



YULON FINANCE PHILIPPINES CORPORATION

CREDIT EVALUATION REPORT – CORPORATE FINANCE & LEASING

Medical Equipment

I. REQUEST

Name of Borrower : Sparkle and Glow Beauty Innovations Corp.
Source of Account : BDO – E. Ching
Credit Accommodation : Credit Line via Finance Lease and Medium-term Loan
Availment No. : 1st
Asset Type : Aesthetic/Medical Equipment
Brand : BTL, Tritan Ventures Inc.
Condition : Brand New

	Sales Proposal		Credit Recommendation	
Credit Limit	P30,000,000.00		P10,000,000.00	
	Leasing	Medium-Term Loan	Leasing	Medium-Term Loan
Sub-limit amount	20,000,000	10,000,000	10,000,000	N/A
Terms	36 mos	24 mos	36 mos	
Monthly Payment	P713,055	P494,423	P356,528	
Effective Yield (EY)	17%	17%	17%	
IRR	17%	18.04%	18.07%	
AOR	28.35%	18.66%	28.35%	

Mode of Payment : Post Dated Checks
Purpose of the Loan : Finance Lease will be used to fund the purchase of multiple aesthetic equipment which will be used to their current clinic located in Uptown Mall BGC and to their additional mega-clinic with 400 sqm size in Ayala, Makati. While term loan will be used to secure inventory to accommodate increasing number of patients.
Other Conditions :

- Allow multiple / staggered availments within six (6) months from CE approval date with AF not to exceed approved AF limit
- JSS of Camille D. Padilla and Krishia Dizon
- To provide full set of PDCs equivalent to the term of loan/lease
- Sec. Certificate with Minutes of the Board Meeting authorizing YFP credit application and authorized signatory/ies
- 1 Government issued ID of the Authorized Signatories with 3 specimen signatures
- Payment of DST of 0.75% of Amount Financed to be shouldered by the Borrower/Lessee
- All other incidental costs such as but not limited to insurance, registration and maintenance fees and notarial fee shall be borne by the Lessee.

Additional conditions if availed as:

Direct Lease

- To submit Official Receipt for the settlement of 30% down payment.
- Signed Contract of Lease
- Subject leased asset shall be covered by Electronic Equipment Insurance “EEI” with YFP as Assured Party or Loss Payee.
- Payment of Notarial fee amounting to Php3,000

Sale and Leaseback

- Submission of Sales Invoice, Delivery Receipt, and Official Receipt / Proof of Full Payment from Original Supplier
- Signed Contract of Lease
- Deed of Sale from Sparkle and Glow Beauty Innovations Corp to YFP
- Subject leased asset shall be covered by Electronic Equipment Insurance “EEI” with YFP as Assured Party or Loss Payee.
- Payment of Notarial fee amounting to Php3,000

Direct Lease w/ sub-lease

- To submit Official Receipt for the settlement of 30% down payment.
- Signed Purchase Order or Installment Contract of Sub-Lessee to Lessee
- Signed Contract of Lease with Addendum
- Subject leased asset shall be covered by Electronic Equipment Insurance “EEI” with YFP as Assured Party or Loss Payee.
- Payment of Notarial fee amounting to Php3,000

Sale and Leaseback with Sub-lease

- Submission of Sales Invoice, Delivery Receipt, and Official Receipt / Proof of Full Payment from Original Supplier
- Signed Purchase Order or Installment Contract of Sub-Lessee to Lessee
- Signed Contract of Lease with Addendum
- Deed of Sale from Sparkle and Glow Beauty Innovations Corp to YFP



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- e) Subject leased asset shall be covered by Electronic Equipment Insurance “EEI” with YFP as Assured Party or Loss Payee
- f) Payment of Notarial fee amounting to Php3,000

Medium-Term Loan

- a) Copy of Quotation or Invoice from Original Supplier
- b) Promissory Note with Addendum
- c) Signed Sale and Purchase with Instalment Agreement
- d) Payment of Upfront Fee (1% of AF based on actual per availment)

II. SALES RECOMMENDATION

1. With solid 6-year experience in operation.
2. Significant upward trend of Net Income from 2021 to 2023 (from 2022-2023 In House FS).
3. A consistent revenue stream ranging from 3.3M to 7.3M based on the 2024 Service Income.
4. Strong relationship with major aesthetic suppliers such as BTL, Dermalas, Tritanmed, and etc.

III. BACKGROUND INFORMATION

Company Profile : Sparkle Glow and Beauty Innovations Corp. was established on August of 2018 and has been running for more than six (6) year initially handling facial treatments until they expanded into other segments such as body treatment and Botox injections.

Though faced by challenges specifically the pandemic period, the company continuous to strive and recorded a 15M revenue during 2019.

With 26 employees which consists of therapists, dermatologists, administrative individuals, and marketing people. They are still looking to expand the business and looking to put up a 640 sqm clinic in One Ayala, Makati, within 3rd or 4th quarter of 2025. It will include Operating Room which also be added to their arsenal sticking to its roots in aesthetic.

Their top treatments are facials ranging from 8k to 15k per treatment, body treatment thru soft wave which is 120k per treatment and is required to have several sessions, and Botox injections that’s essential to do 50 units (quantity) with P500 per unit in terms of cost.

And on an average, post-pandemic, the company is serving at around 10-18 pax per day and operating 6 days a week.

Currently, Sparkle Glow and Beauty innovations Corp is located at Uptown BGC Mall.

Nature of Business : Aesthetic Clinic

Ownership Structure

Name	Position	Percentage of Ownership
Camille Dizon Padilla	Chairman/Pres/CEO	58%
Kristel Fajardo	Director	1%
Krishia Dizon	COS	20%
Christopher C. Dizon	CFO	20%
Caitlin Anne E. Gonzales	Director	1%

Note: Based on the 2024 GIS, date of annual meeting is 10/17/2024

Sureties : **Camille Dizon Padilla (37 years old)** – did her studies in De La Salle University finishing AB Political Science in the year 2006. Also took another degree in Marketing Management in College of St. Benilde in 2009.

A dedicated professional/entrepreneur with multiple working experience:

- Marketing Consultant in Earth and Shore Leisure Communities Corp
- President of Candy Crane Builders Corp.
- Consultant in MOHS Dermatology
- President and CEO / Owner of Glow Skin Clinic

Krishia Dizon (26 years old) – graduated at Bataan Peninsula State University finishing BS in Tourism Management. She’s a crucial part of the organization handling stocks/inventories, order placements, audits, and other operational functions.

She is also part of the staff trainings which will have a significant role especially during the hiring process of the 604 sqm clinic in One Ayala, Makati. Ms. Dizon is also the corporate secretary of Sparkle Glow and Beauty Innovations Corp.



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Residing at 105 JN Gonzales Puerto Rivas Itaas City of Balanga Bataan.

List of personal assets of Camille Padilla

Items	Amount (P000s)
Real Estate Properties	-
Vehicles	
2021 Nissan Navarra	848
2020 Mercedes GLC 200	3,690
Vespa Sean Wotherspoon	259
Total personal assets	4,797
Less: Personal liabilities	*7,634
Personal assets, net of personal liabilities	-2,837
Less: Total facilities of Sparkle and Glow, including proposed PHP30M AF	33,241
PERSONAL ASSETS, NET OF SPARKLE AND GLOW'S LOANS	-36,078

* Represents borrowing from an individual as disclosed by the client. This is non-interest-bearing borrowings from her former significant other.

** No submitted list of assets for Krishnia Dizon

a. KYC & CREDIT DEALINGS CHECKING

Google Search and other Social Media Platforms : No adverse finding on borrower-company and sureties per Google, X, Facebook, Instagram, and Reddit inquiries

BAP – NFIS : No adverse findings on borrower-company and sureties per NFIS inquiry dated 02/25/2025 except for Camille Padilla who has past due loans and credit cards but all are fully settled and closed

CMAF : No adverse finding on borrower-company and sureties per CMAF inquiry dated 02/25/2025

BAP – Loandex : Based on Loandex inquiry dated 02/25/2025

Bank / Financial Institution	Credit Facilities	Credit Line Amount ('000)	OB per Loandex inquiry ('000)	Date Granted	Maturity Date	Security	Status
BPI	TERM	3,000	2,741	09/10/2024	09/10/2027	JSS	Current and satisfactory. OB as of 02/07/2025
First Circle	REVCL	500	500	01/20/2025	03/20/2025	-	Current and satisfactory. OB as of 02/06/2025
TOTAL		3,500	3,241				

b. TRADE CHECKING

Customer Name	Items/Service	Ave. Monthly Transaction	Length of Dealings	Terms	Experience/Comments

Comments: All customers are individual clients

Supplier Name	Items	Ave. Monthly Transaction	Length of Dealings	Terms	Experience/Comments
DERM ASIA CORPORATION MR. JOSE OLIVARES OPERATIONS MANAGER 09778255088	MACHINES, CONSUMABLES	20-30K AVE. / MONTH FOR CONSUMABLES AVAILED 2 UNITS OF MACHINES WORTH 10 MILLION FY 2024	10 YEARS	30 DAYS THRU PDC FOR CONSUMABLES 20-30% DOWNPAYMENT, THEN 12-24 MOS. THRU PDC FOR MACHINES	GOOD PAYER NO HISTORY OF BOUNCED CHECK
CREATIVE SKIN MEDEQUIP INC. MS. SHEL ROBLES ACCOUNTING & COLLECTION OFFICER 09285030730	DERMA MACHINES/ EQUIPMENTS AND CONSUMABLES	DEPENDING ON CLINIC NEEDS LAST TRANSACTION: DERMA MACHINE LAST FEB 24, 2025: 1,230,000	2018	30 DAYS FOR CONSUMABLES & PDC FOR MACHINES	GOOD PAYER NO OTHER DETAILS PROVIDED
TRITAN VENTURES INC ARVIN DE GUZMAN SENIOR PRODUCT SPECIALIST 09164912902	CO2 MACHINE, HIFU MACHINE	250,000	FEB. 2024	24 MONTHS THRU PDC	GOOD PAYER

Comments: None



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c. BANK CHECKING

Bank Name	Type of Account	OB and ADB	Date Opened	Experience
BDO ROCKWELL CENTER - MAKATI DIANNE 77298816 bh.rockwellcenter-makati@bdo.com.ph	CA 004908027727	OB: 6 DIGITS ADB: 6 DIGITS **AS OF 03/27/2025	SEPT. 21, 2018	NO HISTORY OF BOUNCED CHECK
BDO ROCKWELL CENTER DIANNE BACANI/SERVICE OFFICER 77298816 bh.rockwellcenter-makati@bdo.com.ph	CA 004908027646	OB: 6 DIGITS ADB: 6 DIGITS **AS OF 03/27/2025	MAY 20, 2018	NO HISTORY OF BOUNCED CHECK
BPI 38 TH ST BGC ROB ROSARIO ABM 88432202 09177991747 38th-street-bgc-abm@bpi.com.ph	CA 9031001185 SPARKLE AND GLOW BEAUTY INNOVATIONS CORPORATION	ADB: 42,748.69 (03/27/2025) OB: NOT ALLOWED BY THE CLIENT	06/13/2019	CONFIRMED ACTIVE HANDLING NOT ALLOWED BY THE CLIENT

IV. FINANCIAL PERFORMANCE

Sparkle and Glow Beauty Innovations Corp.						
FINANCIAL HIGHLIGHTS (values in PHP'000)						
BALANCE SHEET	<u>In-House</u> 2021	%	<u>In-House</u> 2022	%	<u>In-House</u> 2023	%
Cash and Cash Equivalents	285	0.59%	1,330	2.61%	2,360	4.05%
Accounts Receivable	219	0.46%	0	0.00%	0	0.00%
Inventories	8,130	16.93%	7,739	15.21%	3,423	5.87%
Other Current Assets	292	0.61%	704	1.38%	2,104	3.61%
Total current assets	8,925	18.59%	9,773	19.20%	7,888	13.52%
Fixed Assets	29,864	62.20%	32,098	63.07%	39,015	66.86%
Other Assets	9,223	19.21%	9,021	17.73%	11,447	19.62%
Total Non-current Assets	39,087	81.41%	41,119	80.80%	50,461	86.48%
Total Assets	48,012	100.00%	50,891	100.00%	58,349	100.00%
Trade Account Payable	4,669	9.72%	8,220	16.15%	13,370	22.91%
Loan Payable	0	0.00%	0	0.00%	0	0.00%
Current Portion of Long-Term Debt	0	0.00%	0	0.00%	0	0.00%
Total Current Liabilities	4,669	9.72%	8,220	16.15%	13,370	22.91%
Long-term Debt	0	0.00%	0	0.00%	0	0.00%
Deposit for future share subscriptions	44,558	92.81%	36,678	72.07%	27,451	47.05%
Total Non-current Liabilities	44,558	92.81%	36,678	72.07%	27,451	47.05%
Total Liabilities	49,227	102.53%	44,898	88.22%	40,821	69.96%
Paid up Capital	625	1.30%	625	1.23%	625	1.07%
Retained Earnings	(1,840)	-3.83%	5,369	10.55%	16,903	28.97%
Total Stockholders' Equity	(1,215)	-2.53%	5,994	11.78%	17,528	30.04%
Total Liabilities and Equity	48,012	100.00%	50,891	100.00%	58,349	100.00%
INCOME STATEMENT						
Net Sales/Revenue	10,140	100.00%	27,330	100.00%	40,970	100.00%
Cost of Goods Sold	3,284	32.38%	7,402	27.08%	13,950	34.05%
Gross Profit	6,856	67.62%	19,928	72.92%	27,020	65.95%
Total Operating Expenses	4,866	47.99%	10,316	37.75%	12,602	30.76%
Operating Income	1,990	19.62%	9,612	35.17%	14,418	35.19%
Other Income (Charges)	0	0.00%	0	0.00%	0	0.00%
Interest Expense	0	0.00%	0	0.00%	0	0.00%
Total of Other Income (Charges)	0	0.00%	0	0.00%	0	0.00%
Income before Taxes	1,990	19.62%	9,612	35.17%	14,418	35.19%



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Provision for Income Tax	597	5.89%	2,403	8.79%	2,884	7.04%
Net Income (Loss)	1,393	13.74%	7,209	26.38%	11,534	28.15%
RATIOS/COVERAGE	2021		2022		2023	
Sales Growth (%)			169.54		49.91	
Net Income Growth (%)			417.54		60.01	
Gross Profit Margin (%)	67.62		72.92		65.95	
Operating Margin (%)	19.62		35.17		35.19	
Net Income Margin (%)	13.74		26.38		28.15	
ROE (%)	-114.63		120.27		65.81	
Days Receivables	8		0		0	
Days Inventory	904		382		90	
Days Payables	519		405		350	
Funding Gap	393		-24		-260	
Net Working Capital	4,256		1,553		-5,483	
Working Capital Requirement	3,532		-481		-9,947	
Current Ratio(x)	1.91		1.19		0.59	
Quick Ratio(x)	0.11		0.16		0.18	
Sales/ Net Working Capital	2.38		17.60		-7.47	
D/E Ratio (x)	-40.51		7.49		2.33	
Gross Debt to EBITDA(x)	0.00		0.00		0.00	
Net Debt to EBITDA(x)	-0.07		-0.11		-0.14	
CASHFLOWS	2021		2022		2023	
EBITDA	3,864		11,914		17,278	
Debt Service Requirements	0		0		0	
Interest Coverage Ratio						
DSCR						
Cashflow from operations			9,511		14,394	
Cashflow from working capital			3,749		8,066	
Cashflow from investing activities			-4,334		-12,202	
Cashflow from financing activities			-7,880		-9,227	
Cashflow before debt service			1,045		1,031	
Cashflow after Debt service			1,045		1,031	

* In-House figures were validated by bank credits, hence, used for the evaluation and assessment of the subject account

Profitability (brief explanation on the major movements)

- The clinic has been recuperating from the pandemic demonstrated by the continuous increase in their topline posting 169.51% and 49.91% growth in 2022 and 2023, respectively. Moreover, their topline grew further posting PHP57.41M revenues in 2024 (validated by bank credits). The growths are attributed to the following:
 - Increase in demand for their services as the government-imposed quarantines eased up starting 2021.
 - Upgrade of machines that led to price increases
 - Marketing efforts of the company
- Revenue mix of the clinic is 80% services and 20% sale of beauty products
- GPM was maintained at 60% level except in 2022 which posted at 72.92% due to the price increase of services that year. It normalized in 2023 reverting to 60% level
- Despite 237% increase in salaries and wages expenses in 2022 that led to higher operating expenses, the price increase in their services that resulted to topline growth generated better OPM of 35.17% on 2022 (2021: 19.62%). It stayed and maintained at that level with 35.19% OPM in 2023
- Due to the abovementioned factors, the clinic's bottomline showed continuous improvement from PHP1.39M in 2021 to PHP11.53M in 2023.

Liquidity and Leverage (brief explanation on the major movements)

- Liquidity has been acceptable in 2021-2022 posting above unity Current Ratios of 1.19x-1.91x but went weak in 2023 evidenced by a below unity Current Ratio of 0.59x. This was caused by the increase in trade payables coupled with lower inventory level notwithstanding increase in Input VAT.
- The company does not maintain trade receivables as most payments of their customers are either cash, credit card, or checks.
- The clinic's inventory level was significantly high in 2021 driven by their bulk orders made before the pandemic started in 2020. However, due to the cessation of their operations in 2020 following the government-imposed quarantines, their inventory piled up resulting a 904 days-worth of inventories in 2021. Nonetheless, it slowly reverted to pre-pandemic level demonstrated by 382- and 90-days stocking period in 2022 and 2023, respectively
- Payment period of trade payables were significantly long ranging 350-519 days during the studied period. Note that these trade payables include payables to their suppliers of equipment that has a maximum term of 24 months.
- Equity structure was weak in 2021 due to retained deficits following the losses incurred in 2020 during the height of the pandemic. However, this gradually improved afterwards as the net incomes of the clinic turned this retained deficit to retained earnings. However, the company was still highly leveraged posting DE Ratios of 7.49x and 2.33x in 2022 and 2023, respectively.



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- Other Current Assets represents Input VAT while Other Assets represent Deferred Tax Asset.
- Advances from Shareholders came from the company's Chairman, President, and CEO Camille Padilla. This is a non-interest-bearing advances with no definite call date and was made to support the company's operations during the pandemic. However, this is being slowly paid by the corporation demonstrated by lower balance of PHP27.45M as of 12/31/2023 from PHP44.56M as of 12/31/2021.

Cashflow (brief explanation on the major movements)

- Company generated a better EBITDA of PHP17.28M (2022: PHP11.91M) driven by the topline growth.
- No recorded debt servicing requirements in 2021-2023 as the loans from BPI and First Circle were just granted to the company in 2024 and 1Q2025, respectively.
- Assuming debt servicing requirements of the recently granted loans and the proposed loan and at PHP57.41M revenue level, projected EBITDA of PHP22.40M-PHP24.21M will translate to DSCR of 1.53x-7.61x throughout the term of the loan.
- The clinic's funds came from PHP14.39M cashflow from operations and PHP8.07M freed up cash from lower working capital.
- The abovementioned funds supported the PHP9.78M Capex, PHP2.43M increase in Deferred Tax Assets, and PHP9.23M paydown of advances from shareholders.
- As a result of the aforementioned, the clinic generated PHP1.03M fund surplus that pushed their cash reserves to PHP2.36M in 2023 from PHP1.33M in 2022.

V. RISKS & MITIGANTS

a. Weak liquidity and minimal CASA of the corporation

- As computed based on the submitted bank statements, the borrower has a total of PHP618K ADB in their two BDO bank accounts.
- Also, upon bank checking, BDO disclosed that the corporation has 6-digit ADB each in their two BDO accounts, hence, validating the computation mentioned above. Furthermore, BPI disclosed PHP43K ADB of the corporation. In total, the borrower has a total of only PHP660K ADB in their three bank accounts.
- Company has maintained their liquidity acceptable except in 2023 which has a below unity Current Ratio of 0.59x. This was caused by the increase in trade payables coupled with lower inventory level notwithstanding increase in Input VAT.

b. Fund diversion risk

- Proposed PHP10M MTL sublimit exceeds funding requirement as well as inventory requirements
- Note that per 2023 In-House FS, stocking period of inventory is 90 days or an equivalent of PHP3.42M inventories at a COGS level of PHP13.95M.
- At PHP57.41M 2024 revenue, maintaining the 2023 GPM at 67.46% and 2023 stocking period of 90 days in 2024, COGS will be at PHP18.68M and the corresponding inventory level is PHP4.58M, thus, lower than the proposed PHP10M MTL.

Net Sales/Revenue	57,412	100.00%
Cost of Goods Sold	18,681	32.54%
Gross Profit	38,731	67.46%
Total Operating Expenses	17,379	30.27%
Operating Income	21,352	37.19%
Interest Expense	59	0.10%
Total of Other Income (Charges)	(59)	-0.10%
Income before Taxes	21,294	37.09%
Provision for Income Tax	5,323	9.27%
Net Income (Loss)	15,970	27.82%
Days Receivables	0	
Days Inventory	90	
Days Payables	350	
Funding Gap	-260	
Working Capital Requirement	-13,320	

$$\begin{aligned}
 \text{Inventory} &= \frac{\text{COGS}}{365 \text{ days}} \times \text{Days inventory} \\
 &= \frac{18,681,069.70}{365} \times 90 \\
 &= 51,181.01 \times 90 \\
 \text{Inventory} &= \underline{\underline{4,606,291.16}}
 \end{aligned}$$

- Also, the company has no funding requirement as the clinic has a negative funding gap of 260 days translating to a cash float of PHP13.32M
- With the above illustrations, there is a possibility that the MTL will not be used for inventory requirements but to support the construction costs of the new branch in One Ayala, Makati.
- The total construction cost of the said branch is PHP50M.
- Remove the availability of Medium-Term Loan on the proposed Credit Line. Credit Line will only be available as Direct Lease, and Sale and Leaseback.



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c. Weak JSS of sureties and no defined succession plan in place

- As disclosed and estimated, personal assets of proposed surety, Camille Padilla, is PHP4.80M. This is lower than the PHP7.63M personal liabilities and PHP3.24M existing loans being guaranteed. Proposed PHP30M loan will further weaken the quality of JSS as the proposed surety already have negative net worth.
- Further, her child is still a minor. Nonetheless, Ms. Padilla is still young (38 y/o) and reportedly healthy.
- Although having weak JSS, the family of surety has other business engaged in the construction business.
- No submitted list of assets for the other surety, Krishia Dizon

d. Overstocking of inventories

- In 2019, the clinic has a practice to buy their inventories in bulk to avail of discounts offered by the suppliers. However, due to stoppage of operations during the pandemic, inventories piled up as evidenced by a long stocking period of 904 days in 2021.
- Most products and supplies expired that led to inventory losses to the company.
- However, the company learned their lesson through this experience and turned conservative in stocking up inventories. This is demonstrated by shorter stocking period of 382 days in 2022 and 90 days in 2023.
- Nevertheless, the borrower can absorb up to PHP8.14M inventory losses before cashflow turns weak to support the debt servicing requirements of existing and proposed loans. Note that estimated inventory as of 12/31/2024, the clinic has PHP4.61M worth of inventories, thus, the company can still support loan amortization even if these inventories are impaired.

VI. CREDIT RECOMMENDATION/JUSTIFICATION

Noting the abovementioned risks which raises concern to YFP as a creditor, Credit Team recommends to **lower the limit of the Credit Line to PHP10M**. Further, additional conditions are being required by the Credit Team:

- PHP10M will be released in two tranches. First tranche will be in PHP5M while the second tranche of PHP5M will be released after six months of the first tranche.**
- No additional loan application to YFP should be made until the One Ayala branch is fully operational.**
- Remove the availability of Medium-Term Loan on the Credit Line to avoid fund diversion. Credit Line will only be available as Direct Lease, and Sale and Leaseback.
- Advance payment of one month amortization to be applied on the last month of the lease

Despite the concerns mentioned, we would like to cite the following factors justifying the credit worthiness of the client:

- Profitable operations that recuperated immediately after the pandemic. Good cashflow quality that has the capacity to support the debt obligations of existing and proposed loans.
- Capable and experienced management with experience in managing the company for almost 7 years
- Withstood the pandemic despite stoppage of operations. No employees were laid off per client disclosure.
- Satisfactory dealings with suppliers per trade checking
- Satisfactory credit dealings of borrower-company and sureties with BAP-member banks and financing companies per Loandex inquiry
- No adverse findings on borrower-company and sureties per NFIS inquiry dated 02/25/2025 except for Camille Padilla who has past due loans and credit cards but all are fully settled and closed
- Beauty & Personal Care market in the Philippines is projected to generate a revenue of USD6.47B with CAGR of 0.76% until 2028

Credit Recommending Authority					
Approval Date:					
Credit Decision		<input checked="" type="radio"/> Approved <input type="radio"/> Disapproved			
Prepared By:			Reviewed By:		
_____ Byron Carlos Credit Officer			_____ Corinne Chiou Credit Division Head		
Endorsing/Approval Authority					
Endorsed by:	Concurred By:	Concurred By:	Concurred By:	Concurred By:	Noted By:
_____ Jonathan Castillo Account Officer – Corporate Leasing & Finance	_____ Marivic N. Concepcion Corporate Leasing & Finance Team Head	_____ Briccio Gabriel S. Carandang Corporate Leasing & Finance Department Head	_____ Gavin Chen Corporate Leasing & Finance Division Head	_____ Arnel A. Tobias Collections Department Head	_____ Blanca Chan President



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A. Credit Grading Parameter

CREDIT GRADING PARAMETER					
Name of Borrower	Sparkle and Glow Beauty Innovations Corp.				
Year of Financial Statement Use	2023				
Type of Financial Statement Use	In-House				
CREDIT RATING	B				
FINAL SCORE	75%				
MANAGEMENT AND OPERATION	Qualitative Factors (30%)	Score	Highest	Weight	Initial Score
Business Type	Corporation	5	5	5%	5%
Hospital Level	Clinic	2	5	5%	2%
Year of Management Experience	over 5 years	3	5	10%	6%
Year of Business	over 7 years	8	10	10%	8%
Company property status (site visit required)	Leasing more than 3 years	6	10	5%	3%
Credit Record	minor Negative record more than 3 years ago	15	25	15%	9%
Court Cases	No pending court case	25	25	15%	15%
Industry Outlook	Economic sentiment may show declining trend, or the prospect of industry is relatively stable.	6	10	5%	3%
Bank Reference Check Result	Good transaction record (recent 6 months) with credit line	9	15	10%	6%
Supplier Reference Check Result	over 5 years good transaction record	10	10	10%	10%
Customer Reference Check Result	over 5 years good transaction record	10	10	10%	10%
Total				100%	77%
FINANCIAL CONDITION	Quantitative Factors (50%)	Score	Highest	Weight	Initial Score
Financial Statement	3 years Audited Financial Statements	15	15	10%	10%
Total Asset	PHP15M to PHP100M	8	10	10%	8%
Capital/Net Worth	PHP15M to PHP35M	6	10	15%	9%
Sales Trend/Sales Growth	greater than or equal to 40%	10	10	10%	10%
Operating Profit/Net Profit	Positive in recent 3 years	15	15	15%	15%
Current Ratio	below 1.0x	4	10	10%	4%
D/E (Leverage) Ratio	Greater than or equal to 1.5x	2	20	15%	2%
Interest Coverage Ratio	Greater than or equal to 2.0x	12	15	15%	12%
Total				100%	70%
YFP DEALINGS	Qualitative Factors (20%)	Score	Highest	Weight	Initial Score
Years of Dealing	New Customer and/or less than 1 year	2	5	10%	4%
Payment History	No payment delays	25	25	50%	50%
Security	JSS/Corporate Guaranty	8	10	20%	16%
Type of Equipment	Small Modalities (Defibrillator, Anesthesia Machine, ECG Machine, Dialysis Machine)	9	15	10%	6%
Condition	Brand New	10	10	10%	10%
Total				100%	86%

B. Client Visit Pictures, if any





YULON FINANCE PHILIPPINES CORPORATION

CREDIT EVALUATION REPORT – CORPORATE FINANCE & LEASING

Medical Equipment

