

PRODUCT DISCLOSURE SHEET

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Final terms and conditions will be read jointly and superseded as stipulated in the letter of offer and facility agreement (if any) after credit assessment and loan approval.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

Date: / /

1. What is this product about?

Bankers Acceptance (BA) is a usance (payable on a future date) bill of exchange drawn by customer and accepted by the Bank to finance business-related purchases or sales of goods to another person who may be a resident (any party within Malaysia) or non-resident (any party outside Malaysia), evidenced by proper and adequate documentation. BA facilities are used only for genuine working capital requirements and must not be used to finance purchase of fixed assets or services.

2. What do I get from this product?

a) Bankers Acceptance Facility

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

- b) BA can be used to finance import, local purchase, export and local sales of goods.
- c) Business activities for the purchase of computer software licenses, trade-related logistic services and the purchase of electricity from independent power-producer may be considered for financing with BNM's prior approval.
- d) Minimum period of financing is 21 days and the maximum period must not exceed the approved financing tenure subject to a maximum period of 365 days.
- e) The minimum financing amount is set at RM50,000 and should be in multiples of RM1,000.

3. What are my obligations?

- a) The documents presented to the Bank to support the acceptance and discounting of the BA 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 another source of financing for the trade transaction concerned, including financing pursuant to a lease, hire purchase or factoring agreement.
- d) You shall pay the discounted interest and all customary charges at the time of financing and the Bank is authorized to debit your account in the Bank for such payments.
- e) Upon the maturity of the BA, the Bank is authorized to debit your account with the face value of the Bankers Acceptance.

f) What are the cut-off times to observe for BA issuance?

TRADE PRODUCT	CUT-OFF TIME
BA financing (RENTAS)	12pm
BA 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)	2pm*

g) **BA Pricing**

Bankers Acceptance Cost of Funds (BA COF) + Spread [_% per annum (p.a.)]

The BA discounted proceeds shall be computed based on the formula below :-

$$P = \frac{FV (1 - r \times t)}{36500}$$

Where,

P = Discounted proceeds

FV = Face value of the BA

r = Rate of discount in percentage per annum

t = No of days remaining to maturity

4. What other charges do I have to pay?

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

Handling Fee

- RM 106.00 per BA for financing amount below RM100,000

(Not applicable to BA to finance import purchases under own LC or supported by inward / outward documentary collections channeled through us.)

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. 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.**

b) The BA facility and other trade facility(ies) will be suspended immediately.

- c) 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 [/ /]