

PRODUCT DISCLOSURE SHEET



Dear Customer,

This Product Disclosure Sheet (PDS) provides you with key information on **Hong Leong CM Flexi Term Financing-i facility (CMFTF-i)**.

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

Date: _____

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

Hong Leong CM Flexi Term Financing-i is a one-off basis non-revolving Islamic financing facility which complies with Shariah principles that has a predetermined maturity date and payment schedule. The facility can be used for asset financing such as purchase of properties or machineries, working capital or capital expenditure financing. It comes with a variable (floating) rate and is pegged against Islamic Financing Rate (IFR) or Islamic Cost of Fund (ICOF). Under this product, you are protected against a higher rate by the ceiling rate or the maximum profit rate chargeable i.e. the Contracted Profit Rate (CPR) where selling price is capped at CPR. The Shariah contract used is *Tawarruq*, which 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.

② Know Your Obligations

For this financing, as an illustration ONLY:

| | | |
|--|---|---------------------------------|
| Facility Amount/Limit (Commodity Purchase Price) | : | RM 1,000,000.00 |
| IFR | : | 6.64% p.a. |
| Profit Rate | : | IFR - 2.00% p.a. |
| Financing Tenure | : | 180 months/up to 15 years (max) |
| CPR | : | 15.00% p.a. |
| EPR | : | 4.64% p.a. |
| Payment Amount (based on EPR) | : | RM 7,722.00 |
| Total Profit | : | RM 1,519,280.00 |
| Commodity Sale Price | : | RM 2,519,280.00 |

* If the profit charged based on EPR is lower than the profit amount based on CPR, rebate will be granted on the difference upon receipt of full settlement by the Bank.

It is your responsibility to:



Read and understand the **terms and conditions** in the letter of offer and/or facility agreement before you sign it.



Pay your instalment timely. Speak to us if you wish to settle your financing earlier.



Ensure you can afford to pay higher instalment or financing tenure will be extended if IFR rises.



Contact us immediately if you are unable to pay your monthly instalment and/or if you change your contact details.



Fees and Charges: For a full list of fees and charges, please visit our website <https://www.hlisb.com.my/en/personal-i/help-support/fees-and-charges/bcb-i-financing.html> or scan the QR.

Based on example under item above, table below depicts the variation of monthly profit servicing and total payable amount if the IFR changes (example based on the illustration above):

| Payment Frequency | Today at the above EPR | If EPR goes up 1% | If EPR goes up 2% |
|--|------------------------|-------------------|-------------------|
| IFR | 6.64% | 7.64% | 8.64% |
| Effective Profit Rate | 4.64% | 5.64% | 6.64% |
| Monthly | 7,722.00 | 8,246.00 | 8,789.00 |
| Total Profit at the end of tenure, excluding GPP | 389,960.00 | 484,280.00 | 582,020.00 |
| Total Payment amount at the end of tenure, excluding GPP | 1,389,960 | 1,484,280.00 | 1,582,020.00 |

Note: Calculation of total profit and total payment amount in table above is based on scenario that the IFR change takes place before the disbursement of financing. In event the IFR changes during the tenure of the financing, the monthly payment amount may be revised accordingly and the total profit and total payment amount will differ.

③ Know Your Risks

What happens if I fail to fulfil my obligations?

1. You will **pay more in total** due to compensation charges (*Ta'widh*) if you default on your payment.
 - a) For payment default during the Facility Tenure = Up to 1% p.a on the overdue amount.
 - b) For default causing the Facility to be terminated or brought to court = Up to 1.0% p.a on outstanding balance (outstanding principal plus accrued profit).
 - c) For default in payment after the expiry of Facility Tenure = BNM's prevailing daily overnight Islamic Interbank Money Market ("IIMM") rate on the outstanding balance (outstanding principal plus accrued profit).
 - d) For default payment after court judgement = BNM's prevailing daily overnight IIMM rate on the basic judgment sum
2. We may **deduct** money from your deposit-i accounts with us to set-off your financing balance subject to issuance of seven (7) days' prior written notice to you by the Bank.
3. We may **foreclose your property** or take **legal action** against you, when 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 asset has been sold.
4. Your **credit score** may be affected leading to credit being more difficult or expensive to you.

④ Other Key Terms

Lock-in period: As per Letter of Offer (if any). To start from 1st release date.

Takaful Coverage: The following takaful coverage are recommended/required to be taken:

- Mortgage Reducing Term Takaful (MRTT) or any equivalent takaful coverage policies to cover the company in the event of death or permanent disability of the customer or key men of the company (if applicable)
- Fire takaful if property is given as security for the financing (compulsory)

Early Settlement: The Bank undertakes to grant you rebate at the point of early settlement. The rebate shall be calculated in the following formula:

$$\text{Rebate on early settlement} = \text{Remaining Unearned} - \text{*Early Settlement Fee (if any)}$$

Note:

- (a) Remaining Unearned = Total Profit – Accrued Profit
- (b) Total Profit = Selling Price – Financing Amount
- (c) Accrued Profit is calculated based on Effective Profit Rate on the outstanding Financing Amount being disbursed

**For any actual cost incurred by the Bank e.g. discounted rate, legal fees, disbursement fees, stamp duty and valuation fees.*

If you have any questions or require assistance, you can:



Call us at:
+603 – 7661 7777



Visit us at:
www.hlisb.com.my/bcbi



Email us at:
SME@hlbb.hongleong.com.my



Scan the QR code above
for more information

Alternatively, you may seek the services of:

Khidmat Nasihat Pembiayaan (KNP) at
MyKNP@CGC Advisory Unit under CGC (for SMEs) at:
Tel: 03 – 7880 0088
E-mail: myknp@cgc.com.my
Website: <https://www.bnm.gov.my/MyKNP>

Khidmat Nasihat Pembiayaan (KNP) at
MyKNP@CGC Advisory Unit under CGC (for SMEs)
at:
Tel: 03 – 7880 0088
E-mail: myknp@cgc.com.my
Website: <https://www.bnm.gov.my/MyKNP>

If you wish to make a complaint to the Bank and to make complain if your problem / query is not satisfactorily resolved by the Bank, you may contact:

Customer Advocacy
Tel: 03-7626 8821
E-mail: customerservice@hlbb.hongleong.com.my

Bank Negara Malaysia Link (BNMLINK)
Tel: 1-300-88-5465
Website: bnm.gov.my/BNMLINK