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BACKGROUND OF BUSINESS

A. Who are we

We are a retail company specializing in women's clothing.

B. What do we do

About 70% of our products are imported from Hong Kong and Korea. The remaining 30% are high-end products which we import from the USA and Europe. The price range for our products is between RM19.90 to RM999. Most of our customers are ladies aged around 20s to 50s. We accept both cash and credit card. Most people pay by credit card. Only about 30% of our business is transacted on cash.

C. How much have we invested into the business to-date

We have invested more than RM100,000 in our business already

D. No. of Outlets/Branches we have now (if any)

We do not have any branches yet. The purpose for this funding is so that we can set up a new outlet since business has been very stable for the last one year.

E. Our Annual Sales Turnover

Last 12 months: RM600,000

Current 12 months (projected): RM800,000 (without new branch). RM1,000,000 (with new branch)

H. Number of Years in Business

4 years and 8 months

I. Experience of our Key Management Team

Our management team is very experienced in sourcing for women's clothing. Our CEO was the editor of a fashion magazine. We know that we cannot just stock the latest trends but must also have "ever-green" designs so that we can meet the needs of different customer types. We have one manager specialising in trendy clothing, one manager who source mid-range "ever-green" style and one more manager for the high-end designs. Our accountant also has more than 20 years of experience.

J. Staffing – Staff Strength

CEO and COO – 1

Managers – sourcing – 3

Floor staff -2

The managers also take turns in managing the retail outlets on a shift / rotation basis. At any point, the retail outlet will have at least 3 staff.

K. How we intend to use and repay the funds

The purpose of us seeking funding is to set up another branch. From the applied funding amount of RM200,000, we intend to use RM100,000 for renovation and marketing. The remaining RM100,000 will be for stocks.

In the clothing line, when the design is new, there will be just 10% discount maximum and when it is under stock clearance, the discount can be as high as 70%. But, our margin will still be at about 30% after the stock clearance discount. As there are mix of stocks that are new, normal priced, on discount and under clearance, based on our past 2 year's actual experience, the average margin will be about 50%. Our operating cost is about 20%. So, net margin is about 30%.

We expect monthly turnover to be between RM10,000 – RM30,000 per month for this new shop. But, existing shop's turnover is stable at about RM40,000 – RM60,000 per month. So, estimated margin is about RM20,000 which is enough to cover our monthly instalment for the financing.