

MIRA INFORM REPORT

Report No. :	531044
Report Date :	21.09.2018

IDENTIFICATION DETAILS

Name :	AYN TEXTILE COMPANY
Registered Office :	60 th Street, Main Textile Street, Al Hatemiah Triangle Area, Al Mouaqar, Sahab, PO Box 179, Amman 11512
Country :	Jordan
Financials (as on) :	31.12.2017
Date of Incorporation :	25.05.2005
Com. Reg. No.:	14685, Amman
Legal Form :	Limited Liability Company
Line of Business :	Subject is engaged in the manufacture of carpets, moquettes, mats and runners.
No. of Employees :	300

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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ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Jordan	B1	B2

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

JORDAN - ECONOMIC OVERVIEW

Jordan's economy is among the smallest in the Middle East, with insufficient supplies of water, oil, and other natural resources, underlying the government's heavy reliance on foreign assistance. Other economic challenges for the government include chronic high rates of unemployment and underemployment, budget and current account deficits, and government debt.

King ABDALLAH, during the first decade of the 2000s, implemented significant economic reforms, such as expanding foreign trade and privatizing state-owned companies that attracted foreign investment and contributed to average annual economic growth of 8% for 2004 through 2008. The global economic slowdown and regional turmoil contributed to slower growth from 2010 to 2017 - with growth averaging about 2.5% per year - and hurt export-oriented sectors, construction/real estate, and tourism. Since the onset of the civil war in Syria and resulting refugee crisis, one of Jordan's most pressing socioeconomic challenges has been managing the influx of approximately 660,000 UN-registered refugees, more than 80% of whom live in Jordan's urban areas. Jordan's own official census estimated the refugee number at 1.3 million Syrians as of early 2016.

Jordan is nearly completely dependent on imported energy—mostly natural gas—and energy consistently makes up 25-30% of Jordan's imports. To diversify its energy mix, Jordan has secured several contracts for liquefied and pipeline natural gas, developed several major renewables projects, and is currently exploring nuclear power generation and exploitation of abundant oil shale reserves. In August 2016, Jordan and the IMF agreed to a \$723 million Extended Fund Facility that aims to build on the three-year, \$2.1 billion IMF program that ended in August 2015 with the goal of helping Jordan correct budgetary and balance of payments imbalances.

Source : CIA

SUMMARY

Company Name	: AYN TEXTILE COMPANY
Country of Origin	: Jordan
Legal Form	: Limited Liability Company
Registration Date	: 25 th May 2005
Commercial Registration Number	: 14685, Amman
Chamber Membership Number	: 24710
National ID Number	: 200089002
Issued Capital	: JD 108,000
Paid up Capital	: JD 108,000
Total Workforce	: 300
Activities	: Manufacturers of carpets, moquettes, mats and runners
Financial Condition	: Fair
Payments	: No Complaints
Person Interviewed	: Khalid Al Deriah, Financial Manager

COMPANY NAME

AYN TEXTILE COMPANY

ADDRESS

Registered & Physical Address

Street : 60th Street, Main Textile Street
Area : Al Hatemiah Triangle Area, Al Mouaqar, Sahab
PO Box : 179
Town : Amman 11512
Country : Jordan
Telephone : (962-6) 4050066
Facsimile : (962-6) 4051232
Mobile : (962-78) 8890324
Email : info@ayntextile.com / ayntextile@tedata.net.jo / arabopioneers@tedata.net.jo
financial@ayntextile.com / sales@ayntex.com

Premises

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

KEY PRINCIPALS

<u>Name</u>	<u>Nationality</u>	<u>Position</u>
Mahmoud Rashid Abdulqader Abu Al Aynain	Jordanian	Managing Director
Omar Rashid Abdulqader Abu Al Aynain	Jordanian	Director
Hassan Rashid Abdulqader Abu Al Aynain	Jordanian	Director
Abdulqader Rashid Abdulqader Abu Al Aynain	Jordanian	Director
Osama Rashid Abdulqader Abu Al Aynain	Jordanian	Director
Ahmed Rashid Abdulqader Abu Al Aynain	Jordanian	Director
Sami Rashid Abdulqader Abu Al Aynain	Jordanian	Director
Mohamed Samir Rashid Abu Al Aynain	Jordanian	Director

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Hassan Samir Rashid Abu Al Aynain	Jordanian	Director
Ibrahim Samir Rashid Abu Al Aynain	Jordanian	Director
Adnan Samir Rashid Abu Al Aynain	Jordanian	Director
Rashid Samir Rashid Abu Al Aynain	Jordanian	Director
Sofiyan Samir Rashid Abu Al Aynain	Jordanian	Director
Khaloud Abu Ahmed	-	Sales Manager
Khalid Al Deriah	-	Financial Manager
Rami Eid	-	Assistant Financial Manager

LEGAL FORM & OWNERS

Date of Establishment : 25th May 2005

Legal Form : Limited Liability Company

Commercial Reg. No. : 14685, Amman

Chamber Member No. : 24710

National ID No.: 200089002

Issued Capital : JD 108,000

Paid up Capital : JD 108,000

Name of Shareholder (s)	Nationality	Percentage Holding
Mahmoud Rashid Abdulqader Abu Al Aynain	Jordanian	9.7%
Omar Rashid Abdulqader Abu Al Aynain	Jordanian	9.7%
Hassan Rashid Abdulqader Abu Al Aynain	Jordanian	9.7%
Abdulqader Rashid Abdulqader Abu Al Aynain	Jordanian	9.7%
Osama Rashid Abdulqader Abu Al Aynain	Jordanian	9.7%
Ahmed Rashid Abdulqader Abu Al Aynain	Jordanian	9.7%

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Sami Rashid Abdulqader Abu Al Aynain	Jordanian	8.2%
Mohamed Samir Rashid Abu Al Aynain	Jordanian	5.6%
Hassan Samir Rashid Abu Al Aynain	Jordanian	5.6%
Ibrahim Samir Rashid Abu Al Aynain	Jordanian	5.6%
Adnan Samir Rashid Abu Al Aynain	Jordanian	5.6%
Rashid Samir Rashid Abu Al Aynain	Jordanian	5.6%
Sofiyan Samir Rashid Abu Al Aynain	Jordanian	5.6%

Note to the Legal Form The limited liability company may be composed of two or more shareholders whether legal or natural persons, each responsible only for the liabilities of the company to the extent of their share participation in the capital of the company. The limited liability company may not offer its shares for public subscription or increase its capital or borrow by subscription. The minimum capital for foreign investments is fifty thousand Jordanian dinars (JOD 50,000) for each non-Jordanian Shareholder.

AFFILIATED COMPANIES

Arab Pioneers Co For Manufacturing Carpets & Rugs
Amman

OPERATIONS

Activities: Engaged in the manufacture of carpets, moquettes, mats and runners.

Import Countries: Turkey

Production Capacity: 10 million m² of carpets per annum

International Suppliers:

Falment Turkey

Export Countries: GCC countries, Europe and Asia

Subject has a workforce of approximately 300 employees.

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FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: Jordanian Dinar (JD)

Year	Sales
Year Ending 31/12/14:	JD 13,400,000
Year Ending 31/12/15:	JD 14,200,000
Year Ending 31/12/16:	JD 15,000,000
Year Ending 31/12/17:	JD 15,650,000

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

Cairo Amman Bank
Shabsough Street
PO Box: 715
Amman
Tel: (962-6) 5639321 / 5623100 / 5623109
Fax: (962-6) 5639328

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

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- Local Registry office
- Interview with Khalid Al Deriah, Financial Manager

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 spillovers 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 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 spillovers. 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 72.67
UK Pound	1	INR 95.59
Euro	1	INR 84.90
JOD	1	INR 101.12

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

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	TPT

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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)