

## PRODUCT DISCLOSURE SHEET

### ICBC Trade Financing (TF)

*(Read this Product Disclosure Sheet before you decide to apply the ICBC Trade Financing Facility. Be sure to also read the ICBC Trade Financing Facility Agreement and Letter of Offer terms & conditions where applicable)*

#### 1. WHAT IS THIS PRODUCT ABOUT?

- Trade Financing consists of trade finance products that facilitate and finance the trade transaction between buyers and sellers for domestic trade as well as international trade. Among trade products are:-
  1. Letter of Credit (LC) also known as a Documentary Credit, is a written commitment by a bank issued after a request by an importer that payment will be made to the beneficiary (exporter) provided that the terms and conditions stated in the LC been met, as evidenced by the presentation of specified documents.
  2. Banker Acceptances (BA) is the Bank grants financing the purchase or sale of raw materials, semi-finished goods and finished goods at competitive prevailing money market rates. Buyer/seller is able to capitalize on this financing instrument to pay/receive cash to their seller/buyer in order to obtain a discount and the seller/buyer can have direct access to immediate funds for working capital. Governed by Bank Negara Malaysia guidelines.
  3. Trust Receipt (TR) is the Bank grants financing where buyer acts as a trustee to Bank in selling the goods on behalf of Bank. It provides buyer with the flexibility to take immediate delivery of the goods and repay bank at a later date with proceeds from the sale of the goods.
  4. Foreign Currency Trade Financing (FCTF) is a short term trade working capital financing facility available in foreign currency. Its scope of coverage includes financing of goods, inputs and series that cater for customers who require financing for their sales/purchases under Documentary Credit, Collection or on an Open Account Basis.

#### 2. WHAT DO I GET FROM THE PRODUCT?

- LC (Sight) - To facilitate domestic purchase and/or import of raw materials/stocks and other goods related to Borrower's normal line of business on sight basis.
- LC (Usance) - To facilitate domestic purchase and/or import of raw materials/stocks and other goods related to Borrower's normal line of business on usance basis.
- Banker Acceptance (BA) - To finance domestic purchases/sales and/or import/export of raw materials/stocks and other goods related to the Borrower's normal line of business.
- Trust Receipt (TR) - To finance domestic purchase and/or import of raw materials/stocks and other goods related to Borrower's normal line of business.
- Foreign Currency Trade Finance (FCTF) - To finance domestic purchases/sales and/or import/export of raw materials/stocks and other goods related to Borrower's normal line of business.

#### 3. WHAT ARE MY OBLIGATIONS?

Generally, LC/BA/TR/FCTF charge at the following interest rate/commission:

Products	Interest Rate/Commission
LC	0.1% per month
BA	The Bank's prevailing effective Cost of Fund (COF) plus margin % per annum
TR	The Bank's Base Lending Rate (BLR) plus margin % per annum
FCTF	The Bank's prevailing effective Cost of Fund (COF) plus margin % per annum

#### 4. WHAT ARE THE FEES AND CHARGES I HAVE TO PAY?

Fees and charges	Description
Stamp Duties	As per Stamp Duty Act 1949 (Revised 1989).
Disbursement Fee	Include fees for registration of charge and Power of Attorney (for property with individual or strata title and for property under master title respectively), land search, bankruptcy search and other related charges.
Valuation Fee	Payable on professional valuation done on properties charged to the bank.

## 5. WHAT IF I FAIL TO FULFILL MY OBLIGATIONS?

- In addition and without prejudice to the rights and remedies of the Bank, if you shall default in the payment of any interest, commission, fee, charges and/or any other sums on their respective maturity date, you shall pay interest on such overdue sums at the rate of 2.5% per annum above the Bank's "Base Lending Rate/Costs of Fund of the matching tenure or such other rate or rates as the Bank may, at its sole absolute discretion, at any time and from time to time, impose without notice to you, and such rate or rates of interest ("the Default Rate") shall be payable by you, as well after as before judgment or demand, from the due date up to the date of actual repayment.
- Right to set-off – the Bank has the right to set-off any credit balances in your account(s) maintained with the Bank against any outstanding balances in this loan account.
- Collection Agency – the Bank has the right to outsource debt collection to an external agency.
- Right to sell non-performing loan – the Bank has the right to sell a non-performing loan to a third party.
- Legal action will be taken if you fail to respond to reminder notices. Your property may be foreclosed and you will have to bear all costs incurred and settle any shortfall after your property is sold.
- Legal action against you may affect your credit rating leading to credit being more difficult and expensive to you.

## 6. WHAT IF I FULLY SETTLE THE LOAN DURING THE LOCK-IN PERIOD?

- Not applicable to Trade Financing.

## 7. DO I NEED ANY INSURANCE / TAKEFUL COVERAGE?

- Submission of fire insurance policy with the Bank's name endorsed as assignee/charge if there are properties charge as collateral

## 8. WHAT DO I NEED TO DO IF THERE ARE CHANGES TO MY CONTACT DETAILS?

- It is important that you inform us promptly of any change in your address, and contact number to ensure that all correspondence reaches you in a timely manner at branch.

Customer Hotline	03-2301 3399
KL Main Branch	03-2172 6666
Kuching Branch	082-272 888
Puchong Branch	03-8073 6888
Johor Bahru Branch	07- 2310 888

## 9. WHERE CAN I GET ASSISTANCE AND APPEAL?

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

Address : Local Corporate Banking Department  
: Level 1, Menara Maxis  
: Kuala Lumpur City Center  
: 50088 Kuala Lumpur  
Telephone : +60 2301 3399  
Fax : +03 2301 3388  
Email : customerservice@icbcmalaysia.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, debt restructuring for individuals and you may also join the "Program Pengurusan Wang Anda" (POWER) to help your credit management. You may contact AKPK at:

Address : Tingkat 8, Maju Junction Mall  
1001, Jalan Sultan Ismail  
50250 Kuala Lumpur, Malaysia  
Telephone : +1800 88 2575  
Email : enquiry@akpk.org.my

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

Address : Local Corporate Banking Department  
: Level 1, Menara Maxis  
: Kuala Lumpur City Center  
: 50088 Kuala Lumpur  
Telephone : +60 2301 3399  
Fax : +03 2301 3388  
Email : customerservice@icbcmalaysia.com.my

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

Address : Block D, Bank Negara Malaysia  
Jalan Dato' Onn  
50480 Kuala Lumpur  
Telephone : +1300 88 5465  
Fax : +603 2174 1515  
Email : bnmtelink@bnm.gov.my

## 10. WHERE CAN I GET FURTHER INFORMATION?

Should you require additional information about applying Trade Financing, please visit us at the nearest ICBC branch.

If you have any other queries please contact our bank branch Tel No.:

Customer Hotline	03-2301 3399
KL Main Branch	03-2172 6666
Kuching Branch	082-272 888
Puchong Branch	03-8073 6888
Johor Bahru Branch	07- 2310 888

*The information in this Product Disclosure Sheet is given on a general basis without obligation and is strictly for information only. The information contained in this document are based on certain assumptions and information available as at the date of this document, all of which are accordingly subject to change at any time without notice.*