

MIRA INFORM REPORT

Report No. :	537007
Report Date :	27.10.2018

IDENTIFICATION DETAILS

Name :	AL SHARAQ AL AWSAT PHARMACIES COMPANY
Registered Office :	King Fahad Street PO Box 91877 Riyadh 11497
Country :	Saudi Arabia
Date of Incorporation :	02.07. 2008
Com. Reg. No.:	1010252818
Legal Form :	Limited Liability Company
Line of Business :	Subject is engaged in the import and distribution of pharmaceutical and medical products.
No. of Employees :	100

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 (30.06.2018)	Current Rating (30.09.2018)
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 SHARAQ AL AWSAT PHARMACIES COMPANY
Also Known As	: MIDDLE EAST PHARMACIES COMPANY
Country of Origin	: Saudi Arabia
Legal Form	: Limited Liability Company
Registration Date	: 2nd July 2008
Commercial Registration Number	: 1010252818, Riyadh
Chamber Membership Number	: 32682
Issued Capital	: SR 500,000
Paid up Capital	: SR 500,000
Total Workforce	: 100
Activities	: Distributors of pharmaceutical and medical products
Financial Condition	: Undetermined
Payments	: Nothing detrimental uncovered
Person Interviewed	: Moayed Mohamed, Accountant

COMPANY NAME

AL SHARAQ AL AWSAT PHARMACIES COMPANY

ALSO KNOWN AS: MIDDLE EAST PHARMACIES COMPANY

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Location : King Fahad Street

PO Box : 91877

Town : Riyadh 11497

Country : Saudi Arabia

Telephone : (966-11) 4622224 / 2833400

Mobile : (966-54) 3420644 / (966-58) 2225131

Email : pharmacist@drsulaimanalhabib.com / taha.shaukat@drsulaimanalhabib.com

Premises

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

KEY PRINCIPALS

<u>Name</u>	<u>Position</u>
• Dr Sulaiman Al Habib	Chairman
• Mohamed Ali Al Jarfan	Director
• Riad Al Atiqi	General Manager
• Essam Mashloun	Accounts Manager
• Junaid Mukhtar	Senior Accountant
• Moayed Mohamed	Accountant

LEGAL FORM & OWNERS

Date of Establishment : 2nd July 2008

Legal Form : Limited Liability Company

Commercial Reg. No. : 1010252818, Riyadh

Chamber Member No. : 32682

Issued Capital : SR 500,000

Paid up Capital : SR 500,000

<i>Name of Partner (s)</i>	<i>Percentage</i>
• Dr Sulaiman Al Habib Medical Complex Co	95%
• Mohamed Ali Al Jarfan	5%

OPERATIONS

Activities: Engaged in the import and distribution of pharmaceutical and medical products.

Import Countries: Europe and the Far East

Local Suppliers:

- Al Hikma
- Taiba Pharmacies
- Dawa

Subject has a workforce of 100 employees.

FINANCIAL DATA

Companies registered in Saudi Arabia are not legally required to make their accounts public and no financial information was released by the company or submitted by outside sources.

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BANKERS

- Arab National Bank (ANB)
King Faisal Street
PO Box: 56921
Riyadh 11564
Tel: (966-11) 4029000
Fax: (966-11) 4027747

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
- Local Registry office
- Interview with Moayed Mohamed, Accountant

Please note that the correct name of the subject is "Al Sharaq Al Awsat Pharmacies Company" and not "Asharq Alawsat Pharmacies 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.

Local sources report that payment obligations are met in a generally timely manner and the operating history is clear. As such the company is deemed a fair trade risk and the above credit figure is considered to be within subject's financial means.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.37
UK Pound	1	INR 94.05
Euro	1	INR 83.41
SAR	1	INR 19.49

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	TRU

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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)