

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 terms and conditions (wheresoever contained).

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Final terms and conditions will be read jointly and superseded as stipulated by the letter of offer (if any), facility agreement (if any), letter of indemnity (if any), application form(s) and/or such other agreement(s)/ documents (if any) after credit assessment and loan approval.

Please seek clarification from Hong Leong Bank Bhd 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/service whereby our Bank provides financing/ advances 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/service whereby our Bank provides financing/ advances 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 (LC). 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) Advances granted will improve cash flow to fund your working capital requirements.
- b) The ILC provides you with the certainty that the Buyer cannot amend/cancel without your consent.
- c) 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 the 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 LC 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 fees, 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) * (Foreign currency payment is subject to the cut-off time for each currency. Refer to Trade Services Centre for cut-off time for each currency)	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.

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

* 360 days for USD

4. What other charges do I have to pay?

FBEP(AP) / DBEP(AP) Commission

- 0.10% 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 5.00 flat

Note: All fees, commission, charges and other monies payable shall be exclusive of and subject to any Government Tax, where applicable.

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 or such other rate(s) as may be notified by the Bank from time to time.**
- 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 (secured to the Bank or connected to the LC) 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/or 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:

Contact Center : 03-7626 8899 /03-7661 7777
Facsimile : 03-7946 8888
E-mail : HLOnline@hlbb.hongleong.com.my

- Alternatively, you may seek the services of:

Khidmat Nasihat Pembiayaan (KNP), a service formalized by Bank Negara Malaysia in collaboration with Credit Guarantee Corporation Malaysia Berhad (CGC) and Agensi Kaunseling & Pengurusan Kredit (AKPK) via MyKNP@CGC that provides financial advisory and recommendations to Small and Medium Enterprises (SMEs) who were unsuccessful in obtaining business financing from banks.

You may contact KNP at:

a) MyKNP@CGC Advisory Unit Under CGC

Address : CGC Advisory at any CGC branches nationwide. Please refer to CGC website for the branch location
<https://www.cgc.com.my/cgc-branches>
Telephone : 03-7880 0088
E-mail : myknp@cgc.com.my
Website : www.myknp.com.my

b) Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia as a one-stop platform for both individuals and SMEs seeking debts restructuring services, as well as financial education and credit advisory. You may contact AKPK at:

Agensi Kaunseling dan Pengurusan Kredit (AKPK)
Address : Tingkat 8 Maju Junction Mall 1001, Jalan Sultan Ismail 50250 Kuala Lumpur
Telephone : 03- 2616 7766
E-mail : enquiry@akpk.org.my

- To make a complaint on products or services offered, you may contact us at:

Customer Advocacy
Level 13A Floor, Menara Hong Leong,
No 6, Jalan Damanlela, Bukit Damansara,
50490 Kuala Lumpur.
Phone : 03-7626 8801/ 03-7626 8802/ 03-7626 8812
E-mail : customerservice@hlbb.hongleong.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

Website : 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 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) 7661 7777
Or visit www.hlb.com.my**

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