

MIRA INFORM REPORT

Report No. :	526009
Report Date :	24.08.2018

IDENTIFICATION DETAILS

Name :	GCP APPLIED TECHNOLOGIES (PHILS.) INC.
Formerly Known As :	W. R. GRACE (PHILS.) INC
Registered Office :	Progress Avenue Corner C. A. Yulo, Silangang Canlubang Industrial Park, Brgy. Canlubang, Calamba City, Laguna.
Country :	Philippines
Financials (as on) :	2015
Date of Incorporation :	23.11.1965
Legal Form :	Private Limited Liability Company
Line of Business :	Manufacturing, importing, selling building maintenance & construction materials, and sealing compound
No. of Employees :	Not available

RATING & COMMENTS

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

MIRA's Rating :	B
------------------------	---

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

Status :	Moderate
Payment Behaviour :	Slow but Correct
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Philippines	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

PHILIPPINES - ECONOMIC OVERVIEW

The economy has been relatively resilient to global economic shocks due to less exposure to troubled international securities, lower dependence on exports, relatively resilient domestic consumption, large remittances from about 10 million overseas Filipino workers and migrants, and a rapidly expanding services industry. During 2017, the current account balance fell into the negative range, the first time since the 2008 global financial crisis, in part due to an ambitious new infrastructure spending program announced this year. However, international reserves remain at comfortable levels and the banking system is stable.

Efforts to improve tax administration and expenditures management have helped ease the Philippines' debt burden and tight fiscal situation. The Philippines received investment-grade credit ratings on its sovereign debt under the former AQUINO administration and has had little difficulty financing its budget deficits. However, weak absorptive capacity and implementation bottlenecks have prevented the government from maximizing its expenditure plans. Although it has improved, the low tax-to-GDP ratio remains a constraint to supporting increasingly higher spending levels and sustaining high and inclusive growth over the longer term.

Economic growth has accelerated, averaging over 6% per year from 2011 to 2017, compared with 4.5% under the MACAPAGAL-ARROYO government; and competitiveness rankings have improved. Although 2017 saw a new record year for net foreign direct investment inflows, FDI to the Philippines has continued to lag regional peers, in part because the Philippine constitution and other laws limit foreign investment and restrict foreign ownership in important activities/sectors - such as land ownership and public utilities.

Although the economy grew at a rapid pace under the AQUINO government, challenges to achieving more inclusive growth remain. Wealth is concentrated in the hands of the rich. The unemployment rate declined from 7.3% to 5.7% between 2010 and 2017; while there has been some improvement, underemployment remains high at around 17% to 18% of the employed population. At least 40% of the employed work in the informal sector. Poverty afflicts more than a fifth of the total population but is as high as 75% in some areas of the southern Philippines. More than 60% of the poor reside in rural areas, where the incidence of poverty (about 30%) is more severe - a challenge to raising rural farm and non-farm incomes. Continued efforts are needed to improve governance, the judicial system, the regulatory environment, the infrastructure, and the overall ease of doing business.

2016 saw the election of President Rodrigo DUTERTE, who has pledged to make inclusive growth and poverty reduction his top priority. DUTERTE believes that illegal drug use, crime and corruption are key barriers to economic development. The administration wants to reduce the poverty rate to 17% and graduate the economy to upper-middle income status by the end of President DUTERTE's term in 2022. Key themes under the government's Ten-Point Socioeconomic Agenda include continuity of macroeconomic policy, tax reform, higher investments in infrastructure and human capital development, and improving competitiveness and the overall ease of doing business. The administration sees infrastructure shortcomings as a key barrier to sustained economic growth and has pledged to spend \$165 billion on infrastructure by 2022. Although the final outcome has yet to be seen, the current administration is shepherding legislation for a comprehensive tax reform program to raise revenues for its ambitious infrastructure spending plan and to promote a more equitable and efficient tax system. However, the need to finance rehabilitation and reconstruction efforts in the southern region of Mindanao following the 2017 Marawi City siege may compete with other spending on infrastructure.

Source : CIA

COMPANY NAME

GCP APPLIED TECHNOLOGIES (Phils.) INC.
(Formerly: W. R. Grace (Phils.) Inc.)

ANTECEDENT INFORMATION

Company Name: GCP APPLIED TECHNOLOGIES (PHILS.) INC.

FINDINGS

We conducted research and investigation on GCP APPLIED TECHNOLOGIES (PHILS.) INC. and showed the following, viz:

VERIFICATION WITH SECURITIES & EXCHANGE COMMISSION (SEC): GCP APPLIED TECHNOLOGIES (PHILS. INC.)

Legal Entity - PRIVATE. LIMITED LIABILITY COMPANY

REGISTRATION

(Per General Information Sheet (GIS) filed November 16, 2016)

Certificate No.	:	0000028188
Date	:	November 23, 1965
Term	:	Fifty (50) years
Company Type	:	Stock Corporation
Telephone No.	:	(63) 49 549 7373; 2 441 9602; 884 0305
Fax No.	:	(63) 2 846 0353
Corp. Tax ID No.	:	000 421 680 000
Website	:	www.grace.com

Office/Business Address: Progress Avenue corner C. A. YULO, Silangang Canlubang Industrial Park, Brgy. Canlubang, Calamba City, Laguna.

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

PARENT COMPANY

W. R. GRACE (SINGAPORE) PTE. LTD.

GCP APPLIED TECHNOLOGIES OPERATING CENTER INC.
(Formerly: W. R. GRACE OPERATION CENTER INC.)

(Note: Currency in Philippine Peso, unless otherwise specified)

CAPITALIZATION

Authorized Capital Stock	No. of Shares	Par Value	Amount
Common	59,000	400.00	<u>23,600,000.</u>
Fully Subscribed & Paid Up			
Common	59,000	400.00	<u>23,600,000.</u>

PRIMARY PURPOSE

To acquire, establish, found, construct, own, lease, maintain & operate chemical plant or plants or factories with all shops, foundries, machineries, equipment, tools & or required, necessary, incidental or required in the processing or manufacture of building maintenance & construction materials such as aggregates, cement admixture, paint, bonding agent, hardener, cleaning compound and others, on wholesale basis.

STOCKHOLDERS/DIRECTORS/OFFICERS

Name/Nationality	Position	Amount Paid Up
Tay Pei Pei, Singaporean	Chairman/President	6,000.
Nolasco A. Dorado, Filipino	Vice President	5,600.
Jimmy Ho Peng Hock, Singaporean	Director	5,600.
Joel E. De Villa, Filipino	Director	400.
Annalyn A. Lopez, Filipino	Director	400.
Catherine Beatrice O. King Kay, Fil.	Corporate Secretary	NIL
Deferia C. Lerma, Filipino	Treasurer	NIL
GCP (UK) HOLDINGS LTD., British		6,182,000.
W. R. GRACE (SINGAPORE) PTE. LTD.		<u>17,400,000.</u>
	TOTAL	<u>23,600,000.</u>

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

BUSINESS ACTIVITY

Primarily engage in the business of manufacturing, importing, selling building maintenance & construction materials, and sealing compound. On August 13, 2014, the company's corporate life was extended for another Fifty (50) years, starting November 23, 2015. In February 4, 2016, W. R. GRACE, completed the separation of its operation into 2 independent industry-leading companies, W. R. Grace & Co. and GCP Applied Technologies, Inc. As a result of the separation, the company's ultimate parent company changed to GCP Applied Technologies, a newly incorporated public company in the USA. Subject company is owned by W. R. GRACE & CO. (26%) and W.R. GRACE (SINGAPORE) PTE. LTD. (74%).

Spun off from W. R. Grace & Co. in early 2016, GCP Applied Technologies Inc. is a new, \$1.5 billion, industry-leading public company that will open its doors with customers in more than 110 countries, operations on six continents. The Headquarters and R&D center located in Cambridge, MA, USA.

Extension Office: Northgate Cyberzone, Alabang Hills Village, Muntinlupa City. Manpower complement – Fifty Nine (59) Officers & Rank & File. Contact person: lerma.c.deferio@grace.com

FINANCIAL CONDITION

(Audited Financial Statement for Years 2015 & 2014, as compiled.)

BALANCE SHEET

	2015	2014
ASSETS		
Current Assets		
Cash	167,171,785.	166,693,463.
Trade & Other Receivables, net	156,788,426.	163,391,047.
Due from Related Parties	21,275,124.	70,395,878.
Inventories, net	61,114,152.	101,850,185.
Prepayments & Other Current Assets	<u>48,708,332.</u>	<u>57,246,855.</u>
Total Current Assets	<u>455,057,819.</u>	<u>559,577,428.</u>
Non-Current Assets		
Investment in subsidiary	11,250,500.	11,250,500.
Property & Equipment, net	42,069,267.	44,125,306.
Deferred Tax Assets, net	<u>19,163,572.</u>	<u>14,590,807.</u>
Total Non-Current Assets	<u>72,483,339.</u>	<u>69,966,613.</u>
TOTAL ASSETS	<u>527,541,158.</u>	<u>629,544,041.</u>

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

LIABILITIES AND STOCKHOLDER'S EQUITY

Current Liabilities

Trade and other Payables	98,730,941.	118,951,949.
Due to Related Parties	56,695,220.	80,867,102.
Income Tax Payable	<u>4,562,575.</u>	<u>26,744,867.</u>
Total Current Liabilities	<u>159,988,736.</u>	<u>226,563,918.</u>

Non Current Liabilities

Retirement Benefit Obligation	<u>45,220,141.</u>	<u>34,989,532.</u>
Total Non Current Liabilities	<u>45,220,141.</u>	<u>34,989,532.</u>
TOTAL LIABILITIES	<u>205,208,877.</u>	<u>261,553,450.</u>

Equity

Share Capital	23,600,000.	23,600,000.
Share Premium	201,458,339.	201,458,339.
Retained Earnings	<u>97,273,942.</u>	<u>142,932,252.</u>
Total Equity	<u>322,332,281.</u>	<u>367,990,591.</u>
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY	<u>527,541,158.</u>	<u>629,544,041.</u>

INCOME STATEMENT

SALES, net	<u>768,583,461.</u>	<u>779,163,901.</u>
GROSS INCOME	163,677,797.	161,561,841.
Operating & Selling Expenses	(156,881,175.)	(162,299,866.)
Other Operating Income	<u>29,687,044.</u>	<u>110,379,506.</u>
Income before Income Tax	<u>36,483,666.</u>	<u>109,641,481..</u>
NET INCOME FOR THE YEAR	<u>23,500,310.</u>	<u>76,452,764.</u>

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.07
UK Pound	1	INR 90.26
Euro	1	INR 81.05
PHP	1	INR 1.31

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	SYL

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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)