

**PRODUCT DISCLOSURE SHEET**

Read this Product Disclosure Sheet before you decide to take up the Foreign / Domestic Bill of Exchange Purchased - Authority to Purchase 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Final terms and conditions will be read jointly and superseded as stipulated in the letter of offer and facility agreement (if any) after credit assessment and loan approval.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 : Foreign / Domestic  
Bill of Exchange Purchased-  
Authority to Purchase  
[FBEP/DBEP(AP)]**

Date:        /        /

**1. What is this product about?*****Foreign Bill of Exchange Purchased (Authority to Purchase) [FBEP(AP)]***

Foreign Bill of Exchange Purchased (Authority to Purchase) [FBEP(AP)] is a facility whereby our Bank provides financing to our customer (Exporter) by negotiating/purchasing/discounting its export shipping documents presented with or without bills of exchange [sight (immediate payment) / usance (payable on a future date)] drawn by customer under an Inward Letter of Credit (ILC) in compliance with the terms and conditions of the ILC.

***Domestic Bill of Exchange Purchased (Authority to Purchase) [DBEP(AP)]***

Domestic Bill of Exchange Purchased (Authority to Purchase) [DBEP(AP)] is a facility whereby our Bank provides financing to our customer (Seller) by negotiating/purchasing/discounting its Invoice and Delivery Order presented with or without bills of exchange (sight/usance) drawn by customer under an Inward Letter of Credit (ILC) in compliance with the terms and conditions of the ILC.

The financing requires the Bank to check your documents to ensure compliance against the Letter of Credit. After the advance, the Bank will forward the documents to the issuing bank for payment.

Documents presented under documentary credits are subject to Uniform Customs and Practices for Documentary Credits, International Chamber of Commerce Publication currently in force and as may be amended from time to time.

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

## a) Foreign / Domestic Bill of Exchange Purchased-Authority to Purchase Facility

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

- b) Advances granted will improve cash flow to fund your working capital requirements.
- c) The Inward LC provides you with the certainty that the Buyer cannot amend/cancel without your consent.
- d) Simple and clear cut financing requirements.

**3. What are my obligations?**

- a) You have not obtained and will not obtain any other source of financing for the trade transaction concerned.
- b) 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 or LC.
- c) If the bill is purchased and advance is given by the Bank (including cases where the Bank has claimed

reimbursement from the reimbursing bank), it is subject to the condition that in the event the Issuing Bank/Collecting Bank dishonors the bill, you shall repay to the Bank all such moneys advanced / paid by the Bank together with interest thereon at the rate as may be determined by the Bank and all costs and expenses incurred by the Bank in relation thereto.

- d) You authorize the Bank to debit your account in the Bank for the payment of any charges, interests, costs or expenses in respect of disbursement and repayment of the FBEP/DBEP(AP).  
 e) What are the cut-off times to observe for FBEP(AP)/DBEP(AP) issuance?

TRADE PRODUCT	CUT-OFF TIME
FBEP(AP)/DBEP(AP) financing (RENTAS)	12 pm
FBEP(AP)/DBEP(AP) financing (Non-RENTAS) <i>* (Foreign currency payment is subject to cut-off time for each currency. Refer to Trade Services Centre for cut-off time for each currency)</i>	2 pm*

- f) **FBEP(AP) Pricing**  
 Foreign Currency Effective Cost of Funds (FC ECOF) + Spread [ \_% per annum (p.a.)]  
 g) **DBEP(AP) Pricing**  
 Base Lending Rate (BLR) + Spread [ \_% p.a.]

**For sight (payment against receipt of document) bill**

Interest shall be computed from the financing date until reimbursement is received for sight bill.

$$\text{Interest} = \frac{\text{Principal} \times (\text{FC ECOF} / \text{BLR} + \text{Spread}) \times \text{Tenure}}{360^* / 365}$$

\* 360 days for USD

**For usance (payment after a specified period from acceptance of document) bill**

Customer will be advanced the discounted proceeds where the interest is payable upfront.

$$\text{Discounted proceeds} = \frac{P [ 1 - (\text{FC ECOF} / \text{BLR} + \text{Spread}) \times \text{Tenure} ]}{360^* / 365}$$

\* 360 days for USD

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

**FBEP(AP) / DBEP(AP) Commission**

- 0.106% flat on bill amount, subject to a minimum of RM 50.00 and a maximum of RM 150.00

**Cost of Courier**

- As per courier company's rate

**Cost of Postage**

- RM 5.30 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) In the event that you fail to settle and repay to the Bank on due date, the Bank may convert the past due amount or any part thereof into Ringgit Malaysia at the Bank's prevailing rate of exchange on the date of conversion.

- b) 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 Prescribed Rate + 1% until repayment date.**
- c) The FBEP(AP) / DBEP(AP) facility and other trade facility(ies) will be suspended immediately.
- d) Right to commence recovery or legal action:
- (i) **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.**
- (ii) 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 Damanela, 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 Damanela, 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)**

The information provided in this disclosure sheet is valid as at [       /       /       ]