

MIRA INFORM REPORT

Report No. :	529431
Report Date :	14.09.2018

IDENTIFICATION DETAILS

Name :	HONG BICH TRADING COMPANY LIMITED
Registered Office :	No. 103, Nam Hai Street, Nam Hai Ward, Hai An District, Hai Phong City,
Country :	Vietnam
Financials (as on) :	31.12.2017
Date of Incorporation :	18.11.2013
Com. Reg. No.:	0201320546
Legal Form :	Limited liability company
Line of Business :	<p>The subject is specialized in supplying import and export services</p> <ul style="list-style-type: none"> • Wholesale of motor vehicles • Sale, maintenance and repair of motorcycles • Retail sale of car (under 12 seats) • Wholesale on a fee or contract basis • Wholesale of agricultural raw materials (except wood, bamboo) and live animals • Wholesale of food • Wholesale of electronic and telecommunications equipment and supplies • Wholesale of textiles, clothing, footwear • Wholesale of tobacco products • Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles in specialized stores • Activities of employment placement agencies
No. of Employees :	15

RATING & COMMENTS

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

MIRA's Rating :	B
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Credit Rating	Explanation	Rating Comments
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B	Medium Risk	Business dealings permissible on a regular monitoring basis
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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 (31.12.2017)	Current Rating (01.04.2018)
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

GENERAL INFORMATION

	Given Information	Verification
Name	HONG BICH TRADING COMPANY LIMITED	Correct
Address	No 103, Nam Hai Street, Hai An Ward, Hai An Dist, Hai Phong	Correct

SUBJECT IDENTIFICATION & LEGAL FORM

English Name	HONG BICH TRADING COMPANY LIMITED
Vietnamese Name	CONG TY TNHH THUONG MAI HONG BICH
Short name	HONG BICH TRADING CO., LTD
Type of Business	Limited liability company
Year Established	2013
Business Registration No.	0201320546
Date of Registration	18 Nov 2013
Place of Registration	Hai Phong city Department of Planning and Investment
Charter capital	VND 1,800,000,000
Listed Company	No
Tax code	0201320546
Total Employees	15
Size	Small

ADDRESSES

Registration Address

Address No. 103, Nam Hai Street, Nam Hai Ward, Hai An District, Hai Phong City, Vietnam

Transaction office in Hai Phong

Address No. 78, Tran Hung Dao Bordering Road, Dong Hai 1 Ward, Hai An

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District, Hai Phong City, Vietnam
Telephone (84-225) 3804 898
Fax (84-225) 3979 941

DIRECTORS

NAME	Ms. NGUYEN THI MY
Position	Director
Date of Birth	01 Jul 1973
ID Number/Passport	031003328
ID Issue Date	20 Oct 2008
ID Issue Place	Hai Phong City Department of Public Security
Permanent Address	Residential 3, Nam Hai Ward, Hai An District, Hai Phong City, Vietnam
Nationality	Vietnamese

BUSINESS NATURE AND ACTIVITIES

The subject is specialized in supplying import and export services

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

- Wholesale of motor vehicles
- Retail sale of car (under 12 seats)
- Sale of motor vehicles on a fee or contract basis
- Maintenance and repair of motor vehicles
- Sale of motor vehicle part and accessories
- Sale of motorcycles
- Sale, maintenance and repair of motorcycles
- Sale of motorcycle parts and accessories
- Wholesale on a fee or contract basis
- Wholesale of agricultural raw materials (except wood, bamboo) and live animals
- Wholesale of food

- Wholesale of beverages
- Wholesale of tobacco products
- Wholesale of textiles, clothing, footwear
- Wholesale of other household products
- Wholesale of electronic and telecommunications equipment and supplies
- Wholesale of other machinery and equipment n.e.c
- Retail sale of food in specialized stores
- Retail sale of food stuff in specialized stores
- Retail sale of beverages in specialized stores
- Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles in specialized stores
- Other retail sale of new goods in specialized stores
- Freight transport by road
- Sea and coastal freight water transport
- Inland freight water transport
- Warehousing and storage
- Cargo handling
- Other transportation support activities
- Restaurants and mobile food service activities
- Irregular event catering activities such as wedding, workshops...
- Beverage serving activities
- Activities of employment placement agencies
- Travel agency activities
- Tour operator activities
- Organization of conventions and trade shows
- Other business support service activities n.e.c

TRADE REFERENCE AND IMPORT - EXPORT ACTIVITIES

IMPORT:

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Note: N/A

EXPORT:

Note: N/A

BANKERS

N/A

SHAREHOLDERS

1. NAME

Ms. NGUYEN THI MY

Position

Director

Date of Birth

01 Jul 1973

ID Number/Passport

031003328

Issued on

20 Oct 2008

Issued Place

Hai Phong City Department of Public Security

Permanent Address

Residential 3, Nam Hai Ward, Hai An District, Hai Phong City, Vietnam

Nationality

Vietnamese

Value of shares

VND 900,000,000

Percentage

50%

2. NAME

Mr. VU NGOC LONG

Date of Birth

01 Jul 1972

ID Number/Passport

031283533

Issued Place

Hai Phong City Department of Public Security

Permanent Address

Residential 3, Nam Hai Ward, Hai An District, Hai Phong City, Vietnam

Mobile phone

+84 972 61 8888

Nationality

Vietnamese

Value of shares

VND 900,000,000

Percentage

50%

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FINANCIAL DATA

BALANCE SHEET

Unit: One VND

Balance sheet date	FYE 31 Dec 2017	FYE 31 Dec 2016
Audit status	Unknown	Unknown
ASSETS		
A – CURRENT ASSETS	84,732,851,533	72,704,291,834
Inventories	0	0
B. LONG-TERM ASSETS	0	0
TOTAL ASSETS	84,732,851,533	72,704,291,834
LIABILITIES		
A- LIABILITIES	93,183,286,949	76,483,591,213
B- OWNER'S EQUITY	-8,450,435,416	-3,779,299,379
TOTAL LIABILITIES AND OWNER'S EQUITY	84,732,851,533	72,704,291,834

PROFIT & LOSS STATEMENT

Description	FYE 31 Dec 2017	FYE 31 Dec 2016
1. Total Sales	270,899,335,680	174,891,520,210
2. Net revenue	270,899,335,680	174,891,520,210
3. Profit after tax	-4,671,136,037	-3,855,607,445

INDUSTRY DATA

The subject is classified in: **Office administrative and support activities; other business support service activities (Division 82 of ISIC)**

Items	Industry	Percentage	All Industries
1. Annual average capital of enterprises (Bil VND)	31,669	0.14%	22,144,211
2. Value of fixed asset and long term investment (Bil VND)	12,161	0.12%	10,466,760
3. Net turnover from business of enterprises (Bil VND)	24,822	0.17%	14,949,181

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4. Profit before taxes of enterprises (Bil VND)	960	0.17%	552,747
5. Number of employees	45,407	0.35%	12,856,856
6. Number of acting enterprises by size of capital (Total)	4,041	0.91%	442,485
6.1 Under 0.5 bil. VND	395	2.24%	17,656
6.2 From 0.5 to under 1 bil. VND	491	2.10%	23,408
6.3 From 1 to under 5 bil. VND	1,711	1.17%	145,789
6.4 From 5 to under 10 bil. VND	901	1.02%	88,540

PAYMENT HISTORY & PERFORMANCE EXPERIENCES

Trade Morality	Normal
Liquidity	N/A
Payment status	N/A
Financial Situation	Below Average
Development trend	Developing
Litigation data	No Record
Bankruptcy	No Record
Payment Methods	T/T
Sale Methods	To contracts
Public opinion	Limited

SUMMARY

HONG BICH TRADING COMPANY LIMITED was established in Nov 2013 under the business registration No. 0201320546, granted by Hai Phong City Department of Planning and Investment. Its charter capital is now VND 1.8 billion, which is contributed equally by two individuals; Ms. NGUYEN THI MY and Mr. VU NGOC LONG. Besides the subject, these two persons also established and operated another company named PHUC HUNG TRADE AND TRANSPORT LIMITED COMPANY. This company was established in 2007, specializing in supplying freight transport and logistics services. It and the subject operate in the same office and are managed by Ms. NGUYEN THI MY

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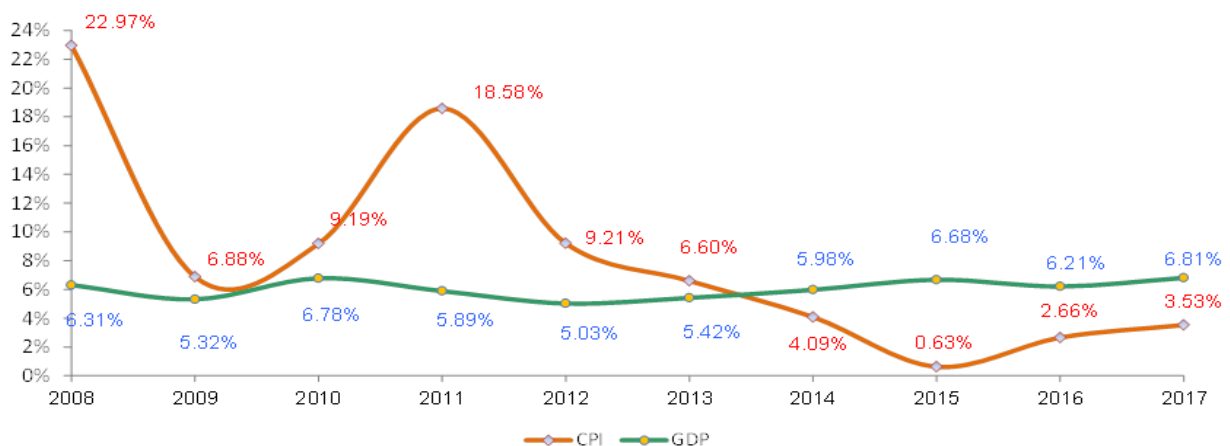
The subject focuses on supplying import and export services. It registers head office at No. 103, Nam Hai Street, Nam Hai Ward, Hai An District, Hai Phong City, Vietnam. However, all transactions are performed at No. 78, Tran Hung Dao Bordering Road, Dong Hai 1 Ward, Hai An District, Hai Phong City, Vietnam. Its scale is assessed small with total labor force of about 15 people.

Ended 2017, total assets of the company were VND 84,732 million and liabilities was VND 93,183 million. Debt rate was high and risky, reflecting that its financial structure was unsafe. Also in 2017, it recorded high revenue of VND 270,899 million and asset turnover ratio was high (3.2 times). However, due to large expenses, it lost VND 4,671 million in that year.

In general, the subject is a small company and has just operated for over 5 years. In our opinion, with current situation, the subject can meet small transactions.

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



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

• Trade Balance

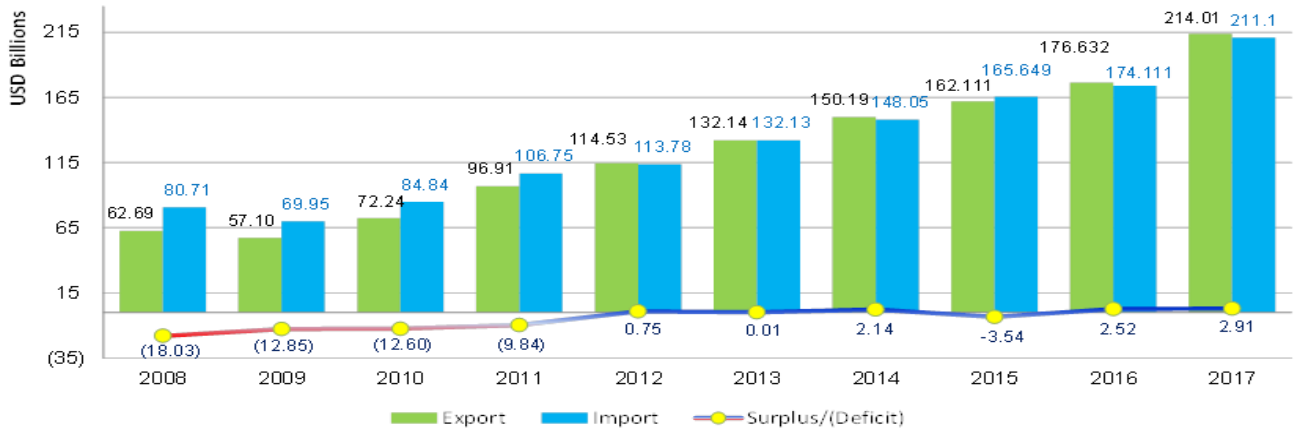


Figure 2: Import – Export balance in last ten years

• Import – Export Value by Major Type of Products

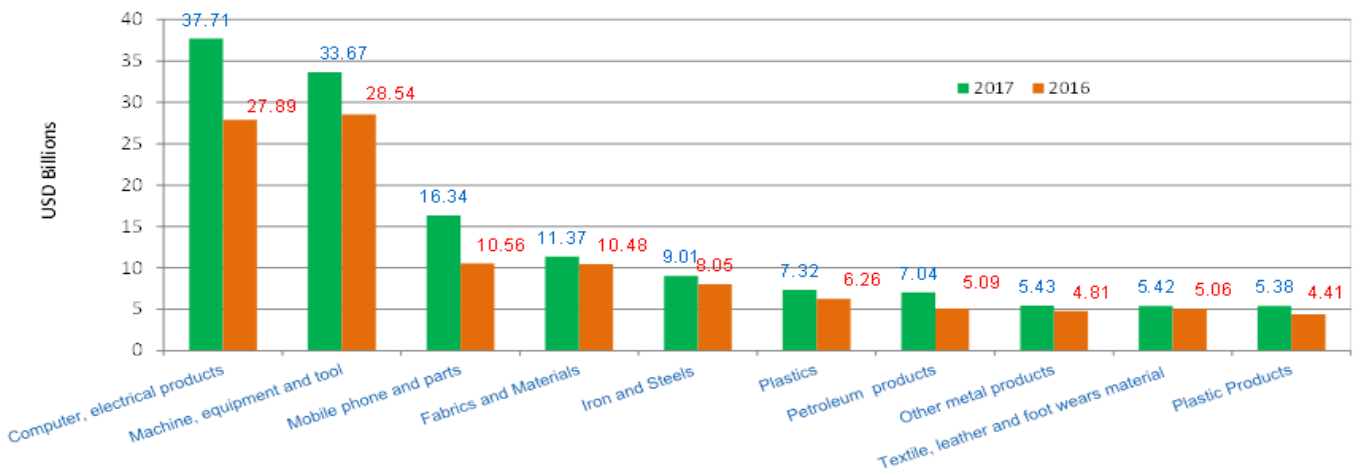


Figure 3: Top ten import products by value in 2016-2017

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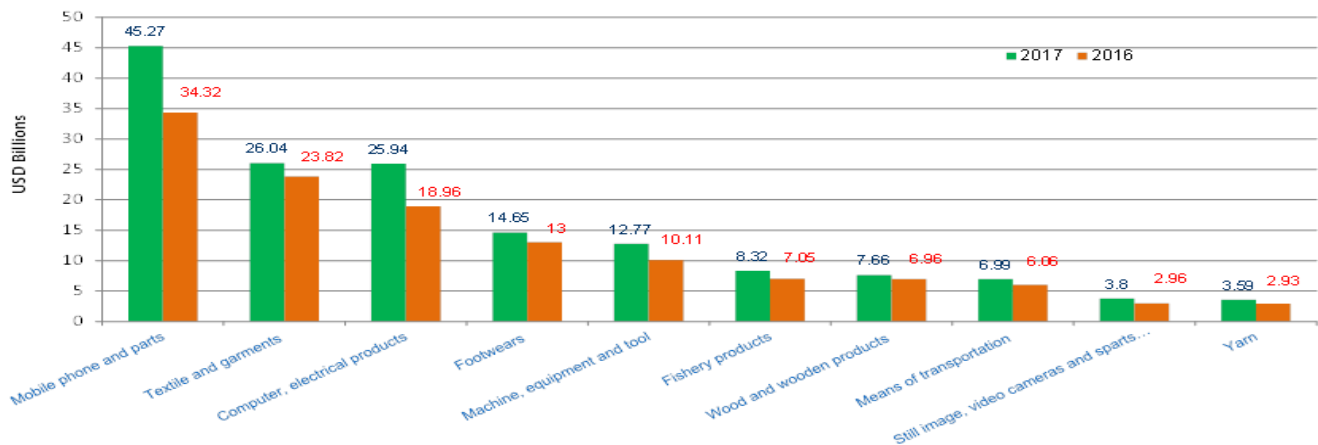


Figure 4: Top ten export products by value in 2016-2017

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:**

- $Current\ liquidity\ ratio\ (Times) = \frac{Current\ Asset}{Current\ Liabilities}$
- $Quick\ Liquidity\ ratio\ (Times) = \frac{(Current\ Asset - Inventory)}{Current\ Liabilities}$
- $Inventory\ circle\ (Times) = \frac{Cost\ of\ Goods\ Sold}{Inventory}$
- $Average\ receivable\ period\ (Days) = \frac{\{Account\ Receivable\ (Trade\ Only = Receivable\ from\ customers + Short-term\ advances\ to\ suppliers)\}}{Net\ revenue} * 365$
- $Utilizing\ Asset\ Performance\ (Times) = \frac{Net\ Sale}{Total\ Assets}$
- $Inventory/ Monthly\ Sale\ (%) = \frac{\{Inventory / (Total\ Sales / 12)\}}{1} * 100$
- $Shareholder\ Equity\ Ratio\ (%) = \frac{(Owner's\ Equity / Total\ Assets) * 100}{1}$
- $Total\ Loan/ Total\ Assets\ (%) = \frac{\{ (Short-term\ loans\ and\ financial\ leases + Long-term\ loans\ and\ financial\ leases) / Totals\ Assets \} * 100}{1}$
- $Liability/ Total\ Asset\ (%) = \frac{(Liabilities / Total\ Assets) * 100}{1}$
- $Liability/ Owner's\ equity\ (%) = \frac{(Liabilities / Owner's\ Equity) * 100}{1}$
- $Ebit / Total\ asset\ (%) ROA = \frac{(Ebit / Total\ asset) * 100}{1}$
- $Ebit / Owner's\ equity\ (%) ROE = \frac{(Ebit / Owner's\ equity) * 100}{1}$
- $Ebit / Total\ revenue\ (%) NPM = \frac{(Ebit / Total\ revenue) * 100}{1}$
- $Gross\ Profit / Total\ revenue\ (%) GPM = \frac{(Gross\ Profit / Total\ revenue) * 100}{1}$

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupee
US Dollar	1	INR 72.32
UK Pound	1	INR 94.42
Euro	1	INR 84.08
VND	1	INR 0.0031

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	KET

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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)