

PRODUCT DISCLOSURE SHEET
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Kindly read this Product Disclosure Sheet ("PDS") together with the terms in the Letter of Offer before you decide to take up Shipping Guarantee-i ("SG-i") with Hong Leong Islamic Bank ("Bank"). 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 PDS are tentative/ 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 Final terms and conditions will be read jointly and superseded as stipulated in the letter of offer and facility agreement after credit assessment and financing approval for the financing.

Please seek clarification from the Bank if you do not understand any part of this document or the general terms.

Hong Leong
Shipping Guarantee-i (SG-i)

**Product: Shipping Guarantee-i (SG-i) /
Endorsement of Airway Bill ("AWB") /
Parcel Post Receipt ("PPR")/ Bill of
Lading ("BL")**

December 2024

1. What is this product about?

- SG-i is an indemnity issued by the bank addressed to the shipping company on the instruction of the importer for release of goods without the production/ presentation of original Bills of Lading (BL).
- The guarantee is to accommodate importer/ buyer who may need to clear goods urgently, prior to receipt of the original bill of lading from the negotiating bank. 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.
- SG-i is valid indefinitely, i.e. no expiry date and amount. It is valid until such time as the original Bill of Lading is presented by shipping company 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 is the Shariah contract applicable?

- SG-i is based on the Shariah contract of Kafalah bil Ujrah, whereby the Bank as a guarantor conjoins the guaranteed party in assuming the latter's specified liability, with imposition of a fee.
- Under this contract, the Bank guarantees to pay an agreed sum to the shipping company or its agent in case customer fails or default or incapable in fulfilling its obligation as per conditions set out in the guarantee.

3. What do I get from this product?

- The ability to obtain goods faster especially in cases of unforeseen delay in the arrival of the Bill of Lading/Airway Bill/Parcel Post Receipt.
- Savings on port charges and demurrage fees etc.

4. What are my obligations?

- To fulfil your obligation as per conditions set out in the guarantee.
- To return the guarantee within three (3) months from date of issuance.
- For every issuance of SG-i facility, you will have to pay commission upfront.

Commission	Issuance	<ul style="list-style-type: none">0.10% flat on invoice valueMinimum RM50.00No maximum
	Cancellation (If SG is not returned within 3 months from date of issuance)	<ul style="list-style-type: none">Additional 0.50% per annum, collected monthly, from the 4th month until date of return of SG-i.No minimumNo maximum <p>(Note: Not applicable if SG-i is returned for cancellation within 3 months from date of issuance)</p>

5. What are the fees and charges I have to pay?

Stamp Duties	As per Stamp Duty Act 1949 (revised 1989).
Legal and Disbursement Fees	Solicitor fee as per the Solicitor's Remuneration Order 2005 including fees for registration of charge, land search, bankruptcy search, related government tax and other tax or levy as per the scale fees charged by the respective authorities.
Others	Please refer Trade Services Fees & Charges in our website at URL: https://www.hlisb.com.my/en/personal-i/help-support/fees-and-charges/trade-service-i.html

6. What if I fail to fulfil my obligations?

Charges for non-return of guarantee	0.5% p.a. (to be collected on monthly basis) from fourth month until date of return of SG-i
Compensation Charges for Late Payment (for each transaction)	<p>(a) For default causing the facility to be terminated or brought to court = Up to 1% p.a. on the outstanding balance (outstanding principal plus accrued profit);</p> <p>(b) For default payment after expiry of facility tenure = BNM Islamic Interbank Money Market ("IIMM") rate on the outstanding balance (outstanding principal plus accrued profit);</p> <p>(c) For default payment after court judgement has been obtained against you = IIMM rate on the basic judgment sum.</p> <p>Note:</p> <ul style="list-style-type: none">(i) Compensation charges shall not be added to the outstanding principal and shall not be more than the outstanding principal(ii) Compensation charges method and rate are subject to changes as may be prescribed by BNM(iii) Compensation charges is computed on a daily basis from the payment due date/maturity date/judgment date
Right to set-off	The Bank may set-off/deduct any credit balance in your deposit account maintained with the Bank against any outstanding balance in this account subject to the issuance of a seven (7) days' prior written notice to you.
Right to commence recovery or legal action	<ul style="list-style-type: none">• Legal action will be taken if you fail to respond to reminder notices. Your assets may be foreclosed and all costs will be borne by you. If the proceeds from the sale of the asset are insufficient to settle the amount outstanding and payable, you are responsible for settling any such shortcomings• The Bank has a right to commence recovery activities (including engaging third party debt collection agencies), foreclosure and bankruptcy proceedings. <p>Note: Legal action against you may affect your credit rating leading to credit being more difficult or expensive.</p>

7. What if I fully settle the financing before its maturity?

Early settlement is not applicable.

8. Do I need any takaful coverage?

The following takaful coverage are recommended/required to be taken from the Bank's panel:

- Takaful coverage to cover the company in the event of death or permanent disability of the customer or key men of the company (if applicable).
- Takaful over the goods (where applicable).

9. What are the major risks?

- In case SG-i is claimed by the beneficiary, you are required to pay guarantee amount paid by the Bank immediately.
- Should you fail to service your payment obligation in a timely manner, you shall be levied with compensation charges or any other rate determined by Bank Negara Malaysia (BNM).

10. What do I need to do if there are changes to my contact details?

It is important that you inform us of any changes in your contact details to ensure that all correspondences reach you in a timely manner. To update your correspondence details, please contact us at +603-76268899 or visit any of our branches/ business centres nationwide.

11. Where can I get assistance and redress?

- If you have any difficulties in making payment, you should contact us earliest possible to discuss payment alternatives. For any enquiries, you may contact us at:

Contact Centre : 03-7626 8899 / 03-7661 7777
Fax : 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 (BNM) 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 & Medium Enterprises (SMEs) who were unsuccessful in obtaining business financing from banks. You may contact KNP at:

MyKNP@CGC Advisory Unit under CGC

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

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

Agensi Kaunseling dan Pengurusan Kredit (AKPK)

Address : Tingkat 5 & 6, Menara Bumiputra Commerce, Jalan Raja Laut 50350 Kuala Lumpur, Federal Territory.
Telephone : 1-800-88-2575
E-mail : enquiry@akpk.org.my
Website : <https://www.akpk.org.my/smehelpdesk>

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

Customer Advocacy

Address : Level 13A Floor, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur
Telephone : 03-76268821 / 03-76268802 / 03-76268812
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 BNMLINK

Address : 4th Floor, Podium Bangunan AICB, No. 10, Jalan Dato' Onn, 50480 Kuala Lumpur
Telephone : 1-300-88-5465
Fax : 03-2174 1515
Website : <https://bnmlink.bnm.gov.my>

12. Where can i get further information?

Should you require additional information on Shipping Guarantee-i ("SG-i"), please visit any of our business centre nationwide or you may visit our website at www.hlisb.com.my website.

13. Other Business Trade Services-i Available

- Trust Receipt-i (TR-i)
- Letter of Credit-i (LC-i)
- Accepted Bills-i Purchase / Sale (AB-i)
- Bank Guarantee-i (BG-i)
- Hong Leong Invoice Financing-i (IVF-i)
- Inward/Outward Bill For Collection-i (IBC-i / OBC-i)
- Hong Leong Onshore Foreign Currency Financing-i (OFCF-i)

IMPORTANT NOTICE

THE BANK MAY PROCEED WITH LEGAL ACTION AND FORECLOSURE OF YOUR ASSET FINANCED BY OR CHARGED AS COLLATERAL TO THE BANK SHOULD YOU FAIL TO PAY YOUR PAYMENT PROMPTLY

The information provided in this disclosure sheet is valid as at December 2024.