

MIRA INFORM REPORT

Report No. :	536278
Report Date :	27.10.2018

IDENTIFICATION DETAILS

Name :	HYCO LABORATORIES CO. INC.
Registered Office :	1195-1199 Jose Abad Santos Avenue, Tando, Manila
Country :	Philippines
Financials (as on) :	2015
Date of Incorporation :	27.06.1976
Legal Form :	Private Limited Liability Company
Line of Business :	Subject to engage in the business & selling, manufacturing, importing, exporting, or otherwise dealing in food colors, essences, flavors, chemicals and food products.
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 :	No Complaints
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 (30.06.2018)	Current Rating (30.09.2018)
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

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.

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 AND ADDRESS

ANTECEDENT INFORMATION

Company: HYCO LABORATORIES CO. INC.
Address: 1195-1199 Jose Abad Santos Avenue, Tando, Manila
Country: Philippines
Service Type: Normal

FINDINGS

We conducted research and investigation on HYCO LABORATORIES CO. INC. and showed the following, viz:

VERIFICATION)WITH SECURITIES & EXCHANGE COMMISSION (SEC): HYCO LABORATORIES CO. INC.

Legal Entity - **PRIVATE. LIMITED LIABILITY COMPANY**

REGISTRATION – (Per General Information Sheet (GIS) for Year 2016, filed on May 20, 2016)

- a) Certificate No. : 0000068337
- b) Date : June 27, 1976
- c) Term : Fifty (50) years
- d) Company Type : Stock Corporation
- e) Telephone No. : (632) 253 3440
- f) Corp. Tax ID No. : 000 320 032 000
- g) Email : hycolabcoinc320@yahoo.com.ph

Address: 1195-1199 Jose Abad Santos Avenue, Tondo, City of Manila

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

CAPITALIZATION - (As of May 20, 2016)

	Amount	No. of Shares
Authorized Capital Stock	- 200,000,000.	- 2,000,000 - Common
Amount Subscribed	- 131,000,000.	- 1,310,000 - Common
Amount Paid Up	- 130,250,000.	- 1,302,500 - Common
Par value per Share	- 100.	

PRIMARY PURPOSE: Manufacture of food colors and other food additives.

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.

STOCKHOLDERS/DIRECTORS/OFFICERS

Name/Nationality (All Filipinos)	Position	Amount Paid-Up
Dennis K. Chua	Chairman/President	34,349,900.
Jassen K. Chua	Treasurer/Director	32,009,700.
Eric K. Chua	Corp. Sec./Director	32,010,400.
Denise D. Chua	Director	100.
Lennie L Chua	Director	100.
Jaclyn L. Chua	Director	100.
Billie K. Chua	Vice President./Director	<u>31,879,700.</u>
Total		<u>130,250,000.</u> vvvvvvvvvvv

BUSINESS ACTIVITY

Continue to engage in the business & selling, manufacturing, importing, exporting, or otherwise dealing in food colors, essences, flavors, chemicals and food products. Registered with Phils. FDA, as Food Manufacturer, per LTO Number : CFRR-NCR-FM-3071. Validity : 13/02/2020 Class FM. Company's warehouse located at No. 23 1st Avenue, Bagong Bayan, Taguig City.

As gathered, Hyco Laboratories Co. was established in 1952 as General Partnership, under SEC Certificate No. P000003995. The registration certificate expired. Subsequently, another Hyco Laboratories Co. per SEC certificate No. P000025172 as General Partnership, was dissolved.

Products Lines – Flavoring Extracts; Spices; Hyco Natural Spices & Seasoning Powder. Aromatic compound. Telephone Nos. (632) 253 0915; 253 3442; 253 3456; 253 3448; 253 3439
Fax No. (632) 256 1644
Contact Person: Dennis Zero Chua

(Note: There is a company, identified as HI-Q COMMERCIAL INC., with principal office/business address, the same as that of HYCO LABORATORIES. Thru phone verification @ tel. # 253 3440, it was confirmed, as an existing affiliated company of Subject firm. However, upon checking with SEC, no record appear in their Listings.)

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.

FINANCIAL CONDITION

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

BALANCE SHEET

	2015	2014
Current Asset		
Cash & Cash Equivalent	252,819,401	211,219,748
	.	.
Trade & Other Receivables	18,907,206.	8,620,970.
Inventories	2,202,378.	6,770,830.
Prepayments & Other Current Assets	<u>232,245.</u>	<u>1,868,842.</u>
Total Current Assets	<u>274,161,229</u>	<u>228,480,390</u>
	:	.
Non Current Assets		
Investment Property	11,151,921.	11,151,921.
Property & Equipment, net	131,000,593	132,264,897
	.	.
Deferred Input Tax	<u>2,971,250.</u>	<u>4,870,552.</u>
Total Non Current Assets	<u>145,123,764</u>	<u>148,287,370</u>
	:	=
Total Assets	<u>419,284,994</u>	<u>376,767,760</u>
	:	=
	Vvvvvvvvvv	vvvvvvvvvv
	:	v

LIABILITIES & STOCKHOLDER'S EQUITY

Current Liabilities		
Trade & Other Payables	3,102,593.	5,780,817.
Income Tax Payable	13,923,798.	10,356,514.
Total Current Liabilities	<u>17,026,391</u>	<u>16,137,331.</u>

Non Current

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		
Long Term Liabilities	<u>22,122,326.</u>	<u>18,510,935.</u>
Total Non Current Liabilities	<u>22,122,326.</u>	<u>18,510,935.</u>
Total Liabilities	<u>39,148,717.</u>	<u>34,648,266.</u>
Equity		
Share Capital	130,250,000.	130,250,000.
Retained Earnings	249,886,277.	211,869,494.
Total Equity	<u>380,136,277.</u>	<u>342,119,494.</u>
Total Liabilities & Equity	<u>419,284,994.</u>	<u>376,767,760.</u>
	vvvvvvvvvvvv	vvvvvvvvvvvv

INCOME STATEMENT

SALES	<u>184,241,933.</u>	<u>181,112,528.</u>
Gross Income	78,153,656.	61,298,671.
Operating Expenses	(<u>23,847,657.</u>)	(<u>20,972,986.</u>)
Income from Operation	<u>54,305,999.</u>	<u>40,325,685.</u>
Other Income (Expense)	<u>2,619.</u>	<u>987.</u>
Net Income before Tax	<u>54,308,617.</u>	<u>40,326,673.</u>
NET INCOME	<u>38,016,818.</u>	<u>28,228,987.</u>

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.37
UK Pound	1	INR 94.05
Euro	1	INR 83.40
PHP	1	INR 1.37

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

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	POJ

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)