


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>CLEAN EXPORT FINANCING-i (Pre/Post-shipment Seller Financing-i)</p> <p><Date></p>
<p>1. What is this product about?</p>	
<p>Clean Export Financing-i is a facility drawn to finance your business prior to receipt of payment from your buyer/importer for local sales/exports executed on open account payment terms. Since your buyer does not make payment immediately and is given a credit term, you may need financing to finance your working capital requirement. You would need to present invoices and other relevant documents to apply for this financing.</p> <p>The financing is available in Ringgit and Foreign Currency.</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 Clean Export Financing-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.</p> <p>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>Clean Export Financing-i is constructed around your business/company's trading cycle and the nature of business, allowing your business/company to enjoy attractive financing rates while ensuring that finance will be available to cover your sales.</p> <p>The financing also bridge the gap between receipt of your sales proceeds and settlement of your trade payables and help to improve your business/company's cash flow.</p> <p>Refer illustration as following:-</p> <p>Financing Amount: minimum RM20,000.00; maximum up to facility limit available</p> <p>Margin of financing: Up to maximum of 100% value of the bill.</p> <p>Tenor: up to approved maximum Tenor</p> <p>Profit rate</p> <p>Effective Profit Rate (EPR):</p> <p><input type="checkbox"/> Ringgit – (Base Financing Rate or Cost of Funds) + profit margin[approved margin]</p> <p><input type="checkbox"/> Foreign Currency - Cost of Funds for the respective currency + profit margin[approved margin]</p>	

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Contracted Profit Rate (CPR)*: 15% p.a.

Bank's Sale Price: Financing amount x EPR x Tenor in years

* The EPR shall not exceed the CPR at all times

(Our present Cost of Funds (COF) is at [xx**]% per annum)

**Based on daily COF rate

[Please refer to Relationship Manager for further details]

Standard Cut-Off Times

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: -

- Cross Border Payments - 12.00 p.m. (exclude AUD & JPY)
- Ringgit Payments (Rentas) – 11.00 a.m.

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.

4. What are my obligations?

Your business/company will need to pay the full value of the Bank's selling price (consisting of the financing amount and the Bank's profit).

Customer may be required to provide a guarantee, Takaful, pledge, security deposit to secure payments due to the Bank.

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

Key charges for a Clean Export Financing-i facility includes:

Key Charges	Description
Financing Charge / Commission	0.25% flat (max RM200)
Commission in lieu of Exchange	0.1% of financing amount (min. RM50, maxRM500) for Foreign Currency Financing
Other charges	Please refer to our schedule of tariff and charges at https://www.business.hsbc.com.my/en-gb/my/generic/rates-tariff-and-charges 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.business.hsbc.com.my/en-gb/my/generic/rates-tariff-and-charges) shall prevail over the fees and charges stated in this document.

6. What if I fail to fulfill my obligations?

In the event of a default in such payment exceeding the maturity/due date, your business/company will need to pay compensation for late payment until the financing 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).

Compensation (Ta'widh) at 1% per annum or at the prevailing daily overnight of Islamic Interbank Money Market (IIMM) rate whichever is lower or other rates that Bank Negara Malaysia may specify against the claimed amount in the event the claimed amount has been paid by the Bank. 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 where the bank will debit your account with the compensation for late payment.

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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?

The Bank shall, subject to your compliance of all terms and conditions, grant a rebate (Ibra') to you in respect of any early settlement of the Bank's sale price (under the applicable asset sale agreement) equal to deferred profit for the period after early settlement date to payment due date. For foreign currency financing, the rebate is subject to reduction based on conversion rate by the Bank.

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:

$$\begin{aligned} \text{Actual Total Profit} &= \text{Financing Amount} \times \text{Effective Profit Rate} \times \frac{\text{Actual No. of days}}{365} \\ &= RM100,000.00 \times 6\% \times \frac{90 \text{ days}}{365} = RM1,479.45.00 \end{aligned}$$

Example of Early Settlement

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

$$\text{Accrued Actual Total Profit} = RM100,000.00 \times 6\% \times \frac{31}{365} = RM509.59$$

$$\text{Unaccrued Actual Total Profit} = RM100,000.00 \times 6\% \times \frac{59 \text{ days}}{365} = RM969.86$$

Early Settlement Charges: RM0

$$\text{Ibra' (Rebate)} = \text{Unaccrued Actual Total Profit} - \text{Early Settlement Charges (if any)} = RM969.86 - RM0 = RM969.86$$

$$\text{Settlement Amount} = \text{Outstanding Principal} + \text{Accrued Actual Total Profit} = RM100,000 + RM509.59 = RM100,509.59$$

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 your business/company 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?	
There is minimum risk in terms of changes in profit rate as the rate for Clean Export Financing-i is locked in for the duration of the financing tenor. However, your business/company may face foreign exchange risk for the life of the Foreign Currency financing.	
10. What do I need to do if there are changes to my contact details?	
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.	
11. Where can I get further information?	
<ul style="list-style-type: none"> Should you require additional information about taking up Clean Export Financing-i to finance your Documentary Trade (i.e. Documentary Credit-i or Collection Bills-i) and/or open account transactions, please refer to the <i>bankinginfo</i> booklet on 'Small and Medium Enterprises - Financing Products for Your Business – Trade Financing – Trust Receipt', available at www.bankinginfo.com.my. 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. If you have any enquiries, please contact your Relationship Manager or Trade representative or visit our website at: https://www.business.hsbcamanah.com.my 	
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: - 	
If you wish to complain on the products & services provided by us, you may contact us at:	If your query or complain is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at:
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	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
13. Other trade financing available?	
Other trade finance solutions include (but not limited to): -	
<ul style="list-style-type: none"> Receivables Financing-i 	

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- Supply Chain Financing-i
- Documentary Credit-i/ Shipping Guarantee-i
- Bank Guarantee-i / Standby Documentary Credit-i
- Bills Purchased-i
- Documentary Credit Negotiation-i
- Clean Export Financing-i(Pre/Post-Shipment Seller Financing-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 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: