

PRODUCT DISCLOSURE SHEET**Dear Customer,**

Please read and understand this Product Disclosure Sheet ("PDS") together with the general terms and conditions before you decide to apply or accept the offer of this Product.

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



Date: _____

1. What is Agro Industrial Hire Purchase-i (Agro IHP-i)?

- **Agro IHP-i** is a financing facility ('Facility') to finance the purchase of machineries, equipment or commercial vehicles which are not listed in the First Schedule of Hire Purchase Act 1967 (also known as Non-act Goods) such as tractor, harvester, backhoe loader, etc and used directly or indirectly for the production, processing, and marketing of agriculture and/or agro-based products.
- Profit rate for Agro IHP-i is calculated based on the **flat rate and calculated based on Rule of 78**. Flat rate means a rate that remains unchanged throughout the period of the facility using the Rule of 78 calculation method. Any movement in the Standardized Base Rate (SBR) will not affect the customer's total installment payment and agreed profit rate.
- Type of Assets that can be financed under Agro IHP-i: New, Reconditioned and Used

Applicable Shariah Concept: *Al-Ijarah Thumma Al-Bai'* (AITAB) – involving three (3) separate type of contracts:

Wakalah	Ijarah	Al-Bai'
<ul style="list-style-type: none"> • <i>Wakalah</i> refers to the agency contract where the customer represents the Bank's to purchase Assets from the distributor/supplier on behalf of the Bank. 	<ul style="list-style-type: none"> • <i>Ijarah</i> refers to a rental contract between the Bank ("Owner") and the user of the Asset ("Tenant"), where the Tenant agrees to pay the Owner a fixed amount of rent over a mandatory period in return for the use of the Owner's Asset. 	<ul style="list-style-type: none"> • <i>Al-Bai'</i> refers to a sale and purchase contract executed during the early settlement/the maturity period/the end of the <i>Ijarah</i> contract. At this point, the ownership (legal title) of the leased Asset will be transferred to the Tenant.

2. Know Your Obligations

For this business financing, **as an illustration:**

- Your financing amount: **RM100,000**
- Your monthly instalment: **RM1,222**
- Your financing tenure: **9 years**
- Profit rate: **3.55% flat rate p.a (Profit rate calculated based on Rule of 78)**
- Effective profit rate: **6.43% p.a.**

In total you will pay RM131,950 at the end of 9 years.

Note:

For Agro IHP-i,

a) Financing Limit –

- **Minimum : RM5,000**
- **Maximum : Subject to customer's creditworthiness**

b) Financing tenure –

- **Minimum: 1 year**
- **Maximum: New / Reconditioned - 9 years**
Used - 7 years

c) Profit rate –

- **New/reconditioned: 3.55% flat rate p.a.**
- **Used: 5.20% flat rate p.a.**

d) Financing Tenure –

- **Minimum: 1 year**
- **Maximum: 9 year**

It is your responsibility to:



Read and understand the **key terms** in the **contract** before you sign it.



Pay your monthly instalment timely and in full according to the financing tenure. Speak to us if you wish to settle your financing earlier.



Contact us immediately if you are unable to pay your monthly instalment.

You have to pay the following fees and charges:

- **Stamp duty:** As per the Stamp Act 1949.
- **Legal & Disbursement fee:** Including legal fees for financing documentation, registration of charge, land search, bankruptcy search, winding-up search and other relevant charges (if applicable).
- **JPJ Registration Charges (if applicable) :** As per JPJ fees and charges.
- **Takaful Contributions:** Depending on the amount of coverage taken for the financing and No Claim Discount (NCD) entitlement.

Note: Fees and charges are subject to Sales and Services Tax (if any) or any other tax as prescribed Government.

3. Know Your Risks

What happens if you ignore your obligations?

1. You will have to pay more in total due to **compensation (Ta'widh)** as follows:
 - a) **Before Maturity Date:** Up to 1% per annum on the overdue installment based on the amount of actual loss.
 - b) **Upon Maturity Date and Judgement Obtained:** According to the prevailing daily overnight Islamic Interbank Money Market (IIMM) rate on the entire outstanding balance as determined by the Bank from time to time based on the guidelines issued by Bank Negara Malaysia (BNM).
2. The Bank **may deduct** funds from your savings account with us to offset your monthly installment or business financing balance.
3. The Bank reserves the right to take the ownership of the machinery, equipment or any other additional collaterals (i.e. land) which has been charged and/or to auction the machinery, equipment and/or to initiate legal action against you and / or guarantor.
4. Your **credit score** may be affected, making it more difficult or expensive for you to obtain financing in the future.

4. Other Key Terms

1. You will be entitled for the rebate (Ibra') which is the refund of the term charges for the unutilised tenure. The calculation is based on the formula below as stipulated in the Hire Purchase Act 1967.

$$\text{Rebate} = \frac{n(n+1)}{N(N+1)} \times \text{Profit Charged} \quad \text{Where; } n = \text{Remaining Rental Period (month)} \\ N = \text{Remaining Rental Period (month)}$$

2. It is important to inform us of any changes in your contact details to ensure that all correspondence reaches you in a timely manner.
3. You are encouraged to take Motor Takaful (for commercial vehicles) and / or Equipment All Risk Policy (for machinery and equipment).
4. You are encouraged to take Takaful Credit Scheme to protect the amount of indebtedness under the financing. A Takaful protection plan is important to protect your outstanding financing balance throughout the financing period and / or term of coverage in the event of any unforeseen circumstances.
5. A guarantor and/or financing asset is required by the Bank as collateral for the financing subject to customer's credit assessment.

If you have any questions or require assistance on your business financing, you can:



Call
1-300-88-2476



Visit

<https://www.agrobank.com.my/product/agro-industrial-hire-purchase-agro-ihp-i/>



Email

customer@agrobank.com.my



Scan the QR code
above

Customer's Acknowledgment*

Ensure you complete this section yourself and understand what you are signing.

☐

I acknowledge that Agrobank has provided me with a copy of the PDS.

☐

I have read and understood the key information contained in this PDS.

**A customer's acknowledgement of this PDS shall not prejudice his / her rights to seek redress in the event of subsequent dispute over the product terms and conditions.*

Name:

Date: