

MIRA INFORM REPORT

Report No. :	535040
Report Date :	19.10.2018

IDENTIFICATION DETAILS

Name :	NATIONAL PAINTS FACTORY COMPANY LTD (NPFCO)
Registered Office :	Al Hizam Road Abu Alanda PO Box 533 Amman 11592
Country :	Jordan
Financials (as on) :	31.12.2017
Date of Incorporation :	28.10.1969
Com. Reg. No.:	4472
Legal Form :	Limited Liability Company
Line of Business :	Subject is engaged in the manufacture and marketing of paints and resins for the following purposes - industrial, decorative, marine, automotive and furniture.
No. of Employees :	800

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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NATIONAL PAINTS FACTORY COMPANY LTD (NPFCO) - 535040

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SUMMARY

Company Name	: NATIONAL PAINTS FACTORY COMPANY LTD (NPFCO)
Country of Origin	: Jordan
Legal Form	: Limited Liability Company
Registration Date	: 28th October 1969
Commercial Registration Number	: 4472, Amman
Chamber Membership Number	: 1307
National ID Number	: 2000004786
Issued Capital	: JD 2,000,000
Paid up Capital	: JD 2,000,000
Total Workforce	: 800
Activities	: Manufacturers of paints and resins
Financial Condition	: Fair
Payments	: Nothing detrimental uncovered
Operating Trend	: Steady

COMPANY NAME

NATIONAL PAINTS FACTORY COMPANY LTD (NPFCO)

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Street : Al Hizam Road
Area : Abu Alanda

PO Box : 533

Town : Amman 11592
Country : Jordan

Telephone : (962-6) 5797681 / 5732481 / 5732482 / 4790790
Facsimile : (962-6) 5732483 / 4790799

Email : nafc@nets.com.jo / info@sayeghgroup.com / qais.alkhalafat@sayeghgroup.com

Premises

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

KEY PRINCIPALS

<u>Name</u>	<u>Nationality</u>	<u>Position</u>
• Michael Faiq Sayegh	Jordanian	Chairman
• Salim Faiq Sayegh	Jordanian	Managing Director
• Ibrahim Faiq Sayegh	Jordanian	Director
• Ahmed Abu Ahmed	-	Finance Manager
• Nawaf Al Qadi Abu Rami	-	Financial Controller
• Amr Al Hassan	-	Commercial Manager
• Hussam Hassan	-	Production Manager

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- | | | |
|-------------------------|---|-------------------------|
| • Dr Qais Al Khalafat | - | Human Resources Manager |
| • Emad Abu Saleh | - | Sales Manager |
| • Ayman Ayman Al Azaher | - | Factory Manager |

LEGAL FORM & OWNERS

Date of Establishment : 28th October 1969

Legal Form : Limited Liability Company

Commercial Reg. No. : 4472, Amman

Chamber Member No. : 1307

National ID No. : 2000004786

Issued Capital : JD 2,000,000

Paid up Capital : JD 2,000,000

<i>Name of Shareholder (s)</i>	<i>Percentage</i>
• National Paint Holding Co Sharjah United Arab Emirates	100%

AFFILIATED COMPANIES

Subject is a member of the Al Sayegh Group of companies, which comprises the following concerns:

<u>Name</u>	<u>Country</u>
• Remalux Paints Factories Co. Ltd	Jordan
• National Trading and Investment Group	Jordan
• Al Nuzha Housing and Real Estate Co	Jordan
• National Paints Factories Co. Ltd	United Arab Emirates
• Alva Paints Factory. Ltd	United Arab Emirates
• Nobel Paints Plant	United Arab Emirates
• National Paints Factories Co. Ltd	Palestine
• National Chemicals B.V.	Netherlands
• National Paints Factories Co. Ltd	Kazakhstan
• National Paints Factories Co. Ltd	Kyrgyzstan

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• National Paints Factory	Uzbekistan
• National Paints Factories Co	Egypt
• Canning Industries Co. Ltd	Jordan
• National Drums Factory	Jordan
• Union Locks Co. Ltd	Jordan
• Sayegh Brothers for Engineering Industries Co. Ltd	Jordan
• Jordan Commercial Bank	Jordan
• Design Jordan	Jordan
• Crystal Call	Jordan
• Emirates Textiles Co. Ltd	United Arab Emirates
• PVC Co for Plastic Chips	United Arab Emirates
• Sayegh Bothers Co. Ltd	Netherlands
• Emirates Co. for Metal Industries (EMIC)	United Arab Emirates
• National Paint Factories Co SAE	Egypt
• Decision Makers Broadcast Station	United Arab Emirates
• Sayegh Advertising & Publishing Company	United Arab Emirates
• National Paints Factories Co. Ltd	Qatar
• National Paints Factories Co. Ltd	Sudan
• Al Jazeera Sudanese Jordanian Bank	Sudan
• Jordan English Paints Co. (CROWN)	Jordan
• Rum Aladdin Industries Co. Ltd	Jordan
• Arab Electrical Industries	Jordan
• Radiant Computer and Electronics Co	Jordan
• WTV Broadcasting Station	Jordan
• Arab Electrical Industries	Egypt
• Arab Co. for Paints Products	Palestine

OPERATIONS

Activities: Engaged in the manufacture and marketing of paints and resins for the following purposes - industrial, decorative, marine, automotive and furniture.

Subject's products include:

- Building and Decorative Emulsion Paints of high resistance to fungus and anti bacteria with high weather resistance.
- Enamel Paints.
- Fire Intumescent Paints.
- Water Epoxy Paints.
- Special Effect Paints.
- Protective Coatings (Steel structures/ Tank Farms).
- Furniture & Wood Finish Coatings.
- Automotive Coatings for maintenance (Numix).
- Marine and Yacht Coatings.

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- Roof Coatings, water Proof.
- Powder Coating used for galvanized and non galvanized metal.
- Raw materials mainly Resins, Acrylics and Polyesters.
- Isolation and security materials.
- Hygiene paints for hospitals, operation theatres, food industry and homes.
- Epoxy Flooring Paints.
- PVC
- Fibre Wall Papers.

Production Capacity: 6,000 tonnes per annum

Import Countries: Denmark, Hungary, and the United States of America

International Suppliers:

- Dyrup Co Denmark
- Chemolimpex Hungary
- Sherwin Williams United States of America
- Union Carbide United States of America

Operating Trend: Steady

Subject has a workforce of approximately 800 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: Jordanian Dinar (JD)

Year	Sales
Year Ending 31/12/15:	JD 9,420,000
Year Ending 31/12/16:	JD 9,900,000
Year Ending 31/12/17:	JD 10,500,000

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

Note: According to Jordanian Commercial Law, only Public Shareholding Companies (Listed on the Amman Stock Market) are required to publish their financial information. Financial information on other legal forms can only be obtained from the companies / businesses directly

BANKERS

- ANZ Grindlays Bank
Shmeisani Branch
PO Box: 9997
Amman
Tel: (962-6) 4660201
Fax: (962-6) 4679115
- Arab Bank Plc
Shmeisani Branch
PO Box: 950545 & 950544
Amman 11195
Tel: (962-6) 5607231 / 5607115
Fax: (962-6) 5606793 / 5606830

PAYMENT HISTORY

No complaints regarding subject's payments have been reported.

GENERAL COMMENTS

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

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

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.

COUNTRY OUTLOOK

GDP growth moderated during 2015 to an estimated 2.4 %, the slowest pace in four years, magnifying already-high unemployment. Security spill overs from regional conflict worsened, negatively impacting tourism, construction, investment and trade. However, growth in a number of sectors held up well through the third quarter

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of 2015, including in finance and insurance services, transport, storage and communications, electricity and water, and mining and quarrying. Unemployment rose to 13.0 % in 2015, an increase of 1.1 % age points relative to 2014. There was a mild deflation for most of 2015 due to further falls in global oil prices, a weakened Euro, a negative output gap, and easing of supply side pressures experienced in previous years (notably on housing prices, due to the large influx of refugees in 2012-13). Monetary policy remained expansionary with the central bank reducing the key policy lending rate by 125 basis points during the course of 2015. International reserves slightly rose to \$ 14.2 billion (7.5 months of imports) by end-2015.

The fiscal deficit was narrower in 2015 thanks to lower expenditures and lower transfers to the National Electric Power Company (NEPCO), which outweighed the fall in domestic revenues and grants. NEPCO resorted to borrowing from commercial banks instead of the government in 2015 providing a 7.0 % of GDP relief to the fiscal balance, without which the fiscal deficit would have widened. NEPCO's debt continues to be government guaranteed and combined with the fiscal deficit and slowing GDP growth contributed to pushing the gross debt to GDP ratio to an estimated 93 % at end-2015.

The current account deficit is expected to have widened in 2015, mainly due to lower public transfers and a 7.1 % fall in tourism receipts, and despite a narrowing trade deficit. The merchandise trade balance narrowed by 14 % on account of a 40.4 % fall in energy imports. These outweighed a 7.1 % contraction of direct exports (themselves buttressed by 10.9 % growth in phosphate exports) affected by land trade route closures with Syria and Iraq, traditionally Jordan's largest export partner. Remittances are slowing, growing by only 1.5 % during 2015.

Growth is expected to improve to 3.0 % in 2016, assuming no further worsening in the regional security situation and associated spill overs. This is driven by an expansion in mining and quarrying sector and positive base effect of tourism and construction sectors. Jordan is working towards an Extended Fund Facility (EFF) with the IMF. The EFF is anticipated to support further fiscal consolidation efforts in parallel with growth-enhancing and job-creating structural reforms. The baseline growth forecasts assume agreement on an EFF leading to a fiscal adjustment and a lower debt-to-GDP level. The balance of risks is on the downside. Managing repercussions from the regional security and political situation is a key risk in addition to the challenges of hosting a substantial number of Syrian refugees. Additionally, persistently low oil prices are a risk this year and in the medium term, given their potential impact on remittances, exports, FDI and grants from the GCC. Fiscal adjustment measures are likely to be difficult. Furthermore, the willingness and speed of reform implementation particularly to improve the business climate will be crucial to meet the country's investment aspirations.

Key Economic Indicators	2014	2015	2016*	2017*
Real GDP Growth (%)	3.1	2.4	3.0	3.3
Inflation Rate (%)	2.9	-0.9	1.3	2.7
Fiscal Balance (% of GDP)	-9.1	-3.4	-2.1	-1.3
Current Account Balance (% of GDP)	-1.0	-9.1	-6.6	-6.0

* forecast

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.48
UK Pound	1	INR 96.87
Euro	1	INR 84.98
JOD	1	INR 103.44

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)