

PRODUCT DISCLOSURE SHEET (PDS)
(Versi Bahasa Malaysia)

Read this Product Disclosure Sheet before you decide to take out the **Revolving Credit** facility (“Product”) with Hong Leong Bank Bhd.

The information provided within this PDS are general information of the product. Be sure to read the final term and conditions that will be stipulated in the letter of offer and facility agreement.

Please seek clarification from the Bank if you do not understand any part of this PDS.



Business and Corporate Banking

Revolving Credit

< **Date** >

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.
- The facility offers customers flexibility of only paying the interest payments upon its maturity and/ or 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 to servicing of interest.

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 either 1, 3 and 6 months; and
 - (ii) drawdown amount – in whole multiples of RM 100,000 subject to minimum of RM 500,000 and prior notice to be provided before drawdown date.

▪ Total amount borrowed	<RM xx >
▪ Tenure	<x months> Subject to periodic review and at the discretion of the Bank can be recalled or terminated on-demand i.e. amount becomes due and repayable immediately.
▪ Interest rates	Pegged against a reference rate i.e. the Bank’s effective Cost of Funds (COF) Ranges from COF + 0.50% p.a. to COF + 3.00% p.a. The interest is calculated on the daily balance of revolving credit utilized amount only. The following is the formula for 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 1 July to 31 July
- 3-Months COF (current rate*) : 2.93% p.a. (*current rate as at July 2022)
- Interest Rate : COF + 2.00% p.a.
- Effective Lending Rate (current rate) : 4.93% p.a.
- Commitment Fee : 1.00% p.a. on unutilized amount
- Interest Charged for July (Interest charged = Interest charged on revolving credit amount utilized + Commitment fee) : RM 1,092.21

Calculation of interest charges based on the following:
Interest charged on revolving credit amount utilized:
 RM 837.42= (RM 200,000 x 4.93% x 31 / 365)
Commitment fee:
 RM 254.79= (RM 300,000 x 1.00% x 31 / 365)

Note: Please note the above-mentioned 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?

- To pay monthly interest charged based on your utilization amount of the facility.
- To pay 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
- Amounts disbursed / drawn can be rolled over for any of the above interest period or repaid in full at the end of the relevant interest period, subject to the availability of funds and the Bank's consent.
- Interest must be paid at the end of the preceding relevant interest period before a drawing may be rolled over.

IMPORTANT: Your monthly instalment and total repayment amount will vary if the interest rate changes.

Example:

- Total revolving credit amount : RM 500,000
- Tenure : 3 months
- Revolving credit amount utilized : RM 200,000 from 1 July – 31 July
- 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 0.1%	If COF goes down 0.1%
3-Months COF	2.93% p.a.	3.03% p.a.	2.83% p.a.
Effective Lending Rate (COF + 2.00% p.a.)	4.93% p.a.	5.03% p.a.	4.83% p.a.
Interest charged for July	RM 837.42	RM 854.41	RM 820.44
Commitment fee	RM 254.79	RM 254.79	RM 254.79
Total interest charged for July	RM 1,092.21	RM 1,109.20	RM 1,075.23

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

▪ Stamp Duties	As per the Stamp Duty Act 1949 (Revised 1989)
▪ Legal Fees (where applicable)	As per scale in the Solicitors Remuneration Order (SRO)
▪ Disbursement Fees (where applicable)	Include fees and charges for registration of charge and land search, Government taxes and other taxes or levy as per scale fees charged by respective authorities and bankruptcy search.
▪ Commitment Fees	A commitment fee of 1% p.a. shall be levied on the daily unutilized portion of the revolving credit facility.
▪ Facility Fees	Not applicable for Small and Medium Enterprises (SMEs)
▪ 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.

For full list of Business and Corporate Banking fees and charges, please visit our website www.hlb.com.my

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.

<ul style="list-style-type: none">Late Payment Penalty Charges	<p>In the event of late payment, the Bank will charge 1.00% p.a. (or any other rate*) on the amount in arrears from the time of default up to the time of actual payment of such amount in arrears.</p> <p>*Note: If there are any changes to the late payment penalty charges rate, prior notice will be provided to you by the Bank</p>
<ul style="list-style-type: none">Default Rate	<p>In the event of default in the payment (whether principal or interest or any sum payable to the Bank, including a default where the Bank had made a demand or recalled the facility), the Bank will charge 1.00% p.a. in addition to the prescribed rate, from the time of default up to the time of actual payment</p>
<ul style="list-style-type: none">Right to set-off	<p>The Bank has the right to set-off any credit balance in any account(s) maintained with us against any outstanding balance as agreed per facility agreement and where applicable prior notice will be provided to you by the Bank.</p>
<ul style="list-style-type: none">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. What if I fully settle the loan during the lock-in period?

- Revolving credit is subject to the tenure and/ or rollover period. 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.

7. Do I need any insurance or takaful coverage?

- In the event a property is taken as collateral or security for the facility, the following insurance policies are recommended to be taken from panel or non-panel insurance company:
 - a) Mortgage Reducing Term Assurance (MRTA) or Mortgage Reducing Term Takaful (MRTT) to cover the borrower(s) in the event of death or permanent disability.
 - b) Fire insurance or home owner's insurance to cover the property (Compulsory).

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 9, Menara Hong Leong, No. 6, Jalan Damanlela Bukit Damansara
50490 Kuala Lumpur
E-mail : SME@hbb.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 9, Menara Hong Leong,
No. 6, Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur
Telephone : 03-7661 7777
E-mail : SME@hbb.hongleong.com.my
Website : www.hlb.com.my

- Alternatively, you may seek the services of:

- a) Khidmat Nasihat Pembiayaan (KNP), a service formalized by Bank Negara Malaysia in collaboration with Credit Guarantee Corporation Malaysia Berhad (CGC) and Agensi Kaunseling & Pengurusan Kredit (AKPK) via MyKNP@CGC that provides financial advisory and recommendations to Small and Medium Enterprises (SMEs) who were unsuccessful in obtaining business financing from banks. You may contact KNP at:

MyKNP@CGC Advisory Unit under CGC
Address : CGC Advisory at any of CGC branches nationwide. Please refer to CGC website for the branch location <https://www.cgc.com.my/cgc-branches>
Telephone : 03- 7880 0088
E-mail : myknp@cgc.com.my
Website : <https://www.bnm.gov.my/MyKNP>

- b) Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia as a one-stop platform for both individuals and SMEs seeking debts restructuring services, as well as financial education and credit advisory. 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 : 03- 2616 7766

E-mail : enquiry@akpk.org.my

Website : <https://www.akpk.org.my/sme-help-desk>

- To make a complain on products or services offered, you may contact us at:

Customer Advocacy

Address : Level 13A Floor, Menara Hong Leong,
No 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur.

Telephone : 03-7626 8801 / 03-7626 8802 / 03-7626 8812

E-mail : customerservice@hlbb.hongleong.com.my

- If your query or complain is not satisfactorily resolved by us, you may contact 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 www.hlb.com.my

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 **<dd/mm/yy>**