

## MIRA INFORM REPORT

Report No. :	529359
Report Date :	14.09.2018

### IDENTIFICATION DETAILS

Name :	VIET TUAN TRADING COMPANY LIMITED
Registered Office :	No. 030, Le Khoi Street, Pho Moi Ward, Lao Cai City, Lao Cai Province,
Country :	Vietnam
Financials (as on) :	31.12.2017
Date of Incorporation :	25.05.2005
Com. Reg. No.:	1202000383
Legal Form :	Limited liability company
Line of Business :	Trading agricultural products such as cassava, maize, dill, peppercorn
No. of Employees :	3

**RATING & COMMENTS**

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

**MIRA's Rating :**

C

Credit Rating	Explanation	Rating Comments
C	Medium High Risk	Business dealings permissible preferably on secured basis

<b>Status :</b>	Moderate
<b>Payment Behaviour :</b>	Slow
<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**

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

## **COMPANY INFORMATION**

	<b>Given Information</b>	<b>Verification</b>
Name	VIET TUAN TRADING COMPANY LIMITED	Translated name
Tax ID	5300220615	Correct
Address	No 030, Le Khoi Street, Pho Moi Ward, Lao Cai City.	Correct

## **COMPANY IDENTIFICATION & LEGAL FORM**

Translated English Name	VIET TUAN TRADING COMPANY LIMITED
Vietnamese Name	CONG TY TNHH THUONG MAI VIET TUAN
Type of Business	Limited liability company
Year Established	2005
Business Registration No.	1202000383
Date of Registration	25 May 2005
Place of Registration	Lao Cai Department of Planning and Investment
Charter capital	VND 3,000,000,000
Listed Company	No
Tax code	5300220615
Total Employees	3
Size	Small

## **ADDRESSES**

### **Head Office**

Address	No. 030, Le Khoi Street, Pho Moi Ward, Lao Cai City, Lao Cai Province, Vietnam
Telephone	(84-214) 3835970/ +84 904456199

## **DIRECTORS**

<b>NAME</b>	<b>Ms. TRAN THI KIM CHUNG</b>
Position	Director
Date of Birth	04 Jul 1972
ID Number/Passport	063201199
Permanent Address	No. 030, Group 3, Le Khoi Street, Pho Moi Ward, Lao Cai City, Lao Cai Province, Vietnam
Nationality	Vietnamese

## **BUSINESS NATURE AND ACTIVITIES**

Trading agricultural products such as cassava, maize, dill, peppercorn

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

#### **IMPORT:**

- Market India...

#### **EXPORT:**

- Market China
- Ratio 100%
- Mode of payment T/T

## **BANKERS**

### **1. VIET NAM BANK FOR AGRICULTURE AND RURAL DEVELOPMENT LAO CAI BRANCH**

Address	No. 003, Hoang Sao Street, Lao Cai City, Lao Cai Province, Vietnam
Telephone	(84-214) 3820078
Fax	(84-214) 3820020

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**2. BANK FOR INVESTMENT AND DEVELOPMENT OF VIETNAM LAO CAI BRANCH**

Address 30/4 Street, Nam Cuong Ward, Lao Cai City, Lao Cai Province, Vietnam  
Telephone (84-214) 3820009

**SHAREHOLDERS**

<b>1. NAME</b>	<b>Ms. TRAN THI KIM CHUNG</b>
Position	Director
Date of Birth	04 Jul 1972
ID Number/Passport	063201199
Permanent Address	No. 030, Group 3, Le Khoi Street, Pho Moi Ward, Lao Cai City, Lao Cai Province, Vietnam
Nationality	Vietnamese
Value of shares	VND 1,000,000,000
Percentage	33.33%
<b>2. NAME</b>	<b>Mr. NGUYEN VAN HOI</b>
ID Number/Passport	063167565
Permanent Address	Pho Moi Ward, Lao Cai City, Lao Cai Province, Vietnam
Nationality	Vietnamese
Value of shares	VND 2,000,000,000
Percentage	66.67%

**FINANCIAL STATEMENTS**

**BALANCE SHEET**

Unit: One VND

Balance sheet date	FYE 31 Dec 2017	FYE 31 Dec 2016
<b>ASSETS</b>		
<b>A – CURRENT ASSETS</b>	<b>4,974,721,518</b>	<b>5,062,012,477</b>
Inventories	0	0
<b>B. LONG-TERM ASSETS</b>	<b>2,750,041,666</b>	<b>2,750,041,666</b>

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<b>TOTAL ASSETS</b>	<b>7,724,763,184</b>	<b>7,812,054,143</b>
<b>LIABILITIES</b>		
<b>A- LIABILITIES</b>	<b>10,004,668,023</b>	<b>10,004,468,023</b>
<b>B- OWNER'S EQUITY</b>	<b>-2,279,904,839</b>	<b>-2,192,413,880</b>
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>7,724,763,184</b>	<b>7,812,054,143</b>

**PROFIT & LOSS STATEMENT**

Description	FYE 31 Dec 2017	FYE 31 Dec 2016
1. Total Sales	21,800	2,276,942,600
2. Net revenue	21,800	2,276,942,600
3. Profit after tax	-87,490,959	-1,795,135,337

**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

## **PAYMENT HISTORY & PERFORMANCE EXPERIENCES**

Trade Morality	Normal
Liquidity	Low
Payment status	Slow
Financial Situation	Weak
Development trend	Negative
Litigation data	No Record
Bankruptcy	No Record
Payment Methods	T/T
Sale Methods	Wholesaler
Public opinion	Limited

## **SUMMARY**

The subject is a limited liability company. It was set up in 2005 by a couple: Mr. Nguyen Van Hoi and Mrs. Tran Thi Kim Chung who is currently Director and legal representative person of the subject. Its charter capital is registered at VND 3 billion.

The subject is specialized in trading agricultural products such as cassava, maize, dill, peppercorn, etc. It collects goods from both local and foreign markets and then, exports to China only.

However, according to revelation from Ms. Hong, accountant, the company does not have import activities in recent time. Now, it runs business as an individual trader and rarely invoices for its customers. Therefore, its revenue was reported at a low level in the financial statement.

Generally, the subject is a small company. Its solvency was humble and financial structure was risky. Caution is needed for any transactions with the subject at the moment.

## **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

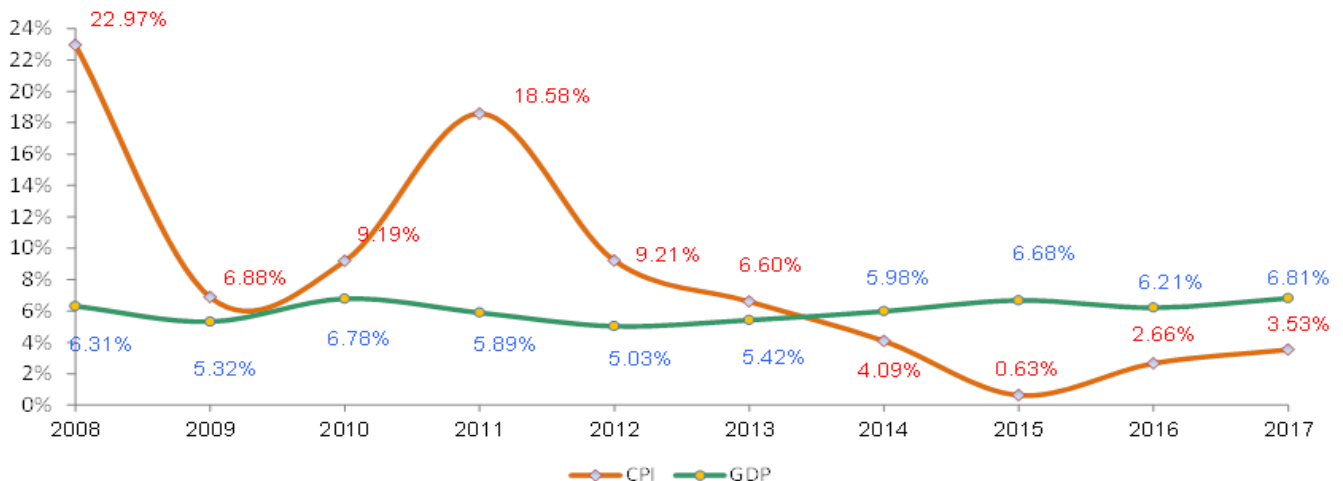


Figure 1: GDP vs. CPI trend in last ten years

Sources: GSO, VietnamCredit

### • Trade Balance

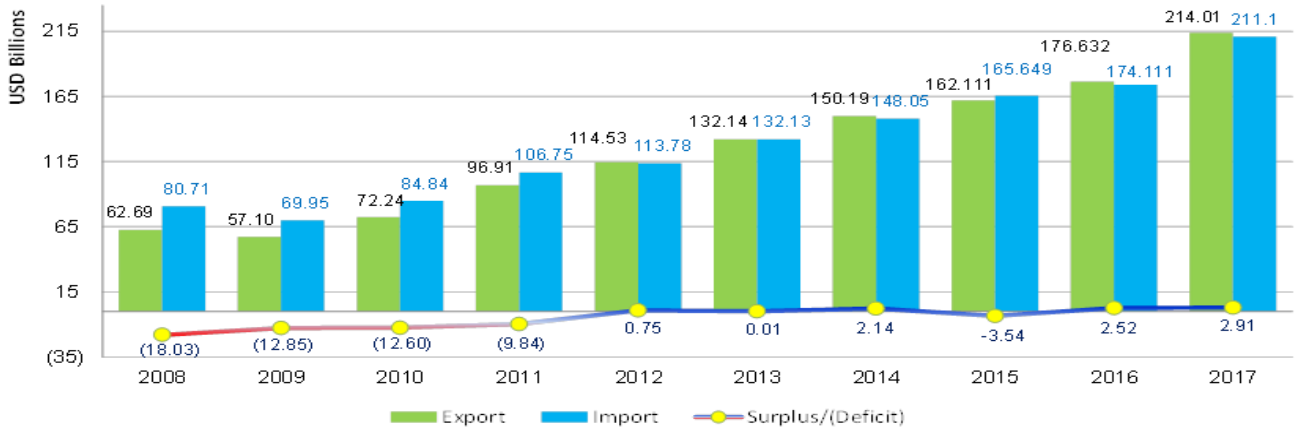


Figure 2: Import – Export balance in last ten years

• Import – Export Value by Major Type of Products

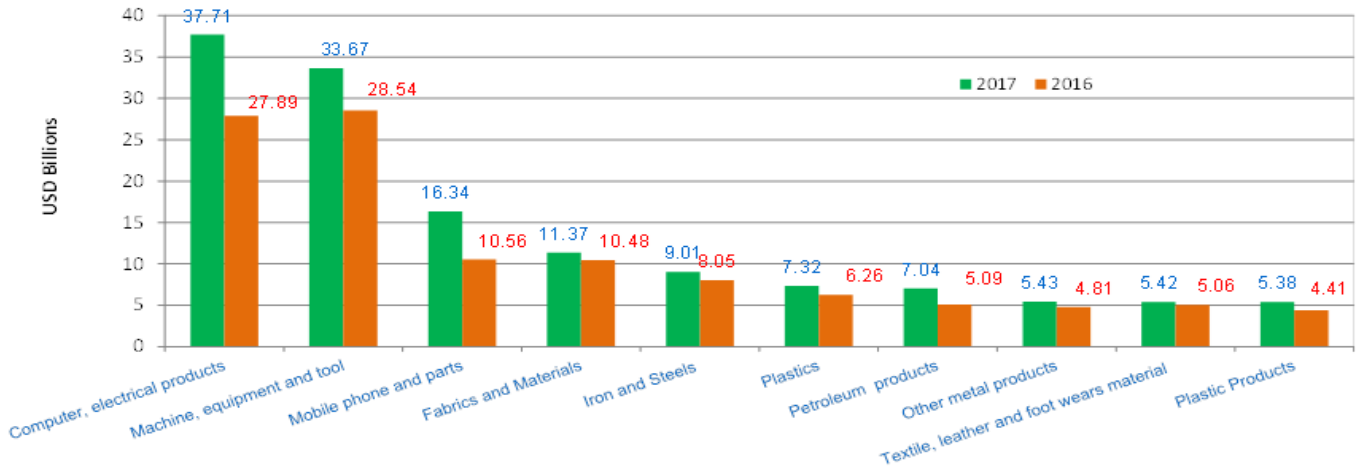


Figure 3: Top ten import products by value in 2016-2017

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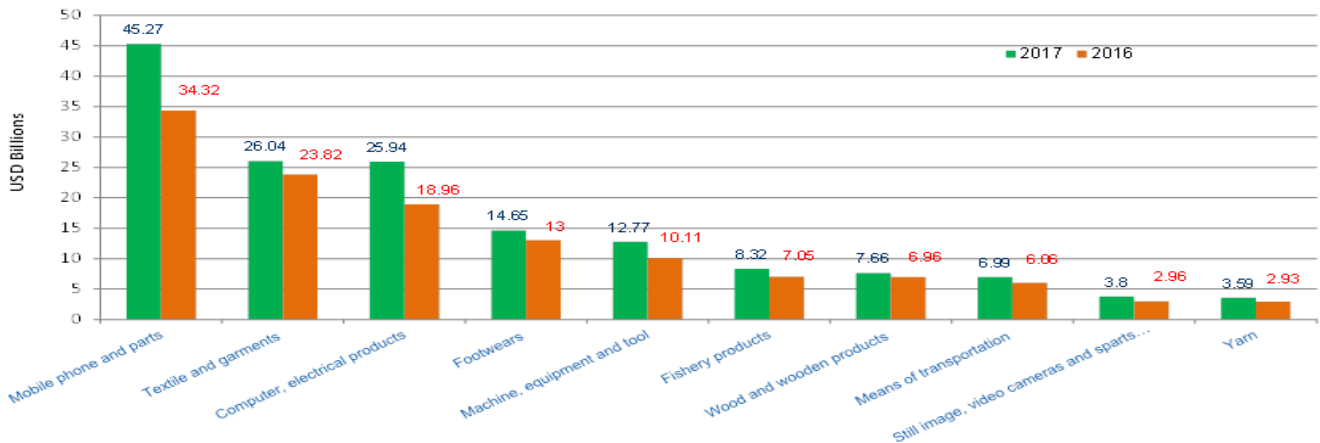


Figure 4: Top ten export products by value in 2016-2017

**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 :	VIVR
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)

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