

MIRA INFORM REPORT

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| Report No. : | 519739 |
| Report Date : | 13.07.2018 |

IDENTIFICATION DETAILS

| | |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Name : | EIPHANIOU RECYCLING SAL |
| Registered Office : | Gholam Building Jean Jalkh Street Ghaz 110558 / 118000 / 165126 Beirut |
| Country : | Lebanon |
| Financials (as on) : | 31.12.2017 |
| Date of Incorporation : | 18.01.2005 |
| Com. Reg. No.: | 1800869 |
| Legal Form : | Lebanese Offshore Joint Stock Company |
| Line of Business : | Subject is engaged as providers of recycling services and distributors and exporters of ferrous and non-ferrous scrap metals. |
| No. of Employees : | 5 |

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 |
| Payment Behaviour : | No Complaints |
| 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.

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ECGC Country Risk Classification List

| Country Name | Previous Rating (31.12.2017) | Current Rating (01.04.2018) |
|--------------|---------------------------------|--------------------------------|
| Lebanon | B2 | C1 |

| 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 |

LEBANON - ECONOMIC OVERVIEW

Lebanon has a free-market economy and a strong laissez-faire commercial tradition. The government does not restrict foreign investment; however, the investment climate suffers from red tape, corruption, arbitrary licensing decisions, complex customs procedures, high taxes, tariffs, and fees, archaic legislation, and inadequate intellectual property rights protection. The Lebanese economy is service-oriented; main growth sectors include banking and tourism.

The 1975-90 civil war seriously damaged Lebanon's economic infrastructure, cut national output by half, and derailed Lebanon's position as a Middle Eastern banking hub. Following the civil war, Lebanon rebuilt much of its war-torn physical and financial infrastructure by borrowing heavily, mostly from domestic banks, which saddled the government with a huge debt burden. Pledges of economic and financial reforms made at separate international donor conferences during the 2000s have mostly gone unfulfilled, including those made during the Paris III Donor Conference in 2007, following the July 2006 war. The "CEDRE" investment event hosted by France in April 2018 again rallied the international community to assist Lebanon with concessional financing and some grants for capital infrastructure improvements, conditioned upon long-delayed structural economic reforms in fiscal management, electricity tariffs, and transparent public procurement, among many others.

The Syria conflict cut off one of Lebanon's major markets and a transport corridor through the Levant. The influx of nearly one million registered and an estimated 300,000 unregistered Syrian refugees has increased social tensions and heightened competition for low-skill jobs and public services. Lebanon continues to face several long-term structural weaknesses that predate the Syria crisis, notably, weak infrastructure, poor service delivery, institutionalized corruption, and bureaucratic over-regulation. Chronic fiscal deficits have increased Lebanon's debt-to-GDP ratio, the third highest in the world; most of the debt is held internally by Lebanese banks. These factors combined to slow economic growth to the 1-2% range in 2011-17, after four years of averaging 8% growth. Weak economic growth limits tax revenues, while the largest government expenditures remain debt servicing, salaries for government workers, and transfers to the electricity sector. These limitations constrain other government spending, limiting its ability to invest in necessary infrastructure improvements, such as water, electricity, and transportation. In early 2018, the Lebanese government signed long-awaited contract agreements with an international consortium for petroleum exploration and production as part of the country's first offshore licensing round. Exploration is expected to begin in 2019.

Source : CIA

SUMMARY

| | |
|--------------------------------|--------------------------------------------------------------------|
| Company Name | : EPIPHANIOU RECYCLING SAL |
| Country of Origin | : Lebanon |
| Legal Form | : Lebanese Offshore Joint Stock Company |
| Registration Date | : 18 th January 2005 |
| Commercial Registration Number | : 1800869 |
| Issued Capital | : LP 30,160,000 |
| Paid up Capital | : LP 30,160,000 |
| Total Workforce | : 5 |
| Activities | : Providers of recycling services and distributors of scrap metals |
| Financial Condition | : Fair |
| Payments | : Nothing detrimental uncovered |
| Operating Trend | : Steady |

COMPANY NAME

EPIPHANIOU RECYCLING SAL

ADDRESS

Registered & Physical Address

Building : Gholam Building
Street : Jean Jalkh Street
Area : Ghaz
PO Box : 110558 / 118000 / 165126
Town : Beirut
Country : Lebanon

Telephone : (961-1) 200532 / 217435
Facsimile : (961-1) 323676
Mobile : (961-3) 383744
Email : seman@inco.com.lb / scrap@epiphaniou.com

Premises

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

KEY PRINCIPALS

| <u>Name</u> | <u>Nationality</u> | <u>Position</u> |
|-----------------------|--------------------|--------------------------|
| Andros Epiphaniou | Cypriot | Managing Director |
| Phanous Epiphaniou | Cypriot | Director |
| Samir Abi Alana | Lebanese | Director |
| Samir Yusuf Abi Alana | Lebanese | Director |
| Effie Exenofonios | Cypriot | Administration Executive |

LEGAL FORM & OWNERS

Date of Establishment : 18th January 2005

Legal Form : Lebanese Offshore Joint Stock Company

Commercial Reg. No. : 1800869

Issued Capital : LP 30,160,000

Paid up Capital : LP 30,160,000

| Name of Shareholder (s) | Percentage |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Epiphaniou Scrap Metal Ltd 21 Markou Drakou Pallouriotissa PO Box: 29078 Nicosia 1621 Cyprus Tel: (357-22) 793390 Fax: (357-22) 431534 | 89.86% |
| Andros Epiphaniou | 9.99% |
| Phanous Epiphaniou | 0.05% |
| Samir Abi Alana | 0.05% |
| Samir Yusuf Abi Alana | 0.05% |

AFFILIATED COMPANIES

Phanos N Epiphaniou Ltd

Phanos N Epiphaniou & Bros Ltd

Interweld A Epiphaniou Industries Ltd

Domoplex Ltd

OPERATIONS

Activities: Engaged as providers of recycling services and distributors and exporters of ferrous and non-ferrous scrap metals.

Import Countries: Europe and GCC countries

International Suppliers:

J & P Ltd Cyprus
Electricity of Cyprus Cyprus

Operating Trend: Steady

Subject has a workforce of 5 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: United States Dollars (US\$)

| | Year Ending 31/12/16: | Year Ending 31/12/17: |
|-------------|-----------------------|-----------------------|
| Total Sales | US\$ 23,800,000 | US\$ 24,350,000 |

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

The above financial figures are based on estimations by our local sources.

BANKERS

Byblos Bank Sal
PO Box: 115605
Beirut
Tel: (961-1) 898200
Fax: (961-1) 898209

PAYMENT HISTORY

No complaints regarding subject's payments have been reported.

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 68.63 |
| UK Pound | 1 | INR 90.67 |
| Euro | 1 | INR 80.17 |
| LBP | 1 | INR 0.045 |

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

INFORMATION DETAILS

| | |
|-----------------------------|-----|
| Analysis Done by : | DIV |
| Report Prepared by : | POJ |

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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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