**FRIENDLY LOAN AGREEMENT**

THIS AGREEMENT is made the day of             [Year] Between [Name] [NRIC 123455] of No. [Address] (hereinafter referred to as "The Lender") ofthe one part and (Name of Borrower) (NRIC 123455) of No. (Address) Pulau Pinang (hereinafter referred to as "the Borrower") of the second part.  
  
  
WHEREAS :-  
  
  
1. The Lender and the Lender at the request of the Borrower agrees to grant to the Borrower a friendly loan amounting to the sum of Ringgit Malaysia (RM xxx) only and the Borrower agrees to accept the Loan upon the terms and subject to the conditions hereinafter appearing.  
  
  
NOW THIS AGREEMENT WITNESSETH as follows:-  
  
1. The Loan  
In consideration of the Borrower's undertaking to perform the term of the Agreement, the Lender hereby grants to the Borrower a friendly loan amounting to the sum of Ringgit Malaysia (RM xxx) only   (hereinafter referred to as "the Loan") and the Borrower agrees to accept the Loan subject to and upon the terms and conditions herein appearing.  
  
  
2. Repayment  
The Borrower shall repay to the Lender without demand the Loan of Ringgit Malaysia Twenty Thousand (RM xxx) only being the whole amount of the Loan within two (2) years from the date the Loan disbursed to the Borrower (hereinafter referred to as "the due date").  
  
  
3. Disbursement  
The Borrower agrees that the Loan shall be disbursed in the manner as the Lender shall deem fits.  
  
  
4. Events of Default  
Without prejudice to the Lender's right to demand for payment herein contained, the whole of the Loan and all other sums or moneys for the time being owing under this Agreement shall become due and immediately repayable by the Borrower to the Lender and the Lender shall forthwith become entitled to recover the same and all other sums or moneys and to exercise the rights and powers upon default of this Agreement or upon the happening of any of the following events:-  
  
(a) if default is made in the repayment to the Lender of the said Loan or interest accrued thereon or any other moneys, whether principal or interest, herein agreed or covenanted to be paid after the same shall have become due by the Borrower to the Lender whether formally demanded or not; or  
  
(b) if the Borrower fails to make payment of the entire Loan after the expiration of the notice referred to in Clause 17 below; or  
  
(c) if  the  Borrower  fails  to  observe  or  perform   any  of the agreements covenants stipulations terms and conditions on the part of the Borrower to be observed or performed under this Agreement, or any other documents evidencing the Loan; or  
  
(d) if the Borrower enters into any composition or arrangement with or for the benefit of the creditors of the Borrower or allows any judgments against the Borrower to remain unsatisfied for a period of fourteen (14) days; or  
  
(e) If  the  Borrower is presented with a winding up petition; or  
  
(f) if any representation or warranty made herein or implied to be given or made by the Borrower proves to have been incorrect or misleading in particular(s) deemed to be material by the Lender as of the date at which it was made or deemed made; or  
  
(g) if any event or events has or have occurred or a situation exists which could or might, in the opinion of the Lender prejudice the ability of the Borrower to perform its obligations under this Agreement; or  
  
(h) if the Borrower commits or threatens to commit any breach of the terms and conditions of this Agreement or of any of the terms and obligations of any security documents entered or to be entered by the Borrower with the Lender or with any third party and which are known to the Lender as the case may be; or  
  
(i)  if there has or have been a material change, in the opinion of the Lender of the management or directorship shareholding business assets or financial position of the Borrower; or  
  
(j)  where legal action or proceedings are threatened or have been instituted against the Borrower and in the opinion of the Lender the repayment of the Loan is or may be jeopardised; or  
  
(k) a petition against the Borrower shall be presented or an order is made or a resolution be passed for the winding up of the Borrower; or  
  
(l)  a Receiver and/or Manager of the Borrower undertaking or property or any part thereof shall be appointed; or  
  
(m) any indebtedness of the Borrower becomes due or capable of being disclosed due before its stated maturity any guarantee or similar obligation  of the Borrower is not discharged at maturity or when called or the Borrower goes into default under, or commits a breach of, any instrument or agreement relating to such indebtedness; or  
  
(n)  the Borrower is unable to pay its debts as they fall due or stops payment generally or commences negotiation with its creditors with a view to a general readjustment or rescheduling of any indebtedness or compounds or enters into any arrangement with or make any assignment for the benefit of its creditors or attempts to do any of the foregoing (except as part of or pursuant to a scheme of reconstruction or amalgamation with the prior approval in writing of the Lender); or  
  
5. Rights Upon Default  
In addition to the remedies as hereinbefore set out, the Lender shall be at liberty and without prejudice to the said remedies, proceed or commence against the Borrower any claims actions suits civil proceedings of any nature and by law prescribed at any time at the absolute discretion of the Lender.  
  
6. Security Valid Notwithstanding Irregularity  
This Agreement shall not be prejudiced, diminished or affected by:-  
(a) any failure or waiver or omission by the Lender to take or enforce its right to claim the repayment of the Loan;  
(b) the Lender giving or granting any other indulgence to the Borrower  
(c) the death, bankruptcy or insanity of any of the directors or the winding up of the Borrower.

7. Representations And Warranties  
In consideration of the Lender agreeing to grant the Loan to the Lender, the Borrower hereby represent(s) and warrant(s) to and undertake(s) with the Lender that at all times before the Loan is fully repaid:-  
(a)  that the Borrower and any party providing or which shall hereafter from time to time provide any guarantee or security to secure the payment or repayment of the Loan or any part thereof including but not limited to the Borrower hereto each has the power or capacity to execute, deliver and perform the terms of this Agreement;  
  
(b) that this and any other document relating to this Agreement constitutes the legal, valid and binding obligations of the Borrower and, where applicable, any party providing or which shall hereafter from time to time provide any guarantee or security to secure the payment or repayment of the indebtedness or any part thereof including but not limited to the Borrower hereto in accordance with their respective terms;  
  
(c) that the execution, delivery and performance of this Agreement by the Borrower and, where applicable, any party providing or which shall hereafter from time to time provide any guarantee or security secure the payment or repayment of the Loan or any part thereof including but not limited to the Borrower hereto do not and will not  
violate or contravene the provisions of:-  
  
(i)  any law, or regulation, or  any order, or decrees of any governmental authority, agency or court to which any of them is subject;  
  
(ii)  any contract of whatever nature, or other undertaking, or instrument, to which any of them is a party or which  
are binding upon any of them or any of their assets and will not result in the creation, imposition of, or any obligation to create, or impose, any mortgage, lien pledge or charge on any of their assets pursuant to the provisions of any such contract, or other undertaking, or instrument;  
  
(d)  no act of bankruptcy proceedings have been committed by the Borrower and any party providing or which shall hereafter from time to time provide any guarantee or security to secure the payment or repayment of the Loan or any part thereof including but not limited to the Borrower hereto (if any),  
  
(e)  no steps have been taken or are being taken to appoint a receiver, receiver and manager or liquidator to take over orto wind-up the Borrower;

8. Special Covenant  
The Borrower acknowledges, confirm and agree that the granting of them Loan by the Lender to the Borrower does not contravene the Moneylender Act.  
  
  
9. Defects In Borrowing Powers  
Where any moneys are owing and secured by this Agreement they shall be deemed to be so owing and so secured notwithstanding any defect informality irregularity or insufficiency in the borrowing powers of the Borrower power accept the Loan or of any director attorney partner agent or other person purporting to act on behalf of the Borrower or in the exercise thereof which might be a defence as between the Borrower and the Lender.

10. Waiver  
  
(a)  No failure or delay on the part of the Lender in exercising nor any omission to exercise any right, power, privilege or remedy accruing to the Lender hereunder upon any default on the part of the Borrower nor the fact that the Lender may have accepted any moneys from the Borrower or any other person after such default shall impair any such right, power, privilege or remedy or be construed as a waiver thereof or any acquiescence to such default, nor shall any action by the Lender in respect of any default or any acquiescence to any such default, affect or impair any right, power, privilege or remedy of the Lender in respect of any other or subsequent default, breach or omission.  
  
11. Amendments and Severability  
  
(a)  No provisions of this Agreement may be voided, amended,  
waived, discharged, absolved or terminated orally nor may any default,  
breach or omission of any provisions of this Agreement be waived or  
condoned orally.

(b) If at any time during the currency of this Agreement any provision condition term stipulation covenant or undertaking of this instrument is or becomes illegal, void, invalid, prohibited or unenforceable in any respect the same shall be ineffective to the extent of such illegality, voidness, invalidity, prohibition or enforceability without invalidating in any manner whatsoever the remaining provisions hereof or thereof.  
  
  
12.  Time  
Time wherever mentioned in this Agreement shall be of the essence of this Contract.  
  
  
13. Applicable Laws  
This Agreement shall be governed by and construed in all respects in accordance with the laws of Malaysia but in enforcing this Agreement, the Lender shall be at liberty to initiate and take actions or proceedings or otherwise against the Borrower in Malaysia and/or elsewhere as the Lender may deem fit and the parties hereto hereby agree that where any actions or proceedings are initiated and taken in Malaysia the Borrower shall submit to the non-exclusive jurisdiction of the Courts of Malaysia in all matters connected with the obligations and liabilities of the parties hereto under or arising out of this Agreement and the service of any writ of summons or any legal process in respect of any such action or proceedings may be effected on the Borrower by forwarding a copy of the writ of summons, statement of claim or other legal process by prepaid registered post to their respective addresses as indicated herein or in such manner or mode as a court of competent jurisdiction may order or direct.  
  
  
14. Indemnity  
The Borrower shall at all times hereafter save harmless and keep the Lender indemnified against any and all expenses costs actions proceedings claims demands penalties damages and liabilities which may be brought or made against or incurred by the Lender by reason or on account of non observance of all or any of the stipulations on the part of the Borrower contained in this Agreement or otherwise  
howsoever owing out of or in connection with this Agreement.

15. Costs  
The Borrower shall be liable for the solicitors' costs in the preparation of this Agreement, the stamp duty payable thereon and all other necessary expenses.  
  
16. Severability  
If any of the provisions of this Agreement is found by a court of competent jurisdiction to be void or unenforceable, in whole or in part, under any enactment or rule of law, such provision shall be deemed to be deleted from this Agreement and the remaining provisions of this Agreement shall remain in full force and effect. Notwithstanding the foregoing the parties hereto shall thereupon negotiate in good faith in order to agree on the terms of a mutually satisfactory provision to be substituted for the provision so found to  
be void or unenforceable.  
  
  
17. Notice  
Any notice under this Agreement shall be in writing in the English Language and shall be deemed to be sufficiently served if the same is sent or addressed to any party by registered post to the address hereinbefore mentioned or to the last known address and shall be deemed to have been received within seven (7) days following the date it was posted. If the notice is transmitted by way of facsimile transmission, it shall be deemed to have been received on the day immediately following the date of transmission subject to the receipt  
of a confirmed transmission report by the sender.  
  
  
18.  Headings  
The heading of each of the provisions herein contained are inserted merely for convenience of reference and shall be ignored in the interpretation and construction of any of the provisions herein contained.  
  
  
19. Successors Bound  
This Agreement shall be binding upon successors-in-title of the Borrower and on the assigns and successors-in-title of the Lender and persons deriving there under.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands  
the day and year first above-written.

Signed by the Lender                                             )  
  
In the presence of                                                   )  
  
  
         )  
   
  
         )

Signed by the Borrower                                       )  
  
In the presence of                                                   )