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| PRODUCT DISCLOSURE SHEET (REMINDER: You are reminded to read and understand the terms and conditions of this Product Disclosure Sheet before signing below. In the event there are any terms and conditions in this Product Disclosure Sheet that you do not understand, please seek independent advice and/or discuss with the Bank's representative before signing below.) | ENGLISH VERSION Bank : Affin Islamic Bank Berhad Product : Flexi-Trade Financing-i (FTF-i) Date of Issuance to Customer: <div style="border-bottom: 1px solid black; width: 100%;"></div> (to be filled out upon application) | | | | | | | | | | | | |
| 1. What is this product about? | | | | | | | | | | | | | |
| <p>Flexi-Trade Financing-i (FTF-i) is a flexible financing facility offered to trade customer for financing of its trade related foreign and local sales (usance) or foreign and local purchases (sight or usance) under Letter of Credit /Collection/Open Account term of payment.</p> <p>FTF-i Purchase (Murabahah) allows financing of tangible goods OR goods combined with related services payables. The services payables must be related to the goods purchased. FTF-i (Purchase) also allows financing of intangible assets e.g. purchase of computer software licenses, purchase of electricity from independent power-producer, purchase of construction materials etc.</p> <p>FTF-i Purchase (Ijarah) is referring to the financing of STAND-ALONE services payables only.</p> <p>FTF-i Sales allows financing on local sales/exportation of goods and/or services provided (<i>on credit</i>).</p> <p>The FTF-i facilities are to be used only for genuine working capital purposes and must not be used to finance customer's purchase of fixed assets.</p> | | | | | | | | | | | | | |
| 2. What is the Shariah concept applicable? | | | | | | | | | | | | | |
| <p>The Flexi-Trade Financing-i is formulated based on the following Shariah concept:</p> <ul style="list-style-type: none"> FTF-i Purchase (Murabahah) FTF-i Purchase is based on the Shariah concept of Murabahah. Murabahah refers to the selling of goods/assets at a price whereby the costs and profit margin (mark-up) are made known and agreed by both parties. The basic feature of Murabahah is that the seller discloses the actual cost he has incurred in acquiring the goods/assets, and how much profit he is going to charge in addition to the cost. FTF-i Purchase (Ijarah) FTF-i Purchase (Ijarah) is based on the Shariah concept of Ijarah. Ijarah refers to a contract that transfers ownership of a permitted usufruct and/or hiring service of a specified period in exchange for a specified consideration. FTF-i Sale FTF-i Sale is based on the Shariah Concept of Bay' al Dayn Bi al Sila'. Bay' al Dayn Bi al Sila' refers to purchasing of debt in exchange of commodity, followed by disposal of the commodity by customer for cash. It is a financing facility whereby the Bank purchases the Customer's right to the debt in exchange of commodity, which is normally securitized in the form of bill of exchange. | | | | | | | | | | | | | |
| 3. What do I get from this product? | | | | | | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Financing Amount /Acquisition Cost (for FTF-i <i>Ijarah</i>) (RM)</td> <td style="width: 10%;">:</td> <td style="border-bottom: 1px solid black; width: 50%;"></td> </tr> <tr> <td>Financing Tenure (Sight/Usance)</td> <td>:</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>Profit Rate/<i>Ujrah</i> Rate (for FTF-i <i>Ijarah</i>)</td> <td>:</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>Handling Fee</td> <td>:</td> <td style="border-bottom: 1px solid black;"></td> </tr> </table> | | Financing Amount /Acquisition Cost (for FTF-i <i>Ijarah</i>) (RM) | : | | Financing Tenure (Sight/Usance) | : | | Profit Rate/ <i>Ujrah</i> Rate (for FTF-i <i>Ijarah</i>) | : | | Handling Fee | : | |
| Financing Amount /Acquisition Cost (for FTF-i <i>Ijarah</i>) (RM) | : | | | | | | | | | | | | |
| Financing Tenure (Sight/Usance) | : | | | | | | | | | | | | |
| Profit Rate/ <i>Ujrah</i> Rate (for FTF-i <i>Ijarah</i>) | : | | | | | | | | | | | | |
| Handling Fee | : | | | | | | | | | | | | |
| 4. What are my obligations? | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> Provide to the Bank such documentary evidence supporting the trade transaction (e.g. the original invoice, transport documents etc) as may be required by the Bank. Have not obtained and will not obtain any other source of financing for the same trade transaction, including financing pursuant to a lease, hire purchase or factoring agreement. Authorizes the Bank to debit your account maintained with the Bank for the payment of profit, fees, all other charges or expenses in respect of disbursement and payment of the FTF-i. Financing amount must be settled in full upon each FTF-i maturity. | | | | | | | | | | | | | |

5. What is the profit rate charged and fees and charges I have to pay?

| Profit Rate/ Fees and charges | Amount (RM) | |
|--|---|---|
| Profit Rate/Ujrah Rate (for FTF-i Ijarah) | <ul style="list-style-type: none"> Ringgit Malaysia (RM) financing – pegged at ¹BFR/ iCOF + Spread Foreign currency financing – pegged at iCOF + Spread <p>The profit/Ujrah is calculated on daily rest basis and shall be fixed throughout the financing period.</p> | |
| Handling Fee | <ul style="list-style-type: none"> FTF-i Purchase/FTF-i Purchase (Ijarah) | Not applicable |
| | <ul style="list-style-type: none"> FTF-i Sale | RM50 flat per transaction (irrespective of number of invoices and financing amount) |
| Stamp duty <ul style="list-style-type: none"> Facility Agreement Other Transaction and Security Document <ul style="list-style-type: none"> ✓ Letter of Offer ✓ Contract Note for Murabahah Financing/Contract Note for Ijarah Financing | Ad valorem RM 10.00 RM 10.00 | |
| ²Brokerage Fee | <ul style="list-style-type: none"> <u>Corporate customers</u> RM10.00 per RM1 million on pro-rate basis <u>SME customers</u> RM 5.00 per RM1 million on pro-rate basis <p>Applicable for FTF-i Sale only</p> | |
| Other fees and charges | All other charges shall follow the Bank's Standard Tariff of Charges (https://www.affinways.com/en/fees-and-charges) | |

Note:

- ¹Base Financing Rate (BFR) is subject to change from time to time and the current BFR is at 6.81% p.a.
- ²The Brokerage fee is subject to changes on the brokerage cost charged by the commodity platform provider from time to time.

6. What if I fully settle the facility before maturity?

The Bank does not impose a lock-in period for this facility and there is no fee imposed for early settlement before maturity. The Bank shall grant rebate (ibra') which is equivalent to the deferred profit at the point of settlement.

Ibra' (rebate) formula:

$$\text{Ibra' (rebate) on early settlement} = \text{Deferred Profit} - \text{Reasonable Estimate Cost incurred by the Bank.}$$

Note:

- Deferred Profit = Total Contracted Profit – Accrued Profit
- Total Contracted Profit = Bank's Sale Price – Bank's Purchase Price
- Accrued Profit is calculated on Effective Profit Rate of the outstanding principal being utilized.

7. What if I fail to fulfill my obligations?

- Upon maturity of the Facility**
The Bank will charge ta'widh at a sum equivalent to the prevailing daily overnight Islamic Interbank Money Market Rate (IIMM) on outstanding balance less ibra' (if any);

$$= \text{Outstanding Balance} \times \text{IIMM Prevailing Rate} \times \frac{\text{No.of Days Overdue}}{356/366}$$

- We may set-off any credit balance in account maintained with us against any outstanding balance in this facility account by providing seven (7) calendar days of prior notice to you.
- Legal action will be taken against you if you fail to respond to reminder notices. You will have to bear all costs in relation to the same. You are responsible to settle any shortfall (if any) after legal action has been taken against you.
- Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.
- Please refer to your responsibilities as stated in the Letter of Offer.

- **Purchase Undertaking for FTF-i Purchase**

In the event you refuse to honor your undertaking to purchase the goods OR goods combined with related services and/or to execute the relevant document(s) (in connection with the purchase of the goods OR goods combined with related services), you shall compensate the Bank based on the Bank's Purchase Price together with any cost incurred by the Bank incidental to the purchase of the goods/services.

8. What are the major risks?

- Minimum risk in terms of changes in profit rates as the financing rate is fixed for the duration of the financing tenor. However, you may face the foreign exchange risk for Foreign FTF-i.
- You may not be allowed to further utilize the financing and recovery process including of legal action may be taken against you to recover the amount due in the event you fail to settle a matured FTF-i financing.

9. Where can I get assistance and redress?

- If you have difficulties in making payments, you should contact your respective Relationship Manager earliest possible to discuss payment alternatives.
- If you wish to complain on the product or services provided by us, you may fill-in an "Online Feedback Form" which is available at Bank's website: AffinAlways.com that will be escalated to Customer Feedback & Resolution Management. You may also contact us at:

Customer Feedback & Resolution Management

**Level 9, Menara Affin,
Lingkaran TRX,
Tun Razak Exchange,
55188 Kuala Lumpur.**

Telephone : 03 – 8230 2222

E-mail : YourVoice@affingroup.com

Website : www.affinalways.com
www.affingroup.com

- Alternatively, you may 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, financial education and debt restructuring for both individuals and SMEs. You can contact AKPK at:

Agensi Kaunseling dan Pengurusan Kredit (AKPK)

**Level 5 and 6,
Menara Aras Raya (Formerly known as Menara Bumiputra-Commerce),
Jalan Raja Laut,
50350 Kuala Lumpur.**

Telephone : 03-2616 7766

Fax : 03-2616 7601

E-mail : enquiry@akpk.org.my

Operating Hours : **9:00 a.m. – 5:00 p.m.**
(Monday – Friday)

- You may re-address the issue with the Ombudsman for Financial Services (OFS) when steps taken by the Bank is still unsatisfactory. You may contact OFS at:

Ombudsman for Financial Services (OFS) (664393P)

(Formerly known as Financial Mediation Bureau)

Level 14, Main Block

Menara Takaful Malaysia

No. 4, Jalan Sultan Sulaiman

50000 Kuala Lumpur

Telephone : 603 – 2272 2811

Fax : 603 – 2272 1577

E-mail : enquiry@ofs.org.my

Website : www.ofs.org.my

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

BNMLINK

Bank Negara Malaysia

P.O. Box 10922 (Peti Surat 10922)

50929 Kuala Lumpur

Telephone : 1-300-88-5465

Fax : 03-21741515

E-LINK : <https://bnmlink.bnm.gov.my/>

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| 10. What do I need to do if there are changes to my contact details? |
| <ul style="list-style-type: none"> It is important that you inform us (written notice to be sent to the account holding branch) of any changes in your contact information to ensure that all correspondences reach you in a timely manner. In accordance of AFFIN ISLAMIC policy/guidelines and per standard security documents, any change of contact details has to be in writing duly signed off by the customer(s) and addressed to Affin Islamic Bank Berhad. |
| 11. Where can I get further information? |
| Should you require additional information on financing, please contact us at our nearest branch to you or call our Contact Centre at 03-8230 2222 or visit our website AffinAlways.com for further details. |
| 12. Other facilities available. |
| The Bank offers other trade bills facilities such as Letter of Credit-i, Shipping Guarantee-i, Bank Guarantee-i, Trust Receipt-i, Working Capital Financing-i, Bills Negotiation-i, Bills Purchased-i and Export Credit Refinancing-i. |
| <p style="text-align: center;"><u>IMPORTANT NOTE:</u></p> <p style="text-align: center;">LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP PAYMENTS ON YOUR FACILITY.</p> |

The information provided in this disclosure sheet is valid as at **20 OCTOBER 2023**

I/We hereby acknowledge that the key terms of this product disclosure sheet, in particular, the terms affecting my/our obligations, have been adequately explained to me/us by the Bank's staff, representative or agent.

Signature : _____

Name : _____

NRIC No : _____

Date : _____