

MIRA INFORM REPORT

Report No. :	521144
Report Date :	24.07.2018

IDENTIFICATION DETAILS

Name :	ARNON PLASTIC INDUSTRIES COMPANY LTD
Registered Office :	Second Industrial City, P O Box: 60290, Dammam 31545
Country :	Saudi Arabia
Financials (as on) :	31.12.2017
Date of Incorporation :	17.04.1999
Com. Reg. No.:	2050034821, Dammam
Legal Form :	Limited Liability Company
Line of Business :	Manufacturers of plastic materials for the construction and packaging industries
No. of Employees :	200

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+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
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)
Saudi Arabia	A2	A2

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

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	: ARNON PLASTIC INDUSTRIES COMPANY LTD
Country of Origin	: Saudi Arabia
Legal Form	: Limited Liability Company
Registration Date	: 17 th April 1999
Commercial Registration Number	: 2050034821, Dammam
Chamber Membership Number	: 1839
Issued Capital	: SR 45,000,000
Paid up Capital	: SR 45,000,000
Total Workforce	: 200
Activities	: Manufacturers of plastic materials for the construction and packaging industries
Financial Condition	: Good
Payments	: No Complaints
Operating Trend	: Steady

COMPANY NAME

ARNON PLASTIC INDUSTRIES COMPANY LTD

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Location : Second Industrial City
PO Box : 60290
Town : Dammam 31545
Country : Saudi Arabia
Telephone : (966-13) 8122099
Facsimile : (966-13) 8122098
Mobile : (966-53) 0044153 / 0044154
Email : info@arnon.com.sa / saleh@arnon.com.sa / ammar@arnon.com.sa

Premises

Subject operates from a large suite of offices and a factory that are rented and located in the Industrial Area of Dammam.

Branch Office (s)

<u>Location</u>	<u>Description</u>
• Riyadh Tel: (966-11) 2136830 / 8104121 Fax: (966-11) 2136834 / 8104121	Office premises
• Jeddah Tel: (966-12) 6836387 Fax: (966-12) 6836742	Office premises

KEY PRINCIPALS

<u>Name</u>	<u>Position</u>
• Abdullah Abdullatif Al Fozan	Chairman

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• Majed Alsulaim	Managing Director
• Khalid Alfozan	Director
• Abdullah Alrabiah	Director
• Muhammad Alaqeel	Director
• Adel Morib	Director
• Mohamed Ali Saleh	Marketing Manager
• Ahmed Khaterji	Sales Manager
• Ahmed Tawfiq	Chief Financial Officer
• Rawan Stomata	Senior Accountant

LEGAL FORM & OWNERS

Date of Establishment : 17th April 1999

Legal Form : Limited Liability Company

Commercial Reg. No. : 2050034821, Dammam

Chamber Member No. : 1839

Issued Capital : SR 45,000,000

Paid up Capital : SR 45,000,000

Name of Shareholder (s)	Percentage
• Abdul Latif & Mohamed Al Fozan Co Al Fozan Building Prince Turki Street, 4 th Cross PO Box: 38 Al Khobar 31952 Tel: (966-13) 8940909 / 8998111 / 8977777 Fax: (966-13) 8984848	95%
• Al Fozan Investment Co Al Khobar	5%

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AFFILIATED COMPANIES

- Building and Construction Company
Saudi Arabia
- Al Oula Development Company
Saudi Arabia
- Injaz Projects
Saudi Arabia
- Gulf Farabi Petrochemical Company
Saudi Arabia
- ARC Engineering Consultants
Saudi Arabia
- Dhahran International Exhibitions Company
Saudi Arabia
- MADAR Building Material – Jordan
Jordan
- MADAR Building Material – Sudan
Sudan
- Projects and Supplies Company
Saudi Arabia
- United Transformers Electric Company
Saudi Arabia
- Amwal Al Khaleej Commercial Investment Company
Saudi Arabia
- United Electronics Company
Saudi Arabia
- Madar Emirates for Building Materials Co LLC
United Arab Emirates
- Madar Holding FZCO
United Arab Emirates

OPERATIONS

Activities: Engaged in manufacture of plastic materials for the construction and packaging industries.

Subject specialises in producing Polyethylene (PE) rolls & sheets for the construction sector in addition to food trays & containers made from Polystyrene(PS) and Polyethylene Terephthalate (PET). The company produces wide range of products which include: Polyethylene (PE) Foam Products (heat insulation, carpet and parquet underlay, backup rod, sound insulation, wrapping material), Polyethylene Terephthalate (PET) Products (food containers & packaging material), Polystyrene (PS) Foam Products (trays and dishes).

Subject is ISO 9001:2008 accredited.

Import Countries: Europe and GCC countries

Operating Trend: Steady

Subject has a workforce of approximately 200 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: Saudi Riyals (SR)

	Year Ending 31/12/16:	Year Ending 31/12/17:
Total Sales	SR 185,650,000	SR 190,000,000

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

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

BANKERS

- National Commercial Bank
PO Box: 13
Dammam 31411
Tel: (966-13) 8331188
Fax: (966-13) 8336058

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 68.70
UK Pound	1	INR 90.28
Euro	1	INR 80.56
SAR	1	INR 18.37

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	NIT

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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)