

## MIRA INFORM REPORT

<b>Report No. :</b>	539314
<b>Report Date :</b>	17.11.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	LAM SON HAI COMPANY LIMITED
<b>Registered Office :</b>	Hamlet 8, Ninh Hiep Commune, Gia Lam District, Ha Noi City
<b>Country :</b>	Vietnam
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	03.09.2003
<b>Com. Reg. No.:</b>	0101407747
<b>Legal Form :</b>	Limited liability company
<b>Line of Business :</b>	<ul style="list-style-type: none"> <li>• The subject specializes in trading agricultural raw materials as Cinnamon, Anise</li> <li>• Post-harvest crop activities</li> <li>• Wholesale of waste and scrap and other products n.e.c</li> <li>• Wholesale on a fee or contract basis</li> <li>• Wholesale of other household products</li> <li>• Other business support service activities n.e.c</li> </ul>
<b>No. of Employees :</b>	30

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Status :</b>	Satisfactory
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<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.

**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

Name LAM SON HAI CO LTD  
Address Ninh Hiep - Gia Lam - Ha Noi

### Verification

Correct  
The full address is Hamlet  
8, Ninh Hiep Commune,  
Gia Lam District, Ha Noi  
City, Vietnam

## **SUBJECT IDENTIFICATION & LEGAL FORM**

English Name	LAM SON HAI COMPANY LIMITED
Vietnamese Name	CONG TY TNHH LAM SON HAI
Short name	LAM SON HAI CO ., LTD
Type of Business	Limited liability company
Year Established	2003
Business Registration No.	0101407747
Date of Registration	03 Sep 2003
Place of Registration	Ha Noi Department of Planning and Investment
Charter capital	VND 20,000,000,000
Listed Company	No
Tax code	0101407747
Total Employees	30
Size	Small

## **ADDRESSES**

Head Office	
Address	Hamlet 8, Ninh Hiep Commune, Gia Lam District, Ha Noi City, Vietnam
Telephone	(84-24) 38785194
Fax	(84-24) 38785194

Store	
Address	Lot 06-02, 06-03, Ninh Hiep Industrial Cluster, Ninh Hiep Commune, Gia Lam District, Ha Noi City, Vietnam

## **DIRECTORS**

1. NAME	Mr. LAM VAN HAI
Position	Director
Date of Birth	06 Oct 1958

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ID Number/Passport	011760737
ID Issue Date	01 Apr 2005
ID Issue Place	Hanoi Department of Public Security
Current Residence	Hamlet 8, Ninh Hiep Commune, Gia Lam District, Ha Noi City, Vietnam
Nationality	Vietnamese
2. NAME	Mr. LAM VAN SON
Position	Deputy Director
Date of Birth	21 May 1980
ID Number/Passport	012218318
ID Issue Place	Hanoi Department of Public Security
Permanent Address	No. 29 Phan Phu Tien Street, Cat Linh Ward, Dong Da District, Ha Noi City, Vietnam
Nationality	Vietnamese
Tel/Mobile phone	(84-24) 3878 5194 / +84 986 362 623
Email	lamsonhaispice@gmail.com

## ***BUSINESS NATURE AND ACTIVITIES***

The subject specializes in trading agricultural raw materials as Cinnamon, Anise  
Registered business activities:  
Post-harvest crop activities  
Wholesale of waste and scrap and other products n.e.c  
Wholesale on a fee or contract basis  
Wholesale of other household products  
Other business support service activities n.e.c

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

### IMPORT:

*Note: Currently, the subject does not import*

### EXPORT:

Types of products	Cinnamon, Anise
Market	India (main), Bangladesh, Korea

## ***BANKERS***

### 1. VIET NAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE DONG HA NOI BRANCH

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Address No. 284, Ha Huy Tap Street, Yen Vien Town, Gia Lam District, Ha Noi City, Vietnam  
Telephone (84-24) 3878 2040  
Fax (84-24) 3878 2040

**2. VIET NAM BANK FOR AGRICULTURE AND RURAL DEVELOPMENT GIA LAM BRANCH**

Address Nguyen Duc Thuan Street, Trau Quy, Gia Lam District, Ha Noi City, Vietnam  
Telephone (84-24) 3827 6288  
Fax (84-24) 3827 6618

## **SHAREHOLDERS**

1. NAME	Mr. LAM VAN HAI
Position	Director
Date of Birth	06 Oct 1958
ID Number/Passport	011760737
Issued on	01 Apr 2005
Issued Place	Hanoi Department of Public Security
Current Residence	Hamlet 8, Ninh Hiep Commune, Gia Lam District, Ha Noi City, Vietnam
Nationality	Vietnamese
Value of shares	VND 10,000,000,000
Percentage	50%
2. NAME	Mr. LAM VAN SON
Position	Deputy Director
Date of Birth	21 May 1980
ID Number/Passport	012218318
Issued Place	Hanoi Department of Public Security
Permanent Address	No. 29 Phan Phu Tien Street, Cat Linh Ward, Dong Da District, Ha Noi City, Vietnam
Email	lamsonhaispice@gmail.com
Work phone	(84-24) 3878 5194
Mobile phone	+84 986 362 623
Nationality	Vietnamese
Value of shares	VND 4,000,000,000
Percentage	20%
3. NAME	Ms. NGUYEN THI SU
Date of Birth	06 Jun 1962
ID Number/Passport	010660902
Issued Place	Hanoi Department of Public Security
Permanent Address	Hamlet 9, Ninh Hiep Commune, Gia Lam District, Ha Noi City, Vietnam
Nationality	Vietnamese
Value of shares	VND 6,000,000,000
Percentage	30%

## **FINANCIAL DATA**

### **BALANCE SHEET**

Unit: One VND

Balance sheet date	FYE 31 Dec 2017	FYE 31 Dec 2016	FYE 31 Dec 2015
<b>ASSETS</b>			
Current Assets	7,649,161,436	5,225,795,662	9,599,534,881
Inventories	420,010,880	618,887,120	5,858,165,294
Long-Term Assets	21,218,566,590	22,062,310,254	22,770,193,506
<b>TOTAL ASSETS</b>	<b>28,867,728,026</b>	<b>27,288,105,916</b>	<b>32,369,728,387</b>
<b>LIABILITIES</b>			
LIABILITIES	7,847,728,026	6,398,105,916	11,489,728,387
OWNER'S EQUITY	21,020,000,000	20,890,000,000	20,880,000,000
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>28,867,728,026</b>	<b>27,288,105,916</b>	<b>32,369,728,387</b>

### **PROFIT & LOSS STATEMENT**

Description	FYE 31 Dec 2017	FYE 31 Dec 2016	FYE 31 Dec 2015
Total Sale	88,475,908,235	62,094,749,580	66,511,612,698
Net revenue	88,089,811,173	61,396,898,580	66,511,612,698
Profit after tax	160,964,562	110,851,176	121,466,633

## **INDUSTRY DATA**

The subject is classified in: Wholesale trade except of motor vehicles and motorcycles (Division 46 of ISIC)

Items	Industry	Percentage	All Industries
1. Annual average capital of enterprises (Bil VND)	2,579,103	9.90%	26,049,661
2. Value of fixed asset and long term investment (Bil VND)	621,761	4.95%	12,551,024
3. Net turnover from business of enterprises (Bil VND)	4,724,807	27.10%	17,436,430
4. Profit before taxes of enterprises (Bil VND)	39,779	5.59%	711,975
5. Number of employees	1,353,167	9.66%	14,012,276
6. Number of acting enterprises by size of capital (Total)	140,904	27.90%	505,059
6.1 Under 0.5 bil. VND	12,574	21.99%	57,181
6.2 From 0.5 to under 1 bil. VND	13,936	25.97%	53,662
6.3 From 1 to under 5 bil. VND	57,950	28.40%	204,024
6.4 From 5 to under 10 bil. VND	21,489	30.80%	69,773

## **PAYMENT HISTORY & PERFORMANCE EXPERIENCES**

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

## **SUMMARY**

The subject was established in 2003 as limited liability company. Currently, it is operating under Business Registration No. 0101407747, granted by Ha Noi Department of Planning and Investment. Its charter capital remains at VND 20 billion which was contributed by 3 individuals.

Head office of the subject is located at Hamlet 8, Ninh Hiep Commune, Gia Lam District, Hanoi City. Besides, it has a store at Lot 06-02, 06-03 Ninh Hiep Industrial cluster, Ninh Hiep Commune, Gia Lam District, Ha Noi City. At present, there are about 30 employees in whole company.

The subject specializes in trading and processing agricultural raw materials (mainly cinnamon and anise). Its products are exported to India, Bangladesh and Korea.

Financially, net revenue in 2017 increased rather significantly compared with previous year, at VND 88,090 million. However, profit it gained was humble. Capital structure was kept safe annually but it seemed that short-term solvency was a problem of the subject although a number of inventories were released after 2015.

### • 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

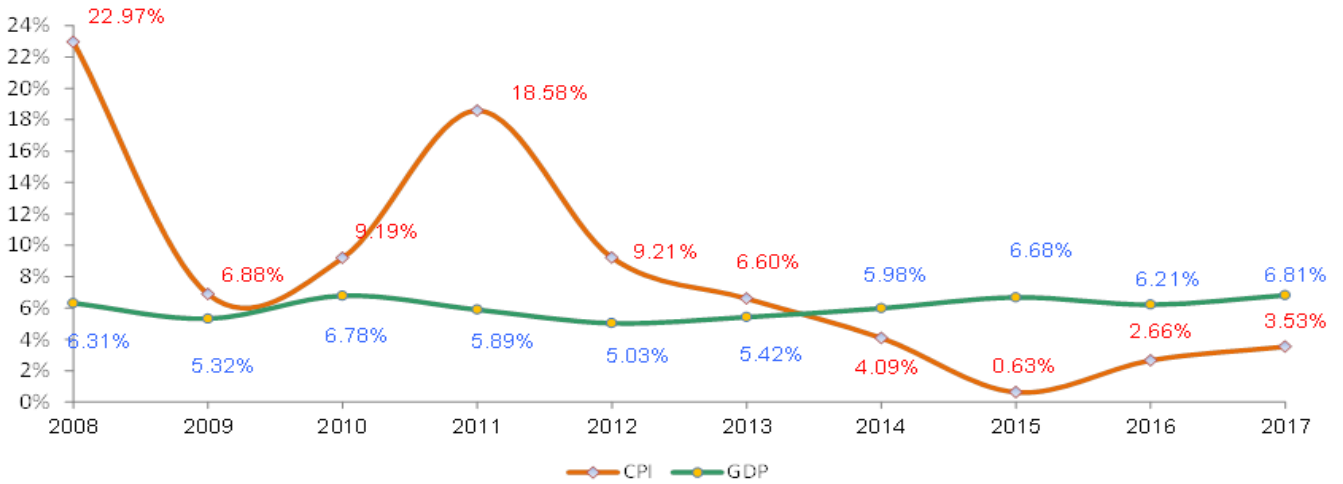


Figure 1: GDP vs. CPI trend in last ten years

• Trade Balance

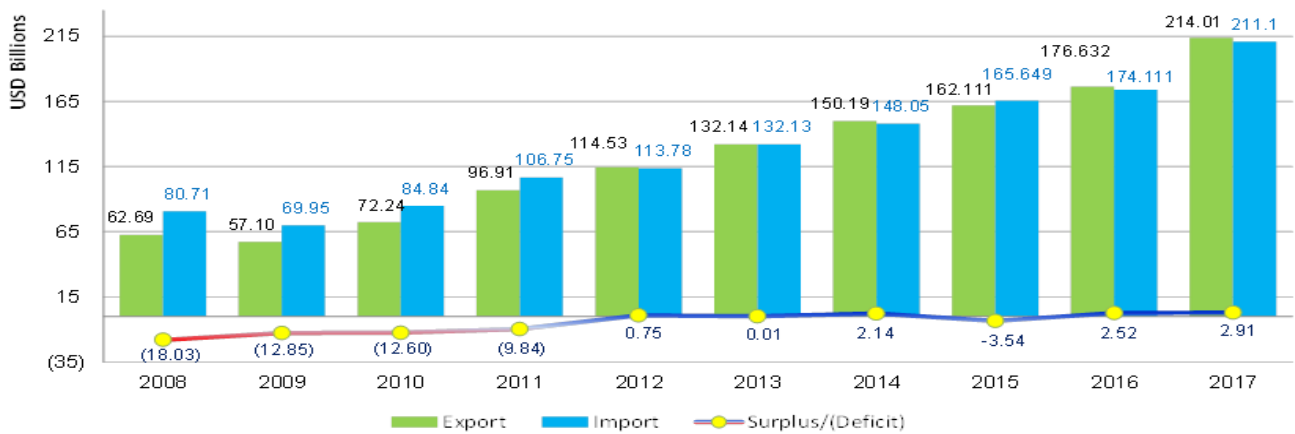


Figure 2: Import – Export balance in last ten years

• Import – Export Value by Major Type of Products

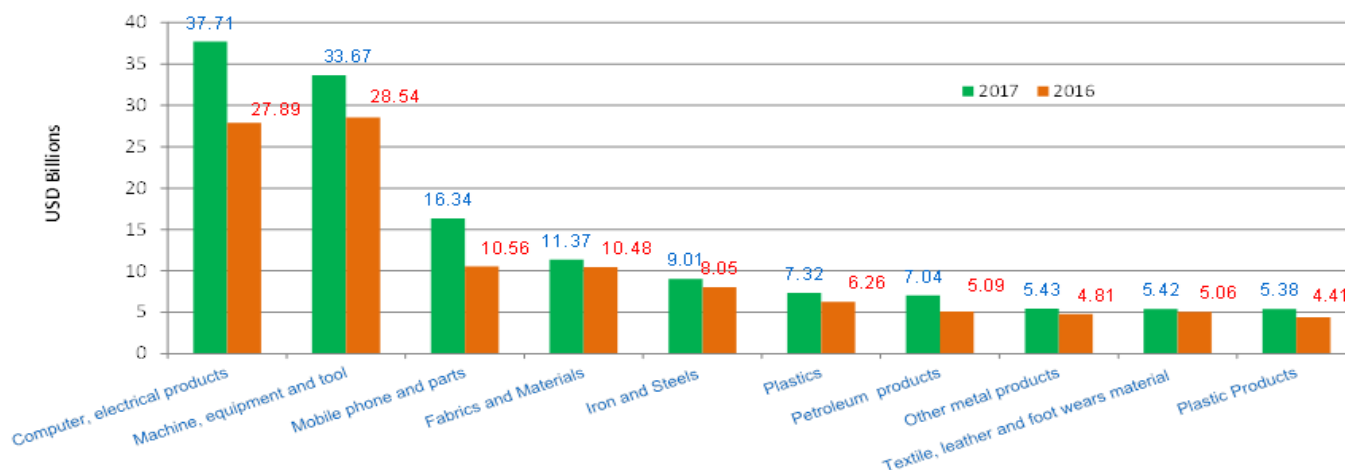


Figure 3: Top ten import products by value in 2016-2017

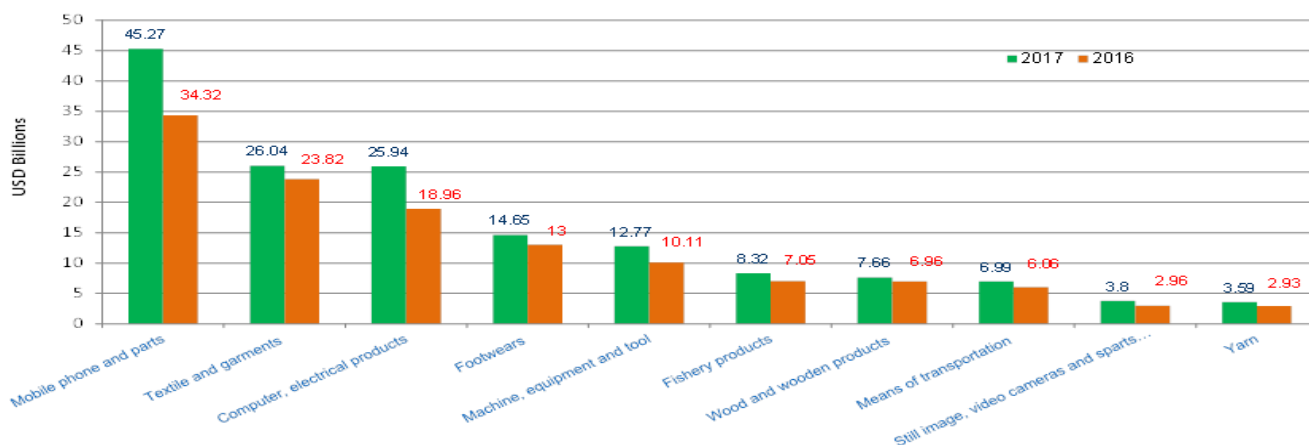


Figure 4: Top ten export products by value in 2016-2017

**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:
  - $Current\ liquidity\ ratio\ (Times) = \frac{Current\ Asset}{Current\ Liabilities}$
  - $Quick\ Liquidity\ ratio\ (Times) = \frac{(Current\ Asset - Inventory)}{Current\ Liabilities}$
  - $Inventory\ circle\ (Times) = \frac{Cost\ of\ Goods\ Sold}{Inventory}$

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- *Average receivable period (Days) = {Account Receivable (Trade Only = Receivable from customers + 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 71.80
UK Pound	1	INR 91.92
Euro	1	INR 81.46
VND	1	INR 0.0031

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

**INFORMATION DETAILS**

Analysis Done by :	NIY
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)