

# Purchase Procedure In Malaysia (New Project/Loan Purchaser)

(as of July 2021)

## ★ Procedure

### 1. Booking for the property

Submit booking form and pay the booking fee



### 2. Submit loan application at the same time of booking

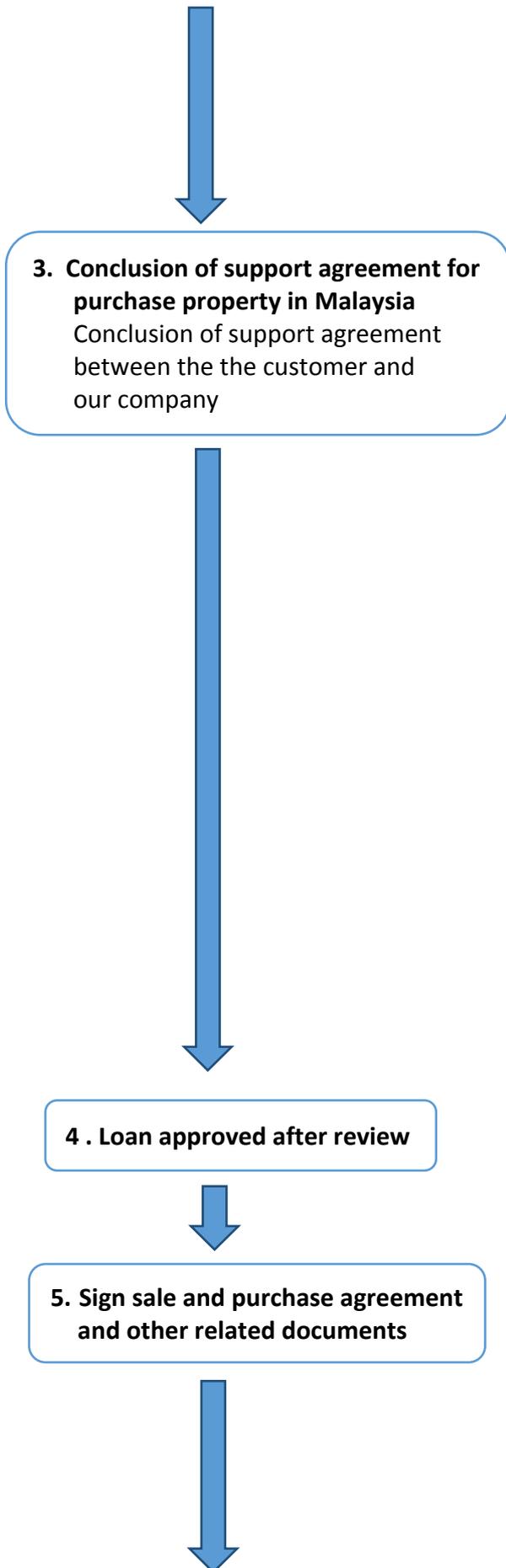
- Latest 3~6 months salary slip
- Latest 3~6 months copy of bank book
- Latest withholding tax certificate or tax return form
- Other documents required by the bank
- All documents need to be translated into English and certified in Malaysia then submitted to bank for review

※Our company not only support property purchase, we also support loan application.



## ☆Point To Be Noted

- Can reserve the desired unit only after booking form submitted / booking fee paid .
- In case the customer would like to cancel the booking due to loan rejection, the booking fee refund policy is different according to developer. In some cases developer will fully refund booking if the customer submit the document indicating the loan rejection reason. In the other hand there is some cases that developer will refund the booking fee after deducting the administrative fee.
- It takes time for loan review (approximately 3 weeks ~ 1 month ) therefore it is very important to prepare the necessary documents beforehand if using loan to purchase property.
- The required document and conditions are different depend on bank for loan application, therefore it is necessary to check with bank in advance . Generally the conditions are as follow.
  - + loan margin : 50~60%
  - + loan payment period : the period until the customer turn to 65~70 years old or 20~30 years whichever is shorter period equal monthly payments with interest.
  - + loan interest : 3~4% floating rate
- Generally the signing of sale and purchase agreement will only be proceed after loan approved.
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- Sometimes the customer has advantage on loan review if holding Malaysia visa.



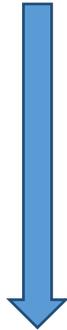
- As one of the condition of the loan approval, sometimes the bank will request the customer to sign loan agreement in Malaysia ,therefore the customer need to pay attention if they cannot visit Malaysia at the time of signing loan agreement .

- Generally ,the customer conclude support agreement at the time the booking made. Then the support by our company will be officially started.
- According to the support agreement,for the preparation of signing sale and purchase agreement our company will explain the important point of sale and purchase agreement and other related documents in Japanese.
- If the customer using loan to purchase the property, the loan support will be stated in the clause of purchase support agreement .  
The purchase support fee and loan support fee is seperated.
- After 1-2 weeks developer approved the booking of the unit, the sale and purchase agreement and other related documents will be posted to the residential of the customer(place of signing the documents) .The customer need to sign the documents without delay after received it (need to bewafe of the deadline of signing the document set by developer ).

- Loan review takes 1~2 months

- In Malaysia, there is no seal registration system like Japan. In case of Japanese, the signature on all the documents need to be same with signature on passport.
- If the customer cannot sign the documents in Malaysia, in principle the customer need

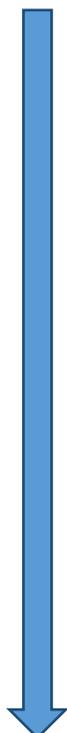
to get the certificate of signature and certify all the document at the Malaysia embassy located in the country of residence.



#### 6. Sign loan documents



#### 7. Pay downpayment



- When Japanese purchase Malaysia's property, state consent is one of the requirement and the signing of state consent application form will be proceed.
- After all the necessary documents was signed, the documents need to be sent to developer without delay.

- Currently, as one the condition of loan approval, many bank will request the customer to sign the loan agreement in Malaysia.
- Firstly, the customer need to sign letter of Offer (loan application form) . After that the customer need to sign loan agreement and others related documents.
- If the customer would like to sign the loan documents in Japan, the customer need to certify and sign the documents in Malaysia embassy located at Japan.

- In the agreement, the customer is required to pay the downpayment (generally is up to 10% ) without delay after signing sale and purchase agreement . .  
The downpayment shall offset with booking fee that have been paid.  
e.g. Selling Price RM1,000,000  
Booking Fee RM10,000  
Downpayment =  $1,000,000 \times 10\% - 10,000$   
= RM90,000
- If the payment is made from outside Malaysia, mostly proceed by overseas remittance. There are cases that the bank in Japan do not approve the overseas remittance without explanation on the remittance purpose . When apply for overseas remittance, the customer need to submit the copy of signed booking form, sale and purchase agreement

signed by customer only and other documents.

**8. Pay purchase support fee and loan support fee to our company**

- Purchase support fee and loan support fee to be paid to our company based on the purchase support agreement and loan support agreement
- The timing of purchase support fee and loan support fee payment is soon after sale and agreement have been signed.

**9. Obtain state consent**

- Generally, state consent will be approved approximately 1~2 months after application Submitted to state goverment.

**10 . Progress billing / architect's certificate are posted to the customer**

- In accordance to the construction progress of the unit that the customer purchased,the developer will request payment for progress billing.
- Generally,from downpayment to last payment for handover,the payment is made divided into total 8 times ( 5-15% of selling price per payment ) , and 25% final payment to be paid at the time of vacant possession.
- The important point is that if the customer purchase the property by loan ,the customer need to pay the portion of own fund (selling price - loan amount) according to the payment request from developer. The bank will not release the loan if the customer do not pay the portion of own fund .
- After the customer paid portion of own fund ,the balance selling price will be settled among developer and bank.
- The customerneed to pay attention for the accrued interest on loan amount after loan released

**11.Ready for handover - final payment**

25% final payment /payment method/advance payment request for service charge and other expenses/utility deposit payment request/assessment and quit rent settlement/address determination

- Generally, once 75% payment before final payment have been made and the unit is ready for vacant possession,the

Vacant Possession Letter (VP letter) will be sent to customer by developer .

- Delivery of vacant possession cannot be proceed if every requested payment have not been made. However, if the



## 12. Handover of actual unit and keys



customer purchased the property by loan, the balance selling price will be settled by bank. The customer only need to pay the expenses other than selling price.

- If the customer can not take the vacant possession after certain period from the date of vp letter , the customer shall be deem to have taken the delivery of vacant possession after certain period passed.
- The actual date that the customer took the vacant possession or the date the customer shall be deem to have taken the vacant possession is the initial date of defect liability period of the unit, so it is a very important date. Generally, defect liability period is 24 months from the date of vacant possession .
- Need to adjust the schedule with developer to take the vacant possession.
- As the developer need to adjust the schedule of taking vacant possession with many puchaser, so desired date of the customer do not always given priority.
- If the customer cannot vist Malaysia to take vacant possession, our company can take the vacant possession on behalf of the customer. However, need to issue authorization letter to the developer.
- The important matter after taken vacant possession is to check the defect and request developer to repair it. The developer need to complete the defect repair within 1 month after they received the defect notification. The method of defect check
  - by customer themself
  - simple visual check by our company staff (depend on the contents of the

support agreement with our  
company )

- chargeable defect check by expert

• After vacant possession,if the  
customer

would like to proceed interior work,  
as

one of the condition the defect check  
and defect repair have to be  
completed

by the interior design company.

### **13. Loan repayment**

• 1 month after the bank released the final  
loan payment (the selling price amount need  
to be released at the time of vacant  
possession ),the customer need to start to  
pay the principal with interest. Therefore,the  
customer need to deposit the sufficient  
amount of money into the loan account for  
loan repayment.

Also,the customer need to check the  
monthly loan repayment amount and  
balance in loan account.

## Other points to be noted

### A. Progress billing payment request from developer in accordance with construction progress

- (A) The progress billing payment request from developer in accordance with construction progress may not be on schedule as stated in sale and purchase agreement ,sometimes the order of the schedule can be changed according to actual construction progress
- (B) If the customer make the payment for progress billing by oversea remittance, it is advisable to send a little bit more amount in Japanese Yen due to the exchange rate fluctuation(Yen/RM) and remittance charges . If the amount received in RM is insufficient ,late interest will be charged automatically even the insufficient amount is small. Also, the remittance charge for additional small amount remittance is comparatively more expensive.  
If the amount received in RM is more than the requested amount, the exceed amount will be allocated to next payment .Therefore it is no problem.
- (C) The payment due date stated in the payment schedule is not the date the customer proceed the payment, it is the date developer confirmed the receipt of the payment .
- (D) In Malaysia, sometimes the developer can not recognize the remitter when they received overseas remittance. Therefore, after the customer sent money to developer, the customer need to send the payment proof (remittance request form,etc.) to developer and confirm the receipt of payment with developer.  
Depend on the support agreement between the customer and our company,if it is in the support period ,our company will assist to send the payment proof to developer and confirm the receipt of payment with developer.

### B. Defect check after vacant possession

- (A) Depend on developer ,we cannot expect the finishing for the property at the time of vacant possession to be perfect like Japan .Therefore,it is advisable to do defect check by expert.
- (B) Especially if flooring and wall are using tile,we shall prevent the tile become hollow (hollow tile).There are many cases that hollow tile caused the tile to float and peel off .
- (C) Our company have a team specialize in defect check to meet customer need.  
In addition, if there is many defect check request received in one time, our company will introduce defect check service provider to customer with high urgency.

C. Interior work after vacant possession

- (A) After vacant possession, interior work is needed for own stay and rental. Even though the project with fully furnished package is increasing, generally interior work and the purchase of furniture and electrical appliances are necessary.
- (B) Generally, the interior design company cannot proceed the interior work after vacant possession if the defect check and defect repair have not been completed .
- (C) If for own stay the detailed discussion with interior design company is needed. For rental, it is advisable to take up a proposal from the interior design company that familiar with the market.
- (D) Our company have a team specialize in design and interior work. Please contact us if you need further information.

D. Property management after vacant possession

- (A) Our company provides property management service.
- (B) Own stay in the property but sometime temporary absence from the property , sell the property without interior design , and rental purpose. Roughly these are three purpose that can be considered for keeping the property.
- (C) Our company provides 2 type of management service. For the absence period and property planned to be sold , empty property mangament is applicable. For the purpose of seeking tenant and tenanted property ,rental management is applicable.
- (D) The reason why property management needed is that in Malaysia ,everlasting summer and high humidity leads to the growth of mold. If the customer leave the property unattended during the absence ,defect cannot be handled immediately (especially water leaking) . Also,the checking of mail matter will be delayed.The payment for expenses and utility bill will also be delayed.  
For the rental purpose property,if the customer leave the property unattended during the absence of the tenant,defect cannot be handled immediately . Also,the checking of mail matter will be delayed. When the unit is tenant occupied , claim from tenant cannot be handled timely.
- (E) Our company is making use of our experience of empty property mangament and rental management for many years to manage the important asset of our customer.Please contact us if you need further information.

E. The sale and purchase agreement and loan documets can be easily lost durin the long-term storage .

These two documents are very important at the time disposal (sale ) of the property. The customer need to keep these two documents in a safe place .

F. Even though the customer using loan to purchase the property, afterwards if the customer would like to do a lump sum payment on the entirety of an outstanding loan amount for any reason, even though the condition is different depend on bank ,generally the customer need to pay penalty if the lump sum payment is made within 3 year after

final loan payment released. We need to confirm with bank on the penalty for lump sum payment at the time signing the loan agreement .

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