


# COMPREHENSIVE CREDIT REPORT

## GENERAL UNDERSTANDING

Credit Rating		
Company status		Operating (Manufactures, Export and import business)

## SUBJECT IDENTIFICATION & LEGAL FORM

### Current legal information:

<b>English Name</b>		<b>SAMPLE COMPANY</b>
Vietnamese name		<b>SAMPLE</b>
Trade Name		<b>SAMPLE</b>
Type of Business		Single limited liability company
Establishment Decision		18/20YY/QĐ-TTg
Date of Issuance		January 20, 20YY
Place of Issuance		The Cabinet Premier
Business Registration		No. 010400XXXX
Date of Issuance		December 31 <sup>st</sup> 20YY
Place of Issuance		Hanoi Department of Planning and Investment
Registered Capital		VND XX,000,000,000
Tax Code		No. 010010XXXX
Total Employees		1,100 Employees

### Former legal information:

<b>English Name</b>		<b>SAMPLE COMPANY</b>
<i>Vietnamese name</i>		<b>SAMPLE</b>
<i>Trade Name</i>		<b>SAMPLE</b>
<i>Type of Business</i>		<i>State Owned Enterprise</i>
<i>Founded</i>		19YY
<i>Establishment Decision</i>		No. 2XX CNN/TCLD

<i>Date of Issuance</i>		<i>March 24<sup>th</sup>, 19YY</i>
<i>Place of Issuance</i>		<i>The former Ministry of Light Industry (now the Ministry of Industry)</i>
<i>Business Registration</i>		<i>No. 10XXXX</i>
<i>Date of Issuance</i>		<i>April 20, 19YY</i>
<i>Place of Issuance</i>		<i>Hanoi Board of Economic Arbitrators</i>
<i>Registered capital</i>		<i>VND XX,055,000,000</i>
<i>Tax Code</i>		<i>No. 010010XXXX</i>

## ADDRESS

### Head Office

Current address		No. XXX Sample, Hanoi
<i>Former address</i>		<i>No. XX Ngo Sample., Hanoi city</i>
Country		Vietnam
Tel		(84-4) 633 XXXX/ 633XXXX
Fax		(84-4) 633 XXXX/ 971 XXXX
Email		<a href="mailto:sample@hn.vnn.vn">sample@hn.vnn.vn</a>
Website		<a href="http://www.sample.com.vn">www.sample.com.vn</a>

### Factories

#### 1. Sewing Factory No1

Address		No. XXX Sample., Hanoi city
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#### 2. Sewing Factory No2

Address		No. XXX Sample Hanoi city
Tel		(84-4) 862 XXXX

#### 3. Sewing Factory No3

Address		No. XXX Sample., Hanoi city
Tel		(84-4) 978 XXXX

## BUSINESS NATURE AND ACTIVITIES

### The subject focuses on the following activities:

- Producing and trading sample
- Export of sample
- Import of sample

## IMPORT & EXPORT ACTIVITIES

**IMPORT:** The subject imports sample, from Indian, Japan, China, Hong Kong, Korea, Thailand, Canada...It imports machines and technology from Germany, Italy, and Japan.

**EXPORT:** 80 percent of the subject's products are exported and the other 20 percent are supplied for domestic market. Main export markets of the subject are Japan, USA, EU and so on.

## BANKERS

### 1. SAMPLE BANK – SAMPLE BRANCH

Address	No.XXX Sample Hanoi city, Vietnam
Tel	(84-4) 971 XXXX
Fax	(84-4) 971 XXXX
Vietnamese Account	No. 1020100000XXXXX
Foreign Currency Account	No. 1020100000XXXX

### 2. SAMPLE BANK FOR FOREIGN TRADE

Address	No.198 Tran Quang Khai Str, Hoan Kiem Dist., Hanoi city, Vietnam
Tel	(84-4) 825XXXX, 826XXXX
Fax	(84-4) 824XXXX, 826XXXX
Telex	41XXXX VCB VT
Swift	SAMPLE

*Note: Besides, the subject also has banking transaction with Sample Bank ...*

## SHAREHOLDERS

The subject is a State Owned Company with 100 percent share of State.

## FINANCIAL DATA

### BALANCE SHEET

*Unit: USD*

Balance sheet date	31/12/20YY	31/12/20YY	31/12/20YY
Number of weeks	52	52	52
<u>ASSETS</u>			
<b>A – CURRENT ASSETS</b>	<b>1,XXX,359</b>	<b>1,XXX,956</b>	<b>1,XXX,308</b>
<b>I. Cash and cash equivalents</b>	<b>X,161</b>	<b>X,007</b>	<b>XXX,188</b>
1. Cash	X,161	X,007	XXX,188
2. Cash equivalents	0	0	0
<b>II. Short-term investments</b>	<b>0</b>	<b>0</b>	<b>0</b>
1. Short-term investments	0	0	0
2. Provisions for devaluation of short-term investments	0	0	0
<b>III. Accounts receivable</b>	<b>XXX,937</b>	<b>XXX,905</b>	<b>XXX,602</b>
1. Receivable from customers	XXX,653	XXX,486	XXX,966
2. Prepayments to suppliers	XX,211	XX,715	XXX,554
3. Inter-company receivable	0	0	0
4. Receivable according to the progress of construction	0	0	0
5. Other receivable	XX,073	X,704	X,082
6. Provisions for bad debts	0	0	0
<b>IV. Inventories</b>	<b>XXX,574</b>	<b>XXX,953</b>	<b>XXX,672</b>
1. Inventories	XXX,574	XXX,953	XXX,672
2. Provisions for devaluation of inventories	0	0	0
<b>V. Other Current Assets</b>	<b>XX,687</b>	<b>XXX,091</b>	<b>XX,846</b>
1. Short-term prepaid expenses	XX,587	XX,850	XX,602

2. VAT to be deducted	XX,205	XX,478	0
3. Taxes and other accounts receivable from the State	X,702	X,308	0
4. Other current assets	X,193	XX,455	XX,244
<b>B. LONG-TERM ASSETS</b>	<b>3,XXX,186</b>	<b>3,XXX,736</b>	<b>1,XXX,320</b>
<b>I. Long term account receivable</b>	<b>0</b>	<b>0</b>	<b>0</b>
1. Long term account receivable from customers	0	0	0
2. Working capital in affiliates	0	0	0
3. Long-term inter-company receivable	0	0	0
4. Other long-term receivable	0	0	0
5. Provisions for bad debts from customers	0	0	0
<b>II. Fixed assets</b>	<b>3,XXX,675</b>	<b>3,XXX,333</b>	<b>1,XXX,759</b>
1. Tangible assets	3,XXX,991	3,XXX,333	1,XXX,600
<i>Historical costs</i>	6,XXX,823	6,XXX,706	4,XXX,444
<i>Accumulated depreciation</i>	-3,XXX,832	-3,XXX,373	-2,XXX,844
2. Financial leasehold assets	0	0	0
<i>Historical costs</i>	0	0	0
<i>Accumulated depreciation</i>	0	0	0
3. Intangible assets	0	0	0
<i>Initial costs</i>	0	0	0
<i>Accumulated amortization</i>	0	0	0
4. Construction-in-progress	XX,684	0	XX,159
<b>III. Investment property</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Historical costs</i>	0	0	0
<i>Accumulated depreciation</i>	0	0	0
<b>IV. Long-term investments</b>	<b>0</b>	<b>0</b>	<b>0</b>
1. Investments in affiliates	0	0	0
2. Investments in business concerns and joint ventures	0	0	0
3. Other long-term investments	0	0	0
4. Provisions for devaluation of long-term investments	0	0	0
<b>VI. Other long-term assets</b>	<b>XXX,511</b>	<b>XXX,403</b>	<b>XX,561</b>

1. Long-term prepaid expenses	XXX,511	XXX,403	XX,561
2. Deferred income tax assets	0	0	0
3. Other long-term assets	0	0	0
<b>TOTAL ASSETS</b>	<b>4,XXX,545</b>	<b>4,XXX,692</b>	<b>3,XXX,628</b>
<b>LIABILITIES</b>			
<b>A- LIABILITIES</b>	<b>1,XXX,558</b>	<b>1,XXX,979</b>	<b>XX,209</b>
<b>I. Current liabilities</b>	<b>XXX,992</b>	<b>XXX,720</b>	<b>XX,831</b>
1. Short-term debts and loans	XXX,901	XXX,659	
2. Payable to suppliers	XXX,149	XX,329	XX,212
3. Advances from customers	XX,725	XXX,576	346
4. Taxes and other obligations to the State Budget	X,413	XX,704	920
5. Payable to employees	XX,215	X,857	-X,805
6. Accrued expenses	XX,427	XX,310	
7. Inter-company payable	0	0	0
8. Payable according to the progress of construction contracts	0	0	0
9. Other payable	XX,162	X,285	-X,842
10. Provisions for short-term accounts payable	0	0	0
<b>II. Long-Term Liabilities</b>	<b>XXX,566</b>	<b>XXX,259</b>	<b>XX,378</b>
1. Long-term accounts payable to suppliers	0	0	0
2. Long-term inter-company payable	0	0	0
3. Other long-term payable	0	0	0
4. Long-term debts and loans	XXX,566	XXX,259	XX,378
5. Deferred income tax payable	0	0	0
6. Provisions for unemployment allowances	0	0	0
7. Provisions for long-term accounts payable	0	0	0
<b>B- OWNER'S EQUITY</b>	<b>3,XXX,987</b>	<b>3,XXX,713</b>	<b>3,XXX,419</b>
<b>I. Owner's equity</b>	<b>3,XXX,223</b>	<b>3,XXX,962</b>	<b>3,XXX,925</b>
1. Capital	X,000,000	X,000,000	X,000,000
2. Share premiums	0	0	0

3. Other sources of capital	0	0	0
4. Treasury stocks	0	0	0
5. Differences on asset revaluation	0	0	0
6. Foreign exchange differences	0	0	0
7. Business promotion fund	0	0	0
8. Financial reserved fund	0	0	0
9. Other funds	0	0	0
10. Retained earnings	XX,223	XXX,962	XX,925
11. Construction investment fund	0	0	0
<b>II. Other sources and funds</b>	<b>X,764</b>	<b>X,751</b>	<b>X,494</b>
1. Bonus and welfare funds	X,764	X,751	X,494
2. Sources of expenditure	0	0	0
3. Fund to form fixed assets	0	0	0
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>4,XXX,545</b>	<b>4,XXX,692</b>	<b>3,XXX,628</b>

### **PROFIT & LOSS STATEMENT**

Description	FY 20YY	FY 20YY
<b>Revenue</b>	<b>7,XXX,744</b>	<b>7,XXX,634</b>
Deductions Items	XX,476	XX,945
- Discount	0	0
- Devaluation	0	0
- Return of sold goods	0	0
- Turnover tax, Luxury tax & Export tax	XX,476	XX,945
<b>Net Revenue</b>	<b>7,XXX,268</b>	<b>7,XXX,689</b>
Costs of goods sold	6,XXX,840	7,XXX,910
<b>Gross profit</b>	<b>XXX,428</b>	<b>XXX,779</b>
Financial income	X,229	X,382
Financial expenses	XX,304	XX,166
<i>In which: Loan interest expenses</i>	XX,849	XX,785
Selling expenses	XXX,660	XXX,878
Administrative overheads	XXX,633	XXX,159

<b>Net operating profit</b>	<b>-XX,940</b>	<b>XXX,958</b>
Other income	0	X,145
Other expenses	0	X,231
<b>Other profit /(loss)</b>	<b>0</b>	<b>-XX,085</b>
<b>Total accounting profit before tax</b>	<b>-XX,940</b>	<b>XXX,873</b>
Current corporate income tax	0	160
Deferred corporate income tax	0	0
<b>Profit after tax</b>	<b>-XX,941</b>	<b>XXX,713</b>

### **FINANCIAL FACTORS**

Description	20YY	20YY
Current liquidity ratio	X.39	X.56
Quick Liquidity ratio	X.83	X.56
Inventory circle	X.21	XX.78
Average receive period	XX.20	XX.56
Utilizing Asset Performance	X.46	X.46
Liability/ Total Asset (%)	XX.46	XX.99
Liability/ Owner's equity (%)	XX.91	XX.48
Income before tax/ Total asset (%) <b>ROA</b>	-X.56	X.04
Income before tax/ Owner's equity (%) <b>ROE</b>	-X.81	X.12
Income before tax/ Total revenue (%) <b>NPM</b>	-X.35	X.47
Gross Profit / Total revenue (%) <b>GPM</b>	X.37	XX.33

### **PAYMENT HISTORY AND EXPERIENCES**

Trade Morality	Fairly good
Liquidity	Normal
Previous Payments	Normal
Payment status	Average
Past Financial Situation	Fairly
Current Financial Situation	Stable
Litigation Data	No recorded

Bankruptcy	No recorded
Sales methods	Most products of the subject are for order.
Methods of payment	Direct payment or through its corresponding bank, by L/C, TTR, D/P ...

## RATINGS & CREDIT RECOMMENDATIONS

Factor	Criterion	Evaluated Score	Total Score
<b><u>Management Factors</u></b>		<b><u>18</u></b>	<b><u>30</u></b>
	• Organization	6	10
	• Facilities	6	10
	• Management Capabilities	6	10
<b><u>Financial Factor</u></b>		<b><u>25</u></b>	<b><u>40</u></b>
<b><u>Other Factor</u></b>		<b><u>21</u></b>	<b><u>30</u></b>
	• Trademarks	7	10
	• Current Position in the Industry	7	10
	• Future Prospect	7	10
<b><u>Total Evaluated Scores</u></b>		<b><u>64</u></b>	<b><u>100</u></b>

With total scores of **64**, the Subject is graded at: **BBB**

## C&R VIETNAM CREDIT RATING SCORES

Score	Rating	Summary	Description
91-100	<b>AAA</b>	Highest	The company has <b><u>EXCEPTIONAL STRONG</u></b> capacity for timely payment of all its financial commitments.
81-90	<b>AA</b>	Very high	The company has <b><u>VERY STRONG</u></b> capacity to meet its financial commitments but carries a higher risk than AAA companies.
71-80	<b>A</b>	High	The company has <b><u>STRONG</u></b> capacity to meet its financial commitments, but has less stability than higher rated companies
61-70	<b>BBB</b>	Good	The company has <b><u>ADEQUATE</u></b> capacity to meet financial commitments but less stability than higher rated companies.
51-60	<b>BB</b>	Above Average	The company is expected to be <b><u>VULNERABLE TO ADVERSE</u></b> changes in circumstances and economic conditions.
41-50	<b>B</b>	Average	The company's stability is expected to be <b><u>IMPAIRED</u></b> by adverse changes in circumstances and economic conditions.

31-40	<b>CCC</b>	Below Average	The company's capacity for meeting financial commitments is <b><u>SOLELY RELIANT UPON</u></b> favorable conditions
21-30	<b>CC</b>	Poor	The company manages to operate but posing <b><u>HIGH</u></b> default risk.
11-20	<b>C</b>	Very Poor	The company is posing <b><u>VERY HIGH</u></b> default risk
1-10	<b>D</b>	Default	The company is <b><u>DEFAULTED.</u></b>

## INTERPRETATION ON THE SCORES

Sample Company with the trade name of Sample was officially founded since 19YY. It was the first knitting company in Vietnam. The subject started business as a sole member limited liability company at the end of 20YY following the decision No. 18/XXXX/QD -TTg of Vietnam Prime Minister issued on January 20<sup>th</sup> 20YY. Its current legal capital is XX billion VND.

The subject now specializes in manufacture and export of sample. It also focuses on import of fabric, cloths, chemicals, auxiliary materials and equipments for garment and textile industry.

The subject has annual capacity of 6-7 million products, in which 80 percent of its products are for export and the other 20 percent is for Domestic demand. Its main export markets are Japan, America, EU and some Asian countries. In the domestic market, its products are distributed through agent system in almost provinces and cities in the country. Its facilities and premises are good. Its total area is about 40,000 sq meters with 6 members (a knitting factory, a finishing factory and a sewing factory). It plans to build other 2 factories in Hung Yen province in the year 20YY. The subject has total workforce of nearly 1,100 persons, in which, 85 percent of them is skillful workers, 8 percent is engineer and economic BA. Its management capability is good.

The subject's products are the favorite choice of customers. The "Sample" is one of the most famous trademarks in Vietnam. In its development, the subject has gained many achievements. It was granted many awards and certificates from Vietnam government and customers, national and international organizations. The subject has built a standard quality management.

In general, the subject is an effective enterprise in Vietnam garment and textile industry. It is in the progress of development. The financial situation of the subject is good. It has capacity to meet small and normal financial commitments.

**END OF REPORT**