

PRODUCT DISCLOSURE SHEET

Read this product disclosure sheet before you decide to take out the Revolving Credit facility with Hong Leong Bank Bhd. Be sure to also read the general terms and conditions.

The information provided is merely general information of the product. The terms and conditions indicated in this product disclosure sheet is tentative or indicative and may change at the discretion of the Bank.

Final terms and conditions will be read jointly and superseded as stipulated in the letter of offer and facility agreement after credit assessment and facility approval.

Hong Leong Bank Bhd (97141-X)
SME Banking

Revolving Credit

March 2017

1. What is this product about?

- Revolving credit is a credit facility granted to meet the Borrower's short-term (usually 1, 3 or 6 months) working capital requirement.
- Upon maturity, customer has the flexibility of paying back the principal amount fully or making a partial payment or totally renewing the facility for another short-term tenure i.e. rollover the principal amount and tenure, subject to servicing of interest.
- Interest payment is payable upon maturity of the revolving credit facility.

2. What do I get from this product?

- This facility provides flexibility to Borrower in terms of (i) tenure - options of rollover for periods of 1, 3 and 6 months and (ii) drawdown amount - minimum amount of RM 100,000 or in multiple thereof.
- Interest rate is pegged against a reference rate i.e. the Bank's Cost of Funds (COF) and generally ranges from COF + 0.50% p.a. to COF + 3.00% p.a.
- The interest charged is calculated on daily balance of revolving credit utilized amount only. The following is the formula of calculating the interest rate:

Interest charged = Utilized Amount x Interest Rate x Number of days / 365 days

Example:

Total revolving credit amount	: RM 500,000
Tenure	: 3 months
Revolving credit amount utilized	: RM 200,000 from June 1 –June 30
3-Months COF (current rate)	: 3.77% p.a.
Interest Rate	: COF + 2.00% p.a.
Effective Lending Rate (current rate)	: 5.77% p.a.
Commitment Fee	: 1.00% p.a. on unutilized amount
Interest Charged for June	: RM1,195.06
	Interest charged on revolving credit utilized amount : RM948.49
	(RM 200,000 x 5.77% x 30 / 365) + Commitment fee : RM246.57
	(RM300,000 x 1.00% x 30 / 365)

Note: Please note the above rates are indicative only. The final approved amount of your revolving credit facility and interest rate are subject to the Bank's approval and may differ from the above. For actual rates, please refer to letter of offer.

3. What are my obligations?

- Servicing of the monthly interest generated. On monthly basis, no obligation to repay any portion of the principal amount (total revolving credit amount approved).
- However, the revolving credit facility is subject to periodic review and the entire outstanding amount (principal amount plus interest charged) becomes due and payable upon maturity unless renewed (rollover of principal and tenure) for another short term tenure.

IMPORTANT: Your monthly interest charged and total interest charged amount will vary if the COF changes.

Example:

Total revolving credit amount	: RM 500,000
Tenure	: 3 months
Revolving credit amount utilized	: RM 200,000 from June 1 –June 30
Interest Rate	: COF + 2.00% p.a.
Commitment Fee	: 1.00% p.a. on unutilized amount

Table below depicts the variation of monthly interest installment and total repayment amount if the COF changes:

Rate	Current COF	If COF goes up	If COF goes down
3-Months COF	3.77% p.a.	3.87% p.a.	3.67% p.a.
Effective Lending Rate (COF + 2.0% p.a.)	5.77% p.a.	5.87% p.a.	5.67% p.a.
Interest charged for June	RM 948.49	RM 964.93	RM 932.05
Commitment fee	RM 246.57	RM 246.57	RM 246.57
Total interest charged for June	RM 1,195.06	RM 1,211.47	RM 1,178.62

4. What other fees and charges do I have to pay?

▪ Stamp Duties	As per the Stamp Duty Act 1949 (Revised 1989)
▪ Legal Fees and Disbursement Fees	Includes solicitor’s fees for loan documentation (if applicable), fees and charges for registration of charge, land search and bankruptcy search.
▪ Commitment Fees	1.00% p.a. on unutilized portion
▪ Facility Fees	Not applicable
▪ Prepayment Fees	Prepayment of entire revolving credit facility amount before the expiry of the interest period is subject to penalty charges and funding loss, if any, for re-deployment of the prepaid fund by Money Market. The penalty charges are to be determined by the Bank prior to prepayment sum being made subject to a minimum fee of RM500-00.

5. What if I fail to fulfil my obligations?

IMPORTANT: Please read the final terms and conditions as stipulated in the letter of offer, facility agreement and general terms and conditions for further information.

▪ Late Payment Penalty	1.00% p.a. on the amount in arrears, causing the total outstanding to increase.
▪ Default Rate	In the event of default (non-payment) on three (3) consecutive payments of interests during the tenure of facility or on any amount covenanted to be paid, the Bank shall be entitled to increase the interest rate of 1.0% p.a. in addition to the prescribed rate.
▪ Right to set-off	The Bank has the right to set-off any credit balance in account maintained with us against any outstanding balance.
▪ Right to commence recovery or legal action	<p>Legal action will be taken if you fail to respond to reminder notices. Your asset may be foreclosed and you will have to bear all costs. You are also responsible to settle any shortfall after your asset is sold.</p> <p>The Bank has a right to commence recovery activities (including engaging third party debt collection agencies), foreclosure and bankruptcy proceedings.</p> <p>Note: Legal action against you may affect your credit rating leading to credit being more difficult or expensive.</p>

6. Do I need any insurance or takaful coverage?

In event a property is taken as collateral or security for the facility, the following insurance policies are recommended or required to be taken from panel or non-panel insurance company:

- Mortgage Reducing Term Assurance (MRTA) or Mortgage Reducing Term Takaful (MRTT) to cover the borrower(s) in the event of death or permanent disability.
- Fire insurance or home owner's insurance to cover the property (Compulsory).

7. What are the possible risk?

- Please be advised that the prescribed rate is pegged against a reference rate i.e. the Bank's Cost of Funds (COF) and it may vary from time to time. An increase in the COF may result in higher monthly interest repayments.
- If you have problems meeting your payment obligations, contact us early to discuss repayment alternatives.

8. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner. To update your contact details, you may visit any of our branches or inform us in writing at:

Hong Leong Bank Berhad, Commercial and SME Banking
Address : Level 5, Wisma Hong Leong, No. 18, Jalan Perak 50450 Kuala Lumpur
E-mail : SME@hlbb.hongleong.com.my

9. Where can I get assistance and redress?

- If you have difficulties in making repayments, you should contact us earliest possible to discuss repayment alternatives. You may contact us at:

Hong Leong Bank Berhad, Commercial and SME Banking
Address : Level 5, Wisma Hong Leong, No. 18, Jalan Perak 50450 Kuala Lumpur
Telephone No : 1-800-188-133
E-mail : SME@hlbb.hongleong.com.my
Website : www.hlb.com.my

- Alternatively, you may 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. You may contact AKPK at:

Agensi Kaunseling dan Pengurusan Kredit (AKPK)
Address : Tingkat 8, Maju Junction Mall 1001, Jalan Sultan Ismail 50250 Kuala Lumpur
Telephone : 1-800-88-2575
E-mail : enquiry@akpk.org.my

Small Debt Resolution Committee (SDRC), established by Bank Negara Malaysia that provides assistance to viable small and medium scale enterprises (SMEs). You may contact SDRC at:

SDRC Secretariat, Development Finance and Enterprise Department
Address : Bank Negara Malaysia (BNM), Jalan Dato' Onn 50480 Kuala Lumpur
Telephone : 1-300-88-5465
E-mail : bnmtelelink@bnm.gov.my
Website : www.bnm.gov.my

- If you wish to complaint on the products or services provided by us, you may contact us at:

Hong Leong Bank Berhad, Commercial and SME Banking,
Address : Level 5, Wisma Hong Leong, No. 18, Jalan Perak 50450 Kuala Lumpur
Telephone : 1-800-188-133
E-mail : SME@hlbb.hongleong.com.my
Website : www.hlb.com.my

- If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia at:

Bank Negara Malaysia LINK or BNMTELELINK at:
Address : Block D, Bank Negara Malaysia Jalan Dato' Onn 50480 Kuala Lumpur.
Telephone : 1-300-88-5465
Fax : 03-2174 1515
E-mail : bnmtelelink@bnm.gov.my

10. Where can I get further information?

Should you require additional information about taking a revolving credit facility, please refer to the bankinginfo booklet on www.bankinginfo.com.my website.

11. Other similar products available

Overdraft

IMPORTANT NOTE

THE BANK HAS THE RIGHT TO PROCEED WITH LEGAL ACTION AND FORECLOSURE OF YOUR ASSET FINANCED BY OR CHARGED AS COLLATERAL TO THE BANK SHOULD YOU FAIL TO PAY YOUR MONTHLY INTEREST PAYMENTS PROMPTLY

The information provided in this product disclosure sheet is valid as at March 2017.