

**RHB BANKING GROUP**☒ RHB Indochina Bank Ltd☐ RHB Bank Bhd**CREDIT APPLICATION (CA2)***(Form for joint approval)*

Application No. : RHBIBL-0002-2015-0004-2	Branch: City Mall Olympic Branch
---	----------------------------------

Request Type
☐ New
☒ Additional
☒ Renewal
☐ R&R
Approving Authority
☒ Joint Approval: DLA Level ___III___ Reason for escalation:

☐ Group CCO & Head of Business:

Part 1.0	CUSTOMER PROFILE
----------	------------------

1.1	CUSTOMER INFORMATION			
Borrower	Mr. Chhang Y Vou and Mdm. Sek Ponnaveoun	CIS No.	120003569	
Group/ Ultimate Parent	N/A	Registration No.	033ម.ឌុសស.ភព.វប	
Ultimate Borrower's Beneficial Owner	N/A			
Business Address	<ul style="list-style-type: none">Outlet 1: No.22A, St. 1986, Sangkat Phnom Penh Thmey, Khan Sen Sok, Phnom PenhOutlet 2: No. 132, Street Northbridge, Phum Sleang Rolerng, Sangkat Teuk Thla, Khan Sen Sok, Phnom Penh.			
NBC Sector	Wholesale	Sub Sector	N/A	
Core Business	Marble Seller			
Date of Incorporation	2009	Relationship Since	Mar-2015	
Review Due Date	19-Mar-2017	Next Review Date	N/A	
BNM Reporting	<input type="checkbox"/> Broad Property Sector (Non Exempt)	<input type="checkbox"/> Bridging Loan	<input type="checkbox"/>	Bullet/ Balloon Repayment

1.2	CUSTOMER RISK STATUS					
Model Used:						
<input type="checkbox"/> LC	<input type="checkbox"/> MM	<input type="checkbox"/> GPF	<input type="checkbox"/> IPRE	<input type="checkbox"/> NBFi	<input type="checkbox"/> SCRM	<input type="checkbox"/> CBRR
Borrower/ Guarantor	Standalone		Final Rating (For credit decision only)	Watchlist Status		Exceptional Credit
	Current CRR Rating	New CRR Rating		EAM	AST	
Mr. Chhang Y Vou and Mdm. Sek Ponnaveoun	4	4	4	Yes/ No	Yes/ No	Yes/ No
Guarantor/ N/A	N/A	N/A	N/A			
Comments: N/A						

1.3	SHAREHOLDERS (S) / DIRECTORS (D)/ GUARANTOR (G) DETAILS					
Name/ IC / Passport No./ BRN	Age	Relationship	% of shareholding	Years with Co	Experience/ Qualification	Estimated Network
Mr. Chhang Y Vou	33	Husband	100%	2010	2010	>USD300K
No. of Employee: 20						
Succession Plan for key Personnel: N/A						
CBC / World Check Findings (if any): N/A						
Connected party: Yes / No		(If yes, please comment)				



RHB BANKING GROUP

☒ RHB Indochina Bank Ltd☐ RHB Bank Bhd**CREDIT APPLICATION (CA2)***(Form for joint approval)*

Application No. : RHBIBL-0002-2015-0004-2	Branch: City Mall Olympic Branch
---	----------------------------------

Part 2.0	DETAILS OF REQUEST
----------	--------------------

2.1	Brief details of new, additional or renewal request. <ul style="list-style-type: none"> To request additional 6-Year TL2 of USD130K for part finance on the purchased vacant land located in Payab Village, Phnom Penh Thmey Commune, Sen Sok District, Phnom Penh. To annual review of the existing facility. To reduce interest rate of the existing TL1 from 10.25% p.a. to 9% p.a. and HL from 9.25% p.a. to 9% p.a.
2.2	Please state brief details of waivers, deviation of guidelines & notations. N/A

Part 3.0	FACILITY DETIALS
----------	------------------

3.1	FACILITY (USD'000)					
Facility Type	O/S as at 21-09-2016	Existing Limit	Increase/Decrease (+/-)	New Limit	Pricing (ECOF: 5.5% p.a.)	Purpose
7-Year TL1 USD210 (Existing)	176.7	176.7	-	176.7	ECOF + 4.75% p.a. on monthly rest subject to min 10.25% p.a.	To refinance existing borrowing from Acleda Bank and working capital in Chean Zhe.
8-Year HL USD300 (Existing)	275.6	275.6	-	275.6	ECOF + 3.75% p.a. on monthly rest subject to min 9.25% p.a.	To part finance the purchased 2-storey Flat.
6-Year TL2 USD130 (New)	-	-	+130	130	ECOF + 3.50% p.a. on monthly rest subject to min 9% p.a.	To part finance the purchased vacant land.
Total	452.3	452.3	130	582.3		

3.2	Repayment Terms		
Facility Type		Tenor/ Terms of Repayment	
TL1 USD210 (Existing)	Interest Rate	:	ECOF + 4.75% p.a. on monthly rest subject to min 10.25% p.a.
	Tenure	:	7 Years
	Repayment	:	84 monthly installment of USD3,511.97
	Processing Fee	:	1% on approved amount
	Prepayment	:	1 st -5 rd Year: 3% and 6 th -7 th Year: 1% on prepayment amount if the facility is fully/partially settled before expiry date.
HL USD300 (Existing)	Interest Rate	:	ECOF + 3.75% p.a. on monthly rest subject to min 9.25% p.a.
	Tenure	:	8 Years
	Repayment	:	96 monthly installment of USD4,432
	Processing Fee	:	1% on approved amount
	Prepayment	:	1 st -5 rd Year: 3% and 6 th -10 th Year: 1% on prepayment amount if the facility is fully/partially settled before expiry date.

**RHB BANKING GROUP**☒ RHB Indochina Bank Ltd☐ RHB Bank Bhd**CREDIT APPLICATION (CA2)***(Form for joint approval)*

Application No. : RHBIBL-0002-2015-0004-2	Branch: City Mall Olympic Branch
--	---

TL2 USD130K (New)	Interest Rate:	:	ECOF + 3.50% p.a. on monthly rest subject to min 9% p.a.
	Tenure:	:	6 Years
	Repayment:	:	72 monthly installment of USD2,343.32
	Processing Fee:	:	1% on approved amount
	Prepayment:	:	1 st -5 th Year: 3% and 6 th Year: 1% on prepayment amount if the facility is fully/partially settled before expiry date.

3.3	GROUP EXPOSURE PROFILE (USD'000)								
Exposure With	Borrower			Related Borrowers**			Borrower + Related Borrowers (SCEL **)		
	Secured*	Clean	Total	Secured*	Clean	Total	Secured*	Clean	Total
RHB Indochina Bank	582.3		582.3	582.3		582.3	582.3		582.3
RHB Bank Limit: Standalone:									
RHB Labuan/ Islamic/ Investment/ Leasing									
SCEL **									
Beyond SCEL ***									
Total RHB Group	582.3		582.3	582.3		582.3	582.3		582.3
Total Credit (RHB Group Exp+Other Banks)	1,142.3		1,142.3	1,142.3		1,142.3	1,142.3		1,142.3

* Based on value as per Credit Policy

** Aggregated based on Power of Control (PoC) and Economic Dependency (ED)

*** All other exposure derived based on Power of Control (before disaggregation)

Part 4.0	DETAILS OF OTHER BANKERS/ FINANCIAL INSTITUTIONS						
No.	Name of Banker/ FI	Facility Type	Pricing (p.a.)	Approved Amount (USD'000)	Outstanding as at 30-Jun-2016 (USD)	Security	Security Coverage
1	ACLEDA	RC	10.50%	460	N/A	Vacant Land & House	N/A
2	ACLEDA	RC	12.60%	100	N/A	Vacant Land & House	N/A
Total				560			
Credit Bureau Findings: N/A							
World check: N/A							

Note:

- 6 properties, vacant Land and house, are currently charged to ACLEDA, 2 in Phnom Penh, 1 in Ratanakiri, and 3 in Kampong Cham province. Borrower requests a lower interest with us since they have been approached an interest rate by other banks. Rate 12% at ACLEDA due to the charged properties mostly located in provinces with soft TDs.
- The above figure is based on the furnished LOO and the CBC report will be submitted prior to loan drawdown as it has some error upload from CBC Company recently.



RHB BANKING GROUP

☒ RHB Indochina Bank Ltd

☐ RHB Bank Bhd

CREDIT APPLICATION (CA2)

(Form for joint approval)

Application No. : RHBIBL-0002-2015-0004-2	Branch: City Mall Olympic Branch
---	----------------------------------

Part 5.0	SECURITY DETAILS
----------	------------------

5.1	SECURITY DESCRIPTION										
	Security Description	OMV (USD'000)									
	<p>Existing</p> <ol style="list-style-type: none"> Facility Agreement stamped for TL1 of USDK210K and HL of USD300K as the principal instrument. Open All Monies 1st party and 1rd legal charge over the following property as subsidiary instrument <p>Property 1: Title No.: 12080207-0229 Registered owner: Mr. Chhang Y Vou and Mdm. Sek Ponnaveun (Husband and wife) Description: 2.5-Story Flat Land: 82sqm Built-up: 240sqm Address/Location: Along Street North Bridge, Phum Chong Thnal Khang Kert, Sangkat Toeuk Thla, Khan Sen Sok, Phnom Penh. Tenure: freehold Lease expiry: N/A</p> <p>Formal valuation report by CARE dated 10 Mar 2015 OMV: USD306,000 Insurance: Forte Cambodia Expiry date: 12 Mar 2017</p> <p>Verbal Check by:</p> <table border="1"> <thead> <tr> <th>Valuer</th><th>Date</th><th>OMV/FSV (USD)</th></tr> </thead> <tbody> <tr> <td>1) BRG</td><td>27-09-2016</td><td>Land cost: USD303,400 (USD3,700/sqm) Building cost: USD60,000 (USD250/sqm) Total: USD363,400</td></tr> <tr> <td>2) CARE</td><td>27-09-2016</td><td>Land cost: USD295,200 (USD3,600/sqm) Building cost: USD58,800 (USD245/sqm) Total: USD354,000</td></tr> </tbody> </table> <p>Comment: We are adapt to the indicative value of CARE as it is reasonable value and lower than BGR's indicative value.</p>	Valuer	Date	OMV/FSV (USD)	1) BRG	27-09-2016	Land cost: USD303,400 (USD3,700/sqm) Building cost: USD60,000 (USD250/sqm) Total: USD363,400	2) CARE	27-09-2016	Land cost: USD295,200 (USD3,600/sqm) Building cost: USD58,800 (USD245/sqm) Total: USD354,000	354
Valuer	Date	OMV/FSV (USD)									
1) BRG	27-09-2016	Land cost: USD303,400 (USD3,700/sqm) Building cost: USD60,000 (USD250/sqm) Total: USD363,400									
2) CARE	27-09-2016	Land cost: USD295,200 (USD3,600/sqm) Building cost: USD58,800 (USD245/sqm) Total: USD354,000									
	<p>Property 2: Title No.: 12080104-3030 & 12080104-3031 Registered owner: Mr. Chhang Y Vou and Mdm. Sek Ponnaveun (Husband and wife) Description: 2 Adjoining double storey flat Land: 186sqm Built-up: 485.44sqm Address/Location: No. 47-49EoE1, Street 1003, Sangkat Phnom Penh Thmey, Khan Sen Sok, Phnom Penh. Tenure: freehold Lease expiry: N/A</p> <p>Formal valuation report by CARE dated 30 Sep 2015 OMV: USD448,121.96 Insurance: Forte Cambodia Expiry date: 07-Oct-2016</p>	535									
		247.8									
		374.5									



CREDIT APPLICATION (CA2)

(Form for joint approval)

Application No. : RHBIBL-0002-2015-0004-2	Branch: City Mall Olympic Branch
--	---

Verbal Check by:				
Valuer	Date	OMV/FSV (USD)		
1) BRG	21-09-2016	Land cost: USD455,700 (USD2,450/sqm) Building cost: USD87,379.20 (USD180/sqm) Total: USD543,079.20		
2) CARE	21-09-2016	Land cost: USD446,400 (USD2,400/sqm) Building cost: USD88,633.80 (USD182.58/sqm) Total: USD535,033.80		
Comment: We are adapt to the indicative value of CARE as it is reasonable value and lower than BRG's indicative value.				
<u>New/ Additional (To Be Obtained)</u>				
3. Facility Agreement stamped for TL2 of USD130K as the principal instrument.				
4. Open All Monies 1 st party and 1 rd legal charge over the following property as subsidiary instrument				
Total			889	622.3
Security Coverage (Times) - Existing & New/ additional (USD582.3K)			1.53x	1.07x

5.2	SECURITY ANALYSIS
<ul style="list-style-type: none"> Overall MOA is 65.50% with secure coverage of 1.07x. (as ascribed) P1 is located along Street North Bridge, Phum Chong Thnal Khan Kert, Sangkat Toeuk Thla, Khan Sen Sok, Phnom Penh. It is about 150 meters from University of Cambodia and 240 meters from Canadia Bank (Toeuk Thla Branch). The property is surrounded by shop houses, Borey New World, School, and other business activities P2 is located in Borey New World Le Sen Sok-No. 47&49, Street 1003, Phum Bayab, Sangkat Phnom Penh Thmei, Khan Sen Sok, Phnom Penh. It is about 200 meters away from Street Oknha Mongrithy and 650 meters from Borey Peng Hourt. Both properties charged are situated in favorable zone and comforted for running business and resident. It is currently operated as Sofiya Salon and Cosmetic (Branch 1 and 2) which are Mdm. Sek Ponnavoern's business. 	
5.3	GARRANTORS
N/A	

Part 6.0	CONDITIONS PRECEDENT & COVENANTS
-----------------	---

6.1	CONDITIONS PRECEDENT			
No.	Details	Complied		To comply
		Yes	No	
1	<u>Existing TL1: USD210K</u> <ul style="list-style-type: none">Acceptance of Letter of OfferPayment of Processing fees <u>Release of facilities subject to:-</u> <ul style="list-style-type: none">Compliance of Terms under Condition Precedent.Completion of relevant security documentation. All loan/security documents which are required herein and/or such other documents as may be required by the Bank and/or its solicitors shall have been executed by the Borrower and/or the relevant security parties, duly stamped and registered at such registries as the Bank may deem necessary.Receipt of valuation report from RHBIBL's panel valuer with value of not less than USD300,000 on the subject property.	<div>✓</div> <div>✓</div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></</div>		

**RHB BANKING GROUP**☒ RHB Indochina Bank Ltd☐ RHB Bank Bhd**CREDIT APPLICATION (CA2)***(Form for joint approval)*

Application No. : RHBIBL-0002-2015-0004-2 Branch: City Mall Olympic Branch

	<p><u>Disbursement Method:</u></p> <p>Upon completion of converting soft TD to hard TD registered under the name of the borrowers and legal Document is already signed, TL is released as below:</p> <ul style="list-style-type: none"> • USD105,899.53 is released through issuing NBC check to refinance existing borrowing from Acleda Bank in order to redeem collateral to be charged to RHBIBL. • Note: After the completion of the ownership transfer to hard TD, the borrowers will exchange with Acleda Bank from the soft TD to hard TD to be charged to Acleda Bank. • Upon blocking TD, USD104,100.47 will be released to the Borrowers' account maintained with RHBIBL and branch will submit the purchased invoices from the marble with the value of not less than USD104,100.47 within 3 months from disbursement date. 	✓		
2	<p><u>Existing HL: USD300K</u></p> <ul style="list-style-type: none"> • Acceptance of Letter of Offer • Payment of Processing fees <p><u>Release of facilities subject to:-</u></p> <ul style="list-style-type: none"> • Compliance of Terms under Condition Precedent. • Completion of relevant security documentation. All loan/security documents which are required herein and/or such other documents as may be required by the Bank and/or its solicitors shall have been executed by the Borrower and/or the relevant security parties, duly stamped and registered at such registries as the Bank may deem necessary. • To submit a formal valuation report on property 2 from our panel valuer with value of not less than USD487,000. <p><u>Disbursement Method:</u></p> <p>The loan is to be disbursed by issuing a Banker Check under name of Mr. Hong Piv upon completion of blocking title deed and evidence of differential sum paid to seller</p>	✓ ✓ ✓ ✓ ✓ ✓		
3	<p><u>New TL2: USD130K</u></p> <ul style="list-style-type: none"> • Acceptance of Letter of Offer • Payment of Processing fees <p><u>Release of facilities subject to:-</u></p> <ul style="list-style-type: none"> • Compliance of Terms under Condition Precedent. • Completion of relevant security documentation. All loan/security documents which are required herein and/or such other documents as may be required by the Bank and/or its solicitors shall have been executed by the Borrower and/or the relevant security parties, duly stamped and registered at such registries as the Bank may deem necessary. • To submit update value (Fresh One page) on property 1 and 2 with total value not less than USD354K and USD535K respectively from our Bank's panel. 			✓ ✓ ✓ ✓ ✓

**RHB BANKING GROUP**☒ RHB Indochina Bank Ltd☐ RHB Bank Bhd**CREDIT APPLICATION (CA2)***(Form for joint approval)*

Application No. : RHBIBL-0002-2015-0004-2 Branch: City Mall Olympic Branch

	Disbursement Method: Upon blocking TDs, TL2 will be released to the Borrowers' account.			✓
	Pre Drawdown Submission of CBC report prior to TL2 disbursement.			✓
	Post Drawdown Submission TD of the purchased land under ownership of the borrower within one month after TL2 disbursement date.			✓
Comments: N/A				

6.2	COVENANTS / OTHER TERMS & CONDITIONS			
No.	Details	Complied		To comply
		Yes	No	
1	Existing N/A			
2	New N/A			
Comments:				

Part 7.0	CREDIT ASSESSMENT
----------	-------------------

7.1	BORROWER BACKGROUND
<p>Borrowers, Mr. Chhang Y Vou (Age: 33) and Mdm. Sek Ponnaveoun (Age: 27), are related husband and wife. A couple has been our loan customer since Mar 2015. Presently, they have maintained TL1 of USD210K (O/S: USD176.7K) and HL of USD300K (O/S: USD275.6K) as at 21-Sep-2016.</p> <p>They are active businessmen who engaged in business for many years. Mr. Chhang Y Vou is owner of Chhang Cheu Yong Group Co., Ltd., providing all kinds of Marbles while Mdm. Sek Ponnaveoun is owner of Chhang Cheu Yong Group Co., Ltd. which is related to cosmetic products supply. But the detail information of Mdm. Sek Ponnaveoun's business is not accessed since the income from Marble Supply is good enough to secure the bank's installment.</p> <p>The brief information of Mr. Chhang Y Vou's business is summarized as follows:</p> <p>Chhang Cheu Yong Group Co., Ltd. (Marble Business)</p> <p>Historically, he has gained experience and capital from his parents to set up the company while they are engaged in Marble business since 1991. Established in 2009 by Mr. Chhang Y Vou, Chhang Cheu Yong Group Co., Ltd. was registered in Ministry of Industry and Handicraft under Business License No. 033មីឌីសសភាពវ៉ៃប៊ុ dated on 22 Jan 2015 subject to annual renewal (Validity on 22 Jan 2018). The latest Patent (2016) is yet received however the Patent (2015) was provided by the borrower.</p> <p>Officially, it is a sole company with 100% share of Mr. Chhang Y Vou based on the furnished M & A. And based on the borrower's disclosure, the business is joint venture with their relatives, Mr. Tun Phally and Mdm. Mao Vannary with 40% shares and the borrowers have 60% share on the outlet 1' income only. However, Mr. Vou has all rights and representative of shareholder to operate and manage the business. (Share agreement is enclosed)</p>	

**CREDIT APPLICATION (CA2)***(Form for joint approval)***Application No. : RHBIBL-0002-2015-0004-2 Branch: City Mall Olympic Branch****Business Operation**

Mr. Chhang Y Vou is a key person in business and assisted by 20 employees, offering a variety kind of Marble are mostly imported from China and some are from Kratie Province, Cambodia. Presently, the business is operated with 2 outlets. One is located No. 22, Street 1986, Sangkat Phnom Penh Thmey, Khan Sen Sok, Phnom Penh and another one is located in No. 132, Street Northbridge, Phum Sleang Rolerng, Sangkat Teuk Thla, Khan Sen Sok, Phnom Penh.

Suppliers, Customers & Payment Method

China and Kratie Province are the main suppliers for borrower while the target customers are housing developers and dealers in Phnom Penh and some provinces. With agreement of the housing developers in Phnom Penh, both outlets have formal contract to supply marble in some Borey in Phnom Penh, especially Borey Piphup Thmey and Borey Peng Huot and some Boreys have no contract to supply. Mr. Vou mentioned that he is very good relationship and closed deal with Borey Piphup Thmey and Peng Hourt. Further, he also has own vehicles to deliver goods to customers with free of transportation charge.

With 10 years' of business experience, the borrowers are able to offer reasonable prices and consistently deliver high quality product. Verbally disclosed by Mr. Chhang Y Vou, there are many housing developers such as Borey Piphop Thmey, Peng Hourt, Varina, Chom Chao, Orkide, and others.

A credit-term up to 30 days after issuing bill to their potential customers while the borrower has to fully pay within 10 days to their suppliers. For payment method, they are made through the private agency (Near Olympic Market) since it is faster and more convenient than the bank's. All payment slips are destroyed after goods delivery to Phnom Penh, as Mr. Chhang Y Vou mentioned. Up to date, inventory, A/R, and A/P are summed up of about USD200K, USD100K, and USD50K respectively.

Competitors

There are top 3 competitors who sell marble in Phnom Penh City with the same scale business such as Hoeung Cheng, Tong Fang, and Chea Hao. However, he said that he has gained customers from his parents' reference since his parents has operated the construction and marble business since 1991 and he can build a good network through existing customers and offer reasonable price with high quality products. On the other hand, he offers transportation service with high responsibility to keep promise upon the verbal ordering or contract to supply goods on times without delay. With 7-years of experience in this business, he is able to transform himself to become the market leader among the 5 competitors in Phnom Penh.

7.2**JUSTIFICATION OF REQUEST**

- Mr. Chhang Y Vou has experienced and engaged in Marble Business more than 10 years while his wife, Mdm. Sek Ponnaveoun has involved in Cosmetic Business for last few year.
- Marble business is profitable from year to year based on the Cambodia economic growth and the increase of construction. Mr. Chhang Y Vou mentioned that the business's fund is come from his own fund and financed from RHBIBL and ACLEDA as well.
- Meanwhile, the borrower want to set up a new business in Hotel Industry as they have optimistic on this sector in Cambodia. That's why they have purchased a vacant land with total value of USD345K (511sqm) located in Phum Payab, Sangkat Phnom Penh Thmey, Khan Sen Sok, Phnom Penh City, in purpose of Hotel construction (8-stroey Building) in the coming year, verbally disclosed by Mr. Chhang Y Vou. (SPA is enclosed).
- Mr. Chhang further mentions that the Hotel business will own by themselves without any joint venture partners. Total investment cost is about USD700K and source of fund is from both businesses (Marble and Cosmetic), verbally disclosed by Mr. Chhang. He said that he might request to add loan for hotel construction with new collateral in future.

**RHB BANKING GROUP**☒ RHB Indochina Bank Ltd☐ RHB Bank Bhd**CREDIT APPLICATION (CA2)***(Form for joint approval)*

Application No. : RHBIBL-0002-2015-0004-2 Branch: City Mall Olympic Branch

- Based on the furnished SPA, the payment will be settled as follows:

Step	Amount	Status	Remark
1	USD20,000	First Deposit on 28-08-2016	Done on 28-08-2016
2	USD83,500	Second Deposit on 12-09-2016	Done on 03-09-2016
3	USD241,500	Final Deposit upon completion of ownership transfer to the borrower's name. It is projected to complete within 2 months after the second deposit date.	N/A
Total	USD345,000		

- % Finance

	SPA	CARE	Bonna	ARC
The purchase land	28-08-2016	Verbal check 27-09-2016	Verbal Check 27-09-2016	Verbal Check 27-09-2016
Land Value (551sqm)	USD345,000	USD306,000	USD357,700	USD307,000
Proposed Loan	USD130K	USD130K	USD130K	USD130K
%RHBIBL's finance	37.68%	42.48%	36.34%	42.35%

- Mr. Chhang Y Vou said that he do not want to use the business fund to support on the purchased land and to maintain the WC in marble business as well. Therefore, the borrowers have approached us for additional 6-Year TL of USD130K for part finance on the purchased land as mentioned above.

7.3**INDUSTRY LENDING DIRECTION****Sector:** Wholesale**Within Industry Lending Limit? Yes / No** (as at 28-Sep-2016)

☐ Most attractive ☐ Highly attractive ☒ Attractive
☐ Selective ☐ Unattractive ☐ Most unattractive

If Sector falls under unattractive or most unattractive, justification for maintain or increase exposure: N/A

**RHB BANKING GROUP**☒ RHB Indochina Bank Ltd☐ RHB Bank Bhd**CREDIT APPLICATION (CA2)***(Form for joint approval)*

Application No. : RHBIBL-0002-2015-0004-2	Branch: City Mall Olympic Branch
---	----------------------------------

7.4	SOURCE OF REPAYMENT		
	Historical Jan-Aug 2016 (Monthly)	Projected 2017 (Monthly)	Remarks
A) EBITDA Outlet 1 (60% share) Outlet 2 (100% share)	USD22,900.19 USD8,820.23	USD24,712.99 USD9,687.44	<ul style="list-style-type: none"> DSR based on latest reported financial in 2016 (Jan to Aug) stands at 2.06x. Revenue from business is projected to increase 9% in Y2017 based on the past sale record and business growth in the coming year. So, DSR shall be further improved to 2.24X
B) Other recurring Income:	N/A	N/A	
C) Total cash flow available for debt service (A + B)	USD31,720.42	USD34,400.43	
D) Existing debt repayment RHB- 7-Year TL1: USD210K RHB-10-Year HL: USD300K ACLEDA 2-Year RL1: USD460K ACLEDA 2-Year RL2: USD100K	USD3,511.97 USD4,432.00 USD4,025.00 USD1,050.00	USD3,511.97 USD4,432.00 USD4,025.00 USD1,050.00	
E) Proposed additional Debt Repayment RHBIBL, 6-Year TL: USD130K	USD2,343.32	USD2,343.32	
F) Total debt repayment (D + E)	USD15,362.29	USD15,362.29	
DSR [(A+B)/(D+E)]	2.06x	2.24x	
G) Other source of income (scheduled/dividend repayment)	N/A	N/A	
Adjusted DSR [(C + G)/F]	N/A	N/A	

7.5	EXTERNAL RATING (Applicable to PLCs only)	
Moody's EDF9 Score (%) as at dd/mm/yyyy		
Borrower:		Guarantor:

**RHB BANKING GROUP**☒ RHB Indochina Bank Ltd☐ RHB Bank Bhd**CREDIT APPLICATION (CA2)***(Form for joint approval)*

Application No. : RHBIBL-0002-2015-0004-2 Branch: City Mall Olympic Branch

Share Price Movement over past 12 months:

DD/MM/YY (Current price)	High	Low

Implied Rating	S&P	Moody's

Comments:

RAM	MARC	S&P	Fitch	Moody's

Comments:

7.6	CUSTOMER PROFITABILITY								
Facility	Average Utilization	Last 12 mths Gross Income	Current RAROC	Current RRWA	Current ROA	Projected 12 mths Gross Income	Projected RAROC	Projected RRWA	Projected ROA
N/A									
Reasons/ account strategy if less than model recommended target return.									

7.7	ANCILLARY BUSINESS/ CROSS SELLING
N/A	

7.8	CONDUCT OF ACCOUNT ANALYSIS				
Bank Statement					
Bank: RHB					
Account: 2-01-0002-00005685-8					
Mr. Chhang Y Vou and Mdm. Sek Ponnaveoun					
Sep/15 to Aug/16					
Month	No. of Transaction	Debit (USD)	No. of Transaction	Credit (USD)	Balance (USD)
Balance Forward					274.47
Sep-15	1	3,486.25	1	3,486.25	274.47
Oct-15	4	306,592.82	3	306,486.25	167.90
Nov-15	1	4,396.00	1	4,396.00	167.90
Dec-15	3	7,897.80	3	7,899.44	169.54
Jan-16	1	3,486.25	1	3,486.25	169.54
Feb-16	3	7,889.25	2	7,882.25	162.54
Mar-16	2	7,882.25	2	7,882.25	162.54
Apr-16	2	7,882.25	2	7,882.25	162.54
May-16	2	7,882.25	2	7,882.25	162.54
Jun-16	3	7,882.29	3	7,883.47	163.72
Jul-16	2	7,882.25	2	7,882.25	163.72
Aug-16	2	7,943.97	2	7,812.00	31.75

**RHB BANKING GROUP**☒ RHB Indochina Bank Ltd☐ RHB Bank Bhd**CREDIT APPLICATION (CA2)***(Form for joint approval)*

Application No. : RHBIBL-0002-2015-0004-2	Branch: City Mall Olympic Branch
---	----------------------------------

Total	26	381,103.63	24	380,860.91	
Average	2	31,758.64	2	31,738.41	163.22

Bank: RHB					
Account: 1-01-0002-00000109-0					
Mr. Chhang Y Vou and Mdm. Sek Ponnaveoun					
Sep/15 to Aug/16					
Month	No. of Transaction	Debit (USD)	No. of Transaction	Credit (USD)	Balance (USD)
Balance Forward					3,671.31
Sep-15	8	27,455.25	8	24,037.13	253.19
Oct-15	3	11,986.25	3	12,000.00	266.94
Nov-15	11	34,412.25	5	34,282.63	137.32
Dec-15	14	64,990.74	14	64,872.44	19.02
Jan-16	8	35,952.25	7	35,966.63	33.40
Feb-16	12	52,362.25	9	52,700.00	371.15
Mar-16	3	8,072.25	3	7,816.00	114.90
Apr-16	2	7,882.25	2	8,000.00	232.65
May-16	2	7,882.25	3	7,891.05	241.45
Jun-16	3	7,885.25	2	7,900.00	256.20
Jul-16	2	7,882.25	2	7,850.00	223.95
Aug-16	3	9,812.00	4	9,600.00	11.95
Total	71	276,575.24	62	272,915.88	
Average	6	23,047.94	5	22,742.99	180.18

Comment:

- Borrowers have maintained saving and current account with RHBIBL since Mar 2015.
- Current account is a main account for cash flow management. And they always TT to saving account for monthly installment.
- For the last 12 months, conduct account has not been active since the borrower keeps cash in hand for business operation.
- Total turnover credit and debit reported USD272.9K and USD276.6K derived monthly deposit and withdrawal of USD22.74K and USD23.05K respectively.
- Common transactions are cash deposit, check withdrawal, and monthly installment

Bank: ACLEDA , Account No. 2200-10-328416-1-4					
Mr. Chhang Y Vou and Mdm. Sek Ponnaveoun					
Sep/15 to Aug/16					
Month	No. of Transaction	Debit (USD)	No. of Transaction	Credit (USD)	Balance (USD)
Balance Forward					128.49
Sep-15	20	922,144.77	9	922,380.00	363.72
Oct-15	10	15,928.71	6	23,772.92	8,207.93
Nov-15	14	22,264.35	7	14,220.00	163.58
Dec-15	8	7,728.42	3	7,993.12	428.28

**RHB BANKING GROUP**☒ RHB Indochina Bank Ltd☐ RHB Bank Bhd**CREDIT APPLICATION (CA2)***(Form for joint approval)*

Application No. : RHBIBL-0002-2015-0004-2 Branch: City Mall Olympic Branch

Jan-16	15	267,486.59	8	267,186.00	127.69
Feb-16	11	71,435.92	6	91,600.00	20,291.77
Mar-16	26	213,530.75	14	194,853.86	1,614.88
Apr-16	23	81,880.34	15	92,015.41	11,749.95
May-16	36	248,642.97	13	245,496.52	8,603.50
Jun-16	25	120,097.38	16	131,587.42	20,093.54
Jul-16	37	418,364.17	18	411,437.00	13,166.37
Aug-16	18	48,510.15	11	49,394.83	14,051.05
Total	243	2,438,014.52	126	2,451,937.08	
Excluding loan drawdown	-	1,558,014.52		1,571,937.08	-
Average	20	129,834.54	11	130,994.76	8,238.52

Comment:

- Borrowers have maintained RC of USD560K with tenure of 2 years subject to annual review. Based on the furnished bank statement (current account as table above) for the last 12 months, monthly interest payments have been promptly paid.
- Excluding loan limit drawdown, total turnover credit and debit reported USD1.57M and USD1.56M derived monthly deposit and withdrawal of US130.99K and USD129.83K respectively.
- Common transactions are cash deposit, check withdrawal, TT service, and monthly interest repayment.

Conduct Loan Account

RHBIBL				
Conduct of TL1: USD210K				
Period: Oct/15 to Sep/16				
Account No. : 40001001134500000				
Borrower: Mr. Chhang Y Vou and Mdm. Sek Ponnaveoun				
No.	Installment Amount	Due Date	Payment Date	Days Past Due
1	3,486.25	19-Oct-15	20-Oct-15	1
2	3,486.25	19-Nov-15	27-Nov-15	8
3	3,486.25	19-Dec-15	21-Dec-15	2
4	3,486.25	19-Jan-16	25-Jan-16	6
5	3,486.25	19-Feb-16	19-Feb-16	0
6	3,486.25	19-Mar-16	21-Mar-16	2
7	3,486.25	19-Apr-16	20-Apr-16	1
8	3,486.25	19-May-16	19-May-16	0
9	3,486.25	20-Jun-16	21-Jun-16	1
10	3,486.25	19-Jul-16	21-Jul-16	2
11	3,511.97	19-Aug-16	22-Aug-16	3
12	3,511.97	19-Sep-16	20-Sep-16	1

**RHB BANKING GROUP**☒ RHB Indochina Bank Ltd☐ RHB Bank Bhd**CREDIT APPLICATION (CA2)***(Form for joint approval)*

Application No. : RHBIBL-0002-2015-0004-2 Branch: City Mall Olympic Branch

RHBIBL				
Conduct of HL: USD300K				
Period: Oct/15 to Sep/16				
Account No. : 40001001455700000				
Borrower: Mr. Chhang Y Vou and Mdm. Sek Ponnaveoun				
No.	Installment Amount	Due Date	Payment Date	Days Past Due
1	4,396.00	10-Nov-15	11-Nov-15	1
2	4,396.00	8-Dec-15	9-Dec-15	1
3	4,396.00	8-Jan-16	8-Jan-16	0
4	4,396.00	8-Feb-16	8-Feb-16	0
5	4,396.00	9-Mar-16	10-Mar-16	1
6	4,396.00	8-Apr-16	12-Apr-16	4
7	4,396.00	9-May-16	10-May-16	1
8	4,396.00	8-Jun-16	9-Jun-16	1
9	4,396.00	8-Jul-16	8-Jul-16	0
10	4,432.00	8-Aug-16	8-Aug-16	0
11	4,432.00	8-Sep-16	8-Sep-16	0

Comment:
Monthly installments for the last 12 months of TL1 and HL have not been promptly paid with any distresses as the following reasons:

- Overdue 8 days due to late manual debit from the borrower account by Branch. Note that, the balance is enough to pay installment since the due day (19-Nov-2015)
- Overdue 6 days due to the borrower went to check-up at Thailand.
- Overdue 4 days due to they were so busy in business.
- Overdue 1 to 3 days due to the manual debit and local check deposit in current account maintained with RHBIBL.

Part 8.0	GUIDED RISK ANALYSIS TEMPLATE
-----------------	--------------------------------------

We have reviewed the facility as required and confirmed the following:

8.1	Management Risks	✓	Low	Medium	High
	<ul style="list-style-type: none"> • There is no proper financial recorded, since it is a family business. However, the borrowers are still operating business well and profitable from year to year. 				

8.2	Industry Risks	Low	✓	Medium	High
	<p>Construction</p> <p>Investment in the construction industry in 2015 amounted to \$3.3 billion – a 33.14 per cent increase from the same period in 2014, which was only \$2.5 billion. Seng Lot, spokesperson for the Ministry of Land Management, Urban Planning and Construction (MLMUPC) said that there were over 2,305 approved projects in 2015 measuring up to a total of 7.7 million square metres and 13,423 units.</p> <p>There are about 700 buildings of between five to 55 storeys, which are currently being constructed or are pending construction. He continued, “the rapid growth in investment in 2015 is the result of economic growth which Cambodia has</p>				

**CREDIT APPLICATION (CA2)***(Form for joint approval)*

Application No. : RHBIBL-0002-2015-0004-2 Branch: City Mall Olympic Branch

achieved over 7 per cent in recent years, and we expect it to continue rising in the next few years.” “Investors have confidence in the political and social stability of the country, especially since the Royal Government is focusing more on the construction industry as well,” Lot added. While local investors make up the majority of massive real estate investments, Chinese investors rank number one from the foreign investment sector.

“For 2016, the Ministry is optimistic that investment in the construction industry will continue rising, even higher than in 2015,” he said, adding in fact, three or four investment projects submitted to the Ministry are all big projects valued at hundreds of millions of dollars. Lot also said that the MLMUPC is working hard to make the registration process and many other construction regulations as efficient as possible, in response to the rapid increase in investment in the construction and real estate industries in Cambodia.

Chrek Soknim, CEO of Century 21 Mekong, said that the rapid growth in the construction and real estate industries in 2015 was due to substantial funding support from banks. Moreover, investors continue to turn to Cambodia because they have an eye for the lucrative ASEAN market, especially so with the fact that the real estate industry here has tremendous room to grow.

However, Soknim is not too optimistic for 2016’s forecast, as he said that investment in the construction industry may be slowly reclining due to the recent interest rate hike in the United States’ Federal Reserve, as well as the economic confusion in China. Sung Bonna, CEO of Bonna Real Estate Group, also does not have a positive outlook on this year’s investment climate. Subsequently in 2015, the amount of land for development was roughly the same, but there were more funds pumped in, although it remains unclear where the money had originated from, he stated. He compared the transparency and the amount of investment to be akin to human flesh. “We don’t know its form because we can only see its outer side. However, we would celebrate if it really flows into Cambodia,” he said. Bonna concluded that what would undoubtedly benefit the local citizens would be the transparency of where investment funds come from, so that the industry could continue to flourish.

8.3	Product Risks		Low	✓	Medium		High
<ul style="list-style-type: none"> Multi-products are imported and mixed in market. 							

8.4	Supplier / Buyer Risks		Low	✓	Medium		High
<ul style="list-style-type: none"> Credit-terms are offered to potential customers to strengthen/built relationship stronger. 							
Adverse findings from Trade Quality Assurance Department (if any)							
Supplier/ Buyer		Due Diligence Findings		Action Taken			
N/A							

8.5	Production Risks (applicable to manufacturing company only)	✓	Low		Medium		High
<ul style="list-style-type: none"> Not highly labour intensive or where affirmative is not a major concern. Product is in good working condition and well maintained. Pricing allows positive returns. 							

8.6	Other Risks (e.g. Specialised Lending, Project / Contract Financing)
<ul style="list-style-type: none"> Business Premises, both outlet 1 and 2, are rented with tenure of 1 and 2 years based on the rental agreement. A short tenure should effect to the borrowers’ business operation but Mr. Chhang Y Vou revealed that there is no concern on this issue since they have a good and long term relationship with lessee and the renewal agreement always do after the maturity date. However, the trend of construction has been experiencing a decline in sale recently, but all housing developers are still progress their project as normal and create a new strategy and promotion on sale to attract the customers. 	

**RHB BANKING GROUP**☒ RHB Indochina Bank Ltd☐ RHB Bank Bhd**CREDIT APPLICATION (CA2)***(Form for joint approval)*

Application No. : RHBIBL-0002-2015-0004-2 Branch: City Mall Olympic Branch

8.7 FINANCIAL HIGHLIGHTS & ANALYSIS**Income Statement**

OUTLET 1	Income Statement		
Revenue (USD)	2014	2015	2016
	12-months	12-months	8-months
Marble Sale	2,399,760.00	2,615,738.40	1,918,208.16
Cost of Goods Sold	1,942,486.00	2,109,593.02	1,548,953.09
Gross Profit	457,274.00	506,145.38	369,255.07
Operating expenses			
Salary expense	24,000.00	26,400.00	19,536.00
Transportation expenses	24,432.00	25,653.60	17,957.52
Utilities expense	12,000.00	12,480.00	8,652.80
Other expenses	24,648.00	25,633.92	17,772.85
Total Operating expenses	85,080.00	90,167.52	63,919.17
EBIT	372,194.00	415,977.86	305,335.90
Monthly Average EBIT	31,016.17	34,664.82	38,166.99
60% share of Mr. Chhang Y Vou	18,609.70	20,798.89	22,900.19

OUTLET 2	Income Statement		
Revenue (USD)	2014	2015	2016
	12-months	12-months	8-months
Marble Sale	759,904.00	820,696.32	596,372.66
Cost of Goods Sold	615,522.24	664,764.02	482,405.84
Gross Profit	144,381.76	155,932.30	113,966.82
Operating expenses			
Salary expense	14,400.00	15,120.00	10,483.20
Transportation expenses	11,432.00	12,003.60	8,322.50
Utilities expense	9,200.00	9,752.00	6,826.40
Other expenses	24,648.00	25,633.92	17,772.85
Total Operating expenses	59,680.00	62,509.52	43,404.95
EBIT	84,701.76	93,422.78	70,561.87
Monthly Average EBIT	7,058.48	7,785.23	8,820.23

Comment:

- Business is operating under 2 outlets. Mr. Chhang Y Vou owns 60% share of outlet 1 as he has jointly invested with his relative.
- Based on the furnished income statement in Jan-Aug/2016, total sale reached of USD2.51M (i.e. USD314.32K per month) derived from outlet 1 of USD1.92M and outlet 2 of USD596.37K.
- Historically, total turnover sale was significantly increased by 9% and 8% in Y2015 and continually grew by 10% and 9% in the early 8-Month of 2016 for Outlet 1 and 2 respectively. Net profit margin was satisfactory generated between of 14% to 16% upon the operating expense of each outlet.

**RHB BANKING GROUP**☒ RHB Indochina Bank Ltd☐ RHB Bank Bhd**CREDIT APPLICATION (CA2)***(Form for joint approval)*

Application No. : RHBIBL-0002-2015-0004-2	Branch: City Mall Olympic Branch
--	---

- Increase of sale and NPM are reasonable and acceptable, comparing to the same industry figure of the existing customer, Mr. Tun Chhaypech, with 10% increase of sale and 20% of NPM. Further, they are the main suppliers to Borey New World and Peng Hourt with a long term relationship.
- Moreover, the revenue is also justified from sale invoice for the last 3 months (Jun-Aug) of 2016 with average monthly sale of USD283.56K, i.e. about 90.21% of total sale. Since it is a family business, all sale invoices are not properly kept after fully payment from customers; however, some sale invoice copies are attached.
- Note that, about 7% of sale was deposited with RHBIBL while 41.67% was channeled with ACLEDA Bank while the balance of sale was kept in hand of daily business operating.
- The borrower revealed that their customers almost always use ACLEDA Bank' service since it is located across the Cambodia and convenience for TT service.

Income Projection

OUTLET 1	Income Projection		
Revenue (USD)	2017	2018	2019
	12-months	12-months	12-months
Marble Sale	3,136,270.34	3,418,534.67	3,726,202.79
Cost of Goods Sold	2,540,378.98	2,769,013.08	3,018,224.26
Gross Profit	595,891.36	649,521.59	707,978.53
Operating expenses			
Salary expense	31,062.24	32,925.97	34,901.53
Transportation expenses	28,552.46	30,265.60	32,081.54
Utilities expense	13,757.95	14,583.43	15,458.43
Other expenses	28,258.83	29,954.36	31,751.63
Total Operating expenses	101,631.48	107,729.37	114,193.13
EBIT	494,259.88	541,792.22	593,785.40
Monthly Average EBIT	41,188.32	45,149.35	49,482.12
60% share of Mr. Chhang Y Vou	24,712.99	27,089.61	29,689.27

OUTLET 2	Income Projection		
Revenue (USD)	2017	2018	2019
	12-months	12-months	12-months
Marble Sale	975,069.30	1,062,825.53	1,158,479.83
Cost of Goods Sold	789,806.13	860,888.68	938,368.66
Gross Profit	185,263.17	201,936.85	220,111.17
Operating expenses			
Salary expense	16,668.29	17,668.39	18,728.49
Transportation expenses	13,232.77	14,026.73	14,868.34
Utilities expense	10,853.98	11,505.21	12,195.53
Other expenses	28,258.83	29,954.36	31,751.63
Total Operating expenses	69,013.87	73,154.70	77,543.98
EBIT	116,249.30	128,782.15	142,567.19
Monthly Average EBIT	9,687.44	10,731.85	11,880.60

**RHB BANKING GROUP**☒ RHB Indochina Bank Ltd☐ RHB Bank Bhd**CREDIT APPLICATION (CA2)***(Form for joint approval)*

Application No. : RHBIBL-0002-2015-0004-2	Branch: City Mall Olympic Branch
---	----------------------------------

Comment:

- Sale is projected to increase by 9% in the coming 3 years based on
 - Condos and Boreys have been experiencing a bit decline in sale recently and expected to increase in 2019.
 - However, it is slow down. All developers are still continued their projects.
 - The construction sector has been shown a potential growth for the next few years inspire the demand of purchase house.
 - GDP Cambodia growth 7% in 2016 (estimated by ADB)
- COGS are expected to remain unchanged.
- Net profit Margin is projected to about 16% and 12% in the coming years for Outlet 1 and 2 based on volume of sale projection respectively

Current DSR Scenario

Average Monthly EBIT (USD)	2016 (6-Month)	2017	2018	2019
Net Income	31,720.43	34,400.44	37,821.46	41,569.87
RHB-TL1: USD210K	3,511.97	3,511.97	3,511.97	3,511.97
RHB-HL: USD300K	4,432.00	4,432.00	4,432.00	4,432.00
RHB-TL2: USD130K	2,343.32	2,343.32	2,343.32	2,343.32
ACLEDA RL1: USD460K	4,025.00	4,025.00	4,025.00	4,025.00
ACLEDA RL2: USD100K	1,050.00	1,050.00	1,050.00	1,050.00
Total Commitment	15,362.29	15,362.29	15,362.29	15,362.29
DSR (Time)	2.06x	2.24x	2.46x	2.71x

Note:

- Assume loans with ACLEDA are fully utilized.
- DSCR is only 2x due to Mr. Chhang's income only. It should further improve if including Mdm. Sek's income but we do not want to complicate as they also have been proceeded loan with Canada Bank at the same time.

Sensitized DSR Scenario: (20% drop of EBIT)

Average Monthly EBIT (USD)	2018 (6-Month)	2017	2018	2019
Net Income	25,376.34	27,520.35	30,257.17	33,255.90
RHB-TL1: USD210K	3,511.97	3,511.97	3,511.97	3,511.97
RHB-HL: USD300K	4,432.00	4,432.00	4,432.00	4,432.00
RHB-TL2: USD130K	2,343.32	2,343.32	2,343.32	2,343.32
ACLEDA RL1: USD460K	4,025.00	4,025.00	4,025.00	4,025.00
ACLEDA RL2: USD100K	1,050.00	1,050.00	1,050.00	1,050.00
Total Commitment	15,362.29	15,362.29	15,362.29	15,362.29
DSR (Time)	1.65x	1.79x	1.97x	2.16x

Part 9.0	RECOMMENDATION BY LENDING UNIT
SUMMARY & RECOMMENDATION <ul style="list-style-type: none"> • Borrowers are active businessmen who has involved in business since 2013. • The business is well operated and profitable by year to year. • Repayment capacity of borrower is well substantiated from average monthly net income of about USD31.7K, translated DSR of 2.06x. Besides, borrowers also have another source of income from cosmetic business to further support. • Good repayment recorded however there was a few overdue recorded. • MoA is 65.50%. • Collateral locates in good location with higher security coverage and marketable. 	

CREDIT APPLICATION (CA2)

(Form for joint approval)

Application No. : RHBIBL-0002-2015-0004-2	Branch: City Mall Olympic Branch
---	----------------------------------

Reminder:

All credit submission must have financial statements (audited or management accounts) which are not older than 6 months from the date of submission. Also, in any case, audited account must not be more than 12 months old from the date of submission. In the event that the above could not be complied, LU is to make notification detailing (i) the reason for audited financials; (ii) justifying the reasons why it is in order to accept the outdated financials; (iii) committing the date when the updated financials can be obtained & (iv) indicating in details other sources of information i.e. updated sales report, current account summary, cash balances, CCRIS, etc.

<p>account summary, cash balances, GORTS, etc.</p>	
<p>Prepared by:</p>	<p>Recommended by:</p>
<p>Sok Ratanak Assistant Manager-Credit Relationship Date: 28-09-2016</p>	<p>Keang Chanveasna Branch Manager Date: 28-09-2016</p>
	<p>Recommended by:</p>
	<p>Chiv Hak Senior Manager Date: 28-09-2016</p>

**RHB BANKING GROUP**☒ RHB Indochina Bank Ltd☐ RHB Bank Bhd**CREDIT APPLICATION (CA2)***(Form for joint approval)*

Application No. : RHBIBL-0002-2015-0004-2	Branch: City Mall Olympic Branch
---	----------------------------------

Part 10.0	INDEPENDENT EVALUATION/ RECOMMENDATION/ APPROVAL
--------------	--

10.1	CREDIT EVALUATION MEMORANDUM/ RECOMMENDATION
------	--

Within Lending Limits: ☐ Yes ☐ No

Issues / Findings / Breaches (if any)

No.	Issues / Findings	Comments / Mitigations
1		
2		
3		

No.	Policy Breaches	Comments / Mitigations
1		
2		
3		

Recommendation

Evaluated by:

Name:

Position:

Date:

CREDIT APPLICATION (CA2)

(Form for joint approval)

Application No. : RHBIBL-0002-2015-0004-2	Branch: City Mall Olympic Branch
---	----------------------------------

10.2	APPROVAL
Approver 1	<p>Decision: [] Approved [] Declined</p> <p>Comments: (if any)</p> <p>Additional Terms/ Conditions/ Covenants: (if any)</p> <p>Mr. Yong Ching San</p> <p>Date:</p>
Approver 2	<p>Decision: [] Approved [] Declined</p> <p>Comments: (if any)</p> <p>Additional Terms/ Conditions/ Covenants: (if any)</p> <p>Mr. Lim Loong Seng</p> <p>Date:</p>

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