

<p>PRODUCT DISCLOSURE SHEET</p> <p>Please read this Product Disclosure Sheet before you apply and decide to accept the Go Halal SME Financing Program. Be sure to read the terms and conditions in the letter of offer. Seek clarification from the Bank if you do not understand any part of this document or the general terms.</p>	<p>BANK ISLAM MALAYSIA BERHAD [Registration No. 198301002944 (98127-X)]</p> <p>Go Halal SME Financing Program 15 September 2021</p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------

1. WHAT IS THIS PROGRAM ABOUT?

Go Halal SME Financing Program is a multi-financing product package that includes term, revolving, and trade facility designed for SMEs as an opportunity to embark on Halal Certified Business by allowing for registration through Halal Integrated Platform (HIP) for Halal Development Corporation (HDC). The purpose of this program is to finance Halal Certification & Training Cost and to cater for Working Capital Requirement and Capital Expenses for HIP HDC members.

The program is offered at variable rate where the monthly payment may be varied from time to time based on changes to the Bank's base financing rate and the total instalment amount shall not exceed the Bank's Sale Price, and the program is targeted solely to qualified HIP of HDC members that have been in business for at least two (2) years with satisfactory conduct of account on their existing financing.

2. WHAT IS THE SHARIAH CONCEPT APPLICABLE?

There are three types of facilities being offered under the Go Halal-Program:-

1. Business Financing-i (BF-i)
2. Business Cash Line-i (BCL-i)
3. Multi Trade Facility

For BF-i and BCL-i,

The Shariah concept used is Tawarruq which refers to purchase of a commodity on deferred payment basis. The commodity is then sold by the purchaser for cash for a party other than the original seller.

Tawarruq concept is further described as per below: -

- The customer purchases the commodity from the Bank on a Murabahah contract at the Bank's Sale Price. In this arrangement, the purchase will be performed by the Bank as the Purchase Agent for the customer. As the Sale Agent for the customer, the Bank shall sell the commodity to a commodity purchaser at a cost price. Proceeds from the transaction will be credited for customer's utilisation. The customer is obliged to pay the amount due from the Murabahah transaction as per the agreed terms.
- "Commodity" means any commodity acceptable to the Bank e.g. palm oil, plastic resin, rubber, cocoa beans, soy beans, timber and metal (excluding gold and silver) traded at any commodity trading platform approved by the Bank. The purchase and sale of the commodity are performed based on the mandate of the customer, where the Bank as Purchase Agent and Sale Agent trades the commodity as made available and provided by commodity providers subject to the Bank prevailing policies."

For Multi-Trade facility, there are a few products being offered such as Letter of Credit-i (LC-i), Accepted Bill of Exchange (AB-i), Shipping Guarantee (SG-i) and Bank Guarantee(BG-i). Customer is advised to refer to the respective Product Disclosure Sheet (PDS) in the Bank's website or contact our staff for the Shariah contract/ concept used.

3. WHAT DO WE GET FROM THIS PROGRAM?

No.	Features	Details
1.	Program Name	Go Halal SME Financing Program
2.	Financing Type	<ul style="list-style-type: none"> ▪ Business Financing-i (BF-i) ▪ Business Cash Line-i (BCL-i) ▪ Multi Trade Facility
3.	Currency Type	Ringgit Malaysia (MYR) only
4.	Financing Amount	<ul style="list-style-type: none"> ▪ Min RM100k - Max RM1 mil (Sole-prop/partnership) ▪ Min RM100k - Max RM3 mil (Sdn Bhd)
5.	Financing Purpose	<ul style="list-style-type: none"> ▪ Halal Certification, Consultancy & Training Cost ▪ Business Reducing Term Takaful (BRTT) Contribution Cost ▪ Working Capital Requirement (WCR) ▪ Capital Expense (CAPEX) - only for new machine and equipment. <p>(Inclusive of legal documentation costs and SJPP guarantee fee for the first year). Note: The facility cannot be utilized to refinance existing facility granted by the same or other Bank as imposed by SJPP to promote economic growth.</p>
6.	Margin of Financing	<ul style="list-style-type: none"> ▪ Halal Certification & Training Cost - 100% based on the invoice receipt. ▪ BRTT Contribution Cost- 100% based on the invoice receipt. ▪ Working Capital Requirement (WCR) - 100% ▪ Capital Expense (CAPEX) - 70% <p>(Subject to credit approval granted by the Bank)</p>
7.	Profit Rate	<ul style="list-style-type: none"> ▪ Base Financing Rate (BFR) +/- Spread ▪ Commission based (for LC-i/AB-i/SG-i/BG-i only) <p>Note:</p> <ol style="list-style-type: none"> i. The Contracted Profit Rate (CPR) and Effective Profit Rate (EPR) of the financing shall be subject to credit approval granted by the Bank. ii. The CPR will form the Bank's Selling Price while the EPR is the actual amount of profit that will be paid by the customer. iii. Profit rate is either fixed or floating. iv. Customer is advised to refer to the respective PDS of above-mentioned facility, visit the Bank's website or contact our staff for the latest profit rate offered.
8.	Tenure	<ul style="list-style-type: none"> ▪ Business Financing-i (BFI) – Up to 7 years ▪ Business Cash Line-i (BCL-i) – Up to 1 year (renewal) – to match against SJPP Guarantee Coverage Period ▪ Multi Trade Facility-i – As per the respective trade products <p>(Subject to credit approval granted by the Bank)</p>

9.	Guarantee coverage	<ul style="list-style-type: none"> Up to 80% of the financing amount is guaranteed by SJPP on Working Capital and Capital Expense Customer are required to pay the guarantee fee as required by SJPP starting from second year of the financing until the end of financing tenure.
10.	Security	<p>For Sdn Bhd:</p> <ul style="list-style-type: none"> Joint and several guarantee (JSG) of Directors and individual shareholders holding more than thirty percent (30%) of the share capital of the customers Corporate Guarantor holding more than fifty percent (50%) of the share capital of the Customer Key man/person regardless of the shareholdings of the Customer <p>For Partnership:</p> <ul style="list-style-type: none"> Letter of Indemnity/Undertaking, whichever is applicable

The sample calculation is illustrated below:

Financing Amount	:	RM2,500,000.00
Contracted Profit Rate	:	15%
Effective Profit Rate	:	7.22%* (BFR + Spread)
Tenure	:	7 years
Bank's Sale Price	:	RM3,192,094-92

*Base Financing Rate (BFR) is assumed at 5.47% p.a. while the spread is at 1.75% p.a.

[BFR (as at 1 December 2020) is 5.47%. Kindly refer to Bank Islam's website at www.bankislam.com for the latest BFR.]

Note: The above example is only for illustration purpose and it may not show the actual financing obligation.

4. WHAT ARE MY OBLIGATIONS?

- You are required to pay the instalment (monthly, quarterly, half yearly or yearly) as approved by the Bank.
- The monthly instalment is calculated in accordance to the following formula (variable rate):

$\frac{\frac{LR\%}{12} \left[1 + \frac{R\%}{12} \right]^{12P}}{\left[1 + \frac{R\%}{12} \right]^{12P} - 1}$	<p>Where:</p> <p>L = Financing Amount</p> <p>P = Financing Term in years</p> <p>R = Profit rate p.a.</p>
---------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------

Example (based on question 3 above)

- Your monthly instalment is RM38,001.13 (on assumption that BFR does not change).
- Total payment amount at the end of 7 years is RM3,194,094-92.
- If applicable, ibra' (rebate) will be provided if there is a difference between the ceiling rate and the Bank's Effective profit rate.

Important: Your monthly instalment and total payment will vary if the BFR changes. For example:

Profit Rate	Today (BFR = 5.47% p.a.)	If BFR goes up 1%	If BFR goes up 2%
Monthly Instalment	RM 38,001.13	RM 39,240.12	RM 40,502.38

Total profit cost at the end of 7 years	RM 692,094.92	RM 796,170.08	RM 902,199.92
Total payment amount at the end of 7 years	RM 3,192,094.92	RM 3,296,170.08	RM 3,402,199.92

5. WHAT ARE THE FEES AND CHARGES THAT WE HAVE TO PAY?

No.	Fees Type	Details
1.	Stamp duty	Actual Cost - As per Stamp Duty Act 1949 (Revised 1989): i. Principal Agreement – Ad Valorem of 0.5% of financing amount; and ii. Secondary / Supplementary Agreement – Nominal of RM10 of each document.
2.	Legal Fees	Actual cost
3.	Processing fee	Waived
4.	Wakalah (Agency) fee	RM50.00(RM25 of each ABPA and ABSA) - fee to be included in the financing
5.	Late Payment Charges	Late payment charges (LPC) are as per Bank Negara Malaysia (BNM)'s latest Guidelines on Late Payment Charges for Islamic Banking Institutions as well as Bank Islam Ta'widh clause.
6.	Guarantee Fee	Up to 1.0% p.a. on the approved limit payable upfront as per Working Capital Guarantee Scheme (WCGS) by SJPP. Note: 1. The Bank will finance the first year's SJPP Guarantee Fee. 2. For the subsequent years, guarantee fee will be debited from the customer's current account with Bank Islam.
7.	Takaful contribution (Optional)	As per the contribution amount required by the Takaful operators to cover the whole outstanding financing amount in the event of death and TPD of the customer.

6. WHAT IF WE FAIL TO FULFILL OUR OBLIGATIONS?

Should you fail to fulfill your obligation in a timely manner, the following shall apply: -

- **Upon Default:**
 - a) the Bank may by written notice to you, demand for immediate payment of amount overdue from you and/ or the guarantor.
 - b) the Bank has the right to set off your deposit or any other account(s) maintained with the Bank towards settlement of overdue payment under these facilities granted by the Bank.
 - c) the Bank has the right to take legal action against you if you fail to response to the reminder notices. The Bank shall exercise its right on any security pledged with the Bank and you are to bear all the cost involved. You are also responsible to settle any shortfall. Legal action against you may affect your credit rating leading to any future credit assessment being more difficult or expensive to you, and;
 - d) Cross default of other facilities with the Bank may be triggered.
- **Late Payment**
The Bank shall impose Ta'widh (compensation for late payment) to you as follows:
 - a) **Before maturity of the facility**

A sum equivalent to one per centum (1%) per annum on overdue instalment(s) until date of full payment.

Formula:

Overdue instalment(s) x 1% x No. of overdue day(s) / 365

b) After maturity of the facility

A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market Rate (IIMM) on outstanding balance i.e., outstanding Sale Price less ibra' (rebate) (if any).

Formula:

Outstanding Sale Price (less ibra'(rebate)) x Prevailing IIMM% x No. of overdue day(s) / 365

c) Post judgment debt

A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market Rate on basic judgment sum calculated from judgment date until date of full payment.

Formula:

Outstanding Sale Price (less ibra'(rebate)) x Prevailing IIMM% x No. of overdue day(s) / 365

Note: The imposition of Ta'widh shall be in such manner as approved by BNM.

7. WHAT IF WE FULLY SETTLE THE FINANCING BEFORE ITS MATURITY?

- The Bank undertakes to grant you an ibra' (rebate) which is equivalent to the deferred profit at the point of settlement.

Ibra' (rebate) Formula:

<p>Ibra' (Rebate on early settlement) = Deferred Profit</p>

Note:

- Deferred Profit = Total Contracted Profit – Accrued Profit
- Total Contracted Profit = Sale Price – Purchase Price (or Financing Amount)
- Accrued Profit is calculated based on effective profit rate of the outstanding Purchase Price (or Financing Amount) being disbursed (or utilized)

- The Bank does not impose a lock-in period for this facility and there is no fee imposed for early settlement before maturity.

8. DO WE NEED A GUARANTOR OR COLLATERAL?

No collateral required for this programme. However as additional securities, the Bank will require 80% guarantee by SJPP and other guarantees (where applicable) as listed in answer to Question 3 above, under item 10 – Security.

9. WHAT ARE THE MAJOR RISKS?

The Bank's effective profit rates offered may fluctuate during the tenure of the financing for facility with variable rate. An increase in base financing rate may result in higher monthly payment. However, the Bank's effective profit rate should not exceed the ceiling rate.

10. WHAT DO WE NEED TO DO IF THERE ARE CHANGES TO OUR CONTACT DETAILS?

It is important for you to immediately inform us of any changes in your contact details to ensure that all correspondences reach you in a timely manner.

11. WHERE CAN WE GET ASSISTANCE AND REDRESS?

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

SME Banking

Bank Islam Malaysia Berhad

16th Floor, Menara Bank Islam

No 22, Jalan Perak,

50450 Kuala Lumpur

Fax: 03-2688 2711

Email: sme-assist@bankislam.com.my.

- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services and money management, credit counseling, financial education and debt restructuring for SME. You can contact AKPK at:

Agensi Kaunseling dan Pengurusan Kredit (AKPK)

Level 5 and 6,

Menara Bumiputra Commerce

Jalan Raja Laut

50350 Kuala Lumpur

Tel: 603 -2616 7766

Fax: 603 -2616 7601

Website: www.akpk.org.my

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

Contact Centre & Customer Care Department

Bank Islam Malaysia Berhad

17th Floor, Menara Bank Islam

No 22, Jalan Perak,

50450 Kuala Lumpur

Tel: 03-26 900 900

Fax: 03-2782 1337

Email: customercare@bankislam.com.my

- If the query or complaint 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: 03-2174 1515

12. WHERE CAN WE GET FURTHER INFORMATION?

- Should you require additional information about the program, please refer to our branches or contact:

Contact Centre & Customer Care Department

Bank Islam Malaysia Berhad

17th Floor, Menara Bank Islam,

No. 22, Jalan Perak,

50450 Kuala Lumpur.

Tel: 03-26 900 900

Email: contactcenter@bankislam.com.my

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP PAYMENTS OF YOUR FACILITY.

The information provided in this Product Disclosure Sheet is valid as at 15/9/2021.

Acknowledge Receipt by Customer

.....
Name:

I/C Number:

Date: