

Credit Management Department, RHBIBL			
Date	: 12-05-17	Branch	: PPM CMO
From	: Credit Supervision, Recovery & Review (CSR)		
To	: Credit Lending Committee		
Borrower(s)	: <ul style="list-style-type: none"> <li>✓ 1. Lim Heang Yu Enterprise Co.,Ltd</li> <li>✓ 2. Mr. Kung Chung Heng and Mdm. Bo Srey Pov</li> <li>✓ 3. Mdm. Bo Vannary and Mr. Oeng Marady</li> </ul>	Credit Grade	: <ul style="list-style-type: none"> <li>1. Lim Heang Yu Enterprise: 4</li> <li>2. Kung Chung Heng: 3</li> <li>3. Bo Vannary: 1</li> </ul>
Guarantor(s)	Lim Heang Yu Enterprise's Guarantors: <ul style="list-style-type: none"> <li>- Mr. Bo Reth</li> <li>- Mrs. Kong Sokun</li> <li>- Mr. Bo Vannak</li> <li>- Mr. Bo Vannaroth</li> <li>- Mrs. Bo Vannary and Mrs. Bo Srey Pov</li> <li>- Mr. Kung Chung Heng and Mdm. Borey Pov</li> <li>- Mr. Kheng Kong and Mdm. Sok Eng</li> </ul>		
Group	: Lim Heang Yu Enterprise Co.,Ltd		
Request/Deviation	Group Review: <ul style="list-style-type: none"> <li>+ Lim Heang Yu Enterprise Co.,Ltd:                             <ul style="list-style-type: none"> <li>✓ Annual review on existing facilities</li> <li>✓ To reduce the Interest rate from 8.50%p.a to 8.00%p.a for TL1</li> </ul> </li> <li>+ Mr. Kung Chung Heng and Mdm. Bo Srey Pov:                             <ul style="list-style-type: none"> <li>✓ Annual review on existing facilities.</li> <li>• To discharge TD No. 12040408-0106 (Pa) and TD No. 12040408-0114 (P2) subject to fully settle existing TL1 and TL2 upon the review approved.</li> <li>• To notify 3 month notice for existing TL4 to be fully settled in July 2017 Before loan maturity date. <i>operational issue</i></li> <li>• To allow 1% penalty fee on outstanding balance of TL1, TL2 and TL4</li> </ul> </li> <li>+ Mdm. Bo Vannary and Mr. Oeng Marady:                             <ul style="list-style-type: none"> <li>✓ Annual review on existing facility</li> <li>✓ Waiver of submission Valuation report of the charge property as the existing valuation is more than 5 years age.</li> </ul> </li> </ul>		
Comment by Credit Supervision & Review, RHBIBL			
1. - Lim Heang Yu Enterprise has registered at MOC since 2009 with paid up capital of USD2Million. The company known as family run business and the core business is biscuit manufacturing. Currently, the company is one of the largest biscuit factory in Cambodia. According to branch site visitation, the business operation and key management still remains unchanged. - Mr. Kung Chung Heng and Mdm. Bo Srey Pov (Holding 10% share of Lim Heang Yu Enterprise.) is spouse and they also own another business of wholesale all kinds of Plastic Rolling and Plastic basket. Beside, borrowers also involved in property rental where they have 3 property rented out with total of the rental fee of USD6,700per month. All Premise and Properties still remain unchanged. - Mr. Oeng Marady and Mdm. Bo Vannary (Holding 10% share of Lim Heang Yu Enterprise) is spouse. Mr. Bo Vannary still works at Lim Heang Yu Enterprise with USD3,500 and USD1,500 as her monthly salary and bonus respectively. Mr. Oeng works at Ministry of Mines and Energy, he responsible for food quality control.			

2.

- **Lim Heang Yu Enterprise:** As noted by branch, the company has enjoyed the facility with us since 2009 with good repayment record. To maintain the relationship with borrowers, pretend settlement and any refinancing from other banks, branch seek for management approval to reduce the interest rate to 8.00%p.a while currently, there are many bank come and persuaded they with an attractive rate.

- **Kung Chung Heng and Bo Srey Pov:**

+ borrowers have requested to fully settle their TL1 and TL2 due to surplus fund from their business and request to notify 3 month notice for existing TL4 to be fully settled in July 2017 and request 1% of penalty fee for the outstanding balance of TL4. → *operational request*

+ Further, borrowers also requested to discharge the properties No. 1 and property No. 2 as they want to self-keeping in their vault.

+ Upon crosschecking with our panel valuer, branch noted that, upon discharge the property no. 1 and No.2 by settlement of TL1, TL2 and TL4, Security cover still maintain at 1.19x (Ascribe value).

- **Oeng Marady and Bo Vannary:** As per Branch request to waive submission of fresh valuation report/ Certificate valuation due to the property value is increased from year to years while HL was gradually reduced by monthly installment.

3. According to Financial statement:

- **Lim Heang Yu Enterprise:**

+ Sale in 2016 grows by 4% compare to sale in 2015 due to higher demand from their customer while the gross profit margin and net profit was increase to 44.46% and 19.63% respectively. Net income of USD2.73mill translates to DSCR of 3.09times If we Include Oeng Marady Commitment, DSR still strong at 2.88x.

+ A combined AMD of USD754K reflects 65% to average monthly sale in 2016 while the balance was used for daily operation expense.

- **Kung Chung Heng and Bo Srey Pov:**

+ Total sale in 2016 grows by 15% compare to total sale in 2015 where the main income was generated from Plastic Rolling with 17% up. Noted by borrowers they currently linked to various customers to order the product rather they order from oversea which incurred many fee. DSCR still remained in good position of 4.94x translated from the annual net income in 2016 of USD597K against total commitment of USD10,056.75. Sensitized scenario also give comfort of DSCR at 2.47x.

+ AMD of USD138K reflects 52% to average monthly sale in 2016 while the balance was for daily operating expense.

+ summarize invoice for 3 months (from Jan- Mar 2017) also an evidence of their business practice with 76% reflected to average monthly sale.

4. - **Lim Heang Yu Enterprise:**

+ TL1 & TL2 are satisfactorily conducted, however, there are 2 times of loan late payment for TL1 and 1 times of loan late payment for TL2 due to weekend and public holiday.

- **Kung Chung Heng and Bo Srey Pov:**

+ OD1 & OD 2 are satisfactorily conducted without any return check noted and OD excess while the TL1, TL2, TL3 and TL4 are prompt. The OD utilization rate is 50.17%

5. CBC, World Check and AML has shown no problem for all borrowers and guarantors. CBC also noted that, guarantors have maintained the facilities with FCB, Hong Leong Bank and Maybank of total USD780K (currently O/S is USD741K) with prompt payment record. Due to CBC cannot record the company credit, thus, branch still maintain only facility granted by Maybank.

6. - **Lim Heang Yu Enterprise:**

Security remains intact with OMV at USD5,422K with adequate MOA of 46.24% and SC of 1.47X.

- **Kung Chung Heng and Bo Srey Pov:**

**ធនាគារ អេស ប៊ី ឥណ្ឌូចីណា**  
**RHB◆Indochina Bank**

Security still remained at USD1208K with adequate MOA of 66% and SC of 1.05X upon TL1 and TL2 was settled and SC will increase to 1.19x upon TL4 was settled on Jul 2017. ✓

- Oeng Marady and Bo Vannary:

As per crosscheck with other panel valuer, the property value was increased to USD253K, however, branch still comfort OMV at USD190K due to request waiver of fresh/ update valuation certificate. With OMV of USD190k, The MOA still at 27% and SC of 2.63X.

7. Recommended for annual review from this approval subject to:-

- i. Amount for loan settlement of TL4 for Kung Chung Heng to be earmarked together when borrower made settlement for TL1 & TL2 ?


**Evaluated by:**



Kong Sombor  
Assistant Manager

Date: 18.05.17

**Concurred by:**



Tang Siew Horn  
Senior Manager

Date:

**Comment by Head of Credit Management, RHBIBL**

Concurred by:

As recommended by COP - Others as recommended by CU.

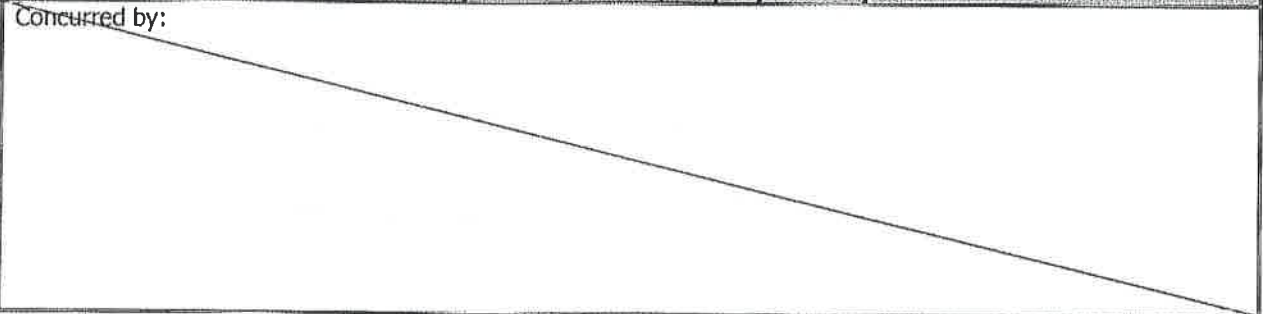


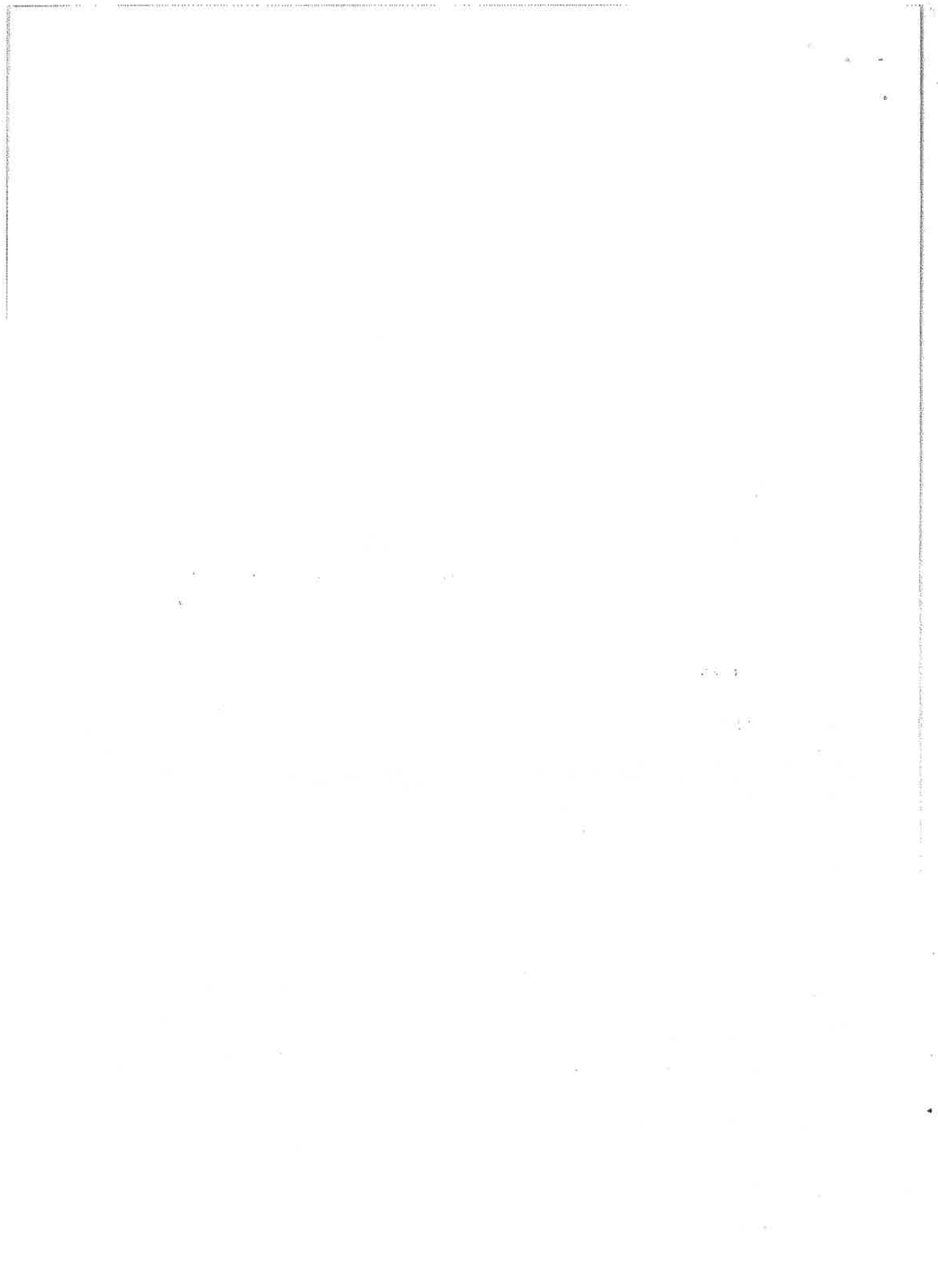
Yong Ching San  
Head, Credit Management

Date: 19/5/17

**Comment by Country Head / Deputy Country Head**

Concurred by:





**1. Lim Heang Yu Enterprise Co. Ltd**

- a. Annual review
- b. Reduction of interest for TL1 by 0.5% to 8% - this is in line with TL2 and for anti attrition strategy by LU to retain good customer.

**2. Mr Kung Chung Heng / Mdm Bo Srev Pov**

- a. Annual Review
- b. Discharge of P1 and P2 upon settlement of TL1 and TL2. Borrower also plan to settle TL4 in July 2017. Overall, upon settlement of TL1/2/4 and discharge of P1 and 2, our security coverage will deteriorate from 1.43x to 1.2x. The security coverage will gradually improve with the amortization of TL3.
- c. To charge lower penalty for early settlement for TL1/2/4 at 1% (settlement within 5 years) instead of 3%.

**3. Mr. Oeng Marady / Mdm Bo Vannary**

- a. Annual review
- b. Waiver of submission fresh valuation report as the existing report is more than 5 years - verbal check with panel valuers show that the properties have appreciated between 30%-38% since last valuation in 2010.

Recommendation - All accounts have been conducted satisfactorily. Established relationship with the group since 2009.

Recommended for approval:

i. Mr Kung Chung Heng / Mdm Bo Srev Pov:

- Discharge of P1 and P2 subject to:
  - a. full settlement of TL1, TL2 and TL4; OR
  - b. sufficient earmark of borrower's account during settlement of TL1/2 to fully settle TL4

ii. Others - as recommended



Husnuddin Abd Mokti  
Head, International Credit Management  
Date: 25/5/2017

Approved / declined by :

Approved / declined by :

Approved / declined by :

Christopher Loh  
Date: 25/5

Lim Loong Seng  
Date:

Simon Cheong  
Date

Approved / declined by :

Yong Ching San  
Date:

