


PRODUCT DISCLOSURE SHEET

<p>PRODUCT DISCLOSURE SHEET</p> <p>(Read this Product Disclosure Sheet before your business/company decides to take up the product. Be sure to also read the bank's terms and conditions, which includes terms in the Facility Offer Letter and the Bank's Standard Trade Terms (available at https://www.gbm.hsbc.com/gtrfstt or upon request).)</p>	<p>HSBC Bank Malaysia Berhad (HSBC)</p>  <p>EXPORT CREDIT REFINANCING</p> <p><Date></p>												
<p>1. What is this product about?</p> <p>Export Credit Refinancing (ECR) is a scheme introduced by Bank Negara Malaysia to promote Malaysia's exports and international trade via two types of facilities, namely</p> <ul style="list-style-type: none"> • the Pre-shipment ECR; and • the Post-shipment ECR <p>ECR is now managed by Export-Import Bank of Malaysia Berhad (EXIM Bank).</p> <p>Export Credit Refinancing (ECR) provides an alternative short term pre- and post-shipment financing to direct/indirect exporters to promote export of manufactured products, agriculture products and primary commodities.</p> <p>The pre-shipment ECR facility facilitates the production of eligible goods for export prior to shipment and to encourage the backward linkages between the exporters and local suppliers in industrial development.</p> <p>The post-shipment ECR facility bridges the funding requirement of exporter from shipment to receipt of payment of the export bill.</p> <p>ECR is calculated based on the floating Ringgit EXIM Bank funding rate fixed for the duration of each ECR at the time of application.</p>													
<p>2. What do I get from this product?</p>													
<p>Pre-shipment ECR provides you with working capital for production of eligible goods for export whilst Post-shipment ECR helps to finance export sales of eligible goods on credit terms upon shipment. As a qualified Exporter, you can access a cheaper source of working capital through this Government-aided scheme.</p>													
<table border="1"> <thead> <tr> <th data-bbox="240 1297 878 1325">Pre-shipment ECR</th> </tr> </thead> <tbody> <tr> <td data-bbox="240 1325 878 1352">1) Margin of financing is up to 95% on value of export order</td> </tr> <tr> <td data-bbox="240 1352 878 1379">2) If financing is against certificate of performance (CP);</td> </tr> <tr> <td data-bbox="240 1379 878 1407"> a) Direct Exporter 100% of export value of proceeding</td> </tr> <tr> <td data-bbox="240 1407 878 1434"> 12 month</td> </tr> <tr> <td data-bbox="240 1434 878 1461"> b) Indirect Exporter 80% of local sales</td> </tr> <tr> <td data-bbox="240 1461 878 1488">3) Tenure is up to a maximum of 120 days</td> </tr> <tr> <td data-bbox="240 1488 878 1516">4) Subject to ECR credit limit with the commercial bank and</td> </tr> <tr> <td data-bbox="240 1516 878 1543"> EXIM Bank's administrative limit.</td> </tr> </tbody> </table>	Pre-shipment ECR	1) Margin of financing is up to 95% on value of export order	2) If financing is against certificate of performance (CP);	a) Direct Exporter 100% of export value of proceeding	12 month	b) Indirect Exporter 80% of local sales	3) Tenure is up to a maximum of 120 days	4) Subject to ECR credit limit with the commercial bank and	EXIM Bank's administrative limit.	<table border="1"> <thead> <tr> <th data-bbox="878 1297 1393 1325">Post-shipment ECR</th> </tr> </thead> <tbody> <tr> <td data-bbox="878 1325 1393 1461">1) Margin of financing is up to a maximum of 100% of export bill value. Subject to availability of ECR credit limit with the commercial bank and EXIM Bank's administrative limit.</td> </tr> <tr> <td data-bbox="878 1461 1393 1491">2) Tenure is up to maximum 183 days</td> </tr> </tbody> </table>	Post-shipment ECR	1) Margin of financing is up to a maximum of 100% of export bill value. Subject to availability of ECR credit limit with the commercial bank and EXIM Bank's administrative limit.	2) Tenure is up to maximum 183 days
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<p>Procedures of the ECR Scheme are subject to conditions and guidelines laid down from time to time by Exim Bank. ECR interest rates are to be determined by EXIM Bank from time to time. Interest is charged at an agreed percentage per annum above EXIM Bank's funding rate, subject to fluctuations at Exim Bank's discretion</p> <p>The Bank may, at its sole and absolute discretion, refuse to allow drawings under this Export Credit Refinancing Scheme (Pre/Post Shipment) facility if the drawee is considered by the Bank to be unacceptable and/or if the transaction in question does not meet the Bank's operational requirements in respect of this Export Credit Refinancing Scheme (Pre/Post Shipment) facility.</p> <p><u>Standard Cut-Off Times</u> In view of EXIM's cut-off time at 11.00 a.m., the Standard Cut-Off Times (Monday to Friday except for public</p>													

holidays) for same day settlement is 9.00 a.m. (subject to complete information received for trade applications and funding from EXIM is completed).
 Note: Service delivery standards shall depend on customer's grouping as "Premier" or "Standard" or as agreed in customer's legal agreements.

3. What are my obligations?

Your business/company will need to repay the full value of the ECR loans on due date (including any interest charged as applicable).

Payments are made by ECR Banks to EXIM Bank at the end of the maturity period through proceeds received from customer:-

Pre-Shipment	Post-Shipment
Direct Exporter: <input type="checkbox"/> Export proceeds; or <input type="checkbox"/> Post-shipment proceeds Indirect Exporter: <input type="checkbox"/> Proceeds from direct exporter	Upon:- <input type="checkbox"/> Receipt of export proceeds; or <input type="checkbox"/> Maturity of the post-shipment bill whichever is earlier

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

Key charges include:-

Key Charges	Description
Processing Fee	RM5 per set of documents
ECR Domestic Purchase Order	0.05% flat of the bill value (min RM20; max RM500)
ECR LPO Charges	0.05% flat of the bill value (min RM20; max RM500)
Other charges	Please refer to our schedule of tariff and charges at https://www.business.hsbc.com.my/en-gb/my/generic/rates-tariff-and-charges for full list of charges. The fees and charges above may be updated from time to time and in case of inconsistency, the fees and charges stated in the prevailing standard tariff and charges (which is available at https://www.business.hsbc.com.my/en-gb/my/generic/rates-tariff-and-charges) shall prevail over the fees and charges stated in this document

5. What if I fail to fulfill my obligations?

Right To Set-Off

In the event of a default, your business/company will need to pay all additional interest, costs, charges and expenses incurred until the loan is fully repaid, which will be debited and/or set off from any credit balance(s) in any of your business/company's account(s).

Late Payment Fees

Interest on the amount overdue will be charged at additional 1% per annum over prevailing interest rates

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

This ECR loan can be fully settled before its maturity and interest paid for the remaining tenure of the loan will be refunded.

7. Do I need any insurance / takaful coverage?

Whilst you do not specifically need to take up any insurance / takaful coverage for this product, you are encouraged to consider taking up appropriate coverage to protect your goods / business such as our Marine Cargo Insurance, Fire Commercial or Flexi Business Shield. Please contact your Relationship Manager for further details.

8. What are the major risks?

There is minimum risk in terms of changes in interest rates during the tenure of the loan as the financing rate is locked in for the duration of the loan tenure.

If your business/company has problems meeting this loan obligations, contact us early to discuss repayment

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 business/company's contact details to ensure that all correspondences reach your business/company in a timely manner. Changes in your business/company's contact details should be formally submitted in writing and duly authorized by the company's authorized signatories. Please contact your Relationship Manager for further clarification.

10. Where can I get further information?

Should you require additional information about taking up Export Credit Refinancing, please refer to the *bankinginfo* booklet on 'Small and Medium Enterprises - Financing Products for Your Business – Trade Financing – Export Credit Financing (ECR)', available at www.bankinginfo.com.my. Kindly take note that the information available in the *bankinginfo* booklet refers to types of financing products in general, and is not an exact representation of products offered by the Bank.

If you have any enquiries, please contact your Relationship Manager or Trade representative 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 payments, you should contact your Relationship Manager earliest possible to discuss payment alternatives.

- If you wish to speak to our Trade representative, you may contact us at:
Client Service Team
Tel: 1-300-88-1099
Email: gtrf.client.services.my@hsbc.com.my

- 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

- If you wish to complain, please contact the following: -

If you wish to complain on the products & services provided by us, you may contact us at:	If your query or complain is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at:
HSBC Bank Malaysia Berhad Customer Experience Team, Level 30, Menara IQ Persiaran TRX 55188 Tun Razak Exchange, Kuala Lumpur Malaysia Telephone: +603-2075 6235 Facsimile: +603-88942811 Operating Hours: (9.00am to 4.00pm–Monday to Friday) E-mail: complaints@hsbc.com.my	Bank Negara Malaysia Jalan Dato' Onn, P.O. Box 10922 50929 Kuala Lumpur. Tel: 1-300-88-5465 (1-300-88-LINK) (Overseas: 603-2174-1717) Fax: 603-2174 1515 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 trade loans available?

Other trade loans available are

- Receivables Financing
- Supply Chain Financing
- Pre/Post-Shipment Buyer Loans (including Bankers Acceptances)
- Pre/Post-Shipment Buyer Loans (including Bankers Acceptances)
- Documentary Credit Issuance / Shipping Guarantee
- Bank Guarantee / Standby Documentary Credit Issuance
- Export Bills Purchased
- Export Documentary Credit Negotiation

Please also contact your Relationship Manager or Trade Representative for details of other Non-Financed Trade Services and/or further discussion on appropriate financing solutions that caters to your company's best interest.

IMPORTANT NOTE(S):

- **Your business/company will be classified as bad and doubtful after 3 months / 90 days default in any loan/facility repayments and this trade facility may be withdrawn/cancelled.**
- **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 Standard Trade Terms, 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 trade service/facility is deemed as having an understanding of the relevant product (and you have sought for clarification, if required).**