

PRODUCT DISCLOSURE SHEET (Versi Bahasa Malaysia)

Business and Corporate Banking-i

This Product Disclosure Sheet (PDS) contains general information about the product, which is subject to change at the Bank's discretion.

Product: Trust Receipt-i (TR-i)

Date: / /

1. What is Trust Receipt-i (TR-i)?

Trust Receipt-i (TR-i) is an Islamic short-term financing facility in Ringgit Malaysia (MYR), which complies with Shariah principles, that allows the buyer/importer to take possession of the goods while the Bank retains the legal title to those goods. The buyer/importer holds the goods in trust for the Bank and agrees to pay the Bank (principal plus profit) from the proceeds of the goods sold by or before the TR-i's maturity date. TR-i is designed strictly for financing of working capital and must not be used to purchase fixed assets such as plants, machinery etc. The actual sale price, financing tenure and maturity date is to be determined at the point of each disbursement/utilisation. TR-i is based on the Shariah contract of Murabahah Purchase Orderer (MPO). MPO refers to an arrangement whereby the Purchase Orderer (Customer) promises (Wa'd) to purchase an identified and specified asset from a Seller (the Bank) on Murabahah terms (cost plus mark-up) upon the latter's acquisition of the asset.

Benefits – What do you get from this product?

- Allows you to take possession of the goods without having to use your own funds immediately.
- Early settlement option available with profit calculated up to the settlement date only.
- Improve cash flow by having additional time to convert your goods into cash.
- TR-i financing is in Ringgit Malaysia, and the eligible margin of financing is 100% value of the invoice or part thereof.

2. Know Your Obligations

Pricing

- TR-i's Profit Rate (PR) is pegged to Islamic Financing Rate (IFR) + Customer's spread (% per annum (p.a.))
- Commission to be borne by Customer as below:

If documents directly presented by customer.		
For bills denominated in foreign currency	<ul style="list-style-type: none"> • 0.10% flat • Min RM50.00 • Max RM150.00 	In addition to rate specified In the Letter of Offer
For bill denominated in local currency	<ul style="list-style-type: none"> • 0.10% flat • Minimum RM50.00 • Maximum RM500.00 	

Illustrations

- Bill value: RM600,000.00
- Commission: 0.10% x RM600,000.00 = RM600.00
- Since the calculated amount (RM600.00) is more than the maximum charge of RM500.00, bank will charge the maximum commission of RM500.00.
- Sale Price which is inclusive of profit charge, is fixed at point of each disbursement calculated based on prevailing Profit Rate (PR) illustrated as follows:

Facility Amount	:	RM 1,000,000.00
Utilised Amount	:	RM 400,000.00
Tenure	:	60 days
Profit Rate	:	9.0%
Selling Price	:	RM 405,917.81
Profit Amount	:	RM 5,917.81

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 charges, profit, compensation charges, acceptance commission, costs or expenses in respect of disbursement and payment of the TR-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 received from you on the maturity date, the transaction will be converted to past due bill.
2. The TR-i facility and other related trade facilities will be suspended immediately once classified as 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 of your 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 TR-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 is as below:

$$\text{Rebate on early settlement} = \text{Remaining unearned profit}$$

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
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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.