

## PRODUCT DISCLOSURE SHEET

Dear Customer,

This Product Disclosure Sheet (PDS) provides you with key information on your Trade Services/Financing. Other customers have read this PDS and found it helpful; you should read it too.



HSBC Bank Malaysia Berhad

Date:

### (1) What is Export Packing Credit?

Export Packing Credit (PC) is a Pre-shipment working capital finance which finances an exporter's production costs i.e. after goods have been manufactured but before they are shipped. This will ease the exporter's cash flow while the goods are being packed and waiting for shipment. PC can be obtained in Ringgit or foreign currency and should be drawn against valid export Documentary Credits (DCs) held by HSBC. Additionally, drawings may be allowed against confirmed orders, which will be followed by export DCs from a specific reputable buyer of international standing. PC is calculated based on the prevailing published reference rate (e.g. Base Lending Rate, KLIBOR, Risk Free Term Rates such as Term SOFR, SONIA for GBP, or EURIBOR) or funding cost of the relevant currency for Foreign Currency Loans fixed for the duration of the loan at the time of application

#### Benefits – What do I get from this product?

Your business/company will be able to access working capital financing and better cash flow management prior to shipment / delivery of goods. Export Packing Credit helps you to fulfill your orders, enabling you to offer more competitive terms to trading partners. Interest is charged at an agreed percentage per annum above the prevailing Ringgit / foreign currency rate as stipulated in the Facility Offer Letter.

### (2) Know Your Obligations

You will have to pay for financing charge based on the pricing in your Facility Offer Letter:-

#### Illustration

- Your export bill amount : USD350,000; export bill tenure : 90 days
- Your Financing rate: KLIBOR 3 months + 0.5% margin = 4.5% p.a
- Financing charge =  $350,000 \times 4.5\% \times 90 / 365 = \text{USD}3,884$

You also have to pay other fees and charges, where applicable, per our published tariff @ <https://www.business.hsbc.com.my/en-gb/my/generic/rates-tariff-and-charges>.

#### It is your responsibility to:



Read and understand the key terms in the contract before you sign it



Your business/company will need to repay the full value of the loan(s) from the proceeds of the related export DC negotiations including any interest charged as applicable. No rollovers at maturity are permitted.



Contact us immediately if you are unable to pay the due amount.



Late payment fee is at 1% over and above the prescribed interest rate as stipulated in the legal agreement with customer (e.g. Facility Offer Letter); OR 3.5% above the bank's prevailing Cost of Funds.

### (3) Know Your Risks

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

##### 1. Right of Recourse

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)

2. A Ringgit loan can be fully settled before its maturity but early settlement of a foreign currency loan is normally not permitted. If an early retirement of foreign currency loan is allowed/approved by HSBC, an appropriate compensation charge (conclusively calculated by the Bank) will be levied

#### What is the major Risk?

For foreign currency transactions, you should be aware of foreign exchange risks involved and take appropriate measures to mitigate the foreign exchange risk.

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. However, your business/company may face foreign exchange risk for the life of the foreign currency loan. If your business/company has problems meeting loan obligations, contact us early to discuss repayment alternatives.

and can only provided to your business/company at the time of request for consideration

#### (4) Other Key Terms

- You will be classified as bad and doubtful after 90 days default in any loan/facility repayments and this trade facility may be withdrawn/cancelled.
- HSBC recommends that before you make any decision or accepting any of the Bank's terms and conditions for this product, you should consult with qualified professional advisers to obtain the appropriate financial, legal, accounting, tax or other advice to ensure adequate understanding of your key contractual obligations under these terms and conditions.
- Collateral / Guarantor may be required on a case to case basis depending on your payment capabilities and other credit considerations
- Standard Cut-Off Times (Monday to Friday except for public holidays) for settlements are subject to the respective foreign currencies cut-off time and provided that complete information is received: -

Cross Border Payments	12.00 p.m. (exclude AUD & JPY)	10.00 a.m (for AUD & JPY)
Ringgit Payments (Rentas)	11.00 a.m.	

- Service delivery standards shall depend on customer's grouping as "Premier" or "Standard" or as agreed in customer's legal agreements.
- Please inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner. Changes in your contact details should be formally submitted in writing and duly authorized by the company's authorized signatories.
- For more details, you may refer to the *bankinginfo* booklet on 'Small and Medium Enterprises - Financing Products for Your Business – Trade Financing – Bank Guarantee', available at [www.bankinginfo.com.my](http://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

#### Where can I get assistance and redress?

 <b>Call us at:</b> Client Service Team Tel: 1-300-88-1099	 <b>Visit us at:</b> <a href="https://www.business.hsbc.com.my">https://www.business.hsbc.com.my</a>	 <b>Email us at:</b> <a href="mailto:trade.clientservice.st@hsbc.com.my">trade.clientservice.st@hsbc.com.my</a>	<b>Agensi Kaunseling dan Pengurusan Kredit (AKPK)</b> Tel: 03-2616 7766 (Monday to Friday; 9am - 5:30pm) E-mail: <a href="mailto:enquiry@akpk.org.my">enquiry@akpk.org.my</a>
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#### If your query or complain is not satisfactorily resolved by us, you may contact:

HSBC	BNM Telelink	Financial Markets Ombudsman Service (FMOS)
Customer Experience Team Telephone: +603-2075 6235 Facsimile: +603-88942811 E-mail: <a href="mailto:complaints@hsbc.com.my">complaints@hsbc.com.my</a>	Tel: 1-300-88-5465 (1-300-88-LINK) (Overseas: 603-2174-1717) Fax: 603-2174 1515 Web form: eLINK at <a href="https://telelink.bnm.gov.my/">https://telelink.bnm.gov.my/</a>	<b>By fax/email/post</b> Chief Executive Officer 14 <sup>th</sup> Floor, Main Block, Menara Takaful Malaysia No. 4, Jalan Sultan Sulaiman 50000 Kuala Lumpur
		<b>In Person (walk-in)</b> 14 <sup>th</sup> Floor, Main Block, Menara Takaful Malaysia No. 4, Jalan Sultan Sulaiman 50000 Kuala Lumpur.

#### Customer's Acknowledgement\*

Ensure you are filling this section yourself and are aware of what you are placing your signature for.

☐

I acknowledge that HSBC Bank Malaysia Berhad has provided me with a copy of the PDS.

☐

I have read and understood the key information contained in this PDS.

*\*A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions.*

*The Customer hereby acknowledges and agrees that by signing this document (or by way of an email confirmation provided to HSBC) all the terms and conditions of the Product Disclosure Sheet have been explained to them.*

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Name:

Date: