

## 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 Contract Financing-*i*?

**Agro Contract Financing-*i*** is a scheme that offers short-term financing facilities along with guarantees to meet the needs of Companies (Main Contractors or named Sub-Contractors) that require banking facilities to implement certain contracts award by the Contract Awarder.

#### Applicable Shariah concept

<b>Tawarruq</b>	<b>Wakalah</b>	<b>Murabahah</b>	<b>Kafalah/Kafalah bil Ujrah</b>
This scheme uses the <i>Tawarruq</i> concept for financing facilities such as Term Financing- <i>i</i> , Modal Kerja- <i>i</i> , and Agro Cash Line- <i>i</i> which consist of two sale and purchase contracts where the customer purchase the Commodity from the Bank at a sale price (Financing Amount + Profit) on a deferred payment basis and subsequently sells the Commodity to a Commodity Supplier for cash at the Bank's Purchase Price with the objective of obtaining cash.	Under this facility, the Bank will apply the dual-agency mechanism under the <i>Wakalah</i> concept. The customer appoints the Bank as the customer's agent to purchase the Commodity from the Bank and subsequently sells the Commodity to another Commodity Supplier on behalf of the customer in order to complete the <i>Tawarruq</i> transaction.	Murabahah means a contract to sell goods between the owner (asset) of the goods and the buyer with an additional profit agreed upon by both parties. It is a sales contract where the cost and profit margin on the sale of a commodity are known to both the seller and the buyer. The sale price can be paid in one go or deferred or through installments.	For financing facilities that utilise Bank Guarantee- <i>i</i> , the applicable Shariah contract is <i>Kafalah bil Ujrah</i> , while Shipping Guarantee- <i>i</i> utilises <i>Kafalah</i> . A <i>Kafalah</i> contract refers to an arrangement whereby a guarantor undertakes to guarantee the obligations of a guaranteed party to a third party. This guarantee is provided to fulfil one of the conditions stipulated in the contract entered into between the customer and the third party. <i>Kafalah bil Ujrah</i> refers to a guarantee provided in return for a fee.

### 2. Know Your Obligations

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

- Your financing amount can be up to 80% of the Contract value.
- Your Progress payment: **In accordance with contract proceeds**
- Your financing tenure: **In accordance with contract tenure**
- Effective profit rate is subject to the Bank's current policy.

In total you will pay utilized amount at the end of contract tenure.

#### Note:

For Agro Contract Financing-*i*:

- a) Margin of financing: Up to maximum of 80% total contract value.
- b) Tenure of financing: Subject to the Contract Tenure
- c) Profit rate: Subject to the Bank's current policy.
- d) Ceiling Profit Rate: Base Financing Rate (BFR) + 4% p.a. OR 10% p.a., whichever is higher.

#### 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 Facility documentation, registration of charge, land search, bankruptcy search, winding-up search and other relevant charges (if applicable).
- **Takaful Contributions:** Depending on the amount of coverage taken for the Facility.
- **Brokerage fee:** The brokerage fee will be charged based on the rates imposed by the Service Provider, and the total amount will be stated in the Letter of Offer / Notification Letter.

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

#### Products available under Agro Contract Financing-*i*:

- Term Financing-*i*
- Agro Cash Line-*i*
- Modal Kerja-*i*
- Trade Working Capital Financing-*i*
- Letter of Credit-*i*
- Shipping Guarantee-*i*
- Murabahah Trust Receipt
- Bank Guarantee-*i*

### 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:** According to the prevailing 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 **reserves the right to 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 legal action** against you and/or guarantors (if applicable).
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. A rebate (*Ibra'*) shall be granted to you based on the formula set out below, in the event of any of the following scenarios:-
  - i. Early settlement or early redemption or prepayments;
  - ii. Settlement of the financing due to restructuring exercise;
  - iii. Settlement of the financing in the case of default where even though you are in default, you make full settlement of the indebtedness under the financing before maturity date.
  - iv. Settlement of the financing in the event of termination or cancellation of financing before maturity date.
  - v. The profit amount based on the Effective Profit Rate (EPR) is lower than the profit amount based on the Ceiling Profit Rate (CPR).

Rebate (*Ibra'*) and settlement amount will be calculated based on the following formula:

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

$$\text{Settlement Amount} = \text{Outstanding Selling Price} + \text{Instalment Due} + \text{Late Payment Charges (if any)} - Ibra'$$

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 Takaful Credit Scheme to protect the indebtedness amount under the financing. This 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.
4. A guarantor and/or financing asset may be required by the Bank as collateral for the Facility, subject to the customer's credit assessment in order for you to proceed with the submission.

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-contract-financing-i/>



Email  
[customer@agrobank.com.my](mailto: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.

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Name:  
Date: