


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 Receivables Finance Facility letter (where applicable) and/or the relevant Receivables Finance agreement.</p>	<p>HSBC Bank Malaysia Berhad (HSBC)</p>  <p>RECEIVABLES FINANCE</p> <p><Date></p>
<p>1. What is this product about?</p>	
<p>Receivables Finance (RF) is a product designed to provide your business/company with immediate and secure cash payment of up to maximum 85% of the value of your local and export sales invoices, from the point your business/company sell goods to a Buyer until, the Buyer settles their account at the end of the agreed credit term. The remainder 15% or more, less the financier's fee, is paid to your business/company when the full invoice payment is received from the Buyer and cleared by our Bank. In this relationship, Buyer is notified of the sale of receivables and payments are to be made directly from the Buyer to our Bank.</p>	
<p>2. What do I get from this product?</p>	
<p>Essentially, RF is a complete financing package that combines working capital financing, credit risk protection and collection services.</p> <p>In short, there are three (3) main elements of RF facilities:</p> <ol style="list-style-type: none"> Financing – Financing is made available to the Seller when its account receivables to local or overseas buyers are sold to the Bank through the Receivables Finance agreement. RF facility is directly linked to your sales, and not the collateral. Credit Protection from the risk of bad debts – your business/company can mitigate your Buyer risk through our credit protection option, which can cover up to 90% of your sales. Sales Ledger Management and Collection of Payment on Invoices – this refer to cases where your business/company is able to outsource your sales ledger management and collection to our Bank through our dedicated credit control function. <p>Discounting Charge:</p> <ul style="list-style-type: none"> Calculated daily on the financing amount extended to seller, and based on an agreed margin plus published reference rate (e.g. Base Lending Rate, KLIBOR, Risk Free Rates such as SONIA for GBP, and EURIBOR) or the bank's internal cost of funds of relevant currency plus interest margin of up to maximum of 3.00% as stipulated in the Receivables Finance facility letter (where applicable) and/or the relevant Receivables Finance agreement. 	
<p>3. What are my obligations?</p>	
<ol style="list-style-type: none"> You are required to assign to the Bank absolutely, all rights and titles in all existing and future debts owed by an approved Buyer upfront via the execution of the Receivables Finance Agreement. Your business/company is required to promptly perform all your sales obligation to your Buyer under each Contract of Sales, and, at the HSBC's request, to provide satisfactory evidence of performance to pursue payment from your Buyer. <ul style="list-style-type: none"> To notify HSBC immediately of any dispute of any kind between your business/company and the Buyer relating to a Debt under the Contract of Sales and to resolve that dispute immediately. There is no monthly installment for RF as RF is akin to a revolving facility which is similar to Bankers Acceptances where the facility will be paid-off when the Debtor/Buyer issues payment for invoice factored to HSBC. Therefore, you are to ensure due and punctual payment by Buyer to HSBC of all debts. In the event that the Buyer fails to make timely payment and/or upon occurrence of a recourse event (e.g. disputed debts, non-performance of obligations under the invoices), the Bank may request your business/company to repurchase such disputed debts and/or to repay HSBC such relevant sum which become due and payable due to a recourse event (as defined in the Receivables Finance agreement). Kindly note as RF is a product designed on a revolving and whole turnover basis vis-à-vis an approved Buyer, the Bank will not be able to provide notice of re-assignment for each disputed debt repurchased by you until the facility is terminated and/or expired, and notice of re-assignment may be issued if applicable. Nonetheless on a case to case basis, notice of re-assignment may be issued upon request subject to the Bank's approval. 	
<p><u>Standard Cut-Off Times</u> Funding of invoices are generally within 2 working days subject to full completion of required documentation. Standard Cut-Off Times (Monday to Friday except for public holidays) for settlements are subject to the respective foreign</p>	

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currencies cut-off time and provided that complete information is received: -

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

Note: Service delivery standards shall depend on customer’s grouping as “Premier” or “Standard” or as agreed in customer’s legal agreements. Kindly contact the Client Services Team for further details on other cut-off times not mentioned above.

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

Key charges include: -

Key Charges	Description
Service Charge	A flat percentage charge of up to maximum 0.75% on the invoice value and includes credit protection / ledger management (depending on the service required)
Facility Set-Up Fee (not applicable to SME) / Arrangement Fee	Minimum MYR1,000.00 up to 1.50% of the facility limit
Administration Charges	RM200.00 for one-off service requests, outside the usual service offering & facility structure (for e.g. facility overpayments, same day payments against invoices submitted, etc.)
Annual Renewal Fee (not applicable to SME)	Minimum MYR1,000 up to 1.5% of the facility limit
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.
Note: For some RF structures, RF charges such as Arrangement Fee and Service Charge could be consolidated as one fee classified as “Service Charge”.	

5. What if I fail to fulfill my obligations?

Default Interest and Repayment

In respect of any sums due to HSBC from your business/company or your Buyer whose debts had been factored to us and which remain unpaid on the occurrence of any termination event, Discounting Charge will be payable by your business/company on the prescribed rate as per the Receivables Finance facility letter (where applicable) and/or the relevant Receivables Finance agreement until date of full receipt of the invoice sum. In addition and/or alternatively, your business/company may be required by the Bank to repurchase the disputed/outstanding debts based on the terms of the Receivables Finance facility letter (where applicable) and/or the relevant Receivables Finance agreement.

Right to Set-Off

In the event of a default, HSBC reserves the right, at any time and with notice, to apply and debit and/or set off from any credit balance(s) in any of your business/company’s account(s).

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

Early settlement of invoices by buyer / client is allowed without any penalty fee incurred.

7. Do I need any insurance / takaful coverage?

This product generally includes credit insurance coverage for buyer risk credit protection (subject to approval for buyer risk appetite).

8. What are the major risks?

Discount Charge

- Discounting Charge is subject to the fluctuation risks depending on the prevailing Base Lending Rate or KLIBOR, Term SOFR (USD), SONIA (GBP), EURIBOR (EUR) or any other applicable Risk Free Rates or the bank’s internal cost of funds as per your Receivables Finance agreement.
- Factoring of foreign currency invoices are subject to foreign exchange risks.

An increased interest rate may result in higher repayment of interest on the drawdown amount from your business/company.

If you have problems meeting your payment 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 submitted formally in written, duly authorized by the company's authorized signatures. Please contact your Relationship Manager for further clarification.

10. Where can I get further information?

Should you require additional information about taking up Receivables Finance, please refer to the *bankinginfo* booklet on 'Small and Medium Enterprises - Financing Products for Your Business – Trade Financing', 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 or speak to our Trade representative 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)
E-mail: 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
OR alternatively, you may file your dispute with Financial Markets Ombudsman Service (FMOS) as follows:	

<p><u>By fax/email/post</u></p> <p><i>Chief Executive Officer</i> <i>Financial Markets Ombudsman Services (Reg. No: 200401025885)</i> <i>14th Floor, Main Block,</i> <i>Menara Takaful Malaysia</i> <i>No. 4, Jalan Sultan Sulaiman</i> <i>50000 Kuala Lumpur.</i></p>	<p><u>In Person (walk-in)</u></p> <p><i>Financial Markets Ombudsman Services (Reg. No: 200401025885)</i> <i>14th Floor, Main Block,</i> <i>Menara Takaful Malaysia</i> <i>No. 4, Jalan Sultan Sulaiman</i> <i>50000 Kuala Lumpur.</i></p>
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12. Other Trade Loans available?

Other trade finance solutions includes (but not limited to):-

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

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 the facility offer letter/receivable purchase agreement, 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).**
- **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 this disclosure sheet is valid as at <insert date>.

Name:
Designation:
Company Name:
Date: