

# PRODUCT DISCLOSURE SHEET

Read this Product Disclosure Sheet before you decide to sign-up for the HSBC Bank Malaysia Berhad's ("the **Bank**") Revolving Loan 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**  
**• Revolving Loan**

Date : December 2023

## 1. What is this product about?

- A Revolving Loan is a credit facility granted to meet the Customer's short-term working capital requirement.
- The facility offers customers flexibility of only paying the interest payments upon the end of the rollover period / paying back the principal amount fully (plus interest charged) or making a partial payment or totally renewing the facility for another short-term tenure i.e. rollover the principal amount and tenure, subject always to servicing of interest.
- The facility is granted on an uncommitted basis, which means the bank may reduce/ cancel/ suspend the limit at any time.
- The Revolving Loan is calculated on a variable basis, which means the interest of the loan changes with the changes in market interest rates.
- You may be required to provide/procure a guarantee, i, pledge, security deposit and/or such other form of security to secure this facility and/or payments due to the Bank.

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

Interest rates charges will depend on the purpose of financing and is pegged to an applicable prevailing rate (eg. KLIBOR, applicable currency Risk Free Rates / Term Rates / Central Bank Rates\* etc.) and will be subject to the relevant credit approvals.

*\*Example of Central Bank Rates are: The Fed Funds Target Rate (USD) / Bank of England Rate (GBP). Examples of Risk Free Rates are: Secured Overnight Finance Rate ("SOFR") for USD / Sterling Overnight Index Average ("SONIA") for GBP. Examples of Term Rates are: EURIBOR (EUR) / TIBOR (JPY).*

### Example:

<b>Loan Interest:</b>	KLIBOR* + 1.5% p.a
<b>Revolving Loan amount:</b>	RM 500,000
<b>Revolving Loan utilised:</b>	RM 200,000
<b>Rollover Period</b>	3 months
<b>3 months KLIBOR rate* (prevailing rate as of May22)</b>	2.26% p.a, subject to market fluctuations.
<b>Effective Lending Rate</b>	3.76% p.a
<b>Non-utilisation Fee</b>	1.00% p.a
<b>Interest charged</b>	RM 2,593.97 (Interest charged on revolving credit amount utilised + Non-utilisation Fee)  Calculation: Interest charged on revolving credit amount utilized: = (RM 200,000 x 3.76% x 90 / 365) + Non-utilisation Fee (RM 300,000 x 1.00% x 90 / 365) = <b>RM2,593.97</b>

\* KLIBOR / Rate tenure is aligned with the rollover tenure.

### 3. What are my obligations?

- Servicing the interest charged based on your utilisation amount of the facility.
- Servicing the outstanding amount (principal sum plus interest charged or any other monies) owing to the Bank upon maturity unless renewed (rollover of principal and tenure) for another short term tenure.
- You may also be required to provide/procure a security e.g. guarantee, pledge, security deposit to secure this facility and/or payments due to the Bank.

Note: Your total repayment amount will vary according to the changes in the applicable prevailing rate.

### 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>Non-utilisation Fees:</b>	1% per annum on unutilised portion of the facility
<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>	Fee is calculated based on the amount (if any) by which the interest the Bank should have received had the facilities (or part thereof) been repaid on the last day of the then current interest period exceeds the return the Bank would be able to obtain by placing an amount equal to the amount so repaid on deposit with a leading bank in the relevant interbank market. This is also commonly known as the break cost fee.
<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 on our website 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/Number of days in a calendar year as stipulated in FOL (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

<ul style="list-style-type: none"> <li>▪ <b>Right to commence recovery activities:</b> <ul style="list-style-type: none"> <li>○ In the event of default, the Bank has the right to commence recovery actions</li> </ul> </li> </ul>
<p><b>6. What if I fully settle the loan before its maturity?</b></p>
<ul style="list-style-type: none"> <li>▪ Your business/company is required to provide a written request to the Bank at least three (3) Business Days before the end of a current Rollover Period, the Bank may at its discretion roll-over a Loan for a further Rollover Period subject to payment of interest. Unless rolled over, each Loan shall be repaid at the end of a Rollover Period.</li> <li>▪ If repayment is allowed to be made other than at the end of a Rollover Period at your request, you shall compensate the Bank for Break Costs (i.e Prepayment Fee).</li> <li>▪ If the applicable interest rate is overnight Risk Free Rate, Break Costs may not be applicable. However, a prepayment may not be made more than four occasions in any 12-month period with the first 12-month period to commence from the date of first drawing of this Facility (unless otherwise advised by the Bank). If (i) the Bank allows additional prepayment beyond four occasions under such aforementioned 12 month period and/or (ii) a prepayment made under would result in the facility limit being exceeded, the Customer shall, in respect of any additional prepayments, pay to the Bank the amount calculated by the Bank to compensate it for its reasonable costs and expenses properly incurred in administering or giving effect to the payment of the facility (or part thereof) prior to the last day of the then current interest period.</li> <li>▪ Any amount of drawing repaid may be re-drawn by the Customer.</li> </ul>
<p><b>7. Do I need any insurance / takaful coverage</b></p>
<ul style="list-style-type: none"> <li>▪ Insurance/Takaful coverage is not required for Revolving Loan facility.</li> <li>▪ However, if there are property charged to us as security for the Revolving Loan facility, it 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.</li> </ul>
<p><b>8. What are the major risks?</b></p>
<ul style="list-style-type: none"> <li>▪ <b>Partial Payments</b> <ul style="list-style-type: none"> <li>○ If the Bank receives insufficient payment to discharge in full the amounts then due and payable under this facility, the Bank may apply such payment in the order decided by the Bank without taking account and order of payment intended by the Customer.</li> </ul> </li> <li>▪ <b>Right of Consolidation</b> <ul style="list-style-type: none"> <li>○ The Bank may combine all outstanding Revolving Loans and interest, on or after a demand is made as a consequence of the Bank terminating this facility (pursuant to an event of default as defined in the facilities documentation, its right to recall this facility on demand or otherwise) into a single consolidated amount and shall have the right to make reasonable adjustments to arrive at a single default interest Rate for the consolidated amount.</li> </ul> </li> <li>▪ Interest rates may change due to changes in the reference rates. An increased interest rate may result in higher monthly repayment.</li> <li>▪ If you have problems meeting your loan obligations, contact us early to discuss repayment alternatives.</li> </ul>
<p><b>9. What do I need to do if there are changes to my contact details?</b></p>
<ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ 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.</li> </ul>
<p><b>10. Where can I get further information?</b></p>

- 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 payments for any amount due, 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:**

The Bank has a wide range of financing facilities available such as Overdrafts, 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) is provided on an uncommitted basis where the Bank has the right to reduce/ cancel/ suspend the Revolving Loan limit at any time.
- 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 interest or otherwise or is in breach of the terms of the facilities documentation.
- 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 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.

The information provided in the disclosure sheet is valid as at

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Name:

Designation:

Company Name:

Date: