PRODUCT DISCLOSURE SHEET (Versi Bahasa Malaysia) This Product Disclosure Sheet (PDS) contains general information about the product, which is subject to change at the Bank's discretion.	**Business and Corporate Banking-i** **Product: Bank Guarantee-i (BG-i)** **Date: / /**

1. What is Bank Guarantee-i (BG-i)?

BG-i is a legal instrument executed by a bank on behalf of its customer favouring the Beneficiary, normally Government department, statutory authorities or other such third parties in connection with a contract-entered into by the customer with the Beneficiary. BG-i issued in favour of a resident must be denominated in Ringgit Malaysia (RM).

There are two (2) types of guarantees:

1. Financial Guarantees:
   Defined as guarantees issued by the Bank for its customers, favouring 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 when there is a claim made by the third party.
2. Non-Financial Guarantees:
   Broadly classified as performance bond guarantees. Such guarantees are those issued by the Bank for its customer favouring a third party, under which the Bank agrees to indemnify the third party should the customer fail to perform in accordance with the terms of the specific contract entered into.

Shariah contract applicable under BG-i is 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 one party in case customer fails or default in fulfilling his obligation as per conditions set out in the guarantee.

Benefits – What do you get from this product?

- A payment undertaking instrument by the guarantor (bank) on a specified liability required by the local or foreign beneficiary for a contractual requirement in RM or foreign currency in lieu of an advance payment or deposit.
- The bank assists in reviewing the contents under the guarantee before issuance to protect your interests as an applicant.

2. Know Your Obligations

Pricing

- Issuance of Financial Guarantee: 0.175% per month or part thereof or rate specified in the Letter of Offer (Minimum RM50.00, No maximum).
- Issuance of Non-Financial Guarantee: 0.10% per month or part thereof or rate specified in the Letter of Offer (Minimum RM50.00, No maximum).
- Issuance Under cash Margin: 0.10% per month or part thereof or rate specified in the Bank Guarantee-i against Cash Margin Application Form (Minimum RM200.00, No maximum).
- BG-i that cannot be cancelled on the expiry date: As per rate for issuance of the BG-i, applied from expiry date till return of BG-i or receipt of BG-i beneficiary's letter of discharge, whichever is earlier.

Illustration (Non-Financial Guarantee)

- BG-i Amount = RM500,000; BG-i Tenure = 3 months
- BG-i issuance commission: RM500,000 × 0.10% × 3 = RM1,500.00

The commission for your BG-i issuance is RM1,500.00.

It is your responsibility to:

Read and understand the pricing and the terms and conditions in the letter of offer and/or facility agreement and/or application form before taking up and/or utilizing the facility.

Pay commission for the full guarantee duration, including the period from the expiry of the guarantee up to the date of return of the guarantee for cancellation (claims period).

Authorize the bank to debit your account for the payment of commission, fees and charges, Bank or Agent charges and all monies paid or for which the Bank is liable under the BG-i

Certify that the goods/services and affiliated parties / counterparties pertaining to the trade transaction are not sanctioned/prohibited/restricted and in line with your company's nature of business.

Inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

You also have to pay other fees and charges, where applicable, per our full list of fees and charges published at: https://www.hlisb.com.my/en/personal-i/help-support/fees-and-charges/trade-service-i.html

3. Know Your Risks

What will happen if you ignore your obligations?

1) Compensation Charges - If the Bank makes an advance payment to honour a BG-i claim, the outstanding amount will be classified as a past due bill and shall be subject to compensation charges as below:
   a) If you default your payment after the expiry of Facility Tenure, you are to pay compensation charges = BNM Islamic Interbank Money Market ("IIMM") rate on the outstanding balance (outstanding principal plus accrued profit)
   b) If you default your payment, causing the Facility to be terminated and brought to court, the compensation charges will be = Up to 1% p.a on the outstanding balance (outstanding Principal plus accrued profit).
   a) For default payment after court judgement, the compensation charges = IIMM rate on the basic judgement sum.

(Note: Compensation charges is computed on daily basis & shall not be added to the outstanding Principal & shall not be more than the outstanding Principal. The computation method and rates are subject to changes as may be prescribed by BNM.)

2) Your BG-i facility and other trade facilities will be suspended immediately once the outstanding BG-i is converted into past due.

3) The Bank may set off/deduct any outstanding balance from any credit balance you maintain in your deposit account with the Bank, subject to issuance of seven (7) days' prior written notice by the Bank to you.

4) 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 for settling any shortfall after your asset is sold.
   ii. The Bank has the right to commence recovery activities (including engaging third-party debt collection agencies), foreclosure, and bankruptcy proceedings.
   iii. Legal action against you may affect your credit rating, leading to credit being more difficult or expensive.

What is the major risk?

You may be exposed to the risk of false or baseless claims made by the beneficiary. This is because the clauses in the Bank Guarantee-i may require the bank to pay the claim without allowing it to be disputed.

4. Other Key Terms

Where can you get assistance and redress?

Call us at: **Contact Centre Team** 03-7626 8899/ 03-7661 7777	**Visit us at:** www.hlisb.com.my/bcbi	**Email us at:** HLOnline@hlbb.hongleong.com.my	**Agensi Kaunseling dan Pengurusan Kredit (AKPK)** Tel: 1-800-88-2575 https://www.akpk.org.my/smehelpdesk

If you have a query or a complaint that is not satisfactorily resolved by us, you may contact:

HLISB	BNMLINK
Customer Advocacy Tel: 03-7626 8821 / 03-76268802 / 03-76268812 Email: customerservice@hlbb.hongleong.com.my	Tel: 1-300-88-5465 Overseas: 603-2174 1717 Website: bnm.gov.my/BNMLINK

The information provided in this disclosure sheet is valid as of 31 December 2025.