

MIRA INFORM REPORT

Report No. :	542785
Report Date :	04.12.2018

IDENTIFICATION DETAILS

Name :	WESTPOINT HOME (BAHRAIN) WLL
Registered Office :	Building No. 1912, Road No. 5146, Block 951, South Alba Industrial Area, Askar, PO Box - 39308 & 28640, Manama
Country :	Bahrain
Financials (as on) :	31.12.2017
Date of Incorporation :	21.12.2006
Com. Reg. No.:	63530-1,
Legal Form :	With Limited Liability - WLL
Line of Business :	subject is engaged in the spinning, weaving and processing of textiles, fabrics and denim
No. of Employees :	1,300

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 :	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.

ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Bahrain	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

BAHRAIN - ECONOMIC OVERVIEW

Oil and natural gas play a dominant role in Bahrain's economy. Despite the Government's past efforts to diversify the economy, oil still comprises 85% of Bahraini budget revenues. In the last few years lower world energy prices have generated sizable budget deficits - about 10% of GDP in 2017 alone. Bahrain has few options for covering these deficits, with low foreign assets and fewer oil resources compared to its GCC neighbors. The three major US credit agencies downgraded Bahrain's sovereign debt rating to "junk" status in 2016, citing persistently low oil prices and the government's high debt levels. Nevertheless, Bahrain was able to raise about \$4 billion by issuing foreign currency denominated debt in 2017.

Other major economic activities are production of aluminum - Bahrain's second biggest export after oil and gas - finance, and construction. Bahrain continues to seek new natural gas supplies as feedstock to support its expanding petrochemical and aluminum industries. In April 2018 Bahrain announced it had found a significant oil field off the country's west coast, but is still assessing how much of the oil can be extracted profitably.

In addition to addressing its current fiscal woes, Bahraini authorities face the long-term challenge of boosting Bahrain's regional competitiveness — especially regarding industry, finance, and tourism — and reconciling revenue constraints with popular pressure to maintain generous state subsidies and a large public sector. Since 2015, the government lifted subsidies on meat, diesel, kerosene, and gasoline and has begun to phase in higher prices for electricity and water. As part of its diversification plans, Bahrain implemented a Free Trade Agreement (FTA) with the US in August 2006, the first FTA between the US and a Gulf state. It plans to introduce a Value Added Tax (VAT) by the end of 2018.

Source : CIA

SUMMARY

Company Name	: WESTPOINT HOME (BAHRAIN) WLL
Country of Origin	: Bahrain
Legal Form	: With Limited Liability - WLL
Registration Date	: 21st December 2006
Commercial Registration Number	: 63530-1, Manama
Chamber Membership Number	: 17025
Issued Capital	: BD 100,000
Paid up Capital	: BD 100,000
Total Workforce	: 1,300
Activities	: Spinning, weaving and processing of textiles, fabrics and denim
Financial Condition	: Good
Payments	: No Complaints
Operating Trend	: Steady

COMPANY NAME

WESTPOINT HOME (BAHRAIN) WLL

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Building : Building No. 1912
Street : Road No. 5146, Block 951
Area : South Alba Industrial Area, Askar

PO Box : 39308 & 28640

Town : Manama
Country : Bahrain

Telephone : (973-17) 838018 / 830559 / 832062 / 919085 / 838125 / 838115 / 832367
Facsimile : (973-17) 832022 / 919070 / 838123 / 830217 / 838127
Mobile : (973-39) 871069 / 681600 / (973-36) 434381
Email : aziz.ahmed@wphome.com / amir.imtiaz@wphome.com / moneeb.shehzad@wphome.com

Premises

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

KEY PRINCIPALS

<u>Name</u>	<u>Position</u>
• Imran Ahmed Chama	Managing Director
• Ahmed Aziz	General Manager
• Amer Imtiyaz	Commercial Manager
• Moneeb Ahmed Shahazd	Finance Manager
• Imran Ahmed	Factory Manager
• Adel Jaber	Human Resources Manager

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LEGAL FORM & OWNERS

Date of Establishment : 21st December 2006

Legal Form : With Limited Liability - WLL

Commercial Reg. No. : 63530-1, Manama

Chamber Member No. : 17025

Issued Capital : BD 100,000

Paid up Capital : BD 100,000

<i>Name of Shareholder (s)</i>	<i>Percentage</i>
• Westpoint Home Netherlands BV Netherlands	99%
• Westpoint Home Netherlands Cooperative Netherlands	1%

Notes to the legal Form Under the Bahraini Commercial Companies Law a WLL may be formed by a minimum of 2 and a maximum of 50 natural or legal persons, whose liability is limited to their shares in the company's capital. The WLL is the most common form of company where 100 percent foreign ownership is permitted. The minimum amount of paid-up capital required is BD 20,000. With Limited Liability (WLL) companies cannot issue public shares, negotiable warrants, or debentures. Banking and insurance activities are also not allowed.

OPERATIONS

Activities: Engaged in the spinning, weaving and processing of textiles, fabrics and denim.

Import Countries: India and China

Export Countries: United States of America and Europe

Operating Trend: Steady

Subject has a workforce of approximately 1,300 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: Bahraini Dinar (BD)

Year	Sales
Year Ending 31/12/14:	BD 45,000,000
Year Ending 31/12/15:	BD 47,000,000
Year Ending 31/12/16:	BD 49,000,000
Year Ending 31/12/17:	BD 51,300,000

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

Note: According to Bahraini Commercial Law, only Bahraini Shareholding Companies BSC (Listed on the Bahraini 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

- HSBC Bank Middle East
93 Al Khalifa Avenue
PO Box: 57
Manama 304
Tel: (973-17) 224555 / 222158
Fax: (973-17) 226822
Email: bbmemnm@batelco.com.bh
- Bahrain Financial Harbour
West Tower, 3rd Floor
King Faisal Highway
PO Box: 5241
Manama 346
Tel: (973-17) 866600
Fax: (973-17) 866601
- Bank of Bahrain & Kuwait
43 Government Avenue
PO Box: 597
Manama
Tel: (973-17) 253388

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- Fax: (973-17) 275785
- Banque Paribas
Government Avenue
PO Box : 5241
Manama
Tel: (973-17) 253119
Fax: (973-17) 242077

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

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

The growth momentum has slowed, following the drop in oil prices. GDP growth has slowed to 3.2 % in 2015 from its 5.4 % level in 2013 and 4.6 % in 2014, reflecting a slowdown in both the hydrocarbon and non-hydrocarbon sectors. Non-oil GDP slowed during 2015 to 3.9 from 4.9 % in 2014, despite resilience in hotels and restaurants sectors. Hydrocarbon GDP remained constant in 2015. Inflation was subdued at an average rate of 1.8 % in 2015 reflecting lower international food prices and appreciation of the US Dollar. The current account surplus turned into a deficit of 3.2 % of GDP in 2015. Reserves declined to 2.6 months of imports. Unemployment fell to 3.1 % in September 2015, from 3.8 % at end-2014.

The government maintained an expansionary fiscal stance since 2009 resulting in budget deficits and rising debt. However, the situation has worsened in 2015 with a decline in oil revenues by about 10 % of GDP and a general fiscal deficit estimated at 12.5 % of GDP (from 3.3 % in 2014). Public debt to GDP ratio has increased to 63 % (compared to 8 % in 2008). This was financed through GCC grants (which increased by 85 % to \$3.7 billion

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during 2015) and the issuance of a \$1.5 million bond. The government had to raise the public debt ceiling to BD10 billion, representing 80 % of GDP to enable additional borrowing. The new debt ceiling is well over the GCC-agreed debt-threshold criterion of 60 %. S&P downgraded Bahrain's rating to BBB-/A-3 in 2015 with a negative outlook, and further downgraded it in 2016 to BB/B, but with a stable outlook.

The government took significant fiscal consolidation measures in 2015. Revenue enhancing measures, such as higher tobacco and alcohol taxes and government services fees were introduced. A cost-cutting program entailed the raising of petrol prices by up to 60 % in January 2016 (likely to create savings worth \$148.4 million), the gradual phasing-in of price increases for electricity, water, diesel, and kerosene subsidies by 2019, an increase and unification of natural gas prices for industrial users, and the removal of meat subsidies. Lower oil prices are forcing the government to cut back on capital spending, since restraining current spending may exacerbate the already tense political scene. Parliamentarians have proposed a law to privatize several state owned businesses to help curb the deficit.

The outlook is for growth to decline in the next few years. Real GDP growth is projected at 2.2 and 2.0 % in 2016 and 2017 respectively, as continuing low oil prices depress private and government consumption. Beyond 2018, growth is expected to pick up as new aluminium and refinery capacity comes on stream, and as other projects are completed, including the Airport expansion, retail and GCC Development Fund social housing projects. Bahrain National Gas Company signed a \$355 million deal with a Japanese company for a new gas plant, which is expected to increase capacity by 350 million cubic feet, starting 2018. Average inflation is expected to increase to 3.2 % in 2016, reflecting subsidy reform and moderate to 2.3 % thereafter. The current account is likely to record a deficit of 8.2 % of GDP in 2016 projected to trend downwards thereafter, as oil prices recover and global demand for aluminium rises. International reserves are expected to reach 2.3 months of imports in 2016, down from 2.6 in 2015 and 3.2 in 2014.

Key Economic Indicators	2014	2015	2016*	2017*
Real GDP Growth (%)	4.5	3.2	2.2	2.0
Inflation Rate (%)	2.7	1.8	3.2	2.3
Fiscal Balance (% of GDP)	-3.3	-12.5	-16.9	-15.3
Current Account Balance (% of GDP)	4.5	-3.2	-8.2	-7.2

* forecast

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.03
UK Pound	1	INR 89.50
Euro	1	INR 79.59
BDH	1	INR 186.71

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)