

PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to take-up the Factoring-*i* and Credit-*i* Facilities. 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 **Factoring-*i* and Credit-*i* Facilities**

1. What is the product about?

Factoring-*i* and Credit-*i* Facilities are secured financing (with recourse) offered to eligible clients against invoice issued by client of PLCCF ("Client") to the Contract Awarder ("Customer"). The financing is extended to part finance working capital requirement and payment to the supplier or vendor as part of the activities to supply asset / services to the Customer under the relevant contract.

Factoring-*i* Facility could be packaged with Credit-*i* Facilities which inclusive of Bank Guarantee-*i* (BG-*i*), Letter of Credit-*i* (LC-*i*), Letter of Guarantee-*i* (LG-*i*) with Factoring clause, Letter of Guarantee-*i* (LG-*i*) without Factoring clause and Cash-*i*. The Facilities could be classified into two types: General or Specific.

2. What is the purpose of the product?

Factoring- <i>i</i>	To finance invoices/certified claim/progress claim / payment certificates for the contract awarded by the Customer.
BG- <i>i</i>	For issuance of performance bond in favour of Customer to guarantee performance of the Client in fulfillment of obligations specified in a Contract executed between Customer and Client.
LC- <i>i</i>	To facilitate for the local purchase and/or importation of goods on sight and usance term related to the nature of the business only.
LG- <i>i</i>	To facilitate purchases of goods related to the nature of the business only.
Cash- <i>i</i>	i) For the purpose of payment to supplier via liquidation of LC- <i>i</i> and/or LG- <i>i</i> . ii) To facilitate the payment of BG- <i>i</i> (if called by Customer).

3. What is the Shariah concept that is applicable?

Factoring- <i>i</i>	Bai Dayn Bi Al-Sila' (sale of debt with commodity) Under this arrangement, the Client sells the invoices to PLCCF in exchange of the commodity.
BG- <i>i</i>	Wakalah and Kafalah (two (2) separate and independent contract) Wakalah, a contract where a party, as principal (muwakkil) authorizes another party as his agent (wakil) to perform a particular task on matters that may be delegated, with or without imposition of a fee. Under this arrangement, PLCCF will act as the Client's agent to arrange for the issuance of BG- <i>i</i> to be issued by PLCCF's partner bank.

	<p>Kafalah, a surety given by one party who agrees to discharge the liabilities of a third party in the event the third party defaults in fulfilling its obligations. Under this arrangement, PLCCF as a guarantor conjoins the guaranteed party (the Client) in assuming the Client's specified liability.</p>
LC-i	<p>Wakalah and Kafalah (two (2) separate and independent contract)</p> <p>Wakalah, a contract where a party, as principal (muwakkil) authorizes another party as his agent (wakil) to perform a particular task on matters that may be delegated, with or without imposition of a fee. Under this arrangement, PLCCF will act as the Client's agent to arrange for the issuance of LC-i to be issued by PLCCF's partner bank.</p> <p>Kafalah, a surety given by one party who agrees to discharge the liabilities of a third party in the event the third party defaults in fulfilling its obligations. Under this arrangement, PLCCF as a guarantor conjoins the guaranteed party (the Client) in assuming the Client's specified liability.</p>
LG-i	<p>Kafalah</p> <p>It is a surety given by one party who agrees to discharge the liabilities of a third party in the event the third party defaults in fulfilling its obligations. Under this arrangement, PLCCF as a guarantor conjoins the guaranteed party (the Client) in assuming the Client's specified liability.</p>
Cash-i	<p>Tawarruq (Commodity Murabahah)</p> <p>It consists of two (2) 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.</p> <p>The brief structure and flow are as follows:</p> <ol style="list-style-type: none"> 1. Upon request and undertaking by the Client 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 Client to conclude sale and purchase transactions that will be performed afterwards and to take possession of the Commodity (if requested by the Client). 2. PLCCF (or its agent) then sells the Commodity to the Client at the Selling Price (comprising of Purchase Price and profit), to be paid on deferred basis. The Client is now the owner of the Commodity upon acceptance by PLCCF (or its agent). 3. PLCCF (or its agent) upon instruction by the Client, sells the Commodity to other suppliers, on cash basis for disbursement purpose. 4. The deferred Selling Price is payable by the Client on lump sum or instalment basis based on the agreed tenure and payment schedule to be issued by PLCCF from time to time. <p><u>Commodity:</u> Crude palm oil or such other Shariah compliant commodities (excluding <i>ribawi</i> items in the category of medium of exchange such as currency, gold and silver) acceptable by PLCCF.</p>

4. What do I/we get from this product?	
Factoring-i	
Financing Amount	Up to Single Customer Limit ("SCL") of PLCCF <i>Note: SCL = 25% of PLCCF's Shareholders Fund.</i>
Facility Tenure	Up to 180 days
Margin of Financing	Not exceeding 90% of the purchase price of the receivables. The margin stipulated herein is subject to changes at the discretion of PLCCF.
Balance Purchase Price	Not more than 10% of the purchase price of the receivables after the deduction of all overdue outstanding invoices, settlement of any outstanding amount under BG-i/ LC-i/ LG-i/Cash-i and fees/charges due to PLCCF.
Factoring Charge	1.0% to 1.5% of the purchase price of the receivables subject to a minimum factoring charge of RM100.00 per disbursement.
Profit Rate	8% to 12% per annum on a daily basis or such other rate as may be prescribed by PLCCF from time to time at PLCCF's discretion.
BG-i	
Amount	Subject to Contract requirement
Facility Tenure	Approximate period of the Contract plus the defect liability period or any other period as may be agreed by PLCCF and Client.
Commission (Ujrah)	0.2% to 0.3% per month of the guaranteed sum subject to a minimum of Ringgit Malaysia One Hundred (RM100.00) only.
Issuance Fee (Ujrah)	Ringgit Malaysia Five Hundred (RM500.00) per issuance.
Security Deposit	100% deposit of full amount of the BG-i payable as follows: - a. 10% of the guaranteed sum payable before the issuance of the BG-i; b. 90% of the guaranteed sum payable through deduction of minimum 10% from each invoice(s)/Contract(s) factored and to be fully deducted by end of the Contract. Subject to due observance of the terms in the Letter of Offer, the Security Deposit will be returned to the Client upon full settlement of all facilities without profit.
Other Terms	In the event that any BG-i issued without specific claims period shall not be returned for cancellation within one (1) month from its expiry date(s), PLCCF shall be entitled to charge additional fee of Ringgit Malaysia One Hundred (RM100.00) only on the Client.
LC-i	
Amount	Maximum 90% of supplier(s) invoice.
Facility Tenure	Up to 180 days

Commission (Ujrah)	A flat fee of 0.2% to 0.3% per month on the value of the LC-i, which shall be paid to PLCCF before the issuance of the LC-i (via PLCCF's partner bank), together with all direct expenses incurred by PLCCF.
Issuance Fee (Ujrah)	Ringgit Malaysia Five Hundred (RM500.00) per issuance.
Down Payment	1% to 30% (or such a percentage as may be determined by PLCCF in its absolute discretion) of the value of the invoice payable to PLCCF or supplier (supported with proof payment) before the issuance of the LC-i.
Additional Charges	<p>i) A sum of Ringgit Malaysia One Hundred and Fifty (RM150-00) only shall be chargeable to the Client for each request for amendments / additions / variations or other changes be made after the issuance of the LC-i.</p> <p>ii) In the event the disbursement to the supplier is made after the expiry of the LC-i, PLCCF shall be entitled to charge you 0.2% or any percentage as may be prescribed by PLCCF on the amount of LC-i.</p>
Other Fees	In the event should PLCCF be required to arrange for a Shipping Guarantee, pending clearance of shipping documents, an additional fee of 0.2% flat (subject to a minimum fee of Ringgit Malaysia Fifty (RM50.00) only) on such value of the LC-i shall be chargeable from the date of issuance of the said Shipping Guarantee right up to the release of the said Shipping Guarantee to PLCCF. Additionally, in the event for any reason whatsoever the said Shipping Guarantee is not returned to PLCCF after 30 days from the date of issuance thereof, a further and additional fee of 0.7% per annum or minimum of Ringgit Malaysia Thirty (RM30.00) only shall be chargeable right up to the date of release of the same to PLCCF.
LG-i (with / without Factoring clause)	
Amount	As requested by Client subject to available balance and PLCCF's approval.
Facility Tenure	Up to 180 days
Issuance Fee (Ujrah)	Ringgit Malaysia Five Hundred (RM500.00) per issuance.
Charges (Ujrah)	0.2% to 0.3% per month on the gross sum of the LG-i or Ringgit Malaysia One Hundred (RM100.00) only whichever is higher, payable prior to the issuance of the LG-i.
Additional Charges	<p>i) Ringgit Malaysia One Hundred and Fifty (RM150-00) only shall be chargeable to the Client for each request for amendments/additions/ variations or other changes be made after the issuance of the LG-i.</p> <p>ii) In the event the Client requests for the extension of the LG-i upon its expiry, PLCCF shall be entitled to charge the Client 0.2% per month on the remaining balance of the LG-i or Ringgit Malaysia One Hundred (RM100.00) only whichever is higher together with processing fee not exceeding Ringgit Malaysia Five Hundred (RM500.00), all payable prior to the extension of the same.</p>

Cash-i	
Purchase Price	The purchase price as stated in the Tawarruq transaction documents and shall be determined based on the amount approved by PLCCF.
Selling Price	The selling price as stated in the Tawarruq transaction documents.
Facility Tenure	Up to 180 days
Profit Rate	8% to 12% per annum.
<p>Note: <i>The approved amount, tenure, margin of financing, profit rate, commission, issuance fee, charges and down payment of your Facility is subject to the credit assessment and credit rating.</i></p>	
5. What are my/our obligations?	
<ul style="list-style-type: none"> i) Receipt by PLCCF of the duly acknowledged letter of notification of assignment of receivables (LON) or irrevocable letter of instruction (ILOI) by the Customer in a format prescribed by PLCCF. ii) Client shall guarantee the receivables purchased by PLCCF be paid by the Customer on the due date and shall be liable to pay PLCCF the full amount of the receivables purchased by PLCCF or any part thereof remaining unpaid when it becomes due. iii) Invoice(s) to be factored must be current and do not exceed the Tenure. iv) All receivables to be factored must be undisputable and not subject to the following: - <ul style="list-style-type: none"> o Consignment and/or cash sales; o Payment terms for the Customer exceeding the Tenure; o On a Customer which is an associated company of the Client; o On a Customer where there may be monies due to the Customer from the Client or the Client's associated company or sales involving contra items; o Such other conditional sales arrangement or on abnormal terms or on terms not previously notified to PLCCF. v) Receipt by PLCCF of the Disbursement Notice from the Client, substantially in the form as stipulated by PLCCF, of not less than seven (7) business days prior to the intended issuance date for Credit-i facilities and such Disbursement Notice once given by the Client shall be irrevocable. vi) Any other agreed obligations as stipulated under Facility Agreement, Security Documents and Transaction Documents. 	
6. What are the charges that I/we have to pay?	
<p>The facility may attract including but not limited to the following fees and charges, whenever applicable:</p> <ul style="list-style-type: none"> i) Stamp Duties as per the Stamp Duty Act 1949 (Revised 1989) ii) Processing Fee iii) Processing Fee for changes or variations made to the accepted Letter of Offer iv) Legal Fees (if applicable) 	

v) Sales & Services Tax (if applicable)

vi) Details on the fees and charges could be referred to the Letter of Offer.

7. What if I/we fail to fulfill my obligations?

- i) PLCCF shall have the right not to allow any further disbursement if there is any money due and payable in respect of any receivable purchased by PLCCF.
- ii) Where the amount payable in respect of any receivable is disputed by the Customer for any reason whatsoever, PLCCF shall be entitled either to withhold and retain the Margin of Financing until payment made in respect of such outstanding invoices are received in full or to utilize the Margin of Financing to set-off against such outstanding invoices or outstanding amount(s) from any of the Client's accounts or to treat as set-off such outstanding charges due and owing to any of PLCCF's holding company, subsidiary company or related or associated company, and treat such set-off as deemed payment of the Margin of Financing to you.
- iii) Should there be a claim on any BG-i, PLCCF reserves the right to immediately debit the Client's account with the amount claimed and the Client shall arrange to have funds available for this purpose.
- iv) PLCCF may impose compensation on late payment (*Ta'widh*) and penalty (*Gharamah*) at the following rate:
 - *Ta'widh* at 1% per annum on outstanding amount during the tenure of the Facility.
 - *Ta'widh* at rate of one per centum (1.0%) per annum or at the prevailing daily overnight of Islamic Interbank Money Market ("IIMM") whichever is lower or other rate that Bank Negara Malaysia may specify against the outstanding amount (subject to Ibra' if applicable) if the overdue payment continues beyond the maturity date of the Facility.
 - *Gharamah* at the rate of 0%.

Legal action may be taken against you by PLCCF following non-payment from the Customer or 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?

Early settlement is allowed without any penalty fee incurred.

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 you.

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

10. What are the major risks?
Incur late payment charges arising from late payment or non-payment from your Customer.
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?
<ul style="list-style-type: none"> ▪ 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 ▪ 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
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>i</i> (Scheduled), Hire Purchase- <i>i</i> (Non-Scheduled), Leasing- <i>i</i> and Tawarruq Term Financing.
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 30th July 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 :
Company Stamp :

Client's Representative Name :
Designation :
Date :
Company Stamp :