

MIRA INFORM REPORT

Report No. :	536241
Report Date :	31.10.2018

IDENTIFICATION DETAILS

Name :	BA DINH FOODSTUFF TECHNOLOGY COMPANY LIMITED
Registered Office :	No. 39, Pho Duc Chinh Street, Truc Bach Ward, Ba Dinh District, Ha Noi City
Country :	Vietnam
Financials (as on) :	31.12.2017
Date of Incorporation :	2000
Legal Form :	Limited liability company
Line of Business :	<ul style="list-style-type: none"> • Trading flavorings, food additives and spices for food industry such as preservative, antioxidants, anti-caking, thickening agent, emulsifier, coloring agent, sweetener, flavor enhancer. • Manufacture of basic chemicals • Manufacture of soap and detergents, cleaning and polishing preparations • Manufacture of other chemical products n.e.c • Manufacture of other food products n.e.c. • Wholesale of waste and scrap and other products n.e.c • Retail sale of food stuff in specialized stores
No. of Employees :	75

RATING & COMMENTS

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

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

Status :	Satisfactory
Payment Behaviour :	No Complaints

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Litigation :	Clear
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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

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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

SUBJECT IDENTIFICATION & LEGAL FORM

Current legal status

English Name	BA DINH FOODSTUFF TECHNOLOGY COMPANY LIMITED
Vietnamese Name	CONG TY TNHH CONG NGHE PHAM BA DINH
Short name	BF CO., LTD
Type of Business	Limited liability company
Year Established	2000
Business Registration No.	0101072018
Date of Registration	07 Nov 2000
Place of Registration	Ha Noi Department of Planning and Investment
Charter capital	VND 30,000,000,000
Paid-up capital	VND 30,000,000,000
Tax code	0101072018
Total Employees	75
Size	Small

Historical Identification & Legal form

List	Changed Items	Date of changes
1	Subject has got former Address: Transaction Office: No. 122, Phan Ke Binh Street, Cong Vi Ward, Ba Dinh District, Ha Noi City, Vietnam Changed to No. 5 Nghi Tam Street, Yen Phu ward, Tay Ho District, Ha Noi City, Vietnam Changed to: Floor 6, M5 Building, No.91 Nguyen Chi Thanh Street, Lang Ha Ward, Dong Da District, Ha Noi City, Vietnam	01 Aug 2018
2	Subject has got former Charter capital: VND 3,000,000,000 Changed to: VND 5,000,000,000 (12 Apr 2010) Changed to: VND 20,000,000,000 (29 Dec 2011) Changed to: VND 30,000,000,000	13 Jul 2015
3	Subject has got former Business Registration No: 0102001406 Changed to: Business code No. 0101072018	12 Apr 2010
4	Subject has got former Address: Branch in Ho Chi Minh City: No. 43/39, Cong Hoa Street, Ward 4, Tan Binh District, Ho Chi Minh City, Vietnam Changed to: No. 32/5 Bau Cat 1, Ward 14, Tan Binh Dist., Ho Chi Minh city, Vietnam	N/A
5	Subject has got former Address: Warehouse Address: Tan My Residential Group, My Dinh 1 ward, South Tu Liem District, Ha Noi City, Vietnam Changed to: Tu Liem small and medium industrial cluster, Phuong Canh Ward, South Tu Liem District, Ha Noi City, Vietnam	N/A

ADDRESSES

Registration Address

Address	No. 39, Pho Duc Chinh Street, Truc Bach Ward, Ba Dinh District, Ha Noi City, Vietnam
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Transaction office in Ha Noi

Address Floor 6, M5 Building, No.91 Nguyen Chi Thanh Street, Lang Ha Ward,
Dong Da District, Ha Noi City, Vietnam
Telephone (84-24) 3715 3333 / 3762 7449 / 3762 6742
Fax (84-24) 3762 4886
Email info@bfchem.vn
Website <http://bfchem.vn/>

Branch in Ho Chi Minh

Address No. 32/5 Bau Cat 1, Ward 14, Tan Binh District, Ho Chi Minh City,
Vietnam
Telephone (84-28) 3849 3321
Fax (84-28) 3948 2474
Manager Mr. NGUYEN VAN TAC

Warehouse Address

Address Tu Liem small and medium industrial cluster, Phuong Canh Ward, South
Tu Liem District, Ha Noi City, Vietnam

DIRECTORS

1. NAME Mr. TA QUANG HOA
Position Director
Date of Birth 26 Apr 1968
ID Number/Passport 011798648
ID Issue Date 17 Sep 2003
ID Issue Place Ha Noi City Department of Public Security
Permanent Address No. 39, Pho Duc Chinh Street, Truc Bach Ward, Ba Dinh District, Ha Noi
City, Vietnam
Nationality Vietnamese
Qualification Engineer of Foodstuff Technology

2. NAME Ms. DINH THI QUYNH MINH
Position Deputy Director
Date of Birth 15 Oct 1969
ID Number/Passport 011448835
ID Issue Place Ha Noi City Department of Public Security
Permanent Address No. 39, Pho Duc Chinh Street, Truc Bach Ward, Ba Dinh District, Ha Noi
City, Vietnam
Nationality Vietnamese

3. NAME Ms. NGUYEN THI VAN
Position Chief Accountant
Nationality Vietnamese
Contact address Floor 6, M5 Building, No.91 Nguyen Chi Thanh Street, Lang Ha Ward,
Dong Da District, Ha Noi City, Vietnam

BUSINESS NATURE AND ACTIVITIES

Core business activities:

Trading flavorings, food additives and spices for food industry such as preservative, antioxidants, anti-caking, thickening agent, emulsifier, coloring agent, sweetener, flavor enhancer.

Registered business activities:

Manufacture of basic chemicals

Manufacture of soap and detergents, cleaning and polishing preparations

Manufacture of other chemical products n.e.c

Manufacture of other food products n.e.c.

Wholesale of waste and scrap and other products n.e.c

Retail sale of food stuff in specialized stores

Other manufacturing n.e.c

Wholesale on a fee or contract basis

Wholesale of agricultural raw materials (except wood, bamboo) and live animals

Wholesale of other machinery and equipment n.e.c

Other business support service activities n.e.c

Processing and preserving of meat

Processing and preserving of fruit and vegetables

Manufacture of dairy products

Manufacture of starches and starch products

Manufacture of bakery products

Manufacture of cocoa, chocolate and sugar confectionery

Manufacture of prepared meals and dishes

Manufacture of prepared animal, fish, poultry feeds

Manufacture of soft drinks; production of mineral waters and other bottled waters

TRADE REFERENCE AND IMPORT - EXPORT ACTIVITIES

IMPORT:

Market

China, India, France, USA, Germany, Belgium and Malaysia
etc.

Mode of payment

L/C, T/T

EXPORT:

Note: Currently, the subject does not export

BANKERS

1. SAIGON THUONG TIN COMMERCIAL JOINT STOCK BANK HA NOI BRANCH

Address No. 65, Ngo Thi Nham Street, Hai Ba Trung District, Ha Noi City, Vietnam
Telephone (84-24) 3943 7372

2. JOINT STOCK BANK FOR FOREIGN TRADE OF VIETNAM HA NOI BRANCH

Address Floor 1-5, No. 11B Cat Linh Street, Quoc Tu Giam Ward, Dong Da District, Ha Noi City, Vietnam
Telephone (84-24) 3974 6666
Fax (84-24) 3974 7065

3. BANK FOR INVESTMENT AND DEVELOPMENT OF VIETNAM HOAN KIEM BRANCH

Address No. 194, Tran Quang Khai Street, Ly Thai To Ward, Hoan Kiem District, Ha Noi City, Vietnam
Telephone (84-24) 2220 5228

4. HSBC BANK (VIET NAM) LTD - HA NOI BRANCH

Address Pacific Place, No. 83B, Ly Thuong Kiet Street, Hoan Kiem District, Ha Noi City, Vietnam
Telephone (84-24) 3933 3189
Fax (84-24) 3933 3198

SHAREHOLDERS

1. NAME Mr. TA QUANG HOA
Position Director
Date of Birth 26 Apr 1968
ID Number/Passport 011798648
Issued on 17 Sep 2003
Issued Place Ha Noi City Department of Public Security
Permanent Address No. 39, Pho Duc Chinh Street, Truc Bach Ward, Ba Dinh District, Ha Noi City, Vietnam
Nationality Vietnamese
Value of shares VND 18,000,000,000
Percentage 60%

2. NAME Ms. DINH THI QUYNH MINH
Position Deputy Director
Date of Birth 15 Oct 1969
ID Number/Passport 011448835
Issued Place Ha Noi City Department of Public Security
Permanent Address No. 39, Pho Duc Chinh Street, Truc Bach Ward, Ba Dinh District, Ha Noi City, Vietnam

Nationality	Vietnamese
Value of shares	VND 9,000,000,000
Percentage	30%
3. NAME	Ms. TA QUYNH ANH
Date of Birth	18 Apr 1991
ID Number/Passport	013113654
Issued Place	Ha Noi City Department of Public Security
Permanent Address	No. 39, Pho Duc Chinh Street, Ba Dinh District, Ha Noi City, Vietnam
Nationality	Vietnamese
Value of shares	VND 3,000,000,000
Percentage	10%

FINANCIAL DATA

BALANCE SHEET

Unit: One VND

Balance sheet date	FYE 31 Dec 2017	FYE 31 Dec 2016	FYE 31 Dec 2015
Audit status	Unknown	Unknown	Unknown
ASSETS			
A – CURRENT ASSETS	103,750,468,287	51,933,534,315	45,290,196,423
B. LONG-TERM ASSETS	19,202,110,211	17,513,467,210	19,052,967,617
TOTAL ASSETS	122,952,578,498	69,447,001,525	64,343,164,040
LIABILITIES			
A- LIABILITIES	79,932,982,189	29,225,703,768	25,793,437,482
B- OWNER'S EQUITY	43,019,596,309	40,221,297,757	38,549,726,558
TOTAL LIABILITIES AND OWNER'S EQUITY	122,952,578,498	69,447,001,525	64,343,164,040

PROFIT & LOSS STATEMENT

Description	FYE 31 Dec 2017	FYE 31 Dec 2016	FYE 31 Dec 2015
1. Total Sales	210,300,697,701	131,829,873,424	141,385,407,320
3. Net revenue	209,953,068,901	131,812,687,834	141,385,407,320
18. Profit after tax	2,610,152,150	1,688,785,081	8,171,788,986

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	Fair
Liquidity	Medium/High
Payment status	No Complaints
Financial Situation	Above Average
Development trend	Stable
Litigation data	No Record
Bankruptcy	No Record
Payment Methods	L/C, T/T
Sale Methods	Wholesaler
Public opinion	Good

SUMMARY

The subject was established in 2000 as a limited liability company. Currently, it is running under the business registration license No. 0101072018 (same as the tax code) granted by Ha Noi City Department of Planning and Investment. Its charter capital is VND 30 billion contributed by three individuals.

The subject registers head office at No. 39, Pho Duc Chinh Street, Truc Bach Ward, Ba Dinh District, Ha Noi City, Vietnam. However, its business transactions are performed at Floor 6, M5 Building, No.91 Nguyen Chi Thanh Street, Lang Ha Ward, Dong Da District, Ha Noi City, Vietnam. Besides, it also has a branch in Ho Chi Minh City and a stock in South Tu Liem District, Hanoi City.

The subject is specialized in trading flavors, food additives and spices for food industry such as preservative, antioxidants, anti-caking, thickening agent, stabilizing agent, emulsifier, coloring agent, sweetener, flavor enhancer, etc which are imported from Germany, Belgium, China, India, France, USA and Malaysia. Its products are supplied to confectionery, noodle, jelly companies as HAIHACO, HUUNGHI, MICOEM, LONG HAI, HAPROFOOD, VIETFOOD...

Financially, according to above data, year 2017 enjoyed a rise in net revenue instead of decreasing as before. The subject still had competitive advantage of costs of goods sold when keeping gross profit margin high over years. However, operation expenses were not controlled well, leading to humble profitability ratios. In terms of assets, they were expanded annually especially year 2017 along with a rapid growth of liabilities. This also pushed the debt rate to a riskier level of 65%.

In conclusion, the subject's financial situation was above average. In our opinion, the subject is graded at BB, that

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means the company is expected to be vulnerable to adverse changes in circumstances and economic conditions.

• **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

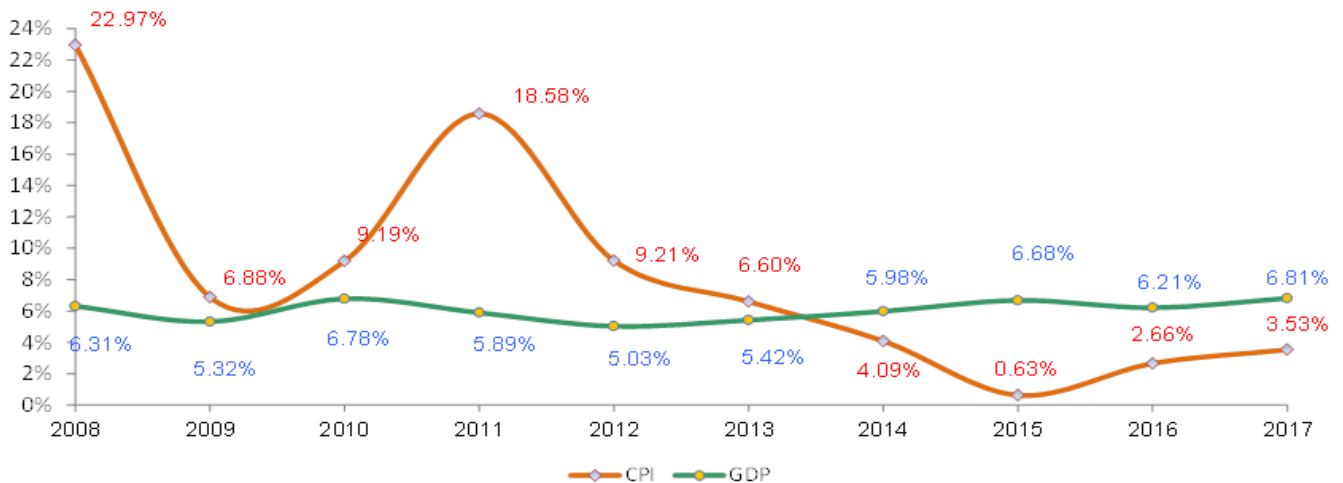


Figure 1: GDP vs. CPI trend in last ten years

• **Trade Balance**

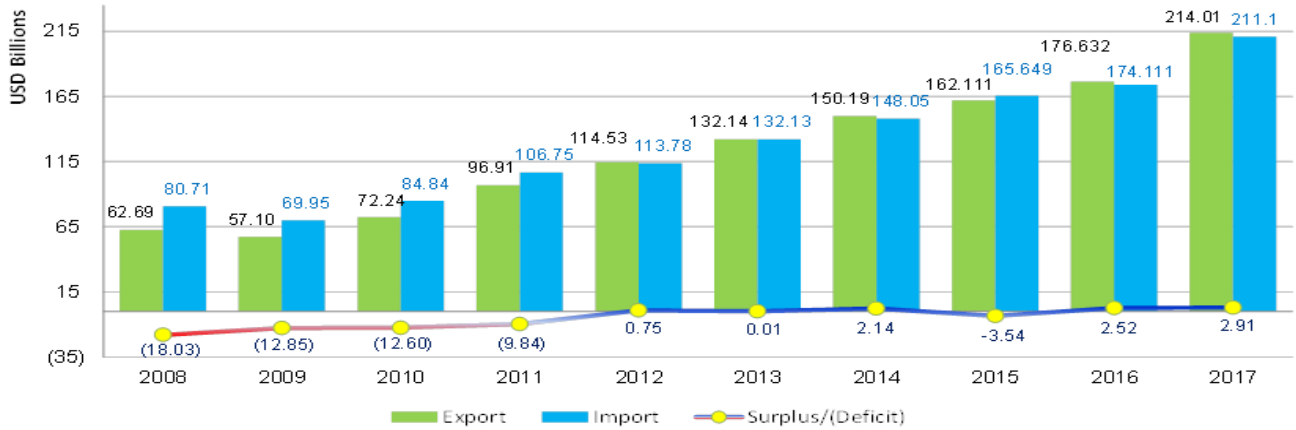


Figure 2: Import – Export balance in last ten years

• Import – Export Value by Major Type of Products

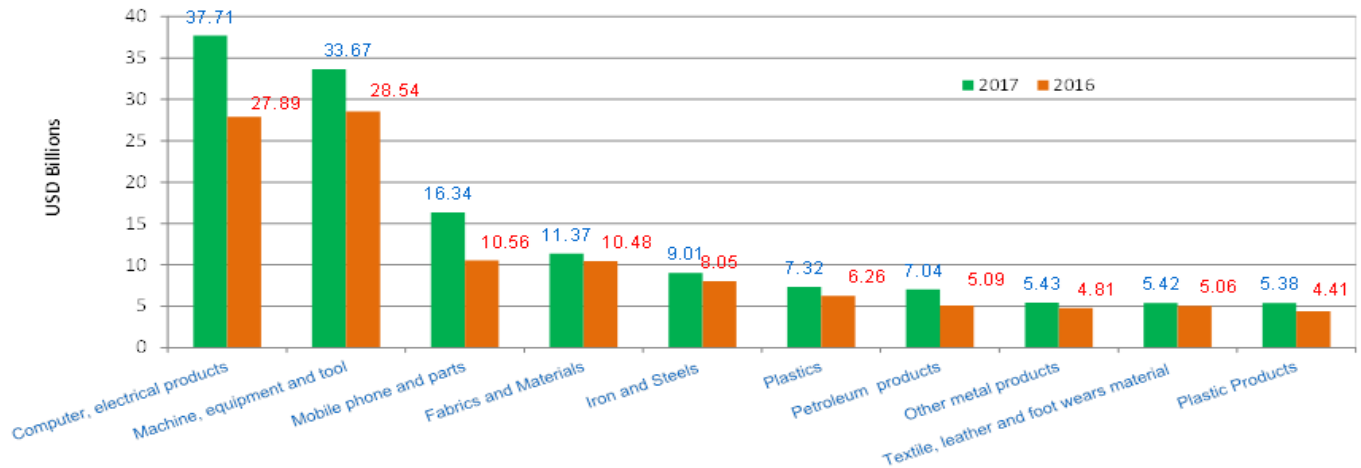


Figure 3: Top ten import products by value in 2016-2017

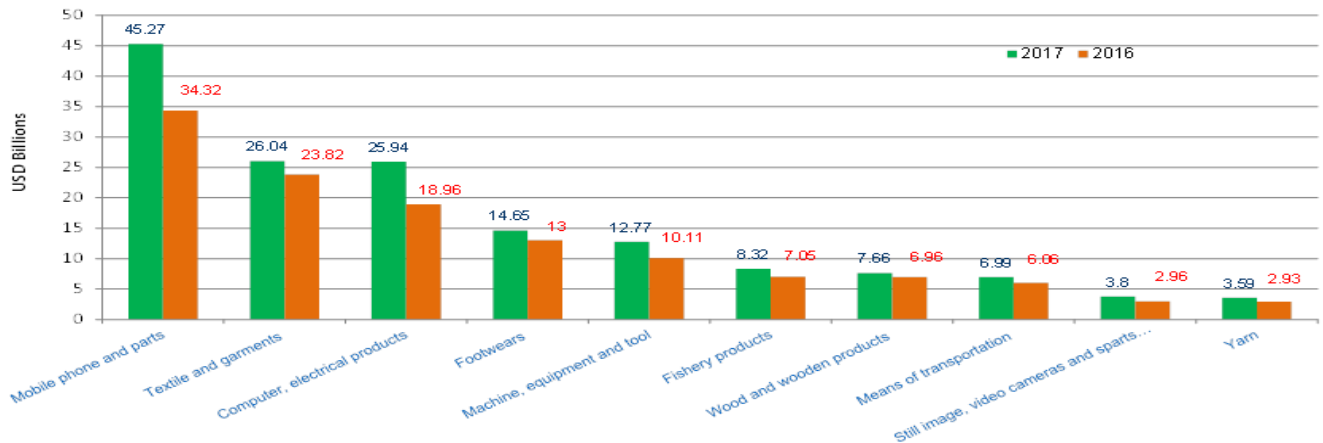


Figure 4: Top ten export products by value in 2016-2017

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) = 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

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.57
UK Pound	1	INR 94.18
Euro	1	INR 83.71
VND	1	INR 0.0032

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

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	SDA

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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)