

PRODUCT DISCLOSURE SHEET

Read this Product Disclosure Sheet before you decide to take up the Shipping Guarantee / Endorsement of Airway Bill/Parcel Post Receipt/Bill of Lading 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Final terms and conditions will be read jointly and superseded as stipulated in the letter of offer and facility agreement (if any) after credit assessment and loan approval.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 : Shipping Guarantee (SG) / Endorsement of Airway Bill (“AWB”) / Parcel Post Receipt (“PPR”)/ Bill of Lading (“BL”)

Date: / /

1. What is this product about?***Shipping Guarantee (SG)***

A Shipping Guarantee (SG) is an indemnity document issued by the Bank addressed to the shipping company on the instruction of customer (Importer) to take delivery of goods from the shipping company or its agent in the absence of the original bill of lading.

In the absence of the original bill of lading, the shipping company will release goods against the guarantee given by the Bank, i.e. the SG. The Bank undertakes to indemnify the shipping company or its agent against all consequences and/or liabilities relating to the delivery of the merchandise under this guarantee.

SGs are valid indefinitely, i.e. no expiry date and amount. They are valid until such time as the original bill of lading is presented to the shipping company or agent for redemption.

Endorsement of Airway Bill (AWB)/Parcel Post Receipt (PPR)/Bill of Lading (BL) (Endorsement)

There may be occasions where the customer receives 1 of the 3 of the original Bill of Lading directly from the seller prior to the arrival of remaining documents at the Bank. Under such circumstances, endorsement by the Bank of the Bill of Lading may be necessary to expedite the delivery of the goods to the customer.

The Endorsement of Airway Bill/ Parcel Post Receipt is done for goods which are dispatched by air or parcel post. Customer may receive a copy of the Airway Bill or Parcel Post Receipt prior to the arrival of the documents. Under such circumstances, an endorsement on the Airway Bill/ Parcel Post Receipt will be done by the Bank in order to enable customer to take delivery of the goods.

2. What do I get from this product?

a) Shipping Guarantee Facility

Item	Description
Facility Amount	RM <Total Facility Amount>

b) The ability to obtain goods faster especially in cases of unforeseen delay in the arrival of the original Bill of Lading /Airway Bill /Parcel Post Receipt document.

c) Savings on port charges and demurrage (i.e. storage) fees etc.

3. What are my obligations?

- a) You shall pay the Bank's commission at the rate stipulated by the Bank on each issuance of shipping guarantee or endorsement of AWB/PPR/BL by the Bank from time to time and such payment shall be made upon the said issuance or endorsement.
- 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 shipping guarantee.
- c) Even if the Bank endorses the Bill of Lading/Airway Bill/Parcel Post Receipt document, the Bank shall not be responsible for the sufficiency, accuracy or genuineness of the shipping documents or for any irregularities or discrepancy in the documents or for any non-compliance of the documents with the terms and conditions of the said Letter of Credit and you shall not dishonor such shipping documents.
- d) You are to return the Original Letter of Indemnity for Non-Surrender of BL (SG) to the Bank for cancellation upon the Bank's receipt of the negotiable Bill of Lading.
- e) What are the cut-off times to observe for SG issuance / Endorsement of AWB/PPR/BL?

TRADE PRODUCT	CUT-OFF TIME
SG / Endorsement issuance	2pm

4. What other charges do I have to pay?

SG Issuance / Endorsement Commission

- 0.10% flat on invoice value subject to a minimum of RM 50.00

SG Cancellation (if SG is not returned within 3 months from date of issuance)

- 0.50% per annum (on monthly basis) from 3rd month until date of return of SG. No minimum. No maximum.

Cost of Stamp Duty

- SG Issuance - RM20.00
- Endorsement - RM10.00

Cost of Postage

- RM5.00 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 a beneficiary demands any amount or the Bank is required to make or has made payment under any shipping guarantee issued or AWB/PPR/BL endorsed, the Bank may at any time demand payment from you and the Bank shall forthwith be paid by you in full for the amount so demanded together with interest thereon at the applicable Default Rate i.e. BLR + penalty rate. **The present penalty rate is 3.5% per annum (p.a.).**
- b) When a SG is converted to past due, the SG facility and other trade facility(ies) will 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, Hong Leong Tower, 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 complain on the products or services provided by us, you may contact us at:

Hong Leong Bank Berhad, Commercial and SME Banking,
Address : Level 9, Hong Leong Tower, 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, Hong Leong Tower
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 [/ /]