

MIRA INFORM REPORT

Report No. :	535844
Report Date :	26.10.2018

IDENTIFICATION DETAILS

Name :	VIETNAM AGROTECH COMPANY LIMITED
Registered Office :	No. 422-424, Ung Van Khiem Street, Ward 25, Binh Thanh District, Ho Chi Minh City
Country :	Vietnam
Financials (as on) :	31.12.2017
Date of Incorporation :	09.04.2013
Com. Reg. No.:	0312228955
Legal Form :	Limited liability company
Line of Business :	<ul style="list-style-type: none"> • The subject specializes in trading agricultural and construction machines like paddy seeders, water pumps, rice milling, power tillers, concrete mixers... and other electric motors. • Wholesale of computer, computer peripheral equipment and software • Sale of motorcycles • Freight transport by road • Other transportation support activities • Wholesale on a fee or contract basis • Inland freight water transport • Wholesale of agricultural raw materials (except wood, bamboo) and live animals • Wholesale of electronic and telecommunications equipment and supplies • Wholesale of textiles, clothing, footwear • Wholesale of other machinery and equipment n.e.c • Wholesale of waste and scrap and other products n.e.c • Wholesale of other household products • Wholesale of construction materials, installation supplies
No. of Employees :	50

RATING & COMMENTS

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

MIRA's Rating :

B

Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	Slow but Correct
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.

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

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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	VIETNAM AGROTECH CO LTD	Incorrect
Address	No 2/424 Ung Van Khiem Street, Ward 25, Binh Thanh Dist, HCM	Incorrect
Tel/Fax/Email	84-28-62584976/84-28-35129487/agro@agrotech.com.vn	Correct
Website	www.agrotech.com.vn	Correct

SUBJECT IDENTIFICATION & LEGAL FORM

<i>Current legal status</i>		
Registered English Name		VIETNAM AGROTECH COMPANY LIMITED
Registered Vietnamese Name		CONG TY TNHH VIETNAM AGROTECH
Registered Short name		VIETNAM AGROTECH CO.,LTD
Type of Business		Limited liability company
Year Established		2013
Business Registration No.		0312228955
Date of Registration		09 Apr 2013
Place of Registration		Ho Chi Minh Department of Planning and Investment
Charter capital		VND 15,000,000,000
Listed Company		No
Tax code		0312228955
Total Employees		50
Size		Small - Medium
<i>Note: The correct subject's name is above.</i>		

Historical Identification & Legal form

List	Changed Items	Date of changes
1	Subject has got former Board Of Director: Mr. NGUYEN MANH THANG Changed to: Mr. NGUYEN THANH SON VU	17 May 2018
2	Subject has got former Shareholders: Mr. NGUYEN MANH THANG (33.33%) Ms. NGUYEN THI XUAN (33.33%) Ms. CAO THI THUY NY (33.33%) Changed to: Ms. NGUYEN THI XUAN (50%) Ms. CAO THI THUY NY (50%)	17 May 2018

ADDRESSES

Head Office	
Address	No. 422-424, Ung Van Khiem Street, Ward 25, Binh Thanh District, Ho Chi Minh City, Vietnam
Telephone	(84-28) 6258 4976
Fax	(84-28) 3512 9487
Email	agro@agrotech.com.vn
Website	www.agrotech.com.vn
<i>Note: The correct subject's address is above.</i>	

DIRECTORS

1. NAME	Mr. NGUYEN THANH SON VU
Position	Director
Date of Birth	07 May 1985
ID Number/Passport	311799438
ID Issue Date	07 Mar 2014
ID Issue Place	Tien Giang Department of Public Security
Permanent Address	Ninh Quoi Hamlet, Long Binh Commune, Go Cong Tay District, Tien Giang Province, Vietnam
Nationality	Vietnamese
2. NAME	Ms. CAO THI THUY NY
Position	Deputy Director
ID Number/Passport	040177000194
Permanent Address	No. 27, Street 18, An Phu Ward, 2 District, Ho Chi Minh City, Vietnam
Nationality	Vietnamese

BUSINESS NATURE AND ACTIVITIES

The subject specializes in trading agricultural and construction machines like paddy seeders, water pumps, rice milling, power tillers, concrete mixers... and other electric motors.

Other registered activities include:

- Wholesale of computer, computer peripheral equipment and software
- Sale of motorcycles
- Freight transport by road
- Other transportation support activities
- Wholesale on a fee or contract basis
- Inland freight water transport
- Wholesale of agricultural raw materials (except wood, bamboo) and live animals

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-Wholesale of electronic and telecommunications equipment and supplies
-Wholesale of textiles, clothing, footwear
-Wholesale of other machinery and equipment n.e.c
-Wholesale of waste and scrap and other products n.e.c
-Wholesale of other household products
-Wholesale of construction materials, installation supplies

TRADE REFERENCE AND IMPORT - EXPORT ACTIVITIES

IMPORT:	
Market	South Korea, Taiwan
EXPORT:	
Market	India, Africa and Middle East countries

BANKERS

JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIET NAM - SAI GON BRANCH	
Address	No. 69, Bui Thi Xuan Street, Pham Ngu Lao Ward, 1 District, Ho Chi Minh City, Vietnam
Telephone	(84-28) 3835 9323/ 3835 9262
Fax	(84-28) 3832 5041

SHAREHOLDERS

1. NAME	Ms. NGUYEN THI XUAN
ID Number/Passport	025491461
Permanent Address	No. 29, Street 34, Binh Trung Tay Ward, 2 District, Ho Chi Minh City, Vietnam
Nationality	Vietnamese
Value of shares	VND 7,500,000,000
Percentage	50%
2. NAME	Ms. CAO THI THUY NY
Position	Deputy Director
ID Number/Passport	040177000194
Permanent Address	No. 27, Street 18, An Phu Ward, 2 District, Ho Chi Minh City, Vietnam
Nationality	Vietnamese

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Value of shares	VND 7,500,000,000
Percentage	50%

FINANCIAL DATA

BALANCE SHEET			
<i>Unit: One VND</i>			
Balance sheet date	FYE 31 Dec 2017	FYE 31 Dec 2016	
ASSETS			
Current Assets	21,976,685,149	20,773,561,909	
Inventories	6,701,639,984	11,062,114,743	
Long-Term Assets	3,923,093,906	4,147,115,758	
TOTAL ASSETS	25,899,779,055	24,920,677,667	
LIABILITIES			
LIABILITIES	5,897,908,216	8,744,145,853	
OWNER'S EQUITY	20,001,870,839	16,176,531,814	
TOTAL LIABILITIES AND OWNER'S EQUITY	25,899,779,055	24,920,677,667	
PROFIT & LOSS STATEMENT			
Description	FYE 31 Dec 2017	FYE 31 Dec 2016	
Total Sale	251,993,399,949	214,416,683,886	
Net revenue	251,993,399,949	214,416,683,886	
Profit after tax	4,915,084,053	-1,777,692,215	

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	Medium
Payment status	Slow but Correct
Financial Situation	Average
Development trend	Stable
Litigation data	No Record
Bankruptcy	No Record
Payment Methods	T/T, Cash and Bank transfer
Sale Methods	Wholesaler
Public opinion	Normal

SUMMARY

The subject - VIETNAM AGROTECH COMPANY LIMITED was established in 2013. The subject specializes in trading agricultural and construction machines like paddy seeders, water pumps, rice milling, power tillers, concrete mixers... and other electric motors. The location of headquarter is at No. 422-424, Ung Van Khiem Street, Ward 25, Binh Thanh District, Ho Chi Minh City, Vietnam. The subject is operating with charter capital of VND 15 billion. Mr. NGUYEN THANH SON VU is a legal representative cum Director of this organization. Based on given financial data, the subject's business operation scale indicated an increase by 4% in FY 2017. Both current liquidity ratio and quick liquidity ratio (excluding inventories) were more favorable than the industry average. The subject attained inventories turnover which outperformed other rivals in the same industry. This determinant contributed to speeding up cash conversion cycle in that year. The degree of indebtedness was smaller than the industry average. Fixed – cost financing debts lost its fascination to the subject in that year. The capital structure was quite safe when the pressure of financial distress was trivial. Intuitively, the entire business operation was financed by owner equity rather than liabilities. The effectiveness of asset utilization was well above the industry average. Business revenue showed a continuous climb in FY 2017. The subject suffered from negative EBIT but this problem was surmounted in a subsequent year. Profitability ratios were quite optimistic in FY 2017. To sum up, the financial situation is average. Cost management mechanism should be accomplished in forthcoming time.

• 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

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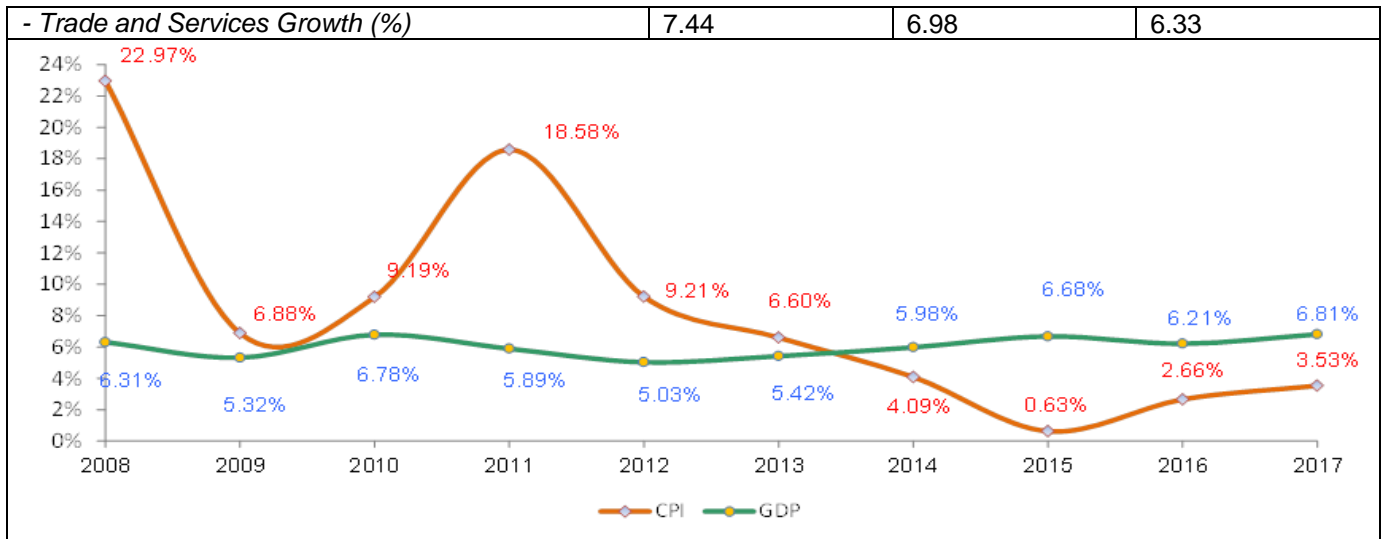


Figure 1: GDP vs. CPI trend in last ten years

• Trade Balance

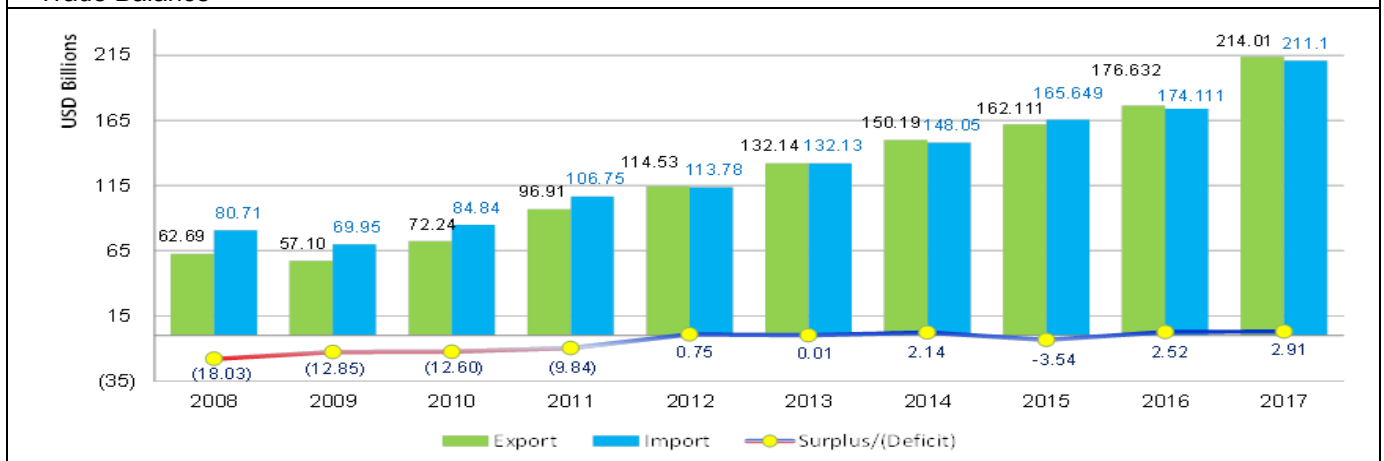


Figure 2: Import – Export balance in last ten years

• Import – Export Value by Major Type of Products

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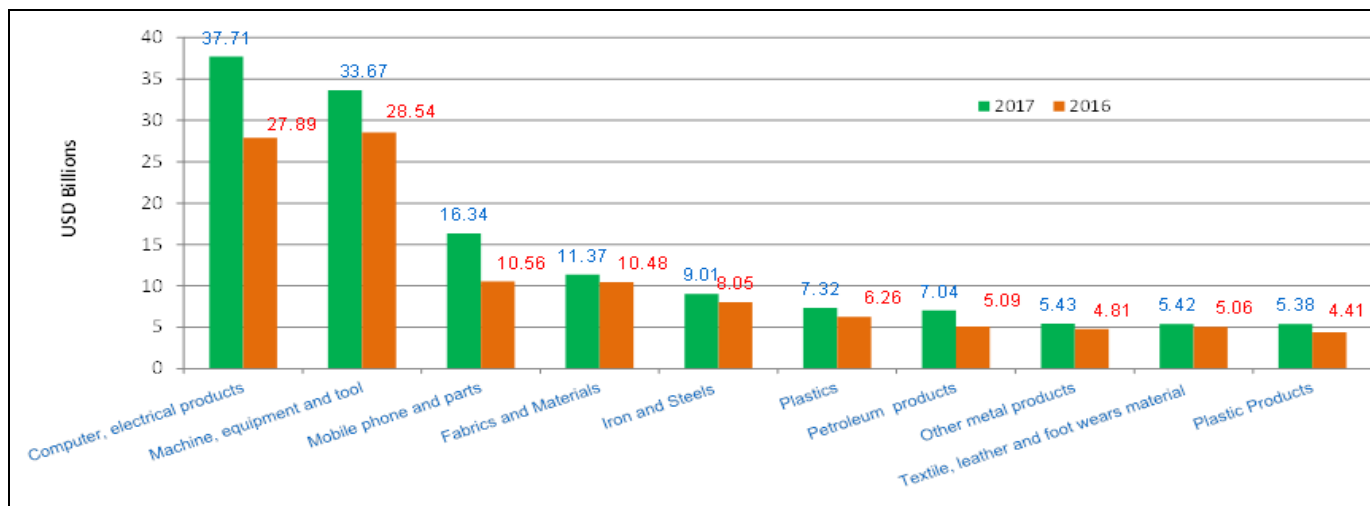


Figure 3: Top ten import products by value in 2016-2017

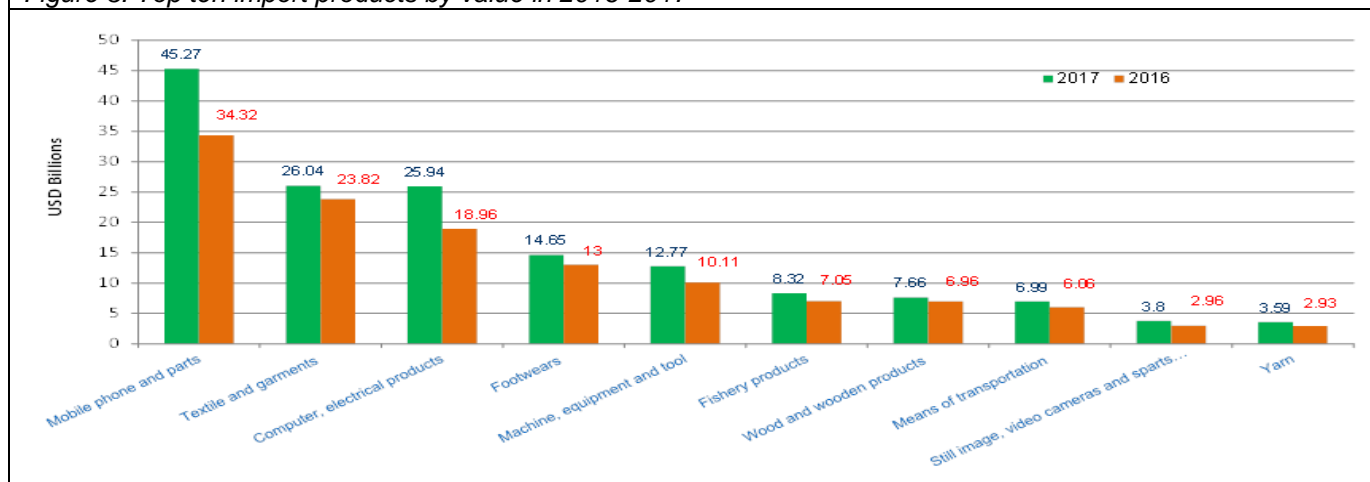


Figure 4: Top ten export products by value in 2016-2017

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:

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

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

- $Inventory\ circle\ (Times) = \frac{Cost\ of\ Goods\ Sold}{Inventory}$

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-	<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 73.27
UK Pound	1	INR 94.62
Euro	1	INR 83.65
VND	1	INR 0.0031

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

INFORMATION DETAILS

Analysis Done by :	VIV
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)