

## MIRA INFORM REPORT

<b>Report No. :</b>	537798
<b>Report Date :</b>	05.11.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	MEKONG FIBER LTD
<b>Registered Office :</b>	Lot 96A, Long Giang IP, Tan Lap 1 Commune, Tan Phuoc District, Tien Giang Province,
<b>Country :</b>	Vietnam
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	24.02.2017
<b>Com. Reg. No.:</b>	1201545220
<b>Legal Form :</b>	Limited liability company (FDI)
<b>Line of Business :</b>	The subject is specialized in manufacturing polyester fiber
<b>No. of Employees :</b>	100

### 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
<b>Litigation :</b>	Clear

#### 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.

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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

**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	MEKONG FIBER LTD	Correct
Address	Lot 96A, Long Giang IP, Tan Lap - Tan Phuoc Tien Giang	Tan Lap 1 not Tan Lap

## **SUBJECT IDENTIFICATION & LEGAL FORM**

English Name	MEKONG FIBER LTD
Vietnamese Name	CONG TY TNHH SOI MEKONG
Short name	MK FIBER
Type of Business	Limited liability company (FDI)
Year Established	2017
Investment Certificate No	N/A
Business Registration No.	1201545220
Date of Registration	24 Feb 2017
Place of Registration	Tien Giang Department of Planning and Investment
Charter capital	VND 45,400,000,000
Registered investment capital	N/A
Listed Company	No
Tax code	1201545220
Total Employees	About 100
Size	Small

## **ADDRESSES**

Head Office Address	Lot 96A, Long Giang IP, Tan Lap 1 Commune, Tan Phuoc District, Tien Giang Province, Vietnam
Telephone	(84-273) 3642 788

## **DIRECTORS**

NAME	Mr. LI LIN
Position	Chairman cum General Director
Date of Birth	26 Nov 1978
ID Number/Passport	E33932335
Current Residence	1401, No. 57, Alley 100, Tian Lin Dong Street, Yu Hui zone, Shanghai City, China
Nationality	Chinese

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## **BUSINESS NATURE AND ACTIVITIES**

The subject is specialized in manufacturing polyester fiber

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

### IMPORT:

Types of products

Machinery

Market

China

### EXPORT:

Note: N/A

## **BANKERS**

N/A

## **SHAREHOLDERS**

NAME

FIBER WORLD LIMITED

Business Registration

1554341

Address

Unit 04 7/F, Bright Way Tower 33, Mong Kok RD, KL, Hong Kong

Percentage

100%

## **FINANCIAL DATA**

### BALANCE SHEET

Unit: One VND

Balance sheet date

FYE 31 Dec 2017

#### ASSETS

Current Assets

79,057,096,195

Inventories

6,911,420,000

Long-Term Assets

106,349,296,477

TOTAL ASSETS

185,406,392,672

### LIABILITIES

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**MEKONG FIBER LTD - 537798**

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LIABILITIES	10,667,496,409
OWNER'S EQUITY	174,738,896,263
TOTAL LIABILITIES AND OWNER'S EQUITY	185,406,392,672

**PROFIT & LOSS STATEMENT**

Description	FYE 31 Dec 2017
N/A	

**INDUSTRY DATA**

The subject is classified in: Manufacture of rubber and plastics products (Division 22 of ISIC)

Items	Industry	Percentage	All Industries
1. Annual average capital of enterprises (Bil VND)	277,945	1.07%	26,049,661
2. Value of fixed asset and long term investment (Bil VND)	134,121	1.07%	12,551,024
3. Net turnover from business of enterprises (Bil VND)	283,433	1.63%	17,436,430
4. Profit before taxes of enterprises (Bil VND)	14,300	2.01%	711,975
5. Number of employees	302,952	2.16%	14,012,276
6. Number of acting enterprises by size of capital (Total)	5,040	1.00%	505,059
6.1 Under 0.5 bil. VND	229	0.40%	57,181
6.2 From 0.5 to under 1 bil. VND	266	0.50%	53,662
6.3 From 1 to under 5 bil. VND	1,608	0.79%	204,024
6.4 From 5 to under 10 bil. VND	736	1.05%	69,773

**PAYMENT HISTORY & PERFORMANCE EXPERIENCES**

Trade Morality	Normal
Liquidity	Medium
Payment status	Slow but Correct
Financial Situation	Below Average
Development trend	Developing
Litigation data	No Record
Bankruptcy	No Record
Payment Methods	T/T
Sale Methods	Retailer and Wholesaler
Public opinion	Limited

**SUMMARY**

The subject was established at the beginning of 2017 as a foreign-invested company. Currently, it is operating

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under Business Registration No. 1201545220, granted by Tien Giang Department of Planning and Investment. Its charter capital is now VND 45,400,000,000 wholly contributed by FIBER WORLD LIMITED (Hong Kong). Head office and factory are located at Lot 96A, Long Giang IP, Tan Lap 1 Commune, Tan Phuoc District, Tien Giang Province, Vietnam. The subject is specialized in manufacturing polyester fiber. It mainly imports machinery from some Chinese suppliers such as Shenzhen Huaguanshun Import And Export Limited Co., Ltd., Orient International Holding Shanghai Foreign Trade Co. Ltd, etc. The subject is still in the first operation phase. Financially, until the beginning of 2018, the subject has gone into operation so total sales recorded in 2017 was zero. It primarily runs business by inside capital so it was safe in terms of capital structure. In conclusion, with current situation, it is expected 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

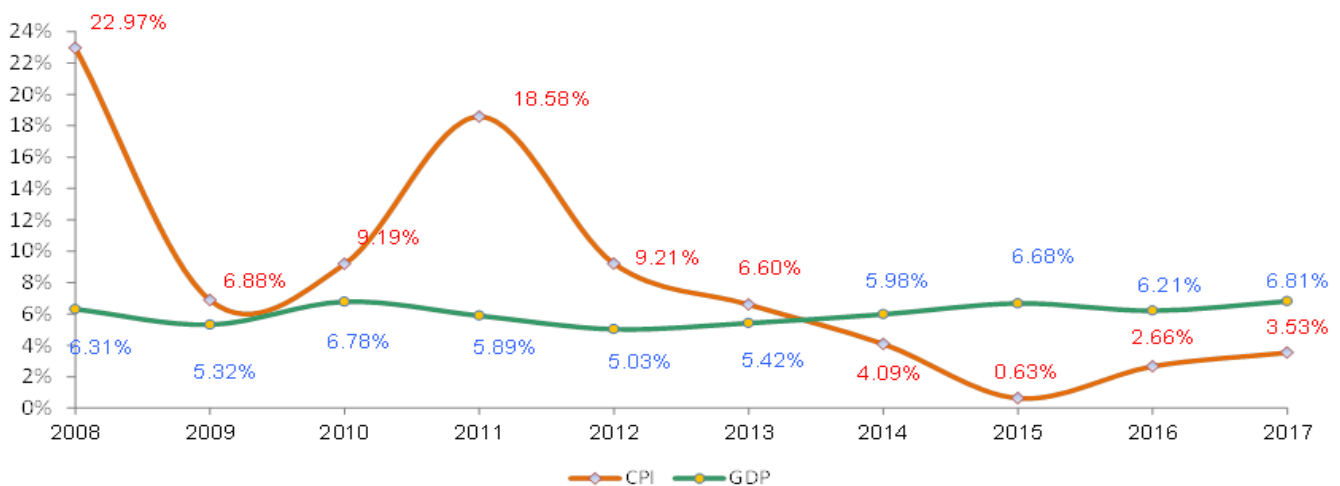


Figure 1: GDP vs. CPI trend in last ten years

• Trade Balance

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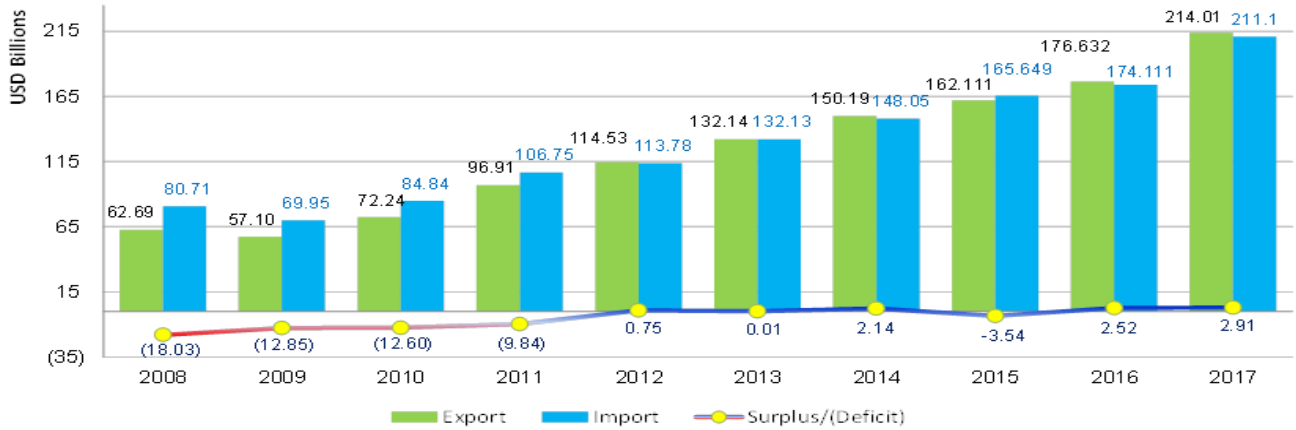


Figure 2: Import – Export balance in last ten years

• Import – Export Value by Major Type of Products

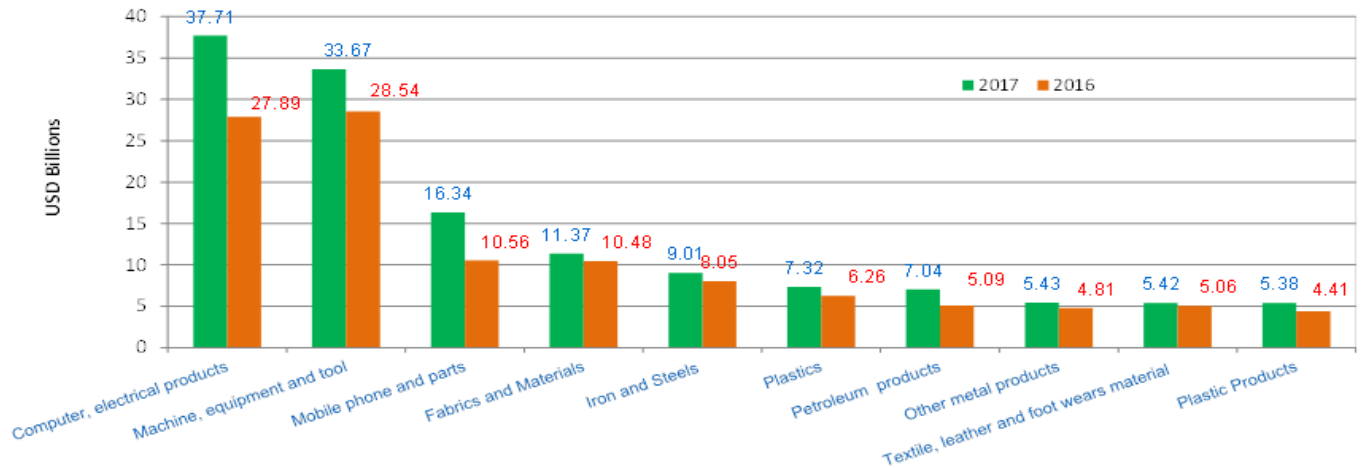


Figure 3: Top ten import products by value in 2016-2017

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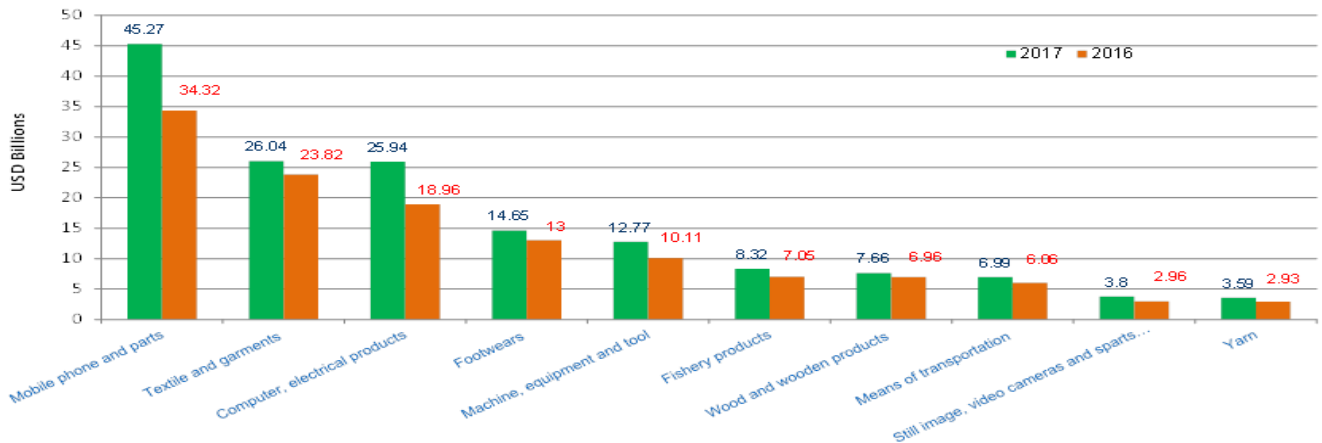


Figure 4: Top ten export products by value in 2016-2017

**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:
  - $Current\ liquidity\ ratio\ (Times) = \frac{Current\ Asset}{Current\ Liabilities}$
  - $Quick\ Liquidity\ ratio\ (Times) = \frac{(Current\ Asset - Inventory)}{Current\ Liabilities}$
  - $Inventory\ circle\ (Times) = \frac{Cost\ of\ Goods\ Sold}{Inventory}$
  - $Average\ receivable\ period\ (Days) = \frac{\{Account\ Receivable\ (Trade\ Only = Receivable\ from\ customers + Short-term\ advances\ to\ suppliers)\}}{Net\ revenue} * 365$
  - $Utilizing\ Asset\ Performance\ (Times) = \frac{Net\ Sale}{Total\ Assets}$
  - $Inventory/ Monthly\ Sale\ (%) = \frac{\{Inventory / (Total\ Sales / 12)\}}{1} * 100$
  - $Shareholder\ Equity\ Ratio\ (%) = \frac{(Owner's\ Equity / Total\ Assets)}{1} * 100$
  - $Total\ Loan/ Total\ Assets\ (%) = \frac{\{ (Short-term\ loans\ and\ financial\ leases + Long-term\ loans\ and\ financial\ leases) / Totals\ Assets \}}{1} * 100$
  - $Liability/ Total\ Asset\ (%) = \frac{(Liabilities / Total\ Assets)}{1} * 100$
  - $Liability/ Owner's\ equity\ (%) = \frac{(Liabilities / Owner's\ Equity)}{1} * 100$
  - $Ebit / Total\ asset\ (%) ROA = \frac{(Ebit / Total\ asset)}{1} * 100$
  - $Ebit / Owner's\ equity\ (%) ROE = \frac{(Ebit / Owner's\ equity)}{1} * 100$
  - $Ebit / Total\ revenue\ (%) NPM = \frac{(Ebit / Total\ revenue)}{1} * 100$
  - $Gross\ Profit / Total\ revenue\ (%) GPM = \frac{(Gross\ Profit / Total\ revenue)}{1} * 100$

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**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**

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)