

FACILITIES AGREEMENT

THIS **FACILITIES AGREEMENT** made the _____ day of _____

Between

HSBC BANK MALAYSIA BERHAD (Company No. 127776-V), a company incorporated in Malaysia pursuant to the Companies Act, 2016 and licensed under the Financial Services Act 2013, as a licensed bank and having its registered office at No. 2 Leboh Ampang, 50100 Kuala Lumpur and having its branch at _____ (hereinafter called "the Bank") of the one part

And

[insert name/place of incorp./NRIC/Co. No./Business No./regd. Address]

(hereinafter called "the Borrower") of the other part.

NOW THIS AGREEMENT WITNESSETH as follows:-

ARTICLE I Recitals

Section 1.01 Application of the Facilities

(A) By a sale and purchase agreement dated _____ day of _____ ("Sale and Purchase Agreement") made between [insert name/NRIC/PP/Co. No./place of incorporation/present address], (the "Vendor") of the one part and the Borrower of the other part, the Vendor agreed to sell and the Borrower agreed to purchase the said Property (as defined herein) with the terms and conditions as contained in the Sale and Purchase Agreement.

#(B) On the application of the Borrower, the Bank has agreed subject to the terms and conditions contained herein to grant to the Borrower a business premises financing of **Ringgit Malaysia (RM _____)** ("the Facilities" which expression shall where the context so admits, include any part or parts thereof or such balance outstanding and owing by the Borrower to the Bank from time to time and at any time) upon the security of a charge over the said Property ("Charge") and on the terms and subject to the conditions as hereinafter appearing [*to assist the Borrower in the purchase of the said Property for own business use and occupation/*to assist the Borrower in the purchase of the said Property for investment/*to re-finance the said Property for own business use and occupation/*to re-finance the said Property for investment/*and to finance takaful contributions/insurance premium relating to the said Property and the Borrower's business].

**Select and delete as appropriate.*

#(B) On the application of the Borrower, the Bank has agreed subject to the terms and conditions contained herein to grant to the Borrower a business premises financing totalling **Ringgit Malaysia (RM _____)** comprising of:-

- (i) Loan RM _____
- (ii) Overdraft RM _____

(collectively "the Facilities" or individually by its respective terminology, which expression shall where the context so admits, include any part or parts thereof or such balance outstanding and

Delete where not applicable.

Delete where not applicable.

owing by the Borrower to the Bank from time to time and at any time) upon the security of a charge over the said Property ("Charge") and on the terms and subject to the conditions as hereinafter appearing [*to assist the Borrower in the purchase of the said Property for own business use and occupation/*to assist the Borrower in the purchase of the said Property for investment/*to re-finance the said Property for own business use and occupation/*to re-finance the said Property for investment/*and to finance takaful contributions/insurance premium relating to the said Property and the Borrower's business], and the Overdraft facility for working capital purposes.

**Select and delete as appropriate.*

- (C) *The construction of the said Property is completed./ *The said Property is currently still under construction.

**Select and delete as appropriate.*

ARTICLE II
Interpretation

Section 2.01 Definitions

- (1) In this Agreement where the context so admits the following words and expressions shall have the following meanings:-

<u>Words</u>	<u>Meanings</u>
"Bank"	HSBC BANK MALAYSIA BERHAD (Company No. 127776-V) , a company incorporated in Malaysia pursuant to the Companies Act, 2016 and licensed under the Financial Services Act 2013 as a licensed bank and having its registered office at No. 2 Leboh Ampang, 50100 Kuala Lumpur and having its branch at <hr/> <hr/> and include persons deriving title thereunder and successors-in-title and assigns.
"BLR"	the base lending rate from time to time prescribed by the Bank, subject to fluctuation.
"Borrower"	[insert name/NRIC/PP/Co. No./Business No./place of incorporation/address.] and include its successors-in-title and permitted assigns.
"Business Day"	the day on which banks are open for business in Kuala Lumpur.
"Charge"	shall refer to the first party "all monies" legal charge/first party legal charge (as the case may be) over the said Property executed by the Borrower in favour of the Bank as security for the repayment of the Facilities, interest and all monies payable by the Borrower to the Bank pursuant to Section 6.01(a) hereof.
"Corporate Guarantee"	shall refer to the Limited Guarantee To Be Given By A Limited Company executed by such company(ies) as more particularly set out in the Letter of Offer (and includes its successors-in-title and permitted assigns).
"Facilities"	#a business premises financing of Ringgit Malaysia <hr/> <hr/>

Delete where not applicable.

(RM) more particularly set out in the Letter of Offer.

#a business premises financing of **Ringgit Malaysia**

(RM) comprising of:-

(a) Loan of RM_____

(b) Overdraft of RM_____

more particularly set out in the Letter of Offer.

"HSBC Group"	shall include HSBC Holdings plc, its subsidiary companies and associates ("associates" being defined to include companies in which HSBC Holdings plc controls 20% or more of the voting power) including their assigns and all persons deriving title under them.
"Joint and Several Guarantee"	shall refer to the Limited Guarantee By Individuals or Partners executed by such persons as more particularly set out in the Letter of Offer (and includes their respective heirs personal representatives successors in title and permitted assigns).
"Letter of Offer"	the letter of offer from the Bank to the Borrower referred to in Section 14.08 hereof in respect of the Facilities granted or to be granted by the Bank to the Borrower on the terms and conditions set out therein.
"Land Code"	the National Land Code, 1965 or the Sarawak Land Code (Sarawak Cap. 81) or the Sabah Land Ordinance (Sabah Cap. 68) or any land code or legislation similar in purpose and effect, as the case may be, according to where the said Property is located, and includes any statutory amendments or re-enactment thereof.
"Personal Guarantee"	shall refer to the Limited Guarantee To Be Given By An Individual executed by such person as more particularly set out in the Letter of Offer (and includes his heirs personal representatives successors in title and permitted assigns).
"Ringgit Malaysia" & "RM"	the lawful currency of Malaysia.
"said Property"	shall refer to [insert description of property]
"Security Documents"	means collectively this Agreement, the Charge, Personal Guarantee, Joint and Several Guarantee, Corporate Guarantee (as applicable and prescribed under the Letter of Offer) and any other documents deemed necessary by the Bank from time to time.
"Security Party"	means any party providing or which shall hereafter from time to time provide any guarantee or security to secure the payment of all monies payable by the Borrower under the Facilities or any part thereof.

- (2) Words importing the singular number includes the plural number.
- (3) The headings and sub-headings to the Articles and Sections of this Agreement are inserted for purposes of convenience only and shall not be deemed to be part thereof or be taken into consideration in the interpretation or construction of this Agreement.
- (4) Where there are two (2) or more persons included or comprised in the expressions "the Borrower" and "Security Party" agreements covenants stipulations and undertakings expressed to be made by and on the part of the Borrower shall be deemed to be made by or binding upon such persons jointly and severally.

Delete where not applicable.

- (5) Words importing the masculine gender include the feminine and neuter genders.

ARTICLE III
Representations and Warranties

Section 3.01 Representations and Warranties

The Borrower hereby represents and warrants to the Bank as follows:-

- (a) that the Borrower has full power, authority and capacity to own its/his/their assets and carry on business as it is now being conducted;
- (b) that the Borrower has full legal right, authority and power to incur borrowings and/or otherwise utilise the Facilities, and to execute, deliver and perform the terms of the Security Documents, and has taken all necessary corporate and other action required to authorise the acceptance, execution, delivery and performance of this Agreement;
- (c) that the Security Documents constitute the legal, valid and binding obligations of the Borrower in accordance with the terms contained therein;
- (d) that the execution, delivery and performance of the Security Documents by the Borrower (1) will not exceed the power granted to it by, or violate the provisions of any law or regulation or any order or decree of any governmental authority, agency or court to which the Borrower is subject, and (2) will not result in the creation or imposition of, or any obligation to create or impose, any mortgage, lien, pledge or charge on the said Property pursuant to the provisions of any such other undertaking or instrument;
- (e) that all consents, approvals and authorisations of any relevant authority which are required on the part of the Borrower or which are advisable, for or in connection with the acceptance, execution, delivery, performance, legality or enforceability, of the Security Documents have been obtained and are in full force, and any conditions contained therein or otherwise applying thereto have been complied with;
- (f) that the Borrower is not in default under any agreement to which the Borrower is a party or by which the Borrower may be bound, and no litigation, arbitration or administrative proceedings are presently current or pending or threatened which default, litigation, arbitration or administrative proceedings, as the case may be, might materially affect the solvency of the Borrower, or might impair the Borrower's ability to perform its obligations under the Security Documents;
- (g) that where the Borrower is a sole-proprietor or partnership, there are no bankruptcy proceedings commenced against the Borrower (individually, or as a firm, or any partner individually), or where the Borrower is a company or limited liability partnership, there are no winding-up proceedings against the Borrower and the Borrower has not commenced any action for voluntary winding-up of the Borrower.

Section 3.02 Continuing nature of Warranties and Representations

The Borrower shall be deemed to represent and warrant to the Bank whenever the Borrower shall request for any advances under or otherwise utilise the Facilities (a) that the representations and warranties contained in Section 3.01 are true and accurate in all respects as if made on such date, and (b) that no event of default, and no event which with giving or notice or the passing of time would constitute an event of default, has occurred.

Section 3.03 Truth and correctness of Representations and Warranties

The truth and correctness of all the matters stated in the representations and warranties under Section 3.01 hereof shall form the basis of the Bank's commitment to make or continue to make available the Facilities to the Borrower. If any such representations and warranties made shall at any time hereafter be found to have been incorrect in any material respect, then and in such event and notwithstanding anything to the

contrary contained herein or under the Security Documents, the Bank shall have the right to review, suspend, recall or terminate the Facilities or any part thereof.

ARTICLE IV
Agreement for the Facilities

Section 4.01 Undertaking To Pay

In consideration of the Bank agreeing, at the request of the Borrower, to grant or to make available or to continue to grant or to continue to make available to the Borrower the Facilities on the terms and subject to the conditions hereinafter appearing, the Borrower HEREBY AGREES, COVENANTS AND UNDERTAKES with the Bank to repay to the Bank ON DEMAND by notice in writing by the Bank to the Borrower:-

- (a) the outstanding under the Facilities, which includes without limitation all sums of money which are now or shall from time to time be due and owing by the Borrower to the Bank (at any of the Bank's branches), whether certain or contingent or incurred to the Bank from or by the Borrower anywhere on any current loan or other account or accounts or in any manner whatsoever, and interest thereon as calculated in the manner herein below provided;
- (b) commitment fees, commission, discount and all other banking charges;
- (c) all costs, charges and other expenses which the Bank may pay or incur in executing, perfecting or enforcing this Agreement or the Security Documents, or in obtaining payment of such sums of money covenanted to be paid under this Agreement and/or the Security Documents; and
- (d) all such sums of money as are or may become payable, and in particular (but without limiting the foregoing) all costs, charges, expenses and other sums of money as hereinafter provided

with interest thereon as provided in Section 4.03 hereof.

Section 4.02 Availability Period and Utilisation of Facilities

- (a) Subject to perfection of this Agreement, the Security Documents and all other documents as required by the Bank, the Facilities shall be available for the Borrower's utilisation in accordance with the provisions herein for such period of time as prescribed in the Letter of Offer as the Availability Period of the Facilities (the "Availability Period"). The Facilities or any portion of the Facilities which is not drawn down on or after the expiry of the Availability Period shall be automatically cancelled without reference to the Borrower, unless the Bank decides otherwise and extends the Availability Period.

Where part of the Facilities is Overdraft, if the Overdraft is not utilised at all within three (3) months after full draw down of the Loan, the Bank may withdraw and cancel the Overdraft unless the Borrower notifies the Bank in writing within thirty (30) days after the end of the said three (3) months that the Overdraft is still required. *(Where applicable)*

- (b) Where the Facilities is to assist the Borrower in the purchase of the said Property, construction of which is completed, the Facilities may be utilised by the Borrower by a one (1) lump sum drawing or by multiple drawings within the Availability Period. *(Where applicable)*

Where the Facilities is/are to assist the Borrower in the purchase of the said Property, which is under construction, the Facilities may be utilised by the Borrower for the progressive payments due to the Vendor under the Sale Agreement until full utilisation of the Facilities by the Borrower within the Availability Period. *(Where applicable)*

- (c) The Borrower hereby expressly and irrevocably authorises the Bank to utilise the whole or any part of the Facilities for the purposes herein on behalf of the Borrower, including to pay such monies to such persons as intended under these purposes. Any advances and payments made by the Bank on behalf of the Borrower to such person(s) shall for all purposes be and form part of the Facilities owing hereunder and secured by the Charge (pursuant to Section 6.01 herein) over the said

Property AND the Borrower hereby irrevocably agrees and confirms that the Borrower shall not be entitled to object to or to restrain such payment by the Bank, and that such express authority as aforesaid shall be irrevocable.

- (d) In consideration of the Bank having, at the Borrower's request, given the Bank's express or implied undertaking, guarantee or covenant to pay the Facilities or any part thereof on behalf of the Borrower to any person or persons, the Borrower irrevocably indemnifies the Bank and keeps the Bank indemnified against all claims, losses, damages, costs and expenses of whatever nature arising howsoever from the undertaking, guarantee or covenant aforesaid.
- (e) Without prejudice to the generality of any provisions and notwithstanding anything stated herein to the contrary, the Borrower hereby irrevocably agrees that the Bank may, without discharging or in any way affecting the Bank's rights under this Agreement and the Charge over the said Property hereby created, refuse and/or discontinue the Borrower's utilisation of the Facilities or any part thereof for the Borrower's use or benefit in the event that the Borrower shall fail and/or refuse and/or neglect to promptly pay the interest due on any of the progressive release or releases in accordance with the terms and conditions herein contained or any other charges, expenses or outgoings due by the Borrower herein, or shall commit any breach of any of the terms and conditions herein contained.

Section 4.03 Interest

- (a) As well after as before any Court Order or Judgment and as well after as before the termination of the relationship of banker and customer, the Borrower shall pay to the Bank interest in respect of the Facilities at the following rates :-

- (i) #Preferential interest rate for Loan
 Preferential interest rate of [] per centum (%) below the Bank's base lending rate ("BLR") (BLR presently at [] per centum (%) per annum, subject to fluctuation), calculated and accrued daily on a 30/360 basis (i.e. by applying a 30-day month and a 360-day year throughout the tenor irrespective of the actual number of days in the month and in the year).

The aforesaid preferential interest rate is applicable on condition that a credit balance of at least Ringgit Malaysia _____ (RM_____) is maintained in the Borrower's current account with the Bank throughout a period of six (6) months commencing from the date of first draw down of the Facilities, otherwise the interest rate in Section 4.03(a)(ii) below shall apply retrospectively from the date of first draw down.

- (ii) Interest rate for Loan
 [] per centum (%) below the Bank's base lending rate ("BLR") (BLR presently at [] per centum (%) per annum, subject to fluctuation), calculated and accrued daily on a 30/360 basis (i.e. by applying a 30-day month and a 360-day year throughout the tenor irrespective of the actual number of days in the month and in the year).

- (iii) #Interest rate for Overdraft
 Where part of the Facilities is Overdraft, the interest rate for the Overdraft is [] per centum (%) above the Bank's base lending rate ("BLR") (BLR presently at [] per centum (%) per annum, subject to fluctuation) calculated and accrued on a daily rest basis (i.e. by applying the actual number of days in the month and in the year), payable monthly and debited from the Borrower's account or such other account opened by the Bank for this purpose, on the 26th day of the month or such other date as may be notified by the Bank from time to time. In the event the Borrower exceeds the approved Overdraft limit, additional interest at the Bank's discretion with prior notice to the Customer, will be

Delete where not applicable.

Delete where not applicable.

charged and debited from the Borrower's current account or such other account opened by the Bank.

The Overdraft is repayable by the Borrower on demand, and until final payment of all the sums hereby secured, the Borrower will pay interest on such sums at the relevant applicable rate (including the additional interest rate) and as computed in the manner herein contained in this Agreement.

- (b) Notwithstanding the provisions hereinbefore contained in Section 4.03(a), the Bank shall be entitled at any time and from time to time to vary the aforesaid rates of interest and/or the base lending rate and/or the additional interest, by serving on the Borrower a notice in writing which may be contained in the periodic bank statements, or by separate written notice signed by any officer of the Bank for the time being, or by way of an unsigned notice or letter printed or produced electronically or by mechanical means or by computer, or if the Bank chooses to, by general advertisement in any one or more of the forms of mass communication of its intention, or by a notice placed at the banking hall at the Bank's place of business where the Borrower's account is maintained, or by general announcement through the Bank's official website, And interest at such amended rate shall be payable as from the date fixed by the Bank and such interest shall also be secured by this Agreement.
- (c) Until the Borrower shall commence to make payment of the monthly instalments as set out in Section 4.04 below, the Borrower will pay interest only to the Bank, on every sum advanced hereunder or otherwise howsoever payable by the Borrower under this Agreement, at the aforesaid prescribed rate calculated at daily rests; and such interest shall be paid on or before the 26th day of each month commencing in the calendar month immediately after the date of first draw down of the Loan by the Bank. After full drawdown of the Facilities, the Borrower shall pay interest at the aforesaid rate on monthly rests calculated and charged on the whole of the principal sum advanced or such sums due or the balance of the Facilities due and owing as from the date on which the Facilities is advanced on a monthly basis up to the date of the full settlement of the Facilities, and all accrued interests shall be payable as part of the monthly instalments.
- (d) If and whenever the rate of interest payable by the Borrower under this Agreement or the method for computing the interest and/or instalments payable shall be varied by the Bank, the Bank may with notice to the Borrower, make the necessary adjustment upon such variation either by varying the amount of each instalments or varying the number of instalments including extending the repayment period, provided that the total period of all instalments including any final adjustments shall not exceed **twenty (20) years**.
- (e) Subject to sub-clause (g) below, if any interest shall remain unpaid after the day on which the same ought to have been paid, then and in every such case, the interest in arrears shall at the expiration of the day on which the interest ought to be paid be capitalised (hereinafter called "capitalised arrears of interest") and added for all purposes to the principal sum hereby secured, and shall from thereon bear interest to be computed from the day on which the same ought to have been paid and to be payable at the rate and at the day aforesaid, and all covenants and provisions contained in this Agreement and all powers and remedies conferred by law or by this Agreement in relation to the said principal sum and the interest thereon shall equally apply to such capitalised arrears of interest and to interest on such arrears.
- (f) All accumulated and capitalised arrears of interest and interest on such arrears shall be deemed to be interest for the purpose of ascertaining whether the principal sum hereby secured has been exceeded, and that such provision in respect of payment of interest as provided in this Agreement shall be regarded as an independent and not an ancillary covenant, and shall be enforceable and binding on the Borrower notwithstanding that the Bank have demanded repayment of the principal sum and/or the relationship of banker-customer has ceased for whatsoever reason.
- (g) In the event of late payment of any part of the principal moneys and/or interest (amount overdue), additional interest on the amount overdue shall be charged at One per centum (1%) per annum over the applicable rate or such other amount as determined from time to time by the Bank from the due date of such payment until date of payment and will be payable by the Borrower to the Bank and if remaining unpaid, shall be debited from the Borrower's current/savings account or a

disbursement/suspense account to be opened by the Bank for this purpose, and all covenants and provisions contained in this Agreement and all powers and remedies conferred by law or by this Agreement in relation to the principal sum and interest thereon shall equally apply to such additional interest.

- (h) Until final payment (including the period from the date of Order for Sale to date of final satisfaction) of the sums hereby secured, the Borrower will pay interest on such sums at the aforesaid rate including the additional rate and as computed in the manner herein contained in this Agreement as well as before any Court Order or Judgment and as well after as before any termination of the relationship of banker and customer.

Section 4.04 Repayment and Instalments

- (a) Until demand is made in the manner as hereinafter provided, the Borrower shall repay the Facilities/Loan by way of equal instalments (inclusive of interest) in the amount as set out in, and in accordance with the provisions of, the Letter of Offer, to be debited from the Borrower's current account on or before the 26th day of each month or at fortnightly interval (depending on the applicable repayment frequency as stated in the Letter of Offer) commencing EITHER one (1) month or fourteen (14) days (depending on the applicable repayment frequency) after full drawdown of the Facilities/Loan, provided that full drawdown has taken place within the Availability Period, OR on a date after expiry of the Availability Period as shall be fixed by the Bank, if full drawdown has not taken place by the expiry of the Availability Period.
- (b) If the loan repayment is not effected upon the first drawdown of the Facilities/Loan, the Borrower shall service interest only, pending full drawdown of the Facilities/Loan, which is calculated and accrued on a daily basis (i.e. by applying the actual number of days in the month and in the year) at the aforesaid prescribed rate on the drawn down portion of the Facilities/Loan, by way of debiting the Borrower's current account or any other account(s) to be opened by the Bank for this purpose on or before the 26th day of every month commencing in the calendar month immediately after the date of first draw down. Notwithstanding the right of the Bank to debit the Borrower's account, the Borrower is obliged to service interest as stated and the failure and/or refusal to so service interest shall constitute an event of default which shall entitle the Bank to recall the Facilities/Loan.
- (c) Instalments received shall be credited first towards payment of interest due on the outstanding Facilities/Loan and the balance in reduction of the outstanding principal under the Facilities/Loan.
- (d) No part of the instalment paid by the Borrower or any other payment which the Borrower may make to the Bank hereunder shall be deemed to be a repayment of the principal until all interest due to the Bank has been paid.
- (e) The Bank may (but is not obliged to), allow the Borrower the option to commence payment of the instalments pending the full drawdown of the Facilities PROVIDED ALWAYS that the Bank has received the Borrower's request in writing and that the Bank has given its approval in writing to the Borrower.

Section 4.05 Rescheduling

- (a) The Bank may (but is not obliged to), subject to any arrears in repayment or interest payment being paid and with the Bank's approval, allow the Borrower up to a maximum of **three (3)** requests to restructure the repayment amount during the tenure of the Facilities/Loan subject to:-
- (i) the Borrower's payment of all arrears and other sums due and payable hereunder and under the Security Documents;
 - (ii) there being no event of default having occurred or likely to occur as a result of the rescheduling;
 - (iii) Bank Negara Malaysia's prevailing guidelines / regulations, as may be amended from time to time;

- (iv) the overall repayment period does not exceed **twenty (20) years**;
- (v) payment of a non-refundable Rescheduling Fee of RM200.00 per application for rescheduling payable upon submission of the application. (However, this Rescheduling Fee shall not apply if the Borrower is an individual or a “small and medium enterprise” within the National SME Development Council’s definition.)

Section 4.06 Prepayment

Notwithstanding any provision for any payment by instalments, the Borrower may prepay the Facilities/Loan in whole or part thereof by giving the Bank three (3) months’ prior written notice of intention to prepay or by paying three (3) months’ interest in lieu of notice PROVIDED THAT:-

- (a) Prepayment whether partially or in full is prohibited during the Locked-In Period as prescribed in the Letter of Offer (i.e. the prescribed number of years from the date of first drawdown) (“the Locked-In Period”) and at any time before full drawdown of the Facilities/Loan;
- (b) In the event of the Borrower cancels the Facilities/Loan at any time after the date of acceptance of the Letter of Offer, or fully or partially prepays the Facilities/Loan within the Locked-In Period or at any time before full drawdown of the Facilities/Loan, the Borrower shall, unless otherwise waived partially or fully by the Bank, further pay to the Bank on demand an early payment compensation sum of three per centum (3%) flat on the original Facilities/Loan amount or Ringgit Malaysia Five Thousand Only (RM5,000.00) (whichever is higher). The levying and/or payment of the early payment compensation sum shall not prejudice the Bank’s right to take such action and avail of such remedies conferred by law and hereunder to recover all monies due and owing by the Borrower to the Bank;
- (c) In the event that a partial prepayment is effected which necessitates a rescheduling of Facilities/Loan repayment (subject to the Rescheduling clause above), the Bank shall charge a non-refundable Rescheduling Fee of RM200.00 per rescheduling effected, payable at the same time as the prepayment. (However, this Rescheduling Fee shall not apply if the Borrower is an individual or a “small and medium enterprise” within the National SME Development Council’s definition).
- (d) In the event the Borrower prepays part of the Facilities/Loan, the amount prepaid shall be applied by the Bank firstly, against arrears in repayment, and secondly, against the monthly instalments due in the inverse order of their maturity.

ARTICLE V
Further provisions relating to the Facilities

Section 5.01 Capitalisation of Interest

Subject to the provision of Section 4.04 hereof, the interest and additional interest on any principal money, interest, commission, bank charges and other moneys whatsoever for the time being owing under the Facilities/Loan including capitalised arrears of interest shall at the end of each month be capitalised and added for all purposes to the principal sum then owing, and shall, from thereon, bear interest at the applicable rate and be secured and payable accordingly whether before or after a court order or judgment or demand for payment has been made on the Borrower, and all the covenants and conditions contained in or implied by these presents and all rules of law or equity in relation to the principal sum and interest shall equally apply to such capitalised arrears of interest and to interest on such arrears, and such provision in respect of payment of interest as provided herein this Section shall be regarded as an independent and not an ancillary covenant and shall be enforceable and binding on the Borrower notwithstanding that the relationship of banker and customer between the Bank and the Borrower have ceased for any reason whatsoever.

Section 5.02 Ascertaining limit

For the purposes of ascertaining whether the limit of the principal intended to be hereby secured has been exceeded or not, all accumulated and capitalised interest shall be deemed to be interest and not principal

sum.

Section 5.03 Further Advances

The Bank may, at its discretion from time to time at the request of the Borrower, advance to the Borrower such further sum or sums of money as the Bank may deem fit, and such sum or sums so advanced with interest thereon as stipulated by the Bank shall form part of the money hereby secured.

Section 5.04 Suspense Account And Appropriation of Payments

- (a) Any money received hereunder may be placed and kept for the credit of a suspense account for so long as the Bank thinks fit without any obligation in the meantime to apply the same or any part thereof in or towards discharge of any money or liabilities due or incurred by the Borrower to it. Notwithstanding any such payment in the event of any proceedings in or analogous to bankruptcy, liquidation, composition or arrangement the Bank may prove for and agree to accept any dividend or composition in respect of the whole or any part of such money and liabilities in the same manner as if this Agreement had not been created.
- (b) In addition to the foregoing provision, the Bank shall be entitled to apply any payments made by the Borrower under this Facilities towards payments of interest, profit, principal or any other amount then owing, due and payable to the Bank, in such proportions and order of priority and generally in such manner as the Bank may determine.

ARTICLE VI
Security

Section 6.01 Covenants Relating to the Securities

For better securing the Facilities, interest thereon, and all other moneys owing and payable hereunder, the Borrower shall, in addition to this Agreement, simultaneously with the execution of this Agreement, do or cause the following to be done:-

- (a) execute a Charge under the Land Code over the said Property in favour of the Bank as security;
- (b) cause the Security Party to execute the Personal Guarantee/ the Joint and Several Guarantee/the Corporate Guarantee (as the case may be) in the form and substance acceptable to the Bank as security (if applicable);
- (c) execute such other documents and securities in favour of the Bank as the Bank may from time to time require, in such form and substance acceptable to the Bank;

PROVIDED ALWAYS that notwithstanding the Security Documents or any other provisions of this Agreement, the Borrower shall and hereby undertakes to continue to observe, perform and be bound by all whatsoever conditions, covenants and stipulations therein on the part of the Borrower expressed and contained in the Sale and Purchase Agreement, and the Borrower shall at all times hereafter save harmless and keep the Bank indemnified against all actions, proceedings, damages, penalties, costs, claims and demands by reason or on account of any misfeasance or non-observance of all or any of the stipulations on the part of the Borrower contained in the Sale and Purchase Agreement.

Section 6.02 Restriction against other charges

- (1) The Borrower hereby declares that there is no mortgage, charge, debenture, pledge, lien, assignment or other form of security upon the said Property having priority rights or pari passu¹ rights with the Security Documents.
- (2) The Borrower shall not, during the continuance of this Agreement, sell, charge, mortgage, assign, execute any form of debenture (whether fixed or floating), pledge or lien, lease, or agree to lease, let or part with the possession of the said Property or any part thereof, or raise money on the

¹ "Pari Passu" means equally without preference.

security of the Borrower's rights in the said Property, or deal with the same in any manner whatsoever, without the prior written consent of the Bank having been obtained. It is hereby expressly agreed and declared that the provisions of Section 251 of the National Land Code 1965² (if the said Property is subject to the National Land Code 1965) shall not be applicable to the Charge over the said Property.

- (3) The Security Documents shall be without prejudice to any security already given by the Borrower to the Bank or any security which may hereafter be given to the Bank by the Borrower whether the same be for securing repayment of the principal amount and interest thereon or any part thereof or any other money covenanted to be paid herein and whether such security is taken as additional or collateral security or otherwise howsoever.

Section 6.03 Continuing Security

The security created under the Security Documents is hereby expressly declared to be and shall be a continuing security for the due payment to the Bank of all moneys and liabilities whatsoever agreed to be paid and/or intended to be hereby secured under the Security Documents together with interest including any expenses and charges arising out of or in connection with the acts or matters referred to in the Security Documents, and is to be in addition to, and without prejudice to, any other security which the Bank may now or subsequently hold in respect of such moneys and liabilities. The Bank may at any time give up, deal with, vary, exchange or abstain from perfecting or enforcing any other such security or securities at any time and discharge any party to them or any of them, as the Bank may think fit without in any way affecting or prejudicing the security given hereunder.

Section 6.04 Covenant to provide further security

- (1) The Borrower shall at any time if and when required by the Bank, execute in favour of the Bank or as the Bank shall direct, such further legal or other charges, pledges, liens, assignments or agreements as the Bank shall require, and on all the Borrower's estate right, title and interest in any properties or assets or business now belonging to or which may hereafter be acquired by or belong to the Borrower (including any vendor's lien), to secure all moneys and liabilities hereby agreed to be paid or intended to be hereby secured; And such charges, pledges, liens, assignments or agreements shall be prepared by or on behalf of the Bank at the cost of the Borrower and shall contain an immediate power of sale without notice and all other clauses for the benefit of the Bank as the Bank may reasonably require.
- (2) The Borrower shall at any time if and when required by the Bank, deposit with the Bank the documents of title for any or all immovable properties vested in the Borrower for any tenure and any debentures, shares, stocks or other investments or securities registered in the name of the Borrower or otherwise belonging to the Borrower. Such deposit may be by way of collateral security for the repayment of moneys and liabilities hereby secured and may also or otherwise be for the purpose of securing any other moneys owing to the Bank and not secured hereby.

ARTICLE VII
Conditions Precedent

Section 7.01 Conditions Precedent

The obligation of the Bank to make the Facilities available to the Borrower shall be subject to the fulfilment in manner satisfactory to the Bank, of the following conditions precedent:-

- (a) this Agreement and the Security Documents shall have been duly executed by the Borrower, stamped and where required under law duly registered with the appropriate registries, and all of which shall have been duly completed to the Bank's satisfaction;
- (b) all stamp duties, registration fees and legal fees in respect of this Agreement and the Security

² Section 251 of the National Land Code provides that, in respect of any charges created under the National Land Code, there shall be an implied agreement by the chargee that it will not (without reasonable cause) withhold its consent to the granting of any lease or tenancy by the chargor.

Documents and costs, expenses and other incidental disbursements relating thereto, have been fully paid and settled, and where applicable, have been deposited with the Bank's Solicitors;

- (c) no misrepresentation or breach of warranty made to the Bank, express or implied, has occurred;
- (d) no event of default, and no event which with the giving of notice or lapse of time would constitute an event of default, shall have occurred or is continuing;
- (e) the Bank shall have received a written confirmation from the Vendor that the difference between the purchase price and the Facilities/Loan has been fully paid;
- (f) the Bank shall have received all documents, opinions, certificates or evidence of authorisations as the Bank shall require.

Pending the fulfilment in manner satisfactory to the Bank of the conditions precedent stipulated in this Agreement, the Bank is entitled to terminate the Facilities or suspend the availability of the Facilities or any part thereof.

Notwithstanding the above, these conditions precedent are for the sole benefit of the Bank, and may be waived by the Bank without prejudice to its rights herein or in any Security Documents. Any waiver shall not preclude the Bank from demanding that a waived provision be complied with or remedied subsequently. Waiver of a condition precedent shall not mean waiver of any other condition precedent or term.

Section 7.02 Performance of Covenants

The obligation of the Bank to make available the Facilities to the Borrower shall also be subject to the following conditions:-

- (a) the Bank is satisfied that no event has occurred so as to render the Facilities or any part thereof to be immediately repayable, and no event of default under any agreement or arrangement referred to in this Agreement shall have happened and be continuing;
- (b) no extraordinary circumstance or change of law or other governmental action shall have occurred which shall make it improbable that the Borrower will be able to observe and perform the covenants and obligations on its part to be observed and performed under the Security Documents.

ARTICLE VIII Borrower's Undertakings

Section 8.01 Borrower's Undertakings

The Borrower further undertakes, covenants and agrees with the Bank as follows, namely:-

- (a) that the title to the said Property is good, valid and subsisting, and that any charges, rates and taxes relating to the said Property have been paid, and any other terms, covenants, conditions and obligations relating to the said Property to be performed and observed by the Borrower have been duly paid, performed and observed up to the date hereof; And that the Borrower has good right and title to execute the Charge in the manner aforesaid free from all encumbrances save as may be specified in this Agreement;
- (b) to pay the quit rent, assessment, rates, taxes and all other outgoings whatsoever payable from time to time in respect of the said Property as and when the same shall become due and payable, and in default whereof, the Bank may (but is not under any obligation to) pay the same or any part thereof, and all monies expended by the Bank together with interest thereon at the rate stipulated herein or such other rate that the Bank may with notice charge from the date of such payments shall on demand be paid to the Bank by the Borrower, and until payment shall be debited from the Borrower's current/savings account or a disbursement/ suspense or any other account to be opened by the Bank for this purpose, and shall be secured by the said Property in addition to the monies hereby secured, with the same priority and with interest at rate stipulated herein or such other rate that the Bank may with notice charge;

- (c) to insure and keep insured the buildings now or hereinafter to be erected on the said Property and all machinery, plant and equipment therein, against loss or damage by fire, riot, civil commotion, malicious damage and such other risks as the Bank may require up to the full insurable value thereof with a licensed and reputable insurance company in the joint names of the Borrower and the Bank, and the Borrower will pay all premiums in respect thereof and deliver to the Bank all receipts in respect thereof and the policy or policies of such insurance. All moneys which may be received by virtue of any such policy shall either be applied to make good the loss or damage in respect of which the same may have been received or (at the option of the Bank and without prejudice to any obligations in the policy of insurance or to any obligations having priority to the obligations imposed by this Agreement and the Charge) be applied in or towards the discharge or reduction of the moneys for the time being hereby secured. The Borrower shall hold all moneys so received on such insurance in trust for the Bank and the Bank may receive and give a good discharge for all such moneys. If default is made in effecting, maintaining or renewing any such insurance as aforesaid, it shall be lawful but not obligatory upon the Bank to insure and keep insured the same, and all moneys so expended shall be repaid by the Borrower on demand and until payment shall be debited from the Borrower's current/savings account or to a disbursement/suspense or other account to be opened by the Bank for this purpose, and shall be a charge on the said Property in addition to the moneys hereby secured with the same priority and with interest at the rate provided in this Agreement;
- (d) to maintain the said Property in a proper manner and to allow the Bank at all reasonable times to enter upon the said Property to view and inspect the state of maintenance, and to keep and maintain the said Property and structures and fixtures affixed to the said Property in good and tenantable repair and condition, provided that if the Borrower shall commit a breach of any of the covenants contained in this Section, it shall be lawful for (but not obligatory upon) the Bank to make such repairs as deemed necessary, PROVIDED THAT in doing so, the Bank shall not be deemed to have taken possession of the said Property, and all monies so expended shall be repaid by the Borrower on demand, and until payment shall be debited from the Borrower's current/savings account or a disbursement/suspense or any other account to be opened by the Bank for this purpose, and shall be secured by the said Property in addition to the monies hereby secured with the same priority and with interest at the aforesaid prescribed rate or such other rate that the Bank may at its sole discretion charge;
- (e) not to alter the said Property or pull down or remove any building or fixture now or at any time hereafter erected on or affixed to the said Property or any part thereof without the consent in writing of the Bank, and will forthwith replace or make good the same if such alteration, pulling down or removal was done without prior written consent of the Bank. If it is intended that there is to be erected any new building or buildings on the said Property or that the moneys are to be utilised for the purposes thereof, the Borrower shall complete the erection of such building or buildings in accordance with the approved plans or such amendments thereof as may have been agreed to in writing by the Bank, and shall complete the erection thereof so as to comply with all requirements of any municipal, other competent authority or authorities;
- (f) to comply with and observe all the conditions, restrictions and category of land use (express or implied) imposed upon or affecting the said Property or to which the said Property is subject to, as well as the provisions of any Act of Parliament Ordinance or Enactment for the time being in force and of any rules or order made thereunder, pertaining to the said Property;
- (g) not to transfer, sell, charge or otherwise deal with the said Property or any part thereof or any interest therein or subject the same to any charge, encumbrance, liability or lien or make any application for the alteration of land use or for the imposition of any fresh category of land use in respect of the said Property or for rescission, removal or amendment of any condition or restriction affecting the said Property, without the written consent of the Bank;
- (h) not to lease or let out or grant any licence or otherwise howsoever part with the possession or make or accept the surrender of any lease whatsoever of or in respect of the said Property or any part thereof to any person, firms or companies without the consent in writing of the Bank which consent may be given (if the Bank so decides) on such terms and conditions as the Bank deems fit;

- (i) not to use the said Property, or suffer the same to be used, for purposes other than those for which the same has been built, nor to store or bring upon the said Property any articles of a combustible inflammable or dangerous nature, nor to do or permit or suffer to be done anything by reason whereof any policy or policies of insurance may be rendered void or voidable;
- (j) to inform the Bank in the event that the said Property or any part thereof shall at any time become the subject matter of or be included in any notice, notification or declaration concerning or relating to acquisition by government or any government authority or any enquiry or proceedings in respect thereof and forward to the Bank a copy or copies of any notice, notification or declaration as soon as the same shall be delivered to or served on the Borrower. The Bank shall be entitled at the expense of the Borrower to engage such advisers and agents (including solicitors and valuers) as it may think fit for the purposes of appearing or attending at or advising upon any enquiry affecting, concerning or relating to any such acquisition. All monies received as compensation for the acquisition of the said Property or any part thereof shall be applied in or towards the discharge or repayment of any money or liability due under this Agreement and secured by the Charge. The Borrower declares that he/she/it shall hold all monies so received in trust for the Bank and the Borrower agrees that the Bank may receive and give a good discharge for all such monies;
- (k) to keep the Bank indemnified against all actions, suits, claims, costs, fines and expenses which may be incurred, sustained on account of the non-payment of any property, tax, rates, charges, outgoings and impositions or any part thereof or which may arise from the ownership, occupation, use or enjoyment of the said Property by the Borrower or the occupants thereof or the breach or non-performance of the covenants, obligations and agreements herein contained;
- (l) to provide the Bank with copies of all notices to or from all relevant government authorities or notices or information given by the Vendor or the developer relating to the said Property not later than seven (7) days of the service of such notices by or on the Borrower and to comply with all governmental and other legal requirements and notices whether statutory or otherwise in respect of the said Property;
- (m) to allow the Bank to employ an agent or agents or any other person or persons from time to time to inspect the said Property and to make good a report thereon. The Borrower shall bear all costs and expenses incurred (to the extent not restricted by any laws or regulations).

ARTICLE IX
Right to Inspect

Section 9.01 Right To Inspect

Until the full payment of the monies hereunder secured, the Bank, and its employees and/or agents shall be allowed to inspect for purposes of valuing the said Property once every two (2) years, or such other period of time as determined by the Bank and the Borrower shall provide all assistance required by the Bank to facilitate the valuation exercise, including granting to the Bank and its employees/ agents access to the said Property and all related documents required by the Bank.

All costs and expenses incurred relating to this inspection and valuation shall be borne by the Borrower (to the extent not restricted by any laws or regulations) and shall be repaid by the Borrower to the Bank on demand or be debited from the Borrower's current/ savings account or to a disbursement/ suspense or any other account to be opened by the Bank for this purpose, and shall be secured with the same priority and with interest at the rate stipulated herein or such other rate as notified by the Bank.

ARTICLE X
Events of Default

Section 10.01 Repayment on demand

- (1) Without prejudice to the Bank's customary overriding right of repayment on demand, the Facilities may be immediately suspended or terminated with notice, and the whole of the principal moneys or the balance thereof for the time being outstanding under the Facilities, together with interest

thereon at the applicable rate and any other moneys and liabilities due and owing by the Borrower to the Bank in respect of the Facilities and covenanted to be paid by the Borrower under the Security Documents, shall become due and immediately repayable and the security created under the Security Documents shall become enforceable in any one or more of the following events:-

Where the Borrower is a company or limited liability partnership

- (a) if the Borrower defaults in the payment of any sum due under the Facilities (whether instalments, interest or otherwise); or
- (b) if the Borrower has given incomplete, misleading or incorrect material information to the Bank in relation to procuring the provision or continued provision of the Facilities, or if any of the Borrower's declarations, representations or warranties shall be untrue or incorrect or the Borrower's account is conducted in an unsatisfactory manner or any part of the Facilities is not used for the purpose granted; or
- (c) if the Borrower fails to observe or perform any of its covenants, undertakings or obligations to the Bank; or
- (d) if a petition is presented and not withdrawn or stayed by an order of Court within a period of **thirty (30) days** of its presentment or an order is made or resolution passed for the Borrower's winding-up, dissolution or liquidation; or
- (e) if the Borrower is unable to pay its debts, or suspends payment or commences a meeting for the purpose of making or proposing and/or entering into any composition or arrangement with or for the benefit of its creditors; or
- (f) if a judicial manager, trustee, receiver or other similar officer is appointed over the whole or any part of the Borrower's assets or undertaking, or if distress or any form of execution action is taken or enforced against any of the Borrower's assets; or
- (g) if the Borrower ceases or threatens to cease to carry on business, or disposes or threatens to dispose of the whole or a substantial part of its undertaking or assets, or changes or intends to change the nature or scope of its business as is now conducted; or
- (h) if for any reason any guarantee or security given for the repayment of the Facilities shall be challenged, terminated or lapse for any reason whatsoever, or in the Bank's opinion be in jeopardy, or if the guarantor or security provider shall be in default under the terms of such guarantee or security, or dies or becomes of unsound mind, or is wound up or commits any act of bankruptcy or similar, or if the guarantor's or security provider's indebtedness to the Bank, its wholly-owned subsidiary or any third party or parties becomes capable in accordance with the relevant terms thereof of being accelerated in repayment or declared due prematurely by reason of default or failure to make any payment in respect thereof on the due date for each payment or if due on demand when demanded, or the security for such indebtedness becomes enforceable; or
- (i) if the Borrower alleges that all or a material part of these terms or any Security Documents have ceased to be of full force or effect; or
- (j) if any other indebtedness of the Borrower to the Bank, its wholly-owned subsidiary or any third party or parties becomes capable, in accordance with the relevant terms thereof of being accelerated in repayment or declared due prematurely by reason of the Borrower's default or the Borrower's failure to make any payment in respect thereof, on the due date for each payment or if due on demand when demanded, or any security for such indebtedness becomes enforceable; or
- (k) if the Borrower or any other party to the sale and purchase agreement commits or threatens to commit a breach of any term, stipulation, covenant or undertaking contained in such agreement or if a petition is presented for the winding-up of the developer of the said Property (where applicable) being financed, or in the Bank's opinion, the said

Property is in jeopardy of not being completed and/or not being issued with the certificate of fitness for occupation / certificate of completion and compliance; or

- (l) if the Borrower, any security provider or a related company (as defined in the Companies Act 2016, namely its holding company or its subsidiary or another subsidiary of its holding company) is under investigation by any regulatory authority, whether within or outside Malaysia from time to time; or
- (m) if in the Bank's opinion, there is any change or threatened change in circumstances, which would materially and adversely affect the Borrower's business or financial condition or the ability to perform its obligations under this Agreement or any other agreement with the Bank, including any change or threatened change in its substantial shareholders or directors; or
- (n) if in the Bank's opinion, there is any change or threatened change in circumstances, which materially and adversely affect the ability of any guarantor or security provider to perform its obligations under any security given to the Bank; or
- (o) if any applicable law or regulations or their interpretation or application is amended or changes, making it unlawful for the Bank to comply with its obligations herein or to allow the Facilities to continue to be outstanding; or
- (p) in the Bank's opinion, circumstances have arisen, which materially and adversely affect the reputation of, and/or otherwise bring negative publicity to, the Bank or HSBC Group, by reason of the provision or continued provision of the Facilities; or
- (q) if any one or more of the Events of Default specified in the annexure to the Charge shall occur and is continuing.

Where the Borrower is a sole-proprietor or partnership

- (a) if the Borrower defaults in the payment of any sum due under the Facilities (whether instalments, interest or otherwise); or
- (b) if the Borrower has given incomplete, misleading or incorrect material information to the Bank in relation to procuring the provision or continued provision of the Facilities, or any of the Borrower's declarations, representations or warranties shall be untrue or incorrect, or the Borrower's account is conducted in an unsatisfactory manner, or any part of the Facilities is not used for the purpose granted; or
- (c) if the Borrower fails to observe or perform any of its covenants, undertakings or obligations to the Bank; or
- (d) if the Borrower (as a firm, or any partner individually) is unable to pay its/his/her debts or suspends payment, or commences a meeting for the purpose of making or proposing and/or entering into any composition or arrangement with or for the benefit of its/his/her creditors; or
- (e) if the Borrower (as a firm, or any partner individually) is bankrupt, commits an act of bankruptcy, or has a petition presented against it/him/her for bankruptcy or for the appointment of a judicial manager, or a trustee, receiver or similar official for all or a substantial part of its/his/her assets, or if distress or any form of execution action is taken or enforced against any of its/his/her assets; or
- (f) if the Borrower ceases or threatens to cease to carry on business, or disposes or threatens to dispose of the whole or a substantial part of its undertaking or assets, or changes or intends to change the nature or scope of its business as is now conducted; or
- (g) if for any reason any guarantee or security given for the repayment of the Facilities shall be challenged, terminated or lapse for any reason whatsoever or in the Bank's opinion be

in jeopardy, or if the guarantor or security provider shall be in default under the terms of such guarantee or security, or dies, or becomes of unsound mind, or is wound up or commits any act of bankruptcy or similar, or if the guarantor's or security provider's indebtedness to the Bank, its wholly-owned subsidiary or any third party or parties becomes capable in accordance with the relevant terms thereof of being accelerated in repayment or declared due prematurely by reason of default or failure to make any payment in respect thereof on the due date for each payment or if due on demand when demanded, or the security for such indebtedness becomes enforceable; or

- (h) if the Borrower (as a firm, or any partner individually) alleges that all or a material part of these terms or any security document have ceased to be of full force or effect; or
 - (i) if any other indebtedness of the Borrower (as a firm, or any partner individually) to the Bank, its wholly-owned subsidiary or any third party or parties becomes capable in accordance with the relevant terms thereof of being accelerated in repayment or declared due prematurely by reason of the Borrower's default, or the Borrower's failure to make any payment in respect thereof on the due date for each payment or if due on demand when demanded, or any security for such indebtedness becomes enforceable; or
 - (j) if the Borrower or any other party to the sale and purchase agreement commits or threatens to commit a breach of any term, stipulation, covenant or undertaking contained in such agreement, or if a petition is presented for the winding-up of the developer of the Property (where applicable) being financed, or in the Bank's opinion, the Property is in jeopardy of not being completed and/or not being issued with the certificate of fitness for occupation / certificate of completion and compliance; or
 - (k) if the Borrower dies or becomes of unsound mind or is dissolved; or
 - (l) if the Borrower's ownership changes without having informed and obtained the Bank's prior written consent; or
 - (m) if in the Bank's opinion, there is any change or threatened change in circumstances which would materially and adversely affect the Borrower's business or financial condition or the ability to perform its obligations under this Agreement or any other agreement with the Bank, including any change or threatened change in its ownership; or
 - (n) if in the Bank's opinion, there is any change or threatened change in circumstances which materially and adversely affect the ability of any guarantor or security provider to perform its obligations under any security given to the Bank; or
 - (o) if any applicable law or regulations or their interpretation or application is amended or changes, making it unlawful for the Bank to comply with its obligations herein or to allow the Facilities to continue to be outstanding; or
 - (p) if in the Bank's opinion, circumstances have arisen which materially and adversely affect the reputation of, and/or otherwise bring negative publicity to, the Bank or HSBC Group, by reason of the provision or continued provision of the Facilities; or
 - (q) if any one or more of the Events of Default specified in the annexure to the Charge shall occur and is continuing.
- (2) A demand for repayment of the moneys secured under the Security Documents or the balance thereof, together with interest thereon and any other moneys and liabilities due as aforesaid under any of the provisions hereunder or any of the Security Documents, may be made by a notice in writing and be signed by the attorney, manager, assistant manager, or other officer of the Bank on behalf of the Bank or by any solicitor or firm of solicitors acting for the Bank, and such notice shall be deemed to have been sufficiently served on the Borrower or liquidator, as the case may be, if it is left at the address of the Borrower last known to the Bank or as specified herein or sent by registered post (not being AR Registered post) to such address, and if sent by registered post (not being AR Registered post) it shall be deemed to be given three (3) days after posting thereof.

- (3) A certificate signed by any officer of the Bank as to the moneys or liability for the time being due or owing or incurred to the Bank from the Borrower shall be accepted by the Borrower as conclusive evidence that the balance or amount thereby appearing is due or owing to the Bank from the Borrower.
- (4) If the Borrower shall fail to repay the whole amount due after expiry of the period stipulated in such notice of demand, the Bank shall be entitled forthwith to take all actions, including but not limited to the simultaneous commencement of action/actions to obtain judgment against the Borrower and/or any third party, and/or to proceed with the simultaneous enforcement of one or more security held by the Bank, to recover all monies due and owing to the Bank.

ARTICLE XI
Remedies

Section 11.01 Powers of Bank Upon Default

Upon default by the Borrower in the manner in Section 10.01 hereinbefore provided the Bank shall be entitled to exercise all or any of the following rights and powers :-

- (a) the right to institute proceedings and take any steps (including any proceedings for the realisation of its security under this Agreement and/or Security Documents) as it thinks fit;
- (b) the right to let, lease or demise the said Property or any part or parts thereof, for such tenancy or term of years at such rent and generally upon such terms as the Bank in its absolute discretion shall think fit, PROVIDED ALWAYS that the Bank may without prejudice to the right aforesaid continue to let, lease or demise the said Property to such occupants as shall have been consented to by the Bank and shall be entitled to collect all rentals or such increased rental, as the case may be, and other charges thereto notwithstanding any other provision of this Agreement;
- (c) the right and power to sell, transfer or assign the said Property at such price or prices (based on the market value as determined by a valuer on the Bank's panel) and in such manner and subject to such conditions (whether by public auction or by private treaty or contract) as the Bank shall in its absolute discretion think fit, free from any interest of the Borrower howsoever;
- (d) the right to apply any proceeds arising from the exercise of the above right(s) in or towards the satisfaction of the Facilities and all principal and interest, and other monies due to the Bank hereunder and under the Charge, and all costs of and occasioned by such exercise or right(s) (if any) after deduction of such principal and interest and other monies aforesaid, and all the costs (if any) occasioned by such exercise of right(s), and no assignee or purchaser from the Bank shall be concerned to ascertain whether or not any such default has actually arisen so as to entitled the Bank to exercise its rights under this Agreement and the Charge.

And the Borrower shall, and hereby expressly agrees, covenants and undertakes to do and execute all acts, deeds, instruments and things which the Bank may require or stipulate for the purpose of affecting and/or completing anything and/or any transaction mentioned in this clause.

Section 11.02 Proceeds of Sale

All moneys received by the Bank in pursuance of the exercise of the powers under Article XI hereof shall be applied in the following manner and order:-

- Firstly in payment of all costs, charges, expenses of, and incidental to, the enforcement of any security and the sale of the assets secured under the Security Documents and/or under any other security documents executed by the Borrower pursuant thereto, incurred by the Bank;
- Secondly in or towards payment to the Bank of all interest then accrued and remaining unpaid from the Borrower under the Security Documents;
- Thirdly in or towards payment to the Bank of the principal sum due and remaining unpaid from the Borrower secured by the Security Documents;

Fourthly in or towards payment to the Bank of all other moneys due and remaining unpaid under any or all of the Security Documents;

Fifthly any surplus shall be paid to the person or persons legally entitled thereto.

PROVIDED ALWAYS that, if the Bank shall be of the opinion that the security may prove deficient payments may be made to the Bank at its request on account of principal before interest, but such alteration in order of payment shall not prejudice its right to receive the full amount to which it would have been entitled if the primary order of payment had been observed or any lesser amount which the sum ultimately realised from the security may be sufficient to pay.

Section 11.03 Deficiency in Proceeds of Sale

If the amount realised by the Bank in pursuance of its powers under Article XI hereof, after deduction and payment from the amount so realised of all costs, charges, outgoings and expenses of or incidental to the exercise of such powers and the enforcement of any security held by the Bank, is less than the amount due to the Bank, the Borrower shall pay to the Bank the difference between the amount due and the amount so realised, and until payment will also pay interest on such balance at the applicable rate with daily rests until the date of payment thereof as well after as before any judgment or order of court.

ARTICLE XII
Insurance / Takaful

Section 12.01 Insurance / Takaful

The Borrower shall at all times throughout the duration of the Security Documents and at its expense, insure / protect and keep insured / protected the said Property against loss or damage by fire, and such other risks as the Bank may require up to the full insurable value thereof, with any licensed and reputable insurance company / takaful operator, and shall arrange with such insurance company / takaful operator to have the interest of the Bank as chargee / assignee noted thereon on the insurance policy or policies or takaful certificate(s) effected. The Borrower will pay all premiums / contributions in respect thereof and deliver to the Bank all receipts in respect thereof, and the policy or policies of such insurance or takaful certificate(s). All moneys which may be received by virtue of any such policy / certificate shall either be applied to make good the loss or damage in respect of which the same may have been recovered or (at the option of the Bank and without prejudice to any obligations in the policy of insurance / takaful certificate or to any obligations having priority to the obligations imposed by the Security Documents), or be applied in or towards the discharge or reduction of the monies for the time being hereby secured. The Borrower shall hold all moneys so received on such insurance / takaful in trust for the Bank, and the Bank may receive and give a good discharge for all such moneys. If default is made in effecting, maintaining or renewing any such insurance/ takaful as aforesaid, it shall be lawful for (but not obligatory upon) the Bank to insure / protect and keep insured, protected the same, and all moneys so expended shall be repaid by the Borrower on demand or be debited from the Borrower's current/savings/loan account or any other account(s) to be opened by the Bank for this purpose, and shall be a charge on the said Property in addition to the moneys hereby secured with the same priority and with interest at the aforesaid rate.

Section 12.02 Mortgage Reducing Term Assurance / Takaful Term Plan

The Borrower may take/sign up and maintain a mortgage reducing term assurance plan / takaful term plan, where the Borrower hereby agrees and undertakes to assign or procure that the Security Party, where applicable, assigns absolutely all rights, title, interest and benefits to the proceeds payable under the mortgage reducing term assurance plan / takaful term plan to the Bank, as further security, and the Borrower shall name, or procure that the Security Party shall name, the Bank as the sole beneficiary. The proceeds payable under the mortgage reducing term assurance plan / takaful term plan shall be applied by the Bank in the same manner and order as the application of the proceeds of sale as set out in Section 11.02 herein, as if such insurance / takaful proceeds were the proceeds of sale as described in Section 11.02 herein.

ARTICLE XIII
Other General Provisions

Section 13.01 Change in Law and Other Circumstances

Where the Bank determines that any new law or regulation or official directive of a competent authority, or any change in any existing law or regulation or official directive shall, or if any authority responsible for administering any such law or regulation or official directive maintains that such law or regulation or official directive shall:-

- (a) subject the Bank to any tax, levy, impost, duty, charge or fee (other than income tax or any other tax computed on or by reference to the profits or overall net income of the Bank) or deduction or withholding on or from any payment due or owing from the Borrower under the Security Documents; or
- (b) change the basis of taxation of the Bank on any payment due or owing from the Borrower under the Security Documents (except with respect to income tax or any other tax computed on or by reference to the profits or overall net income of the Bank); or
- (c) impose, modify or deem applicable any reserve, deposit or similar requirement against or against any class of or change in or in the amount of, any assets or liabilities of the Bank; or
- (d) impose on the Bank any other condition regarding the Security Documents, the Facilities or any part thereof; or

if the Bank complies with any direction or request (whether or not having the force of law) from any appropriate fiscal or monetary authority, and in consequence of any such event mentioned above:-

- (A) the cost to the Bank of, or consequent on making the Facilities available, or funding or maintaining the Facilities, is increased; or
- (B) the amount of principal or interest or other sums receivable by the Bank from the Borrower is decreased; or
- (C) the Bank makes any payment or foregoes any interest or other return on or calculated by reference to the gross amount of any sum received by it from the Borrower hereunder;

then and in any such case (provided that in each such case, the Bank considers such increase, decrease, payment or foregoing of interest or other return to be material, having regard to the requirement of the Bank to be compensated for any erosion of its margin or profit attributable to the Facilities or any part thereof, or attributable to its inability to employ funds which would but for the happening of such event have been receivable in respect of the Facilities or any part thereof at the time when the same would have been so receivable or attributable to the necessity of liquidating or employing deposits to effect or maintain the Facilities), the Bank shall notify the Borrower of the happening of such event and the Borrower shall forthwith, on demand made by the Bank, pay to the Bank such amounts as, with effect from the date on which the Borrower is notified, would compensate the Bank for such increase in cost or for such decrease or for such payment or foregone interest or other return. Without prejudice to the foregoing, the Borrower shall be at liberty, on any Business Day thereafter on giving not less than three (3) months' notice to the Bank, to prepay to the Bank on the date of expiration of such notice, the whole (but not part only) of the Facilities, together with all interest accrued thereon and other sums payable hereunder (if any) to the date of prepayment and together with all such amounts as may be necessary to compensate the Bank for any loss and expenses suffered or incurred by it, including but not limited to the costs of liquidating or re-employing deposits acquired or arranged to effect or maintain the Facilities up to and including the date of prepayment and discharge as aforesaid.

Section 13.02 Claim on Increased Cost

A claim or demand made under the preceding Section may be made before or after the end of a period to which such claim or demand relates and before or after any prepayment of all or part of the Facilities. An increased cost, reduced amount, payment or foregoing of interest or other return shall be an increased cost, reduced amount, payment or foregoing of interest or other return, respectively, for the purpose of the preceding sub-clause, notwithstanding that the payment or quantification thereof does not or cannot be made until after the expiry of the relevant period to which it may relate.

Section 13.03 Certificate Conclusive

The certificate of the Bank as to the amount of such increased cost, reduced amount, payment or foregoing of interest or other return, or any other matters referred to in this Section hereof shall set out the basis and calculation thereof and shall be binding on the Borrower save for manifest error.

Section 13.04 Consolidation and Combination of Account

It is expressly agreed and declared that, unless the Bank otherwise agrees, the Borrower shall not be entitled to redeem or require the release or discharge of any security given by the Borrower to the Bank and whether given now or hereafter, except on payment by the Borrower of not only all moneys referred to herein but also all moneys whatsoever and howsoever owing or payable or due from the Borrower to the Bank under any other account whether as a customer, borrower, guarantor, assignor, of howsoever or otherwise with the Bank, and without prejudice to the generality of the foregoing, it is hereby expressly agreed and declared that, unless the Bank otherwise agrees in writing, the security created herein shall not be terminated, except on payment:

- (a) of all the amount due and payable by the Borrower to the Bank hereunder and under the Security Documents; and
- (b) of all other moneys due and owing to the Bank by the Borrower under any account with the Bank whether or not and howsoever secured; and
- (c) of all moneys secured by any other security created by the Borrower or by any person through whom the Borrower claim in favour of or vested in the Bank.

The Bank further reserves the right at any time, with notice to the Borrower, to combine or consolidate all of the Borrower's accounts including jointly with others (of any nature whatsoever and wheresoever situate, whether in Ringgit Malaysia or in any currency) held with the Bank, and to place a hold on the credit balances in such accounts up to the amount due and payable by the Borrower to the Bank hereunder and under the Security Documents, and after seven (7) days' prior notice to the Borrower, to set-off or apply and transfer such credit balance (even if it involves uplifting and withdrawing any deposit/investment before maturity date and where necessary, converting the same into Ringgit Malaysia at the prevailing spot rate of exchange on the day of conversion) in or towards satisfaction of the amount due and payable to the Bank.

Section 13.05 All Payments Received To Be Payment In Gross

All moneys received by the Bank from the Borrower capable of being applied in reduction of the moneys hereby secured shall be regarded for all purposes as payment in gross, and if a receiving order shall be made against the Borrower, or an order shall be made, or an effective resolution shall be passed, for the winding-up of the Borrower, the Bank may prove for the whole of the moneys then owing and no moneys received under such proof shall be considered as received in respect of this Agreement but the full amount owing shall be payable until the Bank has received from all sources one hundred sen in the Ringgit, and if the amount ultimately received by the Bank exceeds the balance owing to the Bank, the excess only over such balance shall be repaid to the Borrower on whose account the same shall have received by the Bank.

Section 13.06 Modification and indulgence

The Bank may at any time and without discharging or in any way affecting the security hereby created and with notice (where applicable) to the Borrower at any time:-

- (a) vary, cancel, change, split, consolidate or merge, the form of the Facilities given to the Borrower so as to convert the existing facility or Facilities, or cancel one or two or more existing facilities, or create two or more separate facilities from an existing facility. Provided Always that, in respect of the different facilities, the Bank may arrange at any time or from time to time to charge a different interest rate for each facility or facilities and the covenant as to the rate of interest (including the penalty interest rate) and its variation shall be construed and shall be applied to accommodate the different interest rates and penalty interest rate chargeable to each kind of facility given to the Borrower by the Bank and secured hereunder;
- (b) vary the applicable rate (including the additional rate) without variance of the form of the Facilities;
- (c) vary, exchange or lease the said Property secured under the Security Documents or any other securities held or to be held by the Bank for or on account of the moneys hereby secured or any part thereof;
- (d) renew bills, promissory notes or other negotiable securities, in any manner and compound with give time for payment to accept compositions from or grant any other indulgence to, or make any other arrangements with the Borrower or any person liable on bills notes guarantees or other securities held or to be held by the Bank for or on behalf of the Borrower;
- (e) give time for payment of any bills of exchange, promissory notes or other securities which may have been discounted for or received on account from the Borrower by the Bank, or on which the Borrower shall or may be liable as drawer or indorser or otherwise to any parties liable thereon or thereto, as the Bank shall in its discretion think fit;
- (f) release and deliver to the Borrower any goods or documents of title to or representing or relating to goods against trust receipts or otherwise;
- (g) deal with exchange release or modify or abstain from perfecting or enforcing any securities or other guarantees or rights which the Bank may now or hereafter have from or against the Borrower or any other person;
- (h) accept payment of the moneys due or becoming due hereunder by such increased or decreased instalments as shall from time to time be agreed to by the Bank, or to agree to suspend payments in reduction of the principal or give time for the payment of moneys due or becoming due hereunder, or to grant such indulgences as from time to time in the absolute discretion of the Bank.

Section 13.07 Reconstruction of the Bank and/or the Borrower

The security liabilities and/or obligations created by the Security Documents shall continue to be valid and binding for all purposes whatsoever, notwithstanding any change by amalgamation, reconstruction or otherwise which may be made in the constitution of the Bank. Similarly the security, liabilities and or obligations created by the Security Documents shall continue to be valid and binding for all purposes whatsoever, notwithstanding any change by amalgamation, reconstruction or otherwise howsoever in the constitution of the Borrower and/or the Security Party, and it is expressly declared that no change of any sort whatsoever in relation to or affecting the Borrower and/or the Security Party shall in any way affect the security, liabilities and/or obligations created hereunder in relation to any transaction whatsoever whether past, present or future.

Section 13.08 Irregularity In Borrowing

The security, liabilities and/or obligations created by the Security Documents shall continue to be valid and binding for all purposes, notwithstanding that the borrowing or incurring of any liabilities may be invalid or in excess of the powers of the Borrower or agent or other person acting or purporting to act on the Borrower's behalf.

Section 13.09 Waiver

No failure or delay on the part of the Bank in exercising, or omission to exercise, any right, power, privilege or remedy accruing to the Bank under the Security Documents, upon any default on the part of the

Borrower, shall impair any such right, power, privilege or remedy or be construed as a waiver thereof or an acquiescence in such default; nor shall any action by the Bank in respect of any default or any acquiescence in such default, affect or impair any right, power, privilege or remedy of the Bank in respect of any other antecedent or subsequent default.

Section 13.10 Upstamping of this Agreement

In the event the total moneys and liabilities due and owing to the Bank hereunder (not including accrued interest, commission, banker's charges, legal and other costs, charges and expenses) shall at any time exceed the principal limit or the limit for which this Agreement and the security created pursuant thereto shall for the time being have been stamped to secure, the Bank shall be at liberty at any time to upstamp this Agreement and the security created herein for the excess amount, and such moneys paid and expended by the Bank shall be repayable on demand by the Borrower and until paid be debited from the Borrower's loan or current account or any other account(s) to be opened by the Bank for this purpose, and shall be secured under the Security Documents in addition to the moneys hereunder secured with the same priority and with interest at the applicable rate.

Section 13.11 No obligation to continue advance

Nothing in these presents shall be deemed either by law or in equity to render it obligatory upon the Bank to make or continue to make any advance or grant credit under the Facilities to the Borrower if the Bank considers it inadvisable to do so. The Bank further reserves the right to periodically review the Facilities granted and secured hereunder and to alter the nature and limits of the different types of credit facilities thereunder granted to the Borrower, and such altered facilities shall continue to be secured in the same way by the Security Documents.

Section 13.12 Liens and other securities not affected

Nothing herein contained shall prejudice or affect any lien to which the Bank is entitled, or any other securities which the Bank may at any time or from time to time hold for or on account of the moneys hereby secured, nor shall anything herein contained operate so as to merge or otherwise prejudice or affect any bill, note, guarantee, mortgage or other security which the Bank may for the time being have for any money intended to be secured under the Security Documents or any right or remedy of the Bank hereunder.

Section 13.13 Bank may assign

The Bank shall be at liberty at any time (with notice to the Borrower, to the extent it is required by law) assign all its rights, interests and obligations or any part thereof to such person or corporation as it shall deems fit provided always that the interests and obligations of the Borrower are not adversely affected in any material respect by such assignment on the date of assignment; And upon any such assignment, the assignee shall assume and be entitled to the rights and interests and obligations of the Bank comprised in this Agreement and in the Security Documents as if the assignee had been the party to this Agreement and the Security Documents in place of the Bank.

Section 13.14 Liabilities in respect of the said Property

The Borrower acknowledges that, notwithstanding that the Bank shall or may at any time or from time to time hold the said Property as chargee / assignee, the Borrower shall, and hereby expressly agrees, covenants and undertakes to:-

- (a) be responsible for and to pay to the Government or any local or other authority all charges due and outgoings whatsoever, whether by way of fines, premiums, assessments, rates, quit rents, stamp duty, registration fees or any other charges, fees or impositions whatsoever and however payable in respect of the said Property or in connection with the issue of any document of title to the said Property; and
- (b) indemnify the Bank against all claims, demands, actions, fines, penalties and legal proceedings whatsoever made against or charged or imposed upon the Bank by the Government or any local or other authority or any person or body or corporation whatsoever arising from or in connection with any act done or omission omitted to be done by any person whomsoever (other than the Bank)

in or on or in respect of or pertaining to the said Property.

Section 13.15 Death of Party (if applicable)

In the case of the death of the Borrower and until receipt by the Bank of notice in writing of the grant of probate of the will or administration of the estate of the deceased, any notice or demand by the Bank sent in the manner provided for in this Agreement to the aforesaid address to the deceased or his personal representatives at the deceased's last known address, or as stated herein this Agreement, shall for all purposes be deemed to be sufficient notice or demand by the Bank to the deceased and his personal representatives, and shall be as effectual as if the deceased was still living.

Section 13.16 Severability of Provisions

Any provisions or term of this Agreement which is prohibited or unenforceable by law shall be ineffective to the extent only of such prohibition or unenforceability without invalidating or affecting the remaining provisions or terms hereof or affecting the validity or enforceability of such provision or term in any other jurisdiction where such a provision is valid.

Section 13.17 Custody of Documents

So long as any monies shall be owing by the Borrower to the Bank and during the continuance of this Agreement, the Bank shall have the custody and possession of, the original Issue Document of Title to the said Property, registered duplicate Charge, and of all other whatsoever documents evidencing any title to or right in the said Property or any benefits or rights annexed appurtenant or relating thereto or in any way connected therewith.

Section 13.18 Irrevocable right to debit Account

The Borrower hereby agrees that, without prejudice to any other rights and remedies of the Bank, the Bank shall have the right (without being obliged to) at any time and with notice to debit the Borrower's current or other account or accounts with the Bank and/or to debit the balance of unpaid monthly instalments, the costs and expenses referred to in this Agreement and all other monies due on the Facilities and under this Agreement and the Security Documents, Provided That, no such debiting shall be deemed to be a payment of the amount due (except to the extent of any amount in credit in the Borrower's current or other account or accounts) or a waiver of any event of default under this Agreement or any other agreement relating to the banking facilities. If such debiting causes the Borrower's account or accounts to be overdrawn, the rate payable in respect of such overdrawn account(s) as specified in the Letter of Offer and/or this Agreement, as applicable, shall be payable accordingly.

ARTICLE XIV
Miscellaneous

Section 14.01 Collection, Processing and Sharing of Customer Information

The Bank's Generic Terms & Conditions ("**GTC**") (available at www.hsbc.com.my) on "Collection, Processing and Sharing of Customer Information" and any subsequent alteration, variation or substitution to the same, shall be incorporated herein.

Reference to "Customer" in the GTC shall be taken and read as referring to the Borrower in this Agreement.

Section 14.02 Credit Reporting Agency

The Bank, as part of its procedures in granting or continuing to grant banking and/or credit facilities and services to its customers, may obtain credit reports, conduct credit and other financial checks and verify information on the Borrower, including on its directors and/or shareholders, guarantors and/or security party (collectively, "**Data Subjects**") from time to time, from various selected sources, such as CCRIS, the Credit Bureau Malaysia and any registered credit reporting agency.

The Borrower hereby consents to:

- (i) the Bank carrying out credit checks and obtaining credit reports and information from time to time on the Borrower and the Data Subjects from the Credit Bureau Malaysia and any credit reporting agencies registered under the Credit Reporting Agencies Act 2010 (as listed on the Bank's website at www.hsbc.com.my); and
- (ii) the Credit Bureau Malaysia and any other credit reporting agencies registered under the Credit Reporting Agencies Act 2010 (as listed on the Bank's website at www.hsbc.com.my) sourcing and retaining information on the Borrower and all Data Subjects from any available data source, and disclosing to the Bank any such information as may be requested by the Bank.

The Borrower warrants that the Borrower has been irrevocably authorised by the Data Subjects to give this consent on their behalf.

Section 14.03 Notices, Demands and Court Process

Any notice by the Bank hereunder may be served by post which shall be deemed to have been duly served three (3) days after posting thereof to the Borrower and if addressed to the Borrower and/or the Security Party at the address given herein or last known to the Bank.

Any demand hereunder or any court process including summons may be sent by registered post (not being AR Registered post) and if sent by registered post (not being AR Registered post) to the Borrower and/or the Security Party at the address herein given or last known to the Bank, shall be deemed to be given three (3) days after posting thereof.

Section 14.04 Applicable Law

The Security Documents shall be governed by and construed in accordance with the laws of Malaysia, but in enforcing the Security Documents, the Bank shall be at liberty to initiate and take actions or proceedings against the Borrower in Malaysia and/or elsewhere as the Bank may deem fit, and the parties hereto agree that, where any actions or proceedings are initiated and taken in Malaysia, they shall submit to the non-exclusive jurisdiction of the Courts of Malaysia in all matters connected with the obligations and liabilities of the parties hereto under or arising out of this instrument, and the service of any writ of summons or any legal process in respect of any such action or proceeding may be effected on the Borrower and/or the Security Party or the Bank by forwarding a copy of the writ of summons statement of claim or other legal process by prepaid registered post to their last known respective addresses.

Section 14.05 Release

The Borrower shall be entitled to, at any time upon full repayment of all sums due to the Bank under the Security Documents, to obtain at its entire costs and expense, the discharge and release of all properties of the Borrower secured under the Security Documents, and in such event, the Bank shall at the request and costs of the Borrower execute all such discharge or release documents.

Section 14.06 Financial Services Act, 2013 and other laws and guidelines

The Borrower hereby represents and warrants to the Bank that the availment of the Facilities hereunder does not contravene (i) Section 47 of the Financial Services Act, 2013 and where applicable, the Bank Negara Malaysia Guidelines on Credit Transaction and Exposure with Connected Parties³, and also Part 8 of the Banking (Exposure Limits) Rules (Cap. 155S) of Hong Kong Special Administrative Region⁴, the

³ Bank Negara Malaysia (BNM) imposes on the Bank certain limitations, restrictions and requirements on credit transactions with persons (including firms, partnerships or any legal entities) connected with the Bank or any of its directors, controlling or influential shareholders, executive directors, officers who have authority to appraise, approve or review credit transactions. Please get the latest guidelines on this topic from the website of BNM at <http://www.bnm.gov.my>.

⁴ Part 8 of the Banking (Exposure Limits) Rules (Cap. 155S) [which has replaced Section 83 of the Hong Kong Banking Ordinance as at 1 July 2019 (with 6 months implementation grace period)] imposes on the Bank certain limitation and restrictions on advances to persons (including firms, partnership and non-listed companies) related to the Bank or any of its directors, employees with lending authority or controllers. The said Banking (Exposure Limits) Rules may be

law of the place in which the holding company of the Bank is located; and (ii) Section 224 of the Companies Act, 2016⁵, (collectively "Prohibitions") and/or any amendments thereto. The Borrower further agrees that the Bank reserves the right to recall the Facilities granted hereunder in the event avilment of such facilities should at any time, whether at the time of granting or thereafter, be in contravention of the Prohibitions and/or any amendments thereto.

Section 14.07 Fees, Costs and Expenses

All fees, costs and expenses incurred hereunder by the Bank, including any expenditure incurred in the creation, enforcement and or preparation of this Agreement and the Security Documents, or in the giving of any notice or in the making of any demand, or the taking out of any legal proceedings under, pursuant to, or in respect of, this Agreement and the Security Documents (including the Bank's solicitors' fees on a solicitor and client basis), and the stamp duty and fees to which this Agreement and the Security Documents is subject to, and all other monies whatsoever paid by the Bank, shall on demand be payable by the Borrower to the Bank, and if remaining unpaid shall be debited from the Borrower's current/savings/loan account or a disbursement/suspense or any other account to be opened by the Bank for this purpose and secured under this Agreement and the Security Documents, and all covenants and provisions contained in this Agreement and all powers and remedies conferred by law or by this Agreement and the Security Documents in relation to the principal sum and interest thereon shall apply.

For avoidance of doubt, this would include fees, charges and expenses expended on legal proceedings and foreclosure proceedings (including but not limited to legal fees, valuation fees, real estate agents fees and/or auctioneer fees).

In addition thereto, the Borrower hereby agrees to pay to the Bank commitment fees, discount, commission and all other banking charges as stated in the Letter of Offer.

Section 14.08 Complementary to the Letter of Offer

- (a) The terms and conditions of the Bank's Letter of Offer dated _____ and as amended and supplemented from time to time and any further letter of offer and/or letters of notification from the Bank to the Borrower pursuant thereto (hereinafter together called "the Letter of Offer") shall be construed as an addition or supplementary to the provisions of this Agreement.
- (b) Any term, condition or provision of or contained in the Letter of Offer which is not expressly set out in this Agreement are hereby deemed incorporated in this Agreement.
- (c) In the event that the terms contained in this Agreement and the Security Documents being inconsistent with the terms and conditions contained in any of the Letter of Offer, the Borrower hereby agrees that the Bank shall be entitled to decide as to which terms and conditions or provisions shall prevail and be applicable.

Section 14.09 Financial Crime Risk Management Activity

- (a) At all times during the Tenure, the Borrower shall ensure that the Borrower has never and would not:
 - (i) engage, directly or indirectly, in a transaction that involves proceeds of any unlawful activity;
 - (ii) acquire, receive, possess, disguise, transfer, convert, exchange, carry, dispose, use, remove from or bring into Malaysia proceeds of any unlawful activity; or

accessed or downloaded from the website of Hong Kong Monetary Authority at <https://www.hkma.gov.hk> or the website of Hong Kong Legal Information Institute at <http://www.hklii.org/eng/hk/legis/reg/155S/>.

⁵ Section 224 of the Companies Act 2016 provides that, unless otherwise exempted under the provision, a company shall not make a loan to a director of the company or of its related company or enter into any guarantee or provide any security in connection with a loan made to such director by any other person.

- (iii) conceal, disguise or impede the establishment of the true nature, origin, location, movement, disposition, title of, rights with respect to, or ownership of, proceeds of any unlawful activity.
- (d) In any event, the Borrower shall ensure that the Facilities shall not be used for any purpose that may contravene any illegal activities as stipulated under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001⁶.
- (c) The operations of the Borrower's company/business, and of the Borrower's subsidiaries and their affiliates are and have been conducted at all times in material compliance with applicable financial recordkeeping and reporting requirements and the money laundering statutes and the rules and regulations thereunder, and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency having jurisdiction over the Borrower, any of the Borrower's subsidiaries or any of their affiliates (collectively, the "**Money Laundering Laws**"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Borrower, any of the Borrower's subsidiaries or any of their affiliates with respect to the Money Laundering Laws is pending or, to the best of the Borrower's knowledge, threatened.
- (d) The Bank's GTC (available at www.hsbc.com.my) on "Financial Crime Risk Management Activity" or any equivalent and/or relevant clause(s) which may be subsequently inserted to alter, modify, supplement, vary or substitute the same, shall be incorporated into this Agreement.

Reference to "Customer" in the GTC shall be taken and read as referring to the Borrower in this Agreement.

Section 14.10 Anti-Bribery

Neither the Borrower and/or any of its affiliates, nor, to the Borrower's knowledge, any director, partner, officer, agent, employee or other person acting on behalf of the Borrower or any of its affiliates is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of any applicable anti-bribery law, including but not limited to, the Malaysian Anti-Corruption Commission Act 2009⁷ (the "MACCA"), the United Kingdom Bribery Act 2010⁸ (the "UK Bribery Act") and the U.S. Foreign Corrupt Practices Act of 1977⁹ (the "FCPA"). Furthermore, the Borrower and, to the Borrower's knowledge, its affiliates have conducted their businesses in compliance with the MACCA, the UK Bribery Act, the FCPA and similar laws, rules or regulations and have instituted and maintained policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

Section 14.11 Sanctions

Neither the Borrower and/or any of its subsidiaries nor any of the Borrower's/its subsidiaries' director or partner or officer or employee, agent, or affiliate, is/are an individual or entity ("Person") that is, or is owned or controlled by Persons that are, (i) the target or subject of any sanctions administered or enforced by the US Department of the Treasury's Office of Foreign Assets Control, the US Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury and/or Bank Negara Malaysia (collectively, "Sanctions"), or (ii) located, organised or resident in a country or territory that is, or whose government is, the target or subject of Sanctions, including, without limitation, currently the Crimea region, Cuba, Iran, North Korea, Sudan and Syria.

⁶ For more information, please visit the website of BNM on this topic (<http://amlcft.bnm.gov.my>). The latest Act may also be downloaded from the said website.

⁷ Please get the latest MACCA from the website of Malaysia Anti-Corruption Commission (<https://www.sprm.gov.my>) by clicking on "Education" tab.

⁸ Please get the latest Bribery Act 2010 and Bribery Act 2010 Guidance from the website of the United Kingdom Ministry of Justice (<https://www.gov.uk/government/organisations/ministry-of-justice>).

⁹ Please get the latest U.S. Foreign Corrupt Practices Act 1977 and the FCPA Guide from the website of the United States Department of Justice (<https://www.justice.gov/>).

Section 14.12 Tax Compliance

The Bank's GTC (available at www.hsbc.com.my) on "Tax Compliance" or any equivalent and/or relevant clause(s) which may be subsequently inserted to alter, modify, supplement, vary or substitute the same, shall be incorporated into this Agreement.

Reference to "Customer" in the GTC shall be taken and read as referring to the Borrower in this Agreement.

Section 14.13 Bearer Shares

If the Borrower is or any of the Borrower's shareholder (whether direct or indirect, legal or beneficial) is, a company incorporated in a country that permits issuance of bearer shares, the Borrower confirms and warrants that neither the Borrower nor such shareholder have/has issued any bearer shares, and further undertakes that neither the Borrower nor such shareholder will issue or convert any of the Borrower's shares or such shareholder's shares (as the case may be) to bearer form, without the prior written consent of the Bank, failing which the Bank reserves the right to terminate the banking relationship with the Borrower.

Section 14.14 Tax

If any tax ("Tax"), which expression shall include any tax of a similar nature that may be substituted for it or levied in addition to it is chargeable by law on any amount paid, transferred or received, or payable, transferable or receivable hereunder, by whatever name called, the Borrower shall promptly pay such Tax and shall fully indemnify the Bank against such payment or liability (together with any interest, penalty, costs or expenses payable or incurred thereon) if the Bank is required by law to collect and make payment in respect of such Tax. The Bank may apply all or part of the balance standing to the credit of any of the Borrower's account(s) in or towards the discharge of any amount so payable by the Borrower to the Bank.

Section 14.15 Foreign Exchange Administration Rules

The Borrower confirms and warrants that the Borrower shall, at all material times, be in compliance with the Foreign Exchange Administration Rules¹⁰ and/or other applicable rules and regulations issued by Bank Negara Malaysia from time to time (collectively, "the Rules") that may be relevant for purpose of, or incidental to, the granting and utilisation of the Facilities. The Borrower undertakes to register with, and/or obtain the approval of, Bank Negara Malaysia and/or the appropriate authority or regulator within such time frame as may be required by the Rules, where applicable, and to furnish the required document(s) evidencing compliance of the same to the Bank immediately thereafter.

Section 14.16 Other Terms and Conditions

- (a) The terms and conditions herein stated shall be in addition to, and not in derogation of, any specific agreement or arrangement with regard to the Facilities now or hereafter from time to time subsisting between the Bank and the Borrower, or any terms and conditions that may be specified in the Letter of Offer given by the Bank to the Borrower from time to time.
- (b) To the extent of any terms, conditions or other matters in respect of or in relation to the Facilities not expressly set out herein, the terms, conditions and other matters normally or usually adopted or applied by the Bank in accordance with its practices and policies in relation to a facility similar to the Facilities, or for customers comparable to the Borrower, shall be adopted or applied, and the Borrower hereby expressly agrees thereto and to be bound thereby.

¹⁰ Foreign Exchange Administration ("FEA") Rules are a set of rules administered by Bank Negara Malaysia to safeguard the value of the Malaysian currency. Residents who are dealing in foreign currencies and non-residents who are dealing in Malaysian Ringgit are required to comply when performing remittance transaction, invest in foreign currency asset or transact through External Account or Foreign Currency Accounts. Penalties may be imposed if FEA rules are not complied with. Please get the latest FEA rules from BNM's website at <http://www.bnm.gov.my/>.

Section 14.17 Time of Essence

Time shall be of the essence of this Agreement, but no failure or delay on the part of the Bank in exercising nor any omission to exercise any right, power, privilege or remedy accruing to the Bank under this Agreement and/or the Security Documents shall impair any such right, power, privilege, or remedy or be construed as a waiver thereof or an agreement to any such default, nor shall any action by the Bank in respect of any default or any acquiescence in any such default, affect or impair any right, power, privilege or remedy of the Bank in respect of any other subsequent default.

Section 14.18 Amendments and Additional Terms

The terms of this Agreement herein may be varied, amended, supplemental or additional terms may be added by an exchange of letters and shall be effective without the necessity of having to enter into any formal instrument or supplemental document, and the relevant provisions of this Agreement shall be deemed to have been amended or varied accordingly, and shall be read and construed as if such amendments or variations has been incorporated in and had formed part of this Agreement at the time of execution hereof. In the event of any inconsistency between the provisions of this Agreement and the terms as varied or amended by the aforesaid exchange of letters or formal or supplemental documents, the latter shall prevail.

Section 14.19 Principal and Collateral Instruments

It is hereby agreed, and declared by and between the parties hereto, that for the purpose of Section 4(3) and Item 27 of the First Schedule to the Stamp Act, 1949, this Agreement and the other Security Documents are instruments used in one transaction to secure the repayment of the Facilities granted by the Bank to the Borrower, the amount of which shall be determined in accordance with the ad valorem stamp duty paid on this Agreement, and that for the purposes of Section 4(3) and Item 27 of the First Schedule to the Stamp Act, 1949, this Agreement shall be deemed to be the principal instrument and the other Security Documents shall be deemed to be the collateral instruments and security.

- End of Page -

AS WITNESS the hands *(and seal) of the Borrower and of the Attorney of the abovenamed Bank the day and year first above written.

SIGNED for and on behalf of)	HSBC BANK MALAYSIA BERHAD
the abovenamed Bank by its)	(Company No. 127776-V)
Attorney in the presence of:-)	By its Attorney:-

.....	_____
[insert name and rubber stamp of the attesting solicitor]	Name:

(where Borrower is a sole-proprietor or partnership or limited liability partnership)

*SIGNED by [insert name/NRIC])	
as the *Sole-Proprietor / *Partner(s))	
of the abovenamed Borrower)	
in the presence of:-)	_____
		[affix rubber stamp of business]

.....
 [insert name and rubber stamp of the attesting solicitor]

(where Borrower is a company)

*The Common Seal of the Borrower)
was hereunto affixed in a manner)
prescribed under its Memorandum)
and Articles of Association)
in the presence of:-)

_____	_____
Name:	Name:
NRIC No.	NRIC No.
Director	Director/Secretary

This is the execution page of the Facilities Agreement made between **HSBC BANK MALAYSIA BERHAD (Company No. 127776-V)** as the Bank of the one part and the Borrower of the other part.

**Select and delete as appropriate.*