

<p>PRODUCT DISCLOSURE SHEET (PDS)</p> <p>(Read this Product Disclosure Sheet before your business/company decides to take up the Business Premises Smart-i. Be sure to also read the general terms and conditions.)</p>	<p>HSBC Amanah Malaysia Berhad</p> <p>Business Premises Smart-i (“BPS-i”)</p> <p>Date : [dd/mm/yyyy]</p>
<p>1. What is this product about?</p>	
<p>BPS-i helps your business/company to finance the acquisition of your own business premises. It is a facility for financing or refinancing of business premises. This BPS-i is calculated on a variable rate basis and you are offering your business premises as a security for this financing.</p>	
<p>2. What is the Shariah concept applicable?</p>	
<p><u>For completed property:</u></p> <ul style="list-style-type: none"> • The Shariah concept applicable is Diminishing Co-ownership (Diminishing Musharakah). Diminishing Musyarakah involves three underlying contracts independent from each other, those are: (i) co-ownership, (ii) lease, and (iii) purchase. <ul style="list-style-type: none"> i. Co-ownership: the Bank participates as a financial partner in the acquisition of the property. You and the Bank contribute the capital to own the property. ii. Lease: The Bank then leases its share of the property to you for “rental payment” or lease rentals. iii. Purchase: On monthly basis, you purchase a portion of the Bank’s share in the property. This purchase is effected against “purchase price” paid by you. The purchase is arranged based on the Shariah concept of promise (wa`d). Accordingly, the monthly instalment which you have to pay to the Bank consists of: <ul style="list-style-type: none"> (a). lease rentals (to lease the Bank’s share of the property), and (b). purchase price (to buy the Bank’s share of the property). • With each full instalment you pay, the proportion of your share in the property will increase, while the Bank’s portion gradually diminishes. Ultimately, the transfer of all the Bank’s share of the property to you will take place when the Bank’s capital portion and lease rentals for the lease tenor have been paid in full. After that, you will fully own the property. • The business premises cannot be used for activities that are not Shariah-compliant, i.e. for any illegal or immoral purpose; or for a business which primarily involves gambling or gaming; the manufacture or sale of pork, alcohol and/or tobacco; the provision of non-Islamic financial services, insurance and/or stockbroking; or entertainment activities that are non-permissible according to Shariah. <p><u>For Property Under Construction:</u></p> <ul style="list-style-type: none"> • Financing of property under construction is based on an arrangement of Diminishing Musharakah and Istisna’ (construction procurement). 	

- **Istisna**, which refers to a contract under which one party purchases from another at an agreed price, an asset to be constructed, built or manufactured in accordance with the agreed specifications, and which is to be delivered by the seller on an agreed future date. For this facility, the Istisna' asset will be the property which must be a commercial premises; the purchaser will be the Musharakah parties (which via a co-ownership arrangement, are collectively the Bank and you) and the seller and procurement party will be you.
- Your obligation as seller and procurement party includes building, constructing and delivering the property in accordance with the terms and conditions in the Istisna' Agreement. You may appoint a vendor (i.e. the counterparty which you have a signed sale and purchase agreement with) to construct the property.
- If you have appointed a vendor for the construction of the property, you shall in your capacity as seller and procurement party ensure that the property is completed according to the required specifications (including examining all applicable document, dealing with defects and obtaining all applicable undertaking and warranties related to workmanship qualities) and accept delivery of the property from the vendor.
- The Istisna' Agreement will set out the compensation arrangement in the event the seller and procurement party (or its appointed vendor) fails to complete the construction and delivery of the property in accordance with the terms and conditions in the Istisna' Agreement.

3. What do I get from this product?

- Up to 85% margin of financing on the Purchase Price based on the Sales & Purchase Agreement or the Open Market Value (OMV) stated in the valuation report of the Bank's panel valuer, whichever is lower or up to 70% if for investment purposes.
- Also applicable for re-financing options. The Bank may adjust the financing amount downwards based on the credit assessment performed at the point when the Bank first received your business/company's financing application.
- Flexible payment scheme which allows your business/company to make extra payment and redraw this amount at any time up to the scheduled balance and you are also given the option below to withdraw the excess amount:
 - Cheque book
 - HSBCnetBusiness Telebanking (BTB) / Personal Telebanking (PTB)
 - ATM Card
- Cash Line-i option is capped at 40% of the approved facility amount subject to the overall margin of financing.
- Purchase price/OMV : RM[xx]
- Margin of financing : [xx]%
- Financing amount: RM[xx]

- Financing tenure : [xx] years
- Lease rental rate : RM[xx]
- Cash Line-i limit : RM[xx]
- Cash Line-i financing rate: [xx]%
- Current Base Financing Rate (BFR) : [xx]% per annum, subject to fluctuations from time to time)
- Lease Rental Rate:

Year 1-3: BFR + [xx]% (ER = [xx]%)

Year 4-5: BFR + [xx]% (ER = [xx]%)

Thereafter: BFR + [xx]% (ER = [xx]%)

*ER = Effective Rate

[RM to mention the terms and conditions for this product

4. What are my obligations?

- Your monthly payment based on current BFR :

Year 1-3: RM[xx]

Year 4-5: RM[xx]

Thereafter: RM[xx]

Total amount that would have been paid at the end of [xx] years is RM[]

Illustration of monthly payment if there is any BFR changes:

Financing amount : RM300,000

Tenure : 20 years

BFR (current) : 6.85%

Lease Rental Rate: BFR – 2.20%

	Tenure of Facility	Today (BFR=6.85%) ER: 4.65%	If BFR goes up 1% ER: 5.65%	If BFR goes up 2% ER: 6.65%
Monthly payment	20 year(s) from the date of first disbursement or 3 months from the date of Letter of Offer, whichever is the earlier	RM1,922.32	RM2,089.16	RM2,263.29
Total lease rentals that would have been paid at the end of 20 years		RM161,357.93	RM201,398.47	RM243,189.79
Total amount that would have been paid at the end of 20 years		RM461,357.93	RM501,398.47	RM543,189.79

Important:

- Your monthly payment and total amount to be paid will vary if the BFR changes.
- You can choose to pay more than the actual monthly payment, and if you need to, the excess amount can be withdrawn subject to the available Facility Limit. While the excess amount is in the Facility account, it will benefit you by reducing the lease rental amount for that period.
- Pending commencement of the monthly payment as provided in the table above, you are required to pay to the Bank lease rentals at the stipulated lease rental rate(s) calculated on the utilised portion of the Facility starting one month from the first disbursement of the Facility or starting on such other date as advised by the Bank in writing.
- The minimum monthly lease rental shall be calculated and accrued on a monthly basis at the Lease Rental Rate multiplied by the daily outstanding Facility Amount; and the difference between the monthly payment amount and the lease rental represents the purchase price amount payable for your progressive purchase of the Bank's undivided portion of beneficial ownership in the Property.

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

- Stamp Duties
As per Stamp Act 1949 (Revised 1989) and subject to any stamp duty exemption or remission orders, if any, as may be granted from time to time.
- Legal expenses : [RM to indicate]
- Contribution towards Takaful coverage of property : [RM to indicate]
- Inspection and valuation fees : [RM to indicate]
- Monthly service fee: RM10
- Other fees and charges : [RM to indicate the fees/charges as per the existing tariff and charges that customer need to pay]

Where tax is chargeable on any of the above fees and charges, the applicable tax shall be imposed in addition to such fees and charges, and shall be payable to HSBC Amanah Malaysia Berhad.

Please refer to our schedule of tariff and charges at <https://www.business.hsbcamanah.com.my/en-gb/my-amh/generic/rates-tariff-and-charges> for full list of charges.

6. What if I fail to fulfil my obligations?

- Compensation charges:

During financing tenure	1% p.a. on the overdue instalment Example: overdue instalment amount in arrears x 1% x n/365 (n= number of days overdue) Example: If the customer's overdue instalment amount in arrears is RM100,000 and the number of days overdue is 20 days, the computation of compensation charge is as follows:
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	$RM100,000 \times 1\% \times 20/365 = RM54.79$
After expiry of financing tenure	<p>At a rate not exceeding the prevailing IIMM-rate on the outstanding amount financed (after the tenure).</p> <p>(IIMM-rate is the daily weighted average overnight rate for Islamic financial instruments quoted in Malaysia's Islamic Interbank Money Market).</p> <p>Example: outstanding principal amount x IIMM-rate x n/365 (n= number of days overdue)</p> <p>Example: If the customer's overdue instalment amount in arrears is RM100,000; the IIMM rate is 2%; the number of days overdue is 20 days, the computation of compensation charge is as follows: $RM100,000 \times 2\% \times 20/365 = RM109.59$</p>
<ul style="list-style-type: none"> • Right to set-off: <ul style="list-style-type: none"> ○ The Bank have the right to set-off any credit balance in your account(s) maintained with us, at any time with a notice against any outstanding balance in this financing account. • Right to commence recovery activities: <ul style="list-style-type: none"> ○ In the event of default, the Bank have the right to commence recovery activities. • You will provide a wa`d to purchase the leased asset to the Bank and the Bank may seek to enforce your wa`d on the occurrence of the following: <ul style="list-style-type: none"> (a) an event of default; or (b) breach of any of the terms and conditions specified in the wa`d. • In such a case, in the event you failed to perform the wa`d, the Bank may proceed to sell the property to any third party where the proceeds of sale shall be applied towards all costs charges and expenses incurred and payments made by the Bank under the provisions of any of the Security Documents and in or towards any unpaid amount accruing and of all other moneys due and remaining unpaid under any of the Security Documents. • If there is any surplus after the proceeds of sale have been applied as above, such surplus, if any, shall be paid to you and/or such persons entitled thereto. If there is any deficiency, you shall promptly pay the difference between the amount due and the amount so realised to the Bank. 	
7. What if I fully settle the financing before its maturity?	
<ul style="list-style-type: none"> • One (1) month's written notice is required to acquire all the Bank's remaining undivided portion of beneficial ownership in the property and making full payment of the total outstanding Facility Amount plus the accrued lease rentals. 	
8. Do I need any Takaful coverage?	
<p>[RM to indicate the type of takaful coverage required e.g. Takaful Fire Commercial, MRTA/MRTT, etc. Note: Customers are free to obtain service of non-panel takaful operators for takaful coverage for the</p>	

security charged to the Bank.

9. What are the major risks?

- Lease rental rates may change due to changes in BFR. An increased lease rental rate will result in higher monthly instalments.
- If your business/company has problems meeting your financing obligations, contact us early to discuss payment alternatives.

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 authorised signatories. Please contact your Relationship Manager for further clarification.

11. Where can I get assistance and redress?

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

[RM to fill up contact details: name, address, contact number and e-mail address]

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

HSBC Amanah Malaysia Berhad
Customer Experience Department,
Level 18, North Tower, Menara HSBC,
2 Leboh Ampang,
50100 Kuala Lumpur,
Malaysia.
Fax: +603-2179 1111 (9.00AM to 4.00PM – Monday to Friday)
E-mail: complaints@hsbc.com.my

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

Block D, Bank Negara Malaysia
Jalan Dato' Onn
50480 Kuala Lumpur.
Tel : 1-300-88-5465
Fax : 03-21741515
E-mail : bnmtelelink@bnm.gov.my

- We wish to also refer you to Agensi Kaunseling and Pengurusan Kredit ("AKPK") for further assistance on your restructuring / rescheduling application. AKPK provides the Small Debt Resolution Scheme (SDRS) services where you would be able to seek help and advice on debt restructuring services as well as financial education and advisory. Should you be interested to receive advisory from AKPK, please call the POWER! AKPK Infoline at 03-2616 7766 for an appointment or visit your nearest AKPK branch office or counselling office.

12. Where can I get further information?

Please obtain additional information on BPS-i from

[name, address, e-mail address and contact number of RM] or visit our website at

<https://www.business.hsbcamanah.com.my/en-gb>

13. Other financing products available:

- Cash Line-i
- Commodity Murabahah Financing-i
- Revolving Financing-i
- Industrial Hire Purchase-i

IMPORTANT NOTE:

The facility(ies) may be immediately suspended or terminated and all sums payable on demand in the event your business/company defaults in the payment of any sum due under the facility(ies) whether instalments, profit or otherwise. The asset may be repossessed if your business/company does not keep up with the payments.

The information provided in this disclosure sheet is valid as at [dd/mm/yyyy] [RM to indicate the relevant date]