

ALLIANCE LOW CARBON TRANSITION FACILITY-i (LCTF-i) Product Disclosure Sheet

PRODUCT DISCLOSURE SHEET Please read this Product Disclosure Sheet (PDS) before you decide to apply for Alliance Low Carbon Transition Facility-i. If your application has been approved, kindly ensure that you have read the terms in the letter of offer before accepting the Bank's offer for the facility. Please consult your relationship manager if you require clarification on the terms.	Alliance Islamic Bank Berhad ("Bank") Product name: Alliance Low Carbon Transition Facility-i (LCTF-i) Date:								
1. What is this product about?									
A long-term financing product offered to business entities under the BNM fund to encourage and catalyze Small & Medium Enterprise (SMEs) to transition to low carbon operations by adopting sustainability practices for business resilience for the following purposes: <ul style="list-style-type: none"> Capital Expenditure (CAPEX). 									
2. What is the Shariah contract applicable?									
<ul style="list-style-type: none"> The Shariah contract applicable is Murabahah via Tawarruq also known as Commodity Murabahah. Murabahah refers to a sale and purchase of an asset where the acquisition cost and the mark-up are disclosed to the purchaser. Tawarruq refers to two sale and purchase contracts where the first contract involves the sale of an asset to a purchaser on a deferred basis and the subsequent sale involves sale of the asset to a third party on a cash and spot basis. The sale and purchase contracts are carried out via a "dual-agency" arrangement. The Customer as principal shall appoint the Bank as agent via an Agency Appointment document (Wakalah contract) to: a) purchase commodities from the Bank; and b) sell the commodities to a third party on spot payment terms. The Bank purchases commodities from a supplier and subsequently enters into a Murabahah Contract with the customer for the sale of commodities to the customer on deferred payment terms at the Bank's Selling Price. Thereafter, the customer sells the same commodities to a third party on spot payment terms. Once the Tawarruq has been completed, the proceeds from the sale of commodities to the third party will be released to the customer. The sale and purchase transactions shall be effected through the Bank's approved commodity trading platform. The underlying asset for the sale and purchase transactions is Shariah compliant commodities (crude palm oil, London Metal Exchange metals, Platinum Group metals and other Shariah compliant commodities approved by the Bank). 									
3. What do I get from this product?									
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;">Facility Limit</td><td style="padding: 2px;">RM</td></tr> <tr><td style="padding: 2px;">Financing Tenure</td><td style="padding: 2px;">months</td></tr> <tr><td style="padding: 2px;">Effective Profit Rate (Prescribed Rate)</td><td style="padding: 2px;">% p.a. fixed</td></tr> <tr><td style="padding: 2px;">Bank's Selling Price</td><td style="padding: 2px;">RM _____</td></tr> </table>	Facility Limit	RM	Financing Tenure	months	Effective Profit Rate (Prescribed Rate)	% p.a. fixed	Bank's Selling Price	RM _____	<p>Formula:</p> <p>a) Annuity Factor (AF) = $\frac{i(1+i)^n}{(1+i)^n - 1}$</p> <p style="margin-left: 40px;">Where, i = Ceiling rate n = Total number of periodic payments</p> <p>b) Periodic Payments (PR) = AF x FA</p> <p style="margin-left: 40px;">Where, FA = Financing Amount</p> <p>c) Selling Price = PR x n</p> <p>Illustration:</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>Contracted Profit Rate</p> <ul style="list-style-type: none"> Bank's Purchase Price : RM1,000,000 (Cost of Financing) Effective Profit Rate : 12% Payment Period : 10 years Bank's Selling Price: RM1,721,640.00 </div> <p>Note: The above example is only for illustration. The final sale & purchase prices, rates & tenure will be based on the Bank's credit evaluation.</p>
Facility Limit	RM								
Financing Tenure	months								
Effective Profit Rate (Prescribed Rate)	% p.a. fixed								
Bank's Selling Price	RM _____								

4. What are my obligations?**Payment of Principal and Profit (Selling Price)**

The principal shall be paid in instalments monthly or in one lump sum at the end of the financing period (bullet payment). Profit may either be paid separate from the principal amount or together with the principal based on the principal instalment payment schedule.

Payment of Profit

Profit may either be paid separate from the principal amount on a monthly basis or together with the principal based on the principal instalment payment schedule.

Utilisation of LCTF-i for Shariah compliant purposes

The financing must not be utilised for Shariah prohibited business activities. (Examples: Activities involving alcohol, gambling, pig farming, pork-related products). For more information on Shariah prohibited activities, please enquire from any of our relationship managers.

5. What are the fees and charges I have to pay?

The following are the salient fees and charges applicable for the facility:

Fees and Charges	Details
Stamp Duty	As provided in the Stamp Duty Act 1949 (Revised 1989)
Documentation Fee	Nil
Brokerage Fee	Fees payable to the commodity trade service provider for commodity trading performed prior to disbursement of the financing. Unless notified by the Bank in writing to the customer, this fee will be borne by the Bank.

Note:

Unless otherwise specified herein, the Bank's charges exclude any current taxes and future taxes (if any) that may be imposed under the relevant legislation. Should any of such taxes be implemented in the future and whenever applicable, the Bank will be entitled to recover such taxes from you. You will be notified of any changes to the fees and charges at least twenty one (21) calendar days prior to the effective date(s) of such changes.

6. What if I fail to fulfil my obligations?

Late Payment Charges (LPC) will apply which will increase the total outstanding due to the Bank.

LPC is calculated as follows:

- (i) During the financing tenure up to the maturity date – Late payment charges at the Bank's actual cost up to a rate not exceeding 1% per annum or such other maximum rate prescribed by Bank Negara Malaysia on the overdue amount accruing from the due date up to the date of settlement.
- (ii) In the case of default causing the entire Facility to be recalled or brought to court for judgement prior to maturity – Late payment charges at the Bank's actual cost up to a rate not exceeding 1% per annum or such other maximum rate prescribed by Bank Negara Malaysia on the outstanding balance (outstanding principal and accrued profit) accruing from the due date up to the date of settlement or judgement (whichever is earlier).
- (iii) After maturity – Late payment charges at the Bank's actual cost up to a rate not exceeding the prevailing daily overnight Islamic Interbank Money Market (IIMM) rate prescribed by Bank Negara Malaysia on the outstanding balance (outstanding principal and accrued profit).
- (iv) Facility presented to the court for judgement - Late payment charges at the current prevailing IIMM rate prescribed by Bank Negara Malaysia on the outstanding balance (which excludes outstanding uncollected late payment charges and other costs prior to judgement) from the date of judgement until the judgement sum is fully settled.

Notwithstanding the above, the amount of compensation shall not be compounded.

Formula:

Late Payment Charges ("LPC") = Outstanding amount x LPC rate x No. of days overdue / 365 days

Example:

Monthly instalment	RM1,422
LPC rate	1% p.a.
LPC on November instalment in arrears	$RM1,422 \times 1\% \times 30/365 = RM1.16$
LPC on December instalment in arrears	$RM1,422 \times 1\% \times 31/365 = RM1.20$
Accumulated LPC (non-compounding)	$RM1.16 + RM1.20 = RM2.36$

- If any amount due for the facility remains unpaid for 3 consecutive months, your financing account shall be classified as Non-Performing Financing (NPF). This will affect your utilization of other banking facilities with the Bank.
- Right to set-off: The Bank has right to set-off any outstanding amount due from any of your deposit accounts maintained with the Bank with prior written notice.
- The Bank has the right to commence legal action against you and your guarantor (if any) and/or liquidate/foreclose the collateral provided (if any).

7. What if I fully settle the financing before its maturity?

- The facility may be redeemed at any time prior to the maturity of the Facility subject to at least 1 month prior written notice given to the Bank.
- The Bank shall grant rebate (*ibra'*) on the settlement date based on the formulas as set out below in the event of any of the following scenarios:
 - Early redemption / settlement, where the customer has given prior written notice to the Bank;
 - Settlement due to restructuring of the Facility;
 - Settlement by customer where the Facility is in default / after the Bank executed foreclosure proceedings and auctioned the asset pledged as collateral;
 - Settlement by customer in the event of termination or cancellation of Facility before the maturity date.

Formula

Settlement Amount = Outstanding Facility Amount + Profit due – rebate (*ibra'*) + Late Payment Charges (if any) + Miscellaneous charges (if any)

Where:

Rebate (*ibra'*) = Deferred profit – Early Settlement Charges (if any)

Note:

The remaining unearned profit is equal to unrealized profit at the time of full settlement. The calculation of rebate (*ibra'*) shall be made in accordance with the Guidelines on Ibra' (Rebate) for Sale-Based Financing issued by Bank Negara Malaysia.

8. Do I need any takaful coverage?

The Keyman takaful coverage is optional. Fire/Equipment All Risk policy on the CAPEX may be proposed.

9. What are the major risks?

- The Bank may take legal action if you do not honour your payment obligations to the Bank.

Note: If you are having difficulty in meeting your financing obligations, contact your relationship manager early to discuss payment options.

10. Do I need a guarantor or collateral?

The facility may either be offered as:

- Unsecured; or
- Secured by Guarantee (CGC/SJPP).

The security structure for the Facility is subject to the Bank's credit evaluation and approval.

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?

- Should you require additional information about our facilities and services, you may contact our business relationship managers at any of our nearest Branches/ banking business centres (<https://www.alliancebank.com.my/branch-locator>) or refer to our website at <https://alliancebank.com.my>.

Alliance Islamic Bank Berhad

Menara Multi-Purpose, Capital Square

No 8 Jalan Munshi Abdullah

50100 Kuala Lumpur

Tel: 1300-80-3388 (Malaysia) +603-5624 3888 (Overseas)

E-mail: info@alliancefg.com

Branch Operating Hours:Peninsular Malaysia

Mon-Fri: 9:15am to 4:15pm

Sat/Sun/Public Holiday: Closed

Self Service Terminal eLobby: 24hrs

Cheque Clearing Time: 4pm

East Malaysia

Mon-Fri: 9am to 4pm

Sat/Sun/Public Holiday: Closed

Self Service Terminal eLobby: 24hrs (except Miri, Sinsuran and Tawau – from 6am to 12am)

Cheque Clearing Time: 4pm

- If you have difficulties in making payments, you should contact your relationship manager as soon as possible to discuss payment alternatives. You may contact us at:

Alliance Islamic Bank Berhad, Consumer Collections, 2nd Floor, 3 Alliance, 3 Jalan SS15/2A, 47500 Subang Jaya, Selangor.

Tel: 03-5516 9988

Fax: 03-5516 9399

Email: info@alliancefg.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 individuals. You may also join the "Program Pengurusan Wang Anda (POWER)" to help your credit management. The contact details and list of branches are on AKPK's website at <https://www.akpk.org.my/contact-us>

Level 8, Maju Junction Mall, 1001, Jalan Sultan Ismail, 50250 Kuala Lumpur.

Tel: 03-26167766

Email: enquiry@akpk.org.my

- If you wish to lodge a complaint on the products or services provided by the Bank, you may contact the Bank at:
Alliance Bank Malaysia Berhad, Group Complaints Unit, 4 Floor, Menara Multi-Purpose, Capital Square, 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur.
Tel: 03-2604 3300 Fax: 03-2691 8229 Email: info@alliancefg.com
- If your query or complaint is not satisfactorily resolved by the Bank, 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 Email: bnmtelink@bnm.gov.my
- You may also contact Financial Markets Ombudsman Services (FMOS) at:
Level 14, Main Block, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur.
Tel: 03-2272 2811 Fax: 03-2272 1577 Email: enquiry@ofs.org.my Website: www.fmos.org.my

13. Where can I get further information?

If you would like to have more information about Low Carbon Transition Financing-i and/or our other products and services, please visit our Bank's website at <https://alliancebank.com.my/islamic> or contact your business relationship manager.

14. Other business products and services available

No.	Product/Service
1.	Islamic trade finance and services
2.	Cashline Facility-i
3.	Commodity Murabahah Revolving Credit-i
4.	Business Premise Financing-i
5.	Industrial Hire Purchase-i

15. Disclaimer

This Product Disclosure Sheet is for information purposes and shall not be construed as an obligation by the Bank to grant facilities to you. The terms herein are subject to the Bank's credit evaluation and approval.

The information provided in this product disclosure sheet is valid as at _____.

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT HONOUR YOUR PAYMENT OBLIGATIONS FOR THE FACILITY.

ACKNOWLEDGEMENT BY CUSTOMER:

I/We acknowledge that I/we have read and understood the features of the product, its salient terms and the obligations attached to it. I/we understand that this product disclosure sheet is only for information purposes and shall not be construed as an offer by the Bank or an obligation by the Bank to grant any facilities to us.

Name:

Date: