

# PRODUCT DISCLOSURE SHEET

Read this Product Disclosure Sheet before you decide to sign-up for the HSBC Bank Malaysia Berhad's ("the Bank") Business Premises Financing ("BPF") product. Be sure to also read the Relationship Terms of Business and Generic Terms & Conditions for Commercial Banking and the terms and conditions as stipulated in the Facility Offer Letter.

**HSBC Bank Malaysia Berhad**  
▪ **Business Premises Financing (BPF)**

Date : Aug 2022

## 1. What is this product about?

- Business Premises Financing (BPF) helps you/your business/company to own your own business premises.
- It is a credit facility for financing or refinancing of business premises. This is an asset-backed financing facility secured against Commercial/ Industrial/Residential Properties and/or Vacant Land offered to customers.
- BPF is allowed for the following purposes:
  - Financing or refinancing of properties for business use (i.e. at least 50% owner-occupied, either by the borrowing entity or other entities within the same group), fully completed with Certificate of Fitness for Occupation (COF).
  - Financing the construction of factories or buildings on vacant land purchased (excluding miscellaneous costs i.e. design fees, legal fees, taxes, overhead costs, inspection fees, etc.) for own business use.
- This BPF is calculated on a variable rate basis, which means the interest of the loan changes with the changes in market interest rates, and you are offering the business premises and / or vacant land as a security for this loan. Additional security may be requested as may be stipulated in your Facility Offer Letter.

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

- Up to 85% margin of financing on the Purchase Price based on the Sales & Purchase Agreement or the Open Market Value (OMV) stated in the valuation report of the Bank's panel valuer.
- Also applicable for re-financing options. The Bank may adjust the loan amount downwards or obtain additional security(ies) based on the credit assessment performed at the point when the Bank first received your business/company's loan application.

### Example:

<b>Purchase price/OMV :</b>	RM 500,000.00
<b>Loan Interest:</b>	BLR – 1.7%
<b>Margin of Financing</b>	85%
<b>Loan amount:</b>	RM 425,000.00
<b>Loan tenure :</b>	20 years
<b>Base Lending Rate (BLR) :</b>	5.74% per annum*, subject to fluctuations due to changes in Overnight Policy Rates as announced by Bank Negara Malaysia

[Relationship Manager to quote the terms and conditions for this product]

\*BLR is subject to change and from time to time in line with changes in the Overnight Policy Rate as announced by Bank Negara Malaysia. Please refer to this link for more information: <https://www.business.hsbc.com.my/en-gb/my/generic/rates-tariff-and-charges>

## 3. What are my obligations?

- Loan repayment for the financing is in the form of monthly repayment (calculated based on the prevailing interest rate, loan tenure and outstanding balance). The instalment amount will commence upon financing disbursement. Your obligations are:
  - I. Servicing the monthly interest charged pending full financing disbursement
  - II. Servicing the monthly instalment amount upon full loan disbursement or upon first disbursement as stipulated in the facility offer

Note: The instalment amount and total repayment amount will vary if BLR changes.

**Example** of monthly payments if there are any BLR changes:

Loan amount: RM500,000

Tenure: 20 years

BLR (current): 5.74% per annum

Loan Interest Rate: BLR – 1.7%

	Tenure of Facility	Today (BLR=5.74%)  Effective Rate (ER) : 4.04%	If BLR goes up 1%  ER: 5.04%	If BLR goes up 2%  ER: 6.04%
Monthly Instalment	20 year(s) with first instalment to start from the date of first disbursement or upon full disbursement as stipulated in the Letter of Offer	RM 3,041	RM 3,310	RM3,594
Total interest that would have been paid at the end of 20 years		RM229,638	RM294,746	RM362,422
Total repayment that would have been paid at the end of 20 years		RM729,840	RM794,746	RM862,422

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

<b>Stamp Duties:</b>	As per the prevailing Stamp Act 1949 (Revised 1989) and subject to any stamp duty exemption or remission orders, if any, as may be granted from time to time.
<b>Legal fees:</b>	Legal fees incurred in the preparation of all documentation and perfection of the bank's security documents.
<b>Facility Arrangement Fee</b>	Minimum RM2,000.†
<b>Facility Management Fee</b>	RM400 to be charged for each annual review or upon amendment of existing facilities. †

<b>Late Payment Interest charges</b>	1% per annum above the effective rate of interest (or as stipulated in the Facility Offer Letter) on the overdue amount.
<b>Prepayment Fee</b>	3.0% flat on the original facility amount or RM5,000 (whichever is the higher) to be charged for prepayment during the lock-in period. (applicable for all customers)
<b>Tax:</b>	Where tax is chargeable on any of the above fees and charges, the applicable tax shall be imposed in addition to such fees and charges, and shall be payable.

†Not applicable to Customer which is a “small and medium enterprise” within the National SME Development Council’s definition (“SME”)

The fees and charges mentioned in our schedule of tariff and charges (as may be varied from time to time) are also applicable based on the transaction types mentioned therein. See this link for more information : <https://www.business.hsbc.com.my/en-gb/my/generic/rates-tariff-and-charges>

#### 5. What if I fail to fulfil my obligations?

- In the event of late payment of any part of the principal and/or interest, additional interest on the amount overdue will be charged at an additional 1% per annum over the prescribed interest rate from the due date until the date of payment.  
  
**Example:** (Amount overdue) x [(interest rate) + 1%] x n/Numbers of days in a calendar year as stipulated in Facility Offer Letter (n= number of days overdue)
- **Right to set-off:**
  - The Bank have the right to set-off any credit balance in your account(s) maintained with us against any outstanding balance in this financing account
- **Right to commence recovery activities:**
  - In the event of default, the Bank have the right to commence recovery activities.

#### 6. What if I fully settle the loan before its maturity

- An early settlement penalty of 3% flat or RM5,000 (whichever is the higher) to be charged on the original loan amount if it is within the lock-in period (3 years for completed properties and 5 years for properties under construction).
- After the lock-in period or after full drawdown of loan, whichever is the later, you may prepay the loan or part thereof by giving the Bank three (3) months’ prior written notice of your intention to prepay or by paying three (3) months’ interest in lieu of notice.

#### 7. Do I need any insurance / takaful coverage?

- The Property to be charged to us shall be insured by an insurer/takaful operator acceptable to the Bank. You may let us know of your choice of insurer/takaful operator for verification.  
*(RM to indicate the type of insurance coverage required e.g. Fire Insurance, MRTA, etc)*

#### 8. What are the major risks?

- The interest rates may change due to changes in BLR. An increased interest rate will result in higher monthly instalments.
- If your business/company has problems meeting your financing obligations, contact us early to discuss payment alternatives.

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

- It is important that the Bank is informed of any change in your/your business/company's contact details to ensure that all correspondences reach you/your business/company in a timely manner.
- Changes in your/your business/company's contact details should be formally submitted in writing and duly authorised by the company's authorised signatories. Please contact your Relationship Manager for further clarification.

#### **10. Where can I get further information?**

- If you have any enquiries, please contact your Relationship Manager or visit our website at: <https://www.business.hsbc.com.my>.

#### **11. Where can I get assistance and redress?**

- If you have difficulties in making monthly payments, you should contact your dedicated Relationship Manager at the earliest possible instance to discuss payment alternatives.
- You may also 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 and SMEs. You can contact AKPK at:

Level 5 and 6, Menara Bumiputra Commerce,  
Jalan Raja Laut  
50350 Kuala Lumpur  
Tel: 03-2616 7766 (Monday to Friday; 9am - 5:30pm local time)  
Email: [enquiry@akpk.org.my](mailto:enquiry@akpk.org.my)

- If you wish to complain on the products or services provided by us, you may contact us at:

HSBC Bank Malaysia Berhad  
Customer Relations Team  
Level 30, Menara IQ, Persiaran TRX  
55188 Tun Razak Exchange, Kuala Lumpur.  
E-mail: [complaints@hsbc.com.my](mailto:complaints@hsbc.com.my)

- If your query or complaint is not satisfactorily resolved by us, you may also contact Bank Negara Malaysia LINK or TELELINK at:

Bank Negara Malaysia  
Jalan Dato' Onn  
P.O. Box 10922  
50929 Kuala Lumpur.  
Tel: 1300-88-5465 (1-300-88-LINK)  
(Overseas: 603-2174-1717)  
Fax: 03-2174 1515  
Email: [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.my)  
Web form: eLINK at <https://telelink.bnm.gov.my/>

Operating Hours: 9.00AM to 5.00PM – Monday to Friday  
General Number: 603-26988044 / 2698 9044 / 9179 2888

**12. Other facilities/packages available:**

- Yes. A separate Overdraft option is also available and is capped at 40% of the approved BPF facility limit subject to usual credit assessment and approval.
- The Bank also has a wide range of other financing facilities available such as Revolving Loan, Term Loans and Trade Facilities. You may also refer to our website at <https://www.business.hsbc.com.my> for further details.

**IMPORTANT NOTES:**

- The facility(ies) may be immediately suspended or terminated and all sums payable on demand in the event you default in the payment of any sum due under the facility(ies) whether instalments, interest or otherwise or is in breach of the terms of the facilities documentation. The business premises may be foreclosed if you do not keep up the repayments.
- You are advised to go through and understand the information in this Product Disclosure Sheet. HSBC recommends that before you make any decision or accepting any of the Bank's terms and conditions for this product (*for example, terms and conditions found in facility offer letter, or the Bank's Generic Terms and Conditions, etc*) you should consult with qualified professional advisers to obtain the appropriate financial, legal, accounting, tax or other advice which is suitable for your business, as well as to ensure adequate understanding of your key contractual obligations under these terms and conditions. We are always ready to assist and provide clarification if you are in doubt. Should you require any support, kindly reach out to your Relationship Manager or the relevant HSBC officer. Your subsequent application for the banking service/facility is deemed as having an understanding of the relevant product (and you have sought for clarification, if required)

The information provided in the disclosure sheet is valid as at **4/08/2022**.  
Issued by HSBC Bank Malaysia Berhad (Company No. 198401015221 (127776-V))