


1. Borrowers are our existing customer since Jan 2018 where the past 6 months repayment record has been prompt. Their business in petrol station and construction remains unchanged.
2. The additional OD requested is to support the growing construction projects in the pipeline despite their loan was recently approved back in January 2018. The working capital need will be in excess of USD675K after approval of this loan while noted that the new contract is only short term to be completed by 2019 where the new OD limit is deemed over and above the requirement in view that no new pipeline noted.
3. Comment on financials:-
  - i. The main income contributor is coming from construction business which contributed 64% of total reported monthly income combined. The combined monthly revenue of USD385K can be well reflected via average monthly deposit of USD511K maintained with MBB & RHB
  - ii. The profit margin reported for both business at 8.8% (Gas station) & 28% (construction) can be comparable with other existing customer in the same line of business. The combined monthly EBIT of USD64K provides adequate DSR of 3.00x while under sensitized scenario with 50% reduction in net income, DSR is still comfortable at 1.95x.
4. There is no new collateral offered while the existing vacant land charged to us provides adequate security coverage of 1.00x (ascribed value) while the land is noted to be under construction as housing project. There are no details information provided to us on the project while borrower is constructing the development via their own fund
5. Key issue:-
  - i. Additional working capital need to support the short term projects needs is funding mismatch while borrower did not provide any future new projects to be obtained as this new WC line is also to support the construction business.

**4.0**

**Recommendation by Credit Evaluation**

1. I would concur on branch's recommendation for Management's approval subject to:-
  - i. OD3 to be structured in TL at a lower limit of USD50K repayable over 7 years or Combined OD3 & OD4 at KHR limit of KHR500M instead.

**Concurred by:**

  
 Tang Siew Hon  
 Senior Manager  
 Date: 02/08/2018

*Not please reassess this recommendation. Contact site visit /  
 Speak to the borrower. The comment by C&D as per Hen 5:  
 Key issue to be addressed from the only 8 months ago.  
 Vong Chen*