

MIRA INFORM REPORT

Report No. :	510618.2
Report Date :	09.07.2018

IDENTIFICATION DETAILS

Name :	TABOR ELECTRONICS LTD
Registered Office :	P.O. Box 404 (3660301), 9 Hataasiya Street , Tel Hanan Industrial Zone Nesher 3688809
Country :	Israel
Date of Incorporation :	27.05.1971
Legal Form :	Private Limited Company
Line of Business :	Developers, manufacturers, exporters and marketers in the test & measurement market with an extensive product portfolio of signal sources and amplifiers.
No. of Employees :	40

RATING & COMMENTS

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

MIRA's Rating :

C

Credit Rating	Explanation	Rating Comments
C	Medium High Risk	Business dealings permissible preferably on secured basis

Status :	Poor
Payment Behaviour :	Slow
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 (31.12.2017)	Current Rating (01.04.2018)
Israel	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

ISRAEL - ECONOMIC OVERVIEW

Israel has a technologically advanced free market economy. Cut diamonds, high-technology equipment, and pharmaceuticals are among its leading exports. Its major imports include crude oil, grains, raw materials, and military equipment. Israel usually posts sizable trade deficits, which are offset by tourism and other service exports, as well as significant foreign investment inflows.

Between 2004 and 2013, growth averaged nearly 5% per year, led by exports. The global financial crisis of 2008-09 spurred a brief recession in Israel, but the country entered the crisis with solid fundamentals, following years of prudent fiscal policy and a resilient banking sector. Israel's economy also weathered the 2011 Arab Spring because strong trade ties outside the Middle East insulated the economy from spillover effects.

Slowing domestic and international demand and decreased investment resulting from Israel's uncertain security situation reduced GDP growth to an average of roughly 2.8% per year during the period 2014-17. Natural gas fields discovered off Israel's coast since 2009 have brightened Israel's energy security outlook. The Tamar and Leviathan fields were some of the world's largest offshore natural gas finds in the last decade. Political and regulatory issues have delayed the development of the massive Leviathan field, but production from Tamar provided a 0.8% boost to Israel's GDP in 2013 and a 0.3% boost in 2014. One of the most carbon intense OECD countries, Israel generates about 57% of its power from coal and only 2.6% from renewable sources.

Income inequality and high housing and commodity prices continue to be a concern for many Israelis. Israel's income inequality and poverty rates are among the highest of OECD countries, and there is a broad perception among the public that a small number of "tycoons" have a cartel-like grip over the major parts of the economy. Government officials have called for reforms to boost the housing supply and to increase competition in the banking sector to address these public grievances. Despite calls for reforms, the restricted housing supply continues to impact younger Israelis seeking to purchase homes. Tariffs and non-tariff barriers, coupled with guaranteed prices and customs tariffs for farmers kept food prices high in 2016. Private consumption is expected to drive growth through 2018, with consumers benefitting from low inflation and a strong currency.

In the long term, Israel faces structural issues including low labor participation rates for its fastest growing social segments - the ultraorthodox and Arab-Israeli communities. Also, Israel's progressive, globally competitive, knowledge-based technology sector employs only about 8% of the workforce, with the rest mostly employed in manufacturing and services - sectors which face downward wage pressures from global competition. Expenditures on educational institutions remain low compared to most other OECD countries with similar GDP per capita.

Source : CIA

COMPANY NAME AND ADDRESS

TABOR ELECTRONICS LTD.

Telephone 972 4 821 33 93
Fax 972 4 821 33 88
Email: info@tabor.co.il
P.O. Box 404 (3660301)
9 Hataasiya Street
Tel Hanan Industrial Zone
NESHER 3688809 ISRAEL

HISTORY & LEGAL FORMATION

A private limited company, incorporated as per file No. 51-057315-7 on the 27.05.1971, a spin-off of ELRON ELECTRONIC INDUSTRIES LTD. (established 1961).

SHARE CAPITAL

Authorized share capital NIS 2,450.00, divided into -
24,499,990 ordinary shares (7,738,466 shares issued),
10 management shares (3 shares issued), all of NIS 0.0001 each,
of which shares amounting to NIS 773.8469 were issued.

(Note: The currency in share capital was originally in *Old Israeli Shekel* whose nominal value was 1 thousandth of the current *New Israeli Shekel* (NIS), converted in 1986).

SHAREHOLDERS

1. Mordechai Glazer, 67% of management shares and 54.8% of ordinary shares,
2. Lior Glazer, 4.6% of ordinary shares,
3. Ms. Elinor Glazer, 4.6% of ordinary shares,
4. *Subject* itself is registered as a shareholder, holding the remainder of shares, which include the shares previously held by Igal Buch (33% of management shares and ordinary shares) and by Shay Toister (3% of ordinary shares), who exited from *subject* in April-May 2016.

DIRECTORS

1. Mordechai Glazer, Chairman and President,
2. Ran Glazer, General Manager.

Role Holders in the Company (Registered)

Moshe Haster, a registered authorized reporting official.

BUSINESS

Developers, manufacturers, exporters and marketers in the test & measurement market with an extensive product portfolio of signal sources and amplifiers.

Sales are to the defense, medial and other industries. Product portfolio includes signal amplifiers, pulse, function and arbitrary waveform generators, waveform creation software and more, in various platforms, interfaces and frequency ranges.

Subject is an OEM manufacturer, for Tier 1 clients.

85% of sales were for export in 2016.

Among local clientele: APPLIED MATERIALS ISRAEL, ELTA SYSTEMS; among foreign clientele: ASTRONICS TEST SYSTEMS (RACAL INSTRUMENTS), GEOTEST, FLUKE, AGILENT TECHNOLOGIES, and more.

Operating from rented premises (development center, offices and plant), on an area of 1,500 sq. meters, in 9 Hata'asiya Street, Tel Hanan Industrial Zone, Nesher. Also operating via 50 distributors and integrators throughout the globe.

Website: www.taborelec.com

Had 40 employees in 2017 (same as in 2016), current number not forthcoming.

MEANS

Work is based mostly on orders, do not hold stocks.

Financial data not forthcoming.

There is 1 charge for the sum of US\$ 100,000 registered on the company's assets (financial assets – bank deposit), in favor of Israel Discount Bank Ltd. (charge placed in May 2018).

REVENUES

Sales figures not forthcoming.

BANKERS

Israel Discount Bank Ltd., Hamifratz Branch (No. 176), Haifa, account No. 640111.

A check with the Central Banks' database did not reveal any negative information regarding subject's a/m account.

CHARACTER AND REPUTATION

Initially in late May 2018, we called subject and were told by the secretary that Mr. Ran Glazer, subject's General Manager and only authorized person to disclose data on subject, is abroad and due back in about one week's time.

We called again a week after, the secretary said Ran is not at office and she writes him a message, so we waited. We then called couple of times at later dates, and kept being told that Ran is unavailable.

Since last week (4/7/18) to date, we've been calling subject, but there is no reply at all!

We do not know how to explain that, we did not find detrimental data (restricted accounts, lawsuits, bankruptcy, etc.), but it appears odd.

This is a veteran business.

Subject is ISO-9001:2008, EN 61010-1, ISO/IEC 17025, SI-936, IPC-A-610C and EN 60051-3/A1 certified.

According to the Israel Association of Electronics & Software industries sales in 2015 summed up to US\$ 32 billion, 86% of which were sales for export. The sector include some 300 companies in the branches of Electronics, Software, Electro Optics, Semiconductor, Telecommunications, Medical Systems, Defense & Military Systems.

According to the Central Bureau of Statistics (CBS), import of raw materials for the local Machines and Electronics Manufacturing in 2017 fell 5% from 2016, reaching US\$ 10,197 million. That represents a reverse in trend from the last previous years: in 2016 import climbed 4.3% from 2015, in 2015 and 2014 import rose by 2.3% and 2.2 %, respectively from the previous years.

According to the CBS, sales for export from the manufacture of computers, electronic & optical products, medical & dental instruments and supplies in 2017 were US\$ 12,016 million, 6.7% decrease from 2016, a similar rate of decrease in 2016 from 2015 (in 2015 export rose by 10% from 2014). Export of electronic components and boards (out of the above) totaled US\$ 3,240 million, close to 19% decrease from 2016 (noted 35% decrease in 2016 from 2015, then export rose by 35% from 2014).

According to the CBS, investments (capital formation) in imported machinery and other equipment (M&E) by the hi-tech industries in the branches of computers, electronic and optical production (quantity change percent

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

change on previous year) increased in 2017 by 21.2%, reaching NIS 11,625.5 million. That continues the upward trend from 2016, then investment in imported M&E climbed by close to 200%, 2015 (rose by 15%) and 2014 (rose by 9%).

SUMMARY

Considering the fact we cannot reach subject, we do not recommend on any credits, dealings on secured basis only!.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.88
UK Pound	1	INR 91.14
Euro	1	INR 80.63
ILS	1	INR 19.00

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	KET

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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)