

MIRA INFORM REPORT

Report No. :	520356
Report Date :	19.07.2018

IDENTIFICATION DETAILS

Name :	FDC MISAMIS POWER CORP.
Registered Office :	Phividec Industrial Estate , Villanueva Misamis Oriental 9002
Country :	Philippines
Financials (as on) :	2015
Date of Incorporation :	16.11.2009
Legal Form :	Private. Limited Liability Corporation
Line of Business :	Power Generation. To invest in and/or undertake or participate in the development, design, establishment, construction, building, operation, maintenance and/or transfer or in the rehabilitation, operation, lease and transfer of diesel, gas turbine coal and/or steam power plants, and other power generating plants if any type and any related facilities.
No. of Employees :	158

RATING & COMMENTS

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

MIRA's Rating :	B
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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

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NOTES :

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

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



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http://www.miraglobalcheck.com
http://www.miraglobalcollections.com

COMPANY NAME

FDC MISAMIS POWER CORP.

ANTECEDENT INFORMATION:

Company: FDC MISAMIS POWER CORP.
Address: PHIVIDEC Industrial Estate , Villanueva Misamis Oriental 9002
Country: Philippines
Telephone No.: +(63) (2) 5751649
Service Type: Normal

FINDINGS

We conducted research and investigation on FDC MISAMIS POWER CORP. and showed the following, viz:

VERIFICATION WITH SECURITIES & EXCHANGE COMMISSION (SEC): FDC MISAMIS POWER CORP.

LEGAL ENTITY - PRIVATE. Limited Liability Corporation.

REGISTRATION – (Per General Information Sheet (GIS) filed June 24, 2016.)

Certificate No. : CS200917847
Date : November 16, 2009
Term : Fifty (50) years
Company Type : Stock Corporation
Telephone No. : (632) 575 1600
Fax No. : (632) 819 6131
Corp. Tax ID No. : 007-475-436-000
Email : corpcomm@fdcutilities.com
Maria Leonora M. Cotture <leonora.cotture@fdcutilities.com>

Principal Office/Business Address: PHIVIDEC Industrial Estate , Villanueva, Misamis Oriental

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

CAPITALIZATION -

Kind of No. of Par Value

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	Share	Shares	per Share	Amount
Authorized Capital Stock	- Common	- 20,000,000	- 100.	2,000,000,000
	Preferred	- 52,500,000	- 100.	<u>5,250,000,000.</u>
				<u>7,250,000,000.</u>
				vvvvvvvvvvvvvv
Subscribed	- Common	- 8,790,006	100.	879,000,600.
	Preferred	- 52,500,000	100.	<u>5,250,000,000.</u>
				<u>6,129,000,600.</u>
				vvvvvvvvvvvvvv
Paid-Up	- Common	- 8,790,006	100.	879,000,600.00
	Preferred	- 39,326,819.78	100.	<u>3,932,681,977.99</u>
				<u>4,811,682,577.99</u>
				vvvvvvvvvvvvvvvv

PARENT COMPANY: - FDC UTILITIES INC.

PRIMARY PURPOSE: - Power Generation. To invest in and/or undertake or participate in the development, design, establishment, construction, building, operation, maintenance and/or transfer or in the rehabilitation, operation, lease and transfer of diesel, gas turbine coal and/or steam power plants, and other power generating plants if any type and any related facilities.

STOCKHOLDERS/DIRECTORS/OFFICERS (For Year 2016)

Name / Nationality (All Filipinos)	Position	Amount Paid
Mercedes T. Gotianum		100.
Andrew T. Gotianum	Vice Chairman	100.
Lourdes Josephine Gotianum-Yap		100.
Jonathan T. Gotianum		100.
Jesus N. Alcordo	Chairman	100.
Mario R. Pangilinan	President/CEO	100.
Daniel L. Ang Tan Chai	Treasurer	100.
Michael Edward T. Gotianum		NIL
Maria Leonora M. Cotture	CFO	NIL
Juan Eugenio L. Roxas	Senior Vice Pres.	NIL
Valentin S. Nepomuceno	Asst. Vice Pres.	NIL
Zaldy B. Oliquino	Vice President	NIL
Albert D. Sagun	Vice President	NIL
Crispin D. Lamayan	Vice President	NIL
Roderick Z. Fernandez	Vice President	NIL
Arnel V. Lajada	Vice President	NIL
Sharon P. Pagaling-Refuerzo	Corporate Secretary	NIL
Renato R. Vehemente	Asst. CorSec.	NIL
FILINVEST DEVELOPMENT CORP.		3,932,681,977.99

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FDC UTILITIES INC.		<u>878,999,900.00</u>
	TOTAL	<u>4,811,682,577.99</u>
		vvvvvvvvvvvvvvvv

(Note: For Executive Profiles please see Other Information below)

BUSINESS ACTIVITY

Subject firm is a wholly owned subsidiary of FDC Utilities Inc., its parent company, which is the utilities and infrastructure arm of the Filinvest Development Corporation (FDC), the immediate parent company. The ultimate parent company is A. L. GOTIANUM INC. The Group are domiciled and incorporated in the Phils.

FDC Misamis Power (formerly Green Renewable Power Holdings, Inc. then Strong Field Energy Corp.) is a special purpose company established to undertake the development and operation of the 3 x 135 MW circulating fluidized bed coal fired thermal power plant.

The plant began operating on September 22, 2016 at an estimated cost of P30 billion, or about US\$700 million. The power plant is located along Phividec By-Pass Road, Barangays Tambobong and Balancanas, Municipality of Villanueva, in Misamis Oriental. Awarded the engineering, procurement, & construction (EPC) contract to First Northeast Electric Power Engineering Corp., a subsidiary of China Energy Engineering Group.

Total Manpower complement – 158 (officers, supervisors & rank & file.

FINANCIAL CONDITION

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

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BALANCE SHEET

	2015	2014
	ASSETS	
Current Asset		
Cash & Cash Equivalent	5,142,128,896.	2,296,970,109.
Trade Receivables	1,008,088,956.	2,013,845,011.
Other Current Assets	<u>2,338,210,823.</u>	<u>450,153,663.</u>
Total Current Assets	<u>8,488,428,675.</u>	<u>4,760,968,783.</u>
Non Current Assets		
Property, Plant & Equipment	23,442,402,116.	6,615,900,885.
IPP (*) Administrator Rights	8,255,117,385.	9,393,673,108.
Advances to Contractors, Consultants – net	NIL	
Portion		123,697,581.
Deferred Tax Assets	67,048,434.	10,820,312.
Other Non-Current Assets	<u>3,248,457.</u>	<u>3,236,575.</u>
Total Non Current Assets	<u>31,767,816,392.</u>	<u>16,147,328,461.</u>
TOTAL ASSETS	<u>40,256,245,067.</u>	<u>20,908,297,244.</u>
	vvvvvvvvvvvv	vvvvvvvvvvvv
	LIABILITIES & CAPITAL DEFICIENCY	
Current Liabilities		
Due to Related Parties	2,140,920,020.	959,301,140.
	719,379,556.	748,375,500.
Deposit for future stock subscription	5,537,815,303.	3,552,647,303.
Current portion – IPP (*)Admin. Contract	<u>1,364,318,122.</u>	<u>1,473,720,830.</u>
Total Current Liabilities	<u>9,762,433,001.</u>	<u>6,734,044,773.</u>

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Non-Current Liabilities		
Retention Payable		
	1,966,119,234.	419,043,333.
Liability on IPP (*) Admin. contract - net of		
current portion	7,081,933,104.	7,822,450,973.
Long Term Debt		
	21,559,833,301.	5,942,777,363.
Total Non-Current Liabilities	<u>30,607,885,639.</u>	<u>14,184,271,669.</u>
TOTAL LIABILITIES	<u>40,370,318,640.</u>	<u>20,918,316,442.</u>
Capital Deficiency		
Capital Stock	4,000,600.	4,000,600.
Deposit for future stock subscription		
	23,998,800.	23,998,800.
Deficit	(142,072,973.)	(38,018,598.)
Total Deficiency	(114,073,573.)	(10,019,198.)
TOTAL LIABILITIES & CAPITAL DEFICIENCY	<u>40,256,245,067.</u>	<u>20,908,297,244.</u>
	vvvvvvvvvvvvvv	Vvvvvvvvvvvvvv

(*) Independent Power Procedure

INCOME/LOSS STATEMENT

NET LOSS	(104,054,375.)	(23,756,491.)
Other Comprehensive Income	<u>NIL</u>	<u>NIL</u>
TOTAL COMPREHENSIVE LOSS	<u>(104,054,375.)</u>	<u>(23,756,491.)</u>
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OTHER INFORMATION

JESUS N. ALCORDO

Chairman, FDC Misamis Power Corp.; FDC UTILITIES, INC. & SINAG GLOBAL ENERGY. Education: Columbia University, New York, Executive Program in Business Administration, 1975; University of San Carlos, Cebu City, Bachelor of Science in Chemical Engineering, 1961; President & CEO , Global Business Power Corporation, 2007-2010.

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ANDREW T. GOTIANUM, JR.

served as Chairman and President of Pacific Sugar Holdings Corporation. Founded Filinvest group of companies; Chairman of Filinvest Alabang, Inc. and EastWest Banking Corporation. Serves as Executive Vice President of Filinvest Land Inc. then as Vice Chairman of Filinvest Land, Inc since May 9, 2014. Mr. Gotianun holds a Bachelor of Science degree from Republican College in 1981.

ANDREW LO GOTIANUM, SR.

A Chinese Filipino entrepreneur who had a net worth of US\$900 million in 2015. He ran the Filinvest Development Corporation which owns most of Filinvest Land, Inc. and East West Banking Corporation. Gotianun also focuses on biofuels and has acquired two sugar mills and a plantation. He made a living from salvaging ships at the end of the Second World War. Several years later, he became involved in an automobile dealership. Later still, in 1955, he founded Filinvest Development Corporation a company which became engaged in real estate in 1967. Gotianun and his wife, Mercedes, temporarily retired from business activities in the 1980s

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.57
UK Pound	1	INR 89.73
Euro	1	INR 79.74
PHP	1	INR 1.29

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

INFORMATION DETAILS

Analysis Done by :	PRA
Report Prepared by :	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)