Ratanak,

Please attend the followings:

**1. Deviation**

N/A

**2. Additional document to be obtained (with reason)**

- Please furnish the latest approved CA or review

Yes

- Please furnish the previous valuation report

Yes

- Please furnish RHBIBL’s latest 12-month statement

Yes

- Please furnish the receivables ageing list and account payable list

As it is a family business, A/R and A/P are not properly reported.

- Please furnish the renewed lease agreement for property 3 & 4 due to its expiry

The borrower will provide next week.

- Please furnish the evidence of the lease renewal for property 1 & 2 due to it will expire in Sep 2016 and Nov 2016 respectively

Based on the lessors are not changed for the last few months and the all lease contracts are always renewal.

- Please furnish the latest business patent

Yes

- Please furnish EDD form for jewelry business categorized as high-risk business

Yes

- Please furnish copy of the title deeds of the rented properties

Yes

- Please furnish AML check for Mr. Kim Vuthy

Yes

**3. Additional information**

- As per CBC, the repayment with Campu Bank for the last 24 months is not prompt with 14 occasions of late repayment while repayment with RHBIBL and BIDC is not prompt as well. Please address this issue

As confirmed by Mdm. Vatey, all monthly installment of each banks, RHBIBL, CAMPU, and BIDC, are serviced by herself while her parents and husband were busy with their career. Therefore, there was overdue recorded up to 6 days for sometimes; however, she has committed to deposit on time.

- The interest rate reduction is recommended only at 9.5% p.a. (ECOF + 4% p.a.) due to Campu and BIDC offer 10% p.a. to the borrowers

- Due to the lease contracts will expire in Nov 2016, please address risk of non-renewal of the lease

As already mentioned in CA, all lease contracts always make only 1 year and subject to renewal and agreement by both parties. For last few years, the lessors are not changed. And it is easy to find new customers as the property is located in favorable area.

- Please insert into CA the loan purpose with Camp and BIDC and also types of collaterals charged to both banks with photos enclosed

Yes

- Note OMV of USD746.2K offered by the panel valuers increases by 253% against the collateral value in 2013. Please give a strong justification of the skyrocketing increase in the collateral value

- Total deposits with RHBIBL, Campu and BIDC are USD26K reflecting only 27% of monthly sales of USD94.86K (Jan-Jun 2016) while 73% is conducted on cash basis. Will the additional loan with us be used for the right intended purpose? Please give further justification

We could not analysis the purpose of loan on deposit with the banks only. Purchase and sale invoices are collected to further justification. Meanwhile, OTT slip for Diamond is also evidence.

- Total working capital loan inclusive of TL1, some of which is for working capital, will be in excess of the working capital requirement presented in CA. Please investigate the real purpose of the borrowers and structure the requested loan to fit the borrowers’ genuine purpose.

Based on the LOOs, the purpose of loans are stated as follow:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Bank | Facility | Amount (USD) | Purpose | Status |
| ACLEDA | TL | 150,000 (O/S: 85,416.77) | To renovate house and working capital | Closed |
| ANZ | HL | 67,000 (O/S: 54,296.10) | To refinance from ACLEDA and House Construction | Closed |
| CAMPU | TL | 130,000 | To finance loan from CANADIA and use as personal consumption for renovation purpose | Normal |
| BIDC | HL | 83,000 | Purchase Villa in Borey Peng Hourt | Normal |
| RHBIBL | TL1 | 180,000 | To refinance from ANZ Royal Bank & ACLEDA Bank Plc. and to be partial working capital | Normal |

Based on the above table, the borrowers have granted the available cash from RHBIBL of about USD40K after full settlement from ACLEDA and ANZ. So the WC requirement as presented in CA, it will be excess of USD40K only. It consider as reserved fund in business when they face on collection debt.

* Noted borrower inquired with New World for Car loan in Dec 2015, please ensure that the loan is used for intended purpose and if borrower to purchase car, to disclosed accordingly.

Firstly, the borrowers planned to buy a car from New world with monthly installment. Then, they decided to purchase by cash while they can managed their cash flow. And now, they request additional loan with us to use as working capital in Jewelry Shop.

-  WC loan should be structured at a shorter tenor , please nego for 8 years with a reduced limit of USD150K instead in view of the excessive WC requirement while the collateral has been revalued over 200%.

- Please insert into CA money transfer transactions with Campu Bank to verify the purchase

I already summed up the amount of OTT for purchase goods. You can calculate the average monthly purchase to verify the business trend.

- Due to loan repayment with BIDC is not fixed, please adopt our calculator for calculation of the repayment and recalculate DSR

Yes

- Please also include the worst-case analysis where there is 50% reduction in net income

Yes

**4. Others**

- Please amend CA

Yes

- Please amend CRR

Yes

- Please BIR Form

Yes

- Please amend Property Site Visit Report

Yes

- Please amend KYC Form

Yes