

PRODUCT DISCLOSURE SHEET (Versi Bahasa Malaysia) This Product Disclosure Sheet (PDS) contains general information about the product, which is subject to change at the Bank's discretion.	Business and Corporate Banking-i Product: Invoice Financing-i (IVF-i) Date: / /
---	--

1. What is Invoice Financing-i (IVF-i)?

IVF-i is an Islamic trade financing facility which complies with Shariah principles meant to finance importation of goods, exportation of goods, local purchases of goods, local sales of goods and financing of domestic/ foreign operating expenses and/or services payables from/to approved suppliers/ buyers related to the Customer's main business or business of the third party authorised by Customer (subject to the Bank's approval). The IVF-i facilities are to be used to finance genuine working capital purposes and must not be used to finance Customer's purchase of fixed assets. The actual sale price, financing tenure and maturity date are to be determined at point of each disbursement/utilization. The Shariah Contract applicable for IVF-i is Tawarruq which refers to two (2) sale and purchase contracts. The first involves the sale of an asset (commodity) by the Bank to the Customer on a deferred basis. Subsequently, the Customer will sell the same asset (commodity) to a third party to obtain cash.

- Benefits – What do you get from this product?**
- Wider financing coverage which includes financing of services and operating services.
 - Provides more flexibility with early full or partial settlement and rollover within approved financing amount and tenure.

2. Know Your Obligations

Pricing

- (1) Profit Rate = IVF-i Islamic Cost of Funds (IVF-i ICOF) + Spread [___% per annum (p.a.)
- (2) Spread: Rate as specified in the Customer's Letter of Offer. Minimum RM50, no maximum
- (3) Sale Price which is inclusive of profit amount* is fixed at point of each disbursement calculated based on prevailing PR illustrated as follows:

Profit Calculation Method	Discounting Method	Cost-Plus Method
Facility Limit	RM 1,000,000.00	RM1,000,000.00
Invoice Amount	RM100,000.00	RM100,000.00
Profit Rate	6.05%	6.05%
Financing Tenure	60 days	60 days
Profit Amount*	= RM 100,000 x 6.05% x 60/365 =RM994.52	= RM 100,000 x 6.05% x 60/365 = RM994.52
Financing Amount	RM99,005.48	RM100,000.00
Selling Price	RM100,000.00	RM100,994.52

Numbers are for illustration purposes only.

**Profit amount is fixed upfront at point of each disbursement but settlement of profit is on maturity. However, all other applicable charges are to be collected upfront (e.g. Remittance charges, trading fees, postage etc).*

You also have to pay other fees and charges, where applicable, per our full list of fees and charges published at: <https://www.hlisb.com.my/en/personal-i/help-support/fees-and-charges/trade-service-i.html>



- It is your responsibility to:
-  **Read and understand the pricing and the terms and conditions** in the letter of offer and/or facility agreement and/or application form before taking up and/or utilizing the facility.
 -  **Authorize the Bank to debit your account** for all fees, charges, compensation charges, acceptance commission, costs or expenses in respect of disbursement and payment of the IVF-i.
 -  Avoid financing the same trade transaction using other facilities with our Bank or other banks.
 -  **Ensure all documents presented to the Bank** pertaining to the financing are genuine and relate to actual trade transactions.
 -  Certify that the goods and affiliated parties/ counterparties pertaining to the trade transaction are not sanctioned/prohibited/restricted and in line with your company's nature of business.
 -  **Inform us of any change in your contact details** to ensure that all correspondences reach you in a timely manner.

3. Know Your Risks

What will happen if you ignore your obligations?

1. If payment is not made on the maturity date, the financing will be converted to a past-due bill.
2. The IVF-i facility and all related trade facilities will be suspended immediately once the bill becomes past due.
3. Compensation Charges - Should you fail to service your payment obligation in a timely manner, you shall be levied with compensation charges or any other rate determined by Bank Negara Malaysia (BNM).
 - a) If you default your payment after the expiry of Facility Tenure, you are to pay compensation charges = BNM Islamic Interbank Money Market ("IIMM") rate on the outstanding balance (outstanding principal plus accrued profit)
 - b) If you default your payment, causing the Facility to be terminated and brought to court, the compensation charges will be = Up to 1% p.a on the outstanding balance (outstanding Principal plus accrued profit).
 - c) For default payment after court judgement, the compensation charges = IIMM rate on the basic judgement sum.

(Note: Compensation charges is computed on daily basis & shall not be added to the outstanding Principal & shall not be more than the outstanding Principal. The computation method and rates are subject to changes as may be prescribed by BNM.)

4. The Bank may set-off any credit balance in your deposit account maintained with the Bank against any outstanding balance subject to the issuance of seven (7) days' prior written notice to you.
5. Right to commence recovery or legal action:
 - i. Legal action will be taken if you fail to respond to reminder notices. Your asset may be foreclosed, and you will have to bear all costs. You are also responsible for settling any shortfall after your asset is sold.
 - ii. The Bank has the right to commence recovery activities (including engaging third-party debt collection agencies), foreclosure, and bankruptcy proceedings.
 - iii. Legal action against you may affect your credit rating, leading to credit being more difficult or expensive to obtain.

What is the major Risk?

You may be exposed to foreign exchange fluctuation risk when your receivables or payments are in foreign currency, in view that the IVF-i financing is denominated in RM. This can be mitigated by Foreign Exchange solutions offered by our Bank.

4. Other Key Terms

1. The Bank will grant you rebate (Ibra') at the point of early (partial / full) settlement. Rebate formula as below:

$$\text{Rebate (Ibra')} = \text{Remaining Unearned Profit}$$

Note:

- (i) Remaining Unearned Profit = Total Profit (-) Accrued Profit
- (ii) Total Profit = Selling Price (-) Financing Amount
- (iii) No early settlement fee will be imposed.

2. The following takaful coverage are recommended/required to be taken from the Bank's panel:
 - ✓ Takaful coverage to cover the company in the event of death or permanent disability of the customer or key men of the company (if applicable).
 - ✓ Takaful coverage over the goods (where applicable).

Where can you get assistance and redress?

 Call us at: 03-7626 8899 / 03-7661 7777	 Visit us at: www.hlisb.com.my/bcbi	 Email us at: HLOnline@hlbb.hongleong.com.my	Agensi Kaunseling dan Pengurusan Kredit (AKPK) Tel: 1-800-88-2575 https://www.akpk.org.my/smehelpdesk
If you have a query or a complaint that is not satisfactorily resolved by us, you may contact:			
HLISB		BNMLINK	
Customer Advocacy Tel: 03-7626 8821 / 03-76268802 / 03-76268812 Email: customerservice@hlbb.hongleong.com.my		Tel: 1-300-88-5465 Overseas: 603-2174 1717 Website: bnm.gov.my/BNMLINK	

The information provided in this disclosure sheet is valid as of 31 December 2025.