



Small Medium Enterprise Development  
Bank Malaysia Berhad (49572-H)

## SME TECHNOLOGY TRANSFORMATION FUND (STTF)

Date :

## PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to take-up the SME Technology Transformation Fund (STTF). Be sure to also read the terms in the Letter of Offer. Seek clarification from your Institution if you do not understand any part of this document or the general terms)

### 1. What is the Program about?

STTF is a program to finance the upgrading/enhancement/rectification of SMEs technologies in order to achieved higher productivity, improving process efficiency, efficient cost management and penetrating the export market.

### 2. What is the product(s) offered under the Program?

- **Commodity Murabahah Term Financing-i (CMTF-i)**  
CMTF-i is a term financing for fixed asset acquisition and/or working capital and is calculated based on a flat rate basis.
- **Commodity Murabahah Revolving Financing-i (CMRF-i)**  
CMRF-i is a revolving financing for working capital purposes and is calculated based on a flat rate basis.
- **Ijarah Thummal Bai` Term Financing-i (ITBTF-i)**  
ITBTF-i is a leasing facility for fixed asset acquisition and is calculated based on a flat rate basis.

### 3. What is the Shariah concept(s) applicable?

- **Commodity Murabahah/Tawarruq**  
A Tawarruq consists of two (2) sale and purchase contracts where the first involves the sale of an asset by the Bank to the customer on a deferred basis and the subsequent sale of the same asset by the customer to a third party on a cash and spot basis.
- **Ijarah Thummal Bai`**  
Ijarah Thummal Bai` refers to an Ijarah (leasing) contract to be followed by a Bai` (Sale). Under the first contract, the Bank as owner leases out an asset to the customer as hirer at an agreed rental payment over a specified period. Upon expiry of the leasing period, the hirer enters into a second contract to purchase the asset from the owner at an agreed price.

### 4. What do I/we get from this Program?

Financing Amount :	Max RM5,000,000.00	Tenure :	Fixed Asset/Fixed Working Capital – up to 5 years
Purpose :	Financing of Fixed Assets (Machinery/Equipment) Financing of Working Capital (Fixed/Revolving) Financing of Plant and Factory Renovation		Revolving Working Capital – up to 5 years, subject to annual review
Margin of Financing :	New Machinery/Equipment – Up to 80% Used/reconditioned Machinery/Equipment – Up to 70% Factory Renovation/Working Capital – up to 100%	Ceiling Rate :	10.95% p.a.
		Prevailing Rate :	4.0% flat p.a. (Effective Rate: 7.42% p.a. for 5 year tenure)

### 5. What are my/our obligations?

#### Illustration for CMTF-i:

- Bank's Purchase Price (Financing Amount) : RM1,000,000.00
- Tenure : 5 years
- Ceiling Profit Rate : 10.95% p.a.
- Bank's Sale Price : RM1,547,500.00
- Prevailing Profit Rate : 4.0% flat p.a. (Effective Rate: 7.42% p.a.)
- Monthly Instalment : RM20,000.00
- Total amount of payment at the end of 5 years : RM1,200,000.00

- If applicable, Ibra` (rebate) may be granted if there is a difference between Ceiling Profit Rate and Prevailing Profit Rate.
- Payment can be in the form of cash, cheque or online banking from any participating bank.

**Note: The above example is only for illustration. The illustration may not show the specific circumstances or obligations of each CMRF-i**

#### **Illustration for CMRF-i:**

- Bank's Purchase Price (Financing Amount) : RM1,000,000.00
- Tenure : 5 years, subject to annual review
- Ceiling Profit Rate : 10.95% p.a.
- Bank's Sale Price : RM1,547,500.00
- Prevailing Profit Rate : 4.0% flat p.a. (Effective Rate: 7.42% p.a.)
- Profit portion shall be paid on monthly by Customer's own fund or utilisation of the facility limit.
- Principal portion shall be paid at the end of the tenure (bullet payment). Any principal portion paid prior to maturity shall reinstate the facility up to the approved limit.
- If applicable, Ibra` (rebate) may be granted if there is a difference between Ceiling Profit Rate and Prevailing Profit Rate.

	<b>1<sup>st</sup> Utilisation</b>	<b>2<sup>nd</sup> Utilisation</b>
<b>Amount</b>	RM250,000.00	RM100,000.00
<b>Accumulated Utilisation Amount</b>	RM250,000.00	RM350,000.00
<b>Available Limit</b>	RM750,000.00	RM650,000.00
<b>Prevailing Profit Rate (4.0 % flat rate)</b>	7.42% p.a.	7.42% p.a.
<b>Monthly Profit on Accumulated Utilisation Amount</b>	RM1,524.66	RM2,205.67

- Payment can be in the form of cash, cheque or online banking from any participating bank.

**Note: The above example is only for illustration. The illustration may not show the specific circumstances or obligations of each CMRF-i**

#### **Illustration for ITBTF-i:**

- Bank's Purchase Price (Financing Amount) : RM1,000,000.00
- Tenure : 5 years
- Ceiling Rental Rate : 10.95% p.a.
- Total Rental : RM1,547,500.00
- Prevailing Rental Rate : 4.0% flat p.a. (Effective Rate: 7.42% p.a.)
- Monthly Instalment : RM20,000.00
- Total amount of payment at the end of 5 years : RM1,200,000.00
- If applicable, Ibra` (rebate) may be granted if there is a difference between Ceiling Rental Rate and Prevailing Rental Rate.
- Payment can be in the form of cash, cheque or online banking from any participating bank.

**Note: The above example is only for illustration. The illustration may not show the specific circumstances or obligations of each ITBTF-i**

#### **6. When I/we will be granted the Ibra` (rebate)?**

Ibra` (rebate) shall be granted to you when you settle the facility before the end of the financing tenure. Settlement prior to the end of the financing tenure shall include, but is not limited to, the following situations:

- early settlement or early redemption, including those arising from prepayments;
- settlement of the original financing contract due to financing restructuring exercise;
- settlement in the case of default; and
- settlement in the event of termination or cancellation of financing before the maturity date.

If applicable, Ibra` (rebate) may be granted if there is a difference between Ceiling Rate and Prevailing Rate.

#### **7. What are the charges that I/we have to pay?**

##### **a) Stamp Duties:**

As per the Stamp Duty Act 1949 (Revised 1989).

##### **b) Legal fee / Company searches:**

As charged by the Lawyer.

**c) Brokerage Fee**

The fees payable is shared equally between the Bank and the customer.

**d) Valuation report:**

As charged by the Valuer.

**e) Takaful/Insurance coverage:**

Takaful/Insurance coverage is mandatory if the asset is given as security for the financing.

**f) Late payment charges:**

- Before Maturity – Overdue Instalment(s) x 1.0% x No. of Day(s) Overdue / 365
- After Maturity – Outstanding Balance x IIMMR x No. of Day(s) Overdue / 365
- Post Judgement – Judgement Sum x IIMMR x No. of Day(s) Overdue / 365

Note: IIMMR = Islamic Interbank Money Market Rate (%)

**8. What if I/we fail to fulfill my/our obligations?**

- Late payment charges stated above will increase the total outstanding.
- If your monthly instalment remains unpaid after 6 months, your financing account shall be classified as Non-Performing Financing (NPF). This will affect your further utilisation of other banking facilities with the Bank.
- Legal action will be taken if you fail to respond to reminder notices. The security may be enforced and you will have to bear all costs. You are also responsible to settle any shortfall after the security is disposed.
- Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.

**9. What if I/we fully settle the financing before its maturity?**

Depending on the specific terms of each facility, you may be subject to early settlement charges if you fully settle during the Lock-in Period (if any).

**10. Do I/we need a guarantor or collateral?**

The Bank will evaluate this requirement and advise you on it before we offer the CMTF-i/CMRF-i/ITBF-i facility(ies) under the Program.

**11. What do I/we need to do if there are changes to my/our contact details?**

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

**12. Where can I/we get assistance and redress?**

- If you have difficulties in making payments, you should contact us as soon as possible to discuss payment alternatives. You may contact us at:  
Customer Contact Centre: 1-800-88-3131 Website: [www.smebank.com.my](http://www.smebank.com.my)
- If you wish to complaint about the products and services provided by us, you may contact us at 1-800-88-3131 or email us at [customercare@smebank.com.my](mailto:customercare@smebank.com.my) or send your letter to:  
Head of Customer Service Management  
Level 8, Menara SME Bank  
Jalan Sultan Ismail  
50250 Kuala Lumpur
- If our reply to your query or complaint is not satisfactory to you, you may contact Bank Negara Malaysia LINK or BNM TELELINK at:  
Tingkat Bawah, Block D  
Bank Negara Malaysia  
Peti Surat 10922  
50929 Kuala Lumpur  
Tel: 1-300-88-5465  
Fax: 03-21741515  
E-mail: [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.my)

**13. Where can I/we get further information?**

Should you require additional information of the product, please refer to our brochures, which is available at our nearest branch or our website at [www.smebank.com.my](http://www.smebank.com.my) or call our Call Centre 1800 88 3131.

For more information on obtaining a financing facility, please refer to *banking info* booklet, available at all our branches and the [www.bankinginfo.com.my](http://www.bankinginfo.com.my) website.

**14. Other asset financing packages available?**

The Bank also provide asset financing, working capital financing, contract financing, i-EPF, CMTF-i, CMRF-i, and dedicated product programs such as i-SPLASH, i-REACH and i-SURF.

**IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF PAYMENTS ON YOUR FINANCING FACILITY(IES) ARE NOT PAID PROMPTLY ON THE DUE DATES**

The information provided in this disclosure sheet is valid as at **14 June 2016**