

PRODUCT DISCLOSURE SHEET

<p>PRODUCT DISCLOSURE SHEET</p> <p>(Read this Product Disclosure Sheet before you decide to take up the trust receipt-i product by HSBC Amanah Malaysia Berhad (“Bank”) (“TR-i”). Be sure to also read the general terms and conditions.)</p>	<p>HSBC Amanah Malaysia Berhad (Bank)</p> <p>Trust Receipt-i (TR-i)</p> <p><Date></p>
<p>1. What is this product about?</p>	
<p>Trust Receipt-i is a short term facility to finance purchases and imports of existing Shariah Compliant goods. The facility is drawn against the issuance of Documentary Credit-i or Inward Bills for Collections-i.</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 Trust Receipt-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>The facility is available in Ringgit and Foreign Currency.</p>	
<p>3. What do I get from this product?</p>	
<p>TR-i helps to manage your business/company’s cash flow by financing your goods purchased, with payment to be deferred to maturity date. . It also offers you greater flexibility as it allows partial settlement as well as early settlement. Full payment is to be made on maturity of the financing.</p> <p>Financing Amount: [RM to indicate.]</p> <p>Tenor: [RM to indicate]</p> <p>Profit rate</p> <p>Profit rate</p> <p>Effective Profit Rate (EPR):</p> <ul style="list-style-type: none"> • Ringgit – (Base Financing Rate or Cost of Funds) + profit margin[xx] • Foreign Currency - Cost of Funds for the respective currency + profit margin[xx] <p>Contracted Profit Rate (CPR)*: 15% p.a.</p> <p>Bank’s Sale Price: RM[xx]</p> <p>* The EPR shall not exceed the CPR at all times</p> <p>Such quotations/rates shall not be binding on the Bank unless subsequently confirmed in writing by the Bank.</p> <p>[*RM to complete the above prior to forwarding the PDS to the customer.]</p>	
<p>4. What are my obligations?</p>	
<p>Your business/company will need to pay the Bank’s selling price (consisting of the Bank’s cost and profit) on the payment due date and relevant fees and charges as per item 5.</p> <p>Customer may be required to provide a guarantee, Takaful, pledge, security deposit to secure payments due to the Bank.</p>	
<p>5. What are the fees and charges I have to pay?</p>	

Note: The fees and charges for the items below are exclusive of any statutory tax ("Tax"). Where Tax is chargeable on any of these items, the applicable Tax sum shall be imposed in addition to such fees and charges, and shall be payable by the customer.

Please refer to our schedule of tariff and charges at www.hsbcamanah.com.my for full list of charges. Key charges are as follows:-

Fees and charges

Financing charge - 0.25% of financing amount for non DC-i bills (waive for SME customer)

Commission in lieu of Exchange - 0.1% of facility amount (min. RM50, max. RM500) for Foreign Currency facility

Stamp Duty – nominal at RM10 for each Murabahah Contract

Brokerage Fees for Commodity Trading:

- Bursa Commodity House (BCH): 15 per currency per million or;
- London Metal Exchange (LME): 10 per currency per million.

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 for late payment will be charged at a rate not exceeding the IIMM (Islamic Interbank Money Market) rate. The computation of compensation on late payment is based on the 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.

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:

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

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 Murabahah Contract Note) 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:

$$\text{Ibra}' = \text{Deferred Profit} - \text{Early Settlement Charges (if any)}$$

$$\text{Early Settlement Amount} = \text{Outstanding Sale Price} - \text{Ibra}'$$

Illustration of Facility Profit & Early Settlement Computation

Facility limit	:	RM100,000.00
Effective Profit Rate	:	6.00%
Tenure	:	90 days
Tenure Begins On	:	01 January 2015
Tenure Ends On	:	31 March 2015

Example of Profit Computation:

$$\begin{aligned} \text{Total Profit} &= \frac{\text{Facility Limit} \times \text{Effective Profit Rate} \times \text{Actual No. of days}}{365} \\ &= \frac{\text{RM100,000.00} \times 6.00\% \times 90 \text{ days}}{90} = \text{RM6,000.00} \end{aligned}$$

Example of Early Settlement:

Customer wishes to early settle on the 31 January 2015, where:

Deferred Profit = $\frac{RM100,000.00 \times 6.00\% \times (90 - 31 \text{ days i.e. remaining tenor})}{365}$ = RM 3,933.33

Outstanding Selling Price = $\frac{RM100,000 + RM100,000.00 \times 6.00\% \times 90}{90}$ = RM 106,000.00

Early Settlement Charges: RM0

Ibra' = Deferred Profit – Early Settlement Charges (if any) = RM 3,933.33 – RM0 = RM 3,933.33

Settlement Amount = Outstanding Selling Price - Ibra' = RM 106,000.00 - RM 3,933.33 = RM102,066.67

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 our Marine Cargo Insurance, Fire Commercial or Flexi Business Shield. Please contact your Relationship Manager for further details.

* Preference is for takaful coverage

9. Do I need a guarantor or collateral?

On a case to case basis depending on your payment capabilities and other credit considerations.

10. What are the major risks?

There is minimum risk in terms of changes in profit rates as the rate is locked in for the financing tenor. However if financing is in foreign currency, your business/company may face foreign exchange risk.

11. 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 authorized by the company's authorized signatories. Please contact your Relationship Manager for further clarification.

12. Where can I get further information?

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

13. 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:

[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:

Customer Experience Team
HSBC Bank Malaysia Berhad
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:

Bank Negara Malaysia

P.O. Box 10922
50929 Kuala Lumpur.
Tel: 1-300-88-5465 (1-300-88-LINK)
(Overseas: 603-2174-1717)
Fax: 603-21741515
E-mail : bnmtelelink@bnm.gov.my
SMS: 15888
Operating Hours: 9:00AM to 5:00PM – Monday to Friday

14. Other trade financing available?

Other trade financing available are

- Accepted Bills-i (AB-i)

IMPORTANT NOTE: YOUR FACILITY WILL BE CLASSIFIED AS BAD AND DOUBTFUL AFTER 3 MONTHS / 90 DAYS DEFAULT IN FINANCING PAYMENTS AND YOUR FACILITY MAY BE WITHDRAWN.

The information in this disclosure sheet is valid as at dd/mm/yy.