

## **PRODUCT DISCLOSURE SHEET**



**(Read this Product Disclosure Sheet before you decide to take-up the Hire Purchase-i (Scheduled). 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  
Registration No. 198401001440 (113961-D)**

**Hire Purchase-i (Scheduled)**

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

Hire Purchase-i (Scheduled) is a financial product offered by PLCCF to facilitate the acquisition of Shariah-compliant asset as defined by Hire Purchase Act 1967. This product is a hire purchase facility between Owner (PLCCF) and Hirer (Client) which concludes with the sale of the asset from PLCCF to Client at the end of the rental period.

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

To finance the purchase of assets as per First Schedule as prescribed by the Hire Purchase Act 1967.

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

Hire Purchase-i (Scheduled) operates under Shariah concept of *Al Ijarah Thumma Al' Bai* (AITAB). It refers to two contracts undertaken separately as follows i.e. *Ijarah* contract (leasing/renting) followed by *Bai'* contract (sale and purchase).

Primary Shariah contracts applied for this product are as follows:

- (i) *Ijarah* a lease arrangement that allows PLCCF as owner of the financed asset to provide its usufruct to the Client based on the agreed rental rate within specific tenure.
- (ii) *Bai'* an asset sale transaction in the event of invocation of Purchase Undertaking or at the end of the rental period to transfer the ownership of the asset from PLCCF to the Client. The sale amount is the last rental amount and the sale contract shall be executed separately.
- (iii) *Wa'd* a unilateral undertaking provided by the Client to PLCCF to purchase the asset in the event of default or cancelation of facility before its maturity period.

### **4. What do I/we get from this product?**

|                  |                                      |
|------------------|--------------------------------------|
| Financing Amount | Up to Single Customer Limit of PLCCF |
| Facility Tenure  | Up to 7 years                        |

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|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Margin of Financing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (i) New – up to 90% of the asset value<br>(ii) Used, reconditioned or rebuilt – up to 80% of the asset value |
| Rental Rate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Based on the prevailing rate at the time of offer                                                            |
| <p><b>Note:</b><br/>The approved amount, tenure, margin of financing, rental rate of your facility is subject to the credit assessment and credit rating.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                              |
| <p><b>5. What are my/our obligations?</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                              |
| <p>(i) Client has to ascertain that the asset is in acceptable condition prior to the commencement of the lease period.</p> <p>(ii) Client is required to pay the rental amount promptly.</p> <p>(iii) Client must ensure that the condition of the asset is preserved and is expected to ensure periodical maintenance of the asset including renewal of takaful, road tax and other tasks as required for the care of the asset.</p> <p>(iv) Any other agreed obligations as stipulated under Hire Purchase-i Letter of Offer, Agreement, Security Documents and Transaction Documents.</p>                                                                                                                                                                                                           |                                                                                                              |
| <p><b>6. What are the charges that I/we have to pay?</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                              |
| <p>The facility may attract the following fees and charges but not limited to (whichever applicable):</p> <p>(i) Stamp Duties as per the Stamp Duty Act 1949 (Revised 1989)</p> <p>(ii) Government Tax (if applicable)</p> <p>(iii) Details on the fees and charges could be referred in the Letter of Offer</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                              |
| <p><b>7. What if I/we fail to fulfill my/our obligations?</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                              |
| <p>(i) PLCCF shall have the right to terminate the facility and Client is required to pay the outstanding balance in full.</p> <p>(ii) In the event of non-payment of rental, PLCCF will repossess the asset based on the Hire Purchase Act 1967.</p> <p>(iii) PLCCF may impose compensation on late payment (<i>Ta'widh</i>) and penalty (<i>Gharamah</i>) at the following rate:</p> <ul style="list-style-type: none"> <li>• <i>Ta'widh</i> at 1% per annum on outstanding amount during the tenure of the facility.</li> <li>• <i>Ta'widh</i> at the prevailing daily overnight of Islamic Interbank Money Market ("IIMM") or other rate that Bank Negara Malaysia may specify against the outstanding amount if the overdue payment continues beyond the maturity date of the facility.</li> </ul> |                                                                                                              |

- *Gharamah* at the rate of 0%.

(iv) PLCCF will impose the actual costs in the event of Client breaches undertaking (*Wa'd*). The actual costs are based on the actual loss amount incurred by PLCCF resulting from the breach of *Wa'd*.

**Legal action may be taken against you by PLCCF if you fail to make payment.**

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

Early settlement is allowed without any penalty fee incurred. *Ibra'* will be granted on the remaining balance (unearned profit) of the rental period. Client will proceed to purchase the asset from PLCCF at an agreed price using the Asset Sale Agreement.

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

Yes. The security requirement may 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.

Takaful coverage is mandatory under this product. Client may be allowed to subscribe for insurance as substitute in the event of non-availability of takaful coverage.

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

- i. Incur *Ta'widh* charges arising from late payment or non-payment of rental.
- ii. Repossession of the asset in the event of non-payment.
- iii. Where the value of the disposed asset is insufficient to cover the remaining rental amount, you are required to pay the shortfall.

**11. What do I/we need to do if there are changes to my/our 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 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 (Non-Scheduled), Factoring-i, Leasing-i and *Tawarruq* Term Financing.

### IMPORTANT NOTE :

**IT IS IMPERATIVE TO MAINTAIN YOUR PAYMENT UPDATED TO AVOID REPOSSESSION AND/OR LEGAL ACTION.**

The information provided in this product disclosure sheet is updated on 25 August 2022.

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 :

Name :  
Designation :  
Date :  
Company Stamp :