

## RISK ASSESSMENT CHECKLIST

Date : 08-02-2023      Originator : Mashar Rasip  
A/A No. : FPP/Feb23/263      Lead : Elitra Syahirah Mahmod

### 1. Client Information

- (a) Name: Global Mahawangsa Sdn. Bhd. (**Global Mahawangsa**)
- (b) Business Registration No: 201401043008 (1119186 - D)
- (c) Incorporation Date: 21 November 2014
- (d) Paid-up Capital: RM2,050,000.00 as of December 2020
- (e) Total Equity/Net Asset: RM1,982,193.00 as of December 2020
- (f) Current Ratio (times): 1.33 as of December 2020
- (g) Management Team

#	Name	Designation	Experience
(i)	Cham Nong A/L Aliap	Executive Director	21 years
(ii)	Dato' Haji Othman Bin Omar	Director	38 years
(iii)	Prak Vic Fungsathian	Chief Operating Officer	16 years
(iv)	Nur Ardila Maisara Mahazir	Finance Manager	6 years
(v)	Suhana Abdullah	Admin & Operations Manager	5 years

### 2. Experian & CTOS Credit Check: [Satisfactory/Non-Satisfactory]

Date of report: 10-01-2023

#	Name	Description	Status	Comments
(a)	Global Mahawangsa Sdn. Bhd	Applicant	No record	No adverse remarks
(b)	Cham Nong A/L Aliap	Director	No record	No adverse remarks
(c)	Dato' Haji Othman Bin Omar	Director	No record	No adverse remarks

### 3. Supplier's Information

1.	Name	:	Beijing Chenhui Imp & Exp Co. Ltd.
2.	Business Address	:	C119,1st Floor, Bldg.20, Ying Qiu Yuan,Lai Guang Ying, Chaoyang District,Beijing, China
3.	Date of Incorporation	:	20 May 2016
4.	Registered Paid-up Capital	:	RMB 10,000,000.00
5.	Core Business	:	Import and export of goods especially in wire mesh solutions.

#### 4. Project Information

Customer	Job Description	Duration	Contract	
			Amount (RM)	Period (Months)
Malaysian Prison Department	Supply and Delivery of Concertina Razor Barbed Tape for The Malaysian Prison Department  Contract No: TJP 30/2022 Tender No: QT220000000030728 SST No: LA220000000048698	25-11-2022 to 24-11-2024	3,048,500.00	24

Note: SST from Contract Awarder is attached under **Appendix A**

Assessment: -

- (a) The contract is **one-off supply** of the concertina razor barbed tape to Malaysian Prison Department in Kajang, Selangor.
- (b) The specification and quantity of the goods is inserted in SST. (refer **Appendix A**)
- (c) The goods have to be delivered within 60 days from the date of local order. However, the Contract Awarder has not issued the Local Order yet at this stage due to the pending of the lodgement of Notice of Assignment (NOA) is required before the awarder can issue the Local Order,
- (d) Therefore, the local order should be submitted by the Applicant after the NOA has been lodged prior to the disbursement as part of the pre-disbursement condition.
- (e) Payment Term is within **30-60 days** from invoice submission, thus is within the Credit Period.

#### 5. Site Visit

Assessment:

- (a) Site visit to the **Applicant** has been conducted by Mashar Rasip on **8<sup>th</sup> February 2023** at its operation address located at A-13-2, Plaza Glomac, Jalan SS 7/19, SS7, 47301 Petaling Jaya, Selangor. - Site Visit Report by RM is attached as **Appendix B**.
  - (i) Global Mahawangsa Sdn. Bhd. is our previous client, having a history of one contract factored to SAPMSB valued at RM6.2mil.
  - (ii) The contract were satisfactorily conducted with good work delivered by the Applicant.
  - (iii) In addition, SAPMSB had previously funded Global Mahawangsa's **sister company** being **Widad Skycore (M) Sdn. Bhd.** via Pre-Financing & Post Factoring facilities. The contract had successfully executed with the good track record collection.
  - (iv) Applicant's Company Profile is attached under **Appendix C**.

- (b) The **Contract Awarder** is the **Malaysian Prison Department**, under the Minister of Home Affairs.
- (i) Malaysian Prison Department is the department that responsible to carry out orders for detention issued by the courts or authorities against the inmates. These jails also act as recovery institutions.
  - (ii) Proceeds are secured via **Notice of Assignment (NOA)** and collection is through **eP**.
  - (iii) A site visit to the Contract Awarder will be conducted at the stage of lodgement / collection of NOA as a part of pre-disbursement condition.
- (c) The **supplier** for this contract is **Beijing Chenhui Imp & Exp Co., Ltd. (Beijing Chenhui)**
- (i) The necessary verification with the Supplier has been made via tele-conference dated **10 February 2023** to substitute the physical site visit with the Supplier.
  - (ii) The Pre-Disbursement Verification Checklist (PDV) is attached under **Appendix D**.
  - (iii) The meeting was attended by representatives from SAPMSB namely Muhammad Azwan (Operation) and Afiqah Ainani (Risk & Credit). The representative from the Supplier is Maggie Ying (General Manager).
  - (iv) **Beijing Chenhui Imp & Exp Co., Ltd** is a company specializing in the producing and providing the wire mesh solutions for police stations, prisons, government, embassy, army, borders of China and oversea countries. The products are widely exported to several countries such as USA, Australia, United Kingdom, New Zealand, Finland, UAE, Egypt, Brazil, Argentina, and Africa.
  - (v) During the discussion, Beijing Chenhui mentioned that it is their first time dealing with the Applicant and supply the goods to Malaysia.
  - (vi) The Supplier informed that the duration for the goods to be manufactured and to be prepared is 30 days with an estimated 2-week delivery period.
  - (vii) There will be a 1-year warranty for the items.
  - (viii) The Applicant is yet to make any payment to the Supplier, therefore the utilisation of pre-financing of RM1,900,000 is to pay the Supplier and will be disbursed directly to the Supplier via 2 tranches being 50% upfront and 50% after goods are ready for delivery.
  - (ix) The Supplier's company profile and business license are attached under **Appendix E**.

## 6. Analysis of Global Mahawangsa Bank Statements for the past 6 months

- (a) Bank Ending Balance for Global Mahawangsa Sdn. Bhd.

CIMB Islamic Bank	Opening Balance	Ending Balance	Debit (RM)	Credit (RM)
Dec-22	310,451.17	117,576.13	205,067.66	12,192.62
Nov-22	145.16	310,451.17	116,193.99	426,500.00
Oct-22	25,451.64	145.16	94,306.48	69,000.00
Sep-22	66,430.58	25,451.64	55,858.94	14,880.00
Aug-22	346,891.88	66,430.58	342,153.30	61,692.00
Jul-22	406,490.85	346,891.88	450,360.97	390,762.00

- (b) Related Party Transactions for Global Mahawangsa Sdn. Bhd.

CIMB Islamic Bank	Nature of Transaction	Debit (RM)	Credit (RM)
Dec-22	Transaction to Cham Nong A/L Aliap (Director)	54,907.00	-
Nov-22	Transaction to Cham Nong A/L Aliap (Director)	9,814.00	-
Oct-22	Transaction to Cham Nong A/L Aliap (Director)	54,907.00	-
Sep-22	Transaction to Cham Nong A/L Aliap (Director)	4,907.00	-
Aug-22	Transaction to Cham Nong A/L Aliap (Director)	114,034.19	-
Jul-22	Transaction to Cham Nong A/L Aliap (Director)	54,907.00	-

CIMB Islamic Bank	Nature of Transaction	Debit (RM)	Credit (RM)
Dec-22	Transaction from Cham Nong A/L Aliap (Director)	-	-
Nov-22	Transaction from Cham Nong A/L Aliap (Director)	-	87,000.00
Oct-22	Transaction from Cham Nong A/L Aliap (Director)	-	69,000.00
Sep-22	Transaction from Cham Nong A/L Aliap (Director)	-	-
Aug-22	Transaction from Cham Nong A/L Aliap (Director)	-	-
Jul-22	Transaction from Cham Nong A/L Aliap (Director)	-	-

## 7. Credit Support

- (a) **Factoring-i Agreement & Facility Agreement** between SAPMSB and Global Mahawangsa;  
 (b) **Guarantee and indemnity** by;

#	Name	Designation
(i)	Cham Nong A/L Aliap	Director
(ii)	Dato' Haji Othman Bin Omar	Director

- (c) Assignment of Global Mahawangsa's receivables to SAPMSB via **Notice of Assignment (NOA)**.  
 (d) **Letter of Offer** of Islamic Factoring Facilities indicating acceptance of offer of the facility(ies) by Global Mahawangsa.

- (e) **Deed of Assignment** of the contract proceeds.

## 8. Expected Delivery and Financing Flow: 117 Days from Pre-Factoring to Collection

Description	Pre-Factoring Stage	Factoring Stage		
	Delivery (a)	Invoice (b)	Collection (c)	Total / Completion (d = a + b + c)
Duration	50 days	7 days	60 days	117 days
Advance Amount	RM 2,000,000	RM2,438,800	-	-
Collection Amount	-	-	RM3,048,500	-
Margin of Advance	According to Pre-Factoring limit	80% of invoice amount (to offset against Pre- Factoring balance)	-	-
Remarks	Pay to Supplier and working capital to Applicant	Applicant to factor invoices issued to the Contract Awarder	-	Refund to Applicant
Charges	8% flat for 60 days and 7.5% per month thereafter calculated on daily basis.	-	2.5% of RM3,048,500 1% of RM2,438,800	

**Note:** As per recommendation by RM. For further details, kindly refer to RM cashflow included in the Submission Package.

## 9. Pre-Factoring Structure

To Pay Supplier (a)	Working Capital (b)	Pre- Factoring Required / Limit (c = a + b)
1,900,000	100,000	2,000,000

**Note:** As per recommendation by RM

- (a) The Pre-Factoring of **RM2,000,000** consists of the following:-
- To make a direct **payment to the supplier**.
  - To note that the quotation received is in USD. Subsequently, the Supplier has agreed that the payment can be remitted in RMB will convert to RMB. Therefore, the Supplier will re-issue the invoice in RMB currency once the Applicant submitted the Purchase Order to the Supplier.
  - The revised invoice in RMB shall be provided by the Applicant prior to the disbursement and to be verified by the Operations team as part of pre-disbursement conditions.
  - The quotation received is attached under **Appendix F**.
- (b) The balance limit of pre-factoring shall be utilised for **working capital** and reimbursement of Bank Guarantee.
- (c) All the supporting documents shall be obtained prior to the disbursement and to be verified by the Operations team as part of pre-disbursement conditions.

(d) The settlement of Pre-Financing will be against the factored invoice.

**10. Project Viability: [Favourable/Not Favourable]**

Sales Price (RM'000) (a)	Total Cost (RM'000) (b)	Profit	
		Gross (RM'000) (c = a – b)	Margin (%) (d = c ÷ a)
3,048.5	2,400.0	648.5	21

**11. Identified Risks and Mitigations**

Risk Factors	Mitigations and Justifications
Contract	The Contract Awarder is Malaysian Prison Department, a department controlled by the Malaysian Minister of Home Affairs.  They are known to be reliable paymasters.
Collection	Proceed is secured via <b>NoA</b> , and collection is through <b>eP</b> .
Performance	The Applicant has 8 years of experience in supply the security equipment, aviation, maritime and weapon system. It had performed 20 contracts valued at RM35,000,000.
Industry	Government contracts are highly structured and SOP-driven.  Contractors must have <b>good</b> track records to continually obtain contracts.
Litigation by Creditors	None discovered from our credit checks.

List of appendices:-

- Appendix A - SST from Contract Awarder
- Appendix B - Site Visit Report by RM
- Appendix C - Applicant's Company Profile
- Appendix D - Supplier - Pre-Disbursement Verification Checklist (PDV)
- Appendix E - Supplier's company profile and business license
- Appendix F - Quotation from Supplier

Prepared by:

*Afiqah Ainani*

**Afiqah Ainani**  
Senior Executive  
Risk and Credit

Reviewed by:

*Kamarul Rozlan*

**Kamarul Rozlan**  
Associate Director  
Special Projects