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**TRANSFER AS SECURITY CONTRACT**

Contract No: **01/2018/SC/DPB/001**

This Transfer as Security Contract “Transfer as Security Contract” is made on date …./…./…… between the following parties:

Security Creator party:

Name: Admin manager.

- ID No: 1 on date 20/07/2018 issued by ss.

- Address: PhnomPenh.

- Telephone: ss Email: hour.sarak@gmail.com.

(Hereinafter called “the Security creditor”)

Borrowing party: C.R.S.T Trading Co., Ltd

* Registration at the Ministry of Commerce: MOC-12619090 កកកកក date 01/01/1950
* Address: #95E0 St. E-04, Damnak Thum 1 Village, Sangkat Stueng Mean Chey Ti 2 (Former Stueng Mean Chey), Khan Mean Chey, Phnom Penh, Kingdom of Cambodia. , Kingdom of Cambodia.
* Telephone: 023987189/023987189
* Represented by:  **Mr. CHEA SATYA** Position: CHAIRMAN

*(Hereinafter called “the Borrower”)*

**Holder Of Security Interest under Transfer as Security**: **BANK FOR INVESTMENT AND DEVELOPMENT OF CAMBODIA PLC – DUAN PENH BRANCH**

* Bank License: 19-Br-04
* Registration at the Ministry of Commerce No. : 19-Br-04
* Address: # 56, Preah Monivong Blvd, Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia.
* Telephone: (855) 23 210 044 Fax: (855) 23 220 511
* Website: [www.bidc.com.kh](http://www.bidc.com.kh) Email: info@bidc.com.kh
* Represented by: **NGUYEN VAN THIN** Position: Deputy Director

*(Bank for Investment and Development of Cambodia Plc (BIDC) hereinafter called “Security Creditor” or “the Bank” or “ BIDC”)*

The Security Creator, Borrower and Holder of Security interest under Transfer as Security shall be individually referred to as the “Party” and collectively referred to as the “Parties”.

**CONTRACT ESTABLISHMENT BASIS**

All relationship in this contract are regulated and allowed under legal documents and other documents as follows:

1. Following legal documents:
2. The Law on Banking and Financial Institutions of the Kingdom of Cambodia dated on 18 November 1999;
3. The Law on the Implementation of the Civil Code promulgated on May 31, 2011,
4. The Civil Code promulgated on December 08th, 2007
5. The Law on Security Transaction promulgated on May 24th 2007

e. Other relating laws and regulations

2. Property Evaluation Minute dated on day 20/07/2018of the Bank for Investment and Development of Cambodia Plc.

3. Basing onthe following contract(s) signed between the Borrower and Holder of Security Interest under Transfer as Security, under which the holder of security interest under transfer of security (the Bank) engages to provide the Borrower a loan:

4. C.R.S.T Trading Co., Ltd as the Borrower, and the Bank for Investment and Development of Cambodia Plc – DUAN PENH BRANCH, as the lender, (“**BIDC**”) have entered into the Credit Line Credit Contract No. **14/2018/CL/DPB/130642** dated 20/07/2018; other contracts signed between Bank For Investment and Development of Cambodia PLC – DUAN PENH BRANCH and C.R.S.T Trading Co., Ltd ; and other arising loan obligations of the Borrower towards the Bank.

5. In order to fully and dully guaranteed the implementation of the Borrower’s obligations before the Bank, the Security Creator is engaged to provide the security on property which is described in the Annex 1, which under his legal ownership to the Bank;

**Thus, now,** the parties are agreed as below**:**

**ARTICLE 1**

**THE GUARANTEED OBLIGATIONS**

* + 1. The Security Creator agrees to provide the transfer as security properties before the Bank.
    2. Guaranteed Obligations are in the followings:

The Security Creator agrees to implement all occurring obligations said in the credit contracts No 14/2018/CL/DPB/130642 date 20/07/2018, including all of the following obligations:

(i) Fee

(ii) Default interest for excess the time limit (the “default interest loan”)

(iii) Interest loan

(iv) Original loan - Principal

(v) Penalty expenses

(vi) Compensation expense based on interest rate 25% per annum, under the credit contracts.

The bank has full right to decide the collection order of all the said above obligations of the Borrower in the best way for the Bank.

**ARTICLE 2**

**OBJECT UNDER TRANSFER AS SECURITY (“SECURED PROPERTY”)**

The summary identity of the object under transfer as security shall be described in the Annex 1 of this contract.

**ARTICLE 3**

**THE VALUE OF THE OBJECT UNDER TRANSFER AS SECURITY**

The value of property as shown in article 2 of this Contract shall be in accordance with the Property Evaluation Minute dated on day 20/07/2018of the Bank for Investment and Development of Cambodia Plc.

**ARTICLE 4**

**OBLIGATIONS AND RIGHTS OF THE SECURITY CREATOR**

* + 1. Obligations of the Security Creator:

- Deliver all documents in relation with the secured property to the Bank.

- Pay all expenses in relation with the process of the secured property (if any).

- Agrees to transfer the ownership of the object under transfer as security under form of Assignment of possession.

- Shall not transfer, change, gift, and contribution in fund or use the object under transfer of security to secure other obligations without the acknowledgment and written approval from the Bank.

- Maintain, protect the object under transfer as security and shall not by any mean cause to reduce the value of the object in comparison with the time of signing the Contract (without prejudice of wear and tear factors and the abstract of the decreasing price),

- shall change, repair, supplement, and make a necessary innovation in order to protect the object under transfer as security in good form and good functioning. In case the value of the object under transfer as security has been reduced due to any reason, the Security Creator shall immediately notify the Bank.

- Purchase the insurance for the secured property within the period of the validity of the loan, and shall clearly record the right to acquire the insurance premiums under the name the Bank and shall provide the original insurance certificate to the Bank for the maintenance.

- Facilitate and cooperate with the Bank in order to control the object under transfer as security.

- Provide the secured property to the Bank for disposing, in case that the Borrower fails to implement its obligations in a timely manner and the Borrower fails to implement its obligations as stipulated Credit Contract.

2. Rights of the Security Creator:

- Direct occupying, exploit, and collect interest and revenue from the object.

- Acquire back all of documents related the secured properties after the Borrower has fulfilled its obligations;

- May request the Bank to compensate all damages that caused lose and damage to any document related to the secured properties.

**ARTICLE 5**

**OBLIGATIONS AND RIGHTS OF THE BORROWER**

* + 1. Obligations of the Borrower:

- To fulfil all articles and conditions under the Credit Contract,

- To be responsible before the law in using the loan for the right purpose;

- To be responsible for any expense arising from the act of legalization, certification and registration of the secured property and to be responsible for the expenses related to the disposal of the secured property (if any).

* + 1. Rights of the Borrower:

- To acquire the loan from the Bank and the guaranty in accordance with the Credit contract.

- Has the right to request the Bank to compensate the damages occurred by the Bank in forms of violating the Credit Contract.

**ARTICLE 6**

**OBLIGATIONS AND RIGHTS OF THE BANK**

1. Obligations of the Bank:

- Implement the act of legalization, contract certification and contract registration in accordance with article 7 of this contract.

- Maintain and protect all original documents with regard of the secured property and shall compensate the Borrower in case of losing and damaging of such documents.

- Deliver all of the original documents with regard of the secured property to the Security Creator after the Borrower has fulfilled all of its obligations.

2. Rights of the Bank:

- Check and request the Borrower and the Security Creator, to inform the actual condition of the secured property.

- Request the Borrower and the Security Creator to take all necessary measurements to ensure the value of the secured property in case of the secured property have been damaged caused by using and business exploiting;

- Request to check the secured property at any time if necessary.

- Detain and dispose the secured property in accordance with the article 8 of the agreement.

- Receive principal, interest, penalties, expenses of executing the transfer as security, compensation and other benefits base on the consent of both parties.

**ARTICLE 7**

**THE Registration of THE SeCURED PROPERTIES and THE REGISTRATION FEE**

The Bank shall be responsible for the registration of the secured properties at the competent authority in accordance with the law. The Borrower shall be responsible for all the relevant registration fees in relation with the secured properties.

**ARTICLE 8**

**The enforcement of the TRANSFER as security rights**

1. The enforcement of the transfer as security rights on the secured properties:

- In case of due date and the Borrower fails to perform or improperly perform its obligations.

- The Borrower violates its obligations in the credit contract, which leads to perform the obligations to clear the debt before maturity date.

- Secured properties shall be disposed in order to cause the Borrower to perform its obligations pursuant to provisions laws.

- Other obligations prescribed by Law.

1. If the obligations of the Borrower has improperly been performed in accordance to the Credit Contract after giving notice, the Security Creator agrees to allow the holder of the security interest under the transfer as security to take a measure by himself to convert the object to cash, or obtain the ownership of the object conclusively base on the following agreement:

2.1 Conversion to cash

(i) The Bank request to the Security Creator to convert the secured property to cash.

(ii) In case the Security Creator doesn’t reply or have not suggest for other solution during 20 days after have been notified, the Bank shall sell the secured property.

(iii) By himself or by his representative, the Bank could privately sell the secured properties for settlement of debt in accordance to the commercial practice.

(iv) The selling price of the secured properties cannot be lower than the minimum price which consented between the Security Creator and the Bank.

(v) In case the price of the secured properties is exceed the amount of obligation, the Bank shall pay that exceed amount back to the Security Creator by considered it as the settlement of payment.

(vi) The amount received from the secured properties shall settle with the Bank after extract some payment for the conservation and disposition of the secured properties.

2.2 Acquisition the final ownership over secured properties

(i) The Security Creator agrees the Bank to take the secured properties instead of implementation of debt obligation of the Borrower upon request by the Bank.

(ii) In order to acquire the final ownership over the secured properties, the Security Creator shall file an application and agree to transfer ownership in accordance with the form attached in the Annex 3 adding to the Transfer Agreement, under form of changing the form of occupying in which the Security Creator has done as in Annex 2.

(iii) The Bank could chose this solution after having requested to the Security Creator and if the Security Creator haven’t reply or haven’t suggest any other solution beside accept the solution requested by the Bank during 20 days after the notification was sent.

3. The price of the secured properties shall execute/settle obligation toward the Bank after having extracted some expenses for the conservation of the secured properties, tax, legal fees, and other expenses related to the disposition of the secured properties.

**ARTICLE 9**

**DiSPUTE RESOLUTIONS**

If the dispute shall arise within the process of executing this Contract, the parties shall try to settle dispute amicably by respect the interests of each other. In case of dispute cannot be resolved within 20 days, one of the parties shall be eligible to file the lawsuit to the National Arbitration Center “ N.A.C” which is established in Cambodia in order to render award in accordance with rules of the N.A.C, if the N.A.C has no ability to settle the case yet, then the case shall be sent to the competent court of the Kingdom of Cambodia. The defendant shall accept the jurisdiction chose by the plaintiff.

**ARTICLE 10**

**WARRANTIES of THE Parties**

The parties shall be held responsible before the laws for the following warranties and acknowledge the validity of special provision in the act of creation of Transfer of Securities:

1. The Security Creator by transfer of property warrants that:

1.1 All information with regard of himself, the object under transfer as security in this Contract are true.

1.2 The secured properties are under his legal ownership.

1.3 At the time of signing this Contract:

a) The secured properties are free from any dispute or burden.

b) The ownership rights on the secured properties are free from any burden or any legal measurement.

1.4 This Contract has been voluntarily executed without any confusion, fraud, duress and embezzlement or misinterpreted by any party.

1.5 Shall properly fulfil all of the agreements in this Contract.

2. The Borrower and the Bank acknowledges that:

2.1 All identifications information in this Contract is true.

1. .2 The affix of thumbprint in this Contract has been voluntarily executed without any confusion, fraud, duress and embezzlement or misinterpreted by any party.

2.3 Properly fulfilled all of the agreements in this Contract.

##### ARTICLE 11

##### THE REPLACEMENT OF THE SECURED PROPERTIES

The Security Creator may make the replacement of the secured properties stipulated in article 2 of this Contract by the other properties or in the other forms of security as long as such replacement still maintain the debt payment obligation towards the Bank. In this case, the Bank and the Security Creator shall sign the new contract or the supplementary contract.

ARTICLE 12

VALIDITY OF DURATION

The validity period of the right of secured properties under transfer as security cannot be extinct by the validity toward the Borrower and the Security Creator if the right of secured debt under the transfer as security hasn’t terminated at the same time.

ARTICLE 13

General PROVISIONS

1. Notice: All notices and communication letters among the parties shall be sent to the addresses stipulated in this Contract (unless otherwise provided the change of addresses in written) and shall be made in written and affixed with the signatures of the competent persons. In case of delivering by post, the delivery date shall be the date affixed on the envelope of the post office. The letter may be considered to be delivered when reaching the attentive address between the hours of 7:30 and 15:30 of the working days, in case of direct delivery, shall be considered to be delivered at the time the letter is affixed with the signature of the administrative staff of the receiver.
2. The Breach of Contract: during the validity period of this Contract, if any party found that the other party breaches the Contract, the non breaching party shall notify such breaching party and request the remedies for such default. After the due date of the default notice, if the breaching party still not procure any remedy, the non-breaching party may take any necessary measurement for the protection of his rights and interests in relation with the Contract.
3. The Amendment and Supplements of the Contract: the amendment and supplement of this Contract shall be approved in written by the parties (through the minute of amendment and supplement of the contract) and shall be signed by the parties. All adjustments, amendments and supplements shall be precedent to the previous adjustments, amendments and supplements in the Contract.
4. Governance Law: this Contract has been made and construed in accordance with the laws of the Kingdom of Cambodia.

ARTICLE 14

FINAL PROVISIONS

1. This Contract shall be valid from the date of the signatures and shall be terminated at the time that the Borrower has fulfilled all of his obligations in accordance with the credit contract; or the Security Creator has provided the other form of security to replace the security stipulated in article 11 of this Contract or in case that the secured properties have been disposed.
2. All documents attached to this Contract shall be parts of this Contract and shall be equally valid as the Contract.
3. This Contract has been made in Khmer and English. Each counterpart shall consist of 06 original copies with equal validity. Providing that, 02 copies for the Bank, 02 copies for the Security Creator, 01 copy for the office notary public or lawyer (if any) and another copy for the security registrar.
4. The parties understand all rights, obligations, interests and the legal consequences of the execution of this Contract.
5. Any dispute shall be resolved by the laws of the Kingdom of Cambodia.

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| **Security Creator** | **Borrower** | **Holder of security interest under the transfer as security** |
| (Sign and full name and Seal) | (Sign and full name and Seal)  **Mr. CHEA SATYA** | (Sign and full name seal)  **NGUYEN VAN THIN** |

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| **Witness:**  ...................................................... |  |

Annex 2

**Transfer Agreement**

**\*\*\*\*\***

* Evaluation minute over the secured properties date 20/07/2018

of the Bank of Investment and Development of Cambodia PLC .

* Transfer as Security Agreement No 111 date 20/07/2018
* Credit Agreement No 14/2018/CL/DPB/130642 date 20/07/2018

**WHERE AS**

In order to secure the obligation of the Borrower to be implemented properly base on the maturity date and sufficient toward the Bank, the Security Creator agrees to secure debt obligation by transfer the possession over the property which is an object under transfer as security to the holder of security interest by transfer as security.

Thus, now, the parties agreed as follows:

1. **Object under a Transfer as Security**

Name Admin manager Identity Card No 1] date 20/07/2018 Address PhnomPenh, Kingdom of Cambodia, contact No. 01/2018/SC/DPB/001 is an owner of the property “Assignee” as described in the Annex agrees to transfer the possession right, manage, dispose over object as described in the Annex 1 to the **Bank for Investment and Development of Cambodia PLC – DUAN PENH BRANCH**, having address at # 56, Preah Monivong Blvd, Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh“ Assignor” or “ Bank” from the date of affixing thumbprint herein under form of changing the possession.

1. **Effect of the fruits**

Assignor permits Assignee to use, receive profit over the above secured properties in the

purpose that the Assignee has ability to pay the principal and interest back to the Bank.

1. **The changing form of possession**

It means that the possession shall be transferred by the consent, limited to this Agreement

Only; thus, there is no real delivering of property. The Assignor of the possession receives the indirect possession and the Assignee continues to possess over the secured property directly in order to let the Assignee to receive a benefit from the secured property.

1. **Safety Order**
2. In order to allow public to know exactly the current situation of the secured property, the Assignee shall make a remarks to prove that is an object of the security, on the visible place in accordance to the instruction of the Bank on every moveable until the right over the debt is completely terminated.
3. Agrees to be punished criminally on the conversion of the secured property in case that the Assignee sell, change, transfer, gift, join shareholder in order to embezzle, or use the secured property to secure other obligation unknown by the Bank without any prior written agreement by the Bank.
4. Obligation of the Assignee in case of request from the Bank in order to change the secured property into cash or to acquire the final ownership over the secured property:

Where there is request to implement the chosen method by the Bank, the Assignee shall:

1. Deliver the secured property immediately to the Bank to control and possess
2. Facilitate and cooperate firmly with the Bank in order to settle the debt.
3. Each party understand about rights, obligations, interests, and legal consequences to the term of this Agreement.

In Witness Whereof, the Assignee and Assignor agrees to affix thumbprint as a proof herewith.

Phnom Penh, date …./…./……

**Deliver Witness Receiver**

**Assignee Assignor**

**(Bank)**

**Name:……………… Name:…………………**