

MIRA INFORM REPORT

| | |
|---------------|------------|
| Report No. : | 537748 |
| Report Date : | 03.11.2018 |

IDENTIFICATION DETAILS

| | |
|-------------------------|---|
| Name : | AL RIFAI ROASTERY SAL |
| Registered Office : | Al Rifai Building, 5th Floor, 675 Saeb Salam Avenue, Mazraa Sector, PO Box-155105, Beirut |
| Country : | Lebanon |
| Financials (as on) : | 31.12.2017 |
| Date of Incorporation : | 1948 |
| Com. Reg. No.: | 58622 |
| Legal Form : | Lebanese Joint Stock Company |
| Line of Business : | Subject engaged in the roasting, packaging and retail of nuts and coffee, as well as candies and chocolates |
| No. of Employees : | 265 |

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 : | Regular |
| 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 (30.06.2018) | Current Rating (30.09.2018) |
|--------------|---------------------------------|--------------------------------|
| Lebanon | C1 | C1 |

| 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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LEBANON - ECONOMIC OVERVIEW

Lebanon has a free-market economy and a strong laissez-faire commercial tradition. The government does not restrict foreign investment; however, the investment climate suffers from red tape, corruption, arbitrary licensing decisions, complex customs procedures, high taxes, tariffs, and fees, archaic legislation, and inadequate intellectual property rights protection. The Lebanese economy is service-oriented; main growth sectors include banking and tourism.

The 1975-90 civil war seriously damaged Lebanon's economic infrastructure, cut national output by half, and derailed Lebanon's position as a Middle Eastern banking hub. Following the civil war, Lebanon rebuilt much of its war-torn physical and financial infrastructure by borrowing heavily, mostly from domestic banks, which saddled the government with a huge debt burden. Pledges of economic and financial reforms made at separate international donor conferences during the 2000s have mostly gone unfulfilled, including those made during the Paris III Donor Conference in 2007, following the July 2006 war. The "CEDRE" investment event hosted by France in April 2018 again rallied the international community to assist Lebanon with concessional financing and some grants for capital infrastructure improvements, conditioned upon long-delayed structural economic reforms in fiscal management, electricity tariffs, and transparent public procurement, among many others.

The Syria conflict cut off one of Lebanon's major markets and a transport corridor through the Levant. The influx of nearly one million registered and an estimated 300,000 unregistered Syrian refugees has increased social tensions and heightened competition for low-skill jobs and public services. Lebanon continues to face several long-term structural weaknesses that predate the Syria crisis, notably, weak infrastructure, poor service delivery, institutionalized corruption, and bureaucratic over-regulation. Chronic fiscal deficits have increased Lebanon's debt-to-GDP ratio, the third highest in the world; most of the debt is held internally by Lebanese banks. These factors combined to slow economic growth to the 1-2% range in 2011-17, after four years of averaging 8% growth. Weak economic growth limits tax revenues, while the largest government expenditures remain debt servicing, salaries for government workers, and transfers to the electricity sector. These limitations constrain other government spending, limiting its ability to invest in necessary infrastructure improvements, such as water, electricity, and transportation. In early 2018, the Lebanese government signed long-awaited contract agreements with an international consortium for petroleum exploration and production as part of the country's first offshore licensing round. Exploration is expected to begin in 2019.

Source : CIA

SUMMARY

| | |
|--------------------------------|---|
| Company Name | : AL RIFAI ROASTERY SAL |
| Country of Origin | : Lebanon |
| Legal Form | : Lebanese Joint Stock Company |
| Start Date | : 1948 |
| Registration Date | : 11th August 1988 |
| Commercial Registration Number | : 58622, Beirut |
| VAT Number | : 601-2019870 |
| Issued Capital | : LP 30,000,000 |
| Paid up Capital | : LP 30,000,000 |
| Total Workforce | : 265 |
| Activities | : Roasters, packagers and distributors of nuts and coffee |
| Financial Condition | : Fair |
| Payments | : Regular |
| Operating Trend | : Steady |
| Person Interviewed | : Mohamed Kassar, Finance Manager |

COMPANY NAME

AL RIFAI ROASTERY SAL

ADDRESS

Registered & Physical Address

Building : Al Rifai Building, 5th Floor
Street : 675 Saeb Salam Avenue
Area : Mazraa Sector

PO Box : 155105

Town : Beirut
Country : Lebanon

Telephone : (961-1) 702220 / 702221 / 705105 / 707107 / 888884
Facsimile : (961-1) 308311 / 309690
Mobile : (961-3) 480310
Email : info@alrifai.com / Mohamad.kassar@alrifai.com

Premises

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

Branch Office (s)

| Location | Description |
|---|--------------------|
| SAR Building General Fouad Chehab Street Sin El Fil Beirut | Factory premises |
| ABC Department Store Dbayeh Highway Beirut | Showroom premises |
| Hamra Street Beirut | Showroom premises |
| Abela's Supermarket Ashrafieh Street Beirut | Showroom premises |

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| | |
|--|-------------------|
| Metro Superstore Maameltein Area Ghazir Kesrouane | Showroom premises |
| Duty Free Shop Beirut International Airport Choueifate | Showroom premises |
| Fahd Supermarket Kesrouane | Showroom premises |
| Labban Street Beirut | Showroom premises |
| Hussein Al Ahdab Street Beirut Tel: (961-1) 990590 | Showroom premises |
| Duty Free Shop Rafic Hariri International Airport Khaldeh Area | Showroom premises |
| Main Street Zalka Tel: (961-1) 888884 | Showroom premises |
| Megastore City Mall, 14 Dora Highway Bauchrieh | Showroom premises |
| Beirut Mall Old Saïda Road Tayouneh Area | Showroom premises |
| Metro Superstore Galaxy Centre Camille Chamoun Boulevard Chiyah | Showroom premises |
| COOP Khaldeh Area | Showroom premises |
| Bsat Supermarket Main Road Abra | Showroom premises |
| Hyper Bou Khalil | Showroom premises |

Faubourg Saint Jean
Army Street
Damascus International Road
Baabda

Hyper Bou Khalil
Sahab Building
Khaled Chehab Street
Manara Sector

Showroom premises

Hyper Bou Khalil
Mkalles 2001, Main Road

Showroom premises

Hyper Bou Khalil
Off Highway
Jbeil

Showroom premises

Hyper Bou Khalil
Saint Elie Centre
Freres Rahbani Street
Antelias

Showroom premises

Hyper Bou Khalil
Faubourg de Tripoli
Hajj Radwan Ghandour Street
Bohsas

Showroom premises

Jbeil Supermarket
Jbeil

Showroom premises

Le Charcutier Aoun
Christ Roi Road
Zouk Mosbeh

Showroom premises

Ghazale Supermarket
Chtaura

Showroom premises

Prime Supermarket
Futuroscope Shopping Mall
Charles Helou Avenue
Sin El Fil

Showroom premises

Spinneys Building
Mar Mitr Street
Mar Mitr Sector

Showroom premises

Spinneys Building
Highway
Antelias

Showroom premises

| | |
|---|-------------------|
| Spinneys Building Oueini Street Ramlet Baidi Area Mar Elias Sector | Showroom premises |
| Spinneys Al Charki Boulevard Saida | Showroom premises |
| Spinneys Tripoli | Showroom premises |
| Khoury Shopping Centre Batroun | Showroom premises |
| Baabda | Showroom premises |
| Concord Building Hamra Street Hamra Sector | Showroom premises |
| Furn El Hayek Tahtani Street Furn El Hayek Sector | Showroom premises |
| BHV, Jnah Gardens Building Jnah Area | Showroom premises |
| Zouk Mikael | Showroom premises |
| Main Road Aley | Showroom premises |
| Highway Haret Sakhre | Showroom premises |
| Beirut Central District Majidiyeh Sector | Showroom premises |
| Boulevard Zahleh | Showroom premises |
| Lions Building, Maamari Street Hamra Sector | Showroom premises |

Subject also has branches located in Kuwait, Saudi Arabia, Qatar, Bahrain, Jordan and the United Arab Emirates.

KEY PRINCIPALS

| Name | Nationality | Position |
|------------------------|-------------|--------------------|
| Mohamed Mousa Al Rifai | Lebanese | Chairman |
| Moussa M Al Rifai | Lebanese | Director |
| Mohamed Kassar | - | Finance Manager |
| Jean Nader | - | Commercial Manager |
| Mayssoune Al Rifai | - | Marketing Manager |
| Ralph Hana | - | Accountant |

LEGAL FORM & OWNERS

Date of Establishment : Subject's activities date back to 1948 however it was registered on 11th August 1988.

Legal Form : Lebanese Joint Stock Company

Commercial Reg. No. : 58622, Beirut

VAT No. : 601-2019870

Issued Capital : LP 30,000,000

Paid up Capital : LP 30,000,000

| Name of Shareholder (s) | Percentage |
|---|------------|
| Rifai International Holding Limited Cayman Islands | 99.94% |
| Mohamed Mousa Al Rifai | 0.03% |
| Moussa M Al Rifai | 0.03% |

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OPERATIONS

Activities: Engaged in the roasting, packaging and retail of nuts and coffee, as well as candies and chocolates.

Import Countries: Switzerland, Spain, Italy, France, Tunisia, India, Taiwan, Brazil, Columbia, Philippines, Turkey, Iran, Australia, China, United Arab Emirates and the United States of America

International Suppliers:

| | |
|---------------------|---|
| Ollam International | United States of America and United Arab Emirates |
| Asiia | Italy |
| Kajo | Spain |

Export Countries: United States of America, France, Saudi Arabia, Brazil, Greece, Canada, Spain, Bahrain, Kuwait, Australia, Cyprus, Qatar, Jordan, Italy, the Middle East, Western Europe and Africa.

Brand Names: AL RIFAI, INNOCENT, SNACKS, REMIX, AL RIFAI SELECTION and NUTISAL

Operating Trend: Steady

Subject has a workforce of approximately 265 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: United States Dollars (US\$)

| | Year Ending 31/12/16: | Year Ending 31/12/17: |
|-------------|-----------------------|-----------------------|
| Total sales | US\$ 43,200,000 | US\$ 46,500,000 |

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

The above figures were provided by Mohamed Kassar, Finance Manager

BANKERS

Byblos Bank Sal
PO Box: 115605
Beirut
Tel: (961-1) 898200

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Fax: (961-1) 898209

Arab Bank Plc
PO Box: 111015
Beirut
Tel: (961-1) 370122 / 370155 / 862860
Fax: (961-1) 868130 / 602408

Banque Audi Sal
Ashrafieh Branch
PO Box: 112560
Beirut
Tel: (961-1) 200250 / 200251
Fax: (961-1) 200955
Cpte No. 30044442100023

Banque Libano Francaise Sal
PO Box: 11808
Beirut
Tel: (961-1) 200493 / 200490
Fax: (961-1) 200494 / 348845

Credit Libanais Sal
Mazraa Branch
Beirut
Tel: (961-1) 817544
Acc No. 0013448031001

PAYMENT HISTORY

Regular

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 73.88 |
| UK Pound | 1 | INR 94.75 |
| Euro | 1 | INR 83.23 |
| LBP | 1 | INR 0.048 |

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)