

MIRA INFORM REPORT

Report No. :	527314.2
Report Date :	04.09.2018

IDENTIFICATION DETAILS

Name :	ISOC HOLDINGS INC.
Registered Office :	No. 20, N. Domingo St., Brgy. Valencia, Quezon City
Country :	Philippines
Date of Incorporation :	12.04.2017
Legal Form :	Stock Corporation
Line of Business :	Not Available [We tried to confirm / obtain the detailed activity but the same is not available from any sources]
No. of Employees :	Not Available

RATING & COMMENTS

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

MIRA's Rating :

C

Credit Rating	Explanation	Rating Comments
C	Medium High Risk	Business dealings permissible preferably on secured basis

Status :	Relatively New Business
Payment Behaviour :	Unknown
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.

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 AND ADDRESS

Company Name: ISOC HOLDINGS INC.
Address : 6/F HANSTON Building, F. Ortigas Jr. Road, Ortigas Center Pasig, Manila
Service Type : Normal

FINDINGS

We conducted research and investigation on ISOC HOLDINGS INC. and showed the following, viz:

VERIFICATION WITH SECURITIES & EXCHANGE COMMISSION (SEC): ISOC HOLDINGS INC.

Legal Entity - STOCK CORPORATION

REGISTRATION – (Based on SEC Listings)

Certificate No. : CS201712833
Date : April 12, 2017
Term : Fifty (50) years
Company Type : Stock Corporation

General Information Sheet (GIS) and Financial Condition are not available.

(Note: Per SEC Tender Offer Report showed Bidder's ISOC HOLDINGS INC., address at No. 20 N. Domingo St., Brgy. Valencia, Quezon City. It is also, the address of MEGAWIDE CONSTRUCTION CORP.)

We conducted further research and investigation on ISOC HOLDINGS INC. and showed the following results, as gathered from various sources, viz:

1. Found contact no. 09362057625 – Ringing, no response. Contact no. of office building, as well as, that of building developer, not available.
2. Email: hr@isocholdings.com.ph

Officers –

Jesus (Jess) Chua III

- President at ISOC Holdings, Inc., from Sept. 2017 to present
- CEO - Megawide Land, from Nov 2016 – Present
- MUFG Securities, Southeast Asia Investment Banking / Capital Markets, in Singapore from May 2011 – Nov 2016
- Director, RBS Global Banking & Markets (formerly ABN AMRO), Asia High Yield Capital Markets in Hongkong, from June 2006 – May 2011
- HSBC, Debt Capital Markets 2003 – 2006

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- Education - Harvard Business School; Stanford University

Angelito Santillan, III

- Operations Manager at ISOC Holdings - Cold Chain Logistics. Experience:
- Depot Manager, Crystal Cold Storage, 2013-2017. Warehouse/Consultant, LAZADA. Demonstrated history of working in the warehousing industry, Production Management, Retail, Management, and Warehouse Operations. Analytical thinking and process driven.

MICHAEL COSIQUIEN

- Civil Engineer, graduated BS Engineering in DLSU, Manila.
- Chairman & Co-Founder, MEGAWIDE CONSTRUCTION CORPORATION, that started as a residential property contractor. The company has grown and has interest in airport operation, transport and power generation. In 2017, he ranked No. 29 in Philippine Richest worth \$385 Million, according to Forbes Magazine.

OTHER FINDINGS

From various reliable sources, we gathered the following, viz:

1. ISOC Holdings, Inc. was founded in 2017. Parent organization: Megawide Construction Corporation
Subsidiary: Ferronoux Holdings
2. ISOC Holdings, Inc. is a venture with a goal to use innovation technology to venture into identified key verticals, such as – Logistics, Property, Energy, Infrastructure
3. Media Report - December 03, 2017 Megawide unit buying majority of AG Finance –
“... ISOC Holdings Inc., a holding company owned by Megawide Construction Corp. chairman and chief executive Michael Cosiquien and his family, has acquired a 67-percent stake in listed dormant firm AG Finance Inc., paving the way for a possible backdoor listing...” “.....ISOC will conduct a tender offer to acquire the balance of 33 percent held by minority shareholders in AG Finance. Formed in April 2017, ISOC is considering transforming AG Finance into a real estate, energy or logistics firm either directly or indirectly operating as a holding company. ISOC is currently building a 2,412 square-meter cold storage facility...” “...Megawide is among the country’s leading contractors for residential, commercial, hotel and mixed-use projects. It has assets in construction, airport, and progressive property development.”
4. Media Report - July 29, 2018 - Manila Times - ISOC Infra is affiliated with ISOC Holdings (ISOC), a company led by Megawide co-founder Michael Cosiquien. ISOC’s infra arm is intended to venture into technology and innovation-based solutions not just in the telecommunications space, but also in other sectors of the infrastructure industry.
5. Media Report: March 28, 2018 – “A Malaysian leading telecommunication network solution provider, OCK Group Berhad, through its owned subsidiary, OCK VIETNAM TOWER PTE. LTD., has entered into an MOU Agreement with ISOC Infrastructure Inc., to pursue tower business opportunities in the Philippines.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.77
UK Pound	1	INR 92.36
Euro	1	INR 82.14
PHP	1	INR 1.33

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

INFORMATION DETAILS

Analysis Done by :	PRI
Report Prepared by :	KET

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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)

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