

## MIRA INFORM REPORT

<b>Report No. :</b>	540170
<b>Report Date :</b>	21.11.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	HUY CHUC M & M COMPANY LIMITED
<b>Registered Office :</b>	No. 32, Nam Ngu Street, Cua Nam Ward, Hoan Kiem District, Ha Noi City
<b>Country :</b>	Vietnam
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	21.03.2014
<b>Com. Reg. No.:</b>	0106486622
<b>Legal Form :</b>	One member limited liability company
<b>Line of Business :</b>	<ul style="list-style-type: none"> <li>• The subject is specialized in trading and exporting agricultural raw materials (anise and cinnamon).</li> <li>• Processing and preserving of fruit and vegetables</li> <li>• Wholesale on a fee or contract basis\</li> <li>• Wholesale of rice</li> <li>• Wholesale of food</li> <li>• Wholesale of textiles, clothing, footwear</li> <li>• Wholesale of other household products</li> <li>• Wholesale of agricultural machinery, equipment and supplies</li> <li>• Wholesale of other machinery and equipment n.e.c</li> <li>• Wholesale of construction materials, installation supplies</li> <li>• Retail sale in non-specialized stores with food, beverages or tobacco predominating</li> <li>• Retail sale of textiles, knitting yarn, sewing thread and other fabrics in specialized stores</li> <li>• Retail sale of carpets, rugs, cordage, rope, twine, netting and other textile products in specialized stores</li> <li>• Retail sale of electrical household appliances, furniture and lighting equipment and other household articles n.e.c in specialized stores</li> <li>• Retail sale of books, newspapers, journal and stationary in specialized stores</li> </ul>

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<b>No. of Employees :</b>	10
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**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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<b>Credit Rating</b>	<b>Explanation</b>	<b>Rating Comments</b>
B	Medium Risk	Business dealings permissible on a regular monitoring basis

<b>Status :</b>	Moderate
<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**

<b>Country Name</b>	<b>Previous Rating (30.06.2018)</b>	<b>Current Rating (30.09.2018)</b>
Vietnam	A2	A2

<b>Risk Category</b>	<b>ECGC Classification</b>
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.

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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	HUY CHUU M&M COMPANY LIMITED	HUY CHUC not HUY CHUU
Address	Chu Nam Ward, Hoan Kiem Dist, HN	Incorrect

## **SUBJECT IDENTIFICATION & LEGAL FORM**

English Name	HUY CHUC M & M COMPANY LIMITED
Vietnamese Name	CONG TY TNHH HUY CHUC M & M
Type of Business	One member limited liability company
Year Established	2014
Business Registration No.	0106486622
Date of Registration	21 Mar 2014
Place of Registration	Ha Noi City Department of Planning and Investment
Charter capital	VND 3,500,000,000
Listed Company	No
Tax code	0106486622
Total Employees	10
Size	Small

## **ADDRESSES**

### **Head Office**

Address	No. 32, Nam Ngu Street, Cua Nam Ward, Hoan Kiem District, Ha Noi City, Vietnam
Telephone	(84-24) 3942 2619
Hotline	+84 987 818 228

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Fax	(84-24) 3942 2619
Email	<a href="mailto:hc.spices@gmail.com">hc.spices@gmail.com</a>
Website	<a href="http://huychuc-spices.com/">http://huychuc-spices.com/</a>

**Stock Address**

Address Hamlet 6, Ninh Hiep Commune, Gia Lam District, Ha Noi City, Vietnam

***DIRECTORS***

<b>NAME</b>	<b>Ms. LAM THI CHUC</b>
Position	Director
Date of Birth	28 Nov 1982
ID Number/Passport	001182005715
ID Issue Date	14 Jan 2015
ID Issue Place	Police Department of Residence Registration Management and National Database on Population
Permanent Address	No. 32, Nam Ngu Street, Cua Nam Ward, Hoan Kiem District, Ha Noi City, Vietnam
Current Residence	No. 32, Nam Ngu Street, Cua Nam Ward, Hoan Kiem District, Ha Noi City, Vietnam
Nationality	Vietnamese

***BUSINESS NATURE AND ACTIVITIES***

**The subject is specialized in trading and exporting agricultural raw materials (anise and cinnamon).**

**According to Business Registration Certificate, the registered business activities include:**

- Processing and preserving of fruit and vegetables
- Wholesale on a fee or contract basis\
- Wholesale of rice
- Wholesale of food

- Wholesale of textiles, clothing, footwear
- Wholesale of other household products
- Wholesale of agricultural machinery, equipment and supplies
- Wholesale of other machinery and equipment n.e.c
- Wholesale of construction materials, installation supplies
- Retail sale in non-specialized stores with food, beverages or tobacco predominating
- Retail sale of textiles, knitting yarn, sewing thread and other fabrics in specialized stores
- Retail sale of carpets, rugs, cordage, rope, twine, netting and other textile products 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

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

### **IMPORT:**

*Note: Currently, the subject does not import*

### **EXPORT:**

- |          |                                     |
|----------|-------------------------------------|
| • Market | Bangladesh, India, South Korea, etc |
|----------|-------------------------------------|

## **BANKERS**

### **1. ASIA COMMERCIAL BANK HA NOI BRANCH**

Address	No. 184-186, Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Ha Noi City, Vietnam
Telephone	(84-24) 3943 3508
Fax	(84-24) 3943 9283

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**2. VIET NAM BANK FOR AGRICULTURE AND RURAL DEVELOPMENT HA NOI BRANCH**

Address	No. 77, Lac Trung Street, Vinh Tuy Ward, Hai Ba Trung District, Ha Noi City, Vietnam
Telephone	(84-24) 3821 1681
Fax	(84-24) 3821 9352

**3. VIETNAM EXPORT IMPORT COMMERCIAL JOINT STOCK BANK HA NOI BRANCH**

Address	No. 18, Tran Hung Dao Street, Phan Chu Trinh Ward, Hai Ba Trung District, Ha Noi City, Vietnam
Telephone	(84-24) 3824 2306
Fax	(84-24) 3826 7798

**SHAREHOLDERS**

<b>NAME</b>	<b>Ms. LAM THI CHUC</b>
Position	Director
Date of Birth	28 Nov 1982
ID Number/Passport	001182005715
Issued on	14 Jan 2015
Issued Place	Police Department of Residence Registration Management and National Database on Population
Permanent Address	No. 32, Nam Ngu Street, Cua Nam Ward, Hoan Kiem District, Ha Noi City, Vietnam
Current Residence	No. 32, Nam Ngu Street, Cua Nam Ward, Hoan Kiem District, Ha Noi City, Vietnam
Nationality	Vietnamese
Value of shares	VND 3,500,000,000
Percentage	100%

## **FINANCIAL DATA**

### **BALANCE SHEET**

Unit: One VND

Balance sheet date	FYE 31 Dec 2017	FYE 31 Dec 2016
<b>ASSETS</b>		
Current Assets	9,955,073,558	8,786,548,126
Inventories	3,574,345,427	4,186,710,795
Long-Term Assets	473,819,391	632,666,450
<b>TOTAL ASSETS</b>	<b>10,428,892,949</b>	<b>9,419,214,576</b>
<b>LIABILITIES</b>		
LIABILITIES	6,946,158,806	6,011,521,967
OWNER'S EQUITY	3,482,734,143	3,407,692,609
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>10,428,892,949</b>	<b>9,419,214,576</b>

### **PROFIT & LOSS STATEMENT**

Description	FYE 31 Dec 2017	FYE 31 Dec 2016
Total Sale	79,617,533,186	63,429,372,334
Net revenue	78,854,108,186	63,429,372,334
Profit after tax	75,016,511	70,149,611

## **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

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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	Medium
Payment status	Normal
Financial Situation	Average
Development trend	Positive
Litigation data	No Record
Bankruptcy	No Record
Payment Methods	T/T, L/C
Sale Methods	Wholesaler
Public opinion	Normal

## **SUMMARY**

**HUY CHUC M & M COMPANY LIMITED** was established in 2014 as one member limited liability company following the Business Registration No. 0106486622 issued by Ha Noi Department of Planning and Investment. The charter capital of the subject is currently VND 3.5 billion which is wholly contributed by Ms. Lam Thi Chuc – Director.

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The head office of the subject is located at No. 32, Nam Ngu Street, Cua Nam Ward, Hoan Kiem District, Ha Noi City, Vietnam. This is also the private house of the director of the subject. Besides, the subject has warehouse at Hamlet 6, Ninh Hiep Commune, Gia Lam District, Ha Noi City, Vietnam. The main business activities of the subject are trading and exporting agricultural raw materials (anise and cinnamon). The subject does not have import activities but it exports products to some countries such as Bangladesh, India and South Korea, etc.

The financial situation of the subject is considered as average. The value of total assets was small. As a trading company, the current assets took the majority up to 95.5% and 93.3% of total assets in 2017 and 2016 respectively. The total turnover increased by 25.5% in FY2017. However, the profit after tax of the subject was still low. The liabilities accounted for 66.6% of total assets in 2017.

In general, the subject is a small sized company in the industry. Its position is still limited. Only small business transactions are acceptable for the subject.

## ***ECONOMIC INDICATORS***

	<b>2017</b>	<b>2016</b>	<b>2015</b>
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

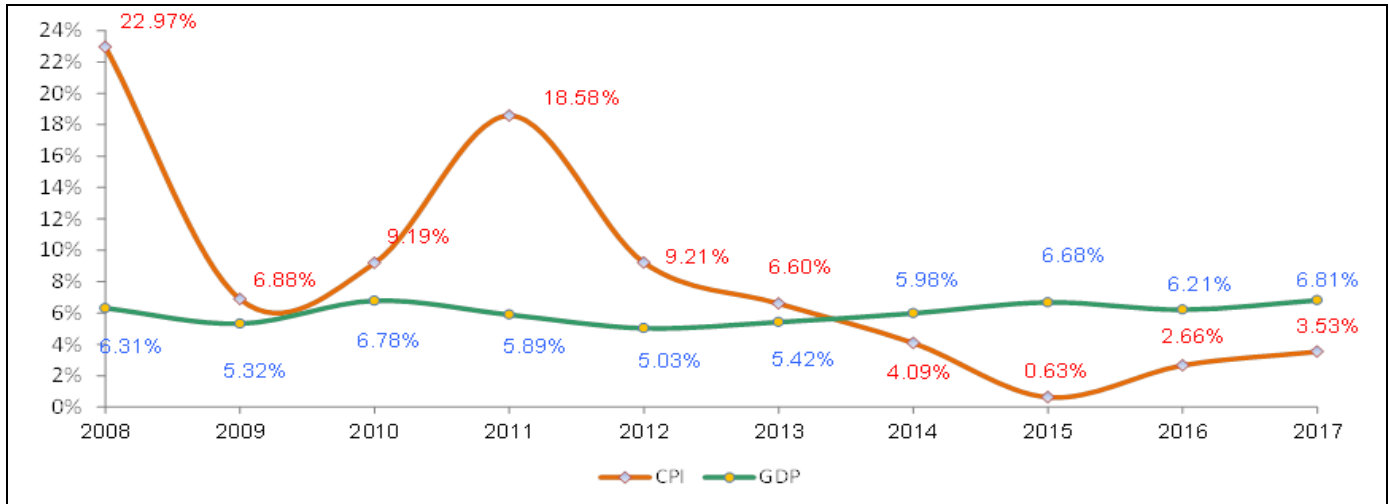


Figure 1: GDP vs. CPI trend in last ten years

**• Trade Balance**

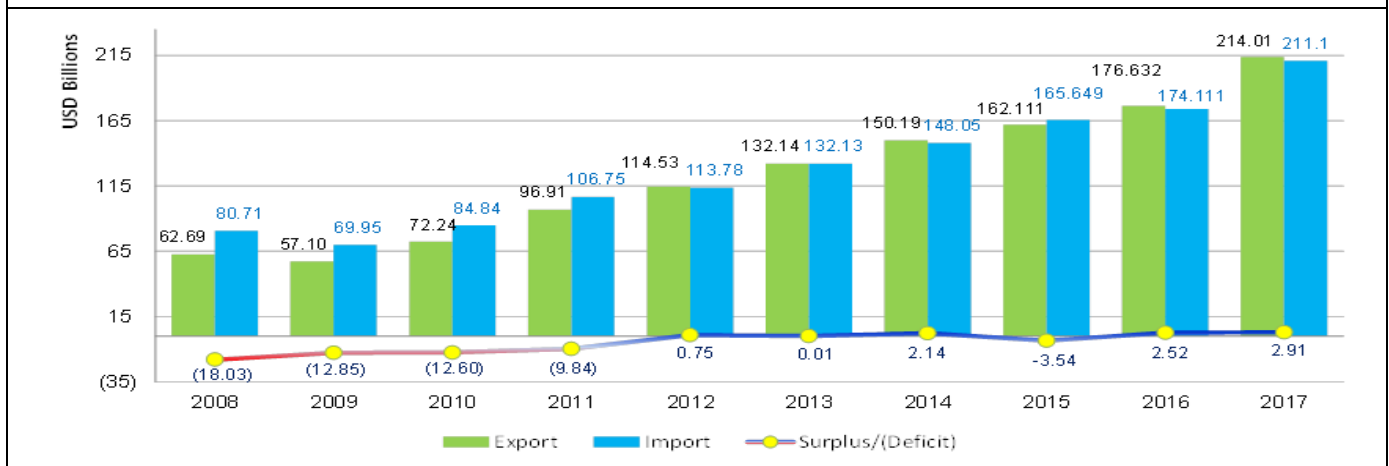


Figure 2: Import – Export balance in last ten years

**• Import – Export Value by Major Type of Products**

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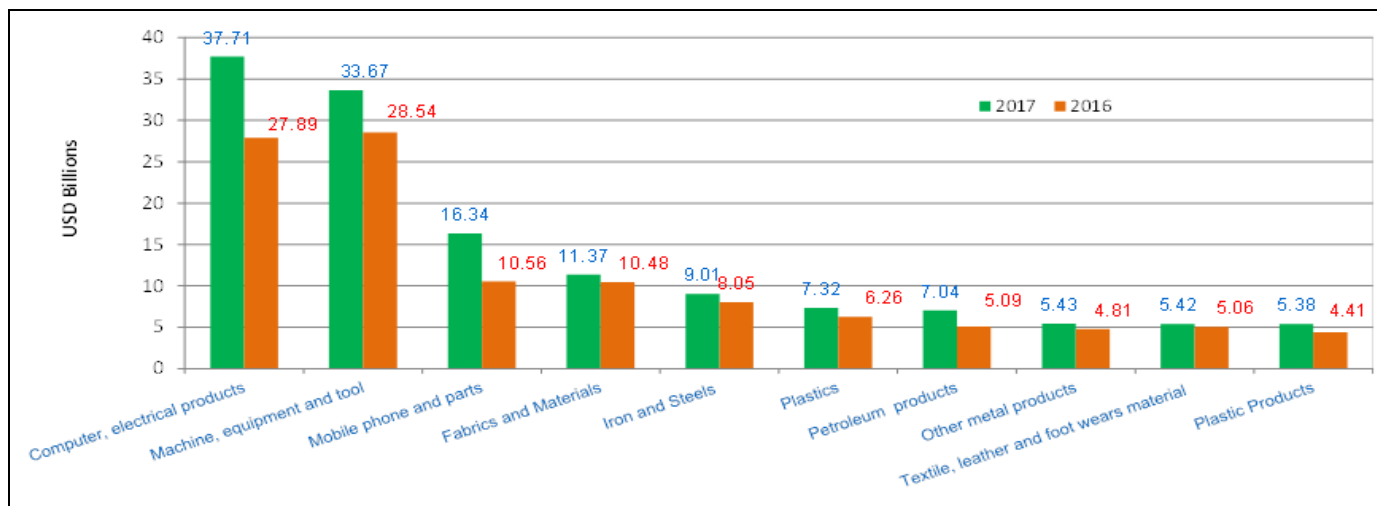


Figure 3: Top ten import products by value in 2016-2017

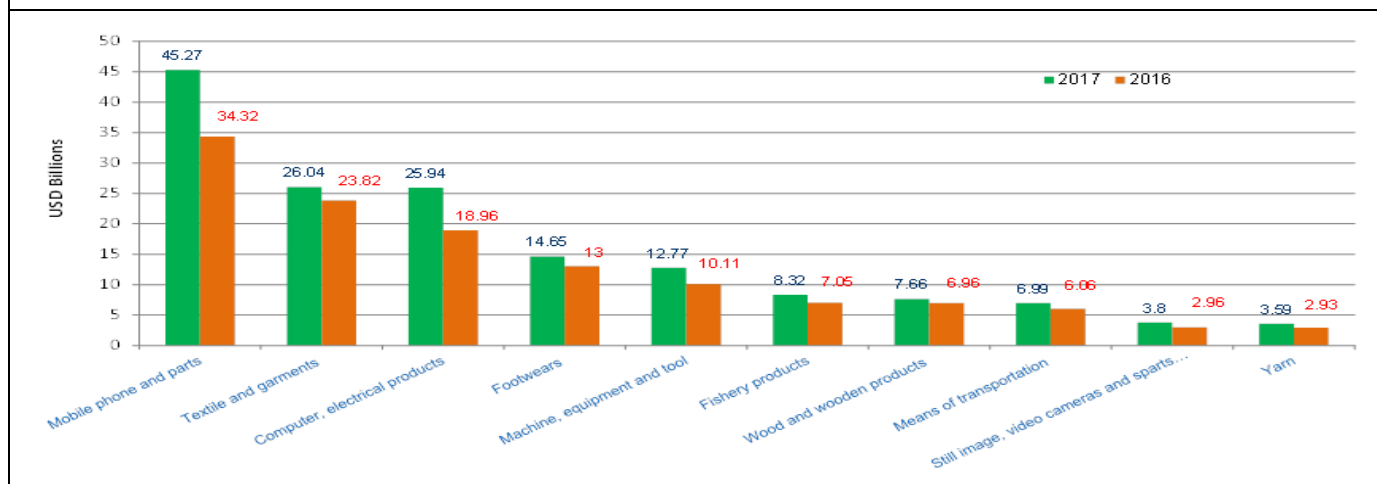


Figure 4: Top ten export products by value in 2016-2017

**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) = Current Asset/Current Liabilities*
- *Quick Liquidity ratio (Times) = (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 71.33
UK Pound	1	INR 91.72
Euro	1	INR 81.69
VND	1	INR 0.0030

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

**INFORMATION DETAILS**

Analysis Done by :	PRI
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)