


PRODUCT DISCLOSURE SHEET

<p>PRODUCT DISCLOSURE SHEET</p> <p>(Read this Product Disclosure Sheet before your business/company decides to take up the product. Be sure to also read the bank's terms and conditions, which includes terms in the Facility Offer Letter, the relevant Application Form and the Bank's Standard Trade Terms (available at https://www.gbm.hsbc.com/gtrfstt or upon request).)</p>	<p>HSBC Amanah Malaysia Berhad (HSBC Amanah)</p>  <p>ACCEPTED BILLS-i <Date></p>
<p>1. What is this product about?</p>	
<p>Accepted Bills-i (AB-i) is a Negotiable Bill of Exchange drawn on and accepted by a bank in Malaysia to finance the drawer's business-related purchases from or sales of goods to another person who may be a resident or non-resident, evidenced by proper and adequate documentation.</p> <p>An AB-i facility is a Ringgit working capital facility that is subject to prevailing "Guidelines on Accepted Bills-i" issued by Bank Negara Malaysia. ("AB-i Guidelines")</p> <p>The minimum financing tenor is 21 days and maximum financing tenor is subject to approved financing tenure as stipulated in the Facility Offer Letter but not exceeding 365 days.</p> <p>Minimum amount of financing is RM50,000 and in multiples of RM1,000. Profit is paid up front.</p> <p>Profit will be charged at a rate quoted by the Bank for the respective tenor at the time of discounting. Quotations are obtainable on request.</p> <p><u>Standard Cut-Off Times</u> Standard Cut-Off Times (Monday to Friday except for public holidays) for settlements are subject to the respective foreign currencies cut-off time and provided that complete information is received: -</p> <ul style="list-style-type: none"> • Cross Border Payments - 12.00 p.m. (exclude AUD & JPY) • Ringgit Payments (Rentas) – 11.00 a.m. <p>Note: Service delivery standards shall depend on customer's grouping as "Premier" or "Standard" or as agreed in customer's legal agreements. Kindly contact the Client Services Team for further details on other cut-off times not mentioned above.</p>	
<p>2. What is the Shariah concept applicable?</p>	
<p>The applicable concept is Commodity Murabahah (cost plus profit). Under this concept, the customer will appoint the Bank as their agent to buy on their behalf, the Shariah-compliant commodities, from the Bank as seller at the Bank's selling price (i.e. cost price plus profit at ceiling profit rate p.a.). Following this, the Bank as the customer's agent will sell Shariah-compliant commodities which the customer has bought, at cost price to Bursa or other approved asset exchange. The customer is entitled to this cost price which represents the facility amount under AB-i which will be paid into the customer's account. The facility will be valid for 5 years (subject to annual credit review and rollover). The customer is obliged to pay the selling price to the Bank. The profit is set at the agreed Contracted Profit Rate ("CPR") of 15%. However, the Bank will charge the customer based on the drawdown amounts computed at Effective Profit Rate ("EPR" - Bank's Base Financing Rate plus a margin). The difference between CPR and EPR will be granted as a rebate (Ibra') to the customer. Thus, provided EPR stays below the CPR, customers are only expected to pay the EPR. The Bank cannot charge the customer more than the CPR under the facility.</p>	
<p>3. What do I get from this product?</p>	
<p>The AB-i facility is constructed around your business/company's trading cycle and the nature of business, providing the required working capital finance and help improve your business' cash flow towards purchase/sales of goods that are core to your procurement/production and/or sales requirements. Depending on your business needs and the Bank's credit risk appetite, financing may be disbursed for the purchase/sales of goods that are core to your procurement/production and/or sales requirements.</p>	

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The financing profit rate is calculated based on the Bank's internal Ringgit Cost of Funds plus an agreed margin (Acceptance Commission) as stipulated in the Facility Offer Letter.

4. What are my obligations?

Utilisation of AB-i Facility must be supported by submission of AB-i application form, original AB-i Draft, relevant invoice and transport document. The documents presented to the Bank for financing relate to genuine trade transactions (for business related purchases or sales of goods only, services are not included unless exemption is granted by BNM) and where AB-i facility is approved based on summary listing of invoices, you are obliged to immediately provide and make available to the bank the original invoices, other related commercial and/or financial documents (collectively "Original Documents") as may be requested from time to time.

Your business/company will need to pay the full value of the AB-i on due date (including any profit charged as applicable).

Procedures for accepting or discounting AB-i will be subject to the prevailing AB-i Guidelines and such conditions and guidelines laid down from time to time by Bank Negara Malaysia or other statutory bodies. The Bank may assist to confirm on the details of the AB-i draft to ensure that the draft complies with the terms of your credit facility and all the applicable conditions for the creation of AB-i specified in the AB-i Guidelines.

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

Key Charges for a AB-i Facility includes: -

Key Charges	Description
Effective Profit Rate	Charged at the Bank's internal Ringgit Cost of Funds plus margin (Acceptance Commission) as determined by the Bank and stipulated in the Facility Offer Letter
Acceptance Commission	Charged at an agreed percentage p.a. as stipulated in the Facility Offer Letter
Handling Fee	RM5
Other charges	Please refer to our schedule of tariff and charges at https://www.hsbcamanah.com.my/content/dam/hsbc/hbms/documents/tariffs-and-charges.pdf for full list of charges The fees and charges above may be updated from time to time and in case of inconsistency, the fees and charges stated in the prevailing standard tariff and charges (which is available at https://www.hsbcamanah.com.my/content/dam/hsbc/hbms/documents/tariffs-and-charges.pdf shall prevail over the fees and charges stated in this document.

6. What if I fail to fulfill my obligations?

Right To Set-Off

In the event of a default, your business/company will need to pay any accrued profit, costs, charges and expenses incurred until the facility is fully paid, which will be debited and/or set off from any credit balance(s) in any of your business/company's account(s).

Late Payment Compensation

All AB-i drawn must be paid on their respective maturity dates and if there is default in such payment exceeding the maturity/due date, the matured AB-i will turn past due and be charged with compensation for late payment based on a rate not exceeding the prevailing Islamic Interbank Money Market (IIMM) rate. The computation of compensation on late payment is based on following formula:

$$\frac{\text{Principal Outstanding} \times \text{Rate not exceeding IIMM rate} \times \text{Number of Days Overdue}}{365}$$

The rate will be applied to the principal amount outstanding only (without the previous late payment charges) where the bank will debit your account with the compensation for late payment.

Example: If the overdue amount in arrears is RM100,000; the IIMM rate is 2%; and the number of days overdue is 20 days; the computation of compensation charge is as follows:

$$RM100,000 \times 2\% \times 20/365 = RM109.59$$

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

An AB-i can only be settled earlier than its maturity date provided the AB-i is not sold in the secondary market, i.e. the Ringgit Interbank market.

The Bank shall, subject to your compliance of all terms and conditions, grant an Ibra' (rebate) to you in respect of any early settlement of the Bank's sale price equal to deferred profit for the period after early settlement date to payment due date.

Formula:

Illustration of Facility Profit & Early Settlement Computation

Example of Actual Total Profit

Financing Amount	:	RM100,000.00
Contracted Profit Rate (CPR)	:	15%
Effective Profit Rate (EPR)	:	KLIBOR +1.5% = 6%
Tenure	:	90 days
Tenure Begins On	:	01 January 2023
Tenure Ends On	:	31 March 2023

Note: Customer will always pay at EPR. The difference between CPR and EPR is a discretionary rebate from the Bank to the client. In case of Early Settlement, the Bank may grant additional rebate.

Example of Profit Computation

Actual Total Profit is calculated as follows:

$$\begin{aligned} \text{Actual Total Profit} &= \text{Financing Amount} \times \frac{\text{Effective Profit Rate}}{365} \times \text{Actual No. of days} \\ &= \text{RM}100,000.00 \times \frac{6\%}{365} \times 90 \text{ days} = \text{RM}1,479.45.00 \end{aligned}$$

Example of Early Settlement

Customer wishes to early settle on the 31 January 2023, where:

$$\text{Accrued Actual Total Profit} = \text{RM}100,000.00 \times \frac{6\%}{365} \times 31 = \text{RM}509.59$$

$$\text{Unaccrued Actual Total Profit} = \text{RM}100,000.00 \times \frac{6\%}{365} \times 59 \text{ days} = \text{RM}969.86$$

Early Settlement Charges: RM0

$$\text{Ibra' (Rebate)} = \text{Unaccrued Actual Total Profit} - \text{Early Settlement Charges (if any)} = \text{RM}969.86 - \text{RM}0 = \text{RM}969.86$$

$$\text{Settlement Amount} = \text{Outstanding Principal} + \text{Accrued Actual Total Profit} = \text{RM}100,000 + \text{RM}509.59 = \text{RM}100,509.59$$

Note: The values illustrated above may change according to a number of variables such as promptness of payments by customer, different amount of disbursement and prepayments.

8. Do I need any insurance / takaful coverage?

Whilst you do not specifically need to take up any insurance / takaful coverage for this product, you are encouraged to consider taking up appropriate coverage* to protect your goods / business such as Marine Cargo Insurance, Fire Commercial or Flexi Business Shield. Please contact your Relationship Manager for further details.

*Takaful coverage is preferred

9. What are the major risks?	
<p>There is minimum risk in terms of changes in profit rates for the duration of the financing tenure as the AB-i profit rate is locked in for the duration of the financing tenure. However, you may be exposed to foreign exchange fluctuation risk for your international trade as AB-i financing is in Ringgit.</p> <p>If your business/company has problems meeting this financing obligations, contact us early to discuss payment alternatives.</p>	
10. What do I need to do if there are changes to my contact details?	
<p>It is important that the Bank is informed of any change in your business/company's contact details to ensure that all correspondences reach your business/company in a timely manner. Changes in your business/company's contact details should be formally submitted in writing and duly authorised by the company's authorised signatories. Please contact your Relationship Manager for further clarification.</p>	
11. Where can I get further information?	
<p>Should you require additional information about taking up Accepted Bills-i, please refer to the <i>bankinginfo</i> booklet on 'Small and Medium Enterprises - Financing Products for Your Business – Trade Financing – Accepted Bills-i', available at www.bankinginfo.com.my.</p> <p>Kindly take note that the information available in the <i>bankinginfo</i> booklet refers to types of financing products in general, and is not an exact representation of products offered by the Bank.</p> <p>If you have any enquiries, please contact your Relationship Manager or Trade representative or visit our website at: https://www.business.hsbcamanah.com.my</p>	
12. Where can I get assistance and redress?	
<ul style="list-style-type: none"> • If you have difficulties in making payments, you should contact your Relationship Manager earliest possible to discuss payment alternatives. • If you wish to speak to our Trade representative, you may contact us at: Client Service Team Tel: 1-300-88-1099 Email: gtrf.client.services.my@hsbc.com.my ▪ You may also seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services on money management, credit counselling and debt restructuring for individuals and SMEs. You can contact AKPK at: Level 5 and 6, Menara Bumiputra Commerce, Jalan Raja Laut 50350 Kuala Lumpur Tel: 03-2616 7766 (Monday to Friday; 9am - 5:30pm local time) Email: enquiry@akpk.org.my • If you wish to complain, please contact the following: - 	
<p>If you wish to complain on the products & services provided by us, you may contact us at:</p> <p>HSBC Bank Malaysia Berhad Customer Experience Team, Level 30, Menara IQ Persiaran TRX 55188 Tun Razak Exchange, Kuala Lumpur Malaysia Telephone: +603-2075 6235 Facsimile: +603-88942811 Operating Hours: (9.00am to 4.00pm–Monday to Friday) E-mail: complaints@hsbc.com.my</p>	<p>If your query or complain is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at:</p> <p>Bank Negara Malaysia Jalan Dato' Onn, P.O. Box 10922 50929 Kuala Lumpur. Tel: 1-300-88-5465 (1-300-88-LINK) (Overseas: 603-2174-1717) Fax: 603-2174 1515 Web form: eLINK at https://telelink.bnm.gov.my/ Operating Hours: 9.00am to 5.00pm–Monday to Friday General Number: 603-26988044/2698 9044/9179 2888</p>
13. Other trade financing available?	
<p>Other trade finance solutions include (but not limited to): -</p> <ul style="list-style-type: none"> • Receivables Financing-i 	

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- Supply Chain Financing-i
- Pre/Post-Shipment Buyer Financing-i (including Accepted Bills-i)
- Pre/Post-Shipment Seller Financing-i (including Accepted Bills-i)
- Documentary Credit-i / Shipping Guarantee-i
- Bank Guarantee-i / Standby Documentary Credit-i
- Bills Purchased-i
- Documentary Credit Negotiation-i

Please also contact your Relationship Manager or Trade Representative for details of other Non-Financed Trade Services and/or further discussion on appropriate financing solutions that caters to your company's best interest.

IMPORTANT NOTE(S):

- **Your business/company will be classified as bad and doubtful after 3 months / 90 days default in any facility payments and this trade facility may be withdrawn/cancelled.**
- **You are advised to go through and understand the information in this Product Disclosure Sheet. HSBC Amanah recommends that before you make any decision or accepting any of the Bank's terms and conditions for this product (for example, terms and conditions found in facility offer letter, or the Bank's Standard Trade Terms, etc) you should consult with qualified professional advisers to obtain the appropriate financial, legal, accounting, tax or other advice which is suitable for your business, as well as to ensure adequate understanding of your key contractual obligations under these terms and conditions. We are always ready to assist and provide clarification if you are in doubt. Should you require any support, kindly reach out to your Relationship Manager or the relevant HSBC Amanah officer. Your subsequent application for the trade service/facility is deemed as having an understanding of the relevant product (and you have sought for clarification, if required).**
- **The Customer hereby acknowledges and agrees that by signing this document (or by way of an email confirmation provided to HSBC) all the terms and conditions of the Product Disclosure Sheet have been explained to them.**

The information provided in this disclosure sheet is valid as at <insert date>.

Name:
Designation:
Company Name:
Date: