


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, the relevant Application Form 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>STANDBY DOCUMENTARY CREDIT</p> <p><Date></p>										
<p>1. What is this product about?</p>											
<p>The Standby Documentary Credit ("SDC") is a type of documentary credit that is issued to cover non-performance by the customer where payment is made against presentation of documents. SDC can be financial related or non-financial. Examples of the different types of SDC are as follows: -</p>											
<table border="1"> <tr> <td data-bbox="227 688 1534 793"> <ul style="list-style-type: none"> Financial SDCs are issued to support the applicants' financial obligations, including any instrument evidencing an obligation to repay borrowed money. Financial SDC can be claimed in the event of non-payment or when due e.g. Credit/Facility/(Holdcover), Tax Dispute/liability SDC, etc. </td> </tr> <tr> <td data-bbox="227 800 1534 884"> <ul style="list-style-type: none"> Non-financial SDCs are issued to support the applicants' non-financial/performance obligations. Non-Financial SDCs can be claimed in the event of non-performance. These include Bid Bond/Tender SDC, Advance Payment SDC, Performance Standby, and Commercial/Trade-related SDC. </td> </tr> </table>		<ul style="list-style-type: none"> Financial SDCs are issued to support the applicants' financial obligations, including any instrument evidencing an obligation to repay borrowed money. Financial SDC can be claimed in the event of non-payment or when due e.g. Credit/Facility/(Holdcover), Tax Dispute/liability SDC, etc. 	<ul style="list-style-type: none"> Non-financial SDCs are issued to support the applicants' non-financial/performance obligations. Non-Financial SDCs can be claimed in the event of non-performance. These include Bid Bond/Tender SDC, Advance Payment SDC, Performance Standby, and Commercial/Trade-related SDC. 								
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<p>For urgent issuance of SDC where customers do not have a Trade facility yet, SpeedyLC is an alternative option where SDC may be issued subject to 100% cash margin in the currency of the SDC. The cash margin (also known as Margin Payments) are advanced payments by the customer for issuance of the SDC and upon transfer of the margin payments to the Bank, all rights, title and interest in and to any Margin Payments shall vest in the Bank free and clear of any liens, claims, charges or encumbrances.</p>											
<p>2. What do I get from this product?</p>											
<ul style="list-style-type: none"> Allows your company/business to expand into new markets Provides security to your counterparty by a reputable bank Facilitate open account trade business for your company Competitive commission rate on the facility value 											
<p><u>Standard Cut-Off Times</u> 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: -</p> <ul style="list-style-type: none"> 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. 											
<p>Note: Service delivery standards shall depend on customer's grouping as "Premier" or "Standard" or as agreed in customer's legal agreements. Kindly contract the Client Services Team for further details on other cut-off times not mentioned above.</p>											
<p>3. What are my obligations?</p>											
<p>Your business/company will need to pay us the full SDC amount should there be a claim from the beneficiary, in accordance to the terms and conditions of the Facility Offer Letter and/or other facility documentation issued for the SDC facility.</p>											
<p>4. What are the fees and charges I have to pay?</p>											
<p>Key charges include: -</p> <table border="1"> <thead> <tr> <th>Key Charges</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>SDC Opening Commission</td> <td>0.1% per month or part of month on the credit amount (min RM200) (Note: RM50 discount (min RM150) for submissions via HSBCnet ITS).</td> </tr> <tr> <td>Opening Charge on Usance period (for Usance DC only)</td> <td>0.1% per month or part of month for the usance period of the credit</td> </tr> <tr> <td>Cable Cost per DC issued under SWIFT</td> <td>Local DC – Min. RM50 flat; Overseas DC – Min RM100</td> </tr> <tr> <td>Handling Fee for same day</td> <td>Min RM150</td> </tr> </tbody> </table>		Key Charges	Description	SDC Opening Commission	0.1% per month or part of month on the credit amount (min RM200) (Note: RM50 discount (min RM150) for submissions via HSBCnet ITS).	Opening Charge on Usance period (for Usance DC only)	0.1% per month or part of month for the usance period of the credit	Cable Cost per DC issued under SWIFT	Local DC – Min. RM50 flat; Overseas DC – Min RM100	Handling Fee for same day	Min RM150
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processing received after 12 noon		
Handling Fee (For Back-to-Back DC, Revolving DC and Standby DC only)	Min RM150	
Marginal Payment handling fee for non-trade customer	Min RM150	
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?

If the SDC amount has to be recovered by any process of law, all fees and expenses in connection with such recovery, including the Bank's solicitors' fees and charges, shall be borne by the customer.

6. Do I need any takaful / insurance coverage?

Whilst you do not specifically need to take up any takaful / insurance coverage for this product, you may wish to consider taking up appropriate coverage to protect your goods / business such as Marine Cargo Insurance, Fire Commercial or business protection package. Please contact your Relationship Manager or Trade Representative for further details.

7. Do I need a guarantor or collateral?

On a case to case basis depending on your payment capabilities and other credit considerations.

8. What are the major risks?

Customers may be subject to the risk of fraudulent claims or frivolous claims by the beneficiary as clauses in the SDC may enable a claim from the beneficiary to be undisputed.

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 Standby Documentary Credit, 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)
 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
OR alternatively, you may file your dispute with Financial Markets Ombudsman Service (FMOS) as follows:	
<u>By fax/email/post</u> <i>Chief Executive Officer Financial Markets Ombudsman Services (Reg. No: 200401025885) 14th Floor, Main Block, Menara Takaful Malaysia No. 4, Jalan Sultan Sulaiman 50000 Kuala Lumpur.</i>	<u>In Person (walk-in)</u> <i>Financial Markets Ombudsman Services (Reg. No: 200401025885) 14th Floor, Main Block, Menara Takaful Malaysia No. 4, Jalan Sultan Sulaiman 50000 Kuala Lumpur.</i>

12. Other trade financing available?

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

- Receivables Financing
- 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
- 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 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).**
- **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: