

ALUMINIUM PRODUCTS CO (CLOSED JOINT STOCK) (ALUPCO) - 527849 PAGE NO. : 1

MIRA INFORM REPORT

Report No. :	527849
Report Date :	04.09.2018

IDENTIFICATION DETAILS

Name :	ALUMINIUM PRODUCTS CO (CLOSED JOINT STOCK) (ALUPCO)
Registered Office :	First Industrial Area, PO Box-2080, Dammam 31451, Saudi Arabia
Country :	Saudi Arabia
Financials (as on) :	31.12.2017
Date of Incorporation :	27.12.1975
Com. Reg. No.:	2050003678
Legal Form :	Joint Stock Company - Closed
Line of Business :	<ul style="list-style-type: none"> Engaged in the manufacture of extruded, anodised and fabricated aluminium of all shapes and sizes, flat bar, rod, angles, tubes and a great variety of special custom shapes for application in the construction industry, such as road building, bridges, commercial buildings, guard rails, lamp poles, road signs, green houses, irrigation systems and power transmission poles. Subject is also engaged in the manufacture of windows and doors
No. of Employees :	800

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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+	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.

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

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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

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SUMMARY

Company Name	: ALUMINIUM PRODUCTS CO (CLOSED JOINT STOCK) (ALUPCO)
Country of Origin	: Saudi Arabia
Legal Form	: Joint Stock Company - Closed
Registration Date	: 27th December 1975
Commercial Registration Number	: 2050003678, Dammam
Issued Capital	: SR 150,000,000
Paid up Capital	: SR 150,000,000
Total Workforce	: 800
Activities	: Manufacturers of aluminium products
Financial Condition	: Good
Payments	: No Complaints
Operating Trend	: Steady

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COMPANY NAME

ALUMINIUM PRODUCTS CO (CLOSED JOINT STOCK) (ALUPCO)

ADDRESS

Registered & Physical Address

Location : First Industrial Area

PO Box : 2080

Town : Dammam 31451

Country : Saudi Arabia

Telephone : (966-13) 8471300 / 8473010 / 8570184 / 8666444

Facsimile : (966-13) 8473010 / 8471300 / 8578159

Mobile : (966-50) 9348272

Email : info@alupco.com

Premises

Subject operates from a large suite of offices and a factory covering an area of 35,000 m2 that are owned and located in the Industrial Area of Dammam.

Branch Office (s)

Location	Description
Industrial City, Phase II PO Box: 8717 Jeddah 21492 Tel: (966-12) 6370027 / 2328222 Fax: (966-12) 6379763	Owned factory premises covering an area of 40,000 square metres
PO Box: 2249 Riyadh Tel: (966-11) 4051735 / 4459055 Fax: (966-11) 4038426 / 4459066	Distribution centre

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KEY PRINCIPALS

Name	Position
Waleed Hamad Al Saggaf	Managing Director
Hassan M Al Juaid	Director
Khaled Abdel Moneim	General Manager
Fareed Ilham	Chief Financial Officer
Mohamed Al Onaizi	Sales Manager
Hafez Al Ruwaili	Human Resources Manager
Ibrahim Al Sumairan	Purchasing Manager
Hussain Hamadi	Finance Manager
Mohamed Mohsen	Accountant

LEGAL FORM & OWNERS

Date of Establishment : 24/12/1395 Hijri (corresponding to 27th December 1975)

Legal Form : Joint Stock Company - Closed

Commercial Reg. No. : 2050003678, Dammam

Issued Capital : SR 150,000,000

Paid up Capital : SR 150,000,000

Name of Shareholder (s)	Percentage
Sheikh Hashim Said Hashim	34%
Badad International Company	30%
Olayan Financing Co Olayan Complex Al Khobar – Dammam Highway PO Box: 1520 Al Khobar 31952	28%

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Tel: (966-13) 8575622
Fax: (966-13) 8575834

Trading International Group (TIG)	6%
Olayan Saudi Investment Co	2%

OPERATIONS

Activities:

Engaged in the manufacture of extruded, anodised and fabricated aluminium of all shapes and sizes, flat bar, rod, angles, tubes and a great variety of special custom shapes for application in the construction industry, such as road building, bridges, commercial buildings, guard rails, lamp poles, road signs, green houses, irrigation systems and power transmission poles.

Subject is also engaged in the manufacture of windows and doors under licence from Swiss Aluminium Manufacturing Ltd of Switzerland and Industrial Semilavorati Alumino of Italy.

Alupco obtains the majority of its aluminium billet from the Alba smelter in Bahrain, but buys a small share from the world market in order not to be totally reliant on a single supplier and the pricing advantage that this tends to generate in favour of the supplier rather than the buyer.

Subject was ISO 9001 certified in 1995.

Production Capacity: 85,000 tonnes per annum
Import Countries: Switzerland, Italy, Germany and Bahrain
Export Countries: Middle East, Europe, Africa and Asia
Brand Names: ALUPCO
Operating Trend: Steady

Subject has a workforce of approximately 800 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: Saudi Riyals (SR)

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	Year Ending 31/12/16:	Year Ending 31/12/17:
Total sales	SR 873,200,000	SR 875,650,000

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

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

BANKERS

Arab National Bank (ANB)
King Street
PO Box: 18
Dammam 31411
Tel: (966-13) 8323440
Fax: (966-13) 8337829

Saudi American Bank
PO Box: 3113
Dammam 31471
Tel: (966-13) 8337171

Riyad Bank
Prince Mohammed Street
PO Box: 2123
Dammam
Tel: (966-13) 8323440
Fax: (966-13) 8337829

Al Bank Al Saudi Al Fransi
Dhahran Street
PO Box: 2792
Dammam
Tel: (966-13) 8320957

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.

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.77
UK Pound	1	INR 92.36
Euro	1	INR 82.14
SAR	1	INR 19.06

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	KET

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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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