

**PRIVATE & CONFIDENTIAL**

Our Ref. : KLEC: 2018(45201)2-4  
Date : 03 NOVEMBER 2020

**GALAXY AEROSPACE (M) SDN BHD (1040262-D)**  
SUITE 11-14, MRO CENTRE  
MALAYSIA INTERNATIONAL AEROSPACE CENTRE  
47200 SUBANG  
**SELANGOR**

Dear Sir,

**FACILITIES : (i) COMMODITY MURABAHAH TERM FINANCING-i (CMTF-i) OF RM7,300,000.00**  
**(ii) COMMODITY MURABAHAH REVOLVING FINANCING-i (CMRF-i) OF RM19,000,000.00**  
**(iii) KAFALAH (BANK GUARANTEE-i) OF RM9,200,000.00**  
**CUSTOMER : GALAXY AEROSPACE (M) SDN BHD**  
**RE : LETTER OF CHANGES**

We refer to our Individual Letter of Offer dated 23 October 2020.

Kindly be advised that SME Bank has agreed the changes of the terms and conditions as stated below :-

**1. FACILITY(IES)**

Type of Facility	Existing Limit (RM)	Additional/ (Reduction) (RM)	Total Limit (RM)
1. Commodity Murabahah Term Financing-i (CMTF-i)	7,300,000.00	0.00	7,300,000.00
2. Commodity Murabahah Revolving Financing-i (CMRF-i)	*19,000,000.00	(9,700,000.00)	9,300,000.00
3. Commodity Murabahah Revolving Financing-i (CMRF-i)	0.00	9,700,000.00	9,700,000.00
4. Kafalah BG-i (Performance)	9,200,000.00	0.00	9,200,000.00
<b>TOTAL</b>	<b>35,500,000.00</b>	<b>0.00</b>	<b>35,500,000.00</b>

\*Original limit of CMRF-i facility totaling RM19,000,000.00 has been split into CMRF-i 1 facility of RM9,300,000.00 and CMRF-i 2 facility of RM9,700,000.00.



<b>Facility</b>	<b>Commodity Murabahah Revolving Financing-i (CMRF-i) – 1</b>
<b>Purpose of Financing</b>	<p>To finance working capital requirement in relation to the contracts (Letter of Award / Letter of Acceptance / Purchase Order / Work Order / Letter of Tender Acceptance) awarded by the following approved awarding parties:-</p> <ol style="list-style-type: none"><li>i. Federal Government Ministries / Department or Agencies</li><li>ii. State Government Bodies, Agencies or Companies</li><li>iii. Statutory Bodies or other Semi-Government Agencies</li><li>iv. Government Link Companies (GLC's)</li></ol> <p>Note: Additional awarding party(ies) may be allowed subject to the Bank's Approval.</p> <p><u>Sub-Limit 1 :</u></p> <p>Remain.</p> <p><u>Sub-Limit 2 :</u></p> <p>To be specified under CMRF-i 2 facility.</p>
<b>Facility Amount</b>	<p>RM9,300,000.00 (Ringgit Malaysia: Nine Million Three Hundred Thousand Only).</p> <p><u>Sub-Limit 1 :</u></p> <p>RM4,000,000.00 (Ringgit Malaysia: Four Million Only).</p>
<b>Bank's Selling Price</b>	<p>RM14,027,826.99 (Ringgit Malaysia : Fourteen Million Twenty Seven Thousand Eight Hundred Twenty Six And Cents Ninety Nine Only).</p> <p><u>Note :</u></p> <p>Bank's Selling Price is based on Ceiling Profit Rate of 10.20% per annum.</p>
<b>Facility Tenure</b>	<p>Five (5) years and subject to annual review and renewal.</p> <p><u>Sub-Limit 1 :</u></p> <p>Five (5) years and subject to annual review and renewal.</p> <p><u>Sub-Limit 2 :</u></p> <p>To be specified under CMRF-i 2 facility.</p>

- Disbursement Mode**
1. Upon completion of security documentation and fulfillment of all condition precedent and special conditions.
  2. The financing shall be utilized in whole or in part within six (6) months from the date of the Letter of Offer, otherwise the facility shall be treated as lapsed and cancelled.
  3. Disbursement shall be made as stipulated below:-
    - (i) General (Blanket Contract Financing Line)
      - a) – f) Remain.

Sub-Limit 1

      - a) – b) Remain.

**Sub-Limit 2**

**To be specified under CMRF-i 2 facility.**
    - (ii) Commodity Murabahah Revolving Financing-i (CMRF-i)  
[New Blanket Contract Financing Line]

Utilization of the CMRF-i is subject to the following terms and conditions:-

      - a) – k) Remain.

Sub-Limit 1

      - a) – c) Remain.

**Sub-Limit 2**

**To be specified under CMRF-i 2 facility.**

**Facility** **Commodity Murabahah Revolving Financing-i (CMRF-i) – 2**

**Purpose of Financing** To finance working capital requirement in relation to the contracts (Letter of Award / Letter of Acceptance / Purchase Order / Work Order / Letter of Tender Acceptance) awarded by the following approved awarding parties:-

- i. Federal Government Ministries / Department or Agencies
- ii. State Government Bodies, Agencies or Companies
- iii. Statutory Bodies or other Semi-Government Agencies
- iv. Government Link Companies (GLC's)

**Note : Additional awarding party(ies) may be allowed subject to the Bank's Approval.**

**Sub-Limit 2 :**

For working capital requirement in relation to contract awarded by Ministry of Home Affairs known as "Perkhidmatan Penyelenggaraan Secara Through Life Support (TLS) untuk Pesawat King Air Milik Polis Diraja Malaysia (PDRM) Bagi Tahun 2020-2025".

**Underlying Asset** Commodity traded at Bursa Suq Al-Sila (BSAS):

- (i) Crude Palm Oil (CPO).
- (ii) Other commodity made available by BSAS.

**Ceiling Profit Rate** BFR + 4.0% per annum (10.20%).

**Note :-**

Base Financing Rate (BFR) is currently at 6.20% per annum and is subject to change from time to time.

**Prevailing Profit Rate** BFR + 1.75% per annum during the financing period.

Base Financing Rate (BFR) is currently at 6.20% per annum and is subject to change from time to time.

**Facility Amount** RM9,700,000.00 (Ringgit Malaysia: Nine Million Seven Hundred Thousand Only).

**Sub-Limit 2 :**

RM9,700,000.00 (Ringgit Malaysia: Nine Million Seven Hundred Thousand Only).

**Bank's Selling Price** RM14,631,174.38 (Ringgit Malaysia: Fourteen Million Six Hundred Thirty One Thousand One Hundred Seventy Four And Cents Thirty Eight Only).

Note : Bank's Selling Price is based on Ceiling Profit Rate of 10.20% per annum.

**Facility Tenure** Five (5) years and subject to annual review and renewal.

**Sub-Limit 2 :**

Five (5) years and subject to annual review and renewal.

**Margin of Financing** Up to 100.0% of the Suppliers Claims / Purchase Orders / Invoices / Pro-Forma Invoices / Delivery Orders / Quotations from the approved suppliers / service providers or any acceptable documents to the Bank value.

**Note :-**

Accumulative utilization is determined per sub-limits basis.

**Duration of Payment** Up to maximum tenure of **150 days**.

**Note :-**

Principal and profit payment shall be paid upon receipt of contract proceeds or by Customer's own on or before the maturity date. Any principal portion paid prior to maturity shall reinstate the Facility up to the approved limit.

- Disbursement Mode**
1. Upon completion of security documentation and fulfillment of all condition precedent and special conditions.
  2. The financing shall be utilized in whole or in part within **six (6) months** from the date of the Letter of Offer, otherwise the facility shall be treated as lapsed and cancelled.
  3. Disbursement shall be made as stipulated below:-

**(i) General (Blanket Contract Financing Line)**

- a) Provision of a list of names and signatures of personnel authorized to liaise with Bank for utilization of the facilities.
- b) Financing of new Contract / Letter of Award / Letter of Acceptance / Purchase Order / Work Order / Letter of Tender Acceptance or any other documents acceptable to the Bank is allowed subject to the following:-
  - i. Availability of the Blanket Contract Financing Line limit.
  - ii. Submission of Certified True Copy by the Company's Secretary on the Contract / Letter of Award / Letter of Acceptance / Purchase Order / Work Order / Letter of Tender Acceptance or any other documents acceptable to the Bank from the following approved awarding parties:-
    1. Federal Government Ministries / Departments or Agencies.
    2. State Government Bodies, Agencies or Companies.
    3. Statutory Bodies or other Semi-Government Agencies.
    4. Government Link Companies (GLC's).

**Note :-**

Additional awarding party(ies) may be allowed subject to the Bank's Approval.

- c) Submission of the projected cash flow and Profit & Loss for the Contract / Letter of Award / Letter of Acceptance / Purchase Order / Work Order / Letter of Tender Acceptance or any other documents acceptable to the Bank for every project to be financed.
- d) Approval is to be obtained from the Bank for every new future contract / Letter of Award / Letter of Acceptance / Purchase Order / Work Order / Letter of Tender Acceptance or any other documents acceptable to the Bank.
- e) Notice of Assignment OR Irrevocable Letter OR Letter of Instruction OR Surat Ikatan Penyerahan Hak and Surat Persetujuan Kerajaan ke atas Surat Ikatan Penyerahan Hak to and duly acknowledged by the Awarding Party or Letter of Assent from the Awarding Party to remit the contract proceeds directly to designated Project Account on every contract(s) to be financed by the Bank.
- f) Creation of sub-limit for every new project to be financed by the Bank.

**Sub-Limit 2 :**

- (i) Submission of Certified True Copy Letter of Award for contract known as **“Perkhidmatan Penyelenggaraan Secara Through Life Support (TLS) untuk Pesawat King Air Milik Polis Diraja Malaysia (PDRM) Bagi Tahun 2020-2025”** awarded by **Ministry of Home Affairs (MOHA)**.
- (ii) Notice of Assignment OR Irrevocable Letter OR Letter of Instruction OR Surat Ikatan Penyerahan Hak and Surat Persetujuan Kerajaan ke atas Surat Ikatan Penyerahan Hak to and duly acknowledged by **Ministry of Home Affairs (MOHA)** to remit the contract proceeds directly to designated Project Account on contract known as **“Perkhidmatan Penyelenggaraan Secara Through Life Support (TLS) untuk Pesawat King Air Milik Polis Diraja Malaysia (PDRM) Bagi Tahun 2020-2025”** awarded by **Ministry of Home Affairs (MOHA)**.

**(ii) Commodity Murabahah Revolving Financing-i  
(CMRF-i) – 2 [Blanket Contract Financing Line]**

Utilization of the CMRF-i is subject to the following terms and conditions:-

- a) Written request signed by the Company's authorized personnel.
- b) Submission of the list of Suppliers / Sub-Contractors / Consultants involved in the project.
- c) Submission of Purchase Order / Work Order / Service Order from contract awardee (if any).
- d) Presentation of valid Suppliers Claims / Purchase Orders / Invoices / Pro-Forma Invoices / Delivery Orders / Quotations or any acceptable documents to the Bank value from approved supplier.
- e) Margin of financing is up to **100.0%** of the Suppliers Claims / Purchase Orders / Invoices / Pro-Forma Invoices / Delivery Orders / Quotations from supplier or service provider / any acceptable document to the Bank value from approved supplier.

**Note :-**

**Accumulative utilization is determined per sub-limit basis.**

- f) Disbursement is to be made direct to the approved suppliers through issuance of Letters of Credit (LC), Banker's Cheque (BC) or Telegraphic Transfer (TT).
- g) Placement of **15.0%** security margin for CMRF-i facility to be collected proportionately prior to every utilization.
- h) Utilization of payment salaries and administrative expenses is subject to the following:
  - i. Written request signed by the Company's nominated personnel.
  - ii. Disbursement is to be made direct to the Customer's operating account.
  - iii. Capping on salary and operation / administrative expenses will be imposed on every sub-limit created. (if applicable)

- i) No further financing is allowed in the event that there are **three (3)** or more Interims / Claims / Progress Claims remain unpaid for specific contract at any point of time.
- j) No further financing is allowed in the event the contract has expired. Utilization is allowed subject to the Bank's approval.
- k) Reimbursement is allowed for any expenses not more than **three (3) months** from the date of payment, subject to documentary evidence acceptable to the Bank.

#### Sub-Limit 2

- (i) Margin of financing is up to **100.0%** of the Suppliers Claims / Purchase Orders / Invoices / Pro-Forma Invoices / Delivery Orders / Quotations from suppliers or any acceptable document to the Bank value from approved supplier.

#### Note :-

**Total accumulative utilization of CMRF-i is up to 68.0% of the Contract Value.**

- (ii) Payment of salary and administrative / operating expenses to be capped at **RM250,000.00** per month on accumulatively up to **RM9,000,000.00** for the **three (3) years** and the cumulative amount shall be increased accordingly for the remaining **two (2) years** subject to the extension of the contract.
- (iii) Reimbursement direct to the Customer's operating account is allowed for expenses already incurred not more than **three (3) months** up to **100.0%** margin of financing against documentary evidence of payment related to the contract financed by the Bank.

## 2. SECURITY

2.1 – 2.2 Remain.

**2.3** Open Monies Memorandum of Deposit and Open Monies Letter of Set Off are to be executed for Cash Collateral / Commodity Murabahah Deposit as follows:-

- i RM2,850,000.00 being 15.0% security margin to be collected proportionately prior to every utilization of **CMRF-i 1 and CMRF-i 2** facilities and to secure entire exposure.



- ii. Remain.
- iii. 7.0% Sinking Fund deduction up to RM8,400,000.00 to be collected from every contract proceeds received to partly secure CMTF-i, Blanket Contract Financing Line for **CMRF-i 1 and CMRF-i 2** and allocation of the sinking fund collection are as follows:
  - a) Remain.
  - b) **CMRF-i 1 and CMRF-i 2** : Collection of up to 25.0% from the approved limit or equivalent to RM4,750,000.00.
- iv. RM1,000,000.00 being same amount claimed for the on-going legal action under director namely Dato Sri Johari Bin Harun (defendant) to be collected up-front prior to utilization of CMTF-i, **CMRF-i 1, CMRF-i 2** and Kafalah BG-i facilities. (Note: The amount shall be refunded to the Customer in the event that the judgement made by Court is in favour of the defendant).

Note:

Acceptance of Cash Collateral RM200,000.00 and above shall be made via Commodity Murabahah Deposit (CMD) placement. For this purpose, relevant documents in relation to CMD shall be executed by the Customer separately.

2.4 – 2.5 Remain.

2.6 Letter of Guarantee for RM7,760,000.00 (80.0% against allowable guarantee limit of RM9,700,000.00) or any amount approved by SJPP to be issued by Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP)' under Government Guarantee Scheme COVID-19 (GGs Prihatin) for **CMRF-i 2** facility.

2.7 – 2.8 Remain.

#### **4. OTHER TERMS & CONDITION**

4.1 – 4.14 Remain.

4.15 Application of Fund (Blanket Contract Financing Line)

Upon receipt of the contract progress proceeds from Awarder, the fund shall be apportioned as follows:

- i. RM8,400,000.00 via collection of 7.0% Sinking Fund to be collected from every contract proceeds received to partly secure CMTF-i and Blanket Contract Financing Line (BFCL) for **CMRF-i 1 and CMRF-i 2**.
- ii. Full or partial settlement of the **CMRF-i 1 and CMRF-i 2** outstanding or arrears (if any).
- iii. – v. Remain.

4.16 Remain.

Apart from the above, other terms and conditions as stipulated in our Individual Letter of Offer dated 23 October 2020 shall remain intact and enforceable.

If the terms and conditions are acceptable to you, kindly indicate your acceptance by signing and returning the duplicate copy of this letter to us within **fourteen (14) calendar days** from the date hereof together with **two (2)** copies of Board of Directors' Resolution to accept the offer. Thereafter, the Bank shall at its absolute discretion either treat this offer as having lapsed and cancelled or extend the time of acceptance for such period as it deems fit.

Thank you.

Yours faithfully,  
for **Small Medium Enterprise Development Bank Malaysia Berhad**



**Mohd Faisal Abu Bakar**  
Head  
Kuala Lumpur 1 Enterprise Centre

- c.c (i) Head  
SME Bank, Kuala Lumpur 1 Enterprise Centre
- (ii) Head  
SME Bank, Takaful & Guarantee Section
- (iii) Central Filing  
SME Bank, Kuala Lumpur

I/We, the undersigned hereby confirm that I/We have read the terms and conditions set out above and hereby accept the changes of the facilities mentioned above.

I/We provide herewith **two (2)** copies of Board of Directors' Resolution to accept the offer.

AUTHORISED SIGNATORY (IES) : 1)  2) 

NAME : 1) DATO' SRI JOHARI BIN HARUN  
2) DATO' SHAMSUL KAMAR BIN  
SAMSUDIN

DESIGNATION : 1) GROUP MANAGING DIRECTOR  
2) MANAGING DIRECTOR

DATE : 5 NOVEMBER 2020

COMPANY'S RUBBER STAMP : 

