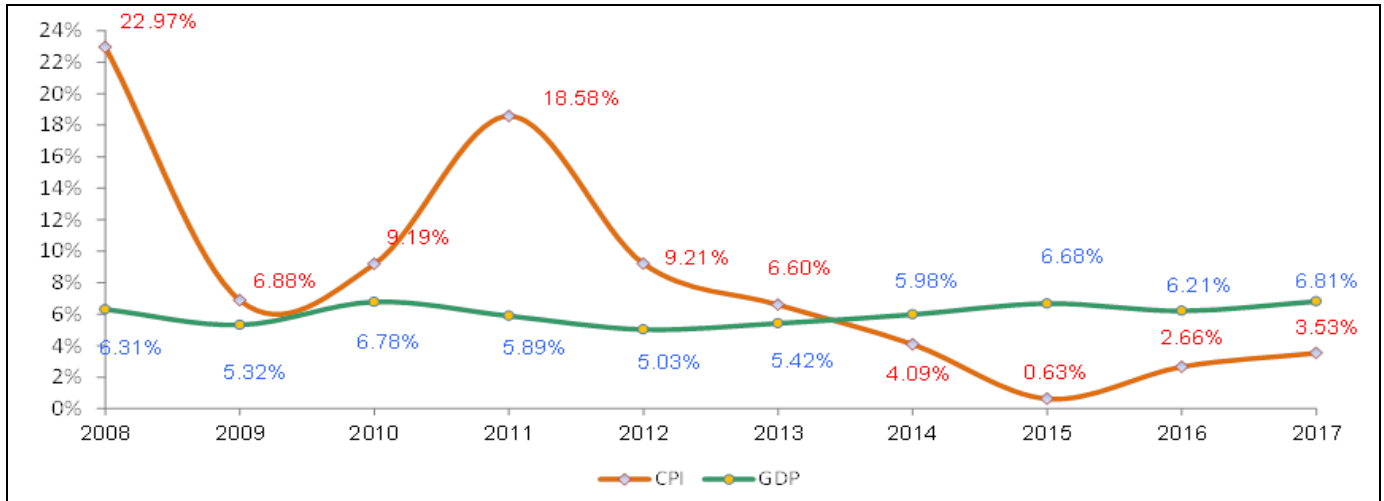


Figure 1: GDP vs. CPI trend in last ten years

• Trade Balance

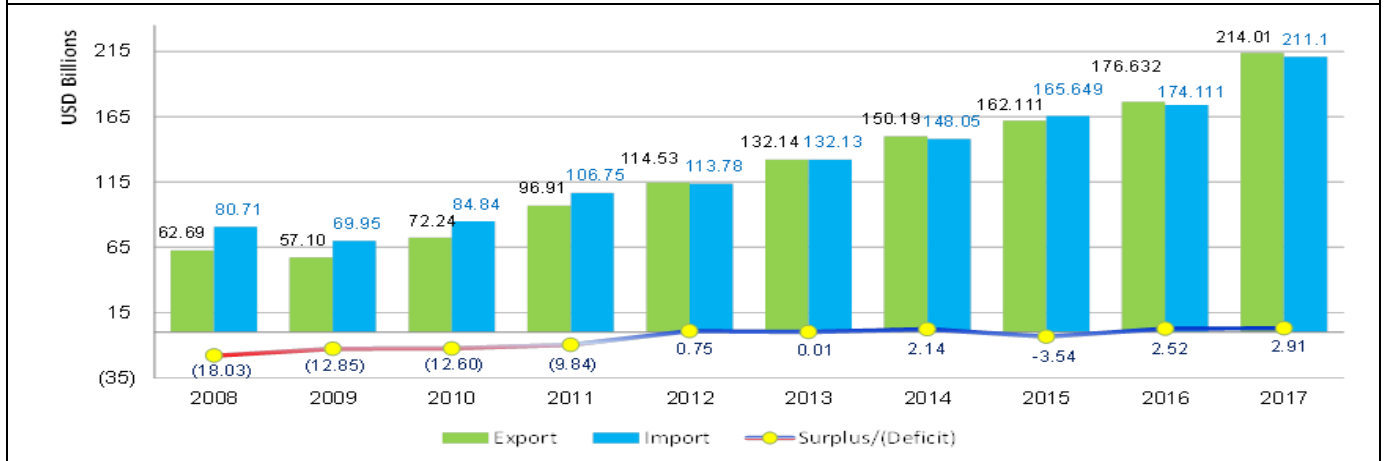


Figure 2: Import – Export balance in last ten years

• Import – Export Value by Major Type of Products

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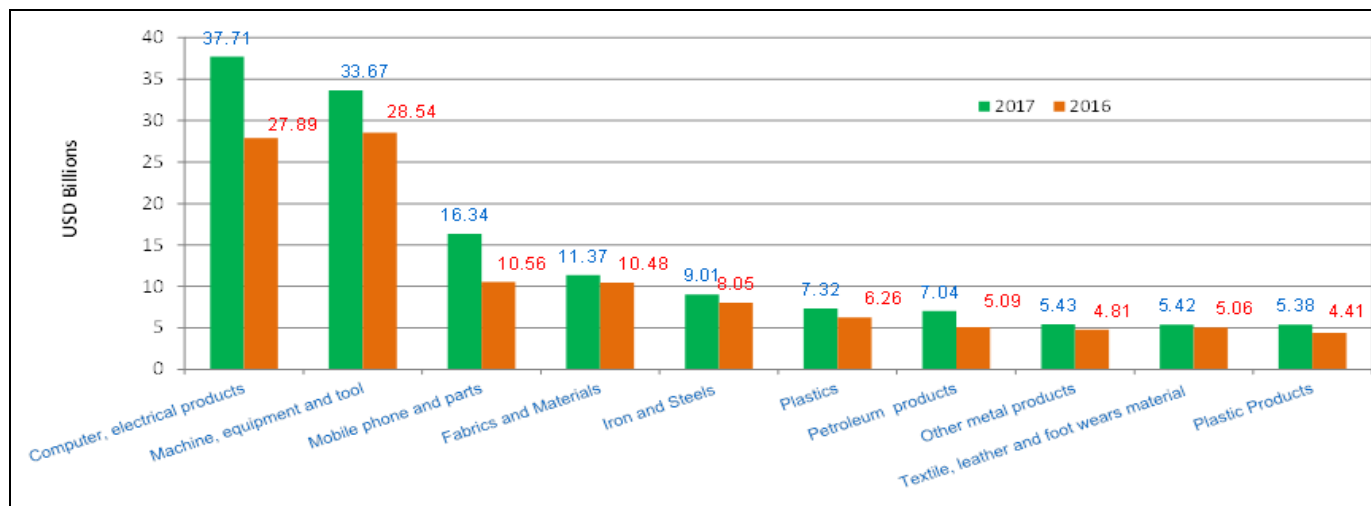


Figure 3: Top ten import products by value in 2016-2017

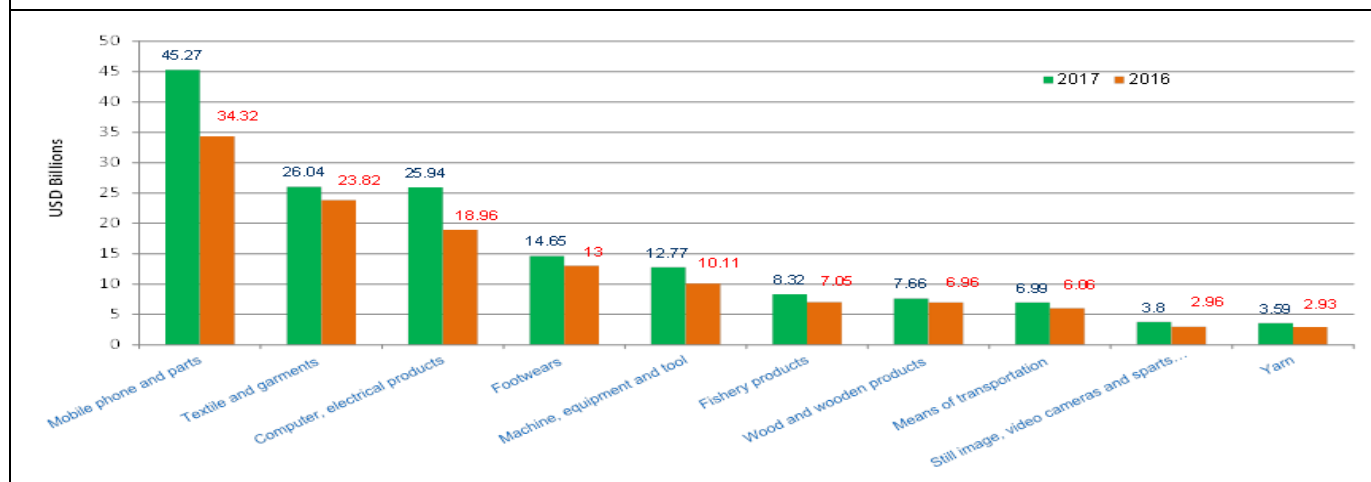


Figure 4: Top ten export products by value in 2016-2017

**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:

-  $Current\ liquidity\ ratio\ (Times) = \frac{Current\ Asset}{Current\ Liabilities}$

-  $Quick\ Liquidity\ ratio\ (Times) = \frac{(Current\ Asset - Inventory)}{Current\ Liabilities}$

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-	<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 72.88
UK Pound	1	INR 94.75
Euro	1	INR 83.23
VND	1	INR 0.0031

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIS
<b>Report Prepared by :</b>	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)