

To: xxx Company

Company research report

(Unlisted company English comprehensive version •
Vietnam accounting standard)

VIENAM SAMPLE REPORT JOINT STOCK COMPANY

VERAC COMPANY LIMITED.

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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 31/12/2020)
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 XXXXXXXXXXXX- Current Registered Capital: VND XXXXXXXXXXXX-	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><thead><tr><th>Name</th><th>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><thead><tr><th>Name</th><th>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
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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. BANK LOAN DETAILS/ DEBT TYPES

No.	Bank name	Location	Term	Classification of debts	Loan	Date
					Million VND	
1	Nam A Commercial Joint Stock Bank (Nam A Bank) - Head Office	No. 201 - 203 Cach Mang Thang Tam Street, Ward 4, District 3, Ho Chi Minh City, Vietnam Tel:+84-28.3929-6699	短期	1	299,900	2021 年 10 月 1 日
			小計		299,900	
2	Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) - Nam Binh Duong Branch	No. 10, Huu Nghi Boulevard, Vietnam - Singapore Industrial Park, Binh Hoa Ward, Thuan An City, Binh Duong Province, Vietnam Tel:+84-27.4375-6172	短期	1	39,150	2021 年 10 月 2 日
			中期	1	1,167	
			小計		40,317	
3	Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank) - Branch No. 9	No. 1 Nguyen Oanh Street, Ward 10, Go Vap District, Ho Chi Minh, Vietnam Tel:+84-28.3894-6449	短期	1	40,000	2021 年 10 月 4 日
			小計		40,000	
4	Vietnam Bank For Agriculture and Rural Development (Agribank) - My Thanh Branch	No. 568A Le Van Viet Street, My Thanh Quarter, Long Thanh My Ward, District 9, Ho Chi Minh City, Vietnam Tel:+84-28.3733-1389	短期	1	26,750	2021 年 10 月 6 日
			小計		26,750	

5	Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) - Nam Binh Duong Branch	No. 121 DT 743B Street, Thong Nhat 1 Quarter, Di An Ward, Di An City, Binh Duong Province, Vietnam Tel:+84-27.4730-7777	短期	1	15,000	2021 年 10 月 9 日
			小計		15,000	
借入額合計					421,967	

※Short term: under 12 months, Medium term: 12 months to 60 months, Long term: above 60 months

※Classification of debts: It is classified into 5 as follows : (1) Current/ Standard, (2) Special mentioned/ Watch, (3) Sub-standard, (4) Doubtful, (5) Bad. In which, (3), (4), (5) are considered as non-performing loans.

5. LOAN SITUATION IN RECENT 12 MONTHS (DD/MM/YYYY)

(Unit: Million VND)

Date	Outstanding debt	Credit Card debt	Total	Increase / decrease
10/2020	120,918	0	120,918	N/A
11/2020	120,950	0	120,950	+32
12/2020	120,950	0	120,950	0
1/2021	120,950	0	120,950	0
2/2021	122,408	0	122,408	+1,458
3/2021	122,317	0	122,317	-91
4/2021	284,164	0	284,164	+161,847
5/2021	299,134	0	299,134	+14,970
6/2021	299,092	0	299,092	-42
7/2021	422,050	0	422,050	+122,958
8/2021	418,509	0	418,509	-3,541
9/2021	421,917	0	421,917	+3,408

(*) : The total debt includes debt in foreign currency that was converted to Vietnamese Dong at the exchange rate on the date of the transaction.

6. BAD DEBT HISTORY IN RECENT 5 YEARS (DD/MM/YYYY)

No bad debts in recent 5 years.

7. 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 2019, 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	2017	2018	2019	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
<i>Status</i>				
<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 2019 was 46,745, an increase of 9% over the previous year. The annual income per worker in 2019 is VND 94.88 million, and it has been increasing since 2017, which is a considerably high level compared to other industries.

Total employees by sex, nationality and the average annual wages

NORM	2017	2018	2019	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>	%

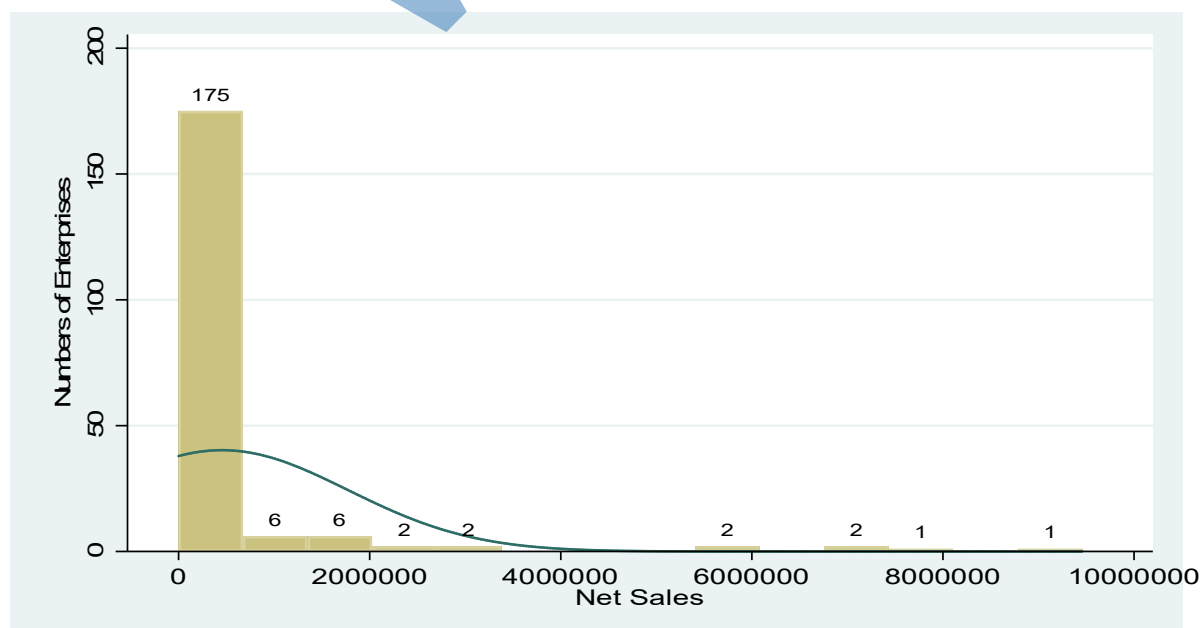
The industry's total assets increased by 25% and -9% and 16% respectively over the three years from 2017 to 2019. Shareholders' equity decreased slightly by 7% in 2017, but increased by 23% and 24% in 2018 and 2019, respectively.

Total sales increased by + 17%, -7% and + 19% over the three years from 2017 to 2019 respectively. The total industry revenue reached VND 89.656.2 billion (about USD 3.9 billion) as of 2019. The industry continued to make a surplus in the three years from 2017 to 2019, 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.	2017	2018	2019	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 (2019)



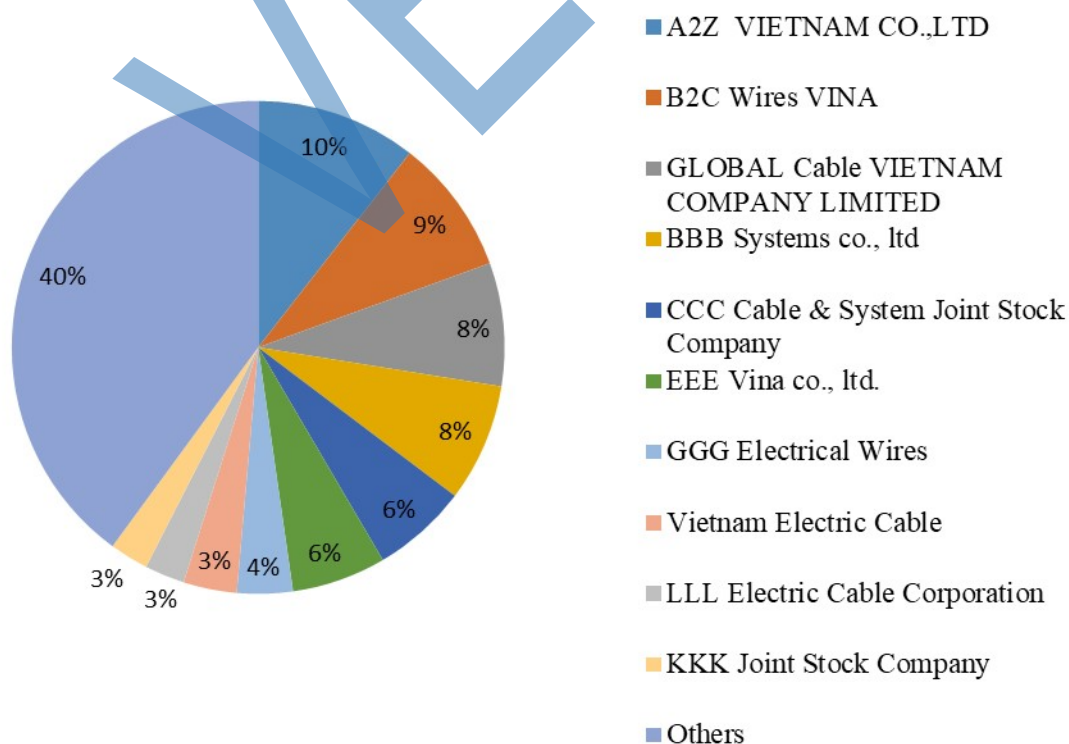
The total sales of the top 10 companies account for 60.0% of the total market, there is actually only few firms dominated the market. The largest company in the industry is A2Z VIETNAM CO.,LTD account for 10 percent of market share with revenue of VND 89,675,920 million in 2019.

Top 10 Enterprise in the Industry by Revenue (2019)

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 (2019)



8. 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%

9. 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

10. BALANCE SHEET

(Unit: Million VND)

	2018	2019	2020
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

	2018	2019	2020
Liability	133,449.0	141,775.0	244,828.0
Current liability	131,404.0	114,755.0	207,805.0
Short-term borrowing and debts	4,530.0	6,580.0	5,721.0
Trade payables	27,129.0	40,051.0	52,557.0
Advances from customers	27,231.0	8,131.0	15,342.0
Other payables	72,514.0	59,993.0	134,185.0
Long-term liabilities	2,045.0	27,020.0	37,023.0
Trade payables	450.0	703.0	916.0
Other payables	365.0	24,217.0	33,567.0
Long term borrowings 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
Contributed equity	4,000,000.0	4,000,000.0	4,000,000.0
Capital surplus	389,066.0	473,216.0	857,990.0
Other owners Equity	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

11. INCOME STATEMENT

	2018	2019	2020
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
In Which: 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 expense	9,860.0	10,017.0	10,416.0
Income tax delay	0.0	0.0	0.0
Net Profit After Tax	720,430.0	847,039.0	1,323,087.0

12. FINANCIAL INDICATORS

	Ratios	Formula Overview	2018	2019	2020
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%	96.28%
	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

13. FINANCIAL CHARTS (Unit: Million VND)



14. 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
2017	AA	The company has VERY STRONG capacity to meet its financial commitments but carries a higher risk than AAA companies
2018	A	The company has STRONG capacity to meet its financial commitments, but has less stability than higher rated companies
2019	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

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