

MIRA INFORM REPORT

Report No. :	530819
Report Date :	19.09.2018

IDENTIFICATION DETAILS

Name :	SAUDI INDUSTRIAL EXPORT COMPANY
Registered Office :	Office No. 403, Al Rousais Building Al Dhabab Street Al Morabba PO Box 21977 Riyadh 11485
Country :	Saudi Arabia
Financials (as on) :	31.12.2017
Date of Incorporation :	05.06.1990
Com. Reg. No.:	1010077554
Legal Form :	Joint Stock Company
Line of Business :	Subject is engaged in the provision of freight forwarding, transportation, warehousing and supply chain solutions, export and import risk solutions, franchising, enterprise empowerment and trading platform providers. Subject also distributes fertilizers, chemical materials, cement, metals and oil.
No. of Employees :	14

RATING & COMMENTS

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

MIRA's Rating :	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	Slow
Litigation :	Clear

NOTES :

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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

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	: SAUDI INDUSTRIAL EXPORT COMPANY
Country of Origin	: Saudi Arabia
Legal Form	: Joint Stock Company
Registration Date	: 5 th June 1990
Commercial Registration Number	: 1010077554, Riyadh
Membership Number	: 9572
Issued Capital	: SR 108,000,000
Paid up Capital	: SR 108,000,000
Total Workforce	: 14
Activities	: Providers of freight forwarding, transportation, warehousing and supply chain solutions, export and import risk solutions, franchising, enterprise empowerment and trading platform providers
Financial Condition	: Poor
Payments	: Slow

COMPANY NAME

SAUDI INDUSTRIAL EXPORT COMPANY

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Building : Office No. 403, Al Rousais Building
Street : Al Dhabab Street
Area : Al Morabba
PO Box : 21977
Town : Riyadh 11485
Country : Saudi Arabia
Telephone : (966-11) 4058080 / 4065624
Facsimile : (966-11) 4022854
Email : siec@siec.com.sa / siec@awalnet.net.sa

Premises

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

KEY PRINCIPALS

<u>Name</u>	<u>Position</u>
• Shoish Nasser Theneyn Altheneyn	Chairman
• Fahad Mubarak Thabet Alguthami	Director
• Saad Fallah Merey Alqahtani	Director
• Hisham Abdulrahman Abdulaziz Alaskar	Director
• Abdullah Abdulaziz Abdullah Almishal	Director
• Fawaz Abdul Sattar Al Alamy Al Hosny	Director
• Hussam Yahya Abdulaziz Algheraimil	Director
• Hazim Fahad Mesfr Aldosary	Chief Executive Officer

LEGAL FORM & OWNERS

Date of Establishment : 5th June 1990

Legal Form : Joint Stock Company

Commercial Reg. No. : 1010077554, Riyadh

Membership No. : 9572

Issued Capital : SR 108,000,000

Paid up Capital : SR 108,000,000

Name of Shareholder (s)

- Southern Province Cement Co
- Abdullah Abdulaziz Abdullah Almishal
- Nasser Rashed Mohamed Alnasser
- Saad Fallah Mere Alqahtani
- Hisham Abdulrahman Abdulaziz Alaskar
- Fahad Mubarak Thabet Alquthami
- Shoish Nasser Theneyn Altheneyn
- Hazim Fahad Mesfr Aldosary
- Local businessmen and private investors

AFFILIATED COMPANIES

<u>Name</u>	<u>Percentage Held</u>
• Saudi Industrial Export Jordan	100.00%
• Shahad Al Sahra Distribution	51.00%
• United National Export Co Ltd	20.00%

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- Warehousing & Logistics Services Co 3.85%

OPERATIONS

Activities: Engaged in the provision of freight forwarding, transportation, warehousing and supply chain solutions, export and import risk solutions, franchising, enterprise empowerment and trading platform providers. Subject also distributes fertilizers, chemical materials, cement, metals and oil.

Subject has a workforce of 14 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: Saudi Riyals (SR)

Balance Sheet	31/12/17	31/12/16
Assets		
Current assets		
Bank balances and cash	3,293,011	3,053,913
Trade accounts receivable	4,667,779	64,210,440
Inventories		3,799,487
Other current assets		480,571
Total	7,960,790	71,544,411
Total current assets	7,960,790	71,544,411
Non-current assets		
Property, plant and equipment	3,236,301	3,480,393
Investments in associates and joint ventures	7,887,321	11,837,427
Other non-current assets		14,352,336
Third party insurance		15,000,000
Total non-current assets	11,123,622	44,670,156
Total assets	19,084,412	116,214,567
Liabilities and equity		
Liabilities		
Current liabilities		
Trade accounts payables	2,138,078	3,024,823
Zakat payable	3,185,373	4,132,625
Dividends payable	2,379,162	2,382,262
Total	7,702,613	9,539,710
Total current liabilities	7,702,613	9,539,710
Non-current liabilities		
Employees' terminal benefits	382,387	475,149
Other non-current liabilities		1,077,532

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Total non-current liabilities	382,387	1,552,681
Total liabilities	8,085,000	11,092,391
Equity		
Shareholder's equity		
Share capital	10,800,000	108,000,000
Statutory Reserve		6,362,472
Retained earnings (accumulated losses)	199,412	7,620,740
Other reserves		
Asset revaluation reserve		-16,861,036
Total other reserves		-16,861,036
Equity attributable to owners of parent	10,999,412	105,122,176
Total equity	10,999,412	105,122,176
Total liabilities and equity	19,084,412	116,214,567

Statement of Income

31/12/17 31/12/16

Revenue [abstract]		
Sales of goods	19,223,713	623,392
Total revenue	19,223,713	623,392
Raw materials and consumables used	21,746,149	306,698
Depreciation and amortisation	306,085	267,322
Other operating expenses	9,004,302	6,828,194
Other income	1,919,011	1,878,403
Other expenses	100,961,344	7,129,145
Profit (loss) before zakat and income tax from continuing operations	-110,875,156	-12,029,564
Profit (loss) for period from continuing operations	-110,875,156	-12,029,564
Discontinued operations [abstract]		
Zakat expenses on discontinued operations for period	115,432	2,127,614
Net change in fair value of investments	16,861,036	-801,904
Actuarial gains on employee benefit plans	6,788	74,520
Profit (loss) for period from discontinued operations	16,752,392	-2,854,998
Profit (loss) for period	-94,122,764	-14,884,562
Profit (loss), attributable to [abstract]		
Profit (loss), attributable to equity holders of parent company	-94,122,764	-14,884,562

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

BANKERS

- Riyadh Bank
King Abdul Aziz Road
PO Box: 22622
Riyadh 11416
Tel: (966-11) 4013030

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PAYMENT HISTORY

Slow

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 72.38
UK Pound	1	INR 95.29
Euro	1	INR 84.77
SAR	1	INR 19.30

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	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)