

RHB BANK BERHAD

BRIEF CREDIT APPLICATION/REQUEST FOR VARIATION (RFV) FORM

Request Type :
 Administrative/Operational Request ☐ RFV ☒ Others ☐

For Joint Approval By:
 GCC Members/Retail/Business Banking ☒ Acting Country Head
 Credit Management ☒ Head of Credit Management

For Approval By: ☐ CLC
 To be affirmed By: ☐ BCC

| | | | |
|---------------------------|--|------------------------------|-------------|
| Borrower | Mr. Khov Song Hao (59), Mdm. SeangSreng (55), Mr. Soeng Touch (55) and Mdm. Seang Son (50) | Application Date | 25/Apr/2018 |
| Business Activity | Takeo Silk Shop & Property Rental | Lending Unit | RHBIBI. |
| Date Established | 1994 | Limit Expiry Date | N/A |
| Relationship Since | 2014 | Account Status | Normal |
| Connected Party | NO | Exceptional Credit | NO |
| EAM | NO | Impaired | NO |
| AST Monitoring | NO | Group/Ultimate Parent | N/A |
| Name of Directors | NA | Percentage Ownership | NA |

| Borrower's Risk Rating | STANDALONE | | LGD Rating | Expected Loss Rating | Final Rating (For credit decision only) |
|--|--------------------------|----------------------|-------------------|-----------------------------|--|
| Borrower | Current CRR | New CRR | | | |
| Mr. Khov Song Hao, Mdm. SeangSreng, Mr. Soeng Touch, and Mdm. Seang Son | 2 | 3 | | | 3 |
| Personal/Corporate Guarantor | Current PD Rating | New PD Rating | | | |
| N/A | - | - | | | |
| Remark (do provide reason for credit risk rating movement or final rating notch down) | | | | | |

| Group | Current Rating | New Rating | Core Business & Group Activities |
|--------------|-----------------------|-------------------|---|
| N/A | | | |

| Nature of Requests |
|---|
| ✓ To reinstate existing TL with initial approval limit of USD300K subject to charge 1% on reinstate amount. |

| Existing Terms | Revised Terms |
|-----------------------|----------------------|
| N/A | N/A |

Borrower Name : Mr. Khov Song Hao, Mdm. SeangSreng, Mr. Soeng Touch, and Mdm. Seang Son
 Submission Date : 23/Apr/2018
 CBBC/Region : NA
 Brief Nature of Request: : To reinstate existing TL subject to 1% on reinstate amount

Group Exposure/Group Clean Exposure : N/A

| Existing Facilities | Facility Type | (USD/000) | | | Pricing/Tenor |
|--|---|----------------|-----------------------|--------------|----------------------------------|
| | | Approved Limit | O/S as at 23-Apr-2018 | New Limit | |
| | 5-Year TL | 300.0 | 98.2 | 300.0 | ECOF + 2.5% subject to min 8%p.a |
| | OD | 250.0 | 76.5 | 250.0 | ECOF + 2.5% subject to min 8%p.a |
| | Total | 550.0 | 174.7 | 550.0 | |
| Comments on Conduct of Account: | For the last 12 months, monthly installments have been promptly paid. | | | | |

| Group Exposure Profile | | | | | | | | | |
|---|----------------|----------|----------------|---------------------|-------|-------|---------------------------------------|-------|----------------|
| Exposure With | Borrower | | | Related Borrowers** | | | Borrower + Related Borrowers (SCEL**) | | |
| | Secured* | Clean | Total | Secured* | Clean | Total | Secured* | Clean | Total |
| RHB Bank Limit: Standalone: | 550 | - | 550 | - | - | - | 550 | - | 550 |
| RHB Labuan/Islamic/Investment/Leasing SCEL** | | | | | | | | | |
| Beyond SCEL*** | | | | | | | | | |
| Total RHB Group | 550 | - | 550 | - | - | - | 550 | - | 550 |
| Total Credit (RHB Group Exp+Other Banks) | 1,732.8 | - | 1,732.8 | | | | 1,732.8 | | 1,732.8 |

| Financial Position as at 31/12/2017 | (USD/000) | | | Gearing (times) |
|-------------------------------------|-----------|----------------|-------------------|-----------------|
| | Turnover | Pre-Tax Profit | Shareholders Fund | |
| Borrower | 852 | 206 | - | - |
| Corporate Guarantor | N/A | | | |

Borrower Name : Mr. Khov Song Hao, Mdm. SeangSreng, Mr. Soeng Touch,
 and Mdm. Seang Son
 Submission Date : 23/Apr/2018
 CBBC/Region : NA
 Brief Nature of Request: : To reinstate existing TL subject to 1% on reinstate amount
 Group Exposure/Group Clean Exposure : N/A

Terms and conditions of this application:

Borrowers have been our loan customer since Sept 2014 with initial approved TL of USD300K and OD of USD250K. Presently, the O/S balance TL of USD98.2K and OD of USD76.5K as at 23-Apr-2018 under secured property as follow:

Security Detail

TD No. 12010601-0079

OMV: USD1,096K (By ARC 04-09-2014)

Verbal Check in Aug 2017

ARC: USD1,155K

KEY: USD1,138K

We still adapt with ARC's valuation on Sep 2014

Security Coverage: 1.29x (ascribe value) or MOA is 50.18% after reinstate TL.

The previous valuation report of ARC in 2014 with OMV of USD1.09M which is strong secured at 2.85x (ascribe value) against the existing total loan of USD550K after reinstate TL. It shall be further strong as the property's value is increased based on the verbal check from ARC and KEY in Aug 2017. Moreover, new valuation report of the charged property by ARC will be submitted subject to total OMV of not less than USD1,096K prior to reinstated TL process. (KEY has been delisted)

Financial Statement

| Takeo Silk Shop | 2015 | 2016 | 2017 |
|---------------------------------------|--------------|--------------|------------|
| | 12 Months | 12 Months | Jan to Jul |
| Sale | 1,230,082.20 | 1,328,488.78 | 852,446.96 |
| COGS | 897,960.01 | 969,796.81 | 622,286.28 |
| Gross Profit | 332,122.19 | 358,691.97 | 230,160.68 |
| Operation Expense | | | |
| Salary | 16,080.00 | 16,884.00 | 10,341.45 |
| Utilities | 3,240.00 | 3,402.00 | 2,083.73 |
| Food | 4,387.80 | 4,607.19 | 2,821.90 |
| Others | 12,767.88 | 13,150.92 | 8,054.94 |
| Total Operating Expenses | 36,475.68 | 38,044.11 | 23,302.02 |
| Net Operating Profit | 295,646.51 | 320,647.86 | 206,858.66 |
| Average Monthly Profit | 24,637.21 | 26,720.66 | 29,551.24 |
| Property Rental Fee (Monthly) | | | |
| Property 1 | | | 4,699.80 |
| Property 2 | | | 1,080.00 |
| Property 3 | | | - |
| Property 4 | | | 1,620.00 |
| Property 5 | | | - |
| Total properties rental fee (Monthly) | | | 10,621.80 |
| Total monthly EBIT | | | 40,173.04 |

Note: the financial statement was updated as at Jul 2017 during loan review 2017. And the property rental income of P3 and P5 are excluded recently since the one was sold out and another one was postponed for rent after maturity date.

Borrower Name : Mr. Khov Song Hao, Mdm. SeangSreng, Mr. Soeng Touch, and Mdm. Seang Son
 Submission Date : 23/Apr/2018
 CBBC/Region : NA
 Brief Nature of Request: To reinstate existing TL subject to 1% on reinstate amount
 Group Exposure/Group Clean Exposure : N/A

Computed DSR

| DSR | 2017 (USD) |
|--------------------|------------|
| Average EBIT | 40,173.04 |
| RHBIBL-OD: USD250K | 1,718.75 |
| RHBIBL-TL: USD300K | 6,131.24 |
| SHB-TL: USD220K | 3,320.39 |
| SHB-OD: USD220K | 1,466.66 |
| HLB-TL: USD300K | 4,601.38 |
| HLB-OD: USD450K | 2,812.50 |
| Total commitment | 20,050.92 |
| DSR (Times) | 2.00x |

Branch request to seek approval subject to the following reasons:

To reinstate existing TL with initial approval limit of USD300K subject to charge 1% on reinstate amount due to:

- Borrowers have maintained loan with us since 2014 with only tenure of 5 years. Their monthly installments have been promptly paid so far.
- The purpose of loan of existing TL: USD300K was used in silk business and the loan was gradually paid down over 3 years, and the O/S is USD98.2K as at 23 Apr 2018. Hence, the reinstate TL amount will be facilitate the borrower's working capital in silk business.
- Silk business is well operated and profitable, verified by the furnished income statement during loan review in Oct 2017 and average monthly deposit of USD613K channeled with us where is about 463% against total sale (USD121.7K) and total rental income (USD10.6K)
- Noted, there were 5 properties for rent including in the borrower's income so far. But now 2 properties rental income of USD3.22K are excluded since the one (No. 1, St. 336) is not renewal and another one (No. 13A, St. 338) was sold out. Presently, average total incomes from business and rental income is USD36.95K per month translates DSR at 3.34x

Conduct Account

RHBIBL (Account No. : 101000200005693)

Account name: Mr. Khov Song Hao, Mdm. SeangSreng, Mr. Soeng Touch and Mdm. Seang Son (12 Months)

| Month | Debit (USD) | Credit (USD) | Balance (USD) |
|----------|--------------|-----------------|---------------|
| | | Balance Forward | (156,522.84) |
| April/17 | (364,565.07) | 1,513,972.93 | 992,885.02 |
| May/17 | (838,601.57) | 41,060.26 | 195,343.71 |
| June/17 | (71,374.55) | 93,384.18 | 217,353.34 |
| July/17 | (261,137.85) | 63,720.39 | 19,935.88 |
| Aug/17 | (106,404.87) | 83,092.09 | (3,376.90) |
| Sep/17 | (59,162.58) | 140,039.00 | (77,462.08) |
| Oct/17 | (281,410.02) | 461,556.30 | 257,645.80 |
| Nov/17 | (491,370.40) | 417,980.25 | 184,255.65 |
| Dec/17 | (379,261.03) | 1,175,690.58 | 980,685.20 |

Borrower Name : Mr. Khov Song Hao, Mdm. SeangSreng, Mr. Soeng Touch, and Mdm. Seang Son
 Submission Date : 23/Apr/2018
 CBBC/Region : NA
 Brief Nature of Request: : To reinstate existing TL subject to 1% on reinstate amount

Group Exposure/Group Clean Exposure : N/A

| | | | |
|----------------|-----------------------|---------------------|-------------------|
| Jan/18 | (949,267.87) | 59,695.71 | 91,113.04 |
| Feb/18 | (399,417.60) | 341,742.49 | 33,437.93 |
| Mar/18 | (289,700.14) | 303,628.32 | 47,366.11 |
| Total | (4,491,673.55) | 4,695,562.50 | |
| Average | (374,306.13) | 391,296.88 | 244,931.89 |

| RHBIBL (Account No. : 1010002000022880) | | | |
|--|---------------------|-------------------|--------------------|
| Account name: Mr. Khov Song Hao, Mdm. SeangSreng, Mr. Soeng Touch and Mdm. Seang Son (12 Months) | | | |
| Month | Debit (USD) | Credit (USD) | Balance (USD) |
| | | Balance Forward | 0.00 |
| Mar/18 | (500,153.01) | 403,633.80 | (96,519.21) |
| @11/Apr/18 | (20,000.00) | 40,000.00 | (76,519.21) |
| Total | (520,153.01) | 443,633.80 | |
| Average | (260,076.51) | 221,816.90 | (86,519.21) |
| Consolidate OD utilization from account No. 1010002000005693 and 1010002000022880 | | | |
| Average Monthly Deposit | 613,113.78 | | |
| Average Monthly Withdrawal | 634,382.64 | | |
| OD limit | 250,000.00 | | |
| Average utilized OD limit | (63,469.35) | | |
| OD utilization rate | 25.39% | | |

Comment:

- So far, the borrower used current account advantage and OD account in the same account. And the OD account has been separated to new current account since Mar 2018.
- For last 12 months, total turnover credit and debit is USD5.14M and USD5.01M derived from average monthly deposit and withdrawal of USD613.1K and USD634.4K respectively.
- Monthly installment and OD interest payment have been promptly paid.
- No cheque return or any distress.
- No exceeded OD limit record.
- OD utilization rate is at 25.39%.

Borrower Name : Mr. Khov Song Hao, Mdm. SeangSreng, Mr. Soeng Touch, and Mdm. Seang Son
Submission Date : 23/Apr/2018
CBBC/Region : NA
Brief Nature of Request: : To reinstate existing TL subject to 1% on reinstate amount
Group Exposure/Group Clean Exposure : N/A

Conduct TLs Account

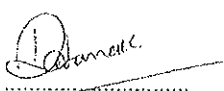
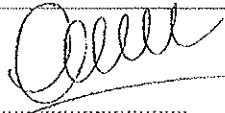
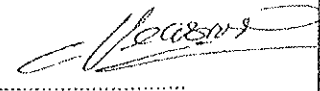
| RHBIBL Conduct of TL: USD300K Period: Apr/17 to Mar/18 (12 Months) Account No. : 40001000955300000 Account Name: Mr. Khov Song Hao, Mdm. SeangSreng, Mr. Soeng Touch and Mdm. Seang Son | | | | | |
|---|--------------------|----------|--------------|---------------|--------|
| No. | Installment Amount | Due Date | Payment Date | Days Past Due | Remark |
| 1 | 6,156.84 | 08/05/17 | 08/05/17 | 0 | |
| 2 | 6,156.84 | 08/06/17 | 08/06/17 | 0 | |
| 3 | 6,156.84 | 08/07/17 | 08/07/17 | 0 | |
| 4 | 6,156.84 | 08/08/17 | 08/08/17 | 0 | |
| 5 | 6,156.84 | 08/09/17 | 08/09/17 | 0 | |
| 6 | 6,156.84 | 09/10/17 | 09/10/17 | 0 | |
| 7 | 6,156.84 | 08/11/17 | 08/11/17 | 0 | |
| 8 | 6,156.84 | 08/12/17 | 08/12/17 | 0 | |
| 9 | 6,156.84 | 08/01/18 | 08/01/18 | 0 | |
| 10 | 6,131.24 | 08/02/18 | 08/02/18 | 0 | |
| 11 | 6,131.24 | 09/03/18 | 09/03/18 | 0 | |
| 12 | 6,131.24 | 09/04/18 | 09/04/18 | 0 | |

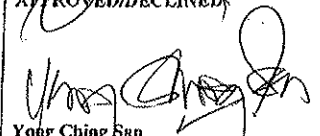
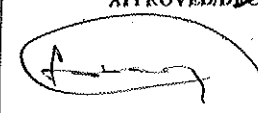
Comment: Monthly installments have been promptly paid.

| Justification/Comments |
|--|
| Branch also recommends on the borrower's request as the following reasons: <ul style="list-style-type: none"> - Borrowers have been our loan customer since 2014 with prompt repayment. - Borrowers' businesses are well operated and profitable. - Security coverage is at 2.85x after reinstate existing TL. - DSR is at 2.00x. - The approval will be maintained good relationship with customers while there are many competitors have approached them for a competitive interest rate. |

| EXCEPTIONS/CERTIFICATIONS | Yes | No | N/A |
|--|-----|----|-----|
| 1. Full compliance with mandatory terms of Credit Policy | x | | |
| 2. Existing approved terms & conditions fully complied with | x | | |
| 3. No past dues/unsettled TOD /arrear over the past 12 months | x | | |
| 4. Existing security documentation checked & confirmed in order | x | | |
| 5. Previous audit/credit inspection recommendation fully implemented | x | | |
| 5. No negative CCRIS/CTOS/BMC/Market Findings | x | | |

Borrower Name : Mr. Khov Song Hoo, Mdm. SeangStreng, Mr. Soeng Touch, and Mdm. Seang Son
 Submission Date : 23/Apr/2018
 CBBC/Region : NA
 Brief Nature of Request: To reinstate existing TL subject to 1% on reinstate amount
 Group Exposure/Group Clean Exposure : N/A

| | | |
|--|---|--|
| I hereby confirm that the information represented herein is correct & the information is reliable. Bank credit facilities are not to be used for illegal purposes. | | |
| PREPARED BY: | RECOMMENDED BY: | RECOMMENDED BY: |
|  |  |  |
| Sok Ratanak Assistant Manager Date: 23-04-2018 | Chiv Hak Senior Manager Date: 23-04-2018 | Keang Chanveasna Branch Manager Date: 23-04-2018 |

| | |
|--|--|
| APPROVER 1 | APPROVER 2 |
| APPROVED/DECLINED | APPROVED/DECLINED |
|  |  |
| Yong Ching Sun Head, Credit Management Date: 25/4/18 | Simon Cheong Acting Deputy Country Head Date: 25/05/2018 |
| Comments [If any] | Comments [If any] |
| Additional terms/conditions/covenants [If any] | Additional terms/conditions/covenants [If any] |

Notes:

- * A proposal is deemed as approved only if both Approver 1 (Business) & Approver 2 (CMD) approve the proposal.
- ** Additional comments/terms/conditions by approvers, in a case of inadequate space, can be done via attachment.

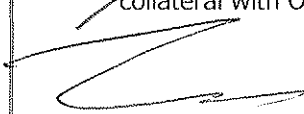
Decline Codes (Pls tick the relevant code for declined proposals)

| | | | |
|--|--|--|--|
| D001- First Level Screening Not Carried Out by LU (eg: CCRIS, CTOS, NP69 findings) | | D007- Unsatisfactory financial performance/ key financial indicators | |
| D002- High risk of impairment (1 or more AST/MST) | | D008- Unsatisfactory conduct of account | |
| D003- Inappropriate/ unsuitable credit structure | | D009- WC requirement not adequately justified/ mitigated | |
| D004- Repayment capacity inadequate/ unmitigated | | D010- Project viability not adequately justified/ mitigated | |
| D005- No justification/ rationale for request in CA | | D011- High clean exposure not justified & mitigated | |
| D006- Unacceptable level of risk | | D012- Others (provide description) | |

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RHB ◆ Indochina Bank

Concurred by:

- Borrower's business in wholesale of silk products in Olympic Market remains unchanged.
- Existing facilities with us has been promptly paid for the past 4 years while the OD is also actively utilized with AMD of USD391K with minimal OD utilization.
- The purpose for reinstatement is to continue to support working capital needs while DSR based on latest financials up to 2017 is still adequate at 2x with average revenue of USD121K which can be well reflected from AMD of over USD300K with us.
- Recommended for approval subject to fresh valuation report or one page update on the existing collateral with OMV of not less than USD1,096K.


Tang Siew Hon
Senior Manager
Date: 08/05/2018

