

Asset



Tangible Asset



Intangible Asset

Business Asset Protection Account **(BAPA)**

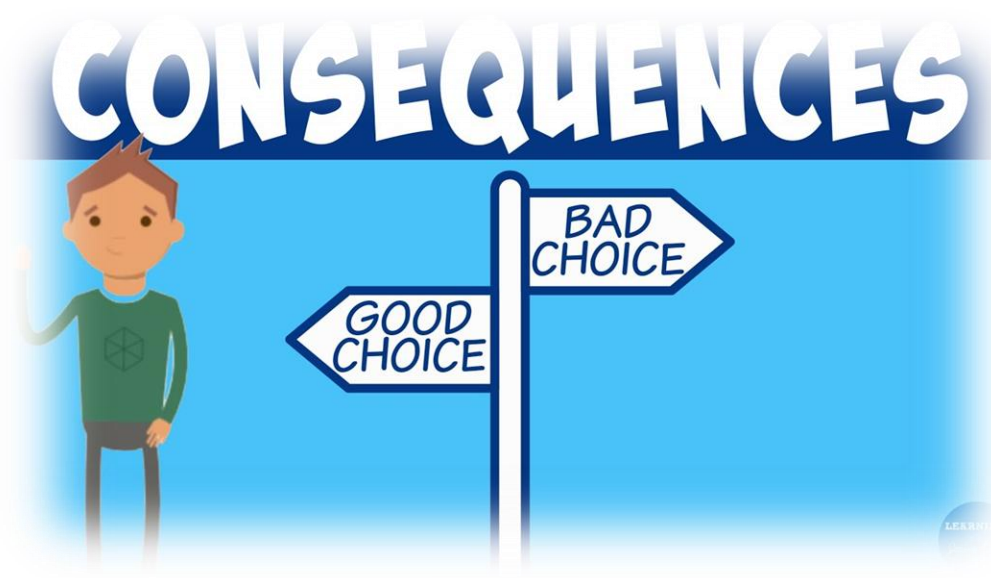
Why client **apply** for Business Loan?

- Business expansion
- New project engagement
- Business cash flow
- To settle debt / liability
- To purchase equipment
- To standby for business investment
- To standby for emergency
- To use people's money instead of own resources
- To settle existing issues
- To maximize resources
- Because of no money
- Others



What are the **consequences** after disbursement of loan?

- Fully or partially used up
- Starts to do repayments
- Could be over spent & forget / delay payments
- Need to apply another loan
- Fail or wrong decision making in business
- Revenue drops unexpectedly
- Market bad affected the business
- Change of government policy
- Directors or key employee's resignation
- Critical illness happens within directors or key person
- Disability among directors/ Unfortunate premature death of directors
- Bankruptcy / Business winding up
- Others



What **will happen next?**

- Non performing loan
- Short of cash flow
- Can't bit for new projects
- Delay payments
- Staff demoralized
- Debt accumulated & increasing
- Debtors chase for payments – Bank & Suppliers
- Apply another loan if still eligible
- Approach for loan shark
- Demand or Interference from deceased family
- Business winding up
- Bankruptcy
- Others



How to **solve**?

- Need a contingency plan
- BAPA solution to solve the loan exposure
- Review on business cash flow
- Address on the outstanding debts
- Preserve good & key employees
- Employees' Benefit Program
- Directors' remuneration plan
- Proper Shareholders agreement
- Buy Sell agreement if needed
- Revisit to business direction & strategies
- Key Management Team formation
- Leadership & Management Training
- Approach for management consultancy or business advisory
- Others



Asset



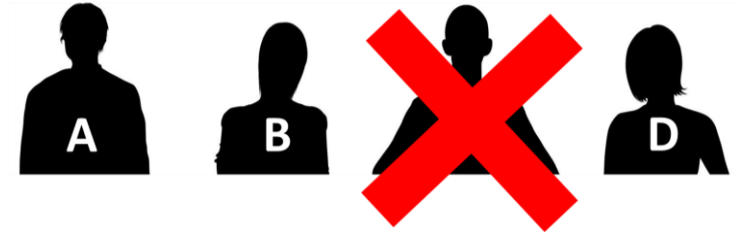
Tangible Asset



Intangible Asset

Business Asset Protection Account **(BAPA)**

Imagine... if **worst scenario** happens

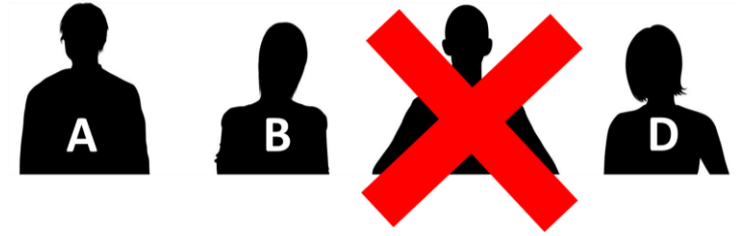


What is the **most concern** issue?

- a. **Debt** cancellation?
- b. Protect the **Guarantors**?



Imagine... if **worst scenario** happens

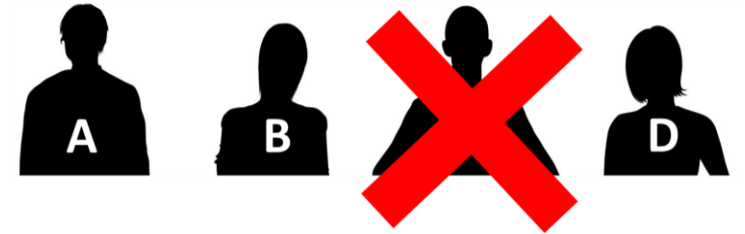


Debt cancellation

- Purchase Life Insurance with sum assured similar to the loan amount for each director
- If budget is an issue, then purchase on the key person
- Or split the sum assured into equal portion for each director
- Company will be the owner of the policy
- Company will receive the proceeds claimed from insurance company (no tax issue)
- Need to have a proper document or instruction to pay the outstanding loan otherwise it will be used for other purpose, strictly depends on the management decision (but the ultimate purpose is to release the guarantor issue)
- If company decided to pay to bank gradually, then all directors should be known that the risk is extended due to unforeseen circumstances.



Imagine... if **worst scenario** happens

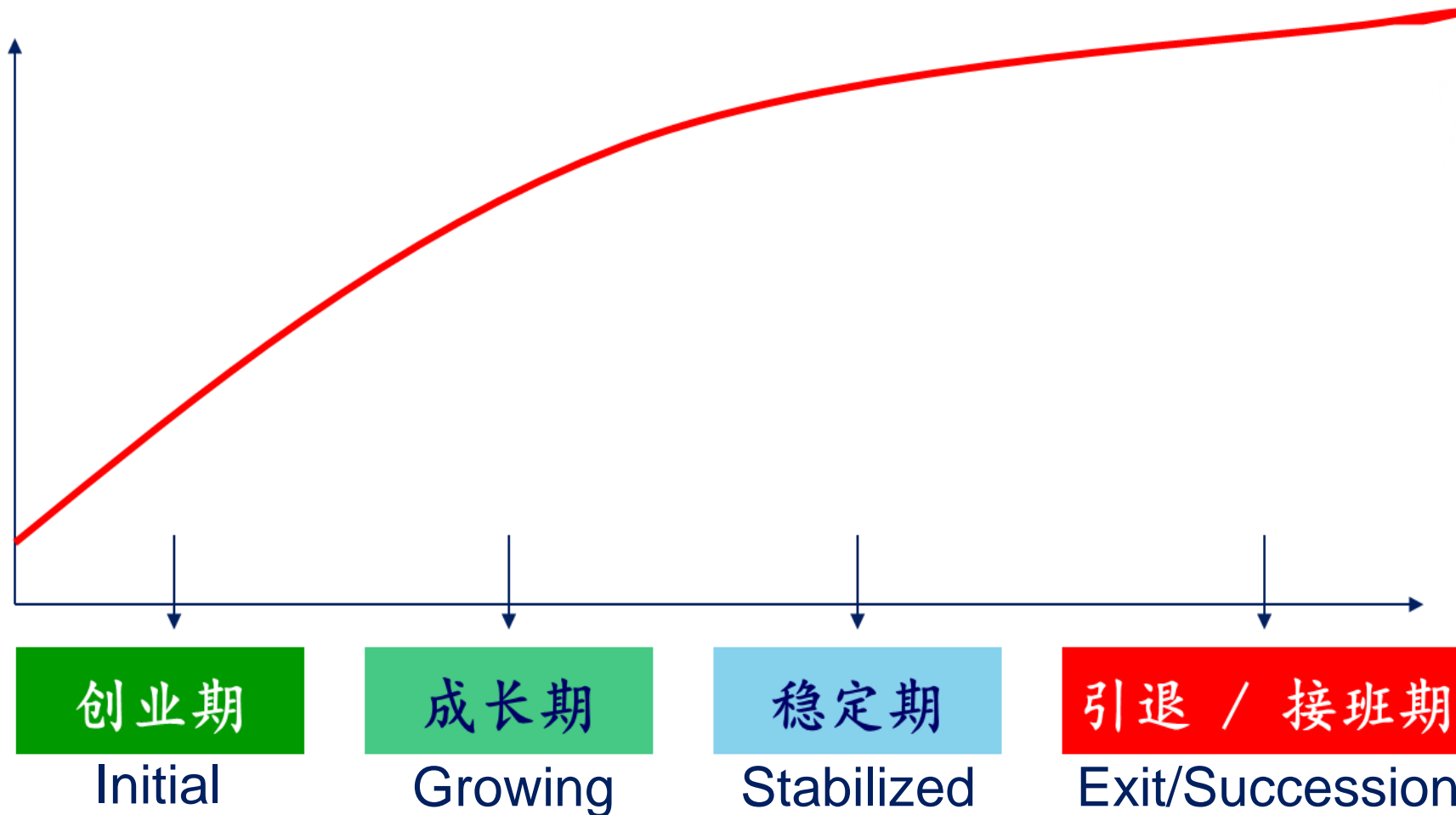


Protect the **Guarantors**

- Purchase Life Insurance with sum assured similar to the loan amount for each director
- Or split the sum assured into equal portion for each director
- Individual Director will be the owner of the policy (director benefit in kind)
- Individual will receive the proceeds claimed from insurance company (no tax issue)
- This amount is to standby in case of any demand from the creditors (family members to be informed)
- It will then served as director benefit in case no demand from the creditor (need mutual agreement of all directors)
- Need to have a proper document to address on this arrangement between the company and the insureds.
- Company is obligated to continue pay or settle the outstanding loan with the surviving directors.
- Personal guarantees will only be released upon full settlements of loan



Business Life Cycle



Begin With An End In Mind

以终为始

- Personal 个人财富
- Family 家庭生活
- Company 企业成长



Create Extraordinary Value
创造不凡的价值

You
您



Business
生意



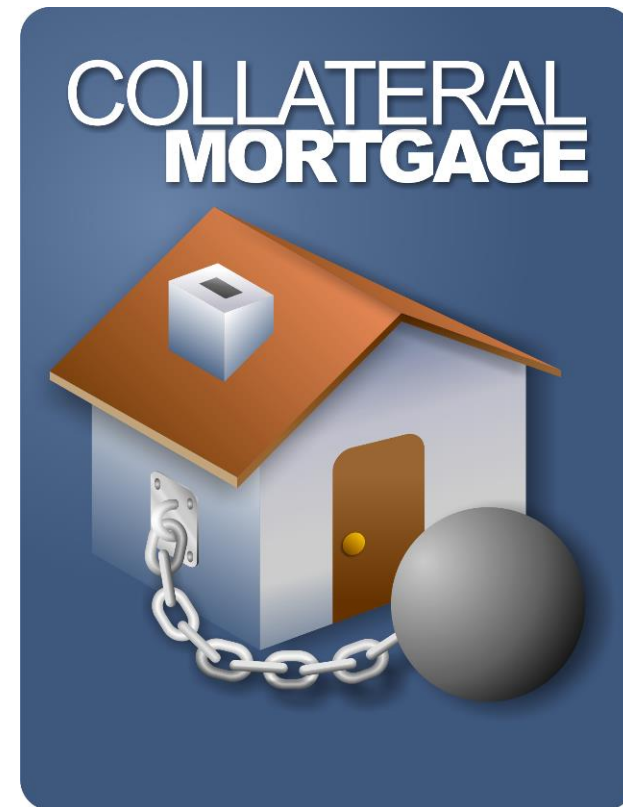
\$
财富

**Personal &
Family**
个人与家庭

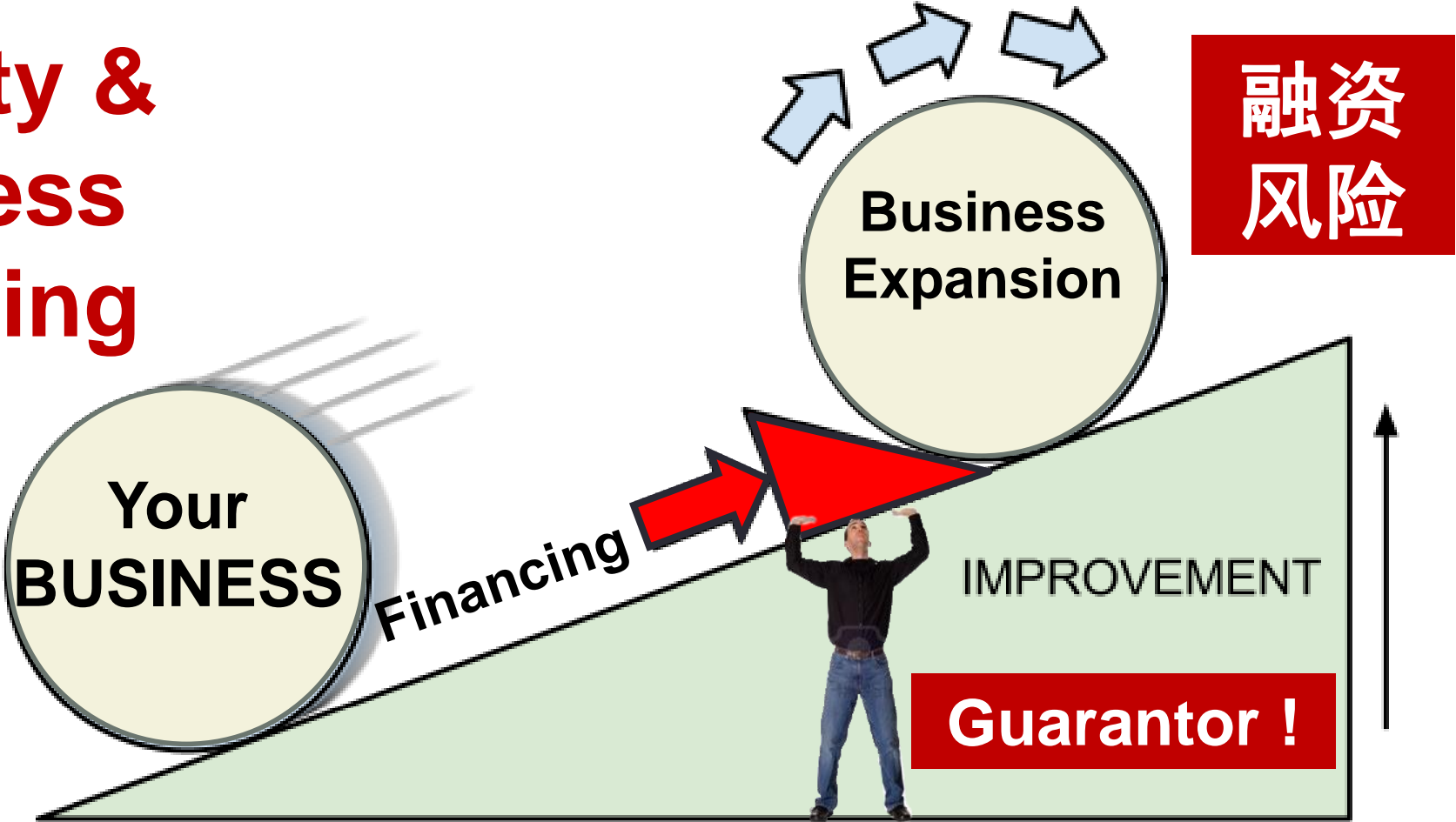
Plough Back
into Business
(Re-invest) 再投资



Property & Business Financing



Property & Business Financing



**You are YOUR BUSINESS
GUARANTOR!**

Jointly and Severally Guarantee

We are pleased to advise that your application for fresh banking facilities has Maxiplan Option III, subject to the following terms and conditions:-

1. FACILITY(S)

Commodity Murabahah Term Financing-i (CMTF-i)

Bank's Purchase Price : RM328,100-00
Bank's Sale Price : RM896,205-38

Letter of Credit-i (LC-i)
(Sight/Usance)
(90 days)

Trust Receipt-i (TR-i)
(90 days)

Blanket Bank Guarantee-i (BG-i)
Financial/Non Financial (Fin/Non-Fin)

TOTAL

The above limits may be varied at any time at the Bank's discretion

2. PRICING (EFFECTIVE PROFIT RATE) / COMMISSION / CHARGES

CMTF-i : Base Financing Rate (BFR) + 1.40% per annum
LC-i : Commission of 0.10% per mensem (p.m.), N
TR-i : BFR + 2.00% p.a.
BG-i : Commission of 0.125% per mensem (p.m.)

8. SECURITY

8.1 PRINCIPAL INSTRUMENTS

CMTF-i

a. Fresh Master Commodity Murabahah Financing Agreement for RM328,100-00.

LC-i/TR-i/BG-i

a. Fresh Facility Agreement for RM200,000-00.

8.2 SUBSIDIARY INSTRUMENTS

CMTF-i

a. Fresh Deed of Assignment for RM896,205-38 for [REDACTED]
(To be replaced by 1st party 1st legal charge once individual/strata title is issued).

b. Fresh Joint and Several Guarantee for RM896,205-38 to be executed by:-

Name	I/C No.
------	---------

LC-i/TR-i/BG-i

a. Fresh Supplemental Agreement to the Deed of Assignment for RM200,000-00 of all rights, [REDACTED]
Lumpur.

(To be replaced by 1st party 2nd legal charge once individual/strata title is issued).

b. Fresh Joint and Several Guarantee for RM200,000-00 to be executed by:-

Name	I/C No.
------	---------

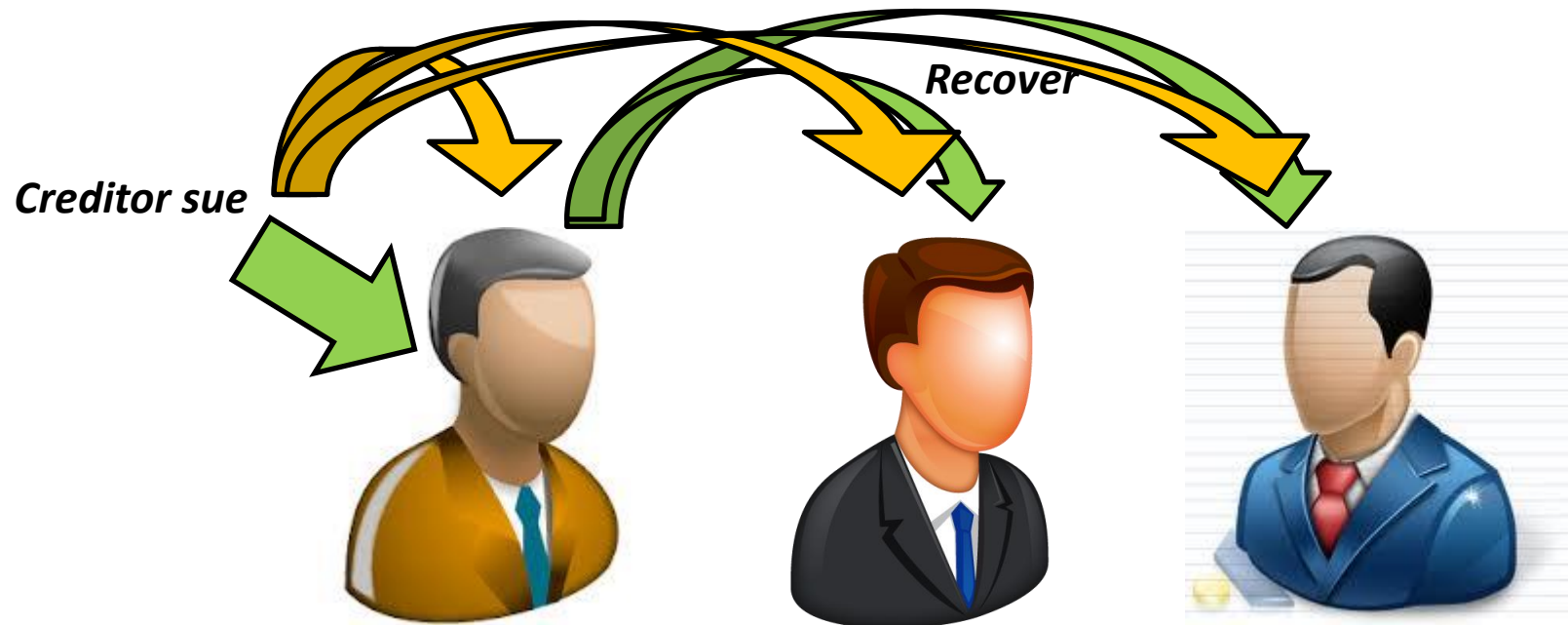
And such other documents or security documents as the Bank or the Bank's solicitors may advise from time to time.

All obligors shall hereinafter be collectively referred to as "Security Party".

9. LEGAL DOCUMENTATION

Joint and Several Liability

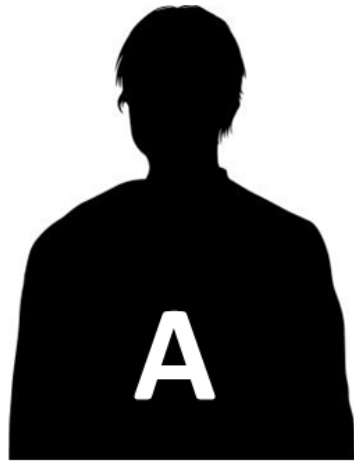
When two or more partners have joint and several liability for a debt, a creditor may sue any one of the partners. If a creditor recovers money from one partner, that partner may pursue the other partners for their respective share of obligation. In other words, it becomes the responsibility of the partner who was initially sued to recover from the other partners for their contribution. For example, if three business partners enter into a contract for which there is joint and several liability -- and the contract is subsequently breached -- **one of them may be sued and may end up paying all damages. It is then that partner's responsibility to pursue the other partners for their share of the liability.**



What if things were to happen to the Key Person?
如有不幸发生在首要人物怎么办？

Business Partners / Shareholders

生意伙伴 / 股东



What if things were to happen to the Key Person? 如有不幸发生在首要人物怎么办?

- Outstanding debt?
- Personal Guarantees
- Revise of Bank Facility?
- Sales Affected?
- Account Receivable affected?
- Continue repayment?
- Cash flow issue?
- etc....

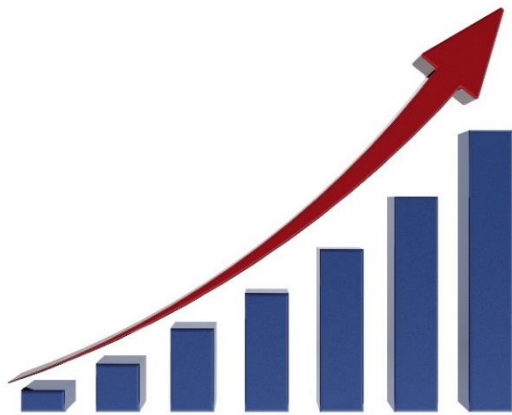
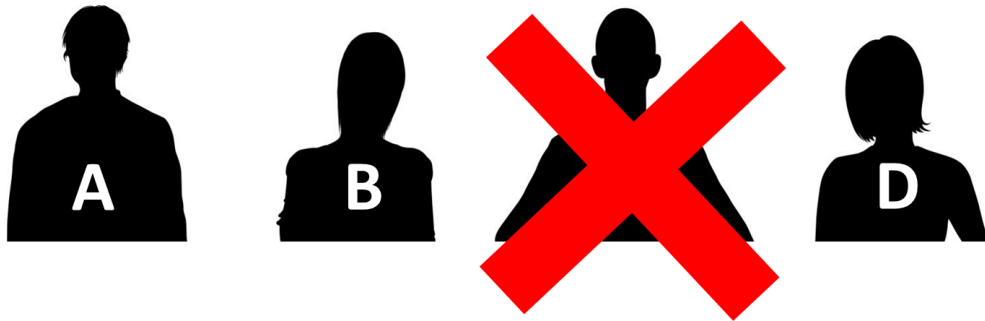
Total Risk Exposure

Existing Company Debt : **RM? Million**

Personal Guarantees: **RM ? Million**

Business Owners

生意伙伴 / 股东

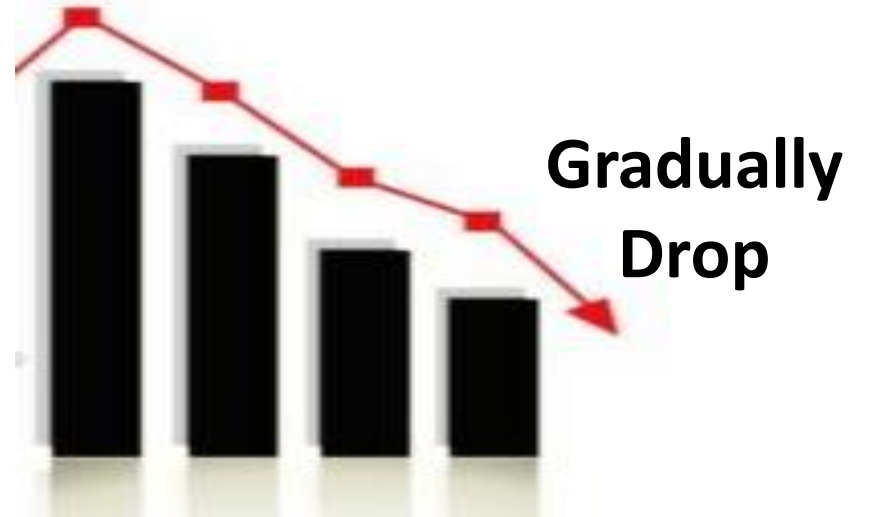


This slide is strictly for internal circulation only

1



2



3



Is this what you want?



Business
生意

\$
财富

Personal & Family
个人与家庭

Shareholders 股东

Directors 董事

Key Management
主要管理层

Employees 员工



Area of concern... 关切的问题

- What happen to **MY FAMILY?**
- What happen to **MY BUSINESS?**
- What happen to **MY DEBTS?**
- What happen to **MY WEALTH?**

家庭?
生意?
债务?
财富?



**My
Business**



What if ?



*Always prepare for
the **Raining Day***

If NO Proper Planning...

融资风险 如果没做好规划 ...

Personal Assets

Business Assets

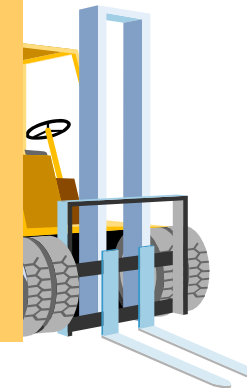


Sold



您辛苦赚来的财富将用来偿还...
Your wealth has gone to settle:-

债务 LIABILITIES



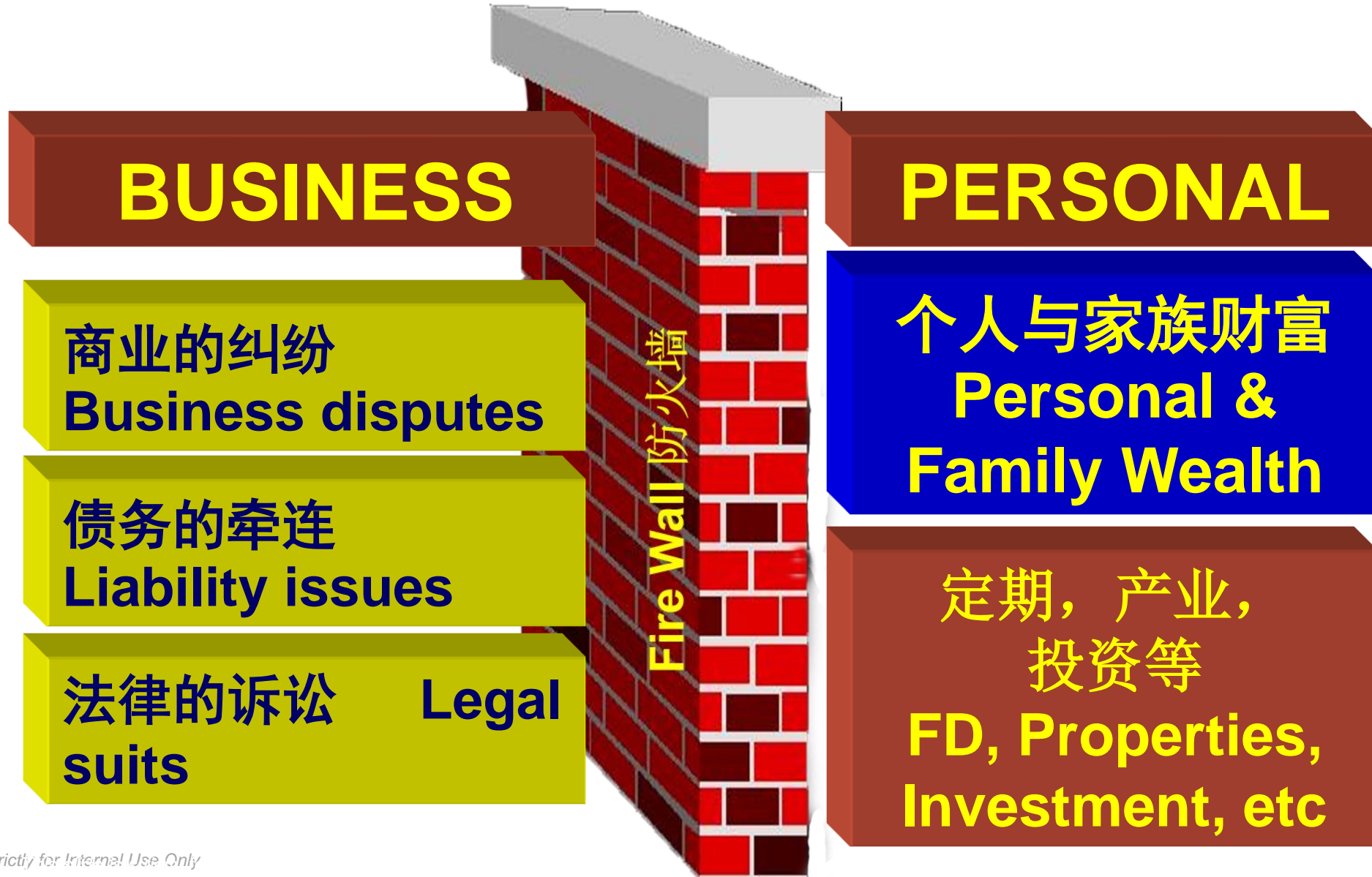
We are busy with ...

1

000,000,000,000

Without the **“ONE”** in front,
the ZERO behind means
NOTHING !

SOLUTION FOR BUSINESS OWNER



我们所留下来的是 **财富**或者是**债务**?

Am I leaving a **Wealth** or **Debt**?



How shall we plan?

我们应该如何**规划**？



BAPA – Business Asset Protection Account

Option	1	2	3
Debt Cancellation	✓		
Company Cash Flow			
Financial Security			
Secure of Business Value			

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BAPA – Business Asset Protection Account

Option	1	2	3
Debt Cancellation			✓
Company Cash Flow			✓
Financial Security			✓
Secure of Business Value			✓

Business Asset Protection Account (BAPA)

Type A

Immediate CASH for Debt Cancellation

During Life time.....

Setting aside a **SMALL Token** annually amounting to **RM4,560** to **hedge** for a **LARGE CASH Back-Up** for Debt Cancellation

After Life time.....

RM 1,000,000.00

- **Waive all future contribution** upon diagnosis of Critical Illness on the key person (the guarantor).
- Lump sum of RM1,000,000 will be payable to solve your outstanding debt as **Debt Cancellation Solution** upon Death or Disabled of the key person (the guarantor).
- Financial **Peace of Mind for the key person** in handling of debt.

Male Non-smoker age 35

Sun Prime Link-i SA 1 mil with waiver, coverage for the next 30 years



Business Asset Protection Account (BAPA)

Immediate CASH for Debt Cancellation

During Life time.....

Setting aside a **SMALL Token** annually (for **10** Years) amounting to **RM18,420** to **hedge** for a **LARGE CASH Back-Up** for Debt Cancellation

After Life time.....

RM 1,000,000.00

- **Waive all future contribution** upon diagnosis of Critical Illness on the insured.
- Lump sum of RM1,000,000 will be payable to solve the outstanding debt as **Debt Cancellation Solution** upon Death or Disabled of the key person (the guarantor).
- Upon death & disability due to **Accident**, RM2,000,000 will be payable to solve the problem. **Additional** another RM1,000,000 will be payable if accident happen in public location.
- After 10 years of contribution, up to 80%-90% of the total contribution will be **accumulated** in the account.
- Financial **Peace of Mind for the key person** in handling of debt.

Male Non-smoker age 35

Sun Legacy-i SA 1 mil with waiver, 10 years limited pay, coverage up to age 70

THANK
YOU



DIRECTOR - (1) - Age : 47

SUM COVERED	500,000.00	500,000.00
CI WAIVER	YES	YES
CONTRIBUTION TERM	5	10
EXPIRED AGE	70	70
YEARLY	17,328.00	10,212.00
TOTAL PAYMENT PAYABLE (A)	86,640.00	71,484.00 (YR 7)
ACCOUNT VALUE - YEAR 7 (B)	76,860.00	52,958.00
(A) - (B)	9,780.00	18,526.00
AVERAGE PREMIUM PER YEAR (7 YR)	1,397.14	2,646.57

DIRECTOR - (2) - Age : 53

SUM COVERED	500,000.00	500,000.00
CI WAIVER	YES	YES
CONTRIBUTION TERM	5	10
EXPIRED AGE	80	80
YEARLY	33,144.00	19,548.00
TOTAL PAYMENT PAYABLE (A)	165,720.00	136,836.00 (YR 7)
ACCOUNT VALUE - YEAR 7 (B)	155,363.00	101,986.00
(A) - (B)	10,357.00	34,850.00
AVERAGE PREMIUM PER YEAR (7 YR)	1,479.57	4,978.57

NOTE :

CI WAIVER - 36 CRITICAL ILLNESSES

* TOTAL ACCOUNT VALUE AT THE END OF CONTRACT BASED ON SCENARIO Y (5%)

债务 Debt

公司 Company

- Total Outstanding **Loan**
- Total Business **Financing**
- Bank **Overdraft** Facility
- **Creditors** (Supplier) Outstanding
- **Soft** Loan
- others

Total Amount ?

Still need to **pay back** upon death of the Businessman?

- Facility could be **revised** by Bank
- Thus, to **top up** the difference, **HOW?**
- To let the survival Business partners to **continue paying** the sum? And be the **remaining Guarantor**?
- OR to **remove the Debt** by proper planning?

You have a CHOICE!

现金流 Cashflow

公司 Company

- How much is your company **fixed cost** per month?
- How much funds allocation is needed for monthly **business transaction**?
- How much **standby funds** needed per month?
- How much **cost to replace** the deceased's position?
- others



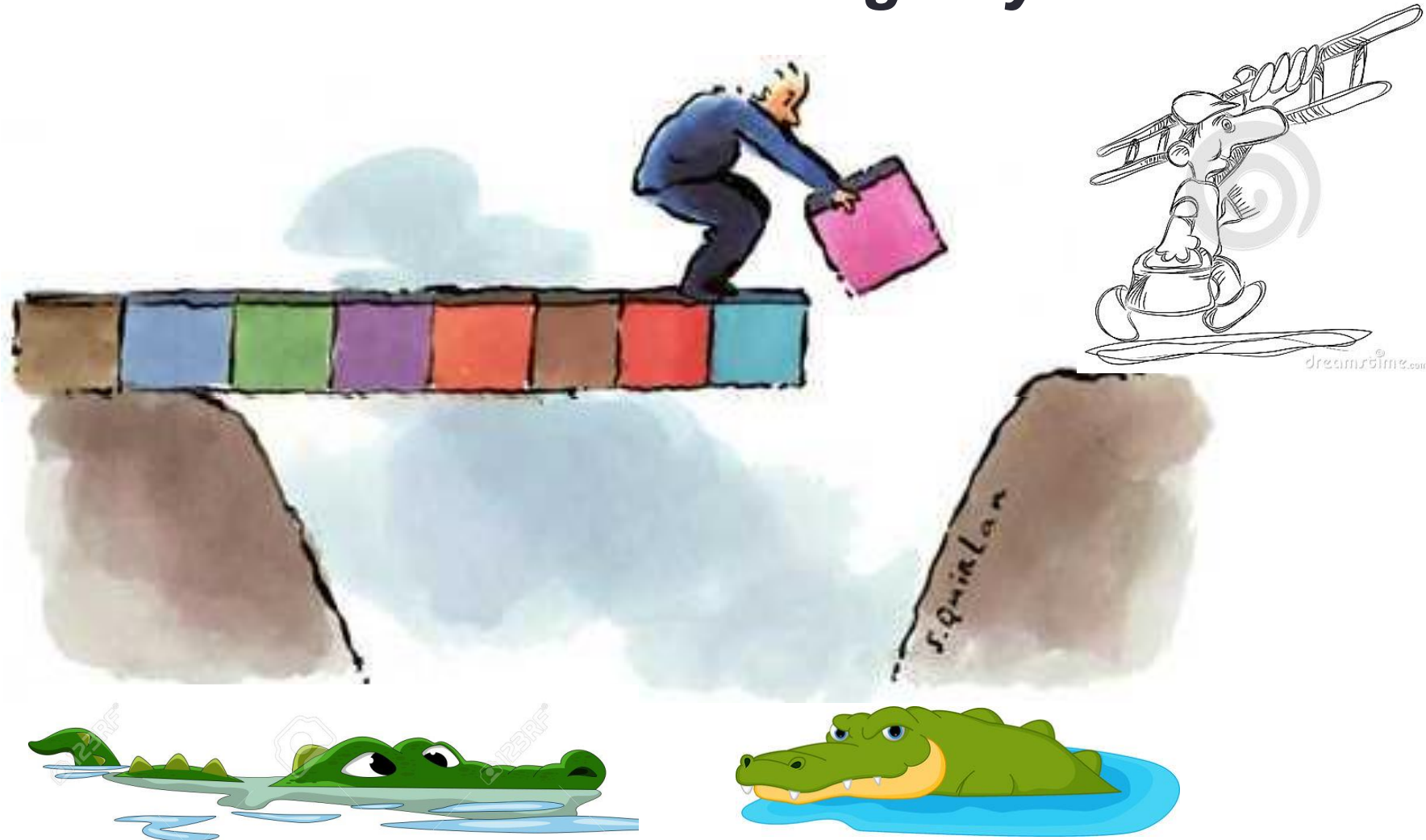
**Total
Amount ?**

What's your **SOLUTION**?

Where does the money comes from?

居安思危、未雨綢繆

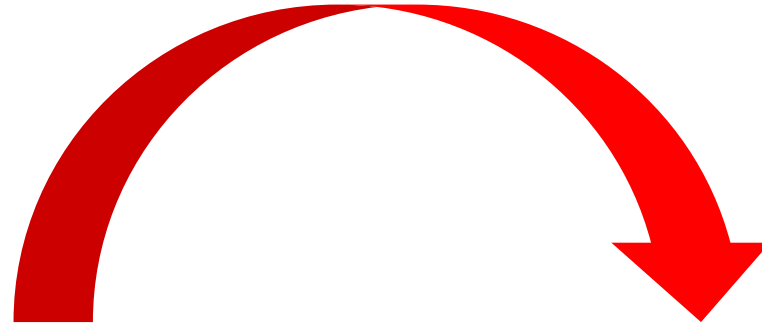
Plan for the raining days....



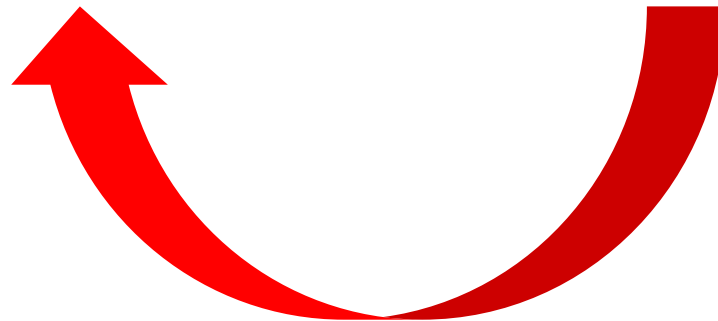


健康就是财富
Health is Asset

巩固自己的财务
Strengthen your financial status



善用财富
Wealth Maximization



抵押给保险公司
As a collateral to Insurer



换取足够的保额
exchange for a Sum Assured



什么是贵? What does it mean by Expensive?

价值 **1百万** 的商品
An item worth 1Mil

因为**没规划**所以
Because of NO Planning

1块 对 1块
A dollar to a dollar!



用 **2百万** 来买, 贵吗?
Use 2Mil to buy it. Expensive?

贵! Expensive!

用 **1百万** 来买, 贵吗?
Use 1Mil to buy it. Expensive?

公平 FAIR

用 **500千** 来买, 贵吗?
Use 500K to buy it. Expensive?

感觉还好 Looks Good

用 **80千** 来买, 贵吗?
Use 80K to buy it. Expensive?

便宜呀! Cheap!

用 **12千** 就买到, 如何?
Use 12K to buy it. How?

真的吗? Really?