

[To be given by companies/ directors / shareholders of the Borrower]

LETTER OF SUBORDINATION OF ADVANCES

To:

CIMB BANK BERHAD (Company No. 13491-P)

Dear Sirs,

Re: **Letter of Subordination of Advances**
Borrower:
Banking Facilities of RM

1. In consideration of you having granted and/or agreed to grant and/or continuing to and/or made available the banking facilities in the principal sum of Ringgit Malaysia

_____ (RM _____)
only (hereinafter referred to as "the Banking Facilities") in favour of

_____ a company incorporated in Malaysia under the Companies Act 1965 and having its registered office at _____

(hereinafter referred to as "the Borrower") for the purposes and subject to the terms and conditions as stipulated in the letter of offer dated _____ and the facilities agreement dated the _____ entered into between you and the Borrower (hereinafter collectively referred to as "the Agreements") at my/our request, I/we, the undersigned, as the * directors and/or the shareholders of the Borrower do hereby jointly and severally covenant and agree that any existing loans and/or advances which I/we may have advanced to the Borrower for RM _____ and any further or future loans and/or advances which I/we may hereafter advance, grant or make available to the Borrower by me/us or any of us to the Borrower (hereinafter collectively referred to as "the Subordinated Loan") whether before or after the granting of the Banking Facilities by you shall be subordinated until the Banking Facilities together with interest thereon and all other monies payable by the Borrower ("the Indebtedness") has been settled and repaid in full to you.

2. I/We also hereby irrevocably and unconditionally covenant, agree and undertake that during the subsistence of the Banking Facilities and until the Indebtedness has been settled and repaid in full by the Borrower to you, I/we shall:-

- (a) not receive or require or demand any repayment for the principal amount of the Subordinated Loan or any interest thereon from the Borrower;
- (b) not enter into any arrangement with the Borrower or amongst ourselves under which any of my our/rights in respect of all or any part of the Subordinated Loan is transferred to the Borrower, or person under the direct or indirect control of the Borrower or a person acting for the Borrower or for a person so controlled by the Borrower or me/us;

* Delete whichever is not applicable.

- (c) not enforce any of the obligations under any arrangement or agreement whatsoever entered or to be entered into between the Borrower and me/us or any of us, whether prior to the Banking Facilities or otherwise, to recover the Subordinated Loan and/or interest thereon;
- (d) not, on the ground of any liability of the Borrower under the Subordinated Loan or any agreement whatsoever, claim any set-off, abatement or other extinction or reduction in respect of an amount payable by me/us or any of us to the Borrower;
- (e) ensure that the Borrower shall not enter into any arrangement with or for the benefit of me/us or any of us for a consideration the value of which will reduce or diminish the Subordinated Loan;
- (f) ensure that the Borrower shall not:-
 - (i) make a loan or provide credit to me/us or any of us (or permit any such to remain outstanding);
 - (ii) provide a guarantee or other security in respect of any liability or obligation incurred by me/us or any of us whether before or after the date hereof;
 - (iii) make any kind of distribution of its assets, whether in cash or otherwise, to its members including any issue of shares, whether as fully or partly credited as paid, bonus shares, the redemption or purchase of any of the Borrower's own shares or the reduction of the Borrower's share capital or the declaration or payment of any dividend or the declaration or payment of dividend in excess of the quantum permitted by you.
- (g) ensure and undertake that any money or other asset which I/we or any of us receive in contravention of this Letter of Subordination shall be held by me/us jointly and severally in trust for you and shall stand charged by way of first fixed charge to secure the liabilities of the Borrower under the Agreements and that your prior written consent shall be obtained before I/we or any of us deal with any such money or asset.

3. You shall be entitled:-

- (a) to make any variations to the Agreements and/or any other agreement in respect of the Banking Facilities or restructure or vary the limits of any part or all the Banking Facilities including variations which increase or reduce the obligations of the Borrower and/or lengthen or shorten their duration;
- (b) to enter into any rescheduling, refinancing or reorganisation of the Borrower's liabilities under any of the Agreements in respect of the Banking Facilities; and
- (c) to take, vary, enforce or enter into any other arrangement in relation to any guarantee or other security for or connected with the Borrower's liabilities under any of the Agreements in respect of the Banking Facilities, without affecting any undertaking herein.

4. I/We shall not vary, amend, delete the Memorandum and Articles of Association of the Borrower inconsistent with the agreement, covenants and undertakings herein or charge or transfer the assets or business of the Borrower or otherwise dispose of my/our shareholdings (if any) if in the Borrower or in any way cease to exercise control over the Borrower or permit any merger, consolidation or re-organisation of the Borrower unless your written consent thereof has been first obtained or until the Banking Facilities and the Indebtedness have been fully settled and repaid to you.

5. In the event any other shareholders and/or directors of the Borrower shall provide any advances or loans to the Borrower, I/we shall procure that they provide a letter of undertaking to subordinate any such advances or loans advanced or to be advanced to the Borrower in the form acceptable to you.
6. The above agreement covenants and undertakings shall bind my/our heirs, administrators personal representatives and successors-in-title.

Dated this _____ day of _____ 20

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| 1. | .....<br>Signature<br>Name :<br>NRIC No. :<br>Occupation :<br>Date :<br>Address : | .....<br>Signature of Witness<br>Name :<br>NRIC No. :<br>Occupation :<br>Address : |
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| 2. | .....<br>Signature<br>Name :<br>NRIC No. :<br>Occupation :<br>Date :<br>Address : | .....<br>Signature of Witness<br>Name :<br>NRIC No. :<br>Occupation :<br>Address : |
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| 3. | .....<br>Signature<br>Name :<br>NRIC No. :<br>Occupation :<br>Date :<br>Address : | .....<br>Signature of Witness<br>Name :<br>NRIC No. :<br>Occupation :<br>Address : |
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