PRODUCT DISCLOSURE SHEET

Date: 7 April 2026

Dear Customer,
This Product Disclosure Sheet (PDS) provides you with key information on SME Smart Eco Financing (ECO) program. This program is offered with multiple products facilities. **You are advised to refer to respective product's PDS in the Bank's website for more information of the product offered under this program**.
Other customers have read this PDS and found it helpful, you should read it too.

1 WHAT IS SME SMART ECO FINANCING

- SME Smart Eco Financing (ECO) is a structured financing program that has been developed to achieve a better environmental outcome with the intention to promote the development of green projects or minimize the impact on the climate of more regular projects or combination of both. It contains a variety of facilities including:
  a) Business Financing-i (BF-i),
  b) Business Cash Line-i (BCL-i),
  c) Multi Trade Facility inclusive of Letter of Credit (LC-i), Trade Tawarruq-i (TTQ-i), Trade Working Capital Financing-i (TWCF-i), Shipping Guarantee-i (SG-i) and Bank Guarantee-i (BG-i); and
  d) Foreign Exchange Contract-i
- ECO will benefit companies that are the producers and users of green technology by making it easier for them to buy their business inventory, equipment or services it requires relating to sustainable initiatives, sustainable practices and to enjoy Tax Relief and Discount under Green initiative. The program is targeted solely to Private Limited Company (Sdn Bhd) within SME definition issued by SME Corporation Malaysia, have been in business for at least three (3) years, and profitable for at least two (2) consecutives years out of the last three (3) years.
- The applicable Shariah contract for BF-i and BCL-i is Tawarruq, which consists of two sale and purchase contracts. The first involves customer purchases a commodity from Bank Islam (as the customer's purchase agent) on Murabahah (cost plus sale) basis at Bank Islam's Sale Price. Subsequently, Bank Islam (who act as customer's sale agent), sells the commodity to a third party at cost price on a cash and spot basis, and the proceeds are given to the customer. The customer must pay Bank Islam's Sale Price as per the agreed terms.

2 KNOW YOUR OBLIGATIONS

For this financing, <u>illustration for variable rate BF-i is as follow:</u>

- Your Financing Amount = **RM1,000,000.00**
- Your Monthly Instalment = **RM13,133.03**
- Your Financing Tenure = **9 years**
- Ceiling Profit Rate = **15% p.a.**
- Sale Price = **RM1,827,828.72**
- Effective Profit Rate = **8.22% p.a**
  [*BFR (6.47% p.a.) + 1.75% p.a.]

In total **you will pay RM1,418,367.24** at the end of 9 years.

For this financing, <u>illustration for variable rate BCL-i is as follow;</u>

- Your Financing Amount = **RM2,500,000.00**
- Your Monthly Instalment = **Not applicable**
- Your Financing Tenure = **1 year**
- Ceiling Profit Rate = **15% p.a.**
- Sale Price = **RM2,875,000**
- Effective Profit Rate = **8.22% p. a**
  [*BFR (6.47% p.a.) + 1.75% p.a.]
- BCL-i facility cannot offer a fixed monthly installment because the payment amount changes based on how much customer use. Since the balance increases or decreases with every withdrawal or repayment, the profit and monthly payment will also vary.

It is your responsibility to:

Read and understand the **key terms** in the **contract** before you sign.

Pay your monthly instalment / payment timely. Speak to us if you wish to settle your financing earlier.

Ensure you can afford to **pay a higher instalment** if the BFR rises.

Contact us immediately if you are unable to pay your monthly instalment.

**The BFR is assumed at 6.47% p.a. while the spread at 1.75% p.a. Please refer to Bank Islam's website https://www.bankislam.com/deposit-financing-rates/ for the latest BFR.*

For BF-i and BCL-i, you have to pay the following fees and charges:

I. **<u>Stamp duty</u>:** 0.50% of financing amount.
II. **<u>Agency fee</u>**: RM50.00.
III. **<u>Legal fee and disbursement including solicitor's fee</u>** : For preparing financing documentation, registration of charge, land search and bankruptcy search (where applicable).
IV. **<u>Late payment charges</u>**: 1.00% p.a. on the overdue instalments.
V. **<u>Guarantee Fee as charged by Syarikat Jaminan Pembiayaan Perniagaan (SJPP)/ Corporate Guarantee Coporation (CGC)</u>**: Up to 1.00% per annum from the coverage amounts until the end of financing tenure and the guarantee fees will depend on the SJPP/CGC scheme. [Subject to 8.00% of the Sales and Service Tax (SST)].
VI. **<u>Financing cancellation</u>**: All costs incurred by Bank Islam, if any, for the preparation, registration of security documents and expenses incurred during the claim process upon cancellation.

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Note: Please refer to our website at https://www.bankislam.com/ for further details on fees and charges including charges for Multi Trade Facility (MTF).

If you wish to settle your financing early, you should know:
No 'lock in period' for this facility and Bank Islam shall grant Ibra' (rebate) on the deferred profit after full settlement is made.

3 KNOW YOUR RISKS

What happens if you ignore your obligations:

I. You **pay more in total** due to late payment charges (compensation charges/ Ta`widh).
II. We may **deduct** money from any account you have with us to set off your financing outstanding balance.
III. We may **take legal action** against you and **exercise all remedies** available under security arrangement.
IV. Your **credit score** may be affected leading to credit being more difficult or expensive to you.
V. Cross default of other facilities with Bank Islam may be triggered.

Your monthly instalment may increase during the tenure of your financing.
The Effective Profit Rate offered may fluctuate during the tenure of the financing for facility with variable rate. An increase in BFR means you shall pay a **higher monthly instalment**.

Example of variable rate BF-i as below:

	Current rate at 8.22% % p.a.	**Rate increase by 1% p.a.**	**Rate increase by 2% p.a.**
Monthly instalment	RM13,133.03	RM13,659.79	RM14,198.09
Total profit	RM418,367.21	RM475,257.32	RM533,393.72
Total payment	RM1,418,367.24	RM1,475,257.32	RM1,533,393.72

4 OTHER KEY TERMS

- You are required to inform us of any change in your contact details.
- Takaful coverage is optional; however, you or your supplier is advised to subscribe to appropriate Takaful protection.
- If you do not meet the minimum credit requirement, we may require guarantor(s) or collateral in order for you to proceed with the submission.
- Agensi Kaunseling dan Pengurusan Kredit (AKPK) has been established by Bank Negara Malaysia (BNM) to provide free services on money management, credit counselling, financial education and debt restructuring for individual, sole proprietor and Small and Medium Enterprises (SME).

If you have any questions or require assistance on our product, you can:

Call us at
+603-26 900 900

Visit us at
https://www.bankislam.com

Email us at
contactcentre@bankislam.com.my

Customer's Acknowledgment
(A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions).

Ensure you are filling this section yourself and are aware of what you are placing your signature for.

□ I acknowledge that Bank Islam has provided me with a copy of these PDS.
□ I have read and understood the key information contained in these PDS.

- □ Business Financing-i (BF-i)
- □ Business Cash Line-i (BCL-i)
- □ Letter of Credit-i (LC-i)
- □ Trade Tawarruq-i (TTQ-i)
- □ Trade Working Capital Financing-i (TWCF-i)
- □ Shipping Guarantee-i (SG-i)
- □ Bank Guarantee-i (BG-i)
- □ Foreign Exchange Contract-i

Name:
Date: