

**SAMPLE COMPREHENSIVE CORPORATION
Makati City, Metro Manila, Philippines**

D-U-N-S: 71-879-2567

SAMPLE COMPREHENSIVE CORPORATION

Delivery Date: July 25, 2019

IDENTIFICATION & SUMMARY

Identification

DUNS: 71-879-2567
Legal Name: SAMPLE COMPREHENSIVE CORPORATION
Start year: 1975
Control date: 1975
Address: 24th Floor JME Building, 8982 Ayala Avenue, Makati City 1200, Metro Manila, Philippines
Telephone: (63) (2) (7779999)
Fax: (63) (2) (8887000)
Web Page: www.samplecor.com
Email: inq@samplecor.com
Registration: 0000129693
Tax No: 123-456-789-000
Legal Form: CORPORATION
CEO Name: MR. JUAN DELA CRUZ (President and Director)
Employees: 200 Est (as of July 2019)
Capital: PHP
SIC: 1629-0500; 1542-0100; 8711-0400; 1731-0000; 1711-0401; 3499-0000
Line of Business: Subject Company is engaged in construction and steel fabrication.

RISK EVALUATION

Risk Indicator	2
D&B Rating	5A2
Condition	Good

FINANCIAL SUMMARY

(As of December 31, 2018)

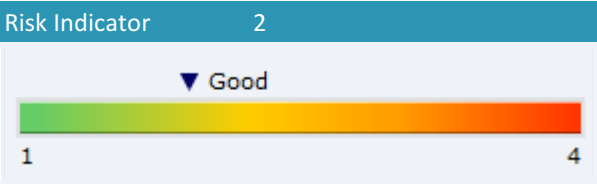
Revenue	PHP 3.07 billion
Tangible Net Worth	PHP 3.44 billion
Total Assets	PHP 3.87 billion
Net Profit After Tax	PHP 427.52 million

CURRENCY

All monetary amounts quoted in this report are shown in Philippine Peso (PHP) unless otherwise stated.

D&B Risk Assessment

D&B Rating	5A2
Financial Strength	5A <i>Based on Issued Capital</i>
Risk Indicator	2 <i>Good</i>



The Dun & Bradstreet Rating of 5A2 indicates:

A Financial Strength of Philippine Peso 1,065,000,000 and greater (based on Net Worth) and a Risk Indicator which is Good.

D&B Rating Guide

D&B's Rating consists of 2 parts, the Financial Strength and the Composite Appraisal/Condition. Financial Strength is an indication of the tangible net worth (that is, the shareholder's funds less any intangible assets). The Composite Appraisal/Condition is linked to the level of risk and is an overall evaluation of credit worthiness. It takes into account the financial condition and several factors such as trade reference history, legal structure, management experience and any adverse listings.

EMPLOYMENT HISTORY

Period	Company Employed	Last Position Held
1986-1987	Hyundai Engineering & Construction Co.	Manager

Name : **Peter Reyes**
Position : Director, Company Secretary, Vice President Operations and Chief Operations Officer
Nationality : Filipino
Education : Graduated from university in 1980
 Bachelor of Architecture
Name of Institute : National University
 Philippines
Shares owned : Owned 214,190,287 shares of the Company
Active in daily operations : Yes
Founder Of Subject.
Other Directorships :

D-U-N-S	Company Employed	Position Held
722652849	Sample Philippines Bank Corporation	Director

EMPLOYMENT HISTORY

Period	Company Employed	Last Position Held
1978-1995	D.M. Consunji Inc.	Architect

Name : **Manuel Santos**
Position : Director
Nationality : Filipino
Shares owned : Owned 1,000 shares of the Company

Name : **Simon Dela Cruz**
Position : Director
Nationality : Filipino
Shares owned : Owned 1,000 shares of the Company

Name : **Angela Reyes**
Position : Director
Nationality : Filipino
Shares owned : Owned 214,190,287 shares of the Company
Other Directorships :

D-U-N-S	Company Employed	Position Held
722652849	Sample Philippines Bank Corporation	Director

Name : **Jun Domingo**
Position : Assistant Company Secretary
Nationality : Filipino
Active in daily operations : Yes

Other Directorships :

D-U-N-S	Company Employed	Position Held

722652575	Sample Philippines Holdings Corporation	Company Secretary

BANKERS

Bank Name : **BANK OF THE PHILIPPINE ISLANDS**
Branch : **Head Office**
 Address : BPI Building, Paseo De Roxas, Makati City 1200, Metro Manila, Philippines
 Telephone No. : (63) (2) (8185541)
 Fax : (63) (2) (8159434)

INSURANCE

Company Name : **UCPB GENERAL INSURANCE COMPANY, INC.**

HISTORY

Background

Subject was established and registered with the Philippine Securities and Exchange Commission (SEC) on 21 February 1975.

Subject Company is engaged in construction and steel fabrication.

Contractor's License with Principal Classification of General and Category of AAA, under PCAB No. 25104, which is valid until June 30, 2019.

Capital

Authorized Capital : PHP3,000,000,000.00
 Subscribed Capital : PHP1,650,002,100.00
 Paid-up Capital : PHP1,650,002,100.00
 Ordinary Shares : PHP1,650,002,100.00 at par value PHP1.00

Change in Capital

Date of Change : 30/Aug/2005
 Capital Type : Authorized Capital
 Nature of Change : Increased
 From : PHP4,000,000.00
 To : PHP100,000,000.00

Date of Change : 10/Sep/2013
 Capital Type : Authorized Capital
 Nature of Change : Increased
 From : PHP100,000,000.00
 To : PHP1,700,000,000.00

Date of Change : 10/June/2015
 Capital Type : Authorized Capital
 Nature of Change : Increased
 From : PHP1,700,000,000.00
 To : PHP3,000,000,000.00

Capital Contribution

The following details represent the Full Shareholders List.

Ordinary Shares

Name	Country	% of Shareholdings
Juan Dela Cruz		25.962
John Cruz		12.981
Peter Reyes		12.981
Angela Reyes		12.981
Sample Philippines Food Corporation	Philippines	7.019
Sample Philippines Transportation Services Corporation	Philippines	7.019
Sample Philippines Retail Corporation	Philippines	7.019
Sample Philippines Electric Corporation	Philippines	7.019
Sample Philippines Media Corporation	Philippines	7.019
Manuel Santos		0
Simon Dela Cruz		0
Jess Lopez		0
TOTAL		100

Total No. of Shareholder : 12
 Shareholdings as at : 8 May 2019

This information provided by the local registry and confirmed by management.

LINKAGE

Subsidiary

DUNS	: 72-265-2575
Name	: SAMPLE PHILIPPINES BUYER CORPORATION
Location	: 8th Floor, AVA Center Tower 3, Bonifacio Global City, Taguig City 1634, Metro Manila, Philippines
Shares held in Subject	: 99%
DUNS	: 72-265-2807
Name	: SAMPLE PHILIPPINES VENDOR CORPORATION
Location	: 24th Floor JME Building, 8982 Ayala Avenue, Makati City 1200, Metro Manila, Philippines
Shares held in Subject	: 99.96%

Affiliate(s)

DUNS : 72-265-6220
Name : **SAMPLE PHILIPPINES ELECTRIC CORPORATION**
 Location : 24th Floor JME Building, 8982 Ayala Avenue, Makati City 1200, Metro Manila, Philippines
 Affiliate holds 7.019% of shares / interest in Subject Company.

DUNS : 72-265-7848
Name : **SAMPLE PHILIPPINES FOOD CORPORATION**
 Location : 24th Floor JME Building, 8982 Ayala Avenue, Makati City 1200, Metro Manila, Philippines
 Affiliate holds 7.019% of shares / interest in Subject Company.

DUNS : 72-265-7624
Name : **SAMPLE PHILIPPINES MEDIA CORPORATION**
 Location : 24th Floor JME Building, 8982 Ayala Avenue, Makati City 1200, Metro Manila, Philippines
 Affiliate holds 7.019% of shares / interest in Subject Company.

DUNS : 72-265-8804
Name : **SAMPLE PHILIPPINES TRANSPORTATION SERVICES CORPORATION**
 Location : 20 Lansbergh Place, Tomas Morato Avenue, Quezon City 1100, Metro Manila, Philippines
 Affiliate holds 7.019% of shares / interest in Subject Company.

DUNS : 72-265-8580
Name : **SAMPLE PHILIPPINES RETAIL CORPORATION**
 Location : Eiffel Building, 8 Rue Cassini Street, Ermita, Manila 1000, Metro Manila, Philippines
 Affiliate holds 7.019% of shares / interest in Subject Company.

Branch(es)

The principal branch location(s) are as follows: -

DUNS : 72-293-0690
 Location : Barangay Balagtas, Batangas City 4200, Batangas, Philippines
 Location type : Plant/Factory

OPERATIONS

Line of Business

- General Contractors - industrial plant construction (1629-0500)
- Engaged as commercial and office building contractors (1542-0100)
- Engaged in construction and civil engineering (8711-0400)
- Contractors - electrical work (1731-0000)
- Engaged as mechanical contractor (1711-0401)
- Manufactures fabricated metal products (3499-0000)

Employee Size

Employee(s) – 200 Estimated (as of July 2019)
 The number of employees varies according to needs.

ISO Certification

Subject was awarded ISO 9001:2008 on 12 Feb 2018

Location

Size of Premise : 500 square meter (s)
 Type of Occupation : Owned
 Location : Commercial area
 Premises Used As : Administrative Office

Previous Addresses

Former Physical Address
 188 E. Rodriguez Jr. Avenue
 Bagumbayan
 1110
 Quezon City
 Manila
 Philippines
 Date Changed 25/Aug/1985

Customers

Major Customers

- San Miguel Corporation
- Robinsons Land Corporation
- United Laboratories, Inc.
- Megaworld Corporation
- National Oil Corporation

Sales Territory

Local: 100%

Sales Terms

Local

- Partial Advance
- Progress Payments

Purchasing Territory

Local: 50%
 International: 50%

- United States

Purchasing Terms

Local

- Open Account 30 to 60 days

International

- Bank Transfer

Supplier(s)

D-U-N-S: 718719883
Cathay Industrial and Mill Supply Inc.
 1218 Tomas Mapua Street, Manila 1003, Metro Manila, Philippines

Payments Record

(Amounts may be rounded to nearest figure in prescribed ranges)

Date: July 2019
 Payment Record: Prompt
 Currency: Philippine Peso
 Payment Terms: 30 days

LITIGATION

Subject has case listing based on available CRIF D&B data as of report date.

COURTCASES DATE FILED	COURTCASES DEFENDANT NAME	COURT CASES PLAINTIFF NAME	COURT CASES	CASE NAME	COURT NAME	CITY
26/Jan/1999	Sample Comprehensive Corporation	C.C. JR. RENT A CAR	99-36594	Sum of Money	Metropolitan Trial Court	Paranaque City

FINANCIAL INFORMATION

Financial Analysis

The following analysis was based on the Financial Statements (FS) reported for the year ended 31 December 2018, 2017 and 2016. These statements were the latest available during our investigation.

Analysis of SC's Financial Performance

CONSIDERATION:

- *Internal resources*
- *External liability obligations*
- *Liquidity*
- *Leverage*
- *Returns on capital employed*
- *Net cash flow*
- *Contingent liabilities*

Overview of SC's Financial Performance

Year	Independent Auditor		SEC Accreditation No.	Opinion
	Firm	Partner		
2018	Sycip Gorres Velayo & Co.	Michael C. Sabado, CPA	No. 0664-AR-3	Unqualified
2017	Sycip Gorres Velayo & Co.	Michael C. Sabado, CPA	No. 0664-AR-3	Unqualified
2016	Sycip Gorres Velayo & Co.	Michael C. Sabado, CPA	No. 0664-AR-3	Unqualified

Financial Highlights

Profitability: *Increased Sales and Net Profit*

- Revenue in 2018 increased to PHP3.07 billion, 19.71% compared to PHP2.56 billion in 2017.
- Gross Profit decreased to PHP440.22 million, 16.28% compared to PHP525.83 million in previous year.
- Operating expenses in 2018 slightly fell to PHP122.78 million, 2.39% compared to PHP125.78 million in previous year. These are mainly due to decrease in employee benefits, outside services, dues and subscription, and advertising.
- As a result, net profit in 2018 grew to PHP427.52 million, 16.17% compared to PHP368 million in 2017.

Liquidity: *Satisfactory*

- Current and Quick Ratios in 2018 posted at 5.46 and 4.15, respectively, are favorable. It denotes that Subject can settle its current liabilities as they fall due.

Asset Management: *Good*

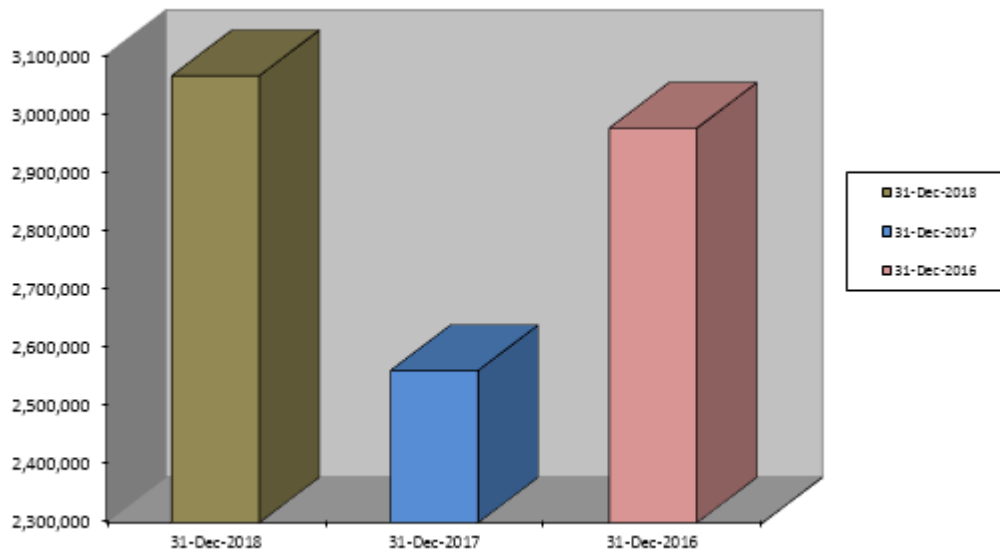
- 2018 Days Sales Outstanding (DSO) slowed down to 107 Days from 95 Days in the previous year. This is due to increase in Accounts Receivables amounting to PHP900.88 million in 2018 from PHP665.6 million in 2017.
- Meanwhile, Inventory Turnover rose to 7.13 times in 2018 from 5.86 times in prior period.

Leverage: *Low*

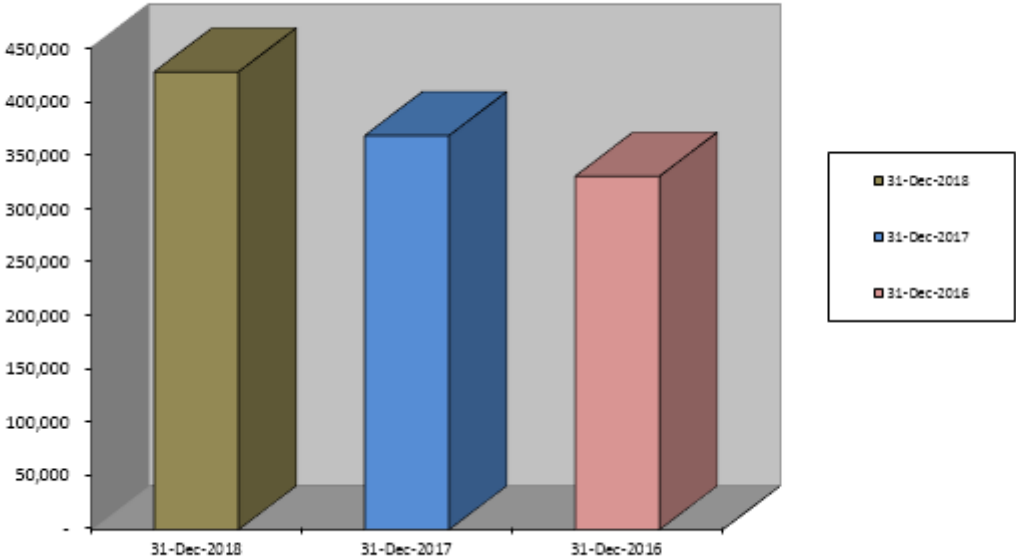
- Debt to equity ratio of 12.58% denotes that the Subject Company relies more in internal resources to finance its operations.

- ✓ Overall, we would rate the financial strength of the company as **Good**. This is based on the above analysis of its profitability, liquidity, asset management and leverage.

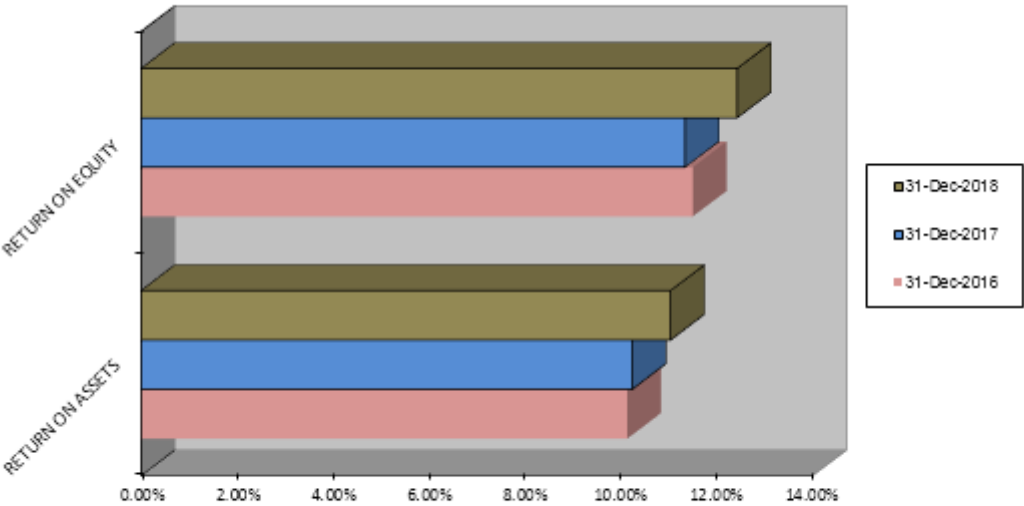
Trend of Turnover



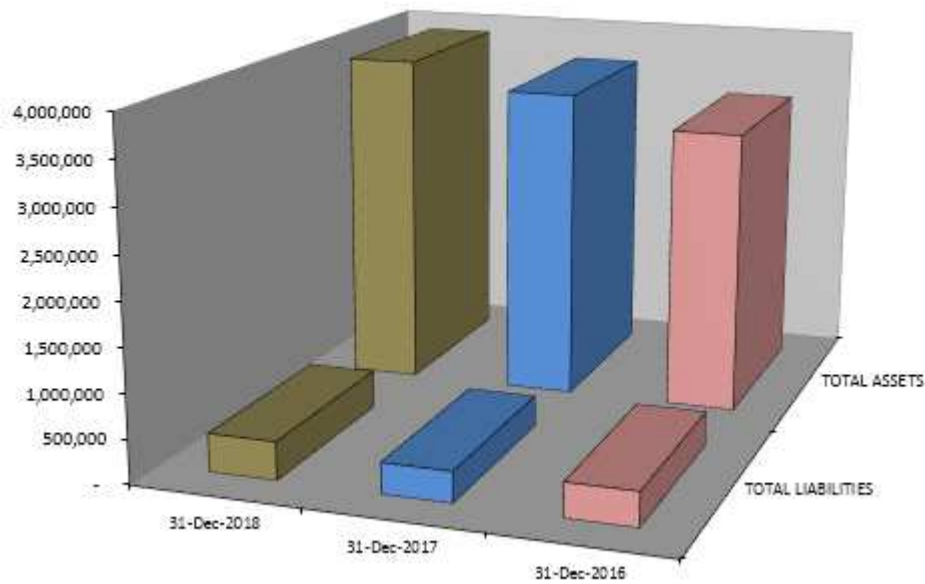
Trend of Profit after Tax



ROA vs ROE



Trend of Total Assets and Total Liabilities



Comparatives (in Thousands of Philippine Peso)

	Fiscal 31-Dec-18 PHP	Fiscal 31-Dec-17 PHP	Fiscal 31-Dec-16 PHP
Current:			
Assets	2,351,845	2,342,171	2,382,643
Liabilities	431,038	346,566	361,534
Working Cap.	1,920,807	1,995,605	2,021,109
Other Tangible Assets	1,520,710	1,251,990	874,322
Liabilities	1,846	3,423	25,922
Net Worth	3,439,671	3,244,172	2,869,509
Annual Revenue	3,065,054	2,560,492	2,975,413
Profit (Loss) After Tax	427,515	368,007	330,023
Inventory	430,122	437,109	469,360
Cash & Bank	887,055	1,147,951	1,130,390
A/Cs Receivable	900,879	665,597	734,702
Fixed Assets	48,012	63,938	59,573
A/Cs Payable	90,322	58,172	67,226

Balance Sheet

Fiscal Balance Sheet as of 31/December/2018 (In Thousands of Philippine Peso)			
Cash & Bank	887,055	Accounts Payable	90,322
Inventory	430,122	Other Payables / Accruals	69,816
Accounts Receivable	900,879	Prov. Dividends	270,900
Other Receivables/Accruals	12,307	TOTAL CURRENT LIAB	431,038
Other Current Assets	121,482	Asset Retirement Obligation	1,846
TOTAL CURRENT ASSETS	2,351,845	TOTAL NON-CURRENT LIAB	1,846
Land & Buildings	1,118	Capital	1,650,000
Plant & Equipment	17,556	Share Premium	3,015
Transportation Vehicles	9,076	Retained Earnings (loss)	1,752,345
Office Equipment	3,753	Other Equity	49,477
Other Fixed Assets	12,550	Unrealized Gain on AFS	256,057
Tools and Equipment	3,959	Treasury Stock	(270,632)
TOTAL FIXED ASSETS	48,012	TOTAL EQUITY	3,440,262
AFS Investments	1,035,844		
TOTAL INVESTMENTS	1,035,844		
Other Assets	416,223		
Deferred Tax Assets	735		
Pension Assets	19,896		
TOTAL OTHER ASSETS	436,854		
Computer Software	591		
TOTAL INTANGIBLES	591		
TOTAL ASSETS	3,873,146	TOTAL LIAB & EQUITY	3,873,146

Profit & Loss (in Thousands of Philippine Peso)

	Fiscal 31-Dec-18 PHP	Fiscal 31-Dec-17 PHP	Fiscal 31-Dec-16 PHP
Revenue	3,065,054	2,560,492	2,975,413
Less: Cost of Sales	(2,624,839)	(2,034,662)	(2,476,191)
Gross Profit	440,215	525,830	499,222
Total General Expenditure	(122,776)	(125,783)	(118,258)
Net Operating Profit (Loss) before Taxation	317,439	400,047	380,964
Other Non-operating Income	221,428	64,319	43,892
Less: Other Expenses	(4,136)	(4,007)	(4,756)
Net Operating Profit before Tax and after Extraordinary Items	534,851	460,359	420,100
Income Tax / Other Taxes	(107,336)	(92,352)	(90,077)
Net Profit(Loss) after Tax	427,515	368,007	330,023
Net Profit After Tax and Extraordinary Items	427,515	368,007	330,023
Less: Dividends	(418,527)	0	0
Plus (Minus) Earnings (Loss) b/f	1,743,357	1,375,350	1,045,327
Retained Earnings (Loss) c/f	1,752,345	1,743,357	1,375,350

Ratios

<u>Profitability Ratios</u>		31-Dec-18	31-Dec-17	31-Dec-16
PROFIT MARGIN	NET INCOME/ SALES*100%	13.95%	14.37%	11.09%
	EARNINGS BEFORE INTEREST & TAX/			
BASIC EARNING POWER	TOTAL ASSETS*100%	13.81%	12.81%	12.90%
RETURN-ON-ASSETS	NET INCOME /TOTAL ASSETS*100%	11.04%	10.24%	10.13%
RETURN-ON-EQUITY	NET INCOME/TOTAL EQUITY*100%	12.43%	11.34%	11.50%
	NET INCOME/NO. OF SHARES			
EARNINGS PER SHARE	OUTSTANDING	25.91	24.01	21.54
<u>Debt Management Ratios</u>				
DEBT RATIO	TOTAL LIABILITIES /TOTAL ASSETS*100%	11.18%	9.74%	11.90%
EQUITY RATIO	TOTAL EQUITY/ TOTAL ASSETS*100%	88.82%	90.26%	88.10%
TOTAL BORROWINGS	ADJUSTED NET WORTH/TOTAL			
COVERAGE RATIO	EXTERNAL LOAN	0.00	0.00	0.00
	LONG TERM LIABILITY/ TOTAL			
LONG-TERM DEBT RATIO	EQUITY*100%	0.05%	0.11%	0.90%
	EARNINGS BEFORE INTEREST &			
INTEREST COVERAGE RATIO	TAX/INT. EXP.	4421.26	4111.35	3964.21
<u>Assets Management Ratios</u>				
INVENTORY TURNOVER	SALES/INVENTORY	7.13	5.86	6.34
DAYS SALES OUTSTANDING	RECEIVABLES/ (SALES/365)	107	95	90
FIXED ASSETS TURNOVER	SALES/NET FIXED ASSETS	63.84	40.05	49.94
TOTAL ASSETS TURNOVER	SALES/TOTAL ASSETS	0.79	0.71	0.91

Liquidity Ratios

CURRENT RATIO	CURRENT ASSETS/CURRENT LIABILITIES	5.46	6.76	6.59
QUICK RATIO	(CURRENT ASSETS- INVENTORIES)/CURRENT LIABILITIES	4.15	5.23	5.16
CASH-PAYABLE RATIO	CASH/CREDITORS	9.82	19.73	16.81
RECEIVABLES TURNOVER RATIO	SALES / A/C RECEIVABLE	3	4	4
PAYABLES TURNOVER RATIO	SALES / A/C PAYABLE	34	44	44
AVERAGE DAYS' INVENTORY ON HAND	(STOCKS/SALES)*365	51	62	58

Leverage Ratios

DEBT TO ASSET RATIO	TOTAL LIABILITIES/TOTAL ASSETS*100%	11.18%	9.74%	11.90%
DEBT TO EQUITY RATIO	TOTAL LIABILITIES/TOTAL EQUITY*100%	12.58%	10.79%	13.50%

CURRENT INVESTIGATION

On July 25 2019, Ms. Juan Dela Cruz, President, provided information on Subject Company's operations.

Financial statements were obtained from the Securities and Exchange Commission.

MEDIA

Date : 10 April 2019

Source: The Philippine Star

NEDA bats for stronger iron and steel industry

MANILA, Philippines - The National Economic and Development Authority (NEDA) is pushing for the growth of the Philippine iron and steel industry, a critical component of infrastructure necessary in driving the economy to achieve its development goals and initiatives.

'Iron and steel are a major catalyst for national development. The growth of local iron and steel production will support and further stimulate future infrastructure development initiatives,' said NEDA deputy director general Rolando G. Tungpalan at the opening ceremony of the 2015 Southeast Asian Iron and Steel Institute (SEASI) Conference and Exhibition.

Tungpalan emphasized that infrastructure development is a crucial determinant of the growth and competitiveness of the country because it facilitates connectivity and mobility, strengthens resilience among people and communities, and reduces poverty through creating quality employment.

Business groups, the academe and other private sector groups have billed infrastructure as the top constraint in economic growth.

In the first quarter, the Philippine economy grew at a disappointing 5.2-percent rate, mainly blamed on the sluggish government spending, particularly in public construction, during the period.

Tungpalan said the Philippines should take advantage of the possible rise in the demand for locally-produced steel products.

This view is supported by continued growth in the real estate sector, the emergence of the shipbuilding industry, and rollout of government infrastructure projects, he noted.

'The ongoing reconstruction and rehabilitation of disaster-affected areas and retrofitting works for disaster-resilient infrastructure are also expected to increase the demand for iron and steel in the coming years,' the NEDA official said.

APPENDICES

Customer Service

Should you require any further information or have any questions, please contact your local Customer Service Center. **Philippines** subscribers please contact:

CRIF D-B Philippines, Inc.

4th Floor Cargohaus Building, Barangay Vitalez
 MIA Road, NAIA Complex
 Paranaque City 1705 Philippines
 Tel: +63 (2) 801 9397
 Email: custcare.ph@crif.com

D&B Rating Glossary

The following ratings are available for businesses in Philippines:

D&B Rating - The D&B® Rating in Philippines consists of 2 parts, the Financial Strength Indicator and the Risk Indicator. The Financial Strength Indicator is based on either Net Worth of a current balance sheet or Issued Capital. **Risk Indicator** is used in conjunction with the Financial Strength Indicator. The Risk Indicator reflects D&B's opinion of the risk associated with trading with a specific business. The table below contains the values for the D&B Rating in Philippines.

Financial Strength Indicator

Financial Strength Indicator		Range Figures in Philippine Peso	
Net Worth	Capital	From	To
5A	5AA	1,065,000,000	and greater
4A	4AA	213,000,000	1,064,999,999
3A	3AA	31,950,000	212,999,999
2A	2AA	15,975,000	31,949,999
1A	1AA	7,988,000	15,974,999
A	AA	4,004,000	7,987,999
B	BB	2,002,000	4,003,999
C	CC	1,001,000	2,001,999
D	DD	511,000	1,000,999
E	EE	256,000	510,999
F	FF	128,000	255,999
G	GG	65,000	127,999
H	HH	0	64,999

Alternative Ratings Used	
NQ	Out of Business: Business has ceased to trade
NB	New Business: Less than 24 months
O	Financial Strength is undisclosed; or Assigned to companies that do not request credit in their normal activities (Bank, Brokerages, Insurance Co., Associations, Government, etc..)
N	Negative Net Worth
FB	Foreign Branch
BR	Domestic Branch
DS	Assigned to records that require investigation before a rating can be assigned.

Risk Indicator	Condition	Credit Risk	Interpretation
1	Strong	Minimal risk	Proceed with transaction - offer extended terms if required
2	Good	Low Risk	Proceed with transaction
3	Fair	Slightly greater than average risk	Proceed with transaction but monitor closely

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Date of Report: July 25, 2019

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