

PURCHASE PROMISE (WA'D)

1. This Purchase Promise shall be read together with the Notification Letter and the Standard Terms and Conditions.

2. In consideration of the Customer's request to **SMALL MEDIUM ENTERPRISE DEVELOPMENT BANK MALAYSIA BERHAD** (Company No.: 49572-H) ("**Bank**") to continue to grant the Facility for the goods ("**Goods**" defined as "**Underlying Asset**" in the Notification Letter) to the Customer, the Customer irrevocably and unconditionally promise and undertake (*wa'd mulzim*) that after occurrence of any event of default stated as stated in the Existing Facility or the Standard Terms and Conditions ("**Event of Default**") or should the Facility be dissolved before its maturity period due to the following reasons:
 - (a) The Bank or the Customer exercise its option to terminate the Facility within an agreed time period; or
 - (b) The Customer returns to the Bank the Goods before the maturity of the Facility; or
 - (c) total destruction on the Goods due to the Customer's negligence/fault; or
 - (d) the Goods is permanently incapable of being used at any time during the tenure of the Facility due to the Customer's negligence/fault;
 - (e) any of the Event of Default stated in the Existing Facility or the Standard Terms and Conditions happens or occurs; or
 - (f) The Customer has breached any of the terms and conditions stated in the Existing Facility or the Standard Terms and Conditions.

3. The Bank may in such instance(s),
 - (a) terminate the Facility; and
 - (b) issue a notice to the Customer stating the selling price payable by the Customer ("**Selling Price**") which shall be based on the following computation:
 - (i) total unexpired rental for the Facility (pursuant to the revised Total Rental Amount under the Notification Letter) less unearned income (if any); and/or
 - (ii) the Bank's loss of capital allowances and or any balancing charge under paragraph 71 of the Third Schedule to the Income Tax Act, 1967 should

the Facility be dissolved within two (2) years from the date of the Notification Letter; and/or

- (iii) all costs and expenses (including but not limited to all legal expenses on a full indemnity basis) incurred by the Bank in tracing or retaking possession or attempting to trace, retake possession or storage of the Goods or sell the Goods; and
 - (c) sell the Goods to the Customer. Thereby, the Customer must, purchase the Goods from the Bank and pay the Selling Price within the time frame given; and
 - (d) until full payment by the Customer of the Selling Price, the Bank will hold the Goods as a collateral to secure all dues and the punctual payments of the Selling Price.
 - (e) Nevertheless for the occurrence of Item 2(c) and 2(d), the Customer shall instead be liable to compensate/indemnify the Bank ("**Compensation**") for an amount based on the computation as stipulated in item 3(b)(i) and 3(b)(ii) and any applicable costs and expenses mentioned in clause 3(b)(iii) or at the Bank's option, replace the Goods as instructed and agreed by the Bank.
4. Should the Customer fail and default on the obligation to pay the Selling Price within the timeframe stipulated and as per such notice and any other notices issued by the Bank, the Bank may proceed to sell the Goods to any third party on the agreed price between the third party and the Bank. Upon exercising such option of selling the Goods and upon full payment of the sale proceed by such third party, the Goods shall become the property of such third party (as the case maybe) and the Customer shall not have any right or interest in the Goods;
 5. The sale proceed shall net off the rebate (*ibra'*) (if any), item 3(b), the rentals in arrears (if any), and all costs incurred in the sale to any such third party;
 6. In such event of sale, notwithstanding the sale proceed, the Bank may still claim the remaining Selling Price stated in the notice (issued under sub-para (2) above) plus any additional cost and expenses incurred by the Bank (including but not limited to all legal expenses on a full indemnity basis) in tracing or retaking possession or attempting to trace, retake possession or storage of the Goods or sell the Goods;
 7. If the Goods is not repossessed or the sale of the Goods or the transfer of ownership of the Goods is unable to proceed or to be performed or to be completed or perfected for any reason whatsoever or the Goods is permanently incapable of being used or in total destruction (as referred in Item 2(c) and (d) above), the Bank can recover the Selling Price/Compensation and all costs incidental to it from the Customer.

8. Any excess amount from the sale proceed after deducting all the claims stated in sub-para (5) and (6) above shall be applied to settle any other of the Customer's outstanding account with the Bank (if any), and thereon any surplus (if any) will be refunded to the Customer.
9. If the sale proceed collected is inadequate to pay off the claims listed in sub para (5) and (6) above, the Bank, as a creditor, may claim the shortfall from the Customer in any legal action the Bank may think fit.
10. This Purchase Promise, once issued, shall be irrevocable and binding on the Customer, its heirs, successors in title, permitted assigns and legal representatives.
11. By issuing this Purchase Promise, the Customer hereby acknowledge that the Customer fully understands the nature and contents of this Purchase Promise and agree that the Bank's rights under the Facility in particular with regard to any compensation charges (ta'widh) are applicable to this Purchase Promise.

[End of Terms]