

PRODUCT DISCLOSURE SHEET

Read this Product Disclosure Sheet before you decide to take up the Trust Receipt 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Final terms and conditions will be read jointly and superseded as stipulated in the letter of offer and facility agreement (if any) after credit assessment and loan approval.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 : Trust Receipt (TR)

Date: / /

1. What is this product about?

Trust Receipt (TR) is a method of financing whereby the Bank retains the legal title to the goods but relinquishes physical possession to the buyer / importer of the goods who acts as trustee or agent of the bank. The buyer / importer will dispose the goods and repay the Bank (amount owing plus interest) out of the proceeds of the sale on or before maturity of the TR.

TR is strictly for financing of working capital requirements and must not be used to finance purchase of fixed assets i.e. plant, machinery etc.

2. What do I get from this product?

a) Trust Receipt Facility

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

- b) Allows you to take possession of the goods without having to use your own funds immediately.
- c) Early settlement option available with interest calculated up to settlement date only.
- d) Improve cash flow by having additional time to convert your goods into cash.
- e) Minimum period of financing is 7 days but the maximum period must not exceed the approved financing tenure generally subject to a maximum period of 90 days.
- f) TR financing is in Ringgit Malaysia and the eligible margin of financing is 100% value of the invoice or part thereof. The minimum TR financing amount is set at RM2,500.

3. What are my obligations?

- a) The documents presented to the Bank to support the financing must relate to genuine and current trade transactions.
- 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.
- c) You have not obtained and will not obtain any other source of financing for the trade transaction concerned, including financing pursuant to a lease, hire purchase or factoring agreement.

- 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 TR.
- e) What are the cut-off times to observe for TR issuance?

TRADE PRODUCT	CUT-OFF TIME
TR financing (RENTAS)	12 pm
TR financing (Non-RENTAS) * (Foreign currency payment is subject to cut-off time for each currency. Refer to Trade Services Centre for cut-off time for each currency)	2 pm*

- f) **TR Pricing**
Base Lending Rate (BLR) + Spread [_% per annum (p.a.)]

Interest shall be computed from the financing date until payment is received on maturity date:-

$$\text{Interest} = \frac{\text{Principal} \times (\text{BLR} + \text{Spread}) \times \text{Tenure}}{365}$$

4. What other charges do I have to pay?

TR Commission for bills denominated in Foreign Currency

- 0.106% on bill amount, subject to a minimum of RM 53.00 and a maximum of RM 159.00

TR Commission for bills denominated in RM

- 0.106% on bill amount, subject to a minimum of RM 53.00 and a maximum of RM 530.00

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

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) A transaction will be converted to past due bill if payment is not received from you on the maturity date.
- b) A 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.**
- c) The TR 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 Damanlela, Bukit Damansara, 50490 Kuala Lumpur
Telephone : 1-800-188-133
E-mail : SME@hlbb.hongleong.com.my
Website : 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

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
Website : 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
Website : 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
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) 2777 1717 / 1715
Or visit www.hlb.com.my**

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