

MIRA INFORM REPORT

Report No. :	534058
Report Date :	13.10.2018

IDENTIFICATION DETAILS

Name :	K.D.FEDDERSEN VIETNAM COMPANY LIMITED
Registered Office :	9 th Floor, Saigon Prime Building, No. 107-109-111, Nguyen Dinh Chieu Street, Ward 6, District 3, Ho Chi Minh City
Country :	Vietnam
Financials (as on) :	31.12.2017
Date of Incorporation :	05.11.2012
Com. Reg. No.:	0312051793
Legal Form :	Limited Liability Company (FDI)
Line of Business :	The subject specializes in trading resin, food additives, steel.
No. of Employees :	15

RATING & COMMENTS

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

MIRA's Rating :	C
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Credit Rating	Explanation	Rating Comments
C	Medium High Risk	Business dealings permissible preferably on secured basis

Status :	Representative Office
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.

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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

SUBJECT IDENTIFICATION & LEGAL FORM

Current legal status

Registered English Name	K.D.FEDDERSEN VIETNAM COMPANY LIMITED
Registered Vietnamese Name	CONG TY TNHH MOT THANH VIEN K.D.FEDDERSEN VIET NAM
Registered Short name	KDF VN CO., LTD
Type of Business	Limited Liability Company (FDI)
Year Established	2012
Investment Certificate No	411043002062
Date Of Issuance	05 Nov 2012
Place of Issuance	People's Committee of Ho Chi Minh City
Business Registration No.	0312051793
Date of Registration	05 Nov 2012
Place of Registration	Ho Chi Minh Department of Planning and Investment
Registered Investment Capital	N/A
Charter capital	USD 606,270 Equivalent to VND 13,113,683,500
Investment Duration	N/A
Listed Company	No
Tax code	0312051793
Total Employees	15

Historical Identification & Legal form

List	Changed Items	Date of changes
1	Subject has got former Charter capital: USD 256,880 Changed to: USD 606,270	05 Jun 2018
2	Subject has got former Address: 4 th Floor, No. 181, Dien Bien Phu Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam Changed to: 9 th Floor, Saigon Prime Building, No. 107-109-111, Nguyen Dinh Chieu Street, Ward 6, District 3, Ho Chi Minh City, Vietnam	24 Oct 2017
3	Subject has got former Board Of Director: Mr. PHAN ANH TUAN Changed to: Mr. CHRISTOPHER CURT VOIGT	03 Oct 2016

ADDRESSES

Head Office

Address	9 th Floor, Saigon Prime Building, No. 107-109-111, Nguyen Dinh Chieu Street, Ward 6, District 3, Ho Chi Minh City, Vietnam
Telephone	(84-28) 3930 2450~52
Fax	(84-28) 3930 2453
Email	info.vn@kdfeddersen.com
Website	www.kdfeddersen.com

DIRECTORS

1. NAME	Mr. CHRISTOPHER CURT VOIGT
Position	General Director
Date of Birth	12 Sep 1987
ID Number/Passport	C26VJG9WJ
ID Issue Date	05 Apr 2012
ID Issue Place	Stadt Buchholz In Der Nordheide, Germany
Permanent Address	Meisenweg 5a, 21244, Buchholz, Germany
Current Residence	B2805, Thao Dien Pearl, No. 12, Quoc Huong Street, Thao Dien Ward, District 2, Ho Chi Minh City, Vietnam
Nationality	German
2. NAME	Ms. LE MINH TRI
Position	Staff of Plastic/Resin Development Department
Nationality	Vietnamese
Email	leminh.tri@kdf-asia.com

BUSINESS NATURE AND ACTIVITIES

The subject specializes in trading resin, food additives, steel.

It registers in:

Non-specialized wholesale trade
other retail sale not in stores, stall and markets

TRADE REFERENCE AND IMPORT - EXPORT ACTIVITIES

IMPORT:

Market

Germany, Astralia, Finland...

EXPORT:

Note: Currently, the subject does not export

BANKERS

1. VIETNAM EXPORT IMPORT COMMERCIAL JOINT STOCK BANK

Address 8th Floor, Office No. L8-01-11+16, VinCom Center Building, No. 72, Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Telephone (84-28) 3821 0056
Fax (84-28) 3829 6063

2. DEUTSCHE BANK AG HO CHI MINH CITY BRANCH

Address 14th Floor, Saigon Center Building, No. 65, Le Loi Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Telephone (84-28) 6299 9000
Fax (84-28) 3822 2760

SHAREHOLDERS

NAME	K.D. FEDDERSEN UEBERSEEGESELLSCHAFT MBH COMPANY
Business Registration	HBR 2791
Date of Registration	14 Jan 2014
Place of Registration	Germany
Address	Gotenstrasse 11a 20097 Hamburg, Germany
Value of shares	USD 606,270 Equivalent to VND 13,113,683,500
Percentage	100%

FINANCIAL DATA

BALANCE SHEET

Unit: One VND

Balance sheet date	FYE 31 Dec 2017	FYE 31 Dec 2016	FYE 31 Dec 2015
ASSETS			
Current Assets	2,812,528,140	2,863,958,992	5,238,394,479
Inventories	1,829,165,772	1,216,261,382	2,389,071,282
Long-Term Assets	112,653,445	124,444,437	281,111,109
TOTAL ASSETS	2,925,181,585	2,988,403,429	5,519,505,588
LIABILITIES			
LIABILITIES	8,312,716,510	5,829,190,368	5,645,453,139
OWNER'S EQUITY	-5,387,534,925	-2,840,786,939	-125,947,551
TOTAL LIABILITIES AND OWNER'S EQUITY	2,925,181,585	2,988,403,429	5,519,505,588

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PROFIT & LOSS STATEMENT

Description	FYE 31 Dec 2017	FYE 31 Dec 2016	FYE 31 Dec 2015
Total Sale	4,317,587,710	3,143,274,083	3,259,360,545
Net revenue	4,317,587,710	2,451,010,697	3,198,260,706
Profit after tax	-2,546,747,986	-2,714,839,388	-2,697,628,022

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)	2,804,711	12.67%	22,144,211
2. Value of fixed asset and long term investment (Bil VND)	711,061	6.79%	10,466,760
3. Net turnover from business of enterprises (Bil VND)	4,002,762	26.78%	14,949,181
4. Profit before taxes of enterprises (Bil VND)	41,639	7.53%	552,747
5. Number of employees	1,212,601	9.43%	12,856,856
6. Number of acting enterprises by size of capital (Total)	119,480	27.00%	442,485
6.1 Under 0.5 bil. VND	886	5.02%	17,656
6.2 From 0.5 to under 1 bil. VND	2,041	8.72%	23,408
6.3 From 1 to under 5 bil. VND	28,494	19.54%	145,789
6.4 From 5 to under 10 bil. VND	28,582	32.28%	88,540

Note: * The data was calculated by from annual publish of GSO Vietnam

PAYMENT HISTORY & PERFORMANCE EXPERIENCES

Trade Morality	Normal
Liquidity	N/A
Payment status	N/A
Financial Situation	Below Average
Development trend	Negative
Litigation data	No Record
Bankruptcy	No Record
Payment Methods	Cash, bank transfers
Sale Methods	Wholesaler
Public opinion	Normal

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INTERPRETATION ON THE SCORES

The subject - **K.D.FEDDERSEN VIETNAM COMPANY LIMITED** - was established in 2012 as a limited liability company (FDI). Currently, it is operating under Business Registration No. 0312051793 (the same with tax code). In Jun 2018, its charter capital increased to USD 606,270.

Formerly, the subject was only a representative office in Vietnam of **K.D. FEDDERSEN UEBERSEEGESELLSCHAFT MBH** (from Germany). The representative office had been trading in Vietnam for a very long time before the establishment of the subject in 2012. Together with other branches and representative offices in Brazil, Mexico, Philippines, Indonesia, China... the subject specializes in trading many kinds of cosmetic products for hair: hair dyes, shampoos, hair recovery products... However, it stopped operating in this field. Now the company focuses on trading resin, food additives, steel...

Business activities of the company were negative in 2015-2017 periods. Although net revenue reached a peak at VND 4.3 billion in 2017, rose 76% over 2016, 35% against 2015. It fell into the loss situation in 3 consecutive years. It made a loss of around VND 2.6 billion. Inventories (VND 1.8 billion in 2017) accounted a large proportion (65%) of current assets (VND 2.8 billion).

Inventories were much stagnant. All assets were financed by liabilities. The subject's financial structure was assessed risk and self-financing ability was considered weak.

Feddersen Group has emerged from K.D. Feddersen Co., founded in 1949 by Karl Detlef Feddersen in Germany which specializes in chemicals, plastics, steel, technical products... It has many branches and subsidiaries with over 800 employees in the world. With the big support from this group, it is expected that the company's profit will be improved in the next couple of years.

• 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

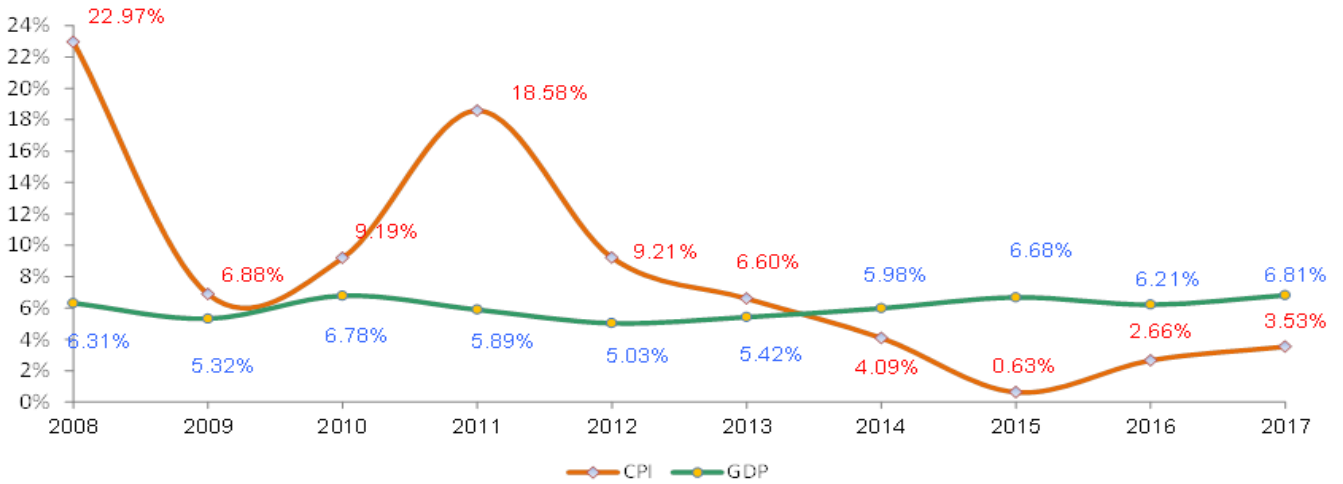


Figure 1: GDP vs. CPI trend in last ten years

• Trade Balance

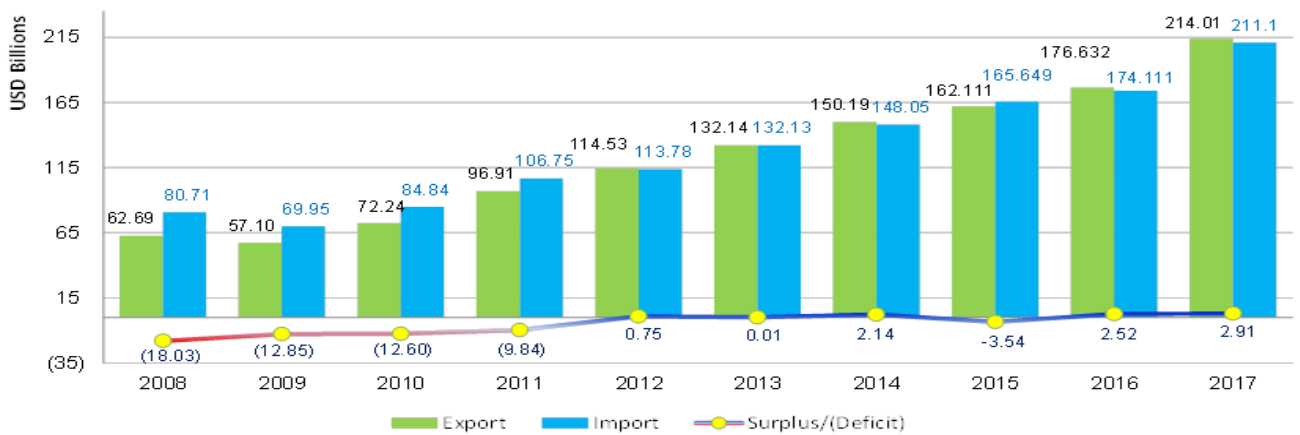


Figure 2: Import – Export balance in last ten years

• Import – Export Value by Major Type of Products

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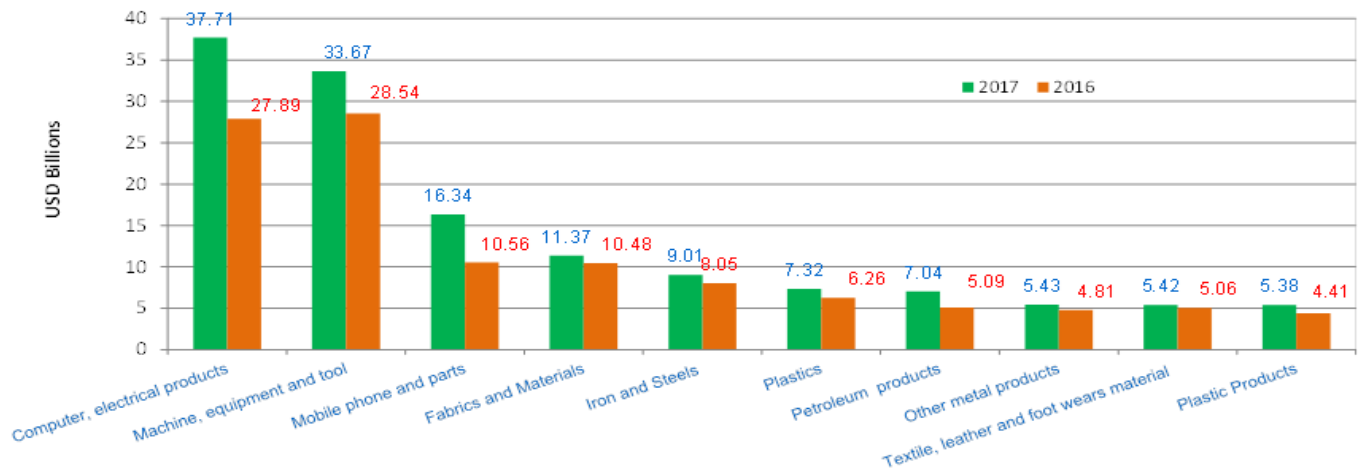


Figure 3: Top ten import products by value in 2016-2017

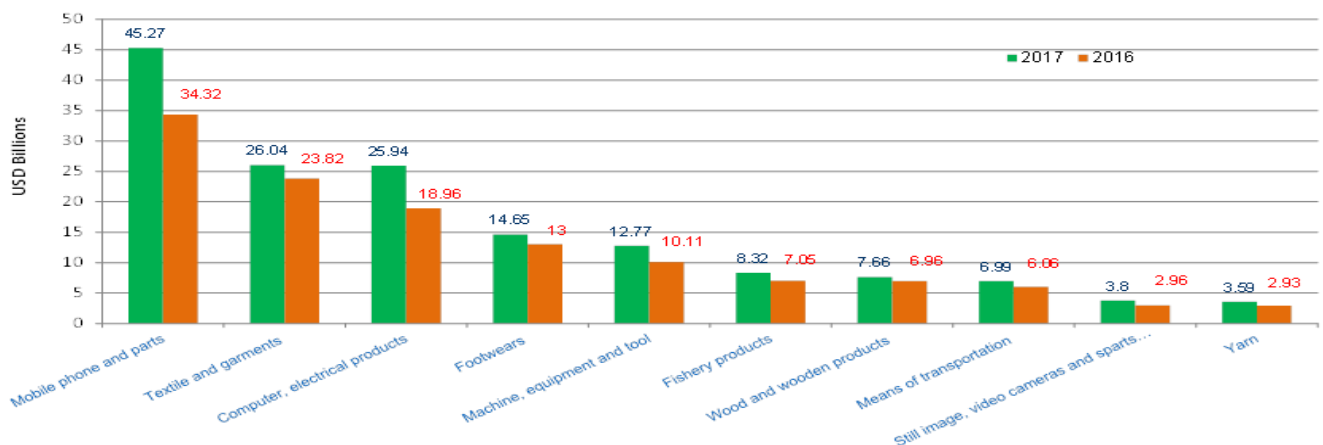


Figure 4: Top ten export products by value in 2016-2017

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:**

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- *Current liquidity ratio (Times) = Current Asset/Current Liabilities*
- *Quick Liquidity ratio (Times) = (Current Asset - Inventory)/Current Liabilities*
- *Inventory circle (Times) = Cost of Goods Sold / Inventory*
- *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 74.39
UK Pound	1	INR 98.30
Euro	1	INR 85.90
VND	1	INR 0.0032

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	TPT

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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)