

PRODUCT DISCLOSURE SHEET
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Kindly read this Product Disclosure Sheet ("PDS") together with the terms in the letter of offer before you decide to take up the **Hong Leong Industrial Hire Purchase-i** with Hong Leong Islamic Bank ("Bank").

The information provided here is merely a general information of the product. Be sure to read the final terms and conditions in the letter of offer and facility agreement after credit assessment and approval for the financing.

Please seek clarification from the Bank if you do not understand any part of this document or the general terms.

Hong Leong Industrial Hire Purchase-i

November 2024

1. What is this product about?

Industrial Hire Purchase-i ("IHP-i") is a financing facility which offers short to medium term financing via hiring of equipment/ assets (Goods) by the Hirer (you) from the Owner (the Bank). The hire will end with sale of the Goods to you at the expiry of the hiring contract. The facility is offered for purchase of new Goods.

Upon your acceptance of the facility, you will enter into an IHP-i Agreement with the Bank. The Bank will hire the desired Goods to you for an agreed period and instalment amounts and you will undertake to purchase and take ownership of the Goods upon payment of final instalment. Profit on the facility will be charged at a fixed rate. Upon payment of final instalment, which comprises the sale price of RM1.00, the ownership of the Goods will be transferred to you.

(Note: The word "instalment" in this PDS refers to "rental".)

2. What is the Shariah contract applicable?

This product is based on Shariah contract of Al-Ijarah Thumma Al-Bai' ("AITAB") i.e. Hire Ends With Sale. AITAB, which means hire (Ijarah) and ends with sale/ purchase (Bai').

3. What do I get from this product?

- Facility Amount : RM <Refer Letter of Offer>
- Margin of Financing : < Refer Letter of Offer > %
- Tenure : < Refer Letter of Offer > months
- Profit Rate : < Refer Letter of Offer > % p.a.

4. What are my obligations?

To pay the following scheduled payments in a timely manner and to settle all amount outstanding on or before the expiry of the facility Tenure:

- Monthly Instalment* : RM < Refer Letter of Offer >
- Final Instalment** : RM< Refer Letter of Offer >
- Total Payment at the end of [Refer Letter of Offer] months is ** : RM < Refer Letter of Offer >

Note:

**Deposit paid by the Customer to the supplier before the execution of the IHP-i Agreement will become part of the first monthly instalment.*

The first monthly instalment will be the nett amount to be paid by the Customer after setting off the Deposit paid by the Customer to the supplier before the execution of the IHP-i Agreement.

For the avoidance of doubt, the Deposit paid by the Customer to the supplier before the execution of the IHP-i Agreement will exclude the payment of the takaful contribution/ insurance premium (if any) for the first year.

***Inclusive of RM1.00 as the sale price.*

5. What are the fees and charges I have to pay?

For information on the fees and charges, you may visit the Bank's fees and charges website at <https://www.hlisb.com.my/en/personal-i/help-support/fees-and-charges/bcb-i-financing.html>

6. What if I fail to fulfil my obligations?

Compensation Charges for Late Payment	<ul style="list-style-type: none">a) For default payment(s) during 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% p.a. on the outstanding balance (outstanding principal plus accrued profit);c) For default payment after 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 has been obtained against you = BNM's prevailing daily overnight IIMM rate on the basic judgement sum.
Right to Set-off	The Bank may set-off/deduct any credit balance in your deposit account maintained with the Bank against any outstanding balance <u>subject to issuance of 7 days' prior written notice to you.</u>
Right to Commence Recovery or Legal Action	<ul style="list-style-type: none">• 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. In the event the sale proceeds are insufficient to settle in full the outstanding amount due and owing, you will be responsible to settle any shortfall.• The Bank may commence recovery activities (including engaging third-party debt collection agencies), foreclosure and bankruptcy proceedings. <p>Note: Legal action against you may affect your credit rating and the ability to obtain any financing from other financial institutions.</p>

7. What if I fully settle the financing before its maturity?

You are entitled to statutory rebate (Ibra') on the unexpired hiring period, which will be calculated in accordance with the following formula:

$$R = TC \times \frac{n(n+1)}{N(N+1)} \quad \text{where,}$$

R	represents profit rebate
TC	represents total amount profit payable over facility period
n	represents remaining facility period expressed in months
N	represents original facility period expressed in months

8. Do I need any takaful/ insurance coverage?

- Yes, you must ensure and cause the Goods to be covered under a comprehensive takaful/insurance* protection throughout the IHP-i facility period.
- Where applicable, a takaful/insurance* protection on the key personnel(s) of the company is also required to cover the company in the event of death or permanent disability of the key personnel(s) of the company.

*Note:

- You are encouraged to subscribe a comprehensive takaful protection.
- The cost of the takaful/insurance is not financed by the Bank and shall be borne by you.

9. What are the major risks?

Profit rate is fixed for the whole tenure and will not be affected by the change in the market rates.

10. What do I need to do if there are changes to my contact details?

It is important that you inform us of any changes in your contact details to ensure that all correspondences reach you in a timely manner. To update your correspondence details, please contact us at +603-76268899 or visit any of our business centres nationwide.

11. Where can I get assistance and redress?

- If you have difficulties in making payments, you should contact us earliest possible to discuss payment alternatives. You may contact us at:

Hong Leong Islamic Bank Berhad, Commercial & SME Banking

Address : Level 9, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur
Telephone No. : +603-7661 7777
E-mail : sme@hlbb.hongleong.com.my
Website : www.hlisb.com.my

- Alternatively, you may seek the services of :

- a) **Khidmat Nasihat Pembiayaan (KNP)**, a service formalized by Bank Negara Malaysia (BNM) in collaboration with Credit Guarantee Corporation Malaysia Berhad (CGC) and Agensi Kaunseling & Pengurusan Kredit (AKPK) via MyKNP@CGC that provides financial advisory and recommendations to Small & Medium Enterprises (SMEs) who were unsuccessful in obtaining business financing from banks. You may contact KNP at:

MyKNP@CGC Advisory Unit under CGC

Address : CGC Advisory at any CGC branches nationwide.
Please refer to CGC website for the branch location at <https://www.cgc.com.my/cgc-branches>.

Telephone : 03- 7880 0088
E-Mel : myknp@cgc.com.my
Website : <https://www.bnm.gov.my/MyKNP>

- b) **Agensi Kaunseling dan Pengurusan Kredit (AKPK)**, an agency established by Bank Negara Malaysia as a one-stop platform for both individuals and SMEs seeking financing restructuring services as well as financial education and credit advisory. You may contact AKPK at:

Agensi Kaunseling dan Pengurusan Kredit (AKPK)

Address : Level 5 & 6, Menara Bumiputra Commerce, Jalan Raja Laut 50350 Kuala Lumpur, Federal Territory\

Telephone : 1-800-88-2575
E-mail : enquiry@akpk.org.my
Website : <https://www.akpk.org.my/smehelpdesk>

- If you wish to complain on the products or services provided by us, you may contact us at:

Customer Advocacy

Address : Level 13A, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur
Telephone No. : 03-7626 8821/ 03-7626 8802/ 03-7626 8812
E-mail : customerservice@hlbb.hongleong.com.my

- If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia at:

Bank Negara Malaysia LINK or BNMLINK

Address : 4th Floor, Podium Bangunan AICB, No 10, Jalan Dato Onn, 50480 Kuala Lumpur
Telephone No. : 1-300-88-5465
Fax : +603-2174 1515
Website : <https://bnmlink.bnm.gov.my>

12. Where can I get further information?

Should you require additional information on IHP-i facility, please visit any of our business centres nationwide or you may visit our website at www.hlisb.com.my.

13. Other facilities available?

- Hong Leong Commodity Murabahah Term Financing-i
- Hong Leong CM Flexi Term Financing-i
- Hong Leong Commodity Murabahah Revolving Credit-i
- Hong Leong CM Cashline-i
- Islamic Trade Financing

IMPORTANT NOTICE

THE BANK MAY PROCEED WITH LEGAL ACTION AND FORECLOSURE OF YOUR ASSET FINANCED BY OR CHARGED AS COLLATERAL TO THE BANK SHOULD YOU FAIL TO PAY YOUR PAYMENT PROMPTLY.

Reading Through Carefully The Details In The PDS Is Very Important So As To Ensure That You Get To Know And Understand The Product Terms And You Have Agreed.

The information provided in this PDS is valid as at November 2024