

1. Conditions Precedent to Disbursement

The Facility is granted by the Bank subject to the fulfilment of the following conditions precedent:

- (a) Receipt by the Bank of the duly accepted Letter of Offer from the Customer within the time prescribed for acceptance or within such extended period as may be granted by the Bank together with documents required under Clause 1 (b) or 1(c) where applicable;
- (b) Where the Customer and/or any party providing security, including but not limited to a guarantee, for the obligations and liabilities of the Customer (“**Security Party(ies)**”) are companies incorporated under the Companies Act 2016, receipt by the Bank from the Customer and the Security Party(ies) of the following:
 - (i) their respective Board of Directors’ Resolution and such other necessary approvals in accordance with their Memorandum and Articles of Association and/or Constitution authorising the following:
 - (1) acceptance of the Facility, opening of account(s) and/or creation of the security(ies);
 - (2) incurring of liability pursuant to the terms and conditions set out in the Letter of Offer; and
 - (3) a list of person(s) appointed as the authorised signatories relating to the acceptance and operation of the Facility and the operation of its accounts and/or the creation of the security together with their specimen signatures (where applicable)
 - (ii) where applicable, certified true copies of their respective latest certificate of incorporation, their Memorandum and Articles of Association and/or Constitution, Forms 24, 44 and 49 (or the latest forms prescribed under the Companies Act 2016).
- (c) Where the Customer and/or the Security Party(ies) are not incorporated under the Companies Act 2016, receipt of their respective certificate of incorporation or identification and mandate in the form as may be required by the Bank on case to case basis.
- (d) The Customer must (if it has not already done so) open and maintain with the Bank a Current Account-i or any other account acceptable to the Bank or in the case of Small and Medium Enterprise (SME) Customer(s), a HLB Prime Biz Current Account-i in the same currency(ies) as the Facility. The Customer must execute an Irrevocable Standing Instruction and/or Letter of Authorisation (where applicable) to authorise the Bank to debit its current account for the satisfaction of the Customer’s obligations that is due and payable via the Bank’s Automatic Fund Transfer (AFT).

- (e) Execution and stamping of the security documents, registration of the securities at the relevant offices or such other registries as may be advised by the Bank.
- (f) No Event of Default has occurred or is occurring which will cause the Facility to be immediately payable.
- (g) No extraordinary circumstances or change of law or other governmental actions shall have occurred which shall render it unlawful for the Bank to grant or continue to grant the Facility or shall make it improbable that the Customer will be able to observe and perform its obligations set out under the Facility.
- (h) Payment of all fees, cost and charges (including the Facility fee, stamp duties, legal and other professional fees and charges) as specified in the Letter of Offer (if any) and as required under the Facility and the Bank shall have the right to debit your account with the Bank towards payment of the same or deduct same from the Facility amount.
- (i) Receipt by the Bank of such other documents, opinions, certificates, authorisations or assurances as the Bank may reasonably request.
- (j) In the Bank's opinion, the premises where your business is carried on is suitable and appropriate for the type of business as well as comply to Shariah requirements.
- (k) Completion of all the necessary legal documentation.
- (l) Any other conditions as may be advised by the Bank's solicitor and/or imposed by the Bank from time to time with prior written notice to the Customer.

2. **Variation of Profit Rate**

The Effective Profit Rate ("EPR") is subject to a minimum of 1.70% p.a.

Notwithstanding other terms of this Facility, the EPR charged by the Bank shall not be less than 0.0% p.a. at any time and the Bank reserves the right to apply the Islamic Cost of Fund ("ICOF") as a Reference Rate.

ICOF is defined as the cost to the Bank to finance the Facility from the sources the Bank may select at its discretion for relevant contracted profit period duly adjusted for the cost of maintaining statutory reserves and complying with the liquidity and other requirements imposed from time to time either internally or externally by Bank Negara Malaysia or any other appropriate authorities having jurisdictions over the Bank from time to time.

Notice of change of the Islamic Financing Rate ("IFR") may be given by placing in one or more issues of a daily national newspaper a general notice addressed to the public generally or by posting a notice of such variation in any of the Bank's branch premises, and the effective date of the change will be at 21 days from the date of the advertisement or notice.

3. Method of Financing

- (a) In accordance with the Shariah concept of **Tawarruq** arrangement and pursuant to the Bank's Islamic financing procedures, upon receipt by the Bank of the disbursement request from the Customer (where applicable) to utilise the Facility or part thereof and pursuant to the Purchase Undertaking stated herein, the Bank will in its own capacity purchase the commodity(ies) from commodity trader(s) registered with Bursa Suq Al-Sila' or from such other supplier(s) or at such other exchange acceptable to the Bank, at the cost price of the commodity(ies) payable on cash basis which will be an amount of up to an aggregate sum not exceeding the Facility limit, which represents the Bank's cost(s) of acquiring the commodity(ies) ("**Commodity Purchase Price**");
- (b) Upon the Bank's purchase of the commodity(ies) from the commodity supplier(s), the Bank shall subsequently sell the commodity(ies) to the Customer or third party authorised by Customer at the commodity sale price which shall comprise of the Commodity Purchase Price plus agreed profit sum of the Bank ("**Commodity Sale Price**") evidenced by an electronic sales certificate ("**Electronic Sales Certificate**"), upon the terms and conditions of the Letter of Offer or as determined by the Bank subject to issuance of prior written notice to the Customer, which shall be payable by the Customer or third party authorised by Customer to the Bank on deferred payment basis.
- (c) The Customer or third party authorised by Customer may take delivery of the commodity(ies), at its own cost and expenses if desired or subsequently the Bank as agent for and on behalf of the Customer, pursuant to the Appointment as Agent stated herein, shall sell the commodity(ies) to any third party at an agreed price equivalent to the Commodity Purchase Price of the commodity(ies) on cash payment basis, whereby the proceeds thereof shall be disbursed to the Customer into the Customer's account with the Bank or in the manner agreed between the parties from time to time in accordance to the terms and conditions herein.
- (d) Unless otherwise agreed between the parties, the Bank will, upon request by Customer or third party authorised by Customer, allow Customer or third party authorised by Customer to take possession of the commodity(ies) or deliver the commodity(ies) according to Customer or third party authorised by Customer instructions at Customer's or third party's authorised by Customer own cost.

4. Commodity(ies)

Such Shariah compliant goods and/or commodity(ies) acceptable to the Bank, including but not limited to, commodities tradable under the Bursa Suq Al-Sila' or such other exchange acceptable to the Bank ("**Commodities**") which will be transacted as the underlying asset to facilitate the Tawarruq transaction.

5. Purchase Undertaking

- (a) Upon the Customer's request for utilisation and in consideration of the Bank making available the Facility, the Customer irrevocably agrees and undertakes to purchase the Commodities from the Bank at the Commodity Sale Price in the manner determined by way of written notice by the Bank to the Customer.
- (b) The Commodities will be sold to the Customer on an "as is where is" basis without any representation or warranty in respect thereof and upon the issuance of the Electronic Sales Certificate, all risk will pass to the Customer and save and except for damages arising directly from the Bank's error, omission, misrepresentation or gross negligence, the Bank will be freed from any liabilities, responsibilities or obligations relating to the Commodities in any form or manner whatsoever.
- (c) Any defects or non-delivery or any disputes whatsoever in relation to the Commodities will not in any way affect or absolve the Customer's obligations or undertakings hereunder, or under the Letter of Offer and the Electronic Sales Certificate.
- (d) The Bank will not be obligated in any manner whatsoever, to purchase the Commodities unless and until the conditions ("**Conditions Precedent**") referred in the Letters of Offer are duly fulfilled in a manner satisfactory to the Bank. Pending the fulfilment in the manner satisfactory to the Bank of the Conditions Precedent herein stipulated, the Bank may with written notice to the Customer, withhold the payment of the Commodity Purchase Price.
- (e) The Bank will not be obligated in any manner whatsoever, to accept any other disbursement request from the Customer to purchase the Commodities until and unless the Customer has made full payment of the Commodities at the Commodity Sale Price and in accordance with the terms and conditions of the Letter of Offer and/or in any other manner or terms as determined by the Bank with prior written notice to the Customer.
- (f) This Purchase Undertaking will be irrevocable (except with prior written consent of the Bank) and binding on the Customer and its successors in title, permitted assigns and personal representatives.
- (g) The Customer agrees and undertakes to reimburse and pay the Bank upon the Bank's written demand, any expenses, loss, damages or liabilities resulting from any defect, malfunction and/or lack of merchantable quality of the Commodities or lack of fitness for use of the Commodities or otherwise howsoever in connection with this Purchase Undertaking including against any loss in any manner whatsoever which the Bank may suffer as a result of the Bank agreeing to participate in the Tawarruq arrangement save and except where it is due to error, omission, misrepresentation or gross negligence by the Bank or its agents.

6. Appointment As Agent

- (a) The Customer hereby irrevocably and unconditionally appoints the Bank to be its undisclosed agent to perform the duties as set out below:
- (i) to purchase the Commodities from the Bank (in its capacity as seller) on deferred payment terms at the Commodity Sale Price in a manner and terms as determined by the Bank with prior written notice to the Customer;
 - (ii) to take possession (physical or constructive) of the Commodities;
 - (iii) upon the Customer's request, to allow the Customer to obtain possession of the Commodities at the Customer's own cost and expenses subject to the condition that the Bank has yet to sell the Commodities on the Customer's behalf to any third party;
 - (iv) to sell the Commodities to any third party commodity purchaser at the Bank's discretion, with written notice to the Customer, on behalf of the Customer at a price equivalent to the Commodity Purchase Price;
 - (v) to receive the sale proceeds on the Customer's behalf from the third party purchaser of the Commodities, to hold the sale proceeds on trust for the Customer and to remit the sale proceeds or any part thereof to the Customer into the Customer's account with the Bank or in the manner mutually agreed by the Customer and the Bank;
 - (vi) to deliver possession of and title in and to the Commodities to the third party purchaser of the Commodities; and
 - (vii) to do all acts incidental to the above including but will not be limited to the execution of the Electronic Sales Certificate or any document or instrument required thereof, delivery, possession and retention of the Commodities in any manner as the Bank deem fit.
- (b) The Customer will recognise that the Bank as its undisclosed agent will at all times be:
- (i) authorised to sign and execute all documents and do all acts and observe and perform all obligations required to be done in connection with its appointment as the Customer's agent, or imposed under any sale transaction to the third party purchaser of the Commodities; and
 - (ii) authorised to delegate its rights and duties as an agent to any third party to do all acts necessary for the completion of the required transactions; and
 - (iii) required to do all the administrative duties regarding the holding and the sale of the Commodities as well as takaful coverage thereof where applicable.
- (c) Notwithstanding any sale of the Commodities or by the Bank as agent of the

Customer and/or any defects and/or any non-delivery and/or any dispute whatsoever in relation to the Commodities that the Customer may have with the third party purchaser pursuant to the sale by the Bank as agent on behalf of the Customer subsequent to the Customer purchasing the Commodities from the Bank but prior to the full settlement of the Commodity Sale Price and the indebtedness created under the said Electronic Sales Certificate, it will not in any way impair or absolve the Customer's obligations as arising out in the Electronic Sales Certificate and in the Letters of Offer.

- (d) The Customer shall be bound by any contract or agreement that the Bank enters into on its behalf with any third party pursuant to the Bank's appointment as agent.
- (e) The Customer does not deem the Bank's appointment as agent to create a partnership or a joint venture, nor does it establish a relationship of principal or agent in any other relationship between the Customer and the Bank.
- (f) This appointment will cease immediately upon expiry or termination of the Facility.
- (g) The Customer hereby agrees and undertakes to reimburse and pay the Bank upon the Bank's written demand, any losses, costs, expenses or damage that the Bank may suffer or incur as a result of fulfilling the Bank's agency function as set out above unless such losses, costs, expenses or damages are due to the error, omission, misrepresentation or gross negligence by the Bank or its agents.

7. **Payment Scheme of the Commodity Sale Price**

First payment will commence on the 1st day of the following calendar month after the first release of the Facility Amount. Subsequent payment will be paid on the 1st day of each succeeding month until full settlement of the Facility.

The Bank may however with prior written notice to the Customer, adjust the payment amount payable during the Facility Tenure upon changes to EPR due to the fluctuation of the IFR, provided always that the aggregate payment payable during the Facility Tenure will not exceed the Commodity Sale Price.

Notwithstanding the manner of payment amount referred above, any amount due will be fully settled at the end of the Facility Tenure.

If and whenever the EPR is varied as a consequence of variations to the IFR and actual no. of days in a month, your final payment amount may be varied to settle principal balance outstanding & billed profit to full settle the financing.

8. Utilisation of Facility

Utilisation of the Facility or any part thereof must be made within 3 months from the date of this Letter of Offer or such other period as the Bank may prescribe. Regardless of whether the financing documentation has been completed or not, the Bank may withdraw or cancel the Facility or to vary the terms of the Facility subject to the Bank issuing at least 21 calendar days' notice to the Customer prior to implementation of any cancellation, change or revision and the Customer must reimburse the Bank for any costs, fees and expenses incurred by the Bank.

The utilisation of the Facility is for Shariah compliant purposes as set out under section 16 of this Letter of Offer and the Customer agrees to be bound by such terms and conditions of this Letter of Offer.

Nothing in this Letter of Offer (whether signed by the parties or not) shall be deemed to impose on the Bank any obligation either at law or in equity to make or to continue to make available the Facility to the Customer.

9. Conditions For Facility(ies) Under Guarantee Scheme Offered by Syarikat Jaminan Pembiayaan Perniagaan Berhad (“SJPP”)

(a) The granting of the Facility under the SMEGROW-i Program under the **SJPP SME Grow Scheme** is subject to the approval of SJPP, the appointed administrator of the scheme and the guarantee by the Government of Malaysia and consent must be obtained from SJPP for any subsequent approved additional facilities/restructuring and/or variations made to the existing terms and conditions;

(b) Any amount undisbursed after a period of 6 months from the date of receipt by the Bank of the SJPP's approval shall be automatically cancelled and thereafter shall not be made available to the Customer unless extended by Bank/SJPP/Government of Malaysia.

(c) Guarantee Fee

Annual guarantee fee of 1.00% p.a. will be borne by the Bank and remitted by the Bank to SJPP.

This is subject to the aggregate Group financing limit not exceeding RM50.0 million for all SJPP guarantee schemes, including this financing. Group is defined as companies under the same group by way of shareholding (holding 50% or more), directors (providing guarantees) and/or related guarantors.

(d) Cancellation Fee

A cancellation fee of RM100.00 shall be chargeable in the following circumstances:

- for each cancellation of a request for a Guarantee by the Customer; or

- for failure to disburse the Facility after a period of 6 months from the date of receipt by the Bank of the SJPP's approval and the consequent cancellation of the guarantee approval;

This Cancellation Fee is not applicable for cancellation before the activation of guarantee.

- (e) The Customer authorises and consents to the Bank disclosing all information including but not limited to the financing Facility, securities and accounts of the Customer to the Government of Malaysia and SJPP;
- (f) In the event the Customer wishes to continue with the Facility after the expiry period of SJPP's scheme or SJPP guarantee has lapsed, the Bank may vary the terms and conditions of the Facility granted with written notice to Customer;
- (g) Upon expiry of the tenure of the scheme, the profit rate(s) charged will be converted to a profit rate(s) as may be determined by the Bank (not exceeding the selling/sale price) which shall apply throughout the entire tenure of the Facility and the Bank reserves the right to vary the terms and conditions of the Facility granted subject to the Bank issuing at least 21 calendar days' notice to the Customer prior to implementation of any change or revision; and
- (h) In the event of any change in circumstances resulting in the Customer becoming no longer eligible under the scheme, the Bank may subject to issuance of at least 21 calendar days' notice to the Customer or upon instruction by SJPP terminate the Facility under the scheme, vary the prevailing terms and conditions (including the profit rate), and/or impose such additional conditions as the Bank may deem necessary or appropriate at its discretion.

10. **Commodity Trading Fee**

The Customer or third party authorised by Customer hereby agrees to pay the Bank a Trading Fee of RM4.00 for every RM1.0 million of financing amount on a pro-rated basis and hereby authorises the Bank to debit the trading fee from the Customer's account(s) maintained with the Bank.

11. **Stamp Duty**

Stamp duties in connection with the Facility granted, this Letter of Offer and other security documents obtained herein (if any), shall be borne by you. The fees that relate to stamp duties include a stamp duty of 0.5% ad valorem on the Facility Amount and nominal of RM10 for each security documents.

12. **Compensation Charges (Ta'widh)**

It is expressly agreed by both parties that the Bank will be entitled to impose on the Customer compensation (ta'widh) charges on the amount of actual loss incurred by the Bank as a direct result of delay in payment or default by the Customer based on the following mechanisms:

(a) **During Facility Tenure**

- (1) For default of any payments during the tenure of the Facility, at the compensation rate of 1% per annum or such other rates approved by BNM on the overdue scheduled payment, calculated from the date immediately following the date of such default until the date of receipt of payment in full.
- (2) For default causing the Facility to be terminated or brought to court for judgement, at a rate of 1% per annum or such other rates approved by BNM on the outstanding balance (outstanding principal and accrued profit) calculated from the date immediately following the date of such default until the date of receipt of payment in full.

(b) **After Expiry or Maturity of Facility Tenure**

For default of any payment exceeding the tenure of the Facility, at such rate which will not be more than the BNM's prevailing daily overnight Islamic Interbank Money Market ("**IIMM**") rate or such other rates approved by BNM on the outstanding balance (outstanding principal and accrued profit) of the Facility subject to any rebate (Ibra') that may be applicable, calculated from the date immediately following the expiry of the tenure of the Facility until date of receipt of payment in full.

(c) **Post Judgement**

For default of payment of Facility where judgement amount has been awarded by

the court, at such rate which will not be more than the IIMM rate or such other rates approved by BNM on the basic judgement sum of the Facility subject to any rebate (Ibra') that may be applicable, calculated from the date the judgement is made until the judgement sum is fully settled.

The compensation amount must not be compounded and the reference rate for the actual loss will be determined at the point of default, computed on a daily basis from the payment due date.

The late payment charges and the method of calculation are subject to change as may be prescribed by BNM.

13. Rebate (Ibra')

(a) The Bank will grant rebate to the Customer(s) under the principle of Ibra' as prescribed by the Shariah Advisory Council ("SAC").

(b) Rebate will be calculated as follows:

Rebate = remaining unearned profit – early settlement charges*

*(1) cost that have not been recovered because a financing contract has a structure with discount elements at the initial period of financing; and/or

*(2) initial costs that have not been recovered (e.g. zero moving cost products); and/or

*(3) Break Financing Cost (if any) as stated in a financing contract.

(c) Rebate will be granted to the Customer who settles their financing Facility before the end of the financing tenure. Settlement prior to the end of the financing Facility tenure by the Customers will include, but is not limited to the following situations:

(1) Customer who make an early settlement or early redemption, including those arising from prepayments;

(2) Settlement of this financing Facility due to financing restructuring exercise;

(3) Settlement by Customer in the case of default; and

(4) Settlement by Customer in the event of termination or cancellation of this financing Facility before the maturity date.

(d) For variable rate financing, if the profit amount based on EPR is lower than the profit amount based on Contracted Profit Rate ("CPR"), rebate will be granted on the difference.

(e) The rebate will only be deemed granted upon receipt of the settlement/redemption sum as determined by the Bank.

Please refer to example on rebate calculation in *Appendix I*.

14. **Waiver of Terms & Conditions**

It is expressly acknowledged and declared that any term and conditions contained in this Letter of Offer are inserted for the benefit of the Bank. The Bank may waive unconditionally, with at least 21 days prior written notice to the Customer, or upon terms and conditions specified by the Bank, any of the terms and conditions in this Letter of Offer and such waiver will not prevent the Bank from insisting on the Customer's compliance with such waived conditions subsequently.

15. **Representations and Warranties**

The Customer represents and warrants to the Bank throughout the duration of the Facility as follows:

- (a) Status: that the Customer is duly incorporated and validly existing under the laws of Malaysia and have full power and authority to own their assets, carry on their business and operations currently being conducted and to execute, deliver and perform their obligations under the Facility, guarantee and the Security Documents to which they are a party;
- (b) Non-violation: that the execution, delivery and performance by the Customer of the Letter of Offer, other documents and transactions as contemplated in this Letter of Offer;
 - (i) constitutes legal, valid and binding obligations of the Customer;
 - (ii) will not violate any law, regulation, order, decree or the provisions of any contract or other undertaking or instrument to which the Customer is subject;
 - (iii) will not violate any contract, undertaking or other instrument to which the Customer is a party or which is binding upon the Customer; and
 - (iv) will not result in the creation or imposition of any mortgage, lien, pledge or charge on any of the Customer's assets or revenue pursuant to the provisions of any contract, undertaking or other instrument.
- (c) Consents, Licences and Approvals: that all consents, approvals and/or authorisations which are required or advisable for or in connection with the execution, delivery, performance, legality and enforceability of the Letter of Offer, guarantee(s) and other securities (if applicable) have been obtained and are in full force and effect;
- (d) No Default: that the Customer is not in default of any agreement to which it is a party or may be bound to;
- (e) No Litigation: no prosecution, litigation, arbitration or administrative proceedings

are presently current or pending or threatened which might affect the Customer's business, assets, condition, solvency or ability to perform its obligations under the Letter of Offer, and/or any guarantee(s) and/or other securities;

- (f) Insolvency: no steps has been taken, meeting has been convened or resolution has been made for the liquidation, dissolution or winding up or bankruptcy of the Customer.
- (g) Information: that all particulars and/or declarations provided or made by the Customer in respect of the Customer's application for the Facility are true, accurate and correct in all respect;
- (h) Accounts: the Customer's last audited accounts have been prepared in accordance with accounting principles and practices accepted in Malaysia and give a true, fair view of the Customer's financial position as at that date and accurately discloses or reserves against all liabilities of the Customer;
- (i) No Event of Default: none of the events of default set out in this Letter of Offer has occurred and is subsisting;
- (j) No Material Change in Financial Condition: there has been no material adverse change in the Customer's financial position and that of its subsidiaries taken as a whole since the date of the latest audited accounts, which would materially affect the Customer's ability to perform its obligations under the Facility; and
- (k) Shariah Compliant: that the main business and principal activities of the Customer does not involve any Shariah non-compliant activities and that the Facility will not be used for Shariah non-compliant purposes.
- (l) Others: such other representations and warranties as may be prescribed by the Bank in the financing documents.

The above representations and warranties will be correct and complied with as long as the Facility remain available and until all indebtedness due pursuant to the Facility have been settled in full.

16. Positive Covenants

The Customer must ensure that at all times during the continuance of the Facility and whilst any part of the Facility remains outstanding, it must comply with the following:

- (a) Event of Default: Immediately notify the Bank of the occurrence of any event of default or of any event of default in relation to other indebtedness of the Customer which might adversely affect its obligations in this Letter of Offer. The Customer must provide the Bank with full details of any steps which it is taking, or is considering taking, in order to remedy or mitigate the effect of the Event of Default or otherwise in connection with it;
- (b) Conduct of Business: carry out the Customer's business and affairs lawfully,

diligently and efficiently in accordance with its Memorandum and Articles of Association and/or other constituent documents which are applicable;

- (c) Shariah compliant: to carry out businesses which do not contravene the laws and regulations governing Islamic financing and/or transactions;
- (d) Notification: subsequent to the Bank's consent to effect such change, and upon occurrence thereof, the Customer is to immediately deliver information relating to the business of the Customer, including the following:
 - (i) change in the Board of Directors, of the Customer;
 - (ii) change in the management, major or controlling shareholders of the Customer; and
 - (iii) significant change in the Customer's business direction.

The Customer is to submit extracts of the minutes of the Board of Directors Meeting and Director's Circular Resolution or other relevant documents to the Bank within 30 days of such meetings or resolution with regards to any of the above.

- (e) Inspection: permit at all times, with written authorisation as may be required, allowing the Bank, its officers, servants and/or agents to inspect all records of the Customer at any place of business of the Customer or elsewhere and all records kept by any other authorities or persons in so far as such records relate to or affect the businesses and the properties of the Customer.
- (f) Ranking: ensure that the Facility will rank equally with all other comparable facilities granted to the Customer by other bankers or creditors; and
- (g) Information: to furnish to the Bank all such information or documents as the Bank will reasonably request. The Customer consents to the Bank obtaining any other information from any credit reference agency or sources and at any time as the Bank considers appropriate.

17. Negative Covenants

The Customer must not, during the tenure of the Facility, without the Bank's prior written consent (which consent will not be unreasonably withheld):

- (a) Loan Advances: grant any financings, loans, advance, provide security or guarantee to any person except for normal trade credit or trade guarantee in the ordinary course of business;
- (b) Merger, Consolidation and Reorganisation: effect or permit any form of merger, reconstruction consolidation, amalgamation or reduction in share capital or otherwise approve or permit any change of ownership or control;

- (c) Disposal: dissolve itself (or suffer any liquidation, dissolution or revocation), sell, transfer, encumber or otherwise dispose or lease all or a substantial part of its assets or undertaking except in the ordinary course of its business for an aggregate amount which, in the opinion of the Bank is not material;
- (d) Partnership: enter into any partnership or royalty agreement or profit sharing or other similar arrangement in which the Customer's income or profits are shared with any other person/or company unless such arrangement is entered into in the ordinary course of business, or enter into any management agreement where its business is managed by a third party.
- (e) Legal Proceedings: initiate, commence, institute or maintain any action, suit or proceedings whatsoever in any court or tribunal against the vendor or any related party thereto in respect of any matter arising out of the purchase of the property(ies) to be financed by and/or charged to the Bank (if applicable).
- (f) Change in Business: change the Customer's financial year or change or threaten to change the nature or scope of the Customer's present business, suspend or threaten to suspend a substantial part of the business or operation which it now conducts directly or indirectly;
- (g) Variation of Share Capital: decrease or alter (other than increase) the Customer's authorised or issued capital or alter the structure or the rights attached to the share capital.
- (h) Change in Shareholding, and/or Directors and/or Management: change the Customer's Board of Directors or its management or its major or controlling shareholders or in part.
- (i) Others: breach such other covenants as may be prescribed by the Bank.

18. **Shariah-compliant Covenants**

The Customer's principal activities and utilisation of the said Facility throughout the tenure of the Facility must comply with Shariah principles as per the Shariah resolutions of Bank Negara Malaysia's Shariah Advisory Council ("SAC") and the Bank's Shariah Committee. As a general reference, below are the activities which contravene Shariah principles:

- (a) conventional banking and lending;
- (b) conventional insurance;
- (c) gambling and gambling related activities;
- (d) liquor and liquor-related activities/products;
- (e) pork and pork-related activities/products;
- (f) non-halal / non certified halal food and beverages;
- (g) Shariah non-compliant entertainment;
- (h) interest income from conventional accounts and instruments (including interest income awarded arising from a court judgement or arbitrator);
- (i) dividends from Shariah non-compliant investments;
- (j) tobacco and tobacco-related activities;

- (k) stock broking business and share trading in Shariah non-compliant securities;
- (l) rental received from Shariah non-compliant activities (as above); and
- (m) other activities deemed non-compliant according to Shariah;

The above list is merely a general guide for the Customer and is not exhaustive.

19. **Decision / Rulings Related to Shariah Matter**

Any prevailing decisions and/or rulings related to Shariah matters pronounced and/or made by the SAC and/or the Bank's Shariah Committee will absolutely bind the Customer for present and future agreement(s).

The Customer understands that the Facility and the financing documents has been endorsed by the Bank's Shariah Committee and agrees and undertakes that the approval is final, conclusive and binding upon the Customer.

20. **Events of Default**

Any amount owing or remaining unpaid from the Facility shall become due and immediately payable by the Customer to the Bank at such applicable compensation rate specified in this Letter of Offer upon the happening of any of the following events:

- (a) Non-payment: if the Customer fails to make payment of any monies due and payable to the Bank or defaults or fails to perform any of its undertakings, agreements or any of the terms and conditions in this Letter of Offer; or
- (b) Insolvency: if the Customer or Security Party(ies) (if any) commits an act of bankruptcy or suffers any petition or passes any resolution for winding up or enters into receivership or enters into any composition or arrangement with or for the benefit of its creditors; or
- (c) Judgement Outstanding: if any distress, execution or other process of a court of competent jurisdiction is levied upon or issued against the Customer's or the Security Party(ies)'s (if any) asset and such process is not satisfied or withdrawn within 21 days thereof; or
- (d) Death or Incapacity: if the Customer or Security Party(ies) (if any) who is a natural person serves any custodial sentence, becomes incapacitated or insane or dies; or
- (e) Change in Financial Condition: if there is any material change in the financial condition of the Customer which in the Bank's opinion is likely to prejudice the Customer's ability to service the Facility and payment due to the Bank; or
- (f) Misrepresentation: any of the statements, representations and warranties made by the Customer and/or Security Party(ies) in the Security Documents (if any) becoming materially incorrect or not complied with; or
- (g) Change in Law: if a change in applicable law or regulation makes its impossible or

- unlawful for the Bank to continue making available the Facility to the Customer;
or
- (h) Change in Shareholding and Management: if there is any change in the major shareholders and/or management of the Customer or Security Party(ies) (if any) without the Bank's prior written consent; or
 - (i) Customer Breach: if the Customer breaches any of the terms and conditions contained in the Letter of Offer or in any of the Facility or Security Documents; or
 - (j) Jeopardy: in the opinion of the Bank:-
 - (i) any of the securities in this Letter of Offer are in jeopardy or is ineffective; and/or
 - (ii) any event has occurred or a situation exists which could or might prejudice the obligations of the Customer or Security Party(ies) (if any) to perform any of its obligations under the Facility.
 - (k) Utilisation: if the utilisation of the said Facility contravene the Shariah principles and usage of which is for non-Shariah compliant purposes; or
 - (l) Shariah Non-Compliant: if the Customer's principal activities contravene the Shariah principles and revenue of which is Shariah non-compliant; or
 - (m) Withdrawal of Security: if any of the Security Party(ies) (if any) withdraw themselves or purport to withdraw themselves without the Bank's prior written consent; or
 - (n) Material Adverse Change: if the Customer or the Security Party(ies) (if any) is affected by a material change in its circumstances which in the Bank's opinion has an adverse impact on the ability of the Customer or the Security Party(ies) (if any) to perform its obligations under the Facility and/or the financing documents thereof; or
 - (o) Bank's Review: if the Bank decides, with written notice to the Customer, in its absolute discretion that the continuation of the Facility or any part thereof of the Facility is likely to be detrimental to its own position or otherwise undesirable or that its security hereunder is inadequate; or
 - (p) Cessation of Business: if the Customer or Security Party(ies) (if any) cease or threaten to cease to carry on its business; or
 - (q) Cross default: If the Customer or Security Party(ies) (if any):
 - (i) is in default under any other facilities granted by the Bank or any other financial institutions; or
 - (ii) is in breach of its obligations under any other account maintained with the Bank or any other financial institutions which is likely to prejudice the

Customer's or the Security Party(ies) (if any) ability to honour any of their respective obligations in this Letter of Offer or under the financing documents or such other events as may be prescribed by the Bank in the Facility or Security Documents;

then, at once or at any time thereafter, the Bank may, by notice to the Customer, declare that an Event of Default has occurred and simultaneously or at any time thereafter, irrespective of whether any event mentioned in this Letter of Offer is continuing, the Bank may, by written notice to the Customer declare the indebtedness or the balance of the indebtedness to be immediately due and payable whereupon:

- (i) if the Facility or any part of the Facility has been disbursed, the indebtedness or the balance of the indebtedness will be payable by the Customer to the Bank;
- (ii) if the Facility or any part of the Facility has not been fully disbursed, no further disbursement will be made and the Facility will be cancelled; and
- (iii) the security(ies) created in this Letter of Offer will immediately become enforceable whether separately or concurrently.

21. **Other Conditions**

(a) **Islamic Financial Services Act 2013 (“IFSA”) and Bank Negara Malaysia Guidelines on Credit Transactions & Exposures with Connected Parties for Islamic Banks (“Guidelines”)**

- (i) The Customer must declare to the Bank whether the Customer is a connected party under the Guidelines, which includes but is not limited to, a spouse, child, parent or financial dependant of the Bank's Director, Executive Officer or credit-approving/appraising/reviewing officer or in the case of a corporate/business-customer, includes an entity controlled by such abovementioned Bank's persons.
- (ii) If at any time the Customer becomes a connected person, the Customer must notify the Bank in writing immediately. The Bank may terminate the Facility **with prior written notice to the Customer** if the Customer fails to make the appropriate or correct declaration, resulting in the Bank contravening the IFSA or the said Guidelines.

(b) **Representation and Warranty on Procession of Personal Information**

- (i) The Customer represents and warrants that they have obtained the consent of all persons named in the Customer's application or such other document submitted to the Bank in support of application for the Facility; and/or
- (ii) The Customer has obtained the consent of their authorised representatives, including the Customer's directors, shareholders, authorised signatories or such other persons as specified by the Bank (“Relevant Data Subjects”), for the Bank's collection, holding and use of the personal information of the

Relevant Data Subjects in accordance with the Bank's Privacy Notice** as may be amended from time to time.

All information to be provided by the Customer will be relied on the Bank as correct and complete to ensure compliance with the Personal Data Protection Act 2010.

** "Privacy Notice" will mean the Bank's policies and principles pertaining to the collection, use and storage of personal information of existing and prospective individuals and entities dealing with the Bank as may be amended from time to time and made available at <https://www.hlb.com.my/privacynotice> or in such manner as the Bank deems appropriate from time to time.

(c) Consent to Process Personal Information (*Applicable where Customer is an individual, sole-proprietor / partnership*)

The Customer agrees and consents to the holding, collection and use of all personal data provided to the Bank by the Customer or acquired by the Bank from the public domain, as well as personal data that arises as a result of the provision of services to the Customer in connection with the Facility or other accounts of the Customer maintained with the Bank, in accordance with the Privacy Notice of the Bank as may be amended from time to time,

(d) Right to Disclose Information

In addition to the permitted disclosures provided under Schedule 11 (Permitted Disclosures) of the IFSA, with prior written notice to the Customer stating the reason of such disclosure, the Customer authorises and permits the Bank, its officers and employees to disclose and furnish all information concerning the Facility and any other matters relating to the Customer to:-

- (i) other financial institutions granting or intending to grant any financing or credit facilities to the Customer, the Credit Bureau or any other credit bureau established by Bank Negara Malaysia ("BNM"), Cagamas Berhad, Credit Guarantee Corporation, the Employees Provident Fund and any other relevant authority as may be authorised by law to obtain such information or such authorities/agencies established by BNM or any agency established by the Association of Banks in Malaysia or Association of Islamic Banking and Financial Institutions Malaysia;
- (ii) any current or future corporation which may be associated with or related to the Bank or Hong Leong Bank Berhad (as defined in the Companies Act 2016), including representative and branch offices and their respective representatives as well as subsidiaries of the Bank's holding company or subsidiaries of Hong Leong Bank Berhad's holding company;
- (iii) the Security Party(ies) or any party intending to provide security in respect of the Facility;

- (iv) the Bank's auditors, solicitors and/or other agents in connection with the recovery of moneys due and payable hereunder; and
- (v) the Bank's professional advisers, service providers, nominees, agents, contractors or third party service providers who are involved in the provision of products; and services to or by the Bank and its related or associated companies.

The Bank may disclose to any person who derives or may derive rights or obligation under or by reference to the Security Documents (including but not limited to an assignee or transferee or prospective assignee or transferee) such information about the Customer in relation to the Facility or the Security Documents as have been made available to the Bank generally.

The Customer acknowledges and agrees that the permission given under this Section is deemed to be the permission given for the purposes of any prevailing laws and no further consent from the Customer is required.

The Customer consents to such disclosure and confirms that save and except for damages arising directly from the Bank's error, omission, misrepresentation or gross negligence, the Bank, its officers and employees will be under no liability for furnishing such information or for the consequences of any reliance which may be placed on the information so furnished in accordance with the Letter of Offer.

The Customer authorises and consents the Bank obtaining any other information about the Customer from any credit reference agency or sources and at any time as the Bank considers appropriate.

(e) Cost & Expenses

- (i) The Customer must bear all fees, stamp duties, taxes and any other out-of-pocket expenses for the preparation, perfection and enforcement of the financing documentation and/or any legal rights for the Facility including the Bank's legal fees (on a solicitor and own client basis) for recovery of the Facility granted.
- (ii) The Bank will have the right to debit the Customer's accounts with all fees and professional charges, takaful contribution/insurance premium, quit rent, assessment taxes, costs and expenses incurred or payable by the Customer pertaining to the Facility and/or security(ies) given in connection therewith including legal fees (on a solicitor and own client basis) incurred for the recovery of the Facility subject to the Bank issuing at least 7 calendar days notice in advance to the Customer and the Customer must pay compensation charges on such debited amount at the applicable default rate, pursuant to clause 12 above, (both before as well as after demand, judgement or order) at such rest period as may be stipulated by the Bank from the date of such sums having been paid or expended.

(f) Change in Bank/Customer

The liabilities and/or obligations of the Customer under the Letter of Offer will continue to be valid and binding for all purposes whatsoever despite: -

- (i) any change by amalgamation, reconstruction or otherwise which may be made in the constitution of the Bank or of any company by which the business of the Bank may for the time being be carried on and will be available to the company carrying on that business for the time being;
 - (ii) any change whether by reason of amalgamation, bankruptcy, death, insanity, incorporation, liquidation, reconstruction, winding up or otherwise howsoever in the name, style, constitution or composition of the Customer and it is expressly declared that no change of any sort in relation to or affecting the Customer will affect the Customer's liabilities and/or obligations in relation to any transaction whatsoever whether past, present or future.
- (g) Right of Set-Off and Consolidation
- (i) Without prejudice to any other remedies which the Bank may have, the Bank may with 7 calendar days prior written notice to the Customer combine, consolidate or merge all or any of the Customer's account or accounts at any branch of the Bank of whatsoever nature (whether current, deposit or financing account) with any liabilities of the Customer under any agreement or contract with the Bank;
 - (ii) set off or transfer any sum (whether in the same or different currencies) standing to the credit of any such account, agreement or contract in or towards the satisfaction of any of the Customer's liabilities to the Bank in this Letter of Offer or under any other account or accounts, agreements or contracts.
 - (iii) The Bank is authorised to effect any necessary conversions at the Bank's own prevailing rate of exchange. The Bank is not liable for any damages and/or loss incurred by the Customer due to the operation of this arrangement save and except where it is due to error, omission, misrepresentation or gross negligence by the Bank or its agents.
- (h) Suspense Account
- (i) Any monies received by the Bank in respect of the Facility may (with written notice to the Customer) be placed in a non-income bearing suspense account as the Bank thinks fit, and the Bank is not obliged to use such money to settle any of the Customer's obligations or liabilities to the Bank.
 - (ii) Despite any such payment if there is bankruptcy, liquidation, composition or arrangement proceedings, the Bank may prove for and agree to accept any dividend or composition in respect of such money liabilities and no monies or dividends so received by the Bank will be treated as received in respect of the Customer's liabilities hereunder, but the full amount of the Customer's liabilities hereunder will be payable by the Customer until the Bank has

received from all sources the full amount of the ultimate balance it is entitled to receive.

(iii) After the Bank has received such ultimate balance in full, any claim on the part of the Customer to any excess remaining with the Bank will be a matter of adjustment between the Bank and the Customer and any other person or persons laying claim thereto.

(i) Waiver

If the Bank does not exercise its rights or remedies under this Letter of Offer fully or at any given time, it will not impair any such right, power, privilege or remedy or be construed as a waiver or an acquiescence in such default, nor will 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 or subsequent default.

(j) Statement of Account

The Customer expressly agrees that a statement of account issued by the Bank will save for manifest error be final and conclusive proof of the indebtedness of the Customer.

(k) Customer's Undertaking

The Customer agrees and undertakes to reimburse and pay the Bank upon the Bank's written demand, any loss or expense (including but not limited to legal expenses on a solicitor and own client basis) which the Bank may sustain or incur as a consequence of any default by the Customer in performing its obligations under the Letter of Offer save and except where it is due to error, omission, misrepresentation or gross negligence by the Bank or its agents.

(l) Application of Payment

Despite any other provisions contained in the Letter of Offer to the contrary, the Bank may subject to prior written notice to the Customer, apply any payments received from the Customer or from any person making payments on behalf of the Customer (irrespective of whether the purpose of the payment is specified or not) towards satisfaction in whole or part of any amount of the remaining commodity sale price, commission and charges and/or other sums of monies then due and payable from the Customer in any order that the Bank deems fit.

(m) Avoidance of Payments

No assurance, security or payment which may be avoided under any law relating to winding up or insolvency and no release, settlement or discharge given or made by the Bank on the faith of any such assurance, security or payment, will prejudice or affect the Bank's rights to recover from the Customer the monies payable in the Letter of Offer and secured under the Security Documents to the full extent in the Letter of Offer. Any such release, settlement or discharge will be deemed to be

made subject to the condition that it will be void if any payment or security which the Bank may previously have received or may hereafter receive from any person in respect of the monies agreed to be paid or repaid by the Customer is set aside under any applicable law or proves to have been for any reason invalid.

(n) Payment Date

If any payment is due to be made by the Customer on a day which is not a Business Day, the due date for payment must be made on the Business Day before that.

Business Day means a day on which the Bank is open for business in Kuala Lumpur and in the state where the financing branch of the Bank is located where transactions of the nature required by this document are to be carried out.

(o) Enforcement

The Bank's rights hereunder is in addition to and not in replacement of any other rights or securities which the Bank may have from or against the Customer, or any other person and may be enforced in accordance with the terms hereof without first having recourse to any of such other rights or securities and without taking any steps or proceedings against any such other person/security.

(p) Notices

(i) Any demand for payment of the monies intended to be hereby secured may be made by a notice in writing requiring payment within seven (7) days from the date of such notice and may be issued by the Bank or by any solicitor or firm of solicitors purporting to act for the Bank. Such notice shall be deemed to have been sufficiently served on the Customer(s) if it is left at the usual or last known place of residence or business or at the address stated in this Letter of Offer or sent by registered letter or ordinary mail to any of such addresses or sent by telex or facsimile to any telex/facsimile numbers of the Customer(s) or in the record of the Bank.

(ii) Any other notice required or permitted to be served by the Bank under or pursuant to this Assignment may be served and shall be deemed served, given or made by the Bank by post, facsimile, electronic mail ("e-mail"), short messaging service ("SMS"), personal delivery, or such other mode as may be practicable and allowed by the Bank. Notices issued by or on behalf of the Bank (including computer generated notices/statements that do not require any signature) will be directed to the Customer(s) at the Customer(s)'s address, facsimile number, e-mail address and/or telephone number in the records of the Bank.

(iii) All notices or communications from the Customer to the Bank must be sent to the branch of the Bank. Such notices or communications are delivered when Bank has acknowledged receipt of the same.

(iv) Notices and/or demands served in accordance with this Section 19.9 shall be deemed delivered in the case of:-

- (1) post, five (5) days after the date of posting;
- (2) facsimile, on the day of transmission;
- (3) e-mail and/or SMS, on the day of transmission;
- (4) personal delivery, at the time of delivery; and
- (5) advertisement, on the day of advertisement.

(v) The Customer hereby authorises the Bank to:

(1) rely upon and act on the Assignor's notices or instructions given in the following manner ("Instructions"):

(A) by telephone, post, facsimile transmission, e-mail or other electronic means; and

(B) based on signatures which appear to the Bank, by reference to the names and signatures of such persons filed with the Bank to be signatures of the Customer or any persons authorised by the Customer to issue such instructions; and

(2) treat all such Instructions given as binding on the Customer.

(vi) The Bank may decline any Instructions without liability to the Customer.

(vii) The Bank may record all telephone conversations and Instructions and may use such recordings and transcripts as evidence in any dispute.

(viii) The Customer bears the risks of Instructions given in the manner set out herein including the risk of such Instructions being given by unauthorised persons and/or any error, loss or delay resulting from the use of telecommunication devices, networks or electronic means.

(ix) Save and except for damages arising directly from the Bank's error, omission, misrepresentation or gross negligence, the Customer agrees to reimburse the Bank upon the Bank written demand, all loss, claims, demands, costs, damages, expenses and all other liabilities whatsoever which may be incurred by the Bank in relying on the Instructions.

(q) Governing Law

The rights and obligations hereunder of the Bank and Customer will be governed by and construed in all respects in accordance with the laws of Malaysia. The Bank will be at liberty to initiate and take actions or proceedings or otherwise against the Customer in Malaysia and/or elsewhere as the Bank may deem fit and the Customer agrees that where any actions or proceedings are initiated and taken in Malaysia it will submit to the non-exclusive jurisdiction of the Courts of the States of Malaya or Sabah and Sarawak (as the case may be) in all matters connected with its obligations and liabilities under or arising out of the Letter of Offer and/or any Security Document.

(r) Irrevocable Rights to Debit Current Account

The Bank will have the irrevocable and unrestricted right to debit the current account or any other current account of the Customer maintained with the Bank for all payments due and payable on their respective payment dates as well as commission, takaful/insurance premium and other charges pertaining to the Facility and/or securities payable by the Customer.

(s) Cross Default

The Bank reserves the right to proceed with legal proceedings against the Customer(s) and/or Security Party(ies) (if any) or to accelerate the payments or to recall the Facility, and all other monies payable to the Bank under the Letter of Offer or withhold or withdraw the Facility if there is a default:

- (i) in the payment of any monies due by the Customer(s) hereunder or under any other account with the Bank or with any other financial institution; or
- (ii) a default by Security Party(ies) (if any) or any related company (by virtue of Section 7 (When corporations deemed to be related to each other) of the Companies Act 2016); or
- (iii) default by substantial shareholder (by virtue of Section 136 (Substantial shareholdings and substantial shareholders) of the Companies Act 2016) of the Customer or Security Party(ies) (if any),

under any account with the Bank or any other financial institution or if there is a default in the payment of any monies under the accounts of any other party of which the Customer or any Security Party(ies) (if any) is/are a guarantor or when the Customer and/or Security Party(ies) (if any) or any subsidiary or holding company of the Customer and/or Security Party(ies) (if any) cease(s) or threaten(s) to cease to carry on its business or a petition is presented or a resolution passed for the winding up of the Customer, Security Party(ies) (if any) or any related company or substantial shareholder of the Customer or Security Party(ies) (if any) or there is a change in circumstances, which in the sole opinion of the Bank has a material adverse impact on the Bank and/or Customer or Security Party(ies)'s (if any) ability to honour the obligation in this Letter of Offer.

(t) Force Majeure

Despite any other provisions in this Letter of Offer, in the event the Bank is unable to perform any operations or to provide any service(s) due to any reason beyond the Bank's control including but not limited to the unavailability of the required commodities, any failure of Bursa Suq Al-Sila' or such other exchange or its participants to perform their obligation in relation to the Facility, fire, earthquake, flood, epidemic, pandemic, natural catastrophe, accident, riots, civil disturbances, industrial dispute, act of public enemy, embargo, war, act of God or any failure or disruption to telecommunications, electricity, water, fuel supply or any factor in a nature of a force majeure, the Bank will not in any way be liable for any inconvenience, loss, injury, damages suffered or incurred by the Customer arising from the same.

(u) Market Disruption

If in the opinion of the Bank, there has been a change in national or international monetary, financial, economic or political conditions or currency exchange rates or exchange control which would render the Facility temporarily or permanently commercially impracticable or impossible, the Bank will notify the Customer of the Bank's opinion, and:

- (i) whilst such circumstances exist, no utilisation of the Facility will be allowed;
- (ii) the Bank will negotiate in good faith for an alternative basis acceptable to the Bank for continuing the Facility; and
- (iii) unless within 30 days after the giving of such notice such circumstances cease to exist or an alternative basis acceptable to the Bank is arrived at, the Facility will be terminated and/or if the Facility has been utilised the Customer must on demand pay the Facility in full together with compensation charges (if any) and any other payment payable hereunder to the Bank.

(v) Liability for Loss

Without prejudice to any other provisions herein and save and except for damages arising directly from the Bank's error, omission, misrepresentation or gross negligence, the Bank will not be liable to the Customer or any other party for any loss or damages for default, omission, negligence, breach of contract, loss of profits or earnings, goodwill or any type of special, exemplary, incidental indirect or consequential loss howsoever arising whether or not the Bank has been advised of the same. In the event the Bank is held liable by a court of competent jurisdiction for any damages despite the above, the total amount of the Bank's entire liability will not exceed the principal amount of the transaction involved, which gave rise to the claim.

(w) Interchange or Substitution of Facility

The Bank may, at any time or from time to time, at the request of the Customer, vary, interchange or substitute the Facility or any of them with any other facilities upon such terms and conditions (referred to as "**the said Terms**") as may be stipulated in the Bank's letters of offer and/or any other document setting out such terms duly signed by the Customer in acceptance, without affecting the Bank's rights under the Letter of Offer. All the provisions in the Letter of Offer save and except such provisions which are inconsistent with the said Terms or not applicable to the interchanged or substituted facilities will continue to apply to such interchanged or substituted facilities, unless otherwise stipulated by the Bank.

(x) Partial Prepayment of Facility Amount (where applicable)

Subject to the provisions of the Letter of Offer and Shariah, the Customer may partially prepay the Facility amount subject to the following conditions:

- (i) the Bank should have received from the Customer not less than 3 months

prior written notice (“**Prepayment Notice**”) of its intention to prepay specifying the relevant Facility amount to be paid and the date of such payment. Prepayments received by the Bank without written notice will be treated as Advance Payment;

- (ii) any prepayment by the Customer must be in amounts equivalent to at least 3 times of payment due. Payment of any amount less than 3 times of payment due will be deemed as Advance Payment;
 - (iii) any amount prepaid will not be available for subsequent re-utilisation;
 - (iv) the Customer has paid in full all other monies due and outstanding to the Bank;
 - (v) the amount payable by the Customer in respect of such prepayment will be determined by the Bank at its discretion in accordance with the principles of Shariah;
 - (vi) any Prepayment Notice once given will be irrevocable and the Customer must pay the amount as determined by the Bank on the date specified in such Prepayment Notice;
 - (vii) Prepayment will only be permitted when the Facility have been released in full.
 - (viii) Any prepayment made will not in any way entitle the Customer to a reduction in the amount of payment due but only to a reduction of number of payment due.
- (y) Early Redemption or Full Settlement

Subject to the provisions of Shariah the Customer may make early settlement to the Bank of all payment due and payable in full, subject to the following conditions:

- (i) the Bank should have received from the Customer not less than 3 months or such other period as may be prescribed by the Bank from time to time, prior written notice (“**Early Settlement Notice**”) of its intention to make early settlement specifying the relevant amount to be paid and the date of such payment;
- (ii) the Customer has paid in full all other monies due and outstanding under the Facility;
- (iii) the amount payable by the Customer in respect of such early settlement will be determined by the Bank at its discretion in accordance with the principles of Shariah; and
- (iv) any Early Settlement Notice once given will be irrevocable and the Customer will pay the amount as determined by the Bank on the date specified in such Early Settlement Notice.

(z) Advance Payment

Subject to the provisions of Shariah, the Customer may pay the payment due in advance. Any payment received in excess of the payment due at the payment due date will be treated as advance payment and may be made without the Customer giving any prior notice. The advance payments will not go towards reducing the outstanding financing amount until any payment due and charges outstanding to the Bank has been paid and no profit or income will be paid by the Bank for any advance payment received.

(aa) Review of Facility

The Bank will be entitled to review the granting and/or continuation of the Facility at any time and from time to time (irrespective of whether or not the Facility or any part of the Facility has been utilised or disbursed or whether any event of default has occurred), including but not limited to the following circumstances:

- (i) where there is a change in applicable law or regulation which makes it impossible or unlawful for the Bank to continue its making available the Facility or any part of the Facility to the Customer or if the Customer or Security Party(ies) (if any) will be affected by a material change in circumstances which in the opinion of the Bank has an adverse impact on the Customer's and/or Security Party(ies)'s (if any) ability to perform its/their obligations hereunder and under the other Security Documents; or
- (ii) if any of the Customer's/Security Party(ies)'s (if any) representations and warranties will at any time be found to have been incorrect in any material respect; or
- (iii) if any conditions stipulated in this Letter of Offer is breached or not fulfilled to the Bank's satisfaction;

and upon any such review, the Bank will with prior written notice to Customer, be entitled to exercise any of its rights and powers to withdraw, cancel, suspend, or terminate the Facility or any part of the Facility, and the Customer agrees to immediately accept such decision and/or pay to the Bank the indebtedness then due and outstanding under the Facility.

(bb) Additional Security

The Bank reserves the right, with prior written notice to the Customer, at any time and from time to time to require the Customer to furnish security and/or provide additional security acceptable to the Bank and/or to substitute an existing security. All costs incurred thereto will be for the account of the Customer.

(cc) Additional Facility(ies)

The Bank may at any time or from time to time in its discretion and without affecting the Bank's security, at the request of the Customer grant additional or further facilities upon such terms and conditions as may be imposed by the Bank.

(dd) Conduct of Account

The Bank reserves the right, with prior written notice to the Customer, to terminate the Facility and/or close the Customer's account(s) (Shariah based or otherwise) with the Bank if any of the Customer's bank account(s) (Shariah based or otherwise) with the Bank is not conducted satisfactorily or with any credit bureau whether or not established or approved by BNM, any governmental or regulatory authority or body.

(ee) Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLATFA")

It is agreed that the Customer 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.

In the event the Bank is of the view that any transaction in this Letter of Offer will have any possible implication under the AMLATFA, the Bank may at the Bank's discretion, terminate the Facility and do such other act which includes but is not limited to closing the Customer's account with the Bank without giving any notice whatsoever.

(ff) Government Service Tax and/or Statutory/Regulatory imposed Charges, Fees Etc

- (i) For the purposes of this clause:

"Tax" means any present or future, direct or indirect, Malaysian or foreign tax, levy, impost, duty, charge, fee, deduction or withholding of any nature, that is imposed by any Appropriate Authority, including any consumption tax such as the sales and services tax ("**SST**") and other taxes by whatever name called, and any interest, fines or penalties in respect of such tax.

"Appropriate Authority" means any government or taxing authority.

- (ii) The fees, charges and all other monies to be paid by the Customer to the Bank under the Facility and/or the Security Documents, including any amount representing reimbursements to be paid by the Customer to the Bank, are exclusive of any Tax, and will be paid without any set-off, restriction or condition and without any deduction for or on account of any counterclaim or any deduction or withholding.

- (iii) In the event if the Customer is required by law to make deduction or withholding from fees, charges and/or all other monies payable to the Bank under the Facility and/or the Security Documents in respect of any Tax or otherwise, the sum payable by the Customer in respect of which the deduction or withholding is required will be increased so that the net fee/charge and/or the net amount of monies received by the Bank is equal to that which the Bank would otherwise have received had no deduction or withholding been required or made.
 - (iv) The Customer will in addition to the fees, charges and all other monies payable, pay to the Bank all applicable Tax at the relevant prevailing rate and/or such amount as is determined by the Bank to cover any Tax payments/liabilities/ obligations in connection therewith, without any set-off, restriction or condition and without any deduction for or on account of any counterclaim or any deduction or withholding, apart from any Taxes which may be required under any laws to be paid by the Customer directly to any Appropriate Authority, which the Customer will remit directly to the Appropriate Authority.
 - (v) If at any time an adjustment is made or required to be made between the Bank and the Appropriate Authority on account of any amount paid as Tax as a consequence of any supply made or deemed to be made or other matter in connection with the Facility and/or the Security Documents by the Bank, a corresponding adjustment may at the Bank's discretion be made as between the Bank and the Customer. In such event, The Customer must make any payment necessary to give effect to the adjustment made.
 - (vi) All Tax will be payable by the Customer to the Bank as stated in this Letter of Offer must be paid at such times and in such manner as will be requested by the Bank.
 - (vii) The Customer agrees to do all things reasonably requested by the Bank to assist the Bank in complying with its obligations under any applicable legislation under which any Tax is imposed. In the event a new Tax is introduced and such Tax is required to be charged on the transaction contemplated in this Letter of Offer, the Customer agrees to provide its fullest cooperation to the Bank in assisting the Bank in complying with its obligations under the relevant laws.
 - (viii) For the avoidance of doubt, the parties agree that any sum payable or amount to be used in the calculation of a sum payable expressed elsewhere in the Facility and/or the Security Documents has been determined without regard to and does not include amounts to be added on under this clause on account of Tax.
- (gg) Severability

If any provision in the Letter of Offer is or becomes illegal, void, invalid, prohibited or unenforceable in any respect the same will be ineffective to the extent of such illegality, voidness, invalidity, prohibition or unenforceability without invalidating in any manner whatsoever the remaining provisions hereof. The affected provision

will be substituted by a valid provision that accomplishes as far as legally possible the practical purposes of the affected provision.

(hh) Assignment and/or Transfer by the Bank

The Bank may at any time, by notice to the Customer, transfer, sell, participate in secondary debt market or assign all or any part of its rights, benefits and obligations under the Letter of Offer and/or and Security Documents to any other party. For this purpose:

- (i) the Bank may disclose to a potential assignee or transferee or any other person who may propose entering into contractual relations with the Bank in relation to the Facility such information about the Customer as the Bank will consider appropriate;
- (ii) where the Bank transfers its obligations or any part of such obligation, the Customer will execute such documents as are reasonably necessary to release the Bank to the extent of the transfer and join the transferee as a party hereto; and
- (iii) the Customer will continue to deal solely with the transferee with respect to payments, notices and other matters relating to the administration of this Letter of Offer.

(ii) Assignment by the Customer

The Customer must not assign, novate or purport to assign or novate any of its rights or transfer any of its obligations under the Facility without the prior written consent of the Bank and any purported assignment or novation without such consent will be null and void.

(jj) No Interest

The parties agreed that the payment or the receipt of interest or other usurious charges is prohibited under the Shariah and accordingly to the extent that any legal system would (but for the provisions of this Clause) impose (whether by contract or by statute) any obligation to pay interest, the parties irrevocably and unconditionally expressly waive and reject any entitlement to recover interest from each other.

(kk) Change in Law

- (i) In the event that the Bank is of the opinion that it has or will become unlawful for the Bank to maintain or give effect to its obligations as contemplated by this Letter of Offer, the Bank's obligation to grant the Facility will be terminated, with prior written notice to the Customer, and if any part of the Facility has been utilised the Customer must on demand pay to the Bank the Facility the outstanding indebtedness and any other amount payable hereunder.

- (ii) If any change in any applicable law, regulation or official requirements or in the interpretation or application thereof by any government authority, court, tribunal or other authority charged with the administration thereof (whether or not having the force of law) or if any order, judgement or directive will have the effect of increasing the cost to the Bank of making, maintaining or funding the Facility or reducing the amount of any payment received or receivable by the Bank:
 - (a) The Bank will write to the Customer to notify it of the happening of such event and despite anything provided in this Letter of Offer;
 - (b) Subject always to the principle of Shariah the Bank will be entitled, but is not obliged to, at its discretion but subject to prior written notification to the Customer, withdraw, cancel, terminate, recall or suspend the Facility or any part thereof, whereupon the Customer must pay to the Bank on demand such amount as will compensate the Bank for all such increased cost or reduction in amount received/receivable;
 - (c) In such event, the Customer will be entitled on giving the Bank 30 days' prior written notice to prepay the Facility and all other monies payable thereunder in full together with an amount determined by the Bank, representing any loss incurred by the Bank as a result of or arising from such prepayment, and on such prepayment the Facility will be cancelled.

The certificate or confirmation of the Bank duly signed by any of its officers for the time being as to any additional amounts payable to it pursuant to this provision will, save for any manifest error, be final and conclusive and will be binding upon the Customer.

(II) Anti-Bribery, Anti-Corruption and Whistleblowing Undertakings

- (a) The Customer hereby acknowledges that the Bank practices a zero-tolerance position towards any form of bribery and corruption in line with its ABC Policy.
- (b) The Customer hereby acknowledges and undertakes as follows:-
 - (i) that the Customer has read and understood the ABC Policy;
 - (ii) that the Customer shall, and shall cause its directors, officers, employees and its authorised representatives or agents, to comply with the ABC Policy and Anti-Bribery Laws; and
 - (iii) to notify the Bank of any non-compliance or attempted non-compliance with the ABC Policy and/or Anti-Bribery Laws by any employee of Hong Leong Bank Group ("HLBG") (which includes Hong Leong Islamic Bank Berhad) or persons associated with HLBG by reporting the same through the HLB/HLISB Whistleblowing Policy.

22. **Letter of Offer Prevails**

In the event of conflict between the terms in this Letter of Offer and the terms in Security Documents, to the fullest extent practicable and where the context is appropriate, the terms in the Letter of Offer will prevail.