

MIRA INFORM REPORT

Report No. :	529319
Report Date :	12.09.2018

IDENTIFICATION DETAILS

Name :	MCKEN SALES INT'L. CORP.
Registered Office :	623 Asuncion St., Binondo, Manila 1308
Country :	Philippines
Financials (as on) :	2015
Date of Incorporation :	16.06.1994
Legal Form :	Private. Limited Liability Company
Line of Business :	Subject Engaged in buying, selling, distributing, wholeselling & retail all kinds of goods and agricultural products. To enter to all kinds of contracts for the export/import, at wholesale & retail.
No. of Employees :	Not Available

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

NOTES :

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

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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

MCKEN SALES INT'L. CORP.

ANTECEDENT INFORMATION

Company: MCKEN SALES INT'L. CORP.
Address: 623 Asuncion St., Binondo, Manila 1308
Country: Philippines
Service Type: Normal

FINDINGS

We conducted research and verification on MCKEN SALES INT'L. CORP. Hereunder our report, viz:

LEGAL ENTITY - Private. Limited Liability Company.

VERIFICATION WITH SECURITIES & EXCHANGE COMMISSION (SEC): MCKEN SALES INT'L. CORP.

REGISTRATION – (Per General Information Sheet filed June 15, 2016.)

(Note: Latest available on file.)

- a) Certificate No. : AS94005437
- b) Date : June 16, 1994
- c) Term : Fifty (50) years
- d) Corp. Tax No. : 003 886 429
- e) Type of Organization : Stock Corporation

Principal/Office Address: 513 M. De Santos St., Tondo, Manila

PRIMARY PURPOSE -

Engaged in buying, selling, distributing, wholeselling & retail all kinds of goods and agricultural products. To enter to all kinds of contracts for the export/import, at wholesale & retail.

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

CAPITALIZATION

	<u>No. of Shares</u>	<u>Par Value/share</u>	<u>(Php) Amount</u>	:
Authorized Capital Stock :				
Common	- 20,000	- 100.00.	- <u>2,000,000.</u>	
Subscribed & Paid Up	- 5,000	- 100.00	- <u>500,000.</u>	

SHAREHOLDERS/DIRECTORS/OFFICERS

<u>Name/Nationality/Designation</u>	<u>Paid – Up (Php)</u>
Bee Suan Lim Uy - Chairman/President	262,400.
Bee Lu Sy Lim - Director	62,500.
Wilson C. Uy - Vice President	174,900.
Kendrick Uy - Corporate Secretary	100.
Jimmy Bulleser - Treasurer	100.
TOTAL	<u>500,000.</u> Vvvvvvvv

(Note: Stockholders/Officers are all Filipinos.)

BUSINESS ACTIVITY

Subject company started operation in year 1988, as Single Proprietorship. Incorporated in 1994. It concentrated on food line for 5 years and when its distribution channels was firm up, it decided to expand into non-food products, such as, agricultural products, stationeries, chemicals, raw materials, promotional items, food items, furnitures. Imports from US, Canada, South Africa, Vietnam, India, Burma, Australia, Indonesia, China, Korea, Thailand & Taiwan. In Year 2002, when Spa and Fitness centers started to sprout, Mcken decided to further expand into Spa and Fitness business, HIGH END SPA & FITNESS CENTER. Sales of Fitness Equipment from local source had pushed Mcken towards the acceptance on the Exclusivity of Cybex Fitness equipment, Health and Spa Equipment, Rubber Flooring, Anti- Slip Floor Treatment, U.S. brand Marix Fitness equipment, JD Rubber Flooring etc., between year 2004 to 2011. . Latest is the distributorship of Japan Daikin Airconditioner for residential and industrial requirements.

Number of Officers & Employees, not available.

Present Main Office Address: G/F Hollywood Square Building, 33 West Avenue, Quezon City, Metro Manila

FormerOffice Address 1: 623 Asuncion St., Binondo, Manila

FormerOffice Address 2: 513 M. De Santos St., Tondo, Manila.

FormerOffice Address 3: Ayala Blvd., Ermita, Manila

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FINANCIAL CONDITION

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

BALANCE SHEET

	2015	2014
Assets		
Current Assets		
Cash Equivalent	1,496,714.	1,154,165.
Other Assets	<u>5,100,243.</u>	<u>6,335,634.</u>
Total Current Assets	<u>6,596,957.</u>	<u>7,489,798.</u>
Non - Current Assets		
Property, Plant & Equipment	<u>1,525,002.</u>	<u>1,725,002.</u>
Total Non - Current Asset	<u>1,525,002.</u>	<u>1,725,002.</u>
TOTAL ASSETS	<u>8,121,959.</u>	<u>9,214,800.</u>
Liabilities & Stockholder's Equity		
Current Liabilities		
Trade & Other Payables	<u>672,615.</u>	<u>2,918,173.</u>
Total Current Liabilities	<u>672,615.</u>	<u>2,918,173.</u>
TOTAL LIABILITIES	<u>672,615.</u>	<u>2,918,173.</u>
Equity		
Paid Up Capital	<u>500,000.</u>	<u>500,000.</u>
Retained Earnings:		
- Appropriated	6,800,000.	5,700,000.
- Unappropriated	<u>149,344.</u>	<u>96,628.</u>
Total	<u>6,949,344.</u>	<u>5,796,628.</u>
Total Equity	<u>7,449,344.</u>	<u>6,296,628.</u>
TOTAL LIABILITIES & STOCKHOLDERS EQUITY	<u>8,121,958.</u>	<u>9,214,800.</u>

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STATEMENT INCOME

REVENUES	<u>204,118,352.</u>	<u>218,615,429.</u>
Gross Profit	4,836,210.	4,950,164.
Selling/Admin Expenses	(3,189,473.)	(3,182,780.)
Income before Tax	<u>1,646,738.</u>	<u>1,767,384.</u>
NET INCOME	<u>1,152,717.</u>	<u>1,237,169.</u>
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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupee
US Dollar	1	INR 72.32
UK Pound	1	INR 94.42
Euro	1	INR 84.08
PHP	1	INR 1.33

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

INFORMATION DETAILS

Analysis Done by :	NIY
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)