

PRIVATE AND CONFIDENTIAL

CARM/AAPS

Date:

Customer Name
Customer Address

Dear Sir/Madam,

BANKING FACILITIES
CUSTOMER NO. XXXXXXXXXXXXXXXXXXXX

We are pleased to confirm our agreement to granting you the under-mentioned banking facilities for the purpose as stated subject to your declarations herein and to the following terms and conditions outlined in the attached Annexure.

Facility Name / Total Amount : Business Premises Financing RM XXXXXX
Business Premises : [*description of property*] ("Property")

Facility(ies):
Purpose and Facility Amount

Term Loan Purpose : To part finance property for your business own use
To re-finance of Property for your own business use
For Working Capital Purpose

Term Loan Amount : RM XXXXXX
Loan Repayment Frequency : Monthly

Overdraft Purpose : For working capital.
Overdraft Amount : RM XXXXXX

The Loan is to be fully drawn down before the Overdraft is available.

The Bank reserves the right to recall the Facilities if not used for the purpose granted.

We wish to draw your attention to the attached terms and conditions which require your understanding and acceptance to the arrangements made.

Please arrange for the authorised signatories of your company, in accordance with the terms of your Board of Directors' Resolution to be given to the Bank, to sign and return to us this Letter of Offer together with the required documents before [*insert date*], to signify your understanding and acceptance of the terms and conditions under which this Facility(ies) is granted, failing which this offer will be deemed to have lapsed after the aforesaid date. On receipt of the same, we shall instruct our solicitors to proceed with the documentation. **Notwithstanding your acceptance of this offer, or before the disbursement of the Facility(ies) the Bank reserves the right to withdraw this offer if:**

- (i) to continue, may potentially place the Bank (or any other member of the HSBC Group) in breach or potential breach of any applicable laws or regulations;
- (ii) any information that you have provided is false or misleading;
- (iii) if it is subsequently discovered that there are restrictive covenants or conditions on the title deed of the property charged/ to be charged and/or that there are restrictive clauses in the Sale and Purchase Agreement which may jeopardise or otherwise negatively impact the recovery of the Facility or value of the security granted;
- (iv) if you have either failed or are unable to fulfil any condition precedents as set out herein or in any other security documents;
- (v) if arising from public search records of the property and/or developer, we are of the opinion that the Facility, if released, will not for any reason whatsoever be adequately secured;

[Name of customer]

[Date]

- (vi) if any legal proceedings, suit or action of kind whatsoever (whether criminal or civil) is instituted against you and/or any of the security providers; or
- (vii) there has been a material deterioration in your creditworthiness.

We are pleased to be of assistance to you and look forward to the development of a mutually beneficial and lasting relationship. Should you have any query, please do not hesitate to contact our *[relationship manager]* at telephone no. *[contact number]*.

Yours faithfully,
for and on behalf of
HSBC Bank Malaysia Berhad

Relationship Manager

Relationship Manager

[Name of customer]

[Date]

We declare that the Property is fully-completed and is for the company's own business use and occupation.

We confirm our acceptance of the above Facility(ies) and that the Bank's agreement to provide us with the abovementioned Facility(ies) will not contravene the provisions of (a) Section 47 of the Financial Services Act 2013 read with Bank Negara Malaysia's Guidelines on Credit Transactions and Exposures with Connected Parties¹, (b) the Foreign Exchange Administration Rules² and (c) Part 8 of the Banking (Exposure Limits) Rules (Cap. 155S) of the Hong Kong Special Administrative Region³ (collectively the "Prohibitions"). We accept that the Bank reserves the right to recall the Facility(ies) in the event that the Facility(ies) extended to us contravenes the Prohibitions.

We further agree that this Letter of Offer embodies in writing all the terms for the Facility(ies) to be granted to us and hereby confirm that any warranties, promises, representations, collateral agreements that may have been made or made to us, orally or otherwise by the Bank in the course of the pre-contractual negotiations that have not now been included in this Letter of Offer shall hereafter be deemed by us to have lapsed and not legally binding upon the Bank nor shall it be raised by us as a defence or to support any claim by us in any legal proceedings.

We declare that we are resident in Malaysia as defined under the Foreign Exchange Administration Rules and amendments thereto.

We hereby agree that the Facility(ies) hereunder are subject to there being no breach of applicable guidelines as issued by Bank Negara Malaysia and/or the policies of the Bank in effect from time to time governing continued operations of current accounts that may subject our current account to a right of closure (whether by the Bank, or any other bank with which we maintain a current account, following its or their respective prevailing policies) and the Bank reserves the right to recall the Facility(ies) granted hereunder in such event notwithstanding that our current account(s) with the Bank whether held solely or jointly with others has/have been conducted satisfactorily.

We opt to repay the Facility(ies) by way of monthly repayment as specified in the "Repayment" clause of the "Terms On Loan" section in the Annexure to the Letter of Offer. We acknowledge that the non-payment of any one instalment shall be an event of default within the terms herein.

We hereby irrevocably and unconditionally authorise the Bank to debit our Current Account maintained at the Bank's branch with the interest and loan repayments due and payable to the Bank, insurance premium / takaful contributions, service charges and all other amounts due and payable under this Letter of Offer in respect of the Facility(ies) extended and/or security given ("Payments").

Facilities Repayment and Standing Instruction: -

We understand that the Bank accepts the above instruction upon the following conditions: -

- i. We undertake to ensure that sufficient funds are kept in our account to meet these Payments;
- ii. Although the Bank will endeavour to effect such periodical payments, the onus of ensuring that such periodical payments are made and is correctly reflected in our accounts is on us;
- iii. This instruction is subject to any arrangement now subsisting or which may hereafter subsist between us and the Bank in relation to our account or any banking accommodation accorded to us;

¹ 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 to 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/>.

² 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/>

³ 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 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/>

[Name of customer]

[Date]

- iv. The Bank may determine the order of priority of payment of any monies pursuant to any instruction (whether written or otherwise), or cheque drawn on our account which we have heretofore or may hereafter give to the Bank;
- v. This instruction will remain effective for the protection of the Bank in respect of payment made in good faith until notice in writing of our winding-up is received by the Bank; and
- vi. The Bank may levy a charge on each standing instruction payment not effected for lack of funds.

We hereby give consent to the Bank to decide whether to have insurance coverage or to have takaful protection for the Property and accordingly to select the insurance company / takaful operator.

If we are not agreeable to the Bank's selection of insurance company / takaful operator, we shall notify the Bank in writing without delay. If we fail to insure or continue to insure the Property, we acknowledge and agree that the Bank may but shall not be under any duty to, take up or pay the premium for such insurance and any moneys expended thereto may be debited to any of our accounts with the Bank.

We understand that the Bank will only arrange for the Property (excluding contents) to be insured / protected against the perils of fire, lightning, explosion, riot, strikes, malicious damage, earthquake and volcanic eruption.

We confirm that if we require insurance coverage / takaful protection for the Property against additional perils (such as, typhoon, hurricane, tornado, cyclone, spontaneous combustion, bush/lalang fire, subsidence & landslip, aircraft damage, impact damage, flood, bursting and overflowing of water pipes, tanks and apparatus, storm & tempest) and/or insurance coverage / takaful protection for the contents within the Property, we shall specifically give written instructions directly to the insurance company / takaful operator selected by the Bank.

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Authorised Signatories and Company Stamp
Name and designation of Authorised Signatories:

Date of Acceptance:

Name of Borrower:

**TERMS AND CONDITIONS
(ANNEXURE TO LETTER OF OFFER– TO BE READ AS AN INTEGRAL PART THEREOF)**

<p><u>Security (whichever applicable):</u></p>	<p>Facilities Agreement to be stamped for RMXXXXXX as principal instrument.</p> <ol style="list-style-type: none">1. First party/Third party first fixed registered charge for RMXXXXXX to be taken over the Property to secure the Facility(ies) owing with an unlimited covenant to pay on the part of the Chargor. <u>or</u> First party/Third party first all monies open registered charge for RMXXXXXX to be taken over the Property to secure all amounts in respect of general banking facilities owing from time to time including the Facility(ies) owing and future advances/facilities with an unlimited covenant to pay on the part of the Chargor. <p>Prior to the availability of the title deed, the following documents will be taken as interim security:-</p> <ol style="list-style-type: none">i) Charge-In-Escrow (applicable to Sabah/Sarawak only)ii) Loan Agreement cum Deed of Assignment of the Sale and Purchase Agreement, together with the lodgement of a private caveat.iii) Developer's undertaking/consentiv) Power of Attorney (if applicable) <ol style="list-style-type: none">2. A joint and several guarantee for RMXXXXXX to be taken from the following directors/persons:- <table border="1" data-bbox="453 949 1179 1088"><thead><tr><th>Name</th><th>IC</th></tr></thead><tbody><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr></tbody></table> <ol style="list-style-type: none">3. Corporate Guarantee by4. An insurance policy / takaful certificate from the Bank's panel takaful providers/insurers, covering or protecting the Property against the perils of fire, lightning, explosion, riot, strikes, malicious damage, earthquake and volcanic eruption for its full replacement cost arranged by the Bank.	Name	IC						
Name	IC								
<p><u>Covenants:</u></p>	<p>You hereby undertake during the tenure of the Facility(ies);</p> <ol style="list-style-type: none">1. inform the Bank regarding any management structure change/change in the composition of the Board/major shareholders in your business.2. submit audited accounts on your business whenever requested by the Bank to do so.3. inform the Bank of any significant internal or external business developments which may affect the financial position of your business.4. ensure that your audited financial statements submitted to the Bank shall be by External Audit Firms/Partners acceptable to the Bank. The Bank shall have the right to require engagement of alternative External Audit Firms/Partners if otherwise not acceptable.5. If:<ol style="list-style-type: none">(i) the introduction of, or any change in (or in the interpretation, administration or application of), any law or regulation after execution of this Letter of Offer; or(ii) any change in your status after execution of this Letter of Offer; or(iii) a proposed assignment or transfer by the Bank of any of its rights and obligations under this Letter of Offer to a party that is not a bank prior to such assignment or transfer,								

<p><u>Documents Required:</u></p>	<p>obliges the Bank (and/or any prospective new bank) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, you shall promptly upon the Bank's request supply, or procure of, such documentations and other evidence as is reasonably requested by the Bank, or on behalf of any prospective new lender, to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in this Letter of Offer or any other document designated as such by both parties</p> <ol style="list-style-type: none"> 1. A suitable Board of Directors' Resolution sanctioning the acceptance of the Facility(ies), security arrangement and the terms and conditions laid down in this Letter of Offer; and the mode of execution on the security documents in accordance with your Memorandum & Articles of Association. 2. A valuation report (less than 3 months old) issued by a firm of approved valuers, evidencing the open market value of the Property at not less than RMXXXXXX AND a letter from the original valuer must be provided to the Bank confirming adequacy of the report and that the Property is suitable for mortgage purposes. Without prejudice to anything contained herein, the Bank shall be entitled to vary the amount of the Facility(ies) if the value of the Property to be charged as shown in the valuation report is less than the purchase price or the redemption amount from the existing chargee as the case may be, or any of your representations and warranties whether contained herein or otherwise shall be found to be untrue or incorrect. Cost of valuation to be borne by you. 3. Original Sale and Purchase Agreement or original issue document of title as the case may be. 4. <u>Credit Information of Guarantor Form</u> (where applicable) Where the Facilities are secured by a Joint and Several Guarantee and/or a Personal Guarantee, we enclose our standard "Credit Information of Guarantor" forms for your completion and return
<p><u>Terms On Loan Interest:</u></p>	<p>Loan Interest will be charged by us at the following rates per annum, calculated and accrued daily on a 30/360 basis (i.e. by applying a 30-day month and a 360-day year throughout the tenure irrespective of the actual number of days in the month and in the year):-</p> <p style="text-align: center;">*BR + __ % throughout the tenure *(the current Base Rate is __% per annum)</p> <p>Pending full drawdown of your loan, you shall service interest only which will be 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 aforementioned rate(s) corresponding with the respective period specified above on the drawdown portion of the loan by way of debiting your account(s) on or before the 1st day of each month commencing in the calendar month immediately after the date of first drawdown.</p>

<p>Overdue Interest:</p>	<p>In the event of late payment of any part of the principal and/or interest, additional interest on the amount overdue will be charged at an additional 1.0% per annum, over the prescribed interest rate (or such other amount as determined from time to time by the Bank, subject to any BNM regulations), from the due date until the date of payment and shall be debited to your current account.</p>
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<p>Repayment:</p>	<p>All interest due and unpaid shall be capitalised and added for all purposes to the principal sum and shall bear interest at the relevant applicable rate notwithstanding any demand by the Bank and/or cessation of the banker and customer relationship for whatever reason and before as well as after judgement.</p> <p>For the purpose of ascertaining whether the limit of the principal intended to be secured by the above-mentioned security has been exceeded or not, all accumulated and capitalised interest shall be deemed to be interest and not principal.</p> <p>By ___ monthly instalments of RMXXXXXX each inclusive of interest which will be debited to your current account at monthly intervals commencing on or before the 26th day of each month commencing one month after full drawdown of the loan or on such other date as shall be fixed from time to time by the Bank. The total of all such monthly instalments including any final adjustments shall not exceed ___ years.</p> <p>Please therefore ensure that your current account is adequately funded to meet the loan repayment and interest payment.</p> <p>If and whenever the rate of interest payable hereunder or the method for computing the interest and/or instalments payable hereunder shall be varied, the Bank may make the necessary adjustment either by varying the amount of any monthly instalments or varying the number of monthly instalments including extending the maximum repayment period up to 20 years.</p>
<p>Rescheduling of repayment:</p>	<p>The Bank may (but is not obligated to) allow rescheduling of loan repayment at any time after the date of full drawdown up to 3 times during the tenure of the loan but subject to:</p> <ul style="list-style-type: none"> - Your payment of all arrears and other sums due and payable hereunder and under the security documents; - There being no event of default having occurred or likely to occur as a result of the rescheduling; - Bank Negara Malaysia's prevailing guidelines/regulations, as may be amended from time to time; - The resulting repayment period not exceeding 20 years; and - Payment of a non-refundable Rescheduling Fee of RM200.00 per application for rescheduling payable upon submission of the application (to the extent not restricted by any laws or regulations).
<p>Prepayment:</p>	<p>Prepayment whether partially or in full is prohibited during the first 3 years from the date of first loan drawdown and at any time before full drawdown of the Facility, whichever is the later.</p> <p>In the event you -</p> <ol style="list-style-type: none"> 1. cancel the loan at anytime after the date of acceptance of this Letter of Offer; or 2. fully or partially prepay the Facility; 3. default in the repayment of the loan. <p>within 3 years from the date of first drawdown or at any time before full drawdown of loan, whichever is the later, you shall (unless otherwise waived partially or fully by the Bank) further pay the Bank on demand an early payment compensation sum of 3% flat on the original loan amount or RM5,000 (whichever is the higher) and such additional amount as the Bank determines as necessary to compensate it for any loss, premium or expenses incurred or to be incurred by it (including loss of applicable margin) on account of funds borrowed or committed, to make available funds or maintain its lending in the amounts cancelled or prepaid. The levying and/or payment of the above early payment compensation sum shall not prejudice the Bank's right to take such action and avail of the remedies conferred by law and hereunder to recover all monies due and owing by you to the Bank.</p> <ul style="list-style-type: none"> - After the first 3 years from the date of first drawdown or after full drawdown of

	<p>loan, whichever is the later, you may prepay the loan or part thereof by giving the Bank three (3) months' prior written notice of your intention to prepay or by paying three (3) months' interest in lieu of notice. In the event that a partial prepayment is effected which necessitates a rescheduling of loan repayment (subject to the Rescheduling of Repayment clause above), the Bank shall charge a non-refundable Rescheduling Fee of RM200.00 per rescheduling executed payable at the same time as the prepayment (to the extent not restricted by any laws or regulations).</p>
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(If OD option is taken up)

<p><u>Terms On Overdraft Interest:</u></p>	<p>Overdraft Interest will be charged by us at __% per annum at daily rest above our Base Rate (presently at __% per annum). The effective rate is therefore presently at __% per annum subject to fluctuations and payable monthly (on 26th day of the month or on such date as may be notified by the Bank from time to time) to the debit of your current account or other account(s) to be opened by the Bank for the purpose.</p> <p>In the event the approved Overdraft limit is exceeded, additional interest will be charged and debited to your account or any other account opened by the Bank.</p> <p>All interest due and unpaid shall be capitalised and added for all purposes to the principal sum and shall bear interest at the relevant applicable rate notwithstanding any demand by the Bank and/or cessation of the banker and customer relationship for whatever reason and before as well as after judgment.</p> <p>For the purpose of ascertaining whether the limit of the principal intended to be secured by the above-mentioned security has been exceeded or not, all accumulated and capitalised interest shall be deemed to be interest and not principal.</p>												
<p>Commitment Fee:</p>	<p>Under the Rules of the Association of Banks in Malaysia, a commitment fee of 1.0% per annum will be levied on the unutilised portion of the overdraft facility.</p>												
<p>Repayment:</p>	<p>In accordance with normal banking practice and notwithstanding anything to the contrary herein-contained and prior to the time for annual review, these Facilities are subject to our customary overriding right of withdrawal and repayment on demand, (but not limited to) to the requirements of The Central Credit Bureau, and any other agency/authority established by Bank Negara from time to time.</p>												
<p>Overdraft Reduction of Credit Limit</p>	<p>This Overdraft facility is subject to limit reduction plan where frequency of reduction is determined by the Bank.</p>												
<p>Overdraft Cash flow monitoring</p>	<p>This Overdraft facility is subject to monthly cash flow monitoring whereby you are required to make minimum repayment of 10% of your previous month utilised Overdraft limit by the end of each month ("Min OD Repayment"). For example:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Month</th> <th>Utilized Limit of Previous Month</th> <th>Minimum amount to be paid at the end of current month</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>RM30,000</td> <td>-</td> </tr> <tr> <td>2</td> <td>RM40,000</td> <td>RM3,000</td> </tr> <tr> <td>3</td> <td>RM50,000</td> <td>RM4,000</td> </tr> </tbody> </table> <p>If you do not pay the Min OD Repayment, your overdraft limit will be reduced according to the following matrix:</p> <ol style="list-style-type: none"> three consecutive months of no Min OD Repayment – your Overdraft limit will be reduced to 10% above your outstanding Overdraft balance after the expiration of the 3 months' period; and If no payment is received subsequent to (I) above during the following there 	Month	Utilized Limit of Previous Month	Minimum amount to be paid at the end of current month	1	RM30,000	-	2	RM40,000	RM3,000	3	RM50,000	RM4,000
Month	Utilized Limit of Previous Month	Minimum amount to be paid at the end of current month											
1	RM30,000	-											
2	RM40,000	RM3,000											
3	RM50,000	RM4,000											

(3)consecutive months, your Overdraft limit will be reduced to be on par with your outstanding Overdraft balance on the seven (7) month.
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Events of Default:

If there are circumstances, among others, due to irregularities in your financial affairs or inability to meet your indebtedness to us that could lead to an event of default occurring you are advised to contact us for an early appraisal of your commitment.

This Facility(ies) or any part thereof shall be withdrawn with notice and all sums due hereunder shall be repayable on demand in the event –

1. You default in the payment of any one or more of the instalments or any part thereof and/or interest and/or any monies payable hereunder or in the opinion of the Bank the conduct of your account has been unsatisfactory; or
2. You fail to observe or perform any covenant, undertaking, stipulation, term and condition to be observed or performed herein, or in the security documentation; or
3. A petition is presented or an order is made or resolution passed for your winding-up, dissolution or liquidation; or
4. You are unable to pay your debts or you suspend payment or you commence a meeting for the purpose of making or proposing and/or entering into any arrangement or composition with or for the benefit of your creditors; or
5. A receiver or other similar officer is appointed for the whole or part of your assets or undertaking or if distress or execution or any form of actions is levied, enforced or taken against any of your assets; or
6. You shall cease or threaten to cease to carry on your business or dispose or threaten to dispose of the whole or a substantial part of your undertaking or assets or change or intend to change the nature or scope of your business as is now conducted; or
7. For any reason any guarantee or security given to us for this Facility(ies) shall be terminated or shall lapse for any reason whatsoever or if any of the guarantors shall be in default under the terms of such guarantee or dies or becomes of unsound mind or is wound up or commits any act of bankruptcy; or
8. Any of your other indebtedness to us or any third party or parties becomes capable in accordance with the relevant terms thereof of being declared due prematurely by reason of your default or your 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
9. If, in the Bank's opinion, there is any change or threatened change in circumstances which would materially and adversely affect your business or financial condition or your ability to perform your obligations under this Letter of Offer or other agreement with the Bank, including any change or threatened change in its substantial/major shareholders or directors; or
10. If, by reason of any change after the date of this Letter of Offer in applicable law, regulation or regulatory requirement or, in the interpretation or application thereof of any governmental or other authority charged with the administration thereof it shall become unlawful for the Bank to comply with its obligations herein or to continue to make available the Facility(ies); or
11. You breach any of the warranties/covenants contained herein and in the security documents; or
12. Any of your subsidiaries/associate companies as defined in the Companies Act, 2016 fails to pay on due date any monies payable under any agreement or arrangement with any

other financial institution/lender/creditor ; or

13. If any of your declaration, representation or warranty shall be untrue or incorrect.

In addition to and notwithstanding the foregoing, the Bank reserves the right to recall and/or terminate the financing or any part thereof if not used for the purpose granted or if used for an illegal or speculative purpose or if a breach of any representation or undertaking occurs.

Variation of Terms:

Notwithstanding anything to the contrary contained herein, the Bank may at any time and without discharging in any way your liabilities hereunder and under the security documents, vary or add to the terms herein including but not limited to the rate of interest, additional interest, overdue interest, commission and other charges herein stated; and the amount or form of the Facilities granted so as to convert the existing Facilities or cancel one or more Facilities or create two or more facilities from the Facilities (provided always at the applicable rate of interest) and such variation (other than fluctuations in the Base Lending Rate) shall take effect upon notice being given by the Bank to you.

Other Terms:

1. Availability of the Facility(ies) is subject to all legal/security documentation having been completed to the reasonable satisfaction of the Bank.
2. (a) All legal expenses and all other charges and disbursements (including stamp duty and the Bank's solicitors' fees on a solicitor and client basis) incurred in connection with or incidental to the preparation and execution of the security documents and in the recovery of the above-mentioned Facility(ies) and enforcement of securities shall be payable by you and if remaining unpaid shall be debited without further notice to your account or any account opened by the Bank for the purpose. For the avoidance of doubt, this would include fees, charges and expense expended on legal proceedings and foreclosure proceedings (including but not limited to legal fees, valuation fees, real estate agents fees or auctioneer fees).

Clause 2 (b) to be inserted for ZC loans.

(b)
The following costs incurred in connection with this Facility(ies) shall be borne by the Bank :-

- i. the Bank's legal fees for preparation of and attending to the security documentation;
- ii. the Bank's legal fees for preparation of and attending to the Discharge / Receipt and Reassignment;
- iii. Stamp duty, registration fees and other disbursements in relation to (i) and (ii) above.

However, all legal expenses and all other charges and disbursements (including stamp duty and the Bank's solicitors' fees on a solicitor and client basis) incurred in connection with or incidental to the recovery of the above-mentioned Facility(ies) and enforcement of securities shall be payable by you and if remaining unpaid shall be debited without further notice to your account or any account opened by the Bank for the purpose.

For the avoidance of any doubt, all fees and expenses incurred in relation to the procurement of any valuation on the Property, whether the same be initiated by the Bank or yourself, at any juncture and with regard to this Facility(ies) shall be borne by you (to the extent not restricted by laws or regulations).

3. The Property to be charged to us shall be insured / protected through our arrangement against the perils of fire, lightning, explosion, riot, strikes, malicious damage, earthquake and volcanic eruption for its full replacement cost with our interests as Chargee noted therein for as long as the Charge in our favour exists. The original of all the :-

- insurance policy(ies) together with the premium receipt are to be lodged with the Bank before the expiry date of each policy; or
- the takaful certificate(s) and the contribution receipt shall be held by you with a copy extended to the Bank for record purpose before the expiry date of each takaful certificate.

Inspection and valuation of the Property may be obtained by the Bank from time to time from a firm of approved valuers. The cost will be charged to you unless the valuation is part of the Bank's risk management process.

4. If the effect of any or a change in any law or regulation is to increase the cost to us of advancing, maintaining or funding this Facility(ies) or to reduce the effective return to us, we reserve the right to increase the interest margin to reflect such cost increase.
5. Your undertaking to forward to us on a regular basis, for record purpose, the receipts you receive covering payment of Municipal Assessment and Annual Quit Rent in respect of the Property charged.
6. If part-financing the purchase of the Property, drawdown of the Facility is subject to our receiving written confirmation from the developer/vendor that you have settled the difference between the purchase price and this loan/the total Facility amount.
7. This Facility(ies) aforementioned or any part not drawn thereof shall be automatically cancelled and without reference to you, unless the Bank decides otherwise, under the following circumstances: -
 - i. upon the expiration of a period of 12 months from the date of this Letter of Offer;
 - ii. where the security documentation is not perfected for any reason whatsoever within a period of 3 months from the date of acceptance of this Letter of Offer; and
 - iii. pursuant to Bank Negara Malaysia's directive, upon the expiration of a period of 3 months from the date of completion of the security documentation and upon failure on your part to deliver your advice to the Bank in writing within 30 days from the expiry of the aforementioned 3 months period stating that the Facility(ies) is still required.
9. This Facility(ies) granted does not contravene the provisions of Section 47 of the Financial Services Act 2013.

(We enclose herewith a copy of Section 47 of the Financial Services Act 2013 for your attention and please note that for purposes of the Financial Services Act 2013, the word "officer" includes any employee of the financial institution and that "director" and "officer" also includes a spouse, child or parent of a director or officer).

10. The Bank shall be entitled to charge a Handling Fee of RM500 (to the extent not restricted by laws or regulations) in the event you default in the payment of 2 consecutive interest payments and/or instalments which charges shall be automatically debited without further notice to your current account or other account opened by the Bank for the purpose. The levying and/or payment of these charges shall not prejudice the Bank's right to take such action and avail of the remedies conferred by law and hereunder to recover all monies due and owing by you to the Bank.

If facility is
Overdraft

11. (a)
This Facility(ies) is/are subject to review at any time and to our customary overriding right of withdrawal and repayment on demand; and subject to there being no breach of applicable guidelines as issued by Bank Negara Malaysia and/or the policies of the Bank in effect from time to time governing continued operations of current accounts that may subject your current account (regardless of whether any overdraft thereon has been granted or otherwise) to a right of closure. We shall be obliged if you will note to send us

two (2) signed/certified true copy of your next set of audited accounts and your latest management accounts (if review date is more than 6 months from your last financial period) before that date and when called upon by us to do so from time to time. The Bank may charge a non-refundable Facility(ies) Management Fee of RM400 (to the extent not restricted by laws or regulations) annually (for assessing and tailoring facilities to suit changing requirements of customers) or upon amendments of existing Facilities which charges shall be paid before any of the facilities are utilised and if remaining unpaid shall be debited from your current/disbursement/other account opened by the Bank for the purpose. Notwithstanding these charges, the Bank may elect to exercise its remedies provided hereunder and/or whether to grant, vary, restructure, adjust or otherwise modify any Facility or its terms, and/or temporary excess or temporary drawing against uncleared effects.

If facility is Term
Loan

(b)
This Facility(ies) is/are subject to review at any time and, in any event including but not limited to your defaulting in the payment of 2 consecutive interest payments and/or instalments, and to our customary overriding right of withdrawal and repayment on demand; and subject to there being no breach of applicable guidelines as issued by Bank Negara Malaysia and/or the policies of the Bank in effect from time to time governing continued operations of current accounts that may subject your current account (regardless of whether any overdraft thereon has been granted or otherwise) to a right of closure. We shall be obliged if you will note to send us two (2) signed/certified true copy of your next set of audited accounts and your latest management accounts (if review date is more than 6 months from your last financial period) before that date and when called upon by us to do so from time to time. Notwithstanding the aforesaid, the Bank may elect to withdraw this Facility(ies) and demand full repayment of all sums outstanding under this Facility(ies) upon the occurrence of any of the Events of Default.

12. If at any time the Bank shall consider that the security is insufficient you shall within 14 days from the date of a notice from the Bank provide such further security as the Bank shall require whether in cash or otherwise of such value and for such tenure as the Bank shall decide.
13. Other terms and conditions as contained in the Bank's legal or security documentation shall apply in addition to any other terms and conditions that our solicitors will think fit to impose when formalising such documentation on our behalf.
14. You are advised to seek independent legal advice in respect of the Facility(ies) and security documentation.
15. If the third-party corporate security/guarantee/ strong Letter of Awareness is taken (refer to **GLMYM SCY 910105** of 19 Dec91 and **GL MYM LGA 920360** of 7 Sep92)
 - a) (from the/your holding company) The third-party security provider/ guarantor shall undertake not to divest its shareholding or any part thereof in your company without first obtaining the Bank's consent.
 - b) (from the/ your subsidiary) You shall undertake not to divest its shareholding or any part thereof in the third-party security provider/ guarantor company without first obtaining the Bank's consent.
 - c) (from a company having a common holding company with the corporate borrower) Your holding company shall undertake not to divest its shareholding or any part thereof in the third party security-provider/ guarantor company or in your company without first obtaining the Bank's consent.
16. You hereby agree that the Facilities hereunder are subject to there being no breach of applicable guidelines as issued by Bank Negara Malaysia and/or policies of the Bank in effect from time to time governing continued operations of current accounts that may subject your current account to a right of closure, and the Bank reserves the right to recall the Facilities granted hereunder in the event any of your current accounts are

unsatisfactorily conducted as to render any current accounts maintained with any banks liable to closure under regulatory requirements and/or the prevailing policies of any of the banks with which such accounts are maintained, notwithstanding that your current account(s) with the Bank has/have been conducted satisfactorily. The Bank may rely on information furnished by the Credit Bureau established by Bank Negara Malaysia for information whether any of your current accounts have become liable to closure, and reliance by the Bank on such information shall not subject the Bank to any liability to you in the event of any inaccuracy of such information not known to the Bank.

**Collection,
Processing and
Sharing of
Customer
Information**

The Bank's following Generic Terms & Conditions ("GTC") (available at www.hsbc.com.my) shall be incorporated herein :

- (i) GTC Clause 10 on "Collection, Processing and Sharing of Customer Information" is incorporated into this Letter of Offer.
- (ii) GTC Clause 10 is to be read together with GTC Clause 40 on "Definitions".
- (iii) GTC Clause 10 and Clause 40 may be amended from time to time in accordance with GTC Clause 7 on "Amendment of Terms & Conditions" and the prevailing version shall apply to this Letter of Offer.

**Credit Reporting
Agency**

You consent to:

- (i) the Bank carrying out credit checks and obtaining credit reports and information from time to time on your business and/or your company and also on any guarantor and security provider; any shareholder (whether direct or indirect, legal or beneficial), director and officer of your company, a guarantor and/or a security provider; any partner or member of a partnership; any office-bearer; any signatory; and any other person and/or entity having a relationship to you that is relevant to your relationship with the Bank or any other member of HSBC Group (as applicable) (collectively, "**Data Subjects**") from 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 sourcing and retaining information on your business and/or your company and all Data Subjects from any available data source, and disclosing to the Bank any such information as may be requested by the Bank.

You warrant that you have been irrevocably authorised by the Data Subjects to give this consent on their behalf.

**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
 - (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.
- (b) 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 2001⁴.
- (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

⁴ 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.

laundrying 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 following Generic Terms & Conditions ("GTC") (available at www.hsbc.com.my) shall be incorporated herein:

- (i) GTC Clause 8 on "Financial Crime Risk Management Activity" is incorporated into this Letter of Offer.
- (ii) GTC Clause 8 is to be read together with GTC Clause 40 on "Definitions".
- (iii) GTC Clause 8 and Clause 40 may be amended from time to time in accordance with GTC Clause 7 on "Amendment of Terms & Conditions" and the prevailing version shall apply to this Letter of Offer.

Tax Compliance The Bank's following GTC (available at www.hsbc.com.my) shall be incorporated herein.:

- (i) GTC Clause 14 on "Tax Compliance" is incorporated into this Letter of Offer.
- (ii) GTC Clause 14 is to be read together with GTC Clause 40 on "Definitions".
- (iii) GTC Clause 14 and Clause 40 may be amended from time to time in accordance with GTC Clause 7 on "Amendment of Terms & Conditions" and the prevailing version shall apply to this Letter of Offer.

Anti-bribery

Neither you and/or any of your affiliates, *nor*, to your knowledge, any director, partner, officer, agent, employee or other person acting on behalf of you or any of your 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 2009⁵ (the "MACCA"), the United Kingdom Bribery Act 2010⁶ (the "UK Bribery Act") and the U.S. Foreign Corrupt Practices Act of 1977⁷ (the "FCPA"). Furthermore, you and, to your knowledge, your 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 maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith

Sanctions

Neither you and/or any of your subsidiaries *nor* any of your/your 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

⁵ Please get the latest MACCA from the website of Malaysia Anti-Corruption Commission (<https://www.sprm.gov.my>) by clicking on "Education" tab.

⁶ 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>).

⁷ 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/>).

[Name of customer]

[Date]

**Conflict & Order
Of Priority**

The Bank's following GTC (available at www.hsbc.com.my) shall be incorporated herein:

- (i) GTC Clause 32 on "Conflict & Order of Priority" is incorporated into this Letter of Offer.
- (ii) GTC Clause 32 is to be read together with GTC Clause 40 on "Definitions".
- (iii) GTC Clause 32 and Clause 40 may be amended from time to time in accordance with GTC Clause 7 on "Amendment of Terms & Conditions" and the prevailing version shall apply to this Letter of Offer.

Bearer Shares

If you are or any of your shareholder (whether direct or indirect, legal or beneficial) is a company incorporated in a country that permits issuance of bearer shares, you confirm and warrant that neither you nor such shareholder have/has issued any bearer shares and further undertakes that neither you nor such shareholder will issue or convert any of your 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 you.

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 any amount paid, transferred or received, or payable, transferable or receivable hereunder, by whatever name called, you 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 your account(s) in or towards the discharge of any amount so payable by you to the Bank.

*** END ***