

UFC to float finance firm in Bahrain

By A E James

MUSCAT United Finance Company (UFC), one of the leading non-banking finance companies in the Sultanate, is floating a finance firm in Bahrain with a capital base of 5 million Bahraini dinars.

UFC is planning to take a 49 per cent ownership in the proposed Bahrain Finance House, while 10 per cent stake each will be held by two other group companies — Global Investment House and Global Finance, said highly-placed sources at the company.

The remaining 31 per cent will be offered to local institutional investors, especially banks. "We had discussions with the potential partners for forming the new company", noted an official.

The business model of the Bahrain firm will be similar to United Finance, said an official, adding that it will be engaged in hire purchase, lease finance and equipment finance for small and medium-sized companies.

"It will be a replication of United Finance's business model.

The overall business environment in Bahrain is comparable with Oman. The legal framework is extremely good", noted an official, while citing the reasons for selecting Bahrain for floating the new company.

The Central Bank of Oman (CBO) in its meeting last week approved the UFC proposal, but a final approval from the Bahrain Monetary Authority (BMA) is still awaited.

The Bahrain's regulatory authority needs no objection from Oman's central bank. Since CBO cleared the proposal now, the Bahrain authority's approval is also awaited soon.

Of the total proceeds of the RO 4.78 million from the rights issue, RO 2.5 million will be used for floating Bahrain Finance House.

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(S.A.O.C),
Emirate of Oman,
Tenders:

Sl. No.	Doc. Sale Date	Submission Date
50/-	18th to 22nd June, 2005.	17th July, 2005
50/-	18th to 22nd June, 2005.	17th July, 2005

Procurement & Tenders, Room 16, Third Floor, Ministry of Transport & Information, after paying the non-refundable tender fee of RO 50/-, Third Floor, Ministry of Finance Unit, Room No. 16, Third Floor, Ministry of Industry.

Commerce & Industry
The Executive President,
Tender Name and Number: The
Department of Procurement & Information, Ministry of Transport & Information, 17th July, 2005.
as to the identity of the bidder.

Company

Source: Oman Daily Observer
Dt. 18-6-05

ing a large range and quality after sales service.

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UFC earlier said that it would float a rights issue, which is in the ratio of one rights share for every two shares held, to the tune of 4.78 million shares.

With the rights offer, the capital of the company would be enhanced by 50 per cent — from RO 9.56 million to RO 14.34 million. The rights issue is expected to open for subscription by next week.

The purpose of the issue, which will be priced at RO 1 per share, is to meet working capital requirements of the company and expansion of activities in the regional markets through joint ventures.

UFC Board in a recent meeting decided to list the shares of the company on the Dubai Stock Exchange apart from pursuing its earlier decision of listing on the Kuwait Stock Exchange. The shareholders of the company believe that Dubai bourse has depth and listing of the company shares there would facilitate new investors to deal in the stocks.

Of the seven board members, two are from the United Arab Emirates (UAE) and one is from Kuwait. The company recorded a net profit of RO 516,000, indicating a 17.6 per cent growth over the same period last year. The audit committee of the board has approved the first quarter financial result.

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