

MIRA INFORM REPORT

Report No. :	532985
Report Date :	06.10.2018

IDENTIFICATION DETAILS

Name :	TECNIMONT PHILIPPINES INC
Registered Office :	Jgc Phils Inc., Ground Floor 2109 Prime St., Madrigal Business Park, Ayala Alabang, Muntinlupa City
Country :	Philippines
Date of Incorporation :	13.02.2018
Legal Form :	Private. Limited Liability Company
Line of Business :	manufacturer of polyolefins High Density Polyethylene unit (HDPE)
No. of Employees :	Not Available

RATING & COMMENTS

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

MIRA's Rating :	NB
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Credit Rating	Explanation	Rating Comments
NB	New Business	No recommendation can be done due to business in infancy stage

Status :	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

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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: TECNIMONT PHILIPPINES INC.
Address: JGC Phils Inc., Ground Floor 2109 Prime St., Madrigal
Business Park, Ayala Alabang, Muntinlupa City
Country: Philippines
Service Type: Normal

FINDINGS

Conducted research and verification on TECNIMONT PHILIPPINES INC. Hereunder our report, viz:

LEGAL ENTITY - Private. Limited Liability Company.

VERIFICATION WITH SECURITIES & EXCHANGE COMMISSION (SEC):
SITALDASONS INTERNATIONAL

Result of verification showed that TECNIMONT PHILIPPINES INC. is a listed company. However, the Articles of Incorporation and Audited Financial Statement are Not available. Currently, the following data available, per details below -

- a) Certificate No. : CS201800749
- b) Date : February 13, 2018
- c) Term : Fifty (50) years
- d) Type of Organization : Stock Corporation
- e) Address : 12th Floor, NET ONE CENTER, Crescent Park

VERIFICATION WITH DEPARTMENT OF TRADE & INDUSTRY (DTI) :
TECNIMONT PHILIPPINES INC.

Result of verification showed that TECNIMONT PHILIPPINES INC. is NOT a registered outfit.

OTHER FINDINGS:

1. Media Report - *Manila, 12 March 2018* – JGC PHILIPPINES INC. IN JV WITH TECNIMONT PHILIPPINES AWARDED AN EPC LUMP SUM CONTRACT BY JG SUMMIT. We gathered that -

JGC Philippines Inc. has been awarded in JV with TECNIMONT PHILS. INC. (JGC Philippines Inc. 35% – Tecnimont Philippines Inc. 65%), an EPC Lump Sum contract (*) by JG Summit Petrochemical Corporation (JGSPC), for the implementation of a new High Density Polyethylene unit (HDPE) and the upgrading of an existing Polypropylene unit (PP). The units will be located 120 km south of Manila, in Batangas City, Philippines. JGSPC, is part of JG Summit Holdings

Group, is the largest manufacturer of polyolefins in the Phils.

(*) *A lump sum contract or a stipulated sum contract will require that the contractor agree to Provide specified services for a stipulated or fixed price.)*

The EPC Lump Sum contract overall value is in the range of USD 180 million. The Project scope entails Engineering, Procurement and Construction activities up to Ready For Commissioning. Once the project is completed, the new HDPE plant will have a capacity of 250,000 tons per year of HDPE based on Chevron Phillips Chemical's MarTECH™ technology, while the existing PP plant will expand to 300,000 tons per year of PP based on Grace's UNIPOL® PP technology. The project has an overall execution period of 26 months.

TECNIMONT is the leader of the joint venture due to its consolidated expertise in the petrochemical sector worldwide, while JGC Philippines (JGC CORPORATION's fully owned subsidiary) is one of the main local EPC contractors with an important track record in the country. Maire Tecnimont's subsidiary Tecnimont, through its affiliate Tecnimont Philippines. Pierroberto Folgiero, Maire Tecnimont Chief Executive Officer, described the project as the first important step in the Philippines that would consolidate their technology-driven footprint in South East Asia.

Headquartered in Mumbai, the business capital of India, Tecnimont Pvt. Ltd. (Tecnimont) is a wholly owned subsidiary of Tecnimont S.p.A Italy and an integral part of the [Maire Tecnimont](#) Group, an international player in Engineering, Main Contracting and Technology Licensing. It caters to a wide spectrum of business sectors that includes Oil & Gas, Petrochemicals and Fertilizers and competences in Power Generation and Infrastructure, from concept to commissioning with over 5 decades of experience in multi discipline engineering services. It offers cost optimized, world class engineering solutions, flawless planning and immaculate execution of complex projects. With support offices in New Delhi in India and Abu Dhabi, Jeddah in Middle East, Tecnimont combines high quality and planning standards with unwavering commitment for timely implementation of the projects.

2. JGC PHILIPPINES INC. is a Japanese-Filipino registered company with SEC. Established in 1989, it has an authorized capitalization of Php1.50 Billion. Address: JGC Bldg. [2109 Prime Street, Madrigal Business Park, Ayala Alabang, Muntinlupa City](#); Telephone: (632) 876 6000; Email: marketing@jgc.com.ph / hrd@jgc.com.ph The company is owned & controlled by JGC CORPORATION, Japan. Business Activity: Technical Consulting Engineering Services Construction / Direct Procurement. Engaged in providing IT enabled engineering, procurement, construction management services in the planning, design implementation & construction & construction management of industrial, commercial, institutional & infrastructure.

3. We verified the given office address of TECNIMONT PHILS. INC. which is confirmed by an unidentified building admin personnel at Ground Floor, JGC Phils. Building, 2109 Prime Street, Madrigal Business Park, Ayala Alabang, Muntinlupa City. Tel: (632) 876 6000. On the other hand, the office address as gathered from SEC, was likewise verified at the 12th Floor, NET ONE CENTER, Crescent Park West, 3rd Ave. cor. 26th St., BGC, The Fort, Taguig City, We found out that the said address is currently occupied by the Law Office of Tecnimont Phils., QUISUMBING



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TORRES (Lawyer). Tel. 8194700.

4. FINANCIAL CONDITION - Not Available from regular sources.

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupee
US Dollar	1	INR73.75
UK Pound	1	INR 95.39
Euro	1	INR 84.63
PHP	1	INR 1.37

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

INFORMATION DETAILS

Analysis Done by :	VIV
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)