

## MIRA INFORM REPORT

<b>Report No. :</b>	514511.3
<b>Report Date :</b>	04.07.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	GB GLOBAL EXPREZ INC.
<b>Registered Office :</b>	Block 2, Lot 7, Angeles Industrial Park, Special Economic Zone, Barrio Calibutbut, Bacolor, Pampanga 2001
<b>Country :</b>	Philippines
<b>Financials (as on) :</b>	2015
<b>Date of Incorporation :</b>	02.06.2010
<b>Legal Form :</b>	Private. Limited Liability Corporation
<b>Line of Business :</b>	Subject is engage in the business of manufacturing, production, sub-contracting, export, import, purchase, sale & distribution any form of commodities, goods & merchandise which may be the object of commerce, such as but not limited to cigarette manufacturing processing of tobacco & other related products.
<b>No. of Employees :</b>	Not Available

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

<b>Status :</b>	Moderate
<b>Payment Behaviour :</b>	Slow but Correct
<b>Litigation :</b>	Clear

### NOTES :

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

**ECGC Country Risk Classification List**

<b>Country Name</b>	<b>Previous Rating (31.12.2017)</b>	<b>Current Rating (01.04.2018)</b>
Philippines	A2	A2

<b>Risk Category</b>	<b>ECGC Classification</b>
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

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### **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**

GB GLOBAL EXPREZ INC.

## **COMPANY NAME AND ADDRESS**

Company: GB GLOBAL EXPREZ INC.  
Address: Block 2, Lot 7, Angeles Industrial Park, Special Economic Zone, Barrio Calibutbut, Bacolor,  
Pampanga 2001  
Country: Philippines  
Tel, No.: 0063-2 852 2784  
Fax No.: 0063 2 852 2785  
Service Type: Normal

## **FINDINGS**

We conducted research and investigation on GB GLOBAL EXPREZ INC. and showed the following, viz:

VERIFICATION WITH SECURITIES & EXCHANGE COMMISSION (SEC): GB GLOBAL EXPREZ INC.

LEGAL ENTITY - PRIVATE. Limited Liability Corporation.

REGISTRATION – (Per General Information Sheet (GIS) filed February 10, 2016.)

Certificate No. : CS201008416  
Date : June 02, 2010  
Term : Fifty (50) years  
Company Type : Stock Corporation  
Telephone No. : 0905 213 2772 / 729 0362 / 0925 311 7078  
Fax No. : 729 0362  
Corp. Tax ID No. : 007-783-570

Principal/Business Address: B2 L7, Angeles Industrial Park, Bo. Calibutbut, Bacolor, Pampanga.

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

## **CAPITALIZATION**

(As of 2016)

	Kind of Share	No. of Shares	Par Value per Share	Amount
Authorized Capital Stock -	Common	280,000	100.	<u>28,000,000.</u> vvvvvvvvvv
Fully Subscribed & Paid Up -	Common	280,000	100.	<u>28,000,000.</u> vvvvvvvvvv

## **PRIMARY PURPOSE**

Engage in the business of manufacturing, production, sub-contracting, export, import, purchase, sale & distribution any form of commodities, goods & merchandise which may be the object of commerce, such as but not limited to cigarette manufacturing processing of tobacco & other related products.

## **STOCKHOLDERS/DIRECTORS/OFFICERS**

(For Year 2016)

Name / Nationality	Position	Amount Paid
Gregory G. Lim, Filipino	Chairman & President	27,800,000.
Benson G. Chua, Filipino	Treasurer	80,000.
Elsie A. Oafallas, Filipino	Director	40,000.
Ofelia A. Halasan, Filipino	Director	40,000.
Gendy A. Bambao, Filipino	Director	40,000.
Maria Cristina G. Dayos, Filipino	Corporate Secretary	<u>NIL</u>
	<b>TOTAL</b>	<u>28,000,000.</u> Vvvvvvvvvv

## **BUSINESS ACTIVITY**

(Note: As gathered, the group of Mr. Gregory G. Lim and the rest of the incorporators/officers of GB Exprez are also involved with another company, GB CIGARETTE CO. INC., duly registered with SEC and capitalized with P50 M.)

GB Global Exprez Inc is a tobacco processing and cigarette product manufacturing & trading company located at PEZA, Bacolor, Pampanga. It started commercial operation on January 1, 2011. It is a one hundred percent

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(100%) export manufacturing company. It's clients mostly located in Indonesia, Malaysia, Singapore, Middle East, Thailand and USA. As an export, it is registered with the Philippine Economic Zone Authority (PEZA). Main products: Filter Tubes, Cut-Rolled Expanded Stem (cres), Other related products. Manpower complement - 130 & Rank & File

Email: [rckapulong@yahoo.com](mailto:rckapulong@yahoo.com) / [tinadayos@yahoo.com](mailto:tinadayos@yahoo.com)

Address: Aip-Sez Street, Angeles Industrial Park-Special Economic Zone, Brgy. Calibutbut, Bacolor, 2001 Pampanga

Phone: (045) 624 6459

## ***FINANCIAL CONDITION***

(Audited Financial Statement for years 2015 & 2014, as compiled)  
(Latest on file with SEC.)

### **BALANCE SHEET**

	2015	2014
<b>ASSETS</b>		
Current Asset		
Cash	10,932,031.	5,900,644.
Trade & Other Receivables	33,372,215.	8,336,985.
Inventories	14,952,176.	29,973,056.
Other Current Assets	<u>2,404,067.</u>	<u>768,264.</u>
Total Current Assets	<u>61,660,490.</u>	<u>44,978,948.</u>
Non Current Assets		
Land	1,760,817.	1,760,817.
Property & Equipment	92,118,932.	60,739,439.
Other Non-Current Assets	<u>5,953,584.</u>	<u>782,498.</u>
Total Non Current Assets	<u>99,833,333.</u>	<u>63,282,754.</u>
<b>TOTAL ASSETS</b>	<u>161,493,823.</u>	<u>108,261,702.</u>
	vvvvvvvvvv	Vvvvvvvvvv
<b>LIABILITIES &amp; STOCK</b>		
<b>- HOLDER'S</b>		
Current Liabilities		
Trade & Other Payables	16,298,119.	32,807,418.
Income Tax Payable	2,305,734.	NIL
Other Current Liabilities	<u>21,929,645.</u>	<u>1,400,659.</u>
Total Current Liabilities	<u>40,533,498.</u>	<u>34,208,077.</u>
Non-Current Liabilities		
Advances from Stockholders	NIL	8,364,869.

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***GB GLOBAL EXPREZ INC. - 514511.3 (REVISED REPORT)***

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Loans Payable	<u>45,560,620.</u>	<u>17,481,209.</u>
Total Non-Current Liabilities	<u>45,560,620.</u>	<u>25,846,078.</u>
<b>TOTAL LIABILITIES</b>	<b><u>86,094,118.</u></b>	<b><u>60,054,155.</u></b>
Equity		
Share Capital	28,000,000.	28,000,000.
Retained Earnings	<u>47,399,705.</u>	<u>20,207,548.</u>
Total Equity	<u>75,399,705.</u>	<u>48,207,548.</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>161,493,823.</u></b> vvvvvvvvvv	<b><u>108,261,702.</u></b> Vvvvvvvvvv

**INCOME STATEMENT**

<b>SALES</b>	<b>177,650,411.</b>	<b>112,811,657.</b>
Gross Profit	46,205,926.	30,179,743.
Other Income	625,710.	277,430.
	46,831,636.	30,457,173.
Distribution Cost	(2,899,436)	(1,406,281)
Administrative Expenses	(9,792,353)	(7,932,810)
v Total Expenses	12,691,789.	9,339,091.
Net Profit	34,139,847.	21,118,082.
Less: Finance Cost	(4,553,460)	(1,380,553)
Income before Income Tax	29,586,387.	19,737,529.
<b>NET INCOME</b>	<b>27,276,090.</b> vvvvvvvvvvvvvv	<b>19,737,529.</b> vvvvvvvvvvvv

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.69
UK Pound	1	INR 90.34
Euro	1	INR 80.02
PHP	1	INR 1.28

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIV
<b>Report Prepared by :</b>	DNS

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**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)