

## MIRA INFORM REPORT

<b>Report No. :</b>	526269
<b>Report Date :</b>	29.08.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	SAUDI INDUSTRIAL EXPORT COMPANY
<b>Registered Office :</b>	Office No. 403, Al Rousais Building Al Dhabab Street Al Morabba PO Box 21977 Riyadh 11485
<b>Country :</b>	Saudi Arabia
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	05.06.1990
<b>Com. Reg. No.:</b>	1010077554
<b>Legal Form :</b>	Joint Stock Company
<b>Line of Business :</b>	Subject is engaged in the provision of freight forwarding, transportation, warehousing and supply chain solutions, export and import risk solutions, franchising, enterprise empowerment and trading platform providers. Subject also distributes fertilizers, chemical materials, cement, metals and oil.
<b>No. of Employees :</b>	14

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

<b>Status :</b>	Moderate
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<b>Payment Behaviour :</b>	Slow
<b>Litigation :</b>	Clear

**NOTES :**

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

**ECGC Country Risk Classification List**

<b>Country Name</b>	<b>Previous Rating (31.12.2017)</b>	<b>Current Rating (01.04.2018)</b>
Saudi Arabia	A2	A2

<b>Risk Category</b>	<b>ECGC Classification</b>
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

**SAUDI ARABIA - ECONOMIC OVERVIEW**

Saudi Arabia has an oil-based economy with strong government controls over major economic activities. It possesses about 16% of the world's proven petroleum reserves, ranks as the largest exporter of petroleum, and plays a leading role in OPEC. The petroleum sector accounts for roughly 87% of budget revenues, 42% of GDP, and 90% of export earnings.

Saudi Arabia is encouraging the growth of the private sector in order to diversify its economy and to employ more Saudi nationals. Approximately 6 million foreign workers play an important role in the Saudi economy, particularly in the oil and service sectors; at the same time, however, Riyadh is struggling to reduce unemployment among its own nationals. Saudi officials are particularly focused on employing its large youth population.

In 2017, the Kingdom incurred a budget deficit estimated at 8.3% of GDP, which was financed by bond sales and drawing down reserves. Although the Kingdom can finance high deficits for several years by drawing down its considerable foreign assets or by borrowing, it has cut capital spending and reduced subsidies on electricity, water, and petroleum products and recently introduced a value-added tax of 5%. In January 2016, Crown Prince and Deputy Prime Minister MUHAMMAD BIN SALMAN announced that Saudi Arabia intends to list shares of its state-owned petroleum company, ARAMCO - another move to increase revenue and outside investment. The government has also looked at privatization and diversification of the economy more closely in the wake of a diminished oil market. Historically, Saudi Arabia has focused diversification efforts on power generation, telecommunications, natural gas exploration, and petrochemical sectors. More recently, the government has approached investors about expanding the role of the private sector in the health care, education and tourism industries. While Saudi Arabia has emphasized their goals of diversification for some time, current low oil prices may force the government to make more drastic changes ahead of their long-run timeline.

Source : CIA

## **SUMMARY**

Company Name	: SAUDI INDUSTRIAL EXPORT COMPANY
Country of Origin	: Saudi Arabia
Legal Form	: Joint Stock Company
Registration Date	: 5 <sup>th</sup> June 1990
Commercial Registration Number	: 1010077554, Riyadh
Membership Number	: 9572
Issued Capital	: SR 108,000,000
Paid up Capital	: SR 108,000,000
Total Workforce	: 14
Activities	: Providers of freight forwarding, transportation, warehousing and supply chain solutions, export and import risk solutions, franchising, enterprise empowerment and trading platform providers
Financial Condition	: Poor
Payments	: Slow

## **COMPANY NAME**

SAUDI INDUSTRIAL EXPORT COMPANY

## **ADDRESS**

### **REGISTERED & PHYSICAL ADDRESS**

Building : Office No. 403, Al Rousais Building  
Street : Al Dhabab Street  
Area : Al Morabba  
  
PO Box : 21977  
  
Town : Riyadh 11485  
Country : Saudi Arabia  
  
Telephone : (966-11) 4058080 / 4065624  
Facsimile : (966-11) 4022854  
Email : [siec@siec.com.sa](mailto:siec@siec.com.sa) / [siec@awalnet.net.sa](mailto:siec@awalnet.net.sa)

### **Premises**

Subject operates from a small suite of offices that are rented and located in the Central Business Area of Riyadh.

## **KEY PRINCIPALS**

<u>Name</u>	<u>Position</u>
• Shoish Nasser Theneyn Altheneyn	Chairman
• Fahad Mubarak Thabet Alguthami	Director
• Saad Fallah Merey Alqahtani	Director
• Hisham Abdulrahman Abdulaziz Alaskar	Director
• Abdullah Abdulaziz Abdullah Almishal	Director
• Fawaz Abdul Sattar Al Alamy Al Hosny	Director
• Hussam Yahya Abdulaziz Algheraimil	Director

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- Hazim Fahad Mesfr Aldosary

Chief Executive Officer

## **LEGAL FORM & OWNERS**

**Date of Establishment** : 5<sup>th</sup> June 1990

**Legal Form** : Joint Stock Company

**Commercial Reg. No.** : 1010077554, Riyadh

**Membership No.** : 9572

**Issued Capital** : SR 108,000,000

**Paid up Capital** : SR 108,000,000

*Name of Shareholder (s)*

- Southern Province Cement Co
- Abdullah Abdulaziz Abdullah Almishal
- Nasser Rashed Mohamed Alnasser
- Saad Fallah Merey Alqahtani
- Hisham Abdulrahman Abdulaziz Alaskar
- Fahad Mubarak Thabet Alquthami
- Shoish Nasser Theneyn Altheneyn
- Hazim Fahad Mesfr Aldosary
- Local businessmen and private investors

## **AFFILIATED COMPANIES**

<u>Name</u>	<u>Percentage Held</u>
• Saudi Industrial Export Jordan	100.00%
• Shahad Al Sahra Distribution	51.00%

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- United National Export Co Ltd 20.00%
- Warehousing & Logistics Services Co 3.85%

## **OPERATIONS**

**Activities:** Engaged in the provision of freight forwarding, transportation, warehousing and supply chain solutions, export and import risk solutions, franchising, enterprise empowerment and trading platform providers. Subject also distributes fertilizers, chemical materials, cement, metals and oil.

Subject has a workforce of 14 employees.

## **FINANCIAL DATA**

Financial highlights provided by local sources are given below:

Currency: Saudi Riyals (SR)

<b><u>Balance Sheet</u></b>	<b><u>31/12/17</u></b>	<b><u>31/12/16</u></b>
<b>Assets</b>		
<b>Current assets</b>		
Bank balances and cash	3,293,011	3,053,913
Trade accounts receivable	4,667,779	64,210,440
Inventories		3,799,487
Other current assets		480,571
<b>Total</b>	<b>7,960,790</b>	<b>71,544,411</b>
<b>Total current assets</b>	<b>7,960,790</b>	<b>71,544,411</b>
<b>Non-current assets</b>		
Property, plant and equipment	3,236,301	3,480,393
Investments in associates and joint ventures	7,887,321	11,837,427
Other non-current assets		14,352,336
Third party insurance		15,000,000
<b>Total non-current assets</b>	<b>11,123,622</b>	<b>44,670,156</b>
<b>Total assets</b>	<b>19,084,412</b>	<b>116,214,567</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade accounts payables	2,138,078	3,024,823
Zakat payable	3,185,373	4,132,625
Dividends payable	2,379,162	2,382,262
<b>Total</b>	<b>7,702,613</b>	<b>9,539,710</b>
<b>Total current liabilities</b>	<b>7,702,613</b>	<b>9,539,710</b>

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Non-current liabilities		
Employees' terminal benefits	382,387	475,149
Other non-current liabilities		1,077,532
Total non-current liabilities	382,387	1,552,681
Total liabilities	8,085,000	11,092,391
Equity		
Shareholder's equity		
Share capital	10,800,000	108,000,000
Statutory Reserve		6,362,472
Retained earnings (accumulated losses)	199,412	7,620,740
Other reserves		
Asset revaluation reserve		-16,861,036
Total other reserves		-16,861,036
Equity attributable to owners of parent	10,999,412	105,122,176
Total equity	10,999,412	105,122,176
Total liabilities and equity	19,084,412	116,214,567

**Statement of Income**

**31/12/17      31/12/16**

Revenue [abstract]		
Sales of goods	19,223,713	623,392
Total revenue	19,223,713	623,392
Raw materials and consumables used	21,746,149	306,698
Depreciation and amortisation	306,085	267,322
Other operating expenses	9,004,302	6,828,194
Other income	1,919,011	1,878,403
Other expenses	100,961,344	7,129,145
Profit (loss) before zakat and income tax from continuing operations	-110,875,156	-12,029,564
Profit (loss) for period from continuing operations	-110,875,156	-12,029,564
Discontinued operations [abstract]		
Zakat expenses on discontinued operations for period	115,432	2,127,614
Net change in fair value of investments	16,861,036	-801,904
Actuarial gains on employee benefit plans	6,788	74,520
Profit (loss) for period from discontinued operations	16,752,392	-2,854,998
Profit (loss) for period	-94,122,764	-14,884,562
Profit (loss), attributable to [abstract]		
Profit (loss), attributable to equity holders of parent company	-94,122,764	-14,884,562

Local sources consider subject's financial condition to be Poor.

***BANKERS***

- Riyadh Bank  
King Abdul Aziz Road  
PO Box: 22622  
Riyadh 11416  
Tel: (966-11) 4013030

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## **PAYMENT HISTORY**

Slow

## **GENERAL COMMENTS**

The subject and its shareholders/owners have been searched in the following databases; Office of Foreign Assets Control (OFAC), United Nations Security Council Sanctions, Australian Sanctions List, US Consolidated Sanctions List, EU Financial Sanctions List and UK Financial Sanctions List and nothing adverse could be found on the exact names listed within the report.

During the course of this investigation nothing detrimental was uncovered regarding subject's operating history or the manner in which payments are fulfilled. As such the company is considered to be a fair trade risk.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.17
UK Pound	1	INR 90.33
Euro	1	INR 81.93
SAR	1	INR 18.80

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIY
<b>Report Prepared by :</b>	TRU

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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)