

Credit Evaluation – Loans and Credit Administration							
Date	:	02/08/2018	Branch	:	TKK		
From	:	Credit Evaluation – Loans and Credit Administration					
To	:	Head, Credit Management & Country Head					
1.0 Borrower Information							
Borrower:	1	Mr. Ouch Pysal (37)	Nature of business/ Employment	1	Gas Station		
	2	Mdm Keo Sokhathary (28)		2	Construction firm		
	3						
Guarantor:	1		Borrowing R's ship since:	New			
	2						
	3						
CRR Grade	4						
2.0 Term Sheet							
New/ Additional	Facility	Existing Limit (USD)	+/-	Proposed Limit (USD)	O/S balance	Tenure	Interest rate ECOF = 5.50% p.a.
Existing	TL	583.6K	-	583.6K	583.6K	10 years	ECOF + 2.50% subject to min 8.00%
Existing	OD1	100K	-	100K	97.7K	1 year	ECOF + 2.75% subject to min 8.25%
Existing	OD2	KHR400M	-	KHR400M	KHR398M	1 year	ECOF + 2.75% subject to min 8.25%
New	OD3		+USD100K	USD100K	-	1 year	ECOF + 2.75% subject to min 8.25%
New	OD4		+KHR300M	KHR300M	-	1 year	ECOF + 2.75% subject to min 8.25%
Total		783.68K	+175K	958.6K			
Fees	Processing fee	:	1% on approved limit				
	Prepayment fee (TL)	:	1 st – 3 rd year: 3% 4 th – 10 th year: 1%				
	Prepayment fee (OD)	:	1% on prepayment amount				
	Renewal fee	:	1% on renewed limit				
	Commitment fee	:	1% on uncommitted balance				
Loan Purpose:	- OD3/OD4: As additional working capital						
Request/ Deviation:	- To seek approval for annual review						

3.0	Comment by Credit Evaluation:

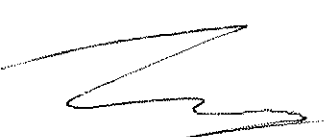
1. Borrowers are our existing customer since Jan 2018 where the past 6 months repayment record has been prompt. Their business in petrol station and construction remains unchanged.
2. The additional OD requested is to support the growing construction projects in the pipeline despite their loan was recently 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 requirement. Contact site visit / speak to the borrower. The comment by C&D as per Hen 5! Key issue to be addressed ^{relationship} is only 8 months ago.
Using Chen



RHB BANKING GROUP

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

Application No. : RHBIBL-BDM-0010-2018-0001-1 Branch: TKK

Request Type☐ New ☒ Additional ☒ Renewal ☐ R&R**Approving Authority**☒ Joint Approval: DLA Level: II Reason for escalation: Nil☐ Group CCO & Head of Business:

Part 1.0	CUSTOMER PROFILE
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1.1	CUSTOMER INFORMATION			
Borrower	Mr. Ouch Pysal Mdm. Keo Sokhathary		CIS No.	240001112
Group/ Ultimate Parent	N/A		Registration No.	Co. 1216KH/2014
Ultimate Borrower's Beneficial Owner	N/A			
Business Address	Street 598, Svay Park Village, Sangkat Svay Park, Khan Russey Keo, Phnom Penh			
NBC Sector	Real Estate Operations / Construction		Sub Sector	N/A
Core Business	Construction and Gas station			
Date of Incorporation	2014		Relationship Since	24/01/2018
Review Due Date	24/01/2019		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"/> NBF1	<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	
Borrowers: Mr. Ouch Pysal Mdm. Keo Sokhathary	4	3	3	No	No	No
Guarantor: 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 Networth (USD'000)	
Mr. Ouch Pysal (B)	37	Husband	50%	4	7 years	>300K	
Mdm. Keo Sokhathary (B)	28	Wife	50%	4	N/A		
No. of Employee: 10							
Succession Plan for key Personnel: No, They are in healthy and energetic age.							
CBC / World Check Findings (if any): No adverse finding.							
Connected party: No		N/A					



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Part 2.0	DETAILS OF REQUEST
2.1	Brief details of new, additional or renewal request. <ul style="list-style-type: none"> - To seek for approval on OD3 of USD100K and OD4 of KHR300Mil to support working capital of the construction company. - To annual review of existing TL1, OD1, and OD2 facilities.
2.2	Please state brief details of waivers, deviation of guidelines & notations. N/A

Part 3.0	FACILITY DETIALS					
3.1	FACILITY ('000)					
Facility Type	O/S as 23/07/18	Existing Limit	Increase/ Decrease (+/-)	Pricing	New Limit	Purpose (in brief)
TL1 (Existing)	USD583.6	USD583.6	-	ECOF+2.50% p.a. on monthly rest subject to a rate of 8.0% p.a.	USD583.6	To part finance purchase of vacant land for development purpose.
OD1 (Existing)	USD97.7	USD100	-	ECOF+2.75% p.a. on monthly rest subject to a rate of 8.25% p.a.	USD100	To support WCR of gas stations.
OD2 (Existing)	KHR398,824	KHR400,000	-		KHR400,000	
OD3 (New)	-	-	USD100	ECOF+2.75% p.a. on monthly rest subject to a rate of 8.25% p.a.	USD100	To support WCR of construction company
OD4 (New)	-	-	KHR300,000		KHR300,000	
Total	USD681.3 KHR398,824	USD683.68 KHR400,000	+USD100 +KHR300,000		USD783.6 KHR700,000	

3.2	REPAYMENT TERMS	
Facility Type	Availability Period of Drawdown	Tenor/ Terms of Repayment
Term Loan 1 (Existing)	6 months after Approval Date	Tenor: 10 years Interest rate: ECOF+2.50% p.a. on monthly rest subject to a rate of 8.0% p.a. Repayment: 120 monthly installments of USD7,279.66 each. Processing fee: 1% on the approved limit Prepayment: 1 st to 5 th year: 3%; and 6 th to 10 th : 1% on prepayment amount if the facility is fully/partially settled before expiry date.
Overdraft 1 (Existing)	6 months after Approval Date	Interest rate: ECOF+2.75% p.a. on daily rest subject to a rate of 8.25% p.a. Tenor: 1 year (subject to annual review) Repayment: Payable on demand and interest accrued is to be serviced monthly Processing Fee: 1% p.a. on approved limit. Commitment Fee: 1% on unutilized amount. Renewal Fee: 1% on renewed limit. Prepayment: 1% on approved limit cancelled and/or reduced prior to expiry of the tenure.
Overdraft 2 (Existing)	6 months after Approval Date	Interest rate: ECOF+2.75% p.a. on daily rest subject to a rate of 8.25% p.a. Tenor: 1 year (subject to annual review) Repayment: Payable on demand and interest accrued is to be serviced monthly Processing Fee: 1% p.a. on approved limit. Commitment Fee: 1% on unutilized amount. Renewal Fee: 1% on renewed limit. Prepayment: 1% on approved limit cancelled and/or reduced prior to expiry of the tenure.
Overdraft 3	6 months after Approval Date	Interest rate: ECOF+2.75% p.a. on daily rest subject to a rate of 8.25% p.a. Tenor: 1 year (subject to annual review)



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(New)		Repayment: Payable on demand and interest accrued is to be serviced monthly Processing Fee: 1% p.a. on approved limit. Commitment Fee: 1% on unutilized amount. Renewal Fee: 1% on renewed limit. Prepayment: 1% on approved limit cancelled and/or reduced prior to expiry of the tenure.
Overdraft 4 (New)	6 months after Approval Date	Interest rate: ECOF+2.75% p.a. on daily rest subject to a rate of 8.25% p.a. Tenor: 1 year (subject to annual review) Repayment: Payable on demand and interest accrued is to be serviced monthly Processing Fee: 1% p.a. on approved limit. Commitment Fee: 1% on unutilized amount. Renewal Fee: 1% on renewed limit. Prepayment: 1% on approved limit cancelled and/or reduced prior to expiry of the tenure.

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	958.6	-	958.6	-	-	-	958.6	-	958.6
RHB Bank Limit: Standalone:									
RHB Labuan/ Islamic/Investment/ Leasing SCEL**									
Beyond SCEL***									
Total RHB Group	958.6	-	958.6	-	-	-	958.6	-	958.6
Total Credit (RHB Group Exp + Other Banks)	2,054.6	-	2,054.6	-	-	-	2,054.6	-	2,054.6

* 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	Approved Amount (USD)	Outstanding as at 30/06/2018(USD)	Status
1	Maybank	HL	8.5%	150,000.00	136,771.66	Normal
2		OD	8.75%	300,000.00	301,736.20	
3	ABA	Credit Card	N/A	1,000.00	510.15	
4	Acleda	HL	NA	15,000.00	7,240.95	
5	UCB Bank	Credit Card	NA	3,000.00	0.00	
6	FCB	TL	N/A	650,000.00	650,000.00	
Total				1,119,000	1,096,258.96	
Comments: N/A						
Credit Bureau Findings: All accounts are recorded normal with prompt status.						

Note:

- The borrower has just fully settled loan with Ly Hour MFI and maintained loan with FCB in purpose of purchase land. Total OMV of land is USD1.06M (SPA is attached).



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(Form for joint approval)

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Part 5.0	SECURITY DETAILS										
5.1	SECURITY DESCRIPTION										
Security Description	OMV (USD'000)	Security Value (as per CP)									
Existing 1. Facility Agreement stamped for USD700K + KHR400Million as the principal instrument. 2. Open All Monies 1 st party/ 1 st legal charge over the following properties as subsidiary instrument Title No.: PP50758 Registered owner: Mr. Ouch Pysal and Mdm. Keo Sokhathary Description: A parcel of vacant land. - Land area: 6,042 sqm - Building Area: N/A Address/Location: Khor 2 Village, Sangkat Chraing Chamres 2, Khan Russey Keo, Phnom Penh. Tenure: freehold Lease expiry: N/A Restriction in interest: N/A Encumbrance: RHBIBL <u>Details of Property</u> Date: 19/01/2018 Adopted OMV: USD1,933,440.00 SPA date/ price: N/A Formal Valuation by: Khmer Real Estate OMV: USD1,933,440 (USD320psqm) Insurance policy by: N/A. Vacant Land Only. Verbal check <table border="1"> <thead> <tr> <th>Valuer</th> <th>Date</th> <th>OMV-USD</th> </tr> </thead> <tbody> <tr> <td>9 Base (Verbal Valuation)</td> <td>25/Jul/2018</td> <td>Land cost: 2,054,000 (USD340/sqm) Building cost: N/A Total: 2,054,000</td> </tr> <tr> <td>BRG (Verbal Valuation)</td> <td>27/Jul/2018</td> <td>Land cost: 2,114,700 (USD350/sqm) Building cost: N/A Total: 2,114,700</td> </tr> </tbody> </table> Note: We still adapt the formal VR from KRE as it is reasonable price and lower than the BRG's.	Valuer	Date	OMV-USD	9 Base (Verbal Valuation)	25/Jul/2018	Land cost: 2,054,000 (USD340/sqm) Building cost: N/A Total: 2,054,000	BRG (Verbal Valuation)	27/Jul/2018	Land cost: 2,114,700 (USD350/sqm) Building cost: N/A Total: 2,114,700	1,933.4	966.7 (50%)
Valuer	Date	OMV-USD									
9 Base (Verbal Valuation)	25/Jul/2018	Land cost: 2,054,000 (USD340/sqm) Building cost: N/A Total: 2,054,000									
BRG (Verbal Valuation)	27/Jul/2018	Land cost: 2,114,700 (USD350/sqm) Building cost: N/A Total: 2,114,700									
Additional 3. Facility Agreement stamped for USD100K + KHR300Million as the principal instrument. 4. Open All Monies 1 st party/ 1 st legal charge over the following properties as subsidiary instrument											
Total	1,993.4	966.7									
Loan Amount	958.6										
Security Coverage (Times)	2.07x	1.00x									
5.2	SECURITY ANALYSIS										



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- The MOA is considered to be acceptable and aligned to allowable Credit Policy of RHBIBL as below :-

No	Facility	Loan Limit (USD)	OMV (USD)	MOA
1	TL1	583.6	1,933.4	49.58%
2	OD1	100		
3	OD2	100		
4	OD3 & OD4	175	1,933.4	49.58%
Total		958.6		

*USD1 = KHR4,100

- Marketability and accessibility of the properties:-

Property is situated in good marketable location of Chraing Chamres 2 of Khan Russey Keo and about 200m from the main National Road 5 or 600m from Phnom Penh Autonomous Port, where is surrounded by many housing and residential projects, international schools, markets, and other business premise. The property is easy to access with developed infrastructure and highly security system.

The land will be immediately used as the housing development project with reported 67 units of Eo and E1 house (projected to be commenced the grounding stage by 3rd quarter of 2018). The future project is reported location is considered to be marketable surrounded by many residential houses, markets, companies, and the business premise, which is the demand is deemed high. Based on the site visit, the premise is under construction with about 30% completion.

- Total Network of the Borrowers against Tangible Assets

Statement of Assets and Liabilities (USD'000)

Assets Owned		Liabilities	
Subject Property (vacant land size 6,042 sqm)	1,933.44	RHBIBL (All facilities)	958.60
Gas station in Porsenchey (size: 558 sqm)	600.00	Other Banks/FIs	1,096.00
Gas station in Russey Keo (size: 152 sqm)	230.00		
Total Assets	2,763.44	Total Liabilities	2,054.6
Net Assets	708.84		

Part 6.0

CONDITIONS PRECEDENT & COVENANTS

6.1

CONDITIONS PRECEDENT

No.	Details	Complied		To comply
		Yes	No	
1	Existing (TL1/OD1 of USD700K and OD2 of KHR400Mil) 1. Acceptance of Letter of Offer 2. Payment of processing fees of 1% on approved limit. 3. Release of facilities subject to:- - 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. 4. Submission of formal valuation report of Property with OMV not less than USD1.6M prior to loan release. Otherwise, to reduce TL/ODs limit to maintain the MOA at 50.0% only.	✓ ✓ ✓ ✓ ✓		



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2	New/Additional (OD2 of USD100K and OD3 of KHR300Mil) 1. Acceptance of Letter of Offer 2. Payment of processing fees of 1% on approved limit. 3. Release of facilities subject to:- - 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.	✓ ✓ ✓ ✓
Comments: (Please comment if any breaches/ non-compliance with approved conditions precedent).		

6.2 COVENANTS / OTHER TERMS & CONDITIONS		Complied		To comply
No.	Details	Yes	No	
1	<u>Existing—TL1/OD1/OD2</u> Disbursement Method:- - Disbursement of TL of USD600K directly to the SELLER; and OD1 of USD100K and OD2 of KHR400Million to the borrowers' account is subject to below :- + Perfection of blocking title deed charged to the bank prior to loan release. + Submission evidence that the borrowers have paid the differential sump to the land seller. + Reimbursement is allowed subject to submission evidence that the borrowers have paid above their required differential sump. + Submission of receipt of 2017 patent tax payment of Gas station at Phnom Penh Thmey prior to loan release. Post/Other Conditions:- - The bank be granted first right of refusal for future funding on the housing development. Pricing for TL1 to be increased to 9.0% p a if the land remain vacant and without development approval by September 30 th , 2018.	✓ ✓ ✓ ✓ ✓ ✓		
2	<u>Additional—OD3 and OD4</u> Disbursement Method:- Disbursement of OD3 of USD100K and OD4 of KHR300Mil into the borrowers' account is subject to below :- + Perfection of re-blocking title deed charged to the bank prior to loan release. + Submission of one page update or new valuation report on the property charged from KRE with total OMV of not less than USD1,933,440.00			✓ ✓

Comments: N/A

Part 7.0	CREDIT ASSESSMENT
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7.1

BORROWER BACKGROUND

Mr. Ouch Pysal (aged 37) holding Cambodian ID card No. 100027714(01) and Mdm. Keo Sokhathary (aged 28) holding Cambodia ID card No. 020936247 are in relationship as husband and wife. Currently, the Borrowers are residing at House No. 25D, Street 352A, Sangkat Chraing Chames 1, Khan Russey Keo, Phnom Penh.

Mr. Ouch Pysal is currently a single shareholder at Seven (7) Construction Co., Ltd. (Memorandum and Articles of Association is attached for reference); while his wife, Mdm. Keo Sokhathary is assisting in operating 5 gas station in Phnom Penh (details is described below).

The details of the source of income is explained below :-

ABOUT SEVEN (7) CONSTRUCTION CO., LTD**I. Company's Information:**

- Registered License No.: **Co. 1216KH/2014** dated 11/04/2014 by Ministry of Commerce.
- Business Approval License: 252 dated 11/11/2015 from Ministry of Land Management.
- Type of Company: Private Limited Company
- Registered Capital: KHR20Million (or USD5,000)
- Representative Name: Mr. Ouch Pysal (single shareholder)
- Business activity: Building and Residential Construction, Renovation, Design, Construction Management.
- Company Current Address: No. 25D, Street 352A, Sangkat Chraing Chames 1, Khan Russey Keo, Phnom Penh
- Tel: 012 820 302 / 068 665 777
- Website: www.sevenholding.com

II. Previous/Completed/Current Projects' Information:

No	Name and Description	Start Year	Status
1	Office Seven Construction (Street 598)	2014	Finished
2	5-storey Apartment (Chroy Changvar)	2015	Finished
3	8-storey office building (BKK2)	2014	Finished
4	Concrete Batching Plant (Porsenchey)	2015	Finished
5	3-storey villa house (Tuol Kok)	2014	Finished
6	American International Institution (Ali) (20-storey)	2015	Finished
7	17-storey Aura Condo (Trasak Paem Street)	2015	Finished
8	15-storey condo	2016	Finished
9	Guesthouse in Tuol Kok	2016	Finished
10	Warehouse (National Road 3)	2016	Finished
11	Gas station (Porsenchey)	2016	Finished
12	Gas station (Street 598)	2016	Finished
13	Gas station (Russey Keo)	2016	Finished
14	7 resident buildings in Bavet Cambodia	2017	On-going
15	56 units of flat house (Russey Keo) on subject property	2018	On-going
16	Sky Tree Apartment (Masonry work)	2018	On-going
17	Sky Tree Apartment (Ceiling work)	2018	On-going
18	Sky Tree Apartment (Painting work)	2018	On-going

Note: Agreements are attached.



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III. Current Project

No	Project	Project Owners	Amount (USD)	Estimated completion (Year)
1	3 units of 4-storey Residential Buildings	Oknha Kith Theang (owner of Titan King Casino and Hotel) in Bavet Town.	1,400,000.00	2018
2	17 unit of flat house	Oknha Kith Theang/H.E. Chi Sona/Mr. Huoch Atwert in Siem Reap Town	1,449,000.00	2018
3	56 units of flat house	Borey Nice City in Russey Keo.	1,232,000.00	2019
4	8 unit of flat house	H.E. Nheb Bunchim in Khan Sensok	170,000.00	2019
5	Sky Tree Apartment (Masonry work)	J&L Property Development Co., Ltd.	878,000.00	2019
6	Sky Tree Apartment (Ceiling work)		218,000.00	2019
7	Sky Tree Apartment (Painting work)		479,000.00	2019
Total			5,826,000.00	

Note: Agreements are attached

IV. Future Projects

No	Project	Project Owners	Amount (USD)	Estimated completion (Year)
1	4 units of 4-storey Residential Buildings	Oknha Kith Theang (owner of Titan King Casino and Hotel) in Bavet Town.	2,300,000.00	2020
2	16 unit of flat house	Mr. Sam Sophan (in Phnom Penh Thmey)	859,000.00	2020
Total			3,159,000.00	

Operating Cycle

FY2017	Amount (USD)	Average Period (days)
Avg. Stock Turnover	1,095,225.50 (as at Dec 2017)	30 days
Avg. Account Receivable	2,763,150.0 (as at Dec 2017)	45 days
Avg. Account Payable	352,125.02 (as at Dec 2017)	15 days

ABOUT GAS STATION**1. DEPO TELA SEVEN 598 GAS STATION**

The Gas Station is operating under name of Depo Tela Seven 598, situated along Street 598 (in front of Borey Vimean Phnom Penh), Svay Park Village, Sangkat Svay Park, Khan Russey Keo, Phnom Penh. The station has been operating for nearly 5 years (since 2014) with profitable and busy business performance. Receipt of Patent tax 2017 No. 001060349 under above business name is furnished.

Details of Gas station

Operating Hour	6:00am to 10:00pm (flexible hour—according to long term customer's requirement) 7 days/week
Staff No	5 staffs



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Station capacity	Tank size: 60,000 litres Dispenser hands: 2 machines with 12 hands
Selling price	Super: 4,000KHR Gasoline: 3,800KHR Diesel: 3,400KHR

Noted that the business premise is under rental agreement dated 05/10/2011 with tenor of 15 years (05/10/2011 to 05/10/2026) at reported rental price at USD800/month (first 5 years); USD1,000/month (year 6th to year 8th); and USD1,300/month (year 9th to year 10th) and USD1,900/month for the last 5 years.

2. SAVIMEX SEVEN WAT TUOL (WT)

The Gas Station is operating under name of SAVIMEX SEVEN WT, situated along Street Betong (100m from Wat Tuol), Boeung Salang Village, Sangkat Russey Keo, Khan Russey Keo, Phnom Penh. The station has been operating for nearly 4 years (since 2014) with profitable and busy business performance. Receipt of Patent tax 2017 No. 001060461 under above business name is furnished.

Details of Gas station

Operating Hour	6:00am to 10:00pm (flexible hour—according to long term customer's requirement) 7 days/week
Staff No	4 staffs
Station capacity	Tank size: 30,000 litres Dispenser hands: 2 machines with 12 hands
Selling price	Super: 3,600KHR Gasoline: 3,700KHR Diesel: 3,200KHR

Noted that the business premise is under rental agreement dated 05/12/2014 with tenor of 15 years (05/02/2015 to 05/02/2030) at reported rental price at USD2,000/month (from 05/02/2015 to 04/02/2017); USD2,500/month (from 05/02/2017 to 04/02/2025); and USD3,500/month (from 05/02/2025 to 04/02/2030).

3. SEVEN TUOL SANGKE GAS STATION

The Gas Station is operating under name Ouch Pysal, situated along Street Betong, Tuol Sangke Village, Sangkat Tuol Sangke, Khan Russey Keo, Phnom Penh. The station has been operating for nearly 4 years (since 2014) with profitable and busy business performance. Receipt of Patent tax 2017 No. 001060318 under above business name is furnished.

Details of Gas station

Operating Hour	6:00am to 10:00pm (flexible hour—according to long term customer's requirement) 7 days/week
Staff No	3 staffs
Station capacity	Tank size: 30,000 litres Dispenser hands: 2 machines with 12 hands
Selling price	Super: 4,000KHR Gasoline: 3,800KHR Diesel: 3,400KHR

Noted that the business premise is under rental agreement dated 09/12/2013 with tenor of 15 years (01/02/2014 to 31/01/2029) at reported rental price at USD300/month (from 01/02/2014 to 31/01/2019); USD500/month (from 01/02/2019 to 31/01/2024); and USD700/month (from 01/02/2024 to 31/01/2029).

4. TELA SEVEN PORCHEN TONG (PCT)

The Gas Station is operating under name TELA SEVEN PCT, situated at #1275, Chamkar Ovleuk Village, Sangkat Kakab, Khan Porsenchey, Phnom Penh. The station has been operating for nearly 4 years (since 2014) with profitable



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and busy business performance. Receipt of Patent tax 2017 No. 001234514 under above business name is furnished.

Details of Gas station

Operating Hour	6:00am to 10:00pm (flexible hour—according to long term customer's requirement) 7 days/week
Staff No	3 staffs
Station capacity	Tank size: 30,000 litres Dispenser hands: 2 machines with 12 hands
Selling price	Super: 4,000KHR Gasoline: 3,800KHR Diesel: 3,400KHR

Noted that the business premise is under rental agreement dated 09/12/2013 with tenor of 15 years (01/02/2014 to 31/01/2029) at reported rental price at USD300/month (from 01/02/2014 to 31/01/2019); USD500/month (from 01/02/2019 to 31/01/2024); and USD700/month (from 01/02/2024 to 31/01/2029).

5. SAVIMEX PHNOM PENH THMEY

The Gas Station is operating under name SAVIMEX Phnom Penh Thmey, situated at Street 1986, Phnom Penh Thmey Village, Sangkat Phnom Penh Thmey, Khan Sensok, Phnom Penh. The station has been operating for nearly 4 years (since 2014) with profitable and busy business performance. Receipt of Patent tax 2017 is to be furnished prior to loan release.

Details of Gas station

Operating Hour	6:00am to 10:00pm (flexible hour—according to long term customer's requirement) 7 days/week
Staff No	3 staffs
Station capacity	Tank size: 30,000 litres Dispenser hands: 2 machines with 12 hands
Selling price	Super: 3,800KHR Gasoline: 3,600KHR Diesel: 3,200KHR

Noted that the business premise is under rental agreement dated 18/04/2014 with tenor of 12 years (02/06/2014 to 01/06/2026) at reported rental price at USD300/month (from 02/06/2014 to 01/06/2017); USD500/month (from 02/06/2017 to 01/06/2021); and USD700/month (from 02/06/2021 to 01/06/2026).

Major Shareholders

Name	% Of Shareholding
Mr. Ouch Pysal	50%
Mdm. Keo Sokhathary	50%

Major Customers

No	Name of Company
1	End users

Major Suppliers / Countries

No	Suppliers / Countries	Term of Payment	Purchases (%)
1	Savimex	Cash	50%
2	Tela	Cash	50%

Major Competitors

Main Competitors	Type of Products or Services
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1) Savimex 598	1) Gas station
2) Total 1986	2) Gas station
3) Tela Russey Keo	3) Gas station
4) Tela Phnom Penh Thmey	4) Gas station
5) Sokimex 598	5) Gas station

Operating Cycle

FY2017	Amount (USD)	Average Period (days)
Avg. Stock Turnover	76,138.68 (as at Oct 2017)	20 days
Avg. Account Receivable	14,225.50 (as at Oct 2017)	5 days
Avg. Account Payable	N/A	5 days

Note: The figures are based on verbal confirmation from the Borrower.

RENTAL INCOMES

Beside the income from Seven (7) Constructions and the monthly income from 5 gas stations, the Borrowers have other rental properties with details below also.

Property	Type of Property	Address	Expiry Date	Renewal (Time)	Monthly Rental Fee (USD)
1	Lube exchange shop	inside the Phnom Penh Thmey Gas station	15/04/2021	1	600
2	Hair cut/salon shop	inside the Phnom Penh Thmey Gas station	30/11/2026	1	320
3	Mini-mart	Inside Savimex station (WT)	11/08/2020	1	400
4	Restaurant & mart	Inside Tela station 598	01/07/2020	1	500
5	Lube changer	Inside Tela station 598	31/06/2019	1	500
6	Washing garage	Inside Tela station 598	04/05/2020	1	600
7	Lube changer	Inside Savimex (WT)	15/11/2020	1	400
Total					3,320

HOUSING PROJECT (To be constructed on the charged property)

Housing project is the first borrower's experience while the construction business has been well operated for many years. Noted, this project is going and will be constructed 67 Unit (Flat-i.e. 4m * 16m per Eo) on the property which is currently charged with us. For other financial information, the borrower did not disclose but they verbally revealed that the total cost is about USD1.24M where is reasonable cost compared with the current building value of USD230/sqm from our bank's panel so far. The project of income from housing project and other related documents are not provided since the loan is fully secured by land value only (MOA is 49.97%). Presently, the construction is on-going and completed about 10% and sale is not yet announced.

Cash Flow and projection

(please refer to appendix A for detail information)

7.2

JUSTIFICATION OF REQUEST**Request :**

i- To seek for approval on new loan facilities as below details :-

Types	Amount ('000)	Rate	Purpose
OD3	USD100K	ECOF + 2.5% p.a. on monthly rest subject to min. 8.0% p.a.	To support WCR of construction business
OD4	KHR300Mil		
Total	USD100K KHR300Mil		



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Justification:

- For last 3 months, the borrower has duly signed additional new 3 projects with J&L for Sky Tree Project with total project price at USD1.57M as follow:-

project price at USD normal as follow:					
No	Description	Project Owner	Amount	Start	End
1	Sky Tree Apartment (Masonry work)	J&L Property Development Co., Ltd.	878,000.00	04-04-18	31-12-18
2	Sky Tree Apartment (Ceiling work)		218,000.00	04-04-18	28-02-19
3	Sky Tree Apartment (Painting work)		479,000.00	04-04-18	28-02-19
Total			1,575,000.00		

Existing WCR calculation:-

Items	2018	Projected 2019	Remarks
Working Capital Calculation (Construction Business)			
(Z1) Sales (USD)	138,361	145,279	
A) Debtor turnover (days)	45	45	
B) Stockholding turnover (days)	30	30	
C) Creditor turnover (days)	15	15	
D) Asset Conversion Cycle = [(A + B) - C]/30	2	2	
E) Monthly WC need = (D x Z)	276,722	290,558	
Working Capital Calculation (Gas Station)			
(Z2) Sales from all stations (USD)	243,004.5	255,178	
A) Debtor turnover (days)	30	30	
B) Stockholding turnover (days)	10	10	
C) Creditor turnover (days)	5	5	
D) Asset Conversion Cycle = [(A + B) - C]/30	1.2	1.2	
E) Monthly WC need = (D x Z)	291,605	306,573	
Total Working Capital Need (Z1 + Z2)	568,327	597,131	
Existing WC Lines (RHB+ other banks)	500,000	500,000	
(Shortfall)/Excess in WC lines	(68,327)	(97,131)	

- As a result, the borrowers informed that they need more additional working capital to support their current construction business as well as the new additional projects. The borrowers have furnished 3 additional projects construction agreements, thus the additional WCR computation table is separately below:-

Items	Projected 2018	Remarks
(Z3) Average Monthly Sales (USD)	131,250.00	
A) Debtor turnover (days)	37	Based on the A/R days allowing in the agreement to the Sky Tree.
B) Stockholding turnover (days)	30	As per existing days
C) Creditor turnover (days)	15	As per existing days
D) Asset Conversion Cycle = [(A + B) - C]/30	1.73	
E) Monthly WC need = (D x Z)	227,499.99	
Total Working Capital Need (Z1+Z2+Z3)	739,400.99	
Existing WC Lines (RHB+ other banks)		
- MCP: USD300K	675,000.00	
- OD1+OD2: USD200K		
- OD3+OD4: USD175K		
(Shortfall)/Excess in WC lines	(64,400.99)	

Comment:

- After loan approval in Jan 2018, the borrower has additional 3 projects as above table with total amount of USD1.57M. The additional WC line of USD175K + the advance 10% (as per project agreement) for the new projects



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is considered to be acceptable attributing strong MOF at 21.11% only (the balance is from his personal fund).

- The existing property charged is under construction of housing project for sale. As per the borrower's disclosure, the project will be constructed 72 flats for sale where the cost is used by their own cash without financing from us or others.
- The LU has convinced the borrowers for OD of USD175K (instead of TL facility), but the borrowers seek for P+I installment

7.3	INDUSTRY LENDING DIRECTION	
Sector: Real Estate Operations / Construction		
Within Industry Lending Limit? Yes / No (as at 25/07/2018)		
<input type="checkbox"/> Most attractive	<input type="checkbox"/> Highly attractive	<input checked="" type="checkbox"/> Attractive
<input type="checkbox"/> Selective	<input type="checkbox"/> Unattractive	<input type="checkbox"/> Most unattractive
If Sector falls under unattractive or most unattractive, justification for maintain or increase exposure: N/A		



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(Note: Please refer to Bank Circular on other terms & conditions for plantation, bridging loan & contract financing).

7.4	SOURCE OF REPAYMENT			
1st way-out repayment				
The 1 st way out repayment is reportedly acceptable generating from the business and rental income as below appendix :-				
	2018	Projected 2019	Remarks	
A) Monthly EBITDA				
*All Gas Stations	USD 21,853.66	USD 25,188.50		
*Construction company	USD 39,032.33	USD 39,560.50		
B) Other incomes (rental)	USD 3,320.00	USD 3,320.00		
C) Total cash flow available for debt service (A + B)	USD 64,205.99	USD 68,069.00		
D) Existing debt repayment				
- Acleda Bank (TL-USD 15K)	USD 177.26	USD 177.26		
- UCB-Credit Card (USD 3K)	USD0.00	USD0.00		
- Maybank (TL-USD 150K)	USD 1,488.00	USD 1,488.00		
- Maybank (OD-USD300K) x 100% utilize	USD 2,187.50	USD 2,187.50		
- RHBIBL (TL1-USD600K)	USD 7,279.66	USD 7,279.66		
- RHBIBL (OD1-USD100K) x 100% utilize	USD 687.50	USD 687.50		
- RHBIBL(OD2-KHR400M) x 100% utilize	USD 687.50	USD 687.50		
- ABA (Credit Card) O/S: USD510.15	USD102.03	USD102.03		
- FCB (TL-USD650K)	USD7,580.59	USD7,580.59		
E)Proposed additional Debt Repayment				
- RHBIBL (OD3 and OD4: USD175K)	USD 1,203.12	USD 1,203.12		
F) Total debt repayment (D + E)	USD 21,393.16	USD 21,393.16		
DSR [(A+B)/(D+F)]	3.00x	3.18x		
G) Other source of income	-	-		
Adjusted DSR [(C + G)/F]	-	-		
2nd way-out repayment				
The 2 nd way-out is strong based on the MOA of facilities against the security as below computation :-				
Existing Security (Property 1)	OMV (USD)	Amount Facilities (USD)	MOA	
A unit of vacant land	1.93M	966.24K	50%	
Comment: Acceptable MOA at 50%, which is aligned to credit policy respectively.				
7.5	EXTERNAL RATING (Applicable to PLCs only)			
Moody's EDF9 Score (%) as at				
Borrower: N/A				



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Share Price Movement over past 12 months:

DD/MM/YY (Current price)	High	Low
N/A		

Implied Rating	S&P	Moody's
	N/A	

Comments:

(Share price movement over past 12 months (high/low/current price), its equivalent to S & P and Moody's Ratings & reasons for high score if 4% and above and whether EDF score is reflective of credit rating).

RAM	MARC	S&P	Fitch	Moody's
N/A				

Comments: N/A

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
	The Borrowers are potential for cross selling CASA Products and refer new loan customers to the Bank.

7.8

CONDUCT OF ACCOUNT ANALYSIS

Briefly describe overall payment track record (i.e. payment for trade bills, TL, RC, OD etc are up to-date) and adverse findings if any.

Conduct of Bank Statement

Bank : Maybank

Account Name : Mr. Ouch Pysal and Mdm. Keo Sokhathary

Account No : 00003/02/000440/07

Account Type : Current Account

OD Limit : USD300,000

Date	Debit	Credit	End Balance
		Bal. Forward	(271,029.63)
Jul-17	(399,121.06)	371,133.36	(299,017.33)
Aug-17	(398,318.31)	416,257.34	(281,078.30)
Sep-17	(365,227.75)	348,303.63	(298,002.42)
Oct-17	(341,415.25)	348,354.97	(291,062.70)
Nov-17	(450,120.85)	448,057.98	(293,125.57)
Dec-17	(408,747.53)	412,933.35	(288,939.75)
Jan-18	(683,782.72)	701,645.37	(271,077.10)
Feb-18	(322,597.69)	324,190.72	(269,484.07)
Mar-18	(284,791.01)	267,488.83	(286,786.25)
Apr-18	(233,969.33)	244,700.00	(276,055.58)
May-18	(49,677.89)	26,783.25	(298,950.22)
Jun-18	(93,262.98)	90,477.00	(301,736.20)
Jul-17	(399,121.06)	371,133.36	(299,017.33)
Total	(4,031,032.37)	4,000,325.80	Average OD utilization rate: 95.98%
Average	(335,919.36)	333,360.48	

Comments:

For the last 12 months account very actively and strongly conducted. From Jul 2017 to Jul 2018, the monthly average debit and credit stands at USD333.3K per month and USD335.9K per month respectively. There is no any adverse records and



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in-sufficient issued cheques findings in the monthly transactions, which the OD average utilization rate stands strong at 95.98%.

Bank : RHBIBL
 Account Name : Mr. Ouch Pysal and Mdm. Keo Sokhathary
 Account No : 1010010000005065
 Account Type : Current Account (USD)
 OD Limit : USD100,000

Date	Debit	Credit	End Balance
Jan-18	(47,066.72)	100.00	(46,966.72)
Feb-18	(169,459.37)	180,915.40	(35,510.69)
Mar-18	(141,191.88)	180,173.46	3,470.89
Apr-18	(283,116.35)	198,803.25	(80,842.21)
May-18	(222,524.14)	206,306.62	(97,059.73)
Jun-18	(382,052.19)	385,383.09	(93,728.83)
@23-Jul-18	(95,294.58)	94,386.36	(94,637.05)
Total	(1,340,705.23)	1,246,068.18	Average OD: USD74,790.87
Average	(191,529.32)	178,009.74	@Utilization rate: 74.79%

Comments:

There is no excessive amount for the OD conduct account while the average OD is considered to be acceptably utilized at 74.79%.

Bank : RHBIBL
 Account Name : Mr. Ouch Pysal and Mdm. Keo Sokhathary
 Account No : 1000010000008008
 Account Type : Current Account (KHR)
 OD Limit : KHR400M

Date	Debit	Credit	End Balance
Jan-18	(4,063,323.00)	500,000.00	(3,563,323.00)
Feb-18	(368,075,837.00)	28,050,000.00	(343,589,160.00)
Mar-18	(36,741,052.00)	20,144,400.00	(360,185,812.00)
Apr-18	(27,091,793.00)	2,478,100.00	(384,799,505.00)
May-18	(16,611,166.00)	9,013,400.00	(392,397,271.00)
Jun-18	(10,406,565.00)	6,779,000.00	(396,024,836.00)
As at 12-Jul-18	(5,482,000.00)	2,882,000.00	(398,024,836.00)
Total	(468,471,736.00)	69,646,900.00	Average OD: KHR325Mil
Average	(66,924,533.71)	9,949,557.14	@ utilization rate: 81.40%

Comments:

There is no excessive amount for the OD conduct account while the average OD is considered to be acceptably utilized at 81.40%.

Summary Average Monthly Deposit with Banks

Bank	Average Deposit
RHBIBL (Currency USD only)	USD178,009.74
Maybank	USD333,360.48
Total	USD511,370.22



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Bank: RHBIBL

Conduct of TL (10 years) of USD600K

Account No.: 40001002400500000

Start Date: Feb/18 to Apr/18

No.	Installment Amount	Due Date	Payment Date	Days Past Due	Remarks
1	7,279.66	26-02-2018	26-02-2018	0	
2	7,279.66	26-03-2018	26-03-2018	0	
3	7,279.66	24-04-2018	24-04-2018	0	
4	7,279.66	24-05-2018	25-05-2018	1	
5	7,279.66	25-06-2018	26-06-2018	0	
6	7,279.66	24-07-2018	25-07-2018	1	

Comment: The monthly installment has been promptly paid.

Bank: Maybank

Conduct of HL (15 years) of USD150,000.00

Account No.: 00003/05/000190.06

Start Date: 06/03/2017

No.	Installment Amount	Due Date	Payment Date	Days Past Due	Remarks
1	1,488.00	30-06-2017	31-06-2017	1	Balance still available
2	1,488.00	30-07-2017	30-07-2017	0	
3	1,488.00	30-08-2017	30-08-2017	0	
4	1,488.00	30-09-2017	30-09-2017	0	
5	1,488.00	30-10-2017	31-10-2017	1	Balance still available
6	1,488.00	30-11-2017	30-11-2017	0	
7	1,488.00	30-12-2017	30-12-2017	0	
8	1,488.00	30-01-2018	30-01-2018	0	
9	1,488.00	28-02-2018	28-02-2018	0	
10	1,488.00	30-03-2018	30-03-2018	0	
11	1,488.00	30-04-2018	30-04-2018	0	
12	1,488.00	30-05-2018	30-05-2018	0	

Comment:

The conduct account at Maybank is considered prompt to date without any late payment.

** The Borrowers furnished only the conduct of loan account from Maybank (HL & OD) and RHBIBL for repayment record verification, while the other conduct account with Acleda Bank, and UCB Bank (credit card), and FCB are not furnished. However, the repayment records of those account stands normal with prompt status as per CBC record dated 24/07/2018.*

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
1. Management (Mr. Ouch and Mdm. Keo) has experienced in the construction and gas station business for over 5 years with profitability trend of income. 2. The businesses are managed by professional and well-trained employees as per site inspection with closely monitored by the borrowers. 3. No succession risk as the borrower is in energetic and healthy age.					

8.2	Industry Risks	✓	Low	Medium	High
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Cambodia imported 2.55 million tons of petrol last year, up 64 percent from the 1.55 million tons in 2014, according to data from the Ministry of Commerce. Despite a surge in the amount of imports, the Kingdom spent less buying oil last year thanks to declining prices. Cambodia paid \$926 million for oil last year, down 57 percent from the \$1.46 billion in the year before, according to ministry figures. The Kingdom imports petroleum from Vietnam, Singapore and Thailand. Plans to build a 5-million-ton oil refinery in a joint venture between Cambodian and Chinese companies have been announced. The project, estimated to cost \$1.67 billion, will be constructed on an 80-hectare parcel of land on the boundaries of Preah Sihanouk and Kampot provinces. Today, Sokimex is the largest petroleum company with her own jetty with a capacity to handle oil carriers up to 46,000 tons, 5 storage terminals, 184 petrol stations and a complex petroleum transport systems to meet the nation's demand.

(<http://www.khmertimeskh.com/news/22390/ptt-to-add-70-gas-stations-by-2020/>)

Gasoline Prices in Cambodia is expected to be 0.91 USD/Liter by the end of this quarter, according to Trading Economics global macro models and analysts expectations. Looking forward, they estimate Gasoline Prices in Cambodia to stand at 0.91 in 12 months time. In the long-term, the Cambodia Gasoline Prices is projected to trend around 0.90 USD/Liter in 2020, according to their econometric models.

(<https://tradingeconomics.com/cambodia/gasoline-prices/forecast>)

8.3	Product Risks	<input checked="" type="checkbox"/>	Low	<input type="checkbox"/>	Medium	<input type="checkbox"/>	High
<p><u>Concerns on the gasoline is flammable product.</u></p> <p>Justification:</p> <ul style="list-style-type: none"> - All gas stations are constructed with fire protective system attaching with fire extinguishers every corners of the stations (as per information from the borrowers). Additionally, all staffs are well trained with the anti-flammable tools and fire fighter skills. - The gas stations are not the collateral charged to the bank, while the subject properties are well located with good marketability and easy to liquidate for any worst case. 							

8.4	Supplier / Buyer Risks	<input checked="" type="checkbox"/>	Low	<input type="checkbox"/>	Medium	<input type="checkbox"/>	High
<p><u>Concerns that the land's lord would end the rental contract with the tenants.</u></p> <ul style="list-style-type: none"> - Most of the landlords are closed relatives to the borrowers, while most of the rental gas stations are well contracted with at least 14 years rental tenor with strengthened dismissed/cancelled the contract prior to the due tenor. There should be less concerns on the non-renewal of rental contracts and the cancellation of all of the rental agreements at the same time is considered to be lower. 							

8.5	Production Risks (applicable to manufacturing company only)	<input type="checkbox"/>	Low	<input type="checkbox"/>	Medium	<input type="checkbox"/>	High
N/A							

8.6	Other Risks (e.g. Specialised Lending, Project / Contract Financing)
<i>Non-renewal risk on the rental properties</i> <ul style="list-style-type: none">- All properties are situated on the active gas station premise, where demands of the rental is considered to be high. A per site inspection, the rental premises are very active with business performance. The non-renewal risk on the rental contract is considered to be lower.- The rental income stands low at only 5% comparing to the total monthly net income from all business. Though there were any cancellation on rental agreement, it would not affect to the repayment capacity at all.	



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8.7 FINANCIAL HIGHLIGHTS & ANALYSIS

Financial Analysis

- INCOME STATEMENT FROM ALL 5 GAS STATION

The Borrowers' income comes from 5 gas station as below summary:-

SEVEN PETROLEUM P&L STATEMENT FOR 2016 to 2010	2016	2017	2018	2018	2019	2020
	FULL YEAR ACTUAL	FULL YEAR ACTUAL	HALF YEAR ACTUAL	FULL YEAR FARECAST	FULL YEAR FARECAST	FULL YEAR FARECAST
	US\$	US\$	US\$	US\$	US\$	US\$
Fuel sales volume in Litres						
Diesel	690,394	735,712	393,606	787,211	842,316	901,278
Regular	1,244,905	1,256,202	672,068	1,344,136	1,438,226	1,538,901
Super	607,865	777,606	416,019	832,038	890,281	952,600
Total	2,543,164	2,769,520	1,481,693	2,963,386	3,170,824	3,392,781
Fuel:						
Sales	2,487,803	2,677,735	1,458,027	2,865,176	3,065,738	3,280,340
Cost of sales	2,238,308	2,382,637	1,312,224	2,549,421	2,727,881	2,918,833
Fuel Margin	249,496	295,098	145,803	315,754	337,857	361,507
Other revenues	73,600	73,600	39,376	78,752	84,265	90,163
Operating expenses:						
Employee cost	46,516	49,099	25,286	52,536	56,214	60,149
Rental	51,100	51,600	25,800	55,212	59,077	63,212
Advertising and promotion	1,621	1,263	800	1,351	1,440	1,547
Utilities	12,891	13,198	6,467	14,122	15,111	16,168
Own consumption	3,505	3,237	1,424	3,463	3,706	3,965
Telephone, Internet & Email	935	960	465.6	1,027	1,099	1,176
Office expenses	10,714	10,950	5,366	11,716	12,536	13,414
Repair and maintenance	1,705	1,459	635	1,561	1,670	1,787
Other expenses	3,282	3,583	1,809	3,833	4,102	4,389
Inventory (Gain)/Loss	(32,749)	(30,658)	(13,796)	(32,804)	(35,100)	(37,557)
Total operating expenses	99,520	104,690	54,056	112,018	119,860	128,250
OPERATING PROFIT/(LOSS)	223,576	264,007	131,122	282,488	302,262	323,420

Comment: the business has been operating with increasing trend and profitable performance.

- The monthly average net profit margin at around 8%-9% is considered to be acceptable and a bit higher than previous Borrowers of RHBIBL (Mr. Hi Dara and Mr. Ke Kuyheang at SMY Branch) at around 5%-8% since the gas station is selling at retailing price and the Borrowers can directly purchase the oil stock with good cost also from the suppliers.
- The Borrowers projected that their annual sale in 2018 would be arrived USD2.8Million based on the previous sale experience and to reach USD3.3Million in 2020. The figures would contribute the annual net income around USD282.48K in 2017 and USD232K in 2020.

- INCOME STATEMENT FROM SEVEN CONSTRUCTION COMPANY

PROFIT AND LOSS STATEMENT FROM 2015-2017	2015	2016	2017	2018
	FULL YEAR ACTUAL	FULL YEAR ACTUAL	FULL YEAR ACTUAL	HALF YEAR ACTUAL
Construction material	1,300,259	1,341,702	1,509,396	830,168
COGS (Construction Material)	1,012,772	1,031,635	1,132,047	622,626
Construction Margin	287,487	310,067	377,349	207,542
Other revenue (design and fee):	110,259	221,259	259,370	142,654
Operating Expenses:				



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Salary and labor	95,258	99,889	138,301	71,225
Utilities	21,458	24,580	26,630	13,714
Telephone, Internet & Email	8,898	9,125	9,625	5,053
Office expenses	10,258	12,458	14,688	7,711
Travelling	11,014	11,998	12,581	6,605
Other expenses	18,789	20,158	22,272	11,693
Total Operating Expenses	165,675	178,208	224,097	116,002
OPERATING PROFIT/(LOSS)	232,071	353,118	412,621	234,194
Net Margin	17.85%	26.32%	27.34%	28.21%

Comment:

- Based on the previous construction agreement (already completed) and the reported company's profile, the company has been generating profitable income since 2014 (commencement of the company). The revenue is performing well with profitable margin, which is derived from completed project of construction consists of design, sale of construction materials, and construction labour's fee.
- The net profit margin at 26%-28% from the reported P&L statement is considered to be acceptable as the borrower sources the construction materials from China and Vietnam by themselves, the designing service by Seven Construction, and the labour cost by third parties whose their relatives. It is acceptable compared to our existing loan customer, Mr. Sok Chamroeun who are in the same business, i.e. 40%.
- Moreover, the borrower has new 3 projects for last 3 months (Jan to Mar 2018) with total amount of USD1.57M (Start-2018 & Eng-2019).

INCOME PROJECTION (2018-2020)

PROFIT AND LOSS STATEMENT FROM 2018-2020	2018	2019	2020
	FULL YEAR FARECAST	FULL YEAR FARECAST	FULL YEAR FARECAST
Construction material	1,660,336	1,743,352	1,830,520
COGS (Construction Material)	1,245,252	1,307,514	1,372,890
Construction Margin	415,084	435,838	457,630
Other revenue (design and fee):	272,338	285,955	300,253
Operating Expenses:			
Salary and labor	145,216	152,477	160,101
Utilities	27,962	29,360	30,828
Telephone, Internet & Email	10,106	10,612	11,142
Office expenses	15,422	16,194	17,003
Travelling	13,210	13,871	14,564
Other expenses	23,386	24,555	25,783
Total Operating Expenses	235,302	247,067	259,420
OPERATING PROFIT/(LOSS)	452,120	474,726	498,463
Net Margin	27.23%	27.23%	27.23%

Comment:

- Noted that the current projects (on-hands) are totalling of USD5.82M with estimated completion of construction within next year (2018/2019), the total revenue is projected to be increased up to USD1.66M based on the current project and expected to completion with due date payment from the buyers in Y2018 & Y2019 as mentioned above.

REPORTED REVENUE VERIFICATIONS

Particulars	Monthly 2018
Monthly Revenue from gas station (2018)	243,004
Monthly Revenue from Seven Construction (2018)	138,361
Total Monthly Revenue	381,365



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Total Deposit (RHBIBL & Maybank)	511,370
Reflection	134.08%

The reported revenue (2018) from all business i.e. gas stations and construction company can be verified based on the total monthly deposit into the bank account with reflection rate of 134% (as per above computation).

DSR Computation Summary

Monthly Basis	2017	2018	Projected 2019	Projected 2020
Income from all gas station	22,000.00	21,853.66	25,188.50	26,951.66
Income from Seven Construction	34,385.08	39,032.33	39,560.5	41,538.58
Income from rental properties	3,320.00	3,320.00	3,320.00	3,320.00
Total Income	59,705.08	64,205.99	68,069.00	71,810.24
Monthly Commitment				
*RHBIBL (TL1 of USD600K)	7,279.66	7,279.66	7,279.66	7,279.66
*RHBIBL (OD1 of USD100K)	687.50	687.50	687.50	687.50
*RHBIBL (OD2 of KHR400Mil)	687.50	687.50	687.50	687.50
*RHBIBL (OD3 of USD100K)	687.50	687.50	687.50	687.50
*RHBIBL (OD4 of KHR300Mil)	515.62	515.62	515.62	515.62
*Acleda (HL of USD15K)	177.26	177.26	177.26	177.26
*Maybank (HL of USD150K)	1,488.00	1,488.00	1,488.00	1,488.00
*Maybank (OD of USD300K)	2,187.50	2,187.50	2,187.50	2,187.50
*FCB (TL of USD650K)	7,580.59	7,580.59	7,580.59	7,580.59
*UCB (Credit Card of USD3K)	-	-	-	-
*ABA (Credit Card of USD1K)	102.30	102.30	102.30	102.30
Total Monthly Commitment	21,393.43	21,393.43	21,393.43	21,393.43
DSR (normal)	2.79x	3.00x	3.18x	3.35x
Sensitive Scenario (less 50%) x total monthly income	41,793.56	44,944.19	47,648.30	50,267.17
Total Monthly Commitment	21,393.43	21,393.43	21,393.43	21,393.43
DSR (less 50%)	1.95x	2.10x	2.23x	2.35x

Comment:

- Credit Card Installment with UCB is not included in DSR computation due to the O/S balance is zero based on CBC report. While the 20% of O/S balance (USD510.15) of credit card with ABA is computed in DSR.
- The computed DSR stands strong at 3.00x in 2018 and will be further better from 2019 at 3.18x onwards.
- Another worst and sensitive scenario by deducting 30% to total income, the DSR will stand at 2.10x by 2018 (un-committed balance at USD46.6K per month).



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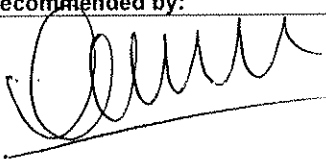

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CREDIT APPLICATION (CA2)

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Part 9.0	RECOMMENDATION BY LENDING UNIT
SUMMARY & RECOMMENDATION	
The Borrowers are recommended to support as following justification :- <ul style="list-style-type: none">- The Borrowers understood well about the business with profitable margin.- Good DSR at 3.00x (by 2018) and will be increased accordingly in the future.- The MOA is acceptable at 50%.- The Repayment record at existing bank is prompt and up to date (without any late payment).- Strongly recommended for the applicants as they are considered well cooperative and well educated borrowers with prompt repayment record.	
Prepared by:	Recommended by:
 Sok Ratanak Assistant Manager Date: 26/07/18	 Chiv Hak Senior Manager Date: 26/07/18
	Recommended by:
	 Huot Sovathapak Branch Manager Date: 26/07/18



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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

(Justification/Rationale to support or decline)

Evaluated by:

Name:

Position:

Date:



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10.2	APPROVAL
Approver 1	<p>Decision: <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Declined</p> <p>Comments: (if any) <i>Approved following further clarification from BM</i></p> <p>Additional Terms/ Conditions/ Covenants: (if any)</p> <p><i>[Signature]</i> Mr. Yong Ching San Head, Credit Management Date: <i>8/8/18</i></p>
Approver 2	<p>Decision: <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Declined</p> <p>Comments: (if any) <i>As per Branch recommendation</i></p> <p>Additional Terms/ Conditions/ Covenants: (if any)</p> <p><i>[Signature]</i> Mr. Lim Loong Seng Country Head Date: <i>10/8</i></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)