

PRODUCT DISCLOSURE SHEET

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

Date: December 2023

1. What is this product about?

- This facility is to provide customers with ready access to finance for its business activities such as working capital requirements. The OD limit will be determined after the credit assessment is done.
- The facility is granted on an uncommitted basis, which means the bank may reduce/ cancel/ suspend the limit at any time.
- This overdraft facility is calculated on per annum at daily rest above Base Lending Rate (BLR) for Ringgit OD or applicable currency Central Bank Rates / Risk Free Rates* for Foreign Currency OD.
- You may be required to provide a guarantee, pledge, security deposit and/or such other form of security to secure this facility and/or payments due to the Bank.

**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.*

2. What do I get from this product?

- The OD limit once approved, will be maintained in your current account.
- You may draw up to the aforesaid limit and the interest charged will be calculated based on % per annum at daily rest above BLR / applicable market reference rate as agreed in the Facility Offer Letter on the utilised amount.
- A Non-utilisation fee may be charged on the unutilised OD limit.

Example:

Pricing :	BLR + 2.00% p.a
Overdraft Amount :	RM500,000
Overdraft Utilised Amount :	RM350,000
Unutilised Amount :	RM150,000
Effective Lending Rate:	7.74% p.a
Amount to be Paid * :	RM 2,349.86 (Interest charged on Overdraft amount utilised + Non-utilisation fee on Unutilised Amount)
	Calculation: (RM350,000 x 7.74% x 30/365) + (RM150,000 x 1% x 30/365) = RM2,349.86

*Assuming BLR is 5.74% p.a and the Non-utilisation fee is 1.00% p.a

*Assuming Overdraft Utilised Amount remains unchanged for 30 days

*Note: The total monthly interest payable may vary accordingly with the changes in base lending rate (BLR) / applicable market reference rate

3. What are my obligations?

As this is an Overdraft facility, there is no fixed repayment instalment given charges are based on the amount utilised which may vary throughout the interest period.

- You are to pay amounts due in accordance to the facility documentation.
- The unutilised portion is charged a monthly Non-utilisation Fee and is to be paid together with the interest payment date.

Example:

- The OD limit is RM500,000
 - Amount utilised is RM350,000 (BLR + x% p.a. as stated in the FOL is charged)
 - The unutilised portion is RM150,000 is subject to the Non-utilisation Fee of 1% p.a.
- Total monthly payment will include the servicing of the interest on the utilised amount and Non-Utilisation Fee on the unutilised amount.
 - You may be required to provide/procure a guarantee, pledge, security deposit and/or such any other form of security to secure this facility and/or payments due to the Bank.

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

Stamp Duties:	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.
Legal fees:	Legal fees incurred in the preparation of all documentation and perfection of the bank's security documents.
Non-utilisation Fee for Overdraft:	1% per annum on unutilised portion of the Overdraft.
Excess/Overlimit Fee	1% per annum above the effective rate of interest (or as stipulated in the Facility Offer Letter) of the overdraft on the excess amount.
Facility Arrangement Fee	Minimum RM2,000. [†]
Facility Management Fee	Minimum of RM400 to be charged for each annual review or upon amendment of existing facilities. [†]
Tax:	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 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?

- Interest will continue to be charged on the utilised portion every month and added to the utilised amount for the purpose of interest calculation until the OD is reduced by way of deposits into the current account. Thereafter, the interest will be charged on the reduced outstanding amount.

- 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 Facility Offer Letter (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.
- **Right to commence recovery activities:**
 - In the event of default, the Bank has the right to commence recovery actions.

6. What if I fully settle the financing during the lock-in period?

- There is no lock-in period for OD. However, if you choose to fully settle the outstanding amount in your OD, interest will cease to be charged. You will be required to only service the Non-utilisation Fee of 1% p.a.
- You may utilise or draw on your OD to its original limit.
- You also have the option to reduce your agreed OD limit or end the OD facility at any time (subject to you notifying your Relationship Manager in writing).

7. Do I need any insurance/takaful coverage

- Insurance/Takaful coverage is not required for an OD facility.
- However, if there are property charged to us as security for the OD 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.

8. What are the major risks?

- As the interest charged is dependent on BLR or applicable market reference rate as agreed in your facility offer which is subject to change, you may incur higher interest charges when the BLR or applicable market reference rate moves upward.
- If you have problems regularising your account, contact us early to discuss payment 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/your business/company's contact details to ensure that all correspondences reach you/your business/company in a timely manner.
- Changes in your/your business/company's contact details should be formally submitted in writing and duly authorized by the company's authorised signatories. Please contact your Relationship Manager for further clarification.

10. Where can I get further information?

- 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

- 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

- 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
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 Revolving Loans, 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 OD 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

Name:

Designation:

Company Name:

Date: