

**PRODUCT DISCLOSURE SHEET**

Read this Product Disclosure Sheet before you decide to take up Export Credit Refinancing facility with Hong Leong Bank Bhd. Be sure to also read the general terms and conditions.

The information provided is merely general information of the product. The terms and conditions indicated in this Product Disclosure Sheet are tentative or indicative and may change at the discretion of the Bank.

Final terms and conditions will be read jointly and superseded as stipulated in the letter of offer and facility agreement (if any) after credit assessment and loan approval.

Seek clarification from your institution if you do not understand any part of this document or the general terms.

**Hong Leong Bank Bhd  
Transaction Banking,  
Business and Corporate  
Banking**

**Product : Export Credit  
Refinancing (ECR)**

Date:        /        /

**1. What is this product about?**

Export Credit Refinancing (ECR) is a short-term financing scheme provided to direct/indirect exporters by Export-Import Bank of Malaysia (Exim Bank) through designated commercial banks. ECR financing is divided into two types, namely Pre-shipment and Post-shipment financing :

**Export Credit Refinancing Pre-shipment financing (“ECR Pre”)**

ECR Pre facility is defined as loan advanced by Exim Bank to facilitate the production of eligible goods for export prior to shipment and to promote backward linkages in export-oriented industries by providing financing to the indirect exporters (local suppliers to exporters).

This facility is available to direct and indirect exporters (local suppliers to exporter) to fund their purchases of domestic inputs and overhead expenses incurred in relation to the production of eligible goods.

**Export Credit Refinancing Post-shipment financing (ECR Post)**

ECR Post facility is defined as loan advanced by Exim Bank to finance exports of eligible goods on usance (payable on a future date) terms at a certain prescribed interest rate. The eligible goods are agricultural products, selected primary commodities and manufactured products that have significant value-added and utilization of local indigenous resources.

**2. What do I get from this product?**

a) Export Credit Refinancing Facility

Item	Description
Facility Amount	RM <Total Facility Amount>
ECR Funding Rate	<__>% per annum (p.a.)
Margin of Financing (Spread)	<__>% per annum (p.a.)

b) ECR facility provides exporters with ready access to credit facilities at competitive interest rates.

c) ECR facility provides working capital upon receipt of export orders.

d) Allows the exporter to pay their suppliers early and secure better pricing.

e)

Product	Minimum Period of Financing	Maximum Period of Financing	Minimum Financing Amount
ECR-Pre	N/A	Order Based Method: 120 days CP Method: Equally proportioned for 3 validity periods* *120 days	<ul style="list-style-type: none"> <li>• RM10,000 for Lodgement</li> <li>• RM2,000 for Drawdown</li> </ul>
ECR-Post	7 days	Maximum 6 months	RM10,000

### 3. What are my obligations?

- a) Deliver to the Bank such satisfactory documentary evidence of the trade transaction (e.g. the original invoice, transport documents etc.), as may be required by the Bank. In the case of financing of exports from Malaysia, original export bills shall be delivered to the Bank for collection.
- b) Ensure that the export proceeds will be specifically channeled to the Bank for settlement of outstanding ECR loans.
- c) Comply with all requirements and terms and conditions as specified in the "Guidelines on ECR facilities" by EXIM Bank and all other requirements and conditions which may be prescribed by Bank Negara Malaysia from time to time.
- d) The documents presented to the Bank to support the financing must relate to genuine and current trade transactions.
- e) You authorize the Bank to debit your account in the Bank for the interest and any charges, costs or expenses with respect to ECR.
- f) What are the cut-off times to observe for ECR issuance and settlement?

TRADE PRODUCT	CUT-OFF TIME
ECR financing / settlement	10am

- g) **ECR Pricing**  
ECR Funding Rate provided by EXIM Bank + Spread [ \_% per annum (p.a.)]

#### **ECR Pre**

Interest is calculated as follows:

$$I = \frac{P \times R \times T}{36500}$$

Where,

*I* = Interest

*P* = Pre-shipment loan outstanding

*R* = Rate of interest

*T* = Number of days the loan is outstanding

#### **ECR Post**

Interest payable is deducted upfront and the exporter will receive the discounted proceeds and shall be computed as follows :

$$P = \frac{NV}{[r \times t] + 1 / 36500}$$

Where,

*P* = Proceeds

*NV* = Nominal value

*r* = Interest rate

*t* = Number of days to maturity

### 4. What other charges do I have to pay?

#### **ECR Domestic Purchase Order (ECR DPO) Commission**

0.053% flat, subject to a minimum of RM21.20 and a maximum of RM530.00

## ECR Pre-shipment

### Handling Fee

- RM5.30 flat

### Cost of SWIFT

- RM31.80

### Cost of RENTAS

- SME Customer - RM 5.30
- Non-SME Customer - RM 14.84 (1st party); RM 15.90 (Bank to Bank)

### Cost of Inter-Bank Giro (IBG)

RM 2.12 per IBG

### Cost of Postage

- RM 5.30 flat

## ECR Post-shipment

### Handling Fee

- RM5.30 flat

#### Note:

- Above fees and charges are inclusive of 6% GST, whenever applicable.
- 6% GST is not applicable for Zero Rated / Exempt / Out-Of-Scope supplies.

## **5. What if I fail to fulfil my obligations?**

- A transaction will be converted to past due bill if payment is not received from you on the maturity date. Past due bill shall be charged a penalty interest at BLR + penalty rate until repayment date. **The present penalty rate is 3.5%p.a.**
- The ECR facility and other trade facility(ies) shall be suspended immediately.
- Right to commence recovery or legal action:
  - Legal action will be taken if you fail to respond to reminder notices. Your asset may be foreclosed and you will have to bear all costs. You are also responsible to settle any shortfall after your asset is sold.**
  - The Bank has a right to commence recovery activities (including engaging third party debt collection agencies), foreclosure and bankruptcy proceedings.  
Note: Legal action against you may affect your credit rating leading to credit being more difficult or expensive.

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

It is important that you inform us immediately of any change in your contact details to ensure that all correspondences reach you in a timely manner.

## **7. Where can I get assistance and redress?**

- If you have difficulties in making repayments, you should contact us earliest possible to discuss repayment alternatives. You may contact us at:

Hong Leong Bank Berhad, Commercial and SME Banking,  
Address : Level 9, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur

Telephone : 1-800-188-133  
E-mail : [SME@hlbb.hongleong.com.my](mailto:SME@hlbb.hongleong.com.my)  
Website : [www.hlb.com.my](http://www.hlb.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 for individuals. You can contact AKPK at:

Address : Tingkat 8, Maju Junction Mall 1001, Jalan Sultan Ismail 50250 Kuala Lumpur  
Telephone : 03-2616 7766  
E-mail : [enquiry@akpk.org.my](mailto:enquiry@akpk.org.my)

Small Debt Resolution Committee (SDRC), established by Bank Negara Malaysia that provides assistance to viable small and medium scale enterprises (SMEs). You may contact SDRC at:

SDRC Secretariat, Development Finance and Enterprise Department  
Address : Bank Negara Malaysia (BNM), Jalan Dato' Onn 50480 Kuala Lumpur  
Telephone : 1-300-88-5465  
E-mail : [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.my)  
Website : [www.bnm.gov.my](http://www.bnm.gov.my)

- If you wish to complaint on the products or services provided by us, you may contact us at:

Hong Leong Bank Berhad, Commercial and SME Banking,  
Address : Level 9, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur  
Telephone : 1-800-188-133  
E-mail : [SME@hlbb.hongleong.com.my](mailto:SME@hlbb.hongleong.com.my)  
Website : [www.hlb.com.my](http://www.hlb.com.my)

- If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia at:

Bank Negara Malaysia LINK or BNMTELELINK  
Address : Block D, Bank Negara Malaysia Jalan Dato' Onn 50480 Kuala Lumpur.  
Telephone : 1-300-88-5465  
Fax : 03-2174 1515  
E-mail : [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.my)  
Website : [www.ofs.org.my](http://www.ofs.org.my)

## 8. Where can I get further information

Should you require additional information, please refer to the bankinginfo booklet on [www.bankinginfo.com.my](http://www.bankinginfo.com.my) website.

Alternatively, please contact us at :

**Trade Sales & Product  
Hong Leong Bank Berhad  
Level 10, Menara Hong Leong  
6, Jalan Damanlela  
Bukit Damansara  
50490 Kuala Lumpur  
Tel : (03) 2777 1717 / 1715  
Or visit [www.hlb.com.my](http://www.hlb.com.my)**