

## PRODUCT DISCLOSURE SHEET

### Trade Working Capital Financing-*i* (TWCF-*i*)

Date: \_\_\_\_\_  
[To be filled by Sales Personnel]

Please read and understand this Product Disclosure Sheet together with the general terms and conditions before you decide to apply or accept the offer of Trade Working Capital Financing-*i*.

Kindly seek clarification from Agrobank ('Bank') if you do not understand any parts of this document or the general terms and conditions.

### 1. What is the product about?

Trade Working Capital Financing-*i* (TWCF-*i*) is a short-term financing facility offered by the Bank to its customer for the purpose of working capital requirements according to types of financing authorized by the Bank:

- Primary Production Project: e.g., corps, livestock, fisheries, and other projects.
- Manufacturing: e.g., food, health products, timber/wood and others.
- Trading and marketing activities: e.g., agriculture and food products, forest products, general trading, and others; and
- Other working capital requirements that do not contradict with Shariah principles and which are related to agriculture activities.

### 2. What is the Shariah concept applicable?

Shariah concepts involve in Trade Working Capital Financing-*i* (TWCF-*i*) is as per below:

- **Murabahah** refers to a sale and purchase contract where the cost and profit margin are disclosed to the customer.
  - i) **Wakalah** is a contract where a party, as principal (muwakkil) authorises another party as his agent (wakil) to perform a particular task in matters that may be delegated, with or without imposition of a fee. Through the completion of Legal Documents [Letter of Offer, Master Facility Agreement and Letter of Wakalah for TWCF-*i* (Purchase)], the Bank appoints the customer as a purchasing agent to purchase the necessary goods from the supplier/seller based on the concept of Wakalah.
- **Bai `Al-Dayn** refers to sale and purchase of debt with the consent of both parties.
- **Kafalah** refers to a contract in which the guarantor guarantees to a third party the obligations that the guaranteed party must perform.

### 3. What are the benefits from this product?

This product offers financing facility with the following key features:

<p><b>Types of TWCF-i facilities</b></p>	<p><b>Types of Facilities:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Non-revolving facilities</b> Customer may use the facility once until all limits of the said facility have been utilized. Any payment made will not increase the facility limit to the limit of the original facility.</li> <li>▪ <b>Revolving facilities</b> Limit of usage will increase or decrease from the original facility limit based on the use and payment limit. The limit of usage cannot exceed the original facility limit.</li> </ul>
<p><b>Types of Financing</b></p>	<ul style="list-style-type: none"> <li>▪ <b>TWCF-i Purchase Financing (Murabahah)</b> To finance working capital requirements of the customers based on the supporting documents such as invoices, transport documents (e.g.: Delivery Order, Bill of Lading), etc. submitted by the customer for the purpose of purchasing goods.</li> <li>▪ <b>TWCF-i Sale Financing (Bai Al-Dayn)</b> To finance the customers who sell goods on a credit basis. Under this method, the Bank will buy the debt owned by the customer and the customer will settle the financing directly to the Bank on the expiry of the financing tenure as agreed by both parties.</li> </ul>
<p><b>Term</b></p>	<p>For each transaction, the minimum financing period is 14 days, and the maximum period is 180 days or as approved by the Bank.</p>
<p><b>Facility Amount</b></p>	<ul style="list-style-type: none"> <li>▪ The amount of facility is based on the Bank's current policy.</li> <li>▪ The total facility amount may be increased or decreased at the discretion of the Bank based on the payment record during the annual review or at any time deemed appropriate by the Bank.</li> </ul>
<p><b>Amount of Financing</b></p>	<p>Total amount of financing for any transaction may be up to 100% of the value of invoices/ cost of goods but not exceeding the amount of the facility subject to the Bank's approval.</p>
<p><b>Profit Rate</b></p>	<p>The profit rate would be determined based on the creditworthiness and credit risk assessment of the customer.</p>
<p><b>Calculation for TWCF-i (Purchase)</b></p>	$\begin{aligned} \text{Purchase price} &= \text{Financing value (FV)} \\ \text{Selling price} &= \text{FV} + \left( \frac{\text{FV} \times \text{Profit rate} \times \text{Financing tenure}}{365 \text{ or } 366^* \text{ days}} \right) \end{aligned}$

	Illustration:		
	Purchase Price	=	RM10,000.00 (Invoice Face Value)
Calculation for TWCF-i (Sales)	Selling Price	=	RM10,000.00 + (RM10,000.00 x 3.75% x 90/365)
		=	RM10,000.00 + RM92.47
		=	RM10,092.47
*Note: 366 days is used during leap year.			
$\text{Purchase price} = \text{FV} - \left( \frac{\text{FV} \times \text{Profit rate} \times \text{Financing tenure}}{365 \text{ or } 366^* \text{ days}} \right)$ $\text{Face Value} = \text{Financing value (FV)}$			
Illustration:			
	Purchase Price	=	RM10,000.00 - (RM10,000.00 x 3.75% x 90/365)
		=	RM10,000.00 - RM92.47
		=	RM9,907.53
Face Value	=	RM10,000.00	
*Note: 366 days is used during leap year.			

#### 4. What are my obligations?

Make full payment of principal plus profit (for TWCF-i Purchase Financing) or the amount due (for TWCF-i Sale Financing) at the maturity date for each contract note (settlement on maturity date).

Early settlement before the maturity date (partial settlement or full settlement) is allowed subject to the Bank's current policy.

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

- Facility Level

<b>Stamp Duty Fees</b>	As stipulated in the Stamp Act 1949 (Revised 1989) – Ad Valorem
<b>Legal &amp; Disbursement Charges</b>	Including legal fees for Facility documentation, registration of charge, land search, bankruptcy search, winding-up search and other relevant charges (if applicable)
<b>Takaful Contributions</b>	Depending on the amount of coverage taken for the Facility
<b>Annual Review Fees</b>	Subject to the current charges imposed by the Bank

- Transaction Level

<b>Stamp Duty Fees</b>	As stipulated in the Stamp Act 1949 (Revised 1989) - Nominal
<b>RENTAS</b>	RM5.00
<b>Interbank Giro (IBG)</b>	RM2.00

**Notes:**

- Any changes to the related fees and charges will be made in writing by the Bank or made available on Agrobank's website.
- Fees and charges are subject to Sales and Services Tax (if any) or any other tax as prescribed by the Government.

**6. What if I fail to fulfill my obligations?**

- The Bank shall have the right to impose and claim compensation (*Ta'widh*) from the customer on the Bank's actual loss due to the customer's default/failure in making the payment or any other payment payable by the customer to the Bank. The compensation (*Ta'widh*) shall not be compounded and calculated from the date of the payment becomes due until settlement based on the following guidelines issued by Bank Negara Malaysia (BNM) as follows: -

i. After Maturity Date

*Ta'widh* shall be imposed on the balance outstanding of the Facility at the prevailing Islamic Interbank Money Market (IIMM) rate as fixed by the Bank from time to time based on the guidelines issued by the BNM.

$$Ta'widh = \text{Outstanding Balance} \times \text{Prevailing IIMM rate} \times \frac{\text{No. of Days Overdue}}{365 \text{ or } 366 \text{ days}}$$

- The Bank reserves the right to take legal action if the customer fails to comply with the notice(s) issued by the Bank.
- The Bank reserves the right to review and terminate the facility granted to the customer by giving prior notice to the customer upon occurrence of any events of default as agreed in the terms and conditions of the facility.

**7. What if I make early settlement?**

- Rebate (*Ibra'*) shall be granted for early settlement i.e. deferred profit.
- The settlement amount will be calculated based on the following formula:

$$Ibra' = \text{Deferred Profit}$$

$$\text{Settlement Amount} = \text{Outstanding Selling Price} - Ibra'$$

**8. Do I need any Takaful coverages?**

- Takaful coverage is not required for the TWCF-i financing facility. However, customers are encouraged to take Takaful Credit Scheme to secure the indebtedness amount under the financing. Payment can be made through the deduction from the amount of financing.
- The takaful protection plan is necessary to cover your outstanding financing and / or term of coverage in the event of any unfortunate circumstances. As to safeguard the interest of the Bank and customers, the appointment of Takaful panel is highly recommended. However, customers are allowed to choose non-panel takaful provider as approved by the Bank.

**9. What are the major risks?**

The Bank shall have the right to impose and claim for compensation (*Ta'widh*) from the customer on the Bank's actual loss due to the customer's default/failure in the outstanding payment, balance of the sale price or any other payment payable by the customer.

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

If you do not meet the minimum credit requirement, Agrobank may require guarantor(s) or collateral in order for you to proceed with the submission.

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

It is important that you inform the Bank of any changes in your contact details to ensure that all correspondences reach you in a timely manner. Please visit any nearby Bank branches or kindly contact Bank at:

<b>Address</b>	: Bangunan Agrobank, Leboh Pasar Besar, 50726 Kuala Lumpur
<b>Tel. No.</b>	: 1-300-88-2476
<b>Fax</b>	: 603-2691-7790
<b>Email</b>	: <a href="mailto:customer@agrobank.com.my">customer@agrobank.com.my</a>

### 12. Where can I get assistance and redress?

If you have difficulties in making payments, you should contact us as early as possible to discuss payment alternatives. Please visit any nearby Bank branches or kindly contact Bank at:

<b>Address</b>	: Bangunan Agrobank, Leboh Pasar Besar, 50726 Kuala Lumpur
<b>Tel. No.</b>	: 1-300-88-2476
<b>Fax</b>	: 603-2691-7790
<b>Email</b>	: <a href="mailto:customer@agrobank.com.my">customer@agrobank.com.my</a>

If you wish to obtain further information or lodge a complaint on the products and services provided by the Bank, please visit any nearby Bank branches or kindly contact Bank at:

<b>Address</b>	: Agrobank, Client Relationship Management, Leboh Pasar Besar, 50726 Kuala Lumpur
<b>Tel. No.</b>	: 1-300-88-2476
<b>Fax</b>	: 603-2691-7790
<b>Email</b>	: <a href="mailto:customer@agrobank.com.my">customer@agrobank.com.my</a>

Alternatively, you may seek services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services on financial management, credit counseling and debt restructuring for individuals. You are encouraged to attend "Program Pengurusan Wang Ringgit Anda" or "Power" offered by AKPK. Please contact AKPK at:

<b>Address</b>	: Tingkat 5 dan 6, Menara Bumiputra-Commerce, Jalan Raja Laut, 50350 Kuala Lumpur
<b>Tel. No.</b>	: 03-2616-7766
<b>Email</b>	: <a href="mailto:enquiry@akpk.org.my">enquiry@akpk.org.my</a>

If your query or complaint is not satisfactorily resolved by the Bank, you may contact Bank Negara Malaysia LINK or TELELINK at:

<b>Address</b>	: Block D, Bank Negara Malaysia, Jalan Dato' Onn, 50480 Kuala Lumpur
<b>Fax</b>	: 1-300-88-5465
<b>Tel. No.</b>	: 603-2174-1515
<b>Email</b>	: <a href="mailto:customer@agrobank.com.my">customer@agrobank.com.my</a>

### 13. Other facilities available

- Modal Kerja-i
- Cash Line-i

#### Other Information

- The information provided in this Product Disclosure Sheet is valid as at: \_\_\_\_\_.
- Customer is advised to consider all risk factors before deciding to apply for the financing.

#### **IMPORTANT NOTE**

**LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU FAIL TO KEEP UP PAYMENTS ON YOUR TRADE WORKING CAPITAL FINANCING-i.**

**Disclaimer**

- The terms and conditions indicated in this Product Disclosure Sheet are tentative/indicative only and not binding on the Bank. The final terms and conditions are stipulated in the Letter of Offer and Facility Agreement after credit assessment and financing approval.
- Please note that all information disclosed under this document shall be processed in accordance with the relevant laws, including the Personal Data Protection Act 2010 (PDPA). Please read our PDPA Policy which is available at or website at [www.agrobank.com.my](http://www.agrobank.com.my) or you may visit our nearest branch if you have any enquiries.