PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to take out the HSBC Amanah Home Smart-i Facility ("Facility"). Be sure to also read the general terms and conditions in theletter of offer.
Seek clarification from your institution if you do not understand any part of this document or the general terms and conditions)

HSBC Amanah Malaysia Berhad

Product Name : HomeSmart-i
Date : 09/07/2025

1. What is this product about?

This is an Islamic property financing facility offered to either completed or under construction property. This Facility is calculated on a variable rate basis and you are pledging the property as a security for this Facility.

1.1 For Completed Property:

What is the Shariah concept applicable?

- The Shariah concept applicable is Diminishing Musharakah (Co-ownership). Diminishing Musharakah involves three underlying contracts independent from each other, those are: (i) co-ownership, (ii) lease, and (iii) purchase.

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 "lease rental".
iii. **Purchase**: On monthly basis, you promise and undertake to purchase a portion of the Bank's shares. This purchase is effected against "purchase price" paid by you.

- Your purchase of the Bank's shares in the Property is based on the Shariah concept of promise (wa`d). Accordingly, the monthly payment which you have to pay to the Bank consists of:

i. lease rental (to lease the Bank's share of the property), and
ii. purchase price (to buy the Bank's share of the property).

- With each monthly payment you pay, the proportion of your shares in the property will increase, while the Bank's portion gradually diminishes. Ultimately, all the transfer of 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 property cannot be used for activities that are not Shariah-compliant, illegal or for immoral purpose.

1.2 For Property Under Construction:

The Shariah concepts applicable are Diminishing Musharakah (Co-ownership) and Istisna' (construction procurement). The Istisna' Agreement is applicable during the construction period.

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 residential premises; you and the Bank will jointly act as the Musharakah parties ("Musharakah Parties", each a "Musharakah Party") and you will also act in the capacity as the seller and procurement party for the purposes of the Istisna' arrangement.

Your obligations as seller and procurement party are to:
a. deliver the property that has been completed and built in accordance with the agreed specifications; and
b. provide options arising from non-delivery and defects of the property, including setting-off advance lease rentals paid against the compensation due to the Bank for non-completion of the property.

Your obligations as a Musharakah party are to:
a. accept the completed property that is built in accordance with the agreed specifications and pay the Istisna' selling price; and
b. exercise options arising from non-delivery of the property and to deal with the defects in the property (if any).

1.3 Key terms and conditions of the Istisna' Agreement:

The Musharakah Parties agree to jointly enter into an Istisna' Agreement with the seller and procurement party whereby the Musharakah Parties shall purchase; and the seller and procurement party shall procure the construction and delivery of the property based on the terms and conditions in the Istisna' Agreement. In consideration of the Musharakah Parties agreeing to pay the Istisna' Price, to or for the benefit of the seller and procurement party, the seller and procurement party hereby agrees as follows:
a) to build, construct and deliver the property in accordance with the terms of the Istisna' Agreement and other documents related thereto; and
b) to deliver possession of the property to the Musharakah Parties on completion of the construction thereof.
c) In the event that the seller and procurement party fails to procure the construction up to completion and delivery of the property to the Musharakah Parties due to whatever reason ("Non-Completion Event"), it will result in the seller and procurement party breaching the Istisna' following shall take effect accordingly:

The seller and procurement party shall be liable to pay compensation which is equal to the aggregate of:
(i) the Istisna' Price as paid to the seller and procurement party or the vendor (if so appointed by the seller and procurement party) pursuant to Clause 1.3(c) herein up to the date of the Non-Completion Event; and
(ii) if the Customer and the Bank have entered into a forward lease (ijarah mawsufah bi al-zimmah) in a separate agreement, all advance lease rentals paid by the Customer (as the lessee) to the Bank during the construction period of the property (the "Aggregate Sum");

(collectively hereinafter referred to as "Damages")

which the seller and procurement party acknowledges is reasonable compensation under the circumstances for the Non-Completion Event, solely to the Bank, and the Customer as a Musharakah Party waives all rights to the Damages in favour of the Bank on account of being the seller and procurement party who caused the Non-Completion Event.

Pursuant to the Non-Completion Event as set out in Clause 1.3(ii) herein, the parties hereby agree that the Aggregate Sum can be effected by way of setting-off instead of cash. The Customer as seller and procurement party shall be liable to pay compensation which is equal to the aggregate of all advance lease rentals paid by the Customer (as the lessee) to the Bank during the construction period of the property.

Key terms and conditions of the Shariah principle of Qard (Deposit Account Post Full Settlement)

Upon full settlement of the Facility, you may use the HomeSmart-i / HomeSmart-i Advantage Account as a Amanah Basic Current Account-i which is based on the Shariah principle of Qard (loan). The terms and conditions of Amanah Basic Current Account-i as provided in the Bank's Universal Terms & Conditions available on the Bank's website (www.hsbcamanah.com.my) shall apply. If you would like to close the account post full settlement, please walk in to any HSBC/HSBC Amanah Branch to perform account closure.

2. What do I get from this product?

• Total amount financed : RM 0.00 (% of house price)
• Tenure : 0 years

• Standardised Base Rate (SBR) : 2.75% per annum
• Lease Rental Rate:
Year 1-3 : SBR + 0% (ER = 2.75%)
Year 4-5 : SBR + 0% (ER = 2.75%)
Thereafter : SBR + 0% (ER = 2.75%)

**ER = Effective Rate*

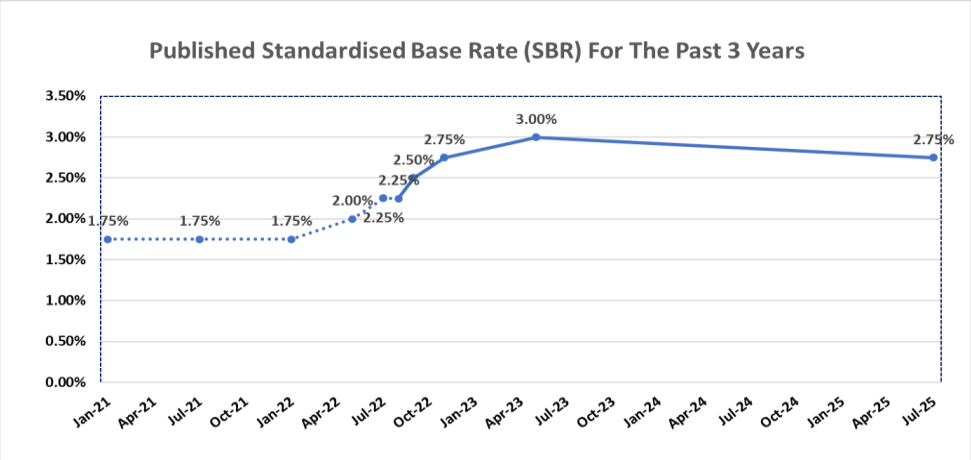
3. What is the Standardised Base Rate (SBR)?

The SBR we offer on this product is based on the benchmark rate specified by Bank Negara Malaysia. The benchmark rate is currently set as the Overnight Policy Rate (OPR), which reflects the monetary policy stance as decided by the Monetary Policy Committee of Bank Negara Malaysia

4. What are possible scenarios that may trigger a change in the SBR?

The SBR can rise or fall due to changes in the benchmark rate, i.e. changes in the Overnight Policy Rate (OPR).

5. Historical Trend of Reference Rates for the past 3 Years



6. What are my obligations?

• Your Monthly Payment :
Year 1-3: RM 0.00
Year 4-5: RM 0.00
Thereafter: RM 0.00
• Total amount that would have been paid at the end of years is RM 0.00

	Tenure	Today (SBR = 2.75%)	If SBR goes up 1%	If SBR goes up 2%
Monthly Payment	**Year 1 - 3**	-	-	-
	Year 4 - 5	-	-	-
	Thereafter	-	-	-
Total lease rentals that would have been paid at the end of tenure		-	-	-
Total amount that would have been paid at the end of tenure		-	-	-

Important:

• Your monthly payment and total amount to be paid will vary if the SBR changes.
• You can choose to pay more than the actual Monthly Payment and if you need to, the excess amount paid can be subsequently withdrawn subject to the available facility limit. While the excess amount is in the Facility account, it will benefit you by reducing the 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 advance lease rentals at the stipulated lease rental rate(s) calculated on the utilised portion of the Facility (if any) starting from one (1) 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. The maximum monthly lease rentals shall not exceed the Facility amount.
• If the payment period extends beyond your retirement age, it is important for you to have a plan for your payment obligations during retirement.

7. What other fees and charges do I have to pay?

a) Stamp Duties

As per the Stamp Act 1949 (Amended 1989).

b) Legal Fees and Disbursement Fees

• Legal fees (and applicable tax, if any).
• Disbursement including fees for registration of charge/security and other related charges.

c) Processing Fees

- Nil -

d) Monthly Service Fee

Monthly fee of RM10 (and applicable tax, if any) per month throughout the tenure of the Facility.

e) Additional Rental Charges

Additional rental charges will be charged at RM40 per month if the average utilization rate (average outstanding balance divided by current month facility limit) for the month is less than 50%. Additional rental charges only be applied (if applicable) upon full disbursement of the Facility or upon first payment of Monthly Payment, whichever is earlier. When applicable, it only applies for the period of 5 years from the date of full disbursement or first Monthly Payment date, as the case may be.

8. What if I fail to fulfil my obligations?

- Late payment charges at the following rates, causing the total amount to be paid to increase:

i) 1% per annum on the outstanding monthly payment due during the tenure of the Facility calculated on daily rests.

ii) At a rate not exceeding the prevailing IIMM-rate (namely the daily weighted average overnight rate for Mudharabah interbank investment quoted in Malaysia's Islamic interbank money market) on the total outstanding purchase price, calculated on daily rest basis after expiry of the Tenure or after judgment is obtained (whichever is earlier) .

- We may set-off any credit balance in your accounts maintained with us or HSBC Bank Malaysia Berhad against any outstanding balance in this Facility.
- Legal action will be taken if you fail to respond to reminder notices issued. Your property may be foreclosed and you will have to bear all related costs. You are also responsible to settle any shortfall after your property is sold.
- Legal action against you may affect your credit rating leading to the credit being more difficult or expensive to you.
- You promise and undertake ~~(wa'd)~~ to purchase the Bank's entire undivided portion of beneficial ownership in the property on an irrevocable basis and the Bank may seek to enforce your undertaking (wa'd) at settlement amount upon the occurrence of an event of default as defined in the facility agreement for the Facility.
- In the event you failed to honour the undertaking, the Bank shall proceed to sell the property where the proceeds of sale shall be applied towards all costs charges and expenses incurred and payments made by the Bank; and in or towards any unpaid amount accruing and of all other moneys due and remaining unpaid under the facility agreement and the other 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 between the amount due under the Facility and the amount so realised from the proceeds of sale, you shall promptly pay such difference in full to the Bank.

9. What if I fully settle the Facility during the lock-in period?

Lock-in Period: XXX months from the date off first disbursement of the Facility

Early Settlement Costs : $\frac{\text{1.75\% x Facility Amount x Number of remaining months within the lock-in period}}{\text{Total lock-in period in months}}$

You are required to provide 1 month prior written notice to the Bank for full settlement of the Facility.

10. Do I need any takaful coverage?

You are to take adequate takaful protection for the property against loss or damage by fire, lightning, flood, earthquake, riot and strike, malicious damage, explosion and other relevant risks up to the replacement cost, for so long as the Facility is outstanding from any licensed and reputable takaful operators with the interest in the takaful certificate vested in the Bank as chargee/assignee.

11. What do I need to do if there are changes to my contact details?

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

12. 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:

Address	:	HSBC Amanah Malaysia Berhad, Level 28 Menara IQ Lingkaran TRX 55188 Tun Razak Exchange Kuala Lumpur Malaysia
Telephone	:	03 2075 6235
E-mail	:	complaints@hsbc.com.my

• Agensi Kaunseling dan Pengurusan Kredit has been established by Bank Negara Malaysia to provide free services on money management, credit counselling, financial education and debt restructuring for individuals. For enquiry, please call 03-2616 7766. You can contact AKPK at:

Level 5 and 6 Menara Bumiputra Commerce
Jalan Raja Laut
50350 Kuala Lumpur
Tel : 03-2616 7766
E-mail : enquiry@akpk.org.my

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

Address	:	Customer Experience Team HSBC Amanah Malaysia Berhad, Level 30 Menara IQ Lingkaran TRX 55188 Tun Razak Exchange Kuala Lumpur Malaysia
Telephone	:	03 2075 6235
E-mail	:	complaints@hsbc.com.my

• If your 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 : 03-21741515
E-mail : bnmtelelink@bnm.gov.my

13. Where can I get further information?

Should you require additional information about taking a home financing, please refer to the bankinginfo booklet on 'House Financing-i' available to all our branches and www.bankinginfo.com.my website.

14. Other home financing packages available:

MyHome Basic-i

IMPORTANT NOTE: YOUR HOUSE MAY BE FORECLOSED IF YOU DO NOT KEEP UP PAYMENTS ON YOUR HOME FINANCING

The information provided in this disclosure sheet is valid as at 09/07/2025

Version July 2025