PRODUCT DISCLOSURE SHEET

Dear Customer,
This Product Disclosure Sheet (PDS) provides you with key information on your Hong Leong CM Flexi Property Financing-i.

Other customers have read this PDS and found it helpful; **you should read it too.**

Date: _____

1 What is Hong Leong CM Flexi Property Financing-i?

Hong Leong CM Flexi Property Financing-i is an Islamic financing facility to assist you in owning a property. It comes with a combination of fixed and variable rates. The profit rate is pegged against the Islamic Financing Rate (IFR). Under this product, any increase in rate is subject to a ceiling rate or the maximum profit chargeable i.e. the Contracted Profit Rate (CPR) where the Selling Price is capped at CPR.

The Shariah contract used is Tawarruq. Tawarruq refers to two sale and purchase contracts. The first involves the sale of an asset by the Bank to the Customer on a deferred basis. Subsequently, the Customer will sell the same asset to a third party to obtain cash.

This facility is calculated on a variable rate basis and you are offering your property as a security to the Bank. It offers flexibility in payment and profit savings. Any excess payment received after deducting your instalment and any charges payable, is deemed as an "Advance Payment".

Advance Payment will not be considered as prepayment and thereafter will affect your financing outstanding balance for profit calculation purposes. Profit is calculated on the Eligible Principal Outstanding Balance, which is the difference between the financing outstanding balance (exclusive of charges) ("**Principal Outstanding Balance**") and the Advance Payment or up to 30% of the Outstanding Balance, whichever is lower.

Withdrawals are allowed from excess payment under Advance Payment with written notice.

2 Know Your Obligations

For this Hong Leong CM Flexi Property Financing-i, **as an illustration:**

Facility 1

- Your financing amount: **RM2,000,000**
- Your monthly instalment: **RM10,063**
- Your financing tenure: **30 years**
- Islamic Financing Rate (IFR)*: **6.64%**
- Profit rate: **IFR minus 2.20% p.a.**
- Effective profit rate (EPR): **4.44% p.a.**
- Contracted Profit Rate : **15.00%p.a.**

In total, you will pay **RM3,622,680** at the end of **30 years.**

You also have to pay the following fees and charges:

- Stamp duty: As per Stamp Duty Act 1949 (revised 1989)
- Disbursement fee: Not applicable
- Processing fee: RM0

For a full list of fees and charges, please visit our website.

It is your responsibility to:

Read and understand the **key terms** in the **letter of offer** and **terms and conditions** before you sign it.

Pay your monthly instalment timely and in full for **30 years**. Speak to us if you wish to settle your financing earlier.

Ensure you can afford to **pay a higher instalment** if the Overnight Policy Rate (OPR) rises.

Contact us immediately, if you are unable to pay your monthly instalment.

Fees and Charges:
For a full list of fees and charges, please visit our website at www.hlbislamic.com.my/financing1 or scan here.

Agensi Kaunseling dan Pengurusan Kredit (AKPK) has been established by Bank Negara Malaysia to provide free services on money management, credit counselling, financial education and debt restructuring for individuals.

**The IFR is set as the Overnight Policy Rate (OPR) decided by Bank Negara Malaysia (BNM). The IFR can rise or fall due to changes in the OPR.*

3 Know Your Risks

What happens if you fail to pay your monthly instalments?

1. You **pay more in total** due to compensation charges (Ta'widh).
2. We may **deduct** the credit balance in your account with the Bank to settle the outstanding financing.
3. We may **foreclose** your property or **take legal action** against you if you fail to respond to reminder notices given by the Bank and you will have to bear all the costs including any shortfall after your property has been sold.
4. Your **credit score** may be affected leading to credit being more difficult or expensive to you.
5. We may **impose an additional profit rate** on your account if it's considered to be in default.

Your monthly instalment may increase during the tenure of your financing

The IFR may increase due to a rise in the OPR set by BNM. An increase in IFR means that you have to pay a **higher monthly instalment**.

	Today (IFR=6.64%)	If IFR increases to 7.64%	If IFR increases to 8.64%
Illustration Facility 1 - Hong Leong CM Flexi Property Financing-i			
Monthly instalment	RM10,063.00	RM11,281.00	RM12,563.00
Total profit	RM1,622,680.00	RM2,061,160.00	RM2,522,680.00
Total payment	RM3,622,680.00	RM4,061,160.00	RM4,522,680.00

Note:

- If you make a financing payment via a standing instruction, you should change the instalment amount accordingly whenever there is a change to the IFR.
- The Bank may change your monthly instalment amount if:
  - your payment does not cover the monthly profit; or
  - the amount you are paying towards the financing principal is less than 10% of your total payment; or
  - whenever there is a revision of your monthly instalment amount required by the Bank or you; or
  - the amount you are paying is not able to fully pay off your financing by the maturity date.

4 Other Key Terms

- Lock-in period: 36 months. To start from first release date (if applicable).
- All residential property(ies) are required to be covered under takaful coverage obtained under houseowner certificate(s), whilst commercial and vacant property(ies) to be covered under fire certificate(s).
- The Bank undertakes to grant you rebate at the point of early settlement. The rebate shall be calculated in the following formula:
  Rebate on early settlement = Remaining Unearned - Early Settlement Fee* (if any)

Note:

(a) Remaining Unearned = Total Profit – Accrued Profit
(b) Total Profit = Selling Price – Financing Amount
(c) Accrued Profit is calculated based on EPR on the outstanding Financing Amount
(d) * If within lock in period
  * Costs that have not been recovered because a financing contract has a structure with discount elements at the initial period of financing; and/ or
  * Initial costs that have not been recovered (e.g. zero moving cost products)

If you have any questions or require assistance on your financing, you can:

Call us at:	Visit us at:	Email us at:	Scan the QR
+603-7626 8899	www.hlbislamic.com.my/propertyfin-en	hlonline@hlbb.hongleong.com.my	for more information