

## MIRA INFORM REPORT

Report No. :	529426
Report Date :	14.09.2018

### IDENTIFICATION DETAILS

Name :	XUAN XUAN JOINT STOCK COMPANY
Registered Office :	New Hamlet, Duong Lieu Commune, Hoai Duc District, Ha Noi City
Country :	Vietnam
Date of Incorporation :	06.04.2016
Com. Reg. No.:	0107387945
Legal Form :	Joint stock company
Line of Business :	<ul style="list-style-type: none"> <li>• The subject specializes in trading agricultural products such as bean, sesame, peanut, rice</li> <li>• Manufacture of plastics products</li> <li>• Processing and preserving of meat</li> <li>• Processing and preserving of fish, crustaceans and molluscs</li> <li>• Warehousing and storage</li> <li>• Service activities incidental to land and rail transportation</li> </ul>
No. of Employees :	20

**RATING & COMMENTS**

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

**MIRA's Rating :**

B

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

<b>Status :</b>	Moderate
<b>Payment Behaviour :</b>	Slow but Correct
<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

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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

## **GENERAL INFORMATION**

### **Given Information**

Name XUAN XUAN JOINT STOCK COMPANY  
Address New Hamlet, Duong Lieu Commune, Hoai Duc  
Dist, HN

### **Verification**

Correct  
Correct

## **SUBJECT IDENTIFICATION & LEGAL FORM**

### **Current legal status**

English Name XUAN XUAN JOINT STOCK COMPANY  
Vietnamese Name CONG TY CO PHAN XUAN XUAN  
Short name XUAN XUAN ., JSC  
Type of Business Joint stock company  
Year Established 2016  
Business Registration No. 0107387945  
Date of Registration 06 Apr 2016  
Place of Registration Ha Noi Department of Planning and Investment  
Charter capital VND 9,500,000,000  
Listed Company No  
Tax code 0107387945  
Total Employees 20  
Size Small

## **HISTORICAL IDENTIFICATION & LEGAL FORM**

<b>List</b>	<b>Changed Items</b>	<b>Date of changes</b>
1	Subject has got former Charter capital: VND 1 billion Changed to: VND 9.5 billion	2018
2	Subject has got former Shareholders: PHI THI XUAN: 30% NGO VAN XUAN: 30% NGO VAN DUNG: 40% Changed to: PHI THI XUAN: 30% NGO VAN XUAN: 30% NGO VAN HUNG: 40%	2018

## **ADDRESSES**

### **Head Office**

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Address New Hamlet, Duong Lieu Commune, Hoai Duc District, Ha Noi City,  
Vietnam  
Telephone (84-24) 6260 5223  
Email [info@xuanxuanjsc.com](mailto:info@xuanxuanjsc.com)  
Website <http://xuanxuanjsc.com>  
Image 1



Image 2



## **DIRECTORS**

1. NAME	Mr. NGO VAN DUNG
Position	Director
Date of Birth	29 Oct 1987
ID Number/Passport	112271695
Permanent Address	Moi Hamlet, Duong Lieu Commune, Hoai Duc District, Ha Noi City, Vietnam
Nationality	Vietnamese
Tel/Mobile phone	+84 912824880

## **BUSINESS NATURE AND ACTIVITIES**

The subject specializes in trading agricultural products such as bean, sesame, peanut, rice...

Registration business activities:

Manufacture of plastics products  
Processing and preserving of meat  
Processing and preserving of fish, crustaceans and molluscs  
Processing and preserving of fruit and vegetables  
Manufacture of vegetable and animal oils and fats  
Manufacture of dairy products  
Manufacture of grain mill products  
Manufacture of starches and starch products  
Manufacture of bakery products  
Manufacture of sugar  
Manufacture of cocoa, chocolate and sugar confectionery  
Manufacture of macaroni, noodles, couscous and similar farinaceous products  
Manufacture of prepared meals and dishes  
Manufacture of prepared animal, fish, poultry feeds  
Warehousing and storage  
Service activities incidental to land and rail transportation  
Cargo handling  
Retail sale of food in specialized stores  
Retail sale of food stuff in specialized stores  
Sale of motor vehicle parts and accessories  
Wholesale of rice  
Wholesale of food  
Wholesale of textiles, clothing, footwear  
Wholesale of other household products  
Wholesale of other machinery and equipment n.e.c  
Freight transport by road  
Other business support service activities n.e.c

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

### IMPORT:

Types of products	Agricultural products
Market	Germany, Netherland, Thailand, India...
Mode of payment	L/C

### EXPORT:

Note: N/A

## **BANKERS**

### 1. JOINT STOCK BANK FOR FOREIGN TRADE OF VIETNAM

Address	No. 34, Hang Bai Street, Hang Bai Ward, Hoan Kiem District, Ha Noi City, Vietnam
Telephone	(84-24) 3936 2089
Foreign Currency Account	0011374300734
VND Account	0011004300726

### 2. VIET NAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

Address	No. 4B, Le Thanh Tong Street, Ha Noi City, Vietnam
Telephone	(84-24) 38254609
VND Account	118000174918

## **SHAREHOLDERS**

1. NAME	Ms. PHI THI XUAN
Date of Birth	28 Apr 1963
ID Number/Passport	110414038
Permanent Address	Moi Hamlet, Duong Lieu Commune, Hoai Duc District, Ha Noi City, Vietnam
Nationality	Vietnamese
Number of Shares	285,000
Value of shares	VND 2,850,000,000
Percentage	30%
2. NAME	Mr. NGO VAN XUAN
Date of Birth	19 Jul 1963
ID Number/Passport	111974054

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Permanent Address	Moi Hamlet, Duong Lieu Commune, Hoai Duc District, Ha Noi City, Vietnam
Nationality	Vietnamese
Number of Shares	285,000
Value of shares	VND 2,850,000,000
Percentage	30%
<b>3. NAME</b>	<b>Mr. NGO VAN HUNG</b>
ID Number/Passport	001085009408
Permanent Address	New Village, Duong Lieu Commune, Hoai Duc District, Ha Noi City, Vietnam
Nationality	Vietnamese
Number of Shares	380,000
Value of shares	VND 3,800,000,000
Percentage	40%

## **FINANCIAL STATEMENTS**

### **BALANCE SHEET**

**Unit: One VND**

Balance sheet date	FYE 31 Dec 2017	FYE 31 Dec 2016
Standalone company	Whole company	Whole company
<b>ASSETS</b>		
A – CURRENT ASSETS	31,940,601,650	16,461,856,937
IV. Inventories	19,127,427,822	10,164,644,578
B. LONG-TERM ASSETS	0	0
<b>TOTAL ASSETS</b>	<b>31,940,601,650</b>	<b>16,461,856,937</b>
<b>LIABILITIES</b>		
A- LIABILITIES	30,992,401,618	15,484,702,960
B- OWNER'S EQUITY	948,200,032	977,153,977
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>31,940,601,650</b>	<b>16,461,856,937</b>

### **PROFIT & LOSS STATEMENT**

Description	FYE 31 Dec 2017	FYE 31 Dec 2016
1. Total Sales	23,839,406,945	3,022,519,000
3. Net revenue	23,839,406,945	3,022,519,000
18. Profit after tax	-28,953,945	-22,846,023

## **INDUSTRY DATA**

The subject is classified in: Wholesale trade except of motor vehicles and motorcycles (Division 46 of ISIC)

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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 VietnamCredit from annual publish of GSO Vietnam

## **PAYMENT HISTORY & PERFORMANCE EXPERIENCES**

Trade Morality	Normal
Liquidity	Low
Payment status	Slow but correct
Financial Situation	Below Average
Development trend	Developing
Litigation data	No Record
Bankruptcy	No Record
Payment Methods	L/C
Sale Methods	Wholesaler
Public opinion	Normal

## **SUMMARY**

The subject was founded in April 2016 as a joint stock company. It is running under Business Registration No. 0107387945, issued by Ha Noi Department of Planning and Investment. The charter capital is lifted from VND 1 billion to VND 9.5 billion in 2018. The subject is a family company of Director Mr. Ngo Van Dung. Actually, before establishing the subject, the family of Mr. Dung had traded agricultural products for many years.

The subject is located in New Hamlet, Duong Lieu Commune, Hoai Duc District, Ha Noi City, Vietnam. The premises and facilities are fair. There are around 20 people working for the company now.

The subject specializes in trading agricultural products, including bean, peanut, sesame, vermicelli, and kinds of starch from potato, sweet potato, etc. Most of its products are imported from Germany, Netherland and India. The company plays the role as a wholesaler. Its products are supplied nationwide.

Financially, the subject was below average. It was a high growth of net revenue from 3 billion in 2016 to VND 23 billion in 2017 because the subject expanded its business scale in this year. However, the company reported loss in both years. Notably, the subject's liabilities were high in financial structure. It is expected to improve financial structure of the company in 2018 when it increases the charter capital to VND 9.5 billion.

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In short, the subject is a small company and it is on the way for development. The company is able to meet small financial commitments at present.

## **ECONOMIC INDICATORS**

	<b>2017</b>	<b>2016</b>	<b>2015</b>
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

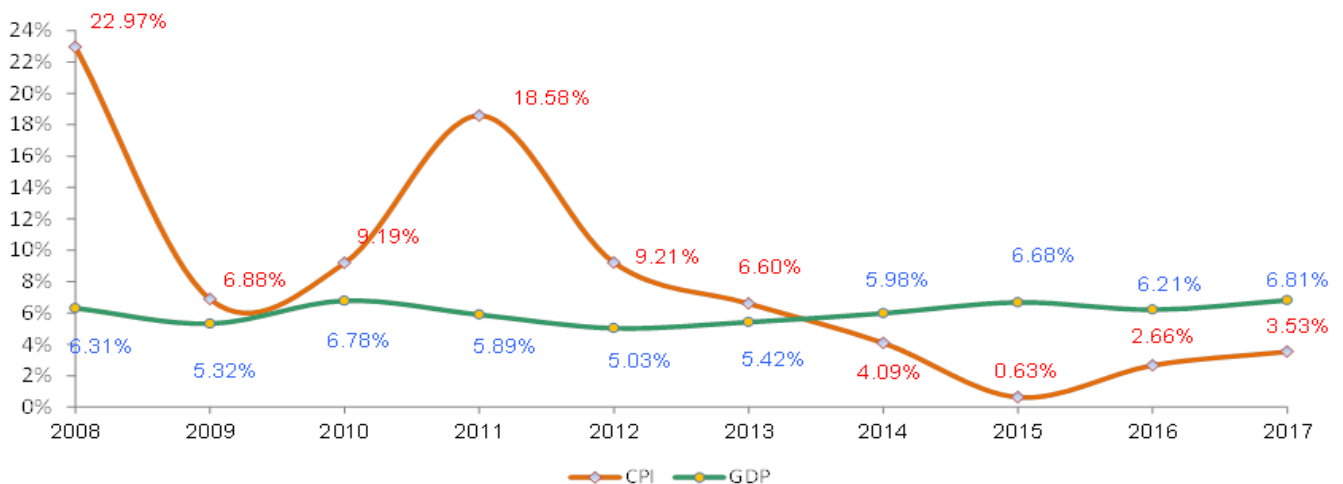


Figure 1: GDP vs. CPI trend in last ten years

Sources: GSO, VietnamCredit

- Trade Balance

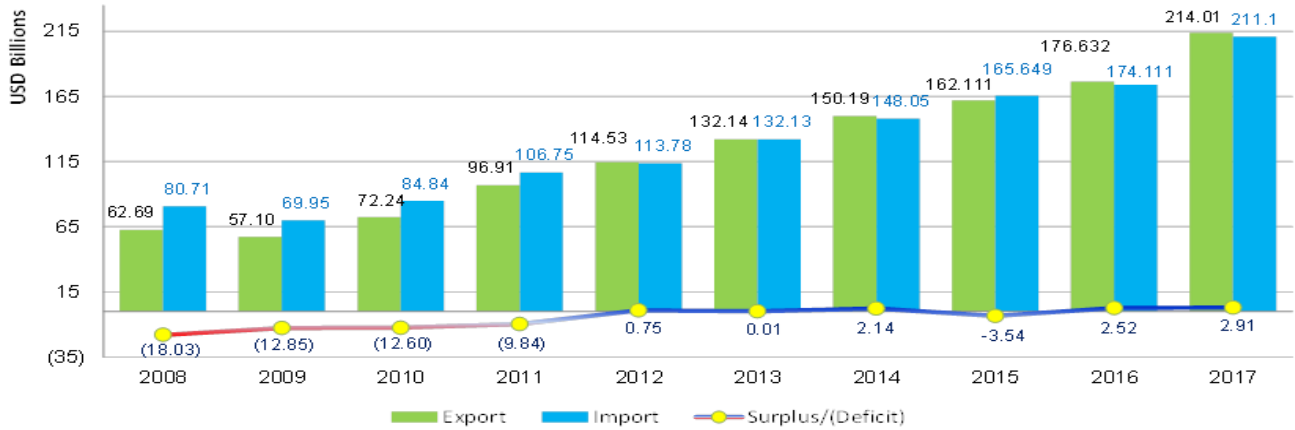


Figure 2: Import – Export balance in last ten years

Sources: Vietnam Customs, VietnamCredit

• Import – Export Value by Major Type of Products

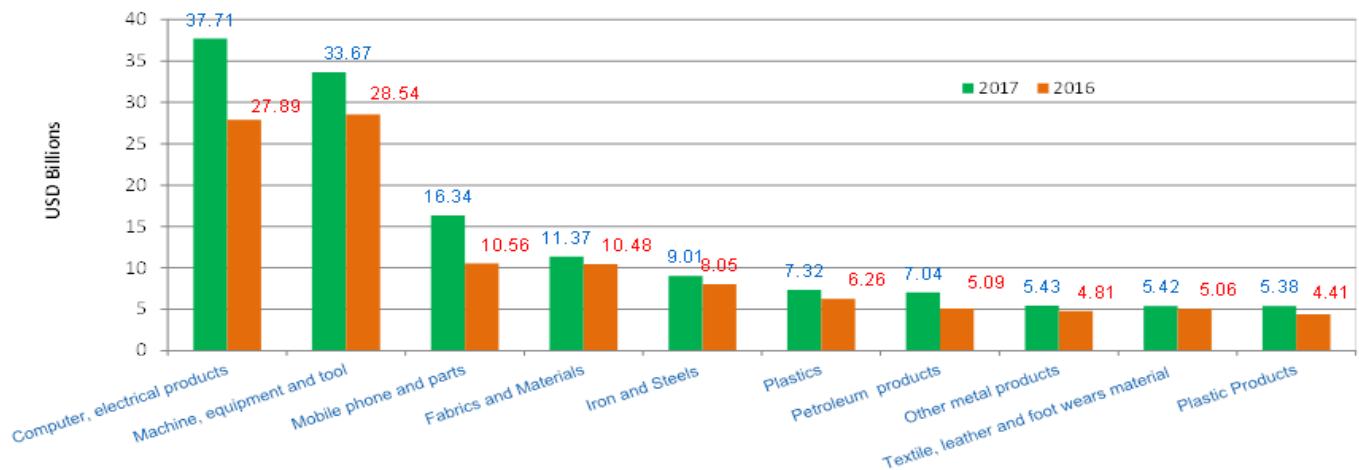


Figure 3: Top ten import products by value in 2016-2017

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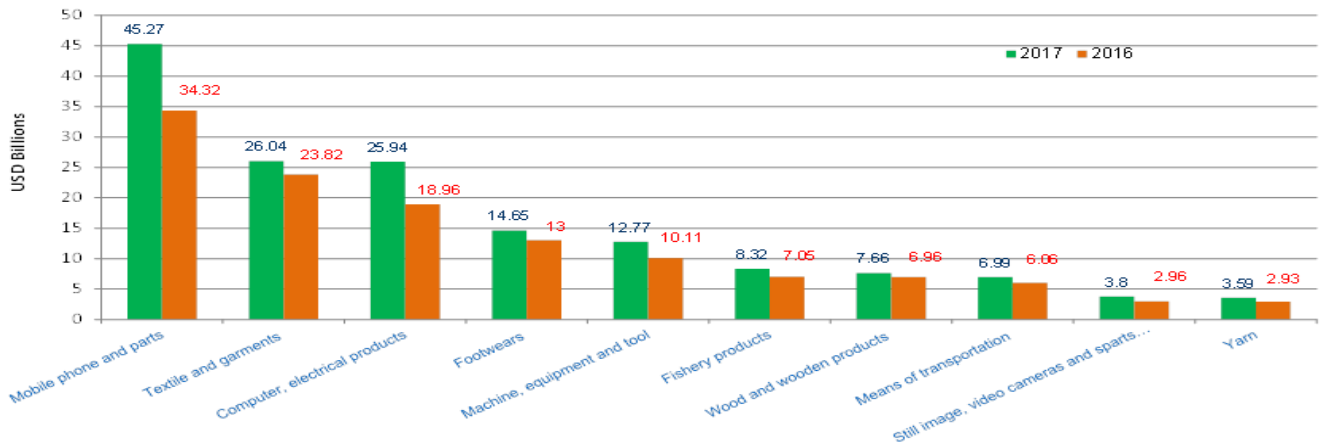


Figure 4: Top ten export products by value in 2016-2017

Data source: GSO, VietnamCredit

**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 72.75
UK Pound	1	INR 94.62
Euro	1	INR 84.32
VND	1	INR 0.0031

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIV
<b>Report Prepared by :</b>	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)