

## 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 read the final term and conditions that will be stipulated in the letter of offer and facility agreement. The information provided is merely general information of the product.

Please seek clarification from the Bank if you do not understand any part of this documents or the general terms



**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 1, 3 and 6 months; and
  - (ii) drawdown amount - minimum amount of RM 100,000 or in multiple thereof

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 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 June 1 –June 30  
 3-Months COF (current rate\*) : 2.27% p.a.  
 Interest Rate : COF + 2.00% p.a.  
 Effective Lending Rate (current rate) : 4.27% p.a.  
 Commitment Fee : 1.00% p.a. on unutilized amount  
 Interest Charged for June : RM 948.49

(Interest charged =  
 Interest charged on revolving credit  
 amount utilized + Commitment fee)

Calculation of interest charges based on the following:

Interest charged on revolving credit amount utilized:

RM 701.92= (RM 200,000 x 4.27% x 30 / 365)

Commitment fee:

RM 246.58= (RM 300,000 x 1.00% x 30 / 365)

\*current rate as at **Oct 2020**

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.

**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 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 <b>up</b> 0.1%	If COF goes <b>down</b> 0.1%
3-Months COF	2.27% p.a.	2.37% p.a.	2.17% p.a.
Effective Lending Rate (COF + 2.00% p.a.)	4.27% p.a.	4.37% p.a.	4.17% p.a.
Interest charged for June	RM 701.92	RM 718.36	RM 685.48
Commitment fee	RM 246.58	RM 246.58	RM 246.58
Total interest charged for June	RM 948.49	RM 964.93	RM 932.05

#### 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 (where applicable)	Includes solicitor's fees for loan documentation, Government Tax, 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 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](http://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.

▪ 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. 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@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 9, Menara Hong Leong,  
No. 6, Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur

Telephone No : 03-7661 7777

E-mail : SME@hlbb.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 No : 03- 7880 0088

E-mail : [myknp@cgc.com.my](mailto:myknp@cgc.com.my)

Website : [www.myknp.com.my](http://www.myknp.com.my)

- 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 No : 03- 2616 7766

E-mail : [enquiry@akpk.org.my](mailto:enquiry@akpk.org.my)

- 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 No : 03-7626 8801 / 03-7626 8802 / 03-7626 8812

E-mail : [customerservice@hlbb.hongleong.com.my](mailto:customerservice@hlbb.hongleong.com.my)

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

Bank Negara Malaysia LINK or BNMTLELINK at:

Address : Block D, Bank Negara Malaysia Jalan Dato' Onn 50480 Kuala Lumpur.

Telephone No : 1-300-88-5465

Fax : 03-2174 1515

E-mail : [bnmtelelink@bnm.gov.my](mailto: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](http://www.bankinginfo.com.my) website.

**11. Other similar products available**

- Overdraft
- Flexi Supplier Credit

**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>