

## PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to take-up the Tawarruq Term Financing (TWF). Be sure to also read the terms in the Letter of Offer. Seek clarification from PLC Credit & Factoring Sdn Bhd ("PLCCF") if you do not understand any part of this document or the general terms)



**PLC Credit & Factoring Sdn Bhd**

**Tawarruq Term Financing (TWF)**

### **1. What is the product about?**

Tawarruq Term Financing is a term financing facility offered to eligible clients to expand and grow their businesses.

### **2. What is the purpose of the product?**

- i) To part finance working capital requirement for project financing including advances, operating expenditures and pre-operating expenditures.
- ii) To part finance the acquisition of specific Shariah compliant asset.

### **3. What is the Shariah concept that is applicable?**

The Shariah concept applied is Tawarruq, which is also known as Commodity Murabahah. It consists of two sale and purchase contracts. The first involves the sale of an asset by a seller to a purchaser on a deferred basis. Subsequently, the purchaser of the first sale will sell the same asset to a third party on a cash and spot basis.

The brief structure and flow are as follows:

1. Upon request and undertaking by the Customer to purchase an identified Commodity, PLCCF (or its agent) acquires the Commodity from the supplier, on cash basis. PLCCF (or its agent) is also authorized by the Customer to conclude sale and purchase transactions that will be performed afterwards and to take possession of the Commodity (if requested by the Customer).
2. PLCCF (or its agent) then sells the Commodity to the Customer at the Selling Price (comprising of Purchase Price and profit), to be paid on deferred basis. The Customer is now the owner of the Commodity upon acceptance by PLCCF (or its agent).
3. PLCCF (or its agent) upon instruction by the Customer, sells the Commodity to other suppliers, on cash basis for disbursement purpose.
4. The deferred Selling Price is payable by the Customer on lump sum or instalment basis based on the agreed tenure and payment schedule to be issued by PLCCF from time to time.

#### Commodity:

Crude palm oil or such other Shariah compliant commodities (excluding *ribawi* items in the category of medium of exchange such as currency, gold and silver) acceptable by PLCCF.

<b>4. What do I/we get from this product?</b>	
Financing Amount / Purchase Price (PP)	Up to Single Customer Limit of PLCCF
Tenure	Up to 5 years
Margin of Financing	Up to 100%
Profit Rate	Fixed Rate between 7.3% to 8.0% per annum
Selling Price (SP)	Purchase Price (PP) plus Profit
<p><b>Note:</b>  <i>The approved amount, tenure, margin of financing and profit rate of your Facility is subject to the credit assessment and credit rating.</i></p>	
<b>5. What are my/our obligations?</b>	
<ul style="list-style-type: none"> <li>i) To pay Selling Price as per payment arrangement.</li> <li>ii) You are required to fully settle the financing amount upon expiry of tenure.</li> <li>iii) Any other agreed obligations as stipulated under Facility Agreement, Security Documents and Transaction Documents.</li> </ul>	
<b>6. What are the charges that I/we have to pay?</b>	
<p>The facility may attract including but not limited to the following fees and charges, whenever applicable:</p> <ul style="list-style-type: none"> <li>i) Stamp Duties as per the Stamp Duty Act 1949 (Revised 1989)</li> <li>ii) Processing Fee</li> <li>iii) Processing Fee for changes or variations made to the accepted Letter of Offer</li> <li>iv) Actual Fees or Transaction Fee of RM15.00 for every RM1.0 million of amount financed</li> <li>v) Legal Fees (if applicable)</li> <li>vi) Sales &amp; Services Tax (if applicable)</li> <li>vii) Details on the fees and charges can be referred to the Letter of Offer.</li> </ul>	
<b>7. What if I/we fail to fulfill my obligations?</b>	
<p>In general, PLCCF may impose compensation on late payment (<i>Ta'widh</i>) at the following rate:</p> <ul style="list-style-type: none"> <li>i) <i>Ta'widh</i> at 1% per annum on the overdue instalment (where applicable) during the tenure of the Facility.</li> <li>ii) <i>Ta'widh</i> at the prevailing daily overnight of Islamic Interbank Money Market (IIMM) rate or other rates that Bank Negara Malaysia may specify against the outstanding Selling Price (subject to <i>Ibra'</i> if applicable) if the overdue continues beyond the maturity date of the Facility.</li> <li>iii) <i>Ta'widh</i> on Advance Payment shall be at the rate of one per centum (1%) per annum or other rate that Bank Negara Malaysia may specify against the amount due commencing</li> </ul>	

from the next day after one (1) day of grace period until full payment of such amount is made.

Legal action may be taken against you by PLCCF if you fail to respond to reminder notices. It may affect your credit rating which may lead to credit being more difficult or expensive to you.

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

PLCCF shall grant *Ibra'* (rebate) under the following circumstances, subject to applicable terms and conditions:

- i) Early redemption of full Selling Price (Please refer to Illustration of *Ibra'* (rebate) as per Attachment 1).
- ii) Partial redemption of Selling Price.
- iii) Facility is not fully disbursed.

Note: For ii) and iii), *Ibra'* (rebate) to be granted at the end of financing tenure.

#### **9. Do I/we need a guarantor/security/collateral/takaful coverage?**

Yes. Among the security requirement include but not limited to assignment of contract proceeds / concession agreement / project account / Takaful certificate/insurance policy, project assets, debenture, guarantee from individual and corporate shareholders etc. depending on the type of project and financing.

The Guarantor as surety shall be liable to PLCCF as creditor for the default committed by the Customer as the principal debtor.

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

#### **10. What are the major risks?**

In the event of any breach by the Customer or any of its related or associated companies of the terms and conditions, stipulations and arrangements contained in the Letter of Offer and any other agreement or arrangement between the Customer or any of its related or associated companies with PLCCF or any other banks shall be deemed to be a breach and shall entitle PLCCF to enforce all or any of the remedies available to PLCCF.

#### **11. What do I/we 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/we get assistance and redress?**

- If you have any enquiries with regard to the facility or difficulties in making monthly payments, you should contact us earliest possible to discuss payment alternatives. You may contact:

Sales & Marketing  
Level 18, Menara Bank Pembangunan,  
Bandar Wawasan, 1016, Jalan Sultan Ismail,  
50250 Kuala Lumpur.  
Tel: 03-2690 1010  
Email: [harman@plccf.com.my](mailto:harman@plccf.com.my)

- 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 and debt restructuring. You may contact AKPK at:

Level 5 and 6,  
Menara Bumiputra Commerce,  
Jalan Raja Laut,  
50350 Kuala Lumpur.  
Tel : 03-2616 7766  
Website: <https://www.akpk.org.my/my>

- If you wish to complain about the products and services provided by PLCCF, you may contact:

Corporate Communications  
Level 27, Menara Bank Pembangunan  
Bandar Wawasan, 1016, Jalan Sultan Ismail,  
50250 Kuala Lumpur.  
Tel: 03-2611 3888  
Email: [feedback@bpmb.com.my](mailto:feedback@bpmb.com.my)

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

Should you require additional information of the product, please refer to our brochures or our website at <https://www.plccf.com.my> or call 03-2690 1010 (Sales & Marketing Division).

### 14. Other products available?

PLCCF also provide Hire Purchase-i (Scheduled), Hire Purchase-i (Non-Scheduled), Revolving Factoring-i, Bank Guarantee-i, Letter of Credit-i and Letter of Guarantee-i.

### IMPORTANT NOTE :

**LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP PAYMENTS ON YOUR FINANCING.**

The information provided in this product disclosure sheet is updated on 19<sup>th</sup> February 2021.

Explained by:

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 PLCCF's staff.

\_\_\_\_\_  
PLCCF's Staff Name :  
Designation :  
Date :

\_\_\_\_\_  
Client's Representative Name :  
Designation :  
Date :

**ILLUSTRATION OF REBATE (IBRA')**

-FLEXI REBATE PAYMENT SCHEDULE

Attachment 1

Amount Approved	1,000,000.00
Contracted Profit rate (CPR)	10.0%
Effective Profit rate (EPR)	7.3%
Tenure including GP (yrs)	3
Grace Period GP (yrs)	1
Frequency	12
No. Installment	36

CSP	Contracted Selling Price
EIN	Effective Installment
UEP	Unearned Profit

No.	CSP Installment	EIN Installment	EPR Payment	EPR Rate	Principle Payment	Gross CSP	UEP Balance	Net CSP Balance
	(1,000,000.00)	(1,000,000.00)			1,000,000.00	1,207,478.23	207,478.23	1,000,000.00
1	8,333.33	6,083.33	6,083.33	7.30%	-	1,201,394.90	201,394.90	1,000,000.00
2	8,333.33	6,083.33	6,083.33	7.30%	-	1,195,311.57	195,311.57	1,000,000.00
3	8,333.33	6,083.33	6,083.33	7.30%	-	1,189,228.23	189,228.23	1,000,000.00
4	8,333.33	6,083.33	6,083.33	7.30%	-	1,183,144.90	183,144.90	1,000,000.00
5	8,333.33	6,083.33	6,083.33	7.30%	-	1,177,061.57	177,061.57	1,000,000.00
6	8,333.33	6,083.33	6,083.33	7.30%	-	1,170,978.23	170,978.23	1,000,000.00
7	8,333.33	6,083.33	6,083.33	7.30%	-	1,164,894.90	164,894.90	1,000,000.00
8	8,333.33	6,083.33	6,083.33	7.30%	-	1,158,811.57	158,811.57	1,000,000.00
9	8,333.33	6,083.33	6,083.33	7.30%	-	1,152,728.23	152,728.23	1,000,000.00
10	8,333.33	6,083.33	6,083.33	7.30%	-	1,146,644.90	146,644.90	1,000,000.00
11	8,333.33	6,083.33	6,083.33	7.30%	-	1,140,561.57	140,561.57	1,000,000.00
12	8,333.33	6,083.33	6,083.33	7.30%	-	1,134,478.23	134,478.23	1,000,000.00
13	46,144.93	44,908.70	6,083.33	7.30%	38,825.37	1,089,569.53	128,394.90	961,174.63
14	46,144.93	44,908.70	5,847.15	7.30%	39,061.56	1,044,660.82	122,547.75	922,113.07
15	46,144.93	44,908.70	5,609.52	7.30%	39,299.18	999,752.12	116,938.23	882,813.89
16	46,144.93	44,908.70	5,370.45	7.30%	39,538.25	954,843.41	111,567.78	843,275.63
17	46,144.93	44,908.70	5,129.93	7.30%	39,778.78	909,934.71	106,437.85	803,496.85
18	46,144.93	44,908.70	4,887.94	7.30%	40,020.77	865,026.00	101,549.91	763,476.09
19	46,144.93	44,908.70	4,644.48	7.30%	40,264.23	820,117.30	96,905.44	723,211.86
20	46,144.93	44,908.70	4,399.54	7.30%	40,509.17	775,208.59	92,505.90	682,702.70
21	46,144.93	44,908.70	4,153.11	7.30%	40,755.60	730,299.89	88,352.79	641,947.10
22	46,144.93	44,908.70	3,905.18	7.30%	41,003.53	685,391.18	84,447.61	600,943.57
23	46,144.93	44,908.70	3,655.74	7.30%	41,252.96	640,482.48	80,791.87	559,690.61
<b>24</b>	<b>46,144.93</b>	<b>44,908.70</b>	<b>3,404.78</b>	<b>7.30%</b>	<b>41,503.92</b>	<b>595,573.77</b>	<b>77,387.09</b>	<b>518,186.69</b>
25	46,144.93	44,908.70	3,152.30	7.30%	41,756.40	550,665.07	74,234.78	476,430.28
26	46,144.93	44,908.70	2,898.28	7.30%	42,010.42	505,756.36	71,336.50	434,419.86
27	46,144.93	44,908.70	2,642.72	7.30%	42,265.98	460,847.66	68,693.78	392,153.88
28	46,144.93	44,908.70	2,385.60	7.30%	42,523.10	415,938.95	66,308.18	349,630.78
29	46,144.93	44,908.70	2,126.92	7.30%	42,781.78	371,030.25	64,181.25	306,848.99
30	46,144.93	44,908.70	1,866.66	7.30%	43,042.04	326,121.54	62,314.59	263,806.95
31	46,144.93	44,908.70	1,604.83	7.30%	43,303.88	281,212.84	60,709.76	220,503.07
32	46,144.93	44,908.70	1,341.39	7.30%	43,567.31	236,304.13	59,368.37	176,935.76
33	46,144.93	44,908.70	1,076.36	7.30%	43,832.35	191,395.43	58,292.01	133,103.42
34	46,144.93	44,908.70	809.71	7.30%	44,098.99	146,486.72	57,482.30	89,004.42
35	46,144.93	44,908.70	541.44	7.30%	44,367.26	101,578.02	56,940.86	44,637.16
36	46,144.93	44,908.70	271.54	7.30%	44,637.16	56,669.31	56,669.31	(0.00)
<b>Total</b>	<b>1,207,478.23</b>	<b>1,150,808.92</b>	<b>150,808.92</b>		<b>1,000,000.00</b>	<b>56,669.31</b>	<b>56,669.31</b>	<b>(0.00)</b>

Note: Rebate Ibra' amounting to RM77,387.09 shall be granted to the Customer if full settlement be made in n24

(0.00)