



Credit Report

Your reference : XXXXX
Total number of pages : 12

Subscriber No. : XXXX
Our reference No. : 9XXXXX
Type of report : Standard

Enquiry on : XXXX ZEISS XXXXXXXXXXXXX PTE. LTD.
XXXXXXXXXX Unit X, Clipp Center XXthave.
Cor. XXth St. Bonifacio Globalcity
Taguig City, Philippines

Report Date : April 04, 2023

REPORT ON : **XXXX ZEISS XXXXXXXXXXXXX PTE. LTD.**
XXXXXXXXXX Unit X, Clipp Center XXth Avenue,
Corner, XXth St. Bonifacio Global City,
Taguig City, Philippines

Remarks Ocular visit was conducted at the given address and a company source XXXXX Alampay (Staff) provided us limited information such as, line of business and operation hours. No other information developed.

Score: X (out of 10)

Score Explanation:

It is a financial rating which assesses the probability of companies defaulting within one year.

The assessments are presented over ten distinct positions, each reflecting an average default rate in the coming year: the lower a company's credit score is, the riskier its situation is; the higher its score is, the less risky its situation is.

Different levels and description:

Default	Very high risk			Medium high risk		Low risk				
0	1	2	3	4	5	6	7	8	9	10

0: Insolvency/preliminary/debt regulation proceedings

1: Extremely high risk of insolvency

2: Very high risk of insolvency

3: High risk

4: Significant risk

5: Medium high risk

6: Acceptable risk

7: Moderate risk

8: Low risk

9: Very low risk

10: Excellent risk

CREDIT RECOMMENDATION WITHOUT OBLIGATION

Recommended maximum credit: N/A

SUMMARY

Founded	:	20XX
Legal form	:	Representative Office
Registration date	:	January 24, 20XX
Activity	:	Imported and distributor of industrial and medicine equipment.
Staff	:	N/A
Capital	:	USD 200,400
Annual revenue	:	PHP 146,957,944.00
Total assets	:	PHP 292,185,841.00
Payments	:	No information developed
Litigation record	:	No record found

All figures are shown in PHP unless otherwise stated.

IDENTIFICATION

Company name : XXXX ZEISS XXXXXXXXXXXXX PTE. LTD.
XXXXXXXXXX Unit X, Clipp Center XXth Avenue,
Corner, XXth St. Bonifacio Global City,
Taguig City, Philippines

Tel. : N/A
Fax : N/A
Email : info.sg@XXXXX.com
Website : <https://www.XXXXX.com.sg/>

Registered address : XXXXXXXXXXXX Unit X, Clipp Center XXth Avenue,
Corner, XXth St. Bonifacio Global City,
Taguig City, Philippines

LEGAL FORM

Subject is established as Representative Office on January 24, 20XX

Company Status : Active/Operational
Legal Form : Representative Office
Registry No. : FS201404XXXX
Registry Date : January 24, 20XX
Current Name : XXXX Zeiss XXXXXXXXXXXXX Pte. Ltd.
Former Name (s) : None
Trade Name (s) : None
Tax ID No : 008-693-74X-XXX (Per General Information Sheet)

NATURE OF BUSINESS

Main Activity : Imported and distributor of industrial and medicine equipment.
PSIC : 46592
Market Covered : Local and International

CAPITAL

Per General Information Sheet assigned capital is \$200,400

SHAREHOLDER

N/A

DIRECTORS

N/A

MANAGEMENT**MANAGEMENT INFORMATION****02/24/2020**

NAME	POSITION
XXX, MICHAEL	COUNTRY MANAGER
XXXXX, VENKATACHELAM	DIRECTOR
XXXXXXXXXX, RACQUEL O.	RESIDENT AGENT

List of officers per latest General Information Sheet. Changes, if any, not established.

RESIDENT AGENT

Ms. XXXXXXXXX O. Villarante

HISTORY

Verification with the local registry revealed the following correct registration details as of (March 2, 20XX)

<u>Regulatory Agency</u>	<u>Date Registered</u>	<u>Registration No.</u>	<u>Term</u>
Securities and Exchange Commission	January 24, 20XX	FS201404XXXX	50 years

XXXXXX Southeast Asia celebrated another historic milestone as their new representative office in the Philippines officially opened its doors on 18 June 2014. The new office space is set in the highly urbanized Bonifacio Global City, Taguig.

One of the aims of having an office set up in the Philippines is to cater to the expansion of XXXXXX in the country. Apart from that, the organization would also like to forge even closer relationships with existing business partners and pave roads for new ones.

The Camera Lenses, Industrial Metrology, Medical, Microscopy and Vision Care business groups are currently operating in the Philippines.

ACTIVITY**OPERATIONS****02/24/2020**

Importer and distributor of industrial and medical equipment.

Operation hours is from 9:00 a.m. to 6:00 p.m.

Exists and operational for 5 to 6 years.

Estimated number of employees, 20.

Short-term Loan	PHP		
Current Portion of Long-term Loan	PHP		
Loan from Directors & Related Company	PHP		
Other Current Liabilities	PHP		
Loan from Directors & Related Company	PHP	24,519,899.00	
Long-term Loan (loans/debentures)	PHP		
Other Liabilities	PHP		
Total Liabilities	PHP	347,193,477.00	2,071,427.00
Capital	PHP	9,969,900.00	9,969,900.00
Reserves(share prem & general) + pref shares	PHP		
Minority Interest	PHP		
Retained Earnings	PHP	(64,977,536.00)	3,093,221.00
Total Equity	PHP	(55,007,636.00)	13,063,121.00
Total Liabilities & Equity	PHP	292,185,841.00	15,134,548.00

MANAGERIAL BALANCE SHEET			
Invested Capital	PHP	(30,487,737.00)	13,063,121.00
Cash	PHP	33,712,208.00	12,570,360.00
Working Capital requirement	PHP	(101,904,666.00)	(1,213,523.00)
Net Fixed assets	PHP	37,704,721.00	1,706,284.00
Capital Employed	PHP	(30,487,737.00)	13,063,121.00
ST			
Debt	PHP	0.00	0.00
LT			
Debt	PHP	24,519,899.00	0.00
Net Worth	PHP	(55,007,636.00)	13,063,121.00

INCOME STATEMENT		30-Sep-18	30-Sep-17
Net Sales	PHP	146,957,944.00	
Other Income	PHP		
Interest	PHP		
others	PHP	0.00	0.00
Total Revenues	PHP	146,957,944.00	0.00
COGS	PHP	135,321,722.00	
<i>Gross profit</i>	PHP	<i>11,636,222.00</i>	<i>0.00</i>
Depreciation/amortization (Fixed asset)	PHP		
Amortization (Intangible asset)	PHP		
Selling & Administrative	PHP	110,243,205.00	36,367,189.00
<i>Operating profit (EBIT)</i>	PHP	<i>(98,606,983.00)</i>	<i>(36,367,189.00)</i>
Interest	PHP		

Other Income	PHP		17,062.00
Other exp (Dir remuneration/fx loss)	PHP	702,671.00	
Total Expenses	PHP	246,267,598.00	36,350,127.00
Profit (Loss) before Extra Items	PHP	(99,309,654.00)	(36,350,127.00)
Share of profits in sub	PHP	0.00	0.00
Minority Interest	PHP	0.00	0.00
Other Extra Items	PHP	0.00	0.00
<i>NPBT</i>	PHP	-99,309,654.00	-36,350,127.00
Taxes	PHP	(31,238,897.00)	
Net Profit (Loss)	PHP	(68,070,757.00)	(36,350,127.00)
Ratio Analysis			
Current ratio	times	0.79	6.48
Quick ratio	times	0.46	6.48
Collection period	days	286	#DIV/0!
Payment period	days	870	#DIV/0!
Inventory period	days	284	#DIV/0!
Cash cycle	days	-300	#DIV/0!
Working capital		surplus	#DIV/0!
EBIT / interest	times	-5.34	0.67
Debt / Equity	times	-0.45	0.00
Gross margin	%	7.92%	#DIV/0!
Operating margin	%	-67.10%	#DIV/0!
Net margin (before F/X)	%	-46.32%	#DIV/0!
Return on equity	%	123.75%	-278.27%
Return on assets (before F/X)	%	-23.30%	-240.18%

PAYMENT

Trade Payment Information : No information developed

Payment Record (Bank Loan Exposure) : No record found

MORTGAGE RECORD

N/A

LITIGATION

Negative Record

: Court Case (No record found)

: Delinquent Account (No record found)

NEGATIVE RECORDSOur Database Check (03/02/2020)**CARL ZEISS PHILIPPINES PTE. LTD.**

Report Type	Result	Remarks
Court Case (s)	No record found	
Delinquent Account (s)	No record found	

TRADE INFORMATION

No trade reference developed. Likewise, a trade survey conducted with several possible suppliers did not reveal any trading information.

BANKER

No bank reference developed.

BANK LOAN EXPOSURE FILE

No dealings based on credit exposure report with one million and above dealings under the names "XXXX XXXXX PHILIPPINES PTE. LTD." as of June 30, 20XX.

REMARKS

Ocular visit was conducted at the given address and a company source XXXX Alampay (Staff) provided us limited information such as, line of business and operation hours. No other information developed.

Admin checking and was able to talk with Mr. XXXXXX Bregais (Building Engineer) confirmed that business exists and operational at the given address for 5 to 6 years. No other information developed.

Discreet phone interview was conducted at the given contact number 8553-XXXXXX and a company source Ms. XXX Lim (Regulatory Affairs) confirmed all the information drafted. Other parts of this report were obtained from third party sources, internet checks, government records, and available information in our database.

CREDIT OPINION WITHOUT OBLIGATION

The obligor has ADEQUATE capacity to meet its financial commitments.

MAJOR MACRO ECONOMIC INDICATORS OF Philippines***COUNTRY RISK ASSESSMENT*****Country Risk Assessment: B****MAJOR MACRO ECONOMIC INDICATORS**

	2017	2018	2019 (e)	2020 (f)
GDP growth (%)	6.7	6.2	5.8	6.0
Inflation (yearly average, %)	2.9	5.2	2.5	3.0
Budget balance (% GDP)	-2.2	-2.8	-3.2	-3.5
Current account balance (% GDP)	-0.8	-1.5	-2.5	-2.3
Public debt (% GDP)	39.9	38.9	39.3	39.3

(e): Estimate. (f): Forecast.

STRENGTHS

- Large population that is young (50% is under 25), qualified and with good command of English
- Diverse geographic and sectoral origin of remittances from expatriate workers (10% of GDP)
- Thriving Business Process Outsourcing (BPO) sector
- Poverty reduction (Pantawid Familyang Pilipino Program)

WEAKNESSES

- Inadequate infrastructure levels / low fiscal revenues
- Governance shortcomings and high corruption perceptions
- High levels of income inequality
- Terrorism in the South of the country
- Strict bank secrecy and casinos that facilitate money laundering

RISK ASSESSMENT**Despite headwinds, growth remains enviable**

Growth should pick up in 2020. Household spending (70% of GDP) will remain the main driver of growth. Remittances from expatriate workers (10% of GDP), mainly from the United States and the Gulf countries, should continue to support household consumption, which will also benefit from lower borrowing costs. The Bangko Sentral ng Pilipinas (BSP) implemented a cumulative 75 bps interest rate cut in 2019 and lowered Reserve Requirement Ratios (RRR) by 400 bps. CPI will likely remain within the 2-4% target range in 2020, making it possible for BSP implement an additional 50 bps cuts and lower the RRR by

200 bps in 2020. The higher 7.0% growth target will nonetheless remain elusive. Exports, which account for 30% of GDP, slowed as a result of the US-China Trade War, which compounded with weaker investor sentiment, will continue to impact activity in 2020. The Philippines is exposed via supply chain links and in terms of final demand, as China is the largest export market. Philippines' main exports include parts and components of electronics and electrical machinery (around 60%), followed by agri-food products such as coconut oil and fruit. Investments (25% of GDP) will face some headwinds. Private investment will be subdued on weaker sentiment; while FDI – which accounts for only 2% of GDP – will also remain weak, as corruption perceptions are still a concern for the country. Most of the investment growth will therefore be public, on the back of President Duterte's "Build Build Build" public infrastructure investment project that is expected to regain speed after the 2019 downfall. This should increase growth potential in the medium- to long- term. The Business Process Outsourcing (BPO) and tourism sectors should continue to perform well.

Expansionary fiscal policy will barely touch deficits

The budget balance is expected to deteriorate in 2020, as the rise in revenue will not match the one in spending. Ongoing tax reforms aimed at increasing revenues by levying excise duties (fuel, automotive products, alcohol and tobacco), broadening the VAT base, and implementing higher tax rates for higher income brackets will not be enough to compensate the increase in spending induced by President Rodrigo Duterte's infrastructure programs. Moreover, additional transfers will continue to be made to low income households. Despite the growing imbalance, strong growth should help stabilize the public debt-to-GDP ratio, and almost all of the public debt has medium to long-term maturity, while over two thirds of this debt is held by domestic creditors and denominated in local currency.

The trade deficit will remain high, as the decline in imports, although bigger than the one in exports, is not large enough to offset the structural deficit, which is driven by domestic demand and imported parts for use by industry, especially electronics and information technology outsourcing. A potential increase in energy prices could even lead to a higher deficit, as crude oil remains the largest commodity import; however, this is not our baseline scenario for 2020. Remittances from expatriates, although stagnant, will still offset a big part of it. The resulting current account deficit will be financed by FDIs, although low, due to restrictions, higher production costs than in neighbouring countries, and political uncertainties. Depreciation pressures on the peso should ease somewhat throughout 2020, as the FED is expected to remain on hold, resulting in fewer capital outflows. Foreign exchange reserves will remain adequate, representing around seven months of imports.

Presidential promises facing a reality check

Rodrigo Duterte was elected in May 2016 for a term of six years, succeeding Benigno Aquino. His ethos is twofold: combatting inequalities, and law and order. Like his predecessor, he intends to introduce universal healthcare (currently 93%) and free education from pre-school up to a basic university degree level. Combating drug trafficking, maritime piracy and Islamist terrorist groups (Abu Sayyaf and Maute groups) is the other priority. In this regard, the country is building closer ties with its neighbours, Indonesia and Malaysia. Relations with China have improved significantly under his mandate, even though some tensions linger with relation to territorial disputes in the South China Sea. Despite some successes in fighting radical Islamist groups, the President's high popularity ratings have suffered (75% in approval ratings mid 2019) following a probe on alleged irregularities in the prison system. Duterte's War on Drugs has raised some concerns amongst the international community. Philippines improved in last year's Ease of Doing Business index, but it continues to lag significantly relative to other peers in the region such as Malaysia, Vietnam, Thailand and even Mongolia.

Last update: May 2020

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For further information of country rating and payment experience such as Assets – weaknesses – risk outlook; Industries overview; Insolvency trend; Means of payment and collection methods; and Nonpayment index, please visit our group's official homepage at www.coface.com or go directly to your interest at http://www.coface.com/CofacePortal/COM_en_EN/pages/home/risks_home

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