

**PRODUCT DISCLOSURE SHEET**

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Final terms and conditions will be read jointly and superseded as stipulated in the letter of offer and facility agreement after credit assessment and loan approval.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

Date:        /        /

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

A Bank Guarantee (BG) is a document whereby the Bank as guarantor undertakes to pay an agreed sum if customer fails or defaults in fulfilling their obligations under the terms and conditions of the guarantee. There are 2 types of guarantee i.e. Financial BGs and Non-Financial BGs.

A Financial Guarantee is defined as a guarantee issued by the Bank for its customer, favoring a third party under which the Bank agrees to pay the third party if the customer is unable to pay the amount due to the third party.

A Non-Financial Guarantee is broadly classified as performance bond guarantee. It is issued by the Bank for its customer favoring a third party, under which the Bank agrees to indemnify the third party should the customer fail to perform its duties / obligations of a specific contract entered into by it in accordance with the terms and conditions of that contract.

BGs should generally have an expiry date and a claim period (the period during which any claims on the BG must be received by the Guarantor). All BGs issued must be specific as to the amount and period of liability, including claim period.

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

a) Bank Guarantee Facility

Item	Description
Facility Amount	RM <Total Facility Amount>

b) The BG constitutes a formal and trustworthy undertaking that supports business needs.

**3. What are my obligations?**

a) You shall pay the Bank's commission at the rate stipulated by the Bank on each BG issued and such payment shall be made upon the issuance of the BG.

b) There shall be no refund by the Bank of any commission paid by you to the Bank in the event of any early cancellation or release or premature return of any BG.

c) Where the BG has no claim period, you agree that commission shall be payable for the duration of the guarantee period including the period from the expiry of the guarantee up to the date of return of the guarantee for cancellation. Where there is a claims period in the bank guarantee, commission shall be payable for the duration of the guarantee period up to the expiry of the claims period.

d) Your obligations under the BG Facility, is to forthwith pay to the Bank the amount demanded by the Bank immediately upon the Bank's demand irrespective of whether or not the Bank has made or has yet to make payment under any bank guarantee issued under or pursuant to the BG Facility.

- e) You authorize the Bank to debit your account in the Bank for any amount demanded by the Bank and any charges, interests, costs or expenses in respect of payment made by the Bank under the BG issued.
- f) What are the cut-off times to observe for BG issuance?

TRADE PRODUCT	CUT-OFF TIME
BG application ( issuance without stamping) <i>(issue, amendment and cancellation)</i> <i>Note: If you do not wish the Bank to attend to the stamping, please be reminded to attend to stamping expeditiously</i>	*2pm (same day turnaround)
BG application ( issuance with stamping) <i>(issue, amendment and cancellation)</i>	*2pm (turnaround within 2 working days)

\* Applies to HLBB standard BG format only.

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

##### **BG Commission**

- c) Ranging from 0.106% to 0.1855% per month or part thereof or as per rate specified and / or varied in the Letter of Offer from time to time subject to a minimum of RM53.00

##### **BG Amendment (if related to extension of the validity or increase in the amount of the BG)**

- d) Ranging from 0.106% to 0.1855% per month or part thereof or as per rate specified and / or varied in the Letter of Offer from time to time subject to a minimum of RM53.00

##### **BG Amendment (if not related to extension of the validity or increase in the amount of the BG)**

- e) RM21.20 flat service charge

##### **Cost of Postage**

- RM5.30 flat

##### **Cost of Stamp Duty**

- RM 10 for BG
- RM 10 for Letter of Indemnity

##### *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 of an advance by the Bank to honor the claim on the BG, the advance by the Bank shall be classified as past due bill and a penalty interest at BLR + penalty rate until repayment date shall be charged. **The present penalty rate is 3.5% per annum (p.a.).**
- b) When a BG is converted to past due, the BG facility and other trade facility (ies) shall be suspended immediately.
- c) 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)**

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