

# **Industrial Hire Purchase-i Product Disclosure Sheet**

<b>PRODUCT DISCLOSURE SHEET</b>  Please read this Product Disclosure Sheet (PDS) before you decide to apply for Industrial Hire Purchase-i. If your application has been approved, kindly ensure that you have read the terms in the letter of offer before accepting the Bank's offer for the facility. Please consult your relationship manager if you require clarification on the terms.	<b>Alliance Islamic Bank Berhad ("Bank")</b>  <b>Product name: Industrial Hire Purchase-i</b>								
<b>1. What is this product about?</b>									
Industrial Hire Purchase-i ("IHP-i") is a facility offered to finance the purchase of new/used/reconditioned equipment/ machinery/vehicles under Non-Act Goods/Non-Scheduled Goods.									
<b>2. What is the Shariah contract applicable?</b>									
<ul style="list-style-type: none"> <li>IHP-i is based on the Shariah contract of Al-Ijarah Thumma Al Bai' ("AITAB").</li> <li>Ijarah refers to a lease contract that transfers the ownership of a usufruct of an asset to another person for a specified period in exchange for a specified consideration. Upon expiry or termination of the lease contract, a sale transaction (bai') shall take place to transfer the ownership of the asset from the Bank to the customer for an agreed purchase consideration.</li> <li>During the tenure of the Ijarah contract, the Bank (Owner) leases the asset to the customer (Hirer) and the customer pays monthly rental in the form of instalment payments of principal and profit.</li> <li>Due to the appointment of the customer as service agent for the Bank, the customer shall be responsible for the maintenance and repair of the asset during the lease period.</li> </ul>									
<b>3. What do I get from this product?</b>									
<table border="1"> <tr> <td>Total amount financed</td> <td>RM _____</td> </tr> <tr> <td>Margin of Financing</td> <td>_____ % of the purchase price of the goods or the valuation determined by the Bank in its sole discretion, whichever is lower.</td> </tr> <tr> <td>Financing Tenure</td> <td>_____ months</td> </tr> <tr> <td>Profit Rate</td> <td>_____ % per annum (p.a.) flat.</td> </tr> </table>	Total amount financed	RM _____	Margin of Financing	_____ % of the purchase price of the goods or the valuation determined by the Bank in its sole discretion, whichever is lower.	Financing Tenure	_____ months	Profit Rate	_____ % per annum (p.a.) flat.	
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<b>4. What are my obligations?</b>									
<ul style="list-style-type: none"> <li>Monthly payment: RM _____ (inclusive of profit) - based on the total amount applied.</li> <li>Prepaid amount: RM _____ being the prepaid/ advance rental payment.</li> <li>Total payment amount inclusive of financing facility amount:-RM _____</li> </ul>									
<b>5. What are the fees and charges I have to pay?</b>									
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Unless otherwise specified herein, the Bank's charges exclude any current taxes and future taxes (if any) that may be imposed under the relevant legislation. Should any of such taxes be implemented in the future and whenever applicable, the Bank will be entitled to recover such taxes from you.									
<b>6. What if I fail to fulfil my obligations?</b>									
<ul style="list-style-type: none"> <li>Late Payment Charges (LPC) will apply which will increase the total outstanding due to the Bank.</li> </ul> <p>LPC is calculated as follows:</p> <ol style="list-style-type: none"> <li>During the financing tenure up to the maturity date – Late payment charges at the Bank's actual cost up to a rate not exceeding 1% per annum or such other maximum rate prescribed by Bank Negara Malaysia on the overdue amount accruing from the due date up to the date of settlement.</li> <li>In the case of default causing the entire Facility to be recalled or brought to court for judgement prior to maturity – Late payment charges at the Bank's actual cost up to a rate not exceeding 1% per annum or such other maximum rate prescribed by Bank Negara Malaysia on the outstanding balance (outstanding principal and accrued profit) accruing from the due date up to the date of settlement or judgement (whichever is earlier).</li> <li>After maturity – Late payment charges at the Bank's actual cost up to a rate not exceeding the prevailing daily overnight Islamic Interbank Money Market (IIMM) rate prescribed by Bank Negara Malaysia on the outstanding balance (outstanding principal and accrued profit).</li> </ol>									

- (iv) Facility presented to the court for judgement - Late payment charges at the current prevailing IIMM rate prescribed by Bank Negara Malaysia on the outstanding balance (which excludes outstanding uncollected late payment charges and other costs prior to judgement) from the date of judgement until the judgement sum is fully settled.

Notwithstanding the above, the amount of compensation shall not be compounded.

**Formula:**

Late Payment Charges ("LPC") = Outstanding amount x LPC rate x No. of days overdue / 365 days

**Example:**

Monthly instalment	RM1,422
LPC rate	1% p.a.
LPC on November instalment in arrears	RM1,422 x 1% x 30/365 = RM1.16
LPC on December instalment in arrears	RM1,422 x 1% x 31/365 = RM1.20
Accumulated LPC (non-compounding)	RM1.16 + RM1.20 = RM2.36

- If any amount due for the facility remains unpaid for 3 consecutive months, your financing account shall be classified as Non-Performing Financing (NPF). This will affect your utilization of other banking facilities with the Bank.
- Right to set-off: The Bank may set-off/deduct any credit balance in your deposit account maintained with the Bank against any outstanding balance subject to 7 calendar days prior notice to you.
- The Bank has the right to commence legal action against you and your guarantor (if any) and/or liquidate/foreclose the collateral provided (if any).
- In the event of default or breach of terms and conditions, the customer shall purchase the asset from the Bank in accordance with the terms in the Purchase Undertaking (wa'd) executed by the customer upon acceptance of the Bank's offer for the Facility.
- Other key terms and conditions will be stipulated in the "Standard Terms and Conditions for Financing Facilities" attached to the Bank's letter of offer.

**7. What if I fully settle the IHP-i before its maturity?**

The Bank does not impose any prepayment fee or early settlement fee.

**8. Do I need any takaful coverage?**

Yes. All Risk Takaful for equipment/machinery and Comprehensive Coverage for all transportation / commercial vehicles are required.

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

- The profit rate is fixed for the whole tenure and will not be affected by changes in the overnight policy rate.
- The outstanding balance for the financing will increase if you do not make payments in a timely manner.

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

The Facility may be secured by the asset to be financed. The requirement for collateral and/or guarantor is subject to the Bank's credit evaluation of the financing application.

**11. What if I fully settle the financing before its maturity?**

The Bank shall grant statutory rebate on the term charges (total profit amount) for the unexpired rental period. The statutory rebate will be calculated based on the formula below:

$$\text{Statutory rebate} = TC \times \frac{n(n+1)}{N(N+1)}$$

Where: *TC* – Term charges (total profit amount)  
*n* – Remaining number of lease rentals (in months)  
*N* – Total number of lease rentals (in months)

**11. What do I 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. Contact your relationship manager or update your account details at any of our bank's branches.

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

- If you have difficulties in making payments, you should contact your relationship manager as soon as possible to discuss payment alternatives. You may contact us at:

**Alliance Islamic Bank Berhad, Consumer Collections, 2<sup>nd</sup> Floor, 3 Alliance, 3 Jalan SS15/2A, 47500 Subang Jaya, Selangor.**  
**Tel: 03-5516 9988 Fax: 03-5516 9399 Email: info@alliancefg.com**

- 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, financial education and debt restructuring for individuals. You may also join the "Program Pengurusan Wang Anda (POWER)" to help your credit management. The contact details and list of branches are on AKPK's website at <https://www.akpk.org.my/contact-us>

**Level 8, Maju Junction Mall, 1001, Jalan Sultan Ismail, 50250 Kuala Lumpur.**  
**Tel: 03-26167766 Email: enquiry@akpk.org.my**

- If you wish to lodge a complaint on the products or services provided by the Bank, you may contact the Bank at:  
**Alliance Bank Malaysia Berhad, Group Complaints Unit, 4 Floor, Menara Multi-Purpose, Capital Square, 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur.**  
**Tel: 03-2604 3300 Fax: 03-2691 8229 Email: info@alliancefg.com**
- If your query or complaint is not satisfactorily resolved by the Bank, you may contact Bank Negara Malaysia LINK or TELELINK at:  
**Block D, Bank Negara Malaysia, Jalan Dato' Onn, 50480 Kuala Lumpur.**  
**Tel: 1-300-88-5465 Fax: 03-2174 1515 Email: bnmtelelink@bnm.gov.my**
- You may also contact Financial Ombudsman for Financial Services at:  
**Level 14, Main Block, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur.**  
**Tel: 03-2272 2811 Fax: 03-2272 1577 Email: enquiry@ofs.org.my Website: www.fmos.org.my**

**13. Where can I get further information?**

If you would like to have more information about Industrial Hire Purchase-i and/or our other products and services, please visit our Bank's website at <https://www.alliancebank.com.my/Islamic> or contact your business relationship manager.

**14. Other business products and services available**

No.	Services
1	Islamic Trade Products and Services
2	Cashline Facility-i
3	Commodity Murabahah Term Financing-i
4	Commodity Murabahah Revolving Credit-i
5	Business Premise Term Financing-i

**15. Disclaimer**

This Product Disclosure Sheet is for information purposes and shall not be construed as an obligation by the Bank to grant facilities to you. The terms herein are subject to the Bank's credit evaluation and approval.

The information provided in this product disclosure sheet is valid as at [to insert date].

**IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT HONOUR YOUR PAYMENT OBLIGATIONS FOR THE FACILITY.**

**ACKNOWLEDGEMENT BY CUSTOMER:**

I/We acknowledge that I/we have read and understood the features of the product, its salient terms and the obligations attached to it. I/we understand that this product disclosure sheet is only for information purposes and shall not be construed as an offer by the Bank or an obligation by the Bank to grant any facilities to us.

\_\_\_\_\_  
 Name:  
 Date: