

To: xxx Company

Company research report

(Unlisted company English comprehensive version •
Vietnam accounting standard)

VIETNAM SAMPLE REPORT JOINT STOCK COMPANY

Viet Economic Research & Advisory Corp.

Disclaimer

We, VERAC, endeavored to ensure the accuracy of the information in this report (“The info”). However, the adoption of The info depends on clients’ judgments and responsibilities. In relation to the use of The info, VERAC will be no liability whatsoever for any direct or consequential loss arising. For the dates in the report, in particular, are dates that have been written in official documents, the actual situation might be different. In addition, our company strives to gather The info as much as possible. However, please be noted that it also depends on the development status of such information and statistics of the survey.

Content

1. Company profile	: P 3
2. License - History of registration.	: P 4
3. Products & services - related information	: P 5
4. Banks/ Outstanding Loans	: P 5
5. Industry review	: P 6
6. Board of management and shareholders	: P 9
7. Linkage	: P 10
8. Balance Sheet	: P 11
9. Income Statement	: P 13
10. Financial indicators	: P 14
11. Financial chart	: P 15
12. Credit rating	: P 16
Disclaimer	: P 18

1. COMPANY PROFILE

Company name	VIETNAM SAMPLE REPORT JOINT STOCK COMPANY
Native name	CONG TY CO PHAN VIETNAM SAMPLE REPORT
Registration address	1234 Lang Ha Street, Dong Da District, Hanoi, Vietnam
Operation address	1234 Lang Ha Street, Dong Da District, Hanoi, Vietnam
TEL	84-24.1234-5678
FAX	84-24.1234-5677
Email	info@abc.com.vn
Website	www.abc.com.vn
Established date	31/03/1999
Listed year	unlisted
Tax code	0123456789
Tax code issued date	05/03/2000
Business Registration No.	0123456789
Legal form	Joint Stock Company
Status of business	Normal
Main business lines	Manufacture of electric wire, electric cable, aluminum cable
Authorized capital	VND 4,000,000,000,000- (Contributed Capital 31/12/2018)
Total employees	About 900 persons (DD/MM/YYYY)

2. HISTORY OF REGISTRATION

History of registration

No.	Amendment	Granted date																
1	Change of company's name Previous name: XXXXXXXXXXXXXXXX Current name: XXXXXXXXXXXXXXXX	DD/MM/YYYY																
2	Registered Charter Capital increased Previous Registered Capital: VND XXXXXXXXXXXXX- Current Registered Capital: VND XXXXXXXXXXXXX-	DD/MM/YYYY																
3	Changed of Business Registration No. Previous Business Registration No.: XXXXXXXXXXXX Current Business Registration No.: XXXXXXXXXXXX	DD/MM/YYYY																
4	Change of shareholders Previous shareholders <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;">Name</th> <th style="width: 30%;">Percentage (%)</th> </tr> </thead> <tbody> <tr> <td>Vietnam Sample Corporation</td> <td>65.00%</td> </tr> <tr> <td>Mr. Do Cao Bao</td> <td>19.00%</td> </tr> <tr> <td>Mr. Nguyen Lam Phuong</td> <td>16.00%</td> </tr> </tbody> </table> Current shareholders <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;">Name</th> <th style="width: 30%;">Percentage (%)</th> </tr> </thead> <tbody> <tr> <td>Vietnam Sample Corporation</td> <td>65.25%</td> </tr> <tr> <td>Mr. Do Cao Bao</td> <td>18.75%</td> </tr> <tr> <td>Mr. Nguyen Lam Phuong</td> <td>16.00%</td> </tr> </tbody> </table>	Name	Percentage (%)	Vietnam Sample Corporation	65.00%	Mr. Do Cao Bao	19.00%	Mr. Nguyen Lam Phuong	16.00%	Name	Percentage (%)	Vietnam Sample Corporation	65.25%	Mr. Do Cao Bao	18.75%	Mr. Nguyen Lam Phuong	16.00%	DD/MM/YYYY
Name	Percentage (%)																	
Vietnam Sample Corporation	65.00%																	
Mr. Do Cao Bao	19.00%																	
Mr. Nguyen Lam Phuong	16.00%																	
Name	Percentage (%)																	
Vietnam Sample Corporation	65.25%																	
Mr. Do Cao Bao	18.75%																	
Mr. Nguyen Lam Phuong	16.00%																	

Location

- Type of location: owned
- Area: 15,000 m2

3. PRODUCTS & SERVICES - RELATED INFORMATION

Trading conditions (DD/MM/YYYY)

- Purchasing and procurement situation
 - + Domestic: 60%
 - + Principal items: Materials for production
 - + International: 40%
 - + Principal items: Materials for production (Singapore, Korea, China..)

- Sales
 - + Domestic: about 70%
 - + Major products: Electric wire, electric cable, aluminum cable etc
 - + International: about 30%
 - + Major products: Electric wire, electric cable, aluminum cable etc (China, Japan, Korea, Singapore, Malaysia, Thai, Cambodia ...)

Payment Method

- Domestic: cash, bank transfer
- Overseas: letter of credit, remittances

4. BANKS/ BORROWING SITUATIONS

Names	Location	Outstanding Amount Unit : Mil.VND	Date
Viet Nam Joint Stock Commercial Bank For Industry And Trade (Vietinbank), *** Branch	34 ***** Street, Hoan Kiem District, Hanoi Vietnam Tel: 84-24.1234-5678	Short term borrowings: 4,754	DD/MM/2020

5. INDUSTRY REVIEW *(The figures in the review are fictitious for sample purposes)*

Manufacture of electronic and electric wires and cables

According to the General Statistics Office (GSO), there are 197 companies in the country that produce of other electronic and electric wires and cables at the end of 2018, but 189 companies are actually active.

These companies are mainly concentrated in the two big cities, with 51 based in Ho Chi Minh City and 48 based in Hanoi, accounting for 26% and 24% of the total respectively. Private companies and foreign companies accounted for 73% and 27% of the total, respectively.

The total number of enterprises by source of equity, geography and status of operation

NORM	2016	2017	2018	Unit
Total number of Enterprise	181	177	197	Enterprise
<i>Growth Rate</i>	<i>3%</i>	<i>-2%</i>	<i>11%</i>	
<i>In which (by source of equity)</i>				
- FDI	49	49	53	Enterprise
- State enterprise	-	-	-	Enterprise
- Private enterprise	132	128	144	Enterprise
<i>In which (by geography)</i>				
- Ha Noi	44	46	48	Enterprise
-Ho Chi Minh City	49	50	51	Enterprise
Status				
<i>In operation</i>	178	169	189	Enterprise
<i>Temporary suspension of business operation</i>	3	8	3	Enterprise

The number of total employees at the end of 2018 was 46,745, an increase of 9% over the previous year. The annual income per worker in 2018 is VND 94.88 million, and it has been increasing since 2016, which is a considerably high level compared to other industries.

Total employees by sex, nationality and the average annual wages

NORM	2016	2017	2018	Unit
Total employees	47,053	42,981	46,745	Per.
	<i>6%</i>	<i>-9%</i>	<i>9%</i>	%
<i>In which (by sex)</i>				
- Females	32,597	29,776	32,072	Per.
-Males	14,456	13,205	14,673	Per.
<i>In which (by nationality)</i>				
- Foreigners	165	174	394	Per.
- Vietnamese	46,888	42,807	46,351	Per.
Average annual salary of employee	80.84	91.82	94.88	Million VND
<i>Growth rate</i>	<i>5%</i>	<i>14%</i>	<i>3%</i>	%

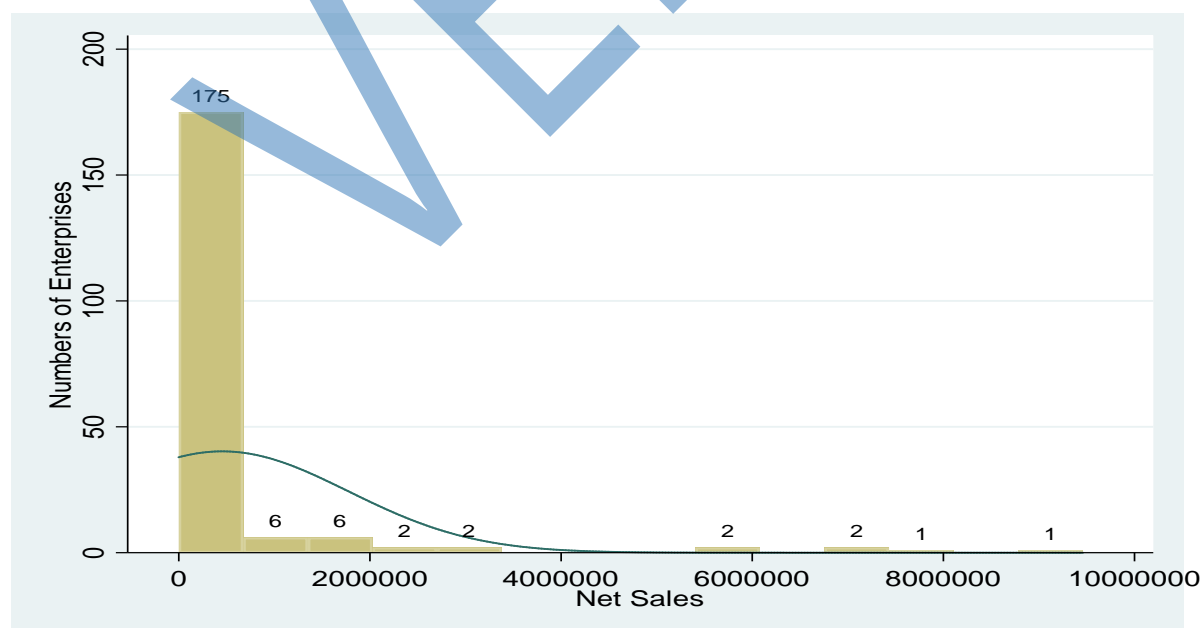
The industry's total assets increased by 25% and -9% and 16% respectively over the three years from 2016 to 2018. Shareholders' equity decreased slightly by 7% in 2016, but increased by 23% and 24% in 2017 and 2018, respectively.

Total sales increased by + 17%, -7% and + 19% over the three years from 2016 to 2018 respectively. The total industry revenue reached VND 89.656.2 billion (about USD 3.9 billion) as of 2018. The industry continued to make a surplus in the three years from 2016 to 2018, and its after-tax profit was growing steadily each year, and increased to VND 2,329,230 in 2018.

Industry Size and Growth Rates

Norm.	2016	2017	2018	Unit
Total Asset	51,726,895	47,319,502	54,983,897	Million VND
<i>Total Asset growth rate</i>	25%	-9%	16%	%
Total Equity	13,134,775	16,219,013	20,111,564	Million VND
<i>Total Equity Growth rate</i>	-7%	23%	24%	%
Total Revenue	81,117,522	75,436,143	89,656,220	Million VND
<i>Total Revenue Growth rate</i>	17%	-7%	19%	%
Total Profit after Tax	1,698,404	1,929,289	2,329,230	Million VND
<i>Total Profit after Tax Growth rate</i>	28%	14%	21%	%

Distribution by annual sales scale (2018)



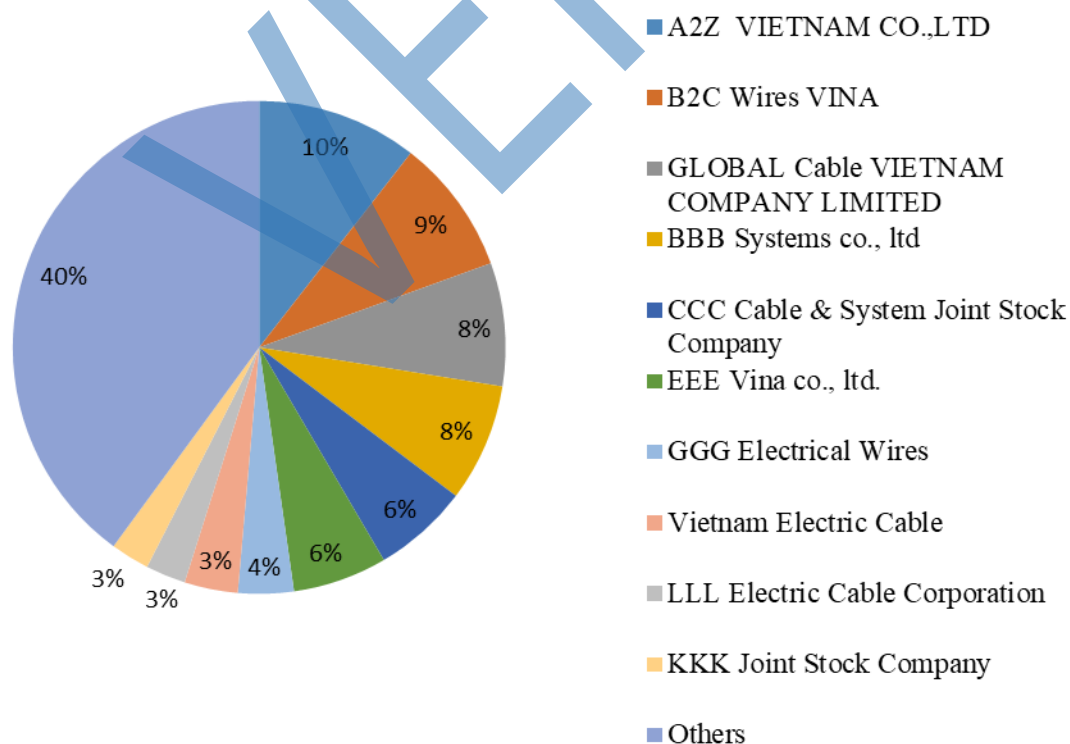
The total sales of the top 10 companies account for 60.0% of the total market, there is actually only few firms dominated the market. The largest company in the industry is A2Z VIETNAM CO.,LTD account for 10 percent of market share with revenue of VND 89,675,920 million in 2018.

Top 10 Enterprise in the Industry by Revenue (2018)

Unit: Million VND

No.	Name	Tax Code	Net Sales
1	A2Z VIETNAM CO.,LTD	XXXXXXXXXX	9,458,452
2	B2C Wires VINA	XXXXXXXXXX	7,989,319
3	GLOBAL Cable VIETNAM COMPANY LIMITED	XXXXXXXXXX	7,245,690
4	BBB Systems co., ltd	XXXXXXXXXX	6,949,263
5	CCC Cable & System Joint Stock Company	XXXXXXXXXX	5,622,260
6	EEE Vina co., ltd.	XXXXXXXXXX	5,543,727
7	GGG Electrical Wires	XXXXXXXXXX	3,274,404
8	Vietnam Electric Cable	XXXXXXXXXX	3,146,042
9	LLL Electric Cable Corporation	XXXXXXXXXX	2,351,430
10	KKK Joint Stock Company	XXXXXXXXXX	2,287,298
	Others		35,808,035
	Total		89,675,920

Market Shares (2018)



6. BOARD OF MANAGEMENT AND SHARE HOLDERS

Board of management (DD/MM/YYYY)

Name	Position	Born	Education	Nationality
Mr. Do Cao Bao	General Director	1957	Bachelor	Vietnamese
Mr. Nguyen Lam Phuong	Deputy General Director	1963	Bachelor	Vietnamese
Mr. Do Son Giang	Chief Accountant	1981	Bachelor	Vietnamese

Major shareholders (DD/MM/YYYY)

Shareholders	Nationality	Percentage of ordinary shares
Vietnam Sample Corporation	Vietnamese	65.25%
Mr. Do Cao Bao	Vietnamese	18.75%
Mr. Nguyen Lam Phuong	Vietnamese	16.00%

7. LINKAGE (DD/MM/YYYY)

Branch/ Factory	Address
Branch	Hanoi, Vietnam
Factory (Area : ****m2)	Hanoi, Vietnam
Sales office	Hanoi, Vietnam
Showroom	Hanoi, Vietnam
Subsidiary	Address
Vietnam Sample Report of Banking & Financing Services Co.,Ltd	Hanoi, Vietnam
Related company	Address
Vietnam Sample Report of Telecom & Public Co.,Ltd	Hanoi, Vietnam

8. BALANCE SHEET

(Unit: Million VND)

	2016	2017	2018
Current asset	2,234,704.0	2,536,108.0	4,063,360.0
Cash and cash equivalents	799,395.0	969,774.0	729,282.0
Short term investment	8,202.0	1,800.0	375,000.0
Trade receivables	517,681.0	567,473.0	681,137.0
Trade prepayment	57,944.0	92,770.0	128,189.0
Other receivables	90,285.0	100,035.0	811,540.0
Provision for bad debts	-134,528.0	-228,350.0	-17,685.0
Inventories	856,935.0	962,627.0	1,214,095.0
Other assets	38,790.0	69,979.0	141,802.0
Long-term assets	3,156,064.0	3,112,533.0	2,512,737.0
Long-term receivables from customers	20,807.0	34,280.0	15,877.0
Other long-term receivables	749,281.0	686,223.0	824.0
Fixed assets	753,707.0	696,401.0	881,500.0
Property investment	37,314.0	36,704.0	44,164.0
Long-term financial investments	1,532,826.0	1,605,226.0	1,517,863.0
Other long - term assets	62,129.0	53,699.0	52,509.0
Total assets	5,390,768.0	5,648,641.0	6,576,097.0

	2016	2017	2018
Liability	133,449.0	141,775.0	244,828.0
Current liability	131,404.0	114,755.0	207,805.0
Short-term borrowings	4,530.0	6,580.0	5,721.0
Trade accounts payable	27,129.0	40,051.0	52,557.0
Advances from customers	27,231.0	8,131.0	15,342.0
Other short-term payables	72,514.0	59,993.0	134,185.0
Long-term liabilities	2,045.0	27,020.0	37,023.0
Long-term accounts payable - Trade	450.0	703.0	916.0
Other long-term payables	365.0	24,217.0	33,567.0
Long - term loans and debts	1,230.0	2,100.0	2,540.0
Equity	5,257,319.0	5,506,866.0	6,331,269.0
Owner's equity	5,192,317.0	5,439,526.0	6,262,360.0
Paid-in capital	4,000,000.0	4,000,000.0	4,000,000.0
Capital surplus	389,066.0	473,216.0	857,990.0
Other capital of owner	12,600.0	65,301.0	43,222.0
Assets revaluation difference	45,031.0	24,465.0	34,722.0
Business development funds	23,790.0	32,145.0	24,782.0
Financial reserved funds	43,900.0	56,700.0	63,400.0
Other fund belong to owner's equity	577,229.0	722,430.0	953,293.0
Retained earnings	50,892.0	14,951.0	234,226.0
Restructure funds	49,809.0	50,318.0	50,725.0
Budgets sources	65,002.0	67,340.0	68,909.0
Minority Interest	0.0	0.0	0.0
Total liability and Equity	5,390,768.0	5,648,641.0	6,576,097.0

9. INCOME STATEMENT

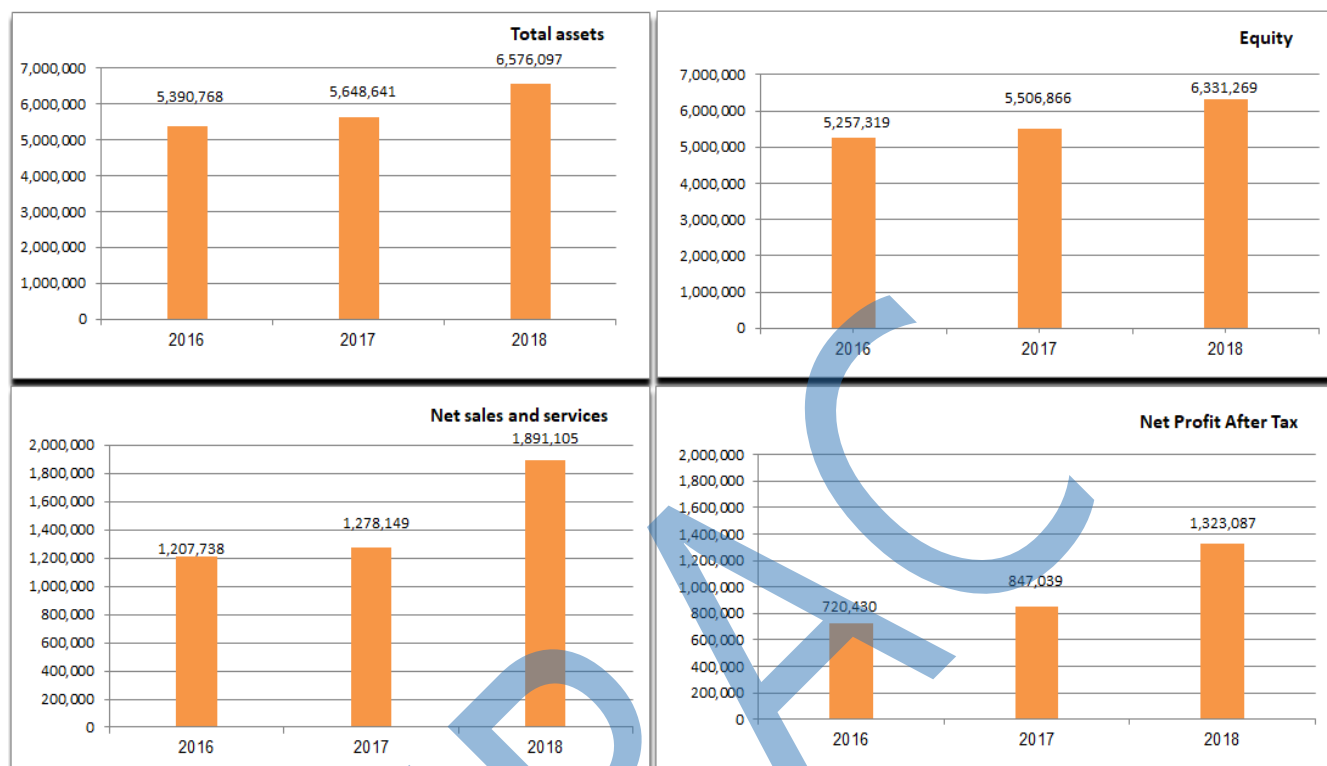
(Unit: Million VND)

	2016	2017	2018
Net sales and services	1,207,738.0	1,278,149.0	1,891,105.0
Cost of goods sold	1,200,223.0	1,210,624.0	1,684,231.0
Gross Profit	7,515.0	67,525.0	206,874.0
Financial income	997,129.0	1,139,494.0	1,431,196.0
Financial costs	40,922.0	67,344.0	1,558.0
Include : Interest expense	221.0	386.0	297.0
Selling expenses	56,922.0	84,814.0	137,457.0
General and Administrative Expenses	166,989.0	204,029.0	137,405.0
Net operating profit	739,811.0	850,832.0	1,361,650.0
Extraordinary income	10,501.0	30,942.0	5,468.0
Extraordinary expenses	20,022.0	24,718.0	33,615.0
Net Profit Before Tax	730,290.0	857,056.0	1,333,503.0
Income tax	9,860.0	10,017.0	10,416.0
Income tax adjustment	0.0	0.0	0.0
Net Profit After Tax	720,430.0	847,039.0	1,323,087.0

10. FINANCIAL INDICATORS

	Ratios	Formula Overview	2016	2017	2018
Profitability ratios	Gross Profit Margin	Gross Profit / Net Sales	0.62%	5.28%	10.94%
	Operating Profit Margin	Operating Profit / Net Sales	61.26%	66.57%	72.00%
	Profit Before Tax Margin	Profit Before Tax/ Net Sales	60.47%	67.05%	70.51%
	Operating Return on Asset	Operating Profit / Asset	13.72%	15.06%	20.71%
	Sales growth	Current net sales/ Previous net sales -1	N/A	5.83%	47.96%
Activity ratios	Asset Turnover	Net Sales/ Asset	0.22	0.23	0.29
	Inventory Turnover Period (monthly)	Inventory / Monthly Sales	8.51	9.04	7.70
	Receivable Turnover Period (monthly)	Receivable/ Monthly Sales	5.14	5.33	4.32
	Payable Turnover Period (monthly)	Payable /Monthly Sales	0.27	0.38	0.33
	Cash Conversion Cycle (monthly)	Monthly Inventory+ Monthly Receivables - Monthly Payables	13.38	13.99	11.69
	Fixed Asset Turnover (monthly)	Fixed Asset/ Monthly Sales	7.49	6.54	5.59
	Financial Leverage Ratios	Equity To Asset Ratio	Equity / Total Asset	97.52%	97.49%
Current Ratio		Liquid Asset / Liquid Debt	1700.64%	2210.02%	1955.37%
Fixed Asset To Equity Ratio		Fixed Asset / Equity	14.34%	12.65%	13.92%
Borrowings To Sales (monthly)		Borrowings / Monthly Sales	5.72%	8.15%	5.24%
Interest Coverage Ratio (times)		Operating Income / Interest expenses	3347.56	2204.23	4584.68

11. FINANCIAL CHARTS (Unit: Million VND)



12. CREDIT RISK EVALUATION

Credit rating is a combination of financial information and non-financial information. These factors include:

Financial information	Non-financial information
Financial status	Principals
Payments	Management
Accumulated profitability	Scale of operations
Growth of revenue	Years in business

CREDIT RATING & RISK ANALYSIS

Year	Credit rating	Description
2016	AA	The company has VERY STRONG capacity to meet its financial commitments but carries a higher risk than AAA companies
2017	A	The company has STRONG capacity to meet its financial commitments, but has less stability than higher rated companies
2018	A	The company has STRONG capacity to meet its financial commitments, but has less stability than higher rated companies

APPENDIX

VIETNAM CREDIT RATING CRITERIAS

Rating	Summary	Description
AAA	Highest	The company has EXCEPTIONAL STRONG capacity for timely payment of all its financial commitments.
AA	Very high	The company has VERY STRONG capacity to meet its financial commitments but carries a higher risk than AAA companies.
A	High	The company has STRONG capacity to meet its financial commitments, but has less stability than higher rated companies
BBB	Good	The company has ADEQUATE capacity to meet financial commitments but has less stability than higher rated companies.
BB	Above Average	The company is expected to be VULNERABLE TO ADVERSE changes in circumstances and economic conditions.
B	Average	The company's stability is expected to be IMPAIRED by adverse changes in circumstances and economic conditions.
CCC	Below Average	The company's capacity for meeting financial commitments is SOLELY RELIANT UPON favorable conditions
CC	Poor	The company manages to operate but posing HIGH default risk.
C	Very Poor	The company is posing VERY HIGH default risk.
D	Default	The company is DEFAULTED

Disclaimer

Viet Economic Research & Advisory Corporation (VERAC) has taken due care and caution in preparing this Report. Information has been obtained from miscellaneous sources, which it considers reliable. However, VERAC does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. VERAC is not liable for reader's decisions, which may be based on the views expressed in this Report. VERAC especially states that it has no financial liability whatsoever to the subscribers/ users/ transmitters/ distributors of this Report. No part of this Report may be published/ reproduced in any form without VERAC's prior written approval.

**Viet Economic Research & Advisory Corp.
(VERAC)**

Address: 11 Huynh Tinh Cua St., Ward 8, Dist.3, Ho
Chi Minh City, Vietnam

Email: info@verac-vn.com

TEL: +84 (28) 3820 6622 / 6633/ 6644