

## MIRA INFORM REPORT

<b>Report No. :</b>	528194
<b>Report Date :</b>	07.09.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	AL HAYAT BUILDING MATERIALS CO LTD
<b>Registered Office :</b>	Mecca Medina Express Highway, Bani Malik, PO Box: 18053, Jeddah 21415
<b>Country :</b>	Saudi Arabia
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	29.11.1985
<b>Com. Reg. No.:</b>	4030041450
<b>Legal Form :</b>	Limited Liability Partnership
<b>Line of Business :</b>	Subject is engaged as distributors of building materials, hardware, power tools, decorative materials and sanitary ware products
<b>No. of Employees :</b>	550

**RATING & COMMENTS**

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

**MIRA's Rating :** A+

Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Regular
<b>Litigation :</b>	Clear

**NOTES :**

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto: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

**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	: AL HAYAT BUILDING MATERIALS CO LTD
Country of Origin	: Saudi Arabia
Legal Form	: Limited Liability Partnership
Registration Date	: 29th November 1985
Commercial Registration Number	: 4030041450, Jeddah
Chamber Membership Number	: 17875
Issued Capital	: SR 50,000,000
Paid up Capital	: SR 50,000,000
Total Workforce	: 550
Activities	: Distributors of building materials, hardware, power tools, decorative materials and sanitary ware products
Financial Condition	: Good
Payments	: Regular
Operating Trend	: Steady

## **COMPANY NAME**

AL HAYAT BUILDING MATERIALS CO LTD

## **ADDRESS**

### **REGISTERED & PHYSICAL ADDRESS**

Location : Mecca Medina Express Highway  
Area : Bani Malik  
PO Box : 18053  
Town : Jeddah 21415  
Country : Saudi Arabia  
Telephone : (966-12) 6407777 / 6732322 / 6736327 / 6712380 / 6717095  
Facsimile : (966-12) 2272727 / 6712380  
Email : [info@hayatbmc.com](mailto:info@hayatbmc.com) / [hayatbma@ogertel.com](mailto:hayatbma@ogertel.com)

### **Premises**

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

### **Branch Office (s)**

Subject operates a network of 20 branches located throughout the Kingdom, including the following:

<u>Location</u>	<u>Description</u>
• Riyadh Tel: (966-11) 2410939	Office & warehouse premises
• Dammam Tel: (966-13) 8571688	Office & warehouse premises
• Khamis Mushait Tel: (966-17) 2237937	Office & warehouse premises
• Al Hasa Tel: (966-13) 5861311	Office & warehouse premises
• Jizan	Office & warehouse premises

## **KEY PRINCIPALS**

<u>Name</u>	<u>Position</u>
• Issam Mohamed Khairy Al Kabbani	Managing Partner
• Fawaz Hajjar	General Manager
• Bassam Dalaoua	Finance Manager
• Ahmed Medhat	Financial Controller
• Osama Abbassi	Sales Manager
• Basheer Mohamed Bashir	Marketing Manager

## **LEGAL FORM & OWNERS**

**Date of Establishment** : 16/03/1406 (corresponding to 29<sup>th</sup> November 1985)

**Legal Form** : Limited Liability Partnership

**Commercial Reg. No.** : 4030041450, Jeddah

**Chamber Member No.** : 17875

**Issued Capital** : SR 50,000,000

**Paid up Capital** : SR 50,000,000

*Name of Partner (s)*

- Issam Mohamed Khairy Al Kabbani
- Heirs of Zayad Zain Al Abdin (represented by his wife Mrs Goladah Diyab)

## **AFFILIATED COMPANIES**

- National Marketing Est  
Port Road  
PO Box: 16375 / 17931  
Jeddah 21464  
Tel: (966-12) 6475010 / 6473381

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Fax: (966-12) 6474503

Commercial Registration Number: 4030006734

Engaged as wholesalers of UPVC pipes and fittings and a wide range of items and products related to water, drainage and conduit installation projects. Subject is also engaged in the distribution and installation of decorative materials.

- **United Building Materials Co Ltd (UNITECH)**  
Also Known As: Issam Kabbani & Partners for Prefabricated Building & Trading Co  
Al Amin Al Aam Street  
Al Azizeyyah District  
PO Box: 5338  
Jeddah 21422  
Tel: (966-12) 6659096  
Fax: (966-12) 6658079  
Commercial Registration Number: 4030032842  
Engaged as wholesalers and distributors of building materials, sealants, adhesives, bitumen coatings, hardware and tools.
- **Issam Kabbani & Partners for Waterproofing Materials Co (BMC)**  
PO Box: 5338  
Jeddah 21422  
Tel: (966-12) 6673180  
Fax: (966-12) 6658079  
Commercial Registration Number: 4030032844  
BMC is an engineering and contracting company specialising in waterproofing, damp-proofing, heat insulation and concrete repair.
- **Al Kabbani Co for Electric Trading**  
PO Box: 18033  
Jeddah 21415  
Tel: (966-12) 6481713  
Fax: (966-12) 6478065  
Distributors of electrical fittings, switchgear boards and cables.
- **Al Hayat Supermarket**  
PO Box: 16375  
Jeddah 21464
- **Marketing Fittings Sanitary & Plumbing Co**  
PO Box: 16375  
Jeddah  
Retailers of sanitary fittings.
- **Issam Kabbani Co**  
PO Box: 16375  
Jeddah 21464  
Wholesalers of foodstuff.

- Emam Distribution Co Ltd  
PO Box: 1716  
Jeddah 21441  
Tel: (966-12) 6824294  
Fax: (966-12) 6918227
- Specialist International Marketing Group Co  
PO Box: 6338  
Jeddah 21422  
Tel: (966-12) 6672000  
Fax: (966-12) 6658079
- Saudi Turkish Marine & Construction Contracting Co Ltd  
PO Box: 7371  
Jeddah 21462  
Tel: (966-12) 6670457  
Fax: (966-12) 6652473
- Mahmoud Adada & Issam Kabbani & Partners Ltd  
PO Box: 520  
Makkah  
Tel: (966-12) 5205555 / 5803056

Engaged in the production of wooden and metal furniture and kitchen units, as well as door, windows and decorative wood.

## **OPERATIONS**

**Activities:** Engaged as distributors of building materials, hardware, power tools, decorative materials and sanitary ware products.

**Import Countries:** United Kingdom, Germany, Italy, Spain, Belgium and South Korea

### **International Suppliers:**

- |                             |                |
|-----------------------------|----------------|
| • Kludi                     | Germany        |
| • Grohe                     | Germany        |
| • AEG Electrowerkezeug GmbH | Germany        |
| • Ge Plastics Europe        | Germany        |
| • Hawera Probst GmbH & Co   | Germany        |
| • Weiser                    | United Kingdom |
| • Tremco Sealants           | United Kingdom |
| • Pigler                    | United Kingdom |
| • Saviel                    | Italy          |
| • Fischer Italia Srl        | Italy          |
| • Sangra                    | Spain          |

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- Carlisle Syntec Systems Belgium
- Seo Young South Korea

**Operating Trend:** Steady

Subject has a workforce of approximately 550 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 435,000,000	SR 440,000,000

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  
Palestine Square  
PO Box: 7161  
Jeddah 21462  
Tel: (966-12) 6697384  
Fax: (966-12) 6697388
- Al Bank Al Saudi Al Fransi  
Al Sharafiya Branch  
Madinah Road  
PO Box: 7888  
Jeddah 21472  
Tel: (966-12) 6605863

## **PAYMENT HISTORY**

Regular

## **GENERAL COMMENTS**

Al Hayat Building Materials Co Ltd has operations dating back to 1984 and is engaged in the distribution of building materials, hardware and sanitary ware products. It enjoys a good reputation for the quality of its products and deals with a host of reputable international suppliers.

Subject is owned by members of the Kabbani family who have many years experience in the building materials industry.

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.

According to local sources subject's operating history is clear with nothing detrimental uncovered regarding the manner in payment obligations are met. The financial position is considered to be satisfactory and the company is considered to be a fair trade risk.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.92
UK Pound	1	INR 92.80
Euro	1	INR 83.60
SAR	1	INR 19.16

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIY
<b>Report Prepared by :</b>	SYL

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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)