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Notwithstanding the above, Fundaztic has, among others, conducted the following due diligence checking:-

- a) Verify the accuracy of the constitutional documents and information submitted by the issuer against reports extracted from official sources such as SSM (Suruhanjaya Syarikat Malaysia), CCRIS (Bank Negara Malaysia), CTOS and Credit Bureau Malaysia
- b) Perform reasonable care, including site visit when it is deemed necessary, to ensure the existence of the business operations of the issuer
- c) Evaluate to ensure that the issuer meets and complies with Fundaztic's credit and scorecard requirements for listing

## **BACKGROUND OF BUSINESS**

### **A. Who are we**

We own both an online shop and a retail outlet specializing in women's and baby's clothing. We are also beginning to bring in a range of organic products for babies such as shampoo, soaps and lotions.

### **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. Most of the baby products including the organic ones come from the USA. The price range for our products is between RM19.90 to RM999. Most of our customers are ladies and mothers 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. When did we start our business operations**

We registered our business in December 2013 and started operating online in January 2014. We began the operations of this current retail outlet in January 2016.

### **D. Where we are operating our business in**

Our retail shop is located in Damansara Jaya. We are operating from a retail premise on the 1<sup>st</sup> floor because it is cheaper but, we have a large window display so, people who pass by can easily see what are our latest stocks. We can also easily apply to put buntings and banner outside our shop.

The rental for this premise is RM2,000 per month and we have signed a tenancy agreement for 3 years. The agreement is due for renewal in January 2019. So far, we do not have any intention to relocate or move and the landlord has indicated that there will be no increase in rental if we renew the rental rent another 2 years

### **E. How much have we invested into the business to-date**

We have invested more than RM200,000 in our business already

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

We currently just have 1 retail outlet in Damansara Jaya. My sister will be helping me soon and we aim to open another shop in Penang by June next year. Part of the profits earned from the stocks intended to be purchased with the funds will be used for the setting up on this new outlet also.

**G. Our Annual Sales Turnover**

Last 12 months turnover: RM600,000 (audited)

Last month's turnover: RM60,000

This month's turnover (projected): RM70,000

This year (current 12 months) turnover: RM800,000. This is projection only. The increase as compared to last yearly mainly comes from the baby products range

Incremental monthly turnover with the funds: RM20,000 (Total will increase from about RM70,000 average to RM90,000 average for next 1 year)

**H. Experience of our Key Management Team**

Our management team is very experienced in sourcing and is also up-to-date with the latest trends. I am the CEO of the company and before starting this company, I used to work as a fashion editor. I have a manager who assists me in running the retail outlet and she used to work in a customer service department of a famous mall in Singapore. Together, we bring with us more than 20 years of experience in the fashion and retail line. Our finance manager also has more than 10 years of experience. We hire young, energetic people who likes fashion and can sell the products well. All our staff gets a voucher of RM200 per month to buy anything from the shop and we even ask their opinion on the stocks we bring in. We work as a team.

**I. Staffing – Staff Strength**

CEO – 1 (myself)

Retail Manager – 1

Finance Manager – 1

Floor Staff – 2

Admin Staff - 1

**J. How we intend to use and repay the funds**

We have applied for RM100,000 in funding for the purpose of bringing in more stocks. We are looking at spending RM20,000 on women's clothing, RM40,000 on baby's clothing and the remaining RM30,000 on the organic baby products. I also think that we can begin carrying some women's accessories and will be using RM10,000 of the funds for this. As these are new stocks, we estimate that we can make a gross profit of about 50% at least. I spread over the repayment to 2 years so every month, the repayments are smaller and I can use some of the profits to roll-over and buy new stocks.

Our monthly turnover is expected to increase to about RM90,000 with the help of the funding. My operations expenses including the costs of the goods sold is about RM50,000 only. So, I am confident that I will be able to promptly repay even if we just achieve RM10,000 increase in sales because the monthly installment will be less than RM10,000.

**K. Other supporting information about our company**



-Random image sample for illustration purposes only -



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