

CHEMICALS FOR MODERN BUILDING INTERNATIONAL SAE (CMBI) - 521156 PAGE NO. : 1

MIRA INFORM REPORT

Report No. :	521156
Report Date :	23.07.2018

IDENTIFICATION DETAILS

Name :	CHEMICALS FOR MODERN BUILDING INTERNATIONAL SAE (CMBI)
Registered Office :	43 El Haram Street Pyramids, Giza PO Box 176
Country :	Egypt
Date of Incorporation :	1979
Com. Reg. No.:	5709
Legal Form :	Egyptian Joint Stock Company
Line of Business :	Subject engaged in the manufacture and export of chemicals for building materials and insulating materials.
No. of Employees :	1,000

RATING & COMMENTS

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

MIRA's Rating :	A
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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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SUMMARY

Company Name	: CHEMICALS FOR MODERN BUILDING INTERNATIONAL SAE (CMBI)
Country of Origin	: Egypt
Legal Form	: Egyptian Joint Stock Company
Registration Date	: 1979
Commercial Registration Number	: 5709
Authorised Capital	: EGP 50,000,000
Issued Capital	: EGP 25,000,000
Paid up Capital	: EGP 25,000,000
Total Workforce	: 1,000
Activities	: Manufacture and export of chemicals for building materials and insulating materials
Financial Condition	: Undetermined
Payments	: Nothing detrimental uncovered

COMPANY NAME

CHEMICALS FOR MODERN BUILDING INTERNATIONAL SAE (CMBI)

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Street : 43 El Haram Street
Area : Pyramids, Giza

PO Box: 176

Town : Cairo 12121
Country : Egypt

Telephone : (20-2) 35828534 / 37400131 / 33870911 / 33858426 / 33858425 / 33858427
Facsimile : (20-2) 35859858 / 33870914 / 33863243
Mobile : (20-100) 2200743 / 7522928
Email : sayed.harap@cmbint.com / cmb@cmbegypt.com / cmb@link.net

Premises

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

Branch Office (s)

<u>Location</u>	<u>Description</u>
<ul style="list-style-type: none">• Cairo - Alexandria Desert Road, Km 103 Natroun Valley, Wadi El Natroun Beheira Tel: (20-48) 2601426 / 2601425 Fax: (20-48) 2601429	Owned factory premises
<ul style="list-style-type: none">• 60 Iskandar Ibrahim Street Sidi Bishr Alexandria Tel: (20-3) 5483630 Fax: (20-3) 5499543	Rented sales office
<ul style="list-style-type: none">• Makram Ebid Street Nasr City Cairo Tel: (20-2) 2738372	Rented warehouse premises

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- Fisal Street
Pyramids, Giza
Cairo Rented warehouse premises
- El Guiesh Street
Cairo Rented warehouse premises
- El Merryland Building
Heliopolis
Cairo Rented sales office
- 319 El Haram Street
Giza
Cairo
Tel: (20-2) 35829264 Rented sales office
- 389 Faisal Street
Giza
Cairo
Tel: (20-2) 33931546 Rented sales office
- Kabesh Road
Giza
Cairo
Tel: (20-2) 33827358 Rented sales office
- 7 Yafa Bin Yazid Street
Giza
Cairo
Tel: (20-2) 35703262 Rented sales office
- 31 Ministry of Agriculture Street
Giza
Cairo
Tel: (20-2) 37627236 Rented sales office
- Sudan Street
Giza
Cairo
Tel: (20-102) 7184477 Rented sales office
- 72 Street 105
Maadi
Cairo
Tel: (20-2) 25244208 Rented sales office
- 34 Taha Alfashny Street Rented sales office

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Cairo
Tel: (20-2) 22738443

KEY PRINCIPALS

<u>Name</u>	<u>Position</u>
• Dr Mohamed Kamal El Sayed Moustafa	Chairman
• Bahgat Nassif Iskandar	Vice Chairman
• Mohamed Serag El Din	Director
• Khaled El Sayed Moustafa	Director
• Sayed Saleh Ali	Director
• Nader Youssef Akladios	Director
• Gamal El Din Mohamed Sayed Darwish	Director
• Mohamed Amin	Administration Manager
• Fathi Ali Abu Taleb	Finance Manager
• Fathi Rashwan	Human Resources Manager
• Wasfi Tawfik	Engineering Manager

LEGAL FORM & OWNERS

Date of Establishment : Subject's operations date back to 1979, however it was registered on 9th January 2005

Legal Form : Egyptian Joint Stock Company

Commercial Reg. No. : 5709

VAT No. : 305-933-035

Authorised Capital : EGP 50,000,000

Issued Capital : EGP 25,000,000

Paid up Capital : EGP 25,000,000

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<i>Name of Shareholder (s)</i>	<i>Percentage Holding</i>
• Dr Mohamed Kamal El Sayed Moustafa	40.0%
• Yourgil Leyde, Germany	21.6%
• Bahgat Nassif Iskandar	17.6%
• Sherif El Gabaly	8.0%
• Khaled El Sayed Moustafa	5.6%
• Mohamed Serag El Din	4.0%
• Nader Youssef Akladios	1.6%
• El Said Mohamed Ali	1.6%

Notes to the legal Form A Joint Stock Company (SAE) can be both a public or private company the capital of which is divided into shares of equal value; the liability of the shareholder is confined to the value of the shares to which he subscribes, and he is not liable for the debts of the company except within the limit of those shares. A JSC may be 100% owned by foreign investors and there should be at least three shareholders. The minimum capital of JSC companies is EGP 250,000 or EGP 500,000 if it is a public company.

OPERATIONS

Activities: Engaged in the manufacture and export of chemicals for building materials and insulating materials.

Subject's product range includes:

- Multi-purpose epoxy compounds
- Flooring materials
- Joint sealing compounds
- Bitumen emulsions
- Paints for all types of surfaces
- Marine paints & corrosion protection coatings
- Car painting compounds

CMB produces a broad scope of chemical solutions including all the building phases:

1. Admixtures for Improving concrete, cement & mortar properties.
2. Release Agents for Formworks & Concrete Curing After Pouring.
3. Waterproofing and preventing humidity Products.
4. Sound and thermal insulation products.
5. Bonding Agents & Adhesive Products.

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6. Construction, Repair & Strengthening Products.
7. Floor Leveling & Strengthening Products that prevents both sound transfer and conducting heat.
8. Protective Coating Products.
9. Epoxy Compounds For Special Purposes.
10. Joint Sealant Products.
11. Paints, Plasters & Putties.
12. Solvents, Cleaners & safety data sheets.
13. Marmox Board.
14. Cosystone heaters.
15. shower trays and accessories.
16. Manhole Covers.
17. Marmoacryl.
18. Marmoxan and Marmoxite.
19. Products for fixing and restoration of streets and bridges, extension separators.
20. Specialized contracting for all buildings private and public.
21. DARY for construction and Décor.

Import Countries: Germany, Belgium and Italy

Export Countries: Germany, United Kingdom, Saudi Arabia, Iraq, Kuwait, Syria, Libya and Sudan

Brand Names: CMB

Subject has a workforce of approximately 1,000 employees.

FINANCIAL DATA

Companies registered in Egypt are not legally required to make their accounts public and no financial information was released by the company or submitted by outside sources.

BANKERS

- Egyptian American Bank
4 & 6 Hassan Sabri
Zamalek
PO Box: 1825
Cairo
Tel: (20-2) 3416150
Fax: (20-2) 3420265
- Misr International Bank (MIBANK)
61 Bahi El-Din Barakat Street
Giza
Cairo

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Tel: (20-2) 7497002 / 7497010
Fax: (20-2) 3365395 / 6

- Egyptian Gulf Bank
El Orman Plaza Building
8-10 Ahmed Nessim Street
PO Box : 56
Cairo
Tel: (20-2) 3606580 / 3606467
Fax: (20-2) 3420265 / 3606512
- Commercial International Bank (CIB)
Nile Tower Building
21-23 Giza Street
PO Box : 2430
Cairo
Tel: (20-2) 5703043
Fax: (20-2) 5703172 / 5072691

PAYMENT HISTORY

No complaints regarding subject's payments have been reported.

SANCTION LIST CHECKS

The subject and its shareholders have been checked in the following sanctions list databases:

<u>Sanctions list</u>	<u>Results</u>
United Nations Sanctions	No matches
Australian Sanctions	No matches
Bureau of Industry and Security (US)	No matches
EU Financial Sanctions	No matches
Office of the Superintendent of Financial Institutions (Canada)	No matches
OFAC - Specially Designated Nationals (SDN)	No matches
UK Financial Sanctions (HMT)	No matches
US Consolidated Sanctions	No matches

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GENERAL COMMENTS

During the course of this investigation the following sources were consulted:

- Internal database
- Journals, directories, media & web searches
- Local Registry office

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.

COUNTRY OUTLOOK

Recent Developments

The first quarter of FY17 (July to June) marked a slowdown in growth recording 3.4 percent compared to 5.1 percent in the same quarter last year, with annual growth in FY16 registering 4.3 percent. Growth was constrained by severe shortages in hard currency, an overvalued exchange rate and sluggish growth in Europe, Egypt's main trading partner. Key sectors continue to experience negative growth, particularly tourism and the oil and gas extractives sector that has been suffering from underinvestment and arrears.

The annual fiscal deficit in FY16 increased to 12.1 percent of GDP, up from 11 percent the year before. However, in the first half of FY17 the deficit declined to 5.4 percent of GDP, down from 6.4 percent in the same period last year. The improvement in the first half is solely driven by a decline in total expenditures, which compensates for a drop in total revenues. Lower expenditures were driven by a decrease in subsidies and public wages as a percentage of GDP.

The most recent data for the first quarter of FY17 show an overall surplus in the balance of payments of 0.5 percent of projected GDP, compared to a deficit of 1 percent during the same period of the previous year. The improvement in external accounts was mainly due to the narrowing trade deficit induced by an increase in merchandise exports (by 11.2 percent) and a decline in merchandise imports (by 4.8 percent). Meanwhile, Suez Canal receipts further deteriorated by 4.8 percent and net private transfers also declined by 21.8 percent. As a result, the current account deficit widened to 1.4 percent of GDP compared to 1.1 percent in the same quarter of the previous year. More positively, FDI inflows increased to US\$1.9 billion over the same period, up from US\$1.4 billion the previous year.

To stimulate growth and address major macroeconomic imbalances, the government embarked on a major economic reform program. The key features include (i) the liberalization of the exchange rate regime; (ii) fiscal consolidation through a combination of expenditure and revenue measures, notably cuts in fuel subsidies, containment of the wage bill and introduction of VAT; and (iii) reforms to the business environment and addressing impediments to industrial activity.

The reform program was supported by an IMF Extended Fund Facility of US\$12 billion which contributes to cover Egypt's financing needs, the rest of which has been covered through disbursements under the World Bank, the African Development Bank and a number of bilateral loans, in addition to a recent issuance of Eurobonds in the amount of US\$4 billion. Following the floatation, the exchange rate displayed strong overshooting (hitting its

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Real GDP Growth (%)	2.9	4.4	4.3	3.9	4.6	5.3
Inflation Rate (%)	10.1	10.4	10.2	20.1	14.2	11.3
Current Account Balance (% of GDP)	-0.9	-3.8	-6.1	-5.5	-4.4	-3.8
Fiscal Balance (% of GDP)	-11.5	-11.0	-12.1	-10.5	-9.2	-7.3

* forecast

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.85
UK Pound	1	INR 89.67
Euro	1	INR 80.31
EGP	1	INR 3.84

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

INFORMATION DETAILS

Analysis Done by :	NIS
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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