

MIRA INFORM REPORT

Report No. :	523069
Report Date :	02.08.2018

IDENTIFICATION DETAILS

Name :	THOB AL ASEEL CO
Registered Office :	Saudi Mobile Building King Fahed Street Olaya District 23236 Riyadh 11426
Country :	Saudi Arabia
Financials (as on) :	04.09.2016
Date of Incorporation :	21.02.1989
Com. Reg. No.:	1010071301, Riyadh
Legal Form :	Limited Liability Company
Line of Business :	Subject is engaged in the import and distribution of readymade garments and textiles.
No. of Employees :	250

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+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
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)
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	: THOB AL ASEEL CO
Country of Origin	: Saudi Arabia
Legal Form	: Limited Liability Company
Registration Date	: 21 st February 1989
Commercial Registration Number	: 1010071301, Riyadh
Membership Number	: 38629
Issued Capital	: SR 300,000,000
Paid up Capital	: SR 300,000,000
Total Workforce	: 250
Activities	: Distributors of readymade garments and textiles
Financial Condition	: Good
Payments	: Regular
Operating Trend	: Steady

COMPANY NAME

THOB AL ASEEL CO

ADDRESS

Registered & Physical Address

Building : Saudi Mobile Building
Street : King Fahed Street
Area : Olaya District
PO Box : 23236
Town : Riyadh 11426
Country : Saudi Arabia
Telephone : (966-11) 4652000
Facsimile : (966-11) 4620645 / 4653000
Email : ir@alaseel.com

Premises

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

Branch Offices

<u>Location</u>	<u>Description</u>
Corniche Street Jeddah Tel: (966-12) 6437513	Rented showroom premises
Bab Shareef Jeddah Tel: (966-12) 6474741	Rented showroom premises
Dammam Tel: (966-13) 8325327	Rented showroom premises

Subject's a network of 25 branches located in all the major cities of the Kingdom.

KEY PRINCIPALS

<u>Name</u>	<u>Position</u>
Faisal Abdullah Aljedaie	Chairman
Mohammed Abdullah Aljedaie	Director
Abdulrahman Abdullah Aljedaie	Director
Tariq Saad Altuwaijri	Director
Ahmad Mohammad Almunifi	Director
Ahmed Saleh Alsultan	Chief Executive Officer
Najah Mohammed Alosaily	Chief Financial Officer

LEGAL FORM & OWNERS

Date of Establishment : 15/07/1409 Hijri (corresponding to 21st February 1989)

Legal Form : Limited Liability Company

Commercial Reg. No. : 1010071301, Riyadh

Membership No. : 38629

Issued Capital : SR 300,000,000

Paid up Capital : SR 300,000,000

Name of Shareholder (s)	Percentage
Hamad Mohammed Al Qanas	5.12%
Faisal Abdullah Aljedaie	94.88%
Mohammed Abdullah Aljedaie	
Abdulrahman Abdullah Aljedaie	
Tariq Saad Altuwaijri	
Ahmad Mohammad Almunifi	

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Local businessmen and private investors]
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AFFILIATED COMPANIES

<u>Name</u>	<u>Percentage Held</u>
Al Jedaie Trading Corporation New Akariyah Building No. 3, 6 th Floor, Office No. 601 Olaya Main Street Olaya District PO Box: 310 Riyadh 11411 Tel: (966-11) 4602000 / 4031244 / 4652000 Fax: (966-11) 4601111 / 4119967 / 4653000 Email: info@aljedaie.com.sa	-
Al Jedaie Fabrics Co Riyadh	100%

OPERATIONS

Activities: Engaged in the import and distribution of readymade garments and textiles.

Import Countries: India, France and the United Kingdom

Operating Trend: Steady

Subject has a workforce of approximately 250 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: Saudi Riyals (SR 000's)

<u>Balance Sheet</u> <u>31/12/13</u>	<u>04/09/16</u>	<u>31/12/15</u>	<u>31/12/14</u>	
Current Assets	276,570	120,786	102,828	65,318
Inventory	112,856	141,811	112,490	156,923

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THOB AL ASEEL CO - 523069

PAGE NO. : 8

Investments	-	-	-	-
Fixed Assets	3,784	3,194	2,858	2,250
Other Assets	16,198	13,831	7,855	7,445
Total Assets	409,408	279,622	226,031	231,936
Current Liabilities	73,216	20,598	17,278	6,273
Non-Current Liabilities	9,344	109,157	71,713	130,401
Other Liabilities	3,322	793	1,450	1,055
Shareholders' Equity	323,526	149,074	135,590	94,207
Minority Interests	-	-	-	-
Total Liabilities and Shareholder Equity	409,408	279,622	226,031	231,936

Statement of Income

Sales	316,637	397,365	390,767	389,567
Sales Cost	203,170	267,795	271,239	265,216
Total Income	113,467	129,570	119,528	124,351
Other Revenues	106	-	358	961
Total Revenues	113,573	129,570	119,886	125,312
Admin and Marketing Expenses	30,804	34,338	30,235	26,268
Depreciation	922	1,083	908	944
Other Expenses	-	168	-	1,016
Total Expenses	31,726	35,589	31,143	28,228
Net Income Before Zakat	81,847	93,981	88,743	97,084
Zakat	7,395	6,683	4,154	5,877
Net Income	74,452	87,298	84,589	91,207
Balance First Period	80,462	76,131	91,207	104,682
Reserves	6,792	8,749	-	-
Cash Dividends	-	76,131	8,459	104,682
Other Distributions	-	-1,913	91,206	-
Balance End Period	148,122	80,462	76,131	91,207

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

BANKERS

National Commercial Bank
Naseria Branch
PO Box: 17248
Riyadh 11484
Tel: (966-11) 4036500

Riyad Bank
King Faisal Street
Al Batha
PO Box: 229
Riyadh 11411
Tel: (966-11) 4113333

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PAYMENT HISTORY

Regular

GENERAL COMMENTS

Please note that the correct name of the subject is "Thob Al Aseel Co" and not "Thobe Alaseel Co".

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 68.60
UK Pound	1	INR 89.93
Euro	1	INR 80.11
SAR	1	INR 18.23

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	POJ

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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)