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**ANNEX 1 OF HYPOTHEC CONTRACT**

BETWEEN

**MR. BEN KIMSAN - MRS. VEN MALY**  
*(Hypothecator or Party A)*

AND

**BANK FOR INVESTMENT AND DEVELOPMENT  
OF CAMBODIA PLC – PHNOM PENH BRANCH.**  
*(Hypothec or Party B)*

**Contract No: 14/2018/HP/PPB/104179**

**Date:.....**

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## RECITAL:

- A. WHEREAS, **MALY SAN GROUP Co., Ltd**, a Private Limited Company duly incorporated under the laws of Kingdom of Cambodia with registration No **00019958**, having its registered address at **#08B, Chong Thnol Khang Lech Village, Teuk Thlar Commune, Sen Sok District, Phnom Penh Capital, Kingdom of Cambodia** and represented by **Mr. BEN KIMSAN** (hereinafter referred to as the **“Borrower”**) has entered into a loan contract with the Bank on **19/07/2018** (hereinafter referred to as the **“Loan Contract”**);
- B. WHEREAS, the Hypothecator is a Security Party, as defined therein, to the Loan Contract entered into among the Bank and the Borrower and the sole and lawful owner of the immovable property as defined in Clause 2.1 hereof; and
- C. WHEREAS, by virtue of the Loan Contract entered into among the Bank and the Borrower, it is required that a first ranking hypothec over the Hypothecated Property (hereinafter referred to as the **“Hypothec”**) shall be provided to the Hypothec to secure the repayment of the Borrower’s Indebtedness owing to the Hypothec under the Loan Contract.

## IT IS HEREBY AGREED BETWEEN THE PARTIES HERETO AS FOLLOWS:

### 1. DEFINITION

The following words and expressions used in this Contract shall, unless the context clearly requires otherwise, bear the meaning respectively assigned to them as follows:

Bank	: means the Bank as defined herein;
Borrower	: means the Borrower as defined herein;
Event of Default	: means any Event of Default under the Loan Contract and/or any default in performance of any obligations under this Contract and/or the fact that any representation, warranty or statement which is made by the Hypothecator in this Contract proves to be incorrect or would not be accurate in any material respect;
Loan	: means the loan(s) as defined in the Loan Contract;
Hypothec	: means the first ranking hypothec given by the Hypothecator in favor of the Hypothec over the Hypothecated Property under this Contract as a security of the repayment of the Borrower’s Indebtedness under the Loan Contract;
Indebtedness	: means the Indebtedness as defined in the Loan Contract;
Loan Contract	: means the Loan Contract as defined herein;
Security Document	: means the Security Document as defined in the Loan Contract;
Security Party	: means the Security Party(ies) as defined in the Loan Contract; and
Title Deed	: means the deed(s) in format as described in Clause 2.1 hereof, issued by Cambodian competent authority to certify that the Hypothecator is lawful owner of the Hypothecated Property.

### 2. HYPOTHEC

- 2.1** Pursuant to Clause 2 (Security) of the Loan Contract, the Hypothecator hereby creates the Hypothec over the following hypothecated property(ies) in favor of the Hypothec (hereinafter referred to as the **“Hypothecated Property”**):
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N	Pacel number	Title deed number	Ownership	Total Size (m2)	Location
1	1024	12080208-1024	Mr. BEN KIMSAN and wife Mrs. VEN MALY	82 m2	Chong Thnol Khang Lech Village, Teuk Thlar Commune, Sen Sok District, Phnom Penh Capital, Kingdom of Cambodia
2	1025	12080208-1025	Mr. BEN KIMSAN and wife Mrs. VEN MALY	84 m2	Chong Thnol Khang Lech Village, Teuk Thlar Commune, Sen Sok District, Phnom Penh Capital, Kingdom of Cambodia

- 2.2** It is understood and agreed by the Parties hereto that subject to terms and conditions of the Loan Contract, the Hypothec shall secure the repayment of the Indebtedness including but not limited to **Credit Line** in the amount of **230,000.00 USD (Two Hundred and Thirty Thousand United States Dollar Only)** and interest , penalty interest , damage and any other amount owing by the Borrower to the Hypothec at any time and/or from time to time under and during the subsistence of the Loan Contract including any amendment or supplemental thereto.

### **3. REGISTRATION AND DEREGISTRATION OF THE HYPOTHEC**

- 3.1** The Hypothec shall be in charge of the process of due registration of Hypothec in the Title Deed in accordance with applicable Cambodian laws, regulations and administrative practices.
- 3.2** Upon full and complete repayment of the Indebtedness of the Borrower under the Loan Contract and this Contract, the Hypothec shall be discharged in accordance with the applicable Cambodian laws, regulations and administrative practices, unless otherwise agreed in writing by the Parties hereto.
- 3.3** It is hereby expressly agreed and declared that unless the Bank otherwise agrees, the Hypothec hereunder shall not be redeemed, released or discharged unless the followings are fully repaid or paid to the Bank:
- (i). all Borrower's Indebtedness under the Loan Contract and/or Security Document;
  - (ii). all moneys whatsoever and howsoever owing by or due from the Borrower and/or Hypothecator to the Bank under any account(s) of the Borrower or the Hypothecator, any documents whatsoever irrespective of the Borrower or Hypothecator being borrower, hypothecator, guarantor, assignor or otherwise

in favor of the Bank, or irrespective of whether or not and howsoever such moneys due and owing by the Borrower and/or Hypothecator to the Bank are secured.

- 3.4** The Hypothecator hereby agrees to cover all the taxes including property tax, assessments, fees, costs and expense including legal fee, which may be incurred in connection with the preparation, completion and execution of this Contract including the charge and discharge of the Hypothec.

#### **4. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS OF THE HYPOTHECATOR**

The Hypothecator represents and warrants to, and agrees with Hypothec that:

- 4.1** the Hypothecated Property is lawfully owned by Hypothecator and free of any other hypothecs, pledge, leases or any other encumbrances other than those disclosed, if any, to the Hypothec and are not, directly or indirectly, subject to dispute or court related cases;
- 4.2** All information furnished by the Hypothecator to the Hypothec in connection with this Contract, does not contain untrue statement.
- 4.3** The Hypothecator expressly and voluntarily agrees to and shall duly perform and comply with all terms and conditions under this Contract.
- 4.4** Notwithstanding any provisions contained herein to the contrary, the Hypothecator shall hereby expressly and specifically agree that the Hypothecator shall not during the subsistence of the Loan Contract and of this Contract executes or grants any other guarantee, pledge, lien, charge, assignment and other security interest, including but not limited to hypothec, in respect of the Hypothecated Property without prior written consent of the Hypothec;
- 4.5** the Hypothec shall be in addition to and shall not in any way prejudice or be prejudiced by any guaranty, pledge, lien, right of set-off, charge, assignment and other security interest which are at any time and/or from time to time granted by the Borrower and/or any Security Parties as security in favor of the Hypothec in respect of the Borrower's Indebtedness;
- 4.6** during the subsistence of this Contract and subject to terms and conditions of the Loan Contract, the Hypothecator, unless with prior written consent of the Hypothec, shall not sell, exchange, transfer or otherwise dispose the Hypothecated Property, or to demolish or modify in material manner which affect the conditions of the Hypothecated Property as of the date hereof;
- 4.7** the Hypothecator does or permits to be done every act or thing which the Hypothec may from time to time reasonably require for the purpose of enforcing the rights of the Hypothec;
- 4.8** the Hypothecator hereby allows the Hypothec to enter and to inspect the Hypothecated Property at reasonable times;
- 4.9** The Hypothecator has the power and authority to execute and perform this Contract. The execution, and performance of this Contract by the Hypothecator shall not be deemed as violation of lawful rights of the Hypothecator afforded by applicable
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Cambodian laws and regulations and/or any agreement to which the Hypothecator is party and the Hypothecator hereby expressly, irrevocably and unconditionally waives any such rights to challenge the validity and enforceability of this Contract and/or the Loan Contract;

- 4.10** Hypothecator can not create Long term lease right on the hypothec properties without permitment from Hypothee .

## **5. MAINTENANCE OF THE HYPOTHECATED PROPERTY**

- 5.1** The Hypothecator shall remain responsible for maintenance and reparation at its own cost and expense of the Hypothecated Property in order to protect and/or maintain its value;
- 5.2** The Hypothecator shall give immediate written notice to the Hypothee, upon the Hypothecator becoming reasonable aware that any of the followings has occurred or is likely to occur:
- (a) value of the Hypothecated Property is significantly reduced;
  - (b) any notice or order (including but not limited to the notice or order from any judicial or governmental body) that the Hypothecator received which may affect the Hypothecated Property;
  - (c) any damage sustained by the Hypothecated Property;
  - (d) the Hypothecator is entitled to claim or receive any compensation, directly or indirectly, related to or in connection with the Hypothecated Property;
  - (e) any event or circumstance whereby the Hypothee's rights under this Contract may be affected for any reason whatsoever.

## **6. INSURANCE**

During the subsistence of this Contract, the Hypothecator shall at their cost and expense keep the Hypothecated Property insured against loss or damage by fire and such other risks as the Hypothee may require up to the full insurable value thereof by any insurance company designated by Hypothee. The original of fire insurance policy shall be provided to the Bank. The Hypothee may at any time require the Hypothecator to increase the amount insured. The Hypothecator shall ensure that the Bank has been duly endorsed as Hypothee or beneficiary by the insurance policy and that such policy may not be cancelled without prior written consent of the Hypothee.

## **7. DEFAULT**

In the event that an Event of Default occurs, the Hypothec shall become immediately enforceable and then the Hypothee may at its absolute discretion enforce the Hypothec in accordance with the applicable laws and regulations. In this regard, the Hypothecator agrees that it shall be subject immediately to a compulsory execution on the Hypothecated Property in accordance with the Cambodian code of civil procedure and other applicable laws, and regulations.

## **8. INDEMNITY**

- 8.1** All cost, charges including legal fees and liabilities and all other sums paid or incurred by the Hypothee in connection with the preparation, completion and enforcement of this Contract shall be recoverable as debt payable on demand of the Hypothecator and shall bear interest in conformity with the Loan Contract and such cost, charges and liabilities shall be further secured by the Hypothecated Property under this Contract.
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**8.2** All amount paid by the Hypothecator under this Contract shall be made in full without any deduction or withholding whatsoever.

## **9. DISCLOSURE**

The Hypothecator hereby irrevocably authorizes the Hypothee to disclose at any information concerning the Hypothecator and/or this Contract to any affiliate of the Hypothee and its officers, directors, employers, agents and/or advisors. However, such authorization shall be without prejudice to any obligations of the Hypothee to make disclosure imposed by laws or regulator supervising the Hypothee.

## **10. NOTICE**

All notices, demands or other communications required or permitted to be given or made hereunder shall be made in writing and delivered personally and/or sent by courier and/or sent by registered post and/or by facsimile message to the intended recipient thereof at the relevant address as stated in or at its facsimile number as specified herein (or to such other address or facsimile number as any Party may from time to time notice to the other Parties). Any such notice, demand or communication shall be deemed to have been duly served (i) if given personally or after posting to the last known address if sent by courier (ii) if given or made by facsimile, immediately provided that following the transmission, the sender's facsimile machine produces a transmission confirmation report, confirming successful transmission of the facsimile; and (iii) if sent by post, 3 (Three) Business Days after posting.

All notices or communications under or in connection with this Contract shall be in the English language or in Khmer.

## **11. MISCELLANEOUS**

### **11.1 Entire Contract**

This Contract (together with its Annexes) constitutes the entire agreement and understanding between the Parties with respect to its subject matter and replaces and supersedes all prior agreements, arrangements, undertakings or statements regarding such subject matter.

### **11.2 Amendment**

No variation of this Contract shall be effective unless made in writing and signed by all the Parties hereto.

### **11.3 Assignment**

Neither this Contract nor any of the rights or obligations herein may be assigned by a Party without the prior written consent of the other Party.

### **11.4 Severability**

Whenever possible each provision of this Contract shall be interpreted in such manner as to make it effective and valid under applicable laws, but if any provision of this Contract shall be unenforceable or invalid under applicable laws, such provision shall be ineffective only to the extent of such unenforceability or

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invalidity, and the remaining provisions of this Contract shall continue to be binding and in full force and effect.

#### **11.5 Law, Dispute Resolution and Jurisdiction :**

- (a) This Contract shall be governed by, and construed and interpreted according to the laws of the Kingdom of Cambodia;
- (b) The Parties shall endeavor to settle any disagreements or differences relating to the interpretation or implementation of this Contract in an amicable manner to reach an out-of-court resolution. In the event that the Parties fail to reach an amicable and out-of-court resolution, the dispute shall be referred to the competent Cambodian court for resolution.

**Hypothecator:**  
(Thumb print and full name )

**Borrower**  
(Sign and full name and Seal)

**Hypothec**  
(Sign and full name seal)

**MR. BEN KIMSAN**

**Mr. BEN KIMSAN**

**Mr. NGUYEN VAN THIN**

**BIDC**

**MRS. VEN MALY**

