

***HUNTSMAN TEXTILE EFFECTS PAKISTAN (PVT) LIMITED - 483957 05-JAN-2018.HTM* PAGE NO. : 1**

MIRA INFORM REPORT

| | |
|----------------------|------------|
| Report No. : | 483957 |
| Report Date : | 05.01.2018 |

IDENTIFICATION DETAILS

| | |
|--------------------------------|--|
| Name : | HUNTSMAN TEXTILE EFFECTS PAKISTAN (PVT) LIMITED |
| Registered Office : | H-T-3, Landhi Industrial Area, Karachi |
| Country : | Pakistan |
| Date of Incorporation : | 2006 |
| Com. Reg. No.: | 0058475 |
| Legal Form : | Private Limited Company |
| Line of Business : | Subject is engaged in manufacture & marketing of Specialty Chemicals for Textile Industries. |
| No. of Employees : | 90 |

RATING & COMMENTS

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

| | |
|------------------------|---|
| MIRA's Rating : | A |
|------------------------|---|

| Credit Rating | Explanation | Rating Comments |
|---------------|-----------------|---|
| A | Acceptable Risk | Business dealings permissible with moderate risk of default |

| | |
|-----------------|--------------|
| Status : | Satisfactory |
|-----------------|--------------|

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| | |
|----------------------------|------------------|
| Payment Behaviour : | Slow and delayed |
| 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

| Country Name | Previous Rating (30.06.2017) | Current Rating (30.09.2017) |
|---------------------|---|--|
| Pakistan | B1 | B1 |

| 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 |

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PAKISTAN - ECONOMIC OVERVIEW

Decades of internal political disputes and low levels of foreign investment have led to slow growth and underdevelopment in Pakistan. Pakistan has a large English-speaking population. Nevertheless, a challenging security environment, electricity shortages, and a burdensome investment climate have deterred investors. Agriculture accounts for one-fifth of output and two-fifths of employment. Textiles and apparel account for most of Pakistan's export earnings; Pakistan's failure to diversify its exports has left the country vulnerable to shifts in world demand. Pakistan's GDP growth has gradually increased since 2012. Official unemployment was 6.1% in 2016, but this fails to capture the true picture, because much of the economy is informal and underemployment remains high. Human development continues to lag behind most of the region.

In 2013, Pakistan embarked on a \$6.3 billion IMF Extended Fund Facility, which focused on reducing energy shortages, stabilizing public finances, increasing revenue collection, and improving its balance of payments position. The program concluded in September 2016. Although Pakistan missed several structural reform criteria, it restored macroeconomic stability, improved its credit rating, and boosted growth. The Pakistani rupee, after heavy depreciation in 2013, remained relatively stable against the US dollar in 2016. Low global oil prices in 2016 contributed to a narrowing current account deficit and lower inflation. Remittances from overseas workers continued to be a key revenue source, also mitigating the impact of the lack of foreign investment and a growing trade deficit on the country's current account.

Pakistan must continue to address several longstanding issues, including expanding investment in education and healthcare, adapting to the effects of climate change and natural disasters, improving the country's business environment, reducing dependence on foreign donors, and widening the country's tax base. Given demographic challenges, Pakistan's leadership will be pressed to implement economic reforms, promote further development of the energy sector, and attract foreign investment to support sufficient economic growth necessary to employ its growing and rapidly urbanizing population, much of which is under the age of 25.

In an effort to boost development, Pakistan and China are implementing the "China-Pakistan Economic Corridor," a \$46 billion investment program targeted towards the energy sector and other infrastructure projects that Islamabad and Beijing had agreed on in early 2013.

Source : CIA

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COMPANY NAME

HUNTSMAN TEXTILE EFFECTS PAKISTAN (PVT) LIMITED

FULL ADDRESS

Registered Address

H-T-3, Landhi Industrial Area, Karachi, Pakistan

Tel # 92 (21) 35000121, 35000122, 35000123

Fax # 92 (21) 32561366

SHORT DESCRIPTION OF BUSINESS

- | | | |
|----|---------------------------|---|
| a. | Nature of Business | Manufacture & marketing of Specialty Chemicals for Textile Industries |
| b. | Year Established | 2006 |
| c. | Registration # | 0058475 |

GLOBAL HEAD QUARTER

Huntsman (Singapore) Pte Ltd
152 Beach Road
29-00 Gateway East
Singapore 189721

AUDITORS

Deloitte Yousuf Adil

(Chartered Accountants)

Cavish Court, A-35, Block 7 & 8, KCHSU, Shahrah-e-Faisal, Karachi, Pakistan

LEGAL STATUS

Subject Company was established as a Private Limited Company in 2006

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CAPITAL

| | |
|--------------------------|---|
| 6. Authorized Capital | Rs. 130,000,000/- divided into 13,000,000 shares of Rs. 10/- each |
| Issued & Paid up Capital | Rs. 98,000,000/- divided into 9,800,000 shares of Rs. 10/- each |

DETAILS OF DIRECTORS

| Names | Designation |
|--------------------|--------------------|
| Mr. Chan Kin Keong | Chief Executive |
| Ms. Pang Ai Chee | Director |

SHAREHOLDERS

| Names | No. of Shares |
|---|----------------------|
| Huntsman Investments (Netherlands) BV, Rotterdam | 9,799,999 |
| Huntsman (Netherlands) BV | 1 |

ASSOCIATES

A. SUBSIDIARY

None

B. ASSOCIATED COMPANIES

Huntsman Advanced Materials (Europe).
Huntsman Textile Effects (Belgium).
Huntsman Advanced Materials (Switzerland).
Huntsman Textile Effects (Germany).
Huntsman Textile Effects (China) Co. Ltd.
Huntsman Textile Effects (Qingdao) Co. Ltd.

BUSINESS ACTIVITIES

Subject Company is engaged in manufacture & marketing of Specialty Chemicals for Textile Industries.

It purchases raw materials through **L/C, D/P** basis to its trade suppliers globally.

Its import globally from Companies belongs to Korea, European Countries, Taiwan, China, Singapore, India, Japan, Thailand & U.S.A.

Its major customers are Textile Manufacturers, Garment Manufacturers etc.

Subject operates from caption leased factory premises situated at industrial area of Karachi, Sindh.

Subject employs about **90** persons in its set up.

ANNUAL SALES VOLUME

| Years | In Pak Rupees |
|--------------|----------------------|
| 2015 | 181,063,234/- |
| 2016 | 183,133,330/- |

ANNUAL PRODUCTION VOLUME

Annual production volume is indeterminable as it is multi-products and involve various process of manufacturing

TRADE SUPPLIERS (FOREIGN)

Subject import globally from Companies belongs to Korea, European Countries, Taiwan, China, Singapore, India, Japan, Thailand & U.S.A.

BANKERS

Habib Bank Limited, Pakistan.
Faysal Bank Limited, Pakistan.
Bank Alfalah Limited, Pakistan.
Bank Al-Habib Limited, Pakistan.

HUNTSMAN TEXTILE EFFECTS STRENGTHENS ITS FORMULATION AND DISTRIBUTION NETWORK WITH THE OPENING OF A NEW FACILITY IN PAKISTAN

Singapore – Huntsman Textile Effects (TE) officially opened its 13th new Formulation and Distribution Center (FDC) in Karachi, Pakistan. The 4,000 square meter boasts state-of-the-art equipment and new technology to bolster TE's competitiveness and presence in the Pakistan market. The new facility, located at the Landhi Industrial Area, provides a production platform in one of the pioneer industrial states in Pakistan and gives Huntsman further competitive advantage through convenient access and modern infrastructure. Pakistan represents a fast-growing, dynamic market of increasing importance for Textile Effects, and the launch of this FDC strengthens TE's committed to this textile market to provide best-in-class service and innovative solutions to customers and partners. "With the opening of our new low cost production facility for formulated chemicals in Karachi to meet increasing local demand, we will considerably increase our competitiveness and flexibility in textile chemicals in this key Asian textile market," said Mr Paul Hulme, President of Huntsman Textile Effects. "Our well established partner SWISSTEX will continue to provide enhanced sales activities enabling us to concentrate on all formulation and production aspects using our cutting edge technology to develop innovative products and technologies, market solutions with intelligent effects to this growing market." In operation since 2007, Huntsman Textile Effects has a manufacturing presence playing a leading role in supplying auxiliaries. With Swisstex as its sole distributor, Huntsman Textile Effects has been aggressively extending its global reach in Pakistan to support the challenges facing the textile industry and to be the driving force for the 4th largest cotton producer of the world. Huntsman Textile Effects looks to developing more competitive locally-sourced formulated products for the local market, and will work with distributor partner Swisstex in order to maximize growth with key textile customers, especially in the home textiles and specialty chemicals areas.

MEMBERSHIPS

KCCI

COMMENTS

Huntsman is a global manufacturer and marketer of differentiated chemicals. Our operating companies manufacture products for a variety of global industries, including chemicals, plastics, automotive, aviation, textiles, footwear, paints and coatings, construction, technology, agriculture, health care, detergent, personal care, furniture, appliances and packaging. Originally known for pioneering innovations in packaging and, later, for rapid

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and integrated growth in petrochemicals, Huntsman has approximately 12,000 employees and operates from multiple locations worldwide. The Company had 2010 revenues of over \$9 billion. In view of current disturbed economic and political situation, we would advise to deal with all the business in Pakistan with some caution.

FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 63.39 |
| UK Pound | 1 | INR 85.74 |
| Euro | 1 | INR 76.25 |
| PKR | 1 | INR 0.57 |

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

INFORMATION DETAILS

| | |
|-----------------------------|-----|
| Analysis Done by : | VIV |
| Report Prepared by : | 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)

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