

## Invoice Financing for a Construction Company

### Terms of Financing

<b>Financing Amount (RM)</b>	50,000.00	<b>Financing Product</b>	Invoice Financing
<b>Gross Return p.a.</b>	13.00%	<b>Notification to Debtor</b>	Notified
<b>Service Fees</b>	18.00% on Gross Return	<b>Payment Method</b>	Repayment by Buyer
<b>Expected Maturity Date</b>	11 Feb 2021	<b>Recourse to Issuer</b>	Yes
<b>Expected Tenure</b>	118 Days	<b>Note Grade</b>	C
<b>Company Type</b>	Partnership		
<b>Securities</b>	Partners' Personal Guarantee & Assignment of Receivables		

### Estimated Repayment

Principal (RM)	Gross Return (RM)	Service Fees (RM)	Net Return to Investors (RM)	Total (RM)
50,000.00	2,130.55	383.50	1,747.05	51,747.05

### Issuer



Industry



Established since



No. of Partners



Probability of Default

Drain Work, Earthwork,  
Bridge Work and Hire  
Machinery

201X

2

5.00%

### Business / Investment Note Description

The Issuer was established in 201X, specializing in drain work. This investment note is issued due to a progressive claim under a contract awarded by one of the Issuer's Buyers. The contract involves building the Monsoon drainage for a residential development in Johor. The Issuer needs the fund to improve their working capital.

### Key Management Personnel

<b>1.</b>	<b>Personnel</b>	<b>Position:</b>	<b>Personal Guarantor:</b>	<b>Shareholding (%):</b>	<b>Age:</b>
	P1	Director	Yes	55.00	XX
	<b>Background:</b>	Female, XX years of experience in the construction of road works.			
	<b>Adverse Finding:</b>	Nil. No history of litigation record noted.			
<b>2.</b>	<b>Personnel</b>	<b>Position:</b>	<b>Personal Guarantor:</b>	<b>Shareholding (%):</b>	<b>Age:</b>
	P2	Director	Yes	45.00	XX
	<b>Background:</b>	Male, XX years of experience in sewerage works and dealing with different types of machinery.			
	<b>Adverse Finding:</b>	Nil. No history of litigation record noted.			

### Buyer's Information

<b>Buyer's Industry</b>	CONSTRUCTION CONTRACTOR
<b>Length of Relationship with Issuer</b>	X YEARS

Financial Year	2019 A (RM)	2018 A (RM)
<b>Paid Up Capital</b>	N/A	N/A
<b>Revenue</b>	N/A	N/A
<b>Profit Before Tax</b>	N/A	N/A

Financials					
BALANCE SHEET	Dec'18 M	Dec'17 M	INCOME STATEMENT	Dec'18 M	Dec'17 M
	(RM)	(RM)		(RM)	(RM)
<u>ASSETS</u>			Revenue	N/A	N/A
Fixed Assets	N/A	N/A	Profit Before Tax	N/A	N/A
Current Assets	N/A	N/A	Profit After Tax	N/A	N/A
Total Assets	N/A	N/A			
			FINANCIAL RATIOS	Dec'18 M	Dec'17 M
				(RM)	(RM)
<u>EQUITY AND LIABILITIES</u>			Revenue Growth	N/A	N/A
Shareholders' Equity	N/A	N/A	Profit Margin Before Tax	N/A	N/A
Long Term Liabilities	N/A	N/A	Profit Margin After Tax	N/A	N/A
Current Liabilities	N/A	N/A	Current Ratio	N/A	N/A
Total Liabilities	N/A	N/A			
Total Equity & Liabilities	N/A	N/A			

\* B = Borang B/J, M = Management, D = Auditor's Draft, A = Audited

Issuer's Borrowing with Financial Institutions				
Types of Facilities	No. of Borrowings	Outstanding (RM)	Total Limit (RM)	Overall Conduct
Hire Purchase	X	N/A	N/A	Satisfactory
Total	X	N/A	N/A	

Guarantors' Borrowing with Financial Institutions				
Types of Facilities	No. of Borrowings	Outstanding (RM)	Total Limit (RM)	Overall Conduct
Loan	X	N/A	N/A	Prompt
Hire Purchase	X	N/A	N/A	Satisfactory
Revolving	X	N/A	N/A	Satisfactory
Total	X	N/A	N/A	

Bank Account Analysis								
Summary	Jan'20	Feb'20	Mar'20	Apr'20	May'20	Jun'20	Average	Total
Deposit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Withdrawal	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Change	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Average Daily Balance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

## Overall Comments

The Issuer's business has grown drastically as a result of a few major contracts that have been secured in the years 20XX and 20XX. Due to this, revenue for the FY20XX and FY20XX are expected to grow steadily. Bank account analysis shows that cash flow is tight, however, the repayment strength majorly depends on the Buyer.

Partner P1 has more than XX years of experience in road construction, while Partner P2 has XX years of experience in sewerage works and machinery. Based on the past experience and trade relationship with the Buyer, the non-performance risk of the business is fairly low.

The Buyer was incorporated in the year 19XX as a construction contractor. Over the past X years, the Buyer has completed more than XX construction projects. The Buyer's revenue in FY2019 has dropped nearly XX% because a few major projects were handed over to some respective project owners individually, at the end of FY2018. Subsequently, in FY20XX there has been a delay in a government-owned project which is expected to be fully handed over soon and should be reflected in the financial record of FY20XX. Other than that, the Profit Before Tax (PBT) is maintained within the range of close to x% for both years in view.

Formula		
Item	Formula	Interpretation
Financing Amount (RM)		Issuer's crowdfunding target amount
Service Fees (RM)	$= \text{Gross Return} \times \text{Service Fees Rate (\%)} $	
Expected Gross Return (RM)	$= \text{Financing Amount (RM)} \times \text{Gross Return (\% p.a.)} \times \frac{\text{Expected Tenure (days)}}{360} $	Expected gross amount receivable at Expected Maturity Date
Actual Gross Return (RM)	$= \text{Financing Amount (RM)} \times \text{Gross Return (\% p.a.)} \times \frac{\text{Actual Tenure (days)}}{360} $	Actual gross amount receivable upon full settlement
Actual Tenure	$= \text{Full Settlement Date} - \text{Disbursement Date} $	Profit bearing days from disbursement to full settlement received
Revenue Growth (%)	$= \frac{\text{Present Revenue (RM)}}{\text{Past Revenue (RM)}} - 1 $	Percentage of revenue increased compared to previous year
Profit Margin Before Tax (%)	$= \frac{\text{Profit Before Tax (RM)}}{\text{Revenue (RM)}} $	Percentage of revenue that has turned into profits
Profit Margin After Tax (%)	$= \frac{\text{Profit After Tax (RM)}}{\text{Revenue (RM)}} $	Percentage of revenue that has turned into profits after taxation
Current Ratio	$= \frac{\text{Current Assets}}{\text{Current Liabilities}} $	Measures a company's ability to meet short-term obligations

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