


<p>PRODUCT DISCLOSURE SHEET</p> <p>Please read this Product Disclosure Sheet before you decide to apply for the Import Letters of Credit product.</p> <p>Be sure to also read the terms and conditions in the Banking Facilities Letter of offer (the “Letter”), and the Continuing Agreement for Documentary Credits (the “Continuing Agreement”) (which can be found at www.citigroup.com/malaysia). Seek clarification from Citibank Berhad (the “Bank”) if you do not understand any part of this document or the general terms.</p>	<p>Citibank Berhad (Registration No. 199401011410 (297089-M))</p>  <p>IMPORT LETTERS OF CREDIT</p> <p>August 15, 2023</p>
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1. What is this product about?

An Import Letter of Credit (the “LC”) is an irrevocable written undertaking, issued by the Bank (Issuing Bank) at the request of their customer (the Applicant or Importer) to pay the Beneficiary (or Supplier) against stipulated documents, provided all the terms and conditions in the Letter of Credit are complied with.

The main governing set of rules for LCs is the latest version of Uniform Customs and Practice for Documentary Credits (UCP) and Uniform Rules for Bank-to-Bank Reimbursements under Documentary Credits (URR) currently in force.

2. What do I get from this product?

- Better opportunity to negotiate with the supplier for better credit terms and pricing to improve own cash flow.
- The assurance that payment will not be made unless the documents are presented in compliance to the LC terms.
- Enjoy a safer and cheaper alternative to advance payments as requested by your supplier.

3. What are my obligations?

- Undertake to pay all the charges paid by the Bank pursuant to the LC together with the Bank’s commission at such rate(s) as may be fixed by the Bank from time to time¹, in accordance with the terms and conditions of the Letter, Continuing Agreement and/or the relevant Application Form.
- Undertake to pay immediately (Sight LC) or accept and pay on the maturity date (Usance LC) on notification by the Bank, given the presentation of documents are in compliance with the terms and conditions of the LC and/or on documents being negotiated.
- If documents presented did not comply with the LC terms and conditions, you must decide immediately whether to accept or reject the documents, on notification by the Bank of the discrepancies noted.

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

Key Charges	Description
LC Issuance Commission	0.1% per month or part thereof (Min MYR100)
LC Amendment Fee involving increased amount and/or extended validity	0.1% per month or part thereof, on the extended validity and/or increased amount
LC Amendment Fees (Non-Financial)	MYR100
Cable Fees	MYR100
Stamp Duties	As per the Stamp Act 1949 (Revised 1989) (as revised from time to time)

¹ Commission is a form of product pricing with components of credit risk, cost of funds and operating expenses included in its computation and is fixed by the Bank from time to time.

<p>5. What if I fail to fulfill my obligations?</p> <p>Bank's Right to Set-Off In the event of a default, you will need to pay principal, interest, charges, additional costs and expenses incurred until the LC is fully repaid. The Bank may debit or set off any amounts you owe to the Bank against any credit balance(s) in any of your account(s) with the Bank.</p> <p>Late Payment Charges Late payment charges at Bank's Cost of Funds + Customer Margin + 1.00% per annum will be imposed on such sum paid by the Bank pursuant to the LC issued by the Bank.</p> <p>Legal Action Legal proceedings may be initiated against you if you fail to fulfil your obligations under the Letter, the Continuing Agreement and other agreements referred to in the Letter. In addition to the amount owing to the Bank, you may be liable to pay for all losses, costs and expenses (including legal fees) incurred by the Bank to recover the sums owed by you. Legal action against you may affect your credit rating leading to credit being more difficult or expensive for you.</p>
<p>6. What if I fully settle the loan before its maturity?</p> <p>Not Applicable.</p>
<p>7. Do I need any takaful/insurance coverage?</p> <p>It depends on the commercial terms between the Importer and Exporter. For example, if the commercial contract payment terms is CIF, then marine insurance will be the responsibility of the Exporter.</p>
<p>8. Do I need a guarantor or collateral?</p> <p>The Bank will evaluate this requirement based on internal credit assessment criteria including your payment capabilities and other credit considerations. You may be required to place cash collateral if credit considerations apply.</p>
<p>9. What are the major risks?</p> <ul style="list-style-type: none"> • The LC facility is an uncommitted facility. This means:- <ul style="list-style-type: none"> (a) the Bank has the right, at any time at its sole discretion, not to allow you to utilize the facility; (b) the Bank has the right, at any time at its sole discretion, to modify, restructure, earmark, suspend or cancel the facility. • Goods purchased or imported may be of inferior quality and the Bank has no obligations to verify and or validate such event as Bank only deals with documents. • The goods may arrive at the port earlier than the documents and may cause delay in clearance of goods, demurrage charges or damage to perishable goods. However, this can be mitigated by requesting for shipping guarantee (SG) from the Bank to clear the goods prior to the receipt of original documents.
<p>10. What do I need to do if there are changes to my contact details?</p> <p>It is important that you inform us of any change in your contact details to ensure that all correspondence reaches you in a timely manner.</p> <p>You may reach out to our service team at CCUMY@citi.com for instructions to change your contact details.</p>
<p>11. Where can I get assistance and redress?</p> <ul style="list-style-type: none"> • If you have difficulties in making payments, you should immediately contact your Relationship Manager for assistance. • If you wish to speak to our Service representative, you may contact us at: Citi Malaysia Trade Service Professionals Tel: (603) 2383 1111

Treasury and Trade Solutions
Citibank Berhad (Company No. 199401011410 (297089-M))

E-mail: CCUMY@citi.com

- 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 small and medium enterprises (SMEs). You may contact AKPK at:
Tingkat 8, Maju Junction Mall
1001, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 1-800-88-2575
E-mail: enquiry@akpk.org.my
- If you wish to register a complaint on the products or services provided by us, you may contact us at:
Citibank Berhad
Level 45, Menara Citibank
165 Jalan Ampang
50450 Kuala Lumpur Malaysia
[E-mail: CCUMY@citi.com](mailto:CCUMY@citi.com)
- If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at:
BNMLINK
Bank Negara Malaysia
P.O. Box 10922
50929 Kuala Lumpur Tel: 1-300-88-5465
E-mail: bnmtelelink@bnm.gov.my
[eLINK \(Web Form\): telelink.bnm.gov.my](http://telelink.bnm.gov.my)

12. Where can I get further information?

If you have any enquiries, please contact us at:
Citibank Berhad
Level 45, Menara Citibank
165 Jalan Ampang
50450 Kuala Lumpur Malaysia
[Email: CCUMY@citi.com](mailto:CCUMY@citi.com)

13. Trade Window Operating Hours

9.30AM to 5.30PM – Monday to Friday

14. Other trade financings available

Other trade finance solutions include (but not limited to):-

- Trade Time Loan (TTL)
- Onshore Foreign Currency Loan (OSFCL)
- Bankers Acceptances (BA)
- Trust Receipt (TR) Loan
- Bank Guarantees
- Shipping Guarantees
- Export Letters of Credit
- Export Collections
- Import Collections

IMPORTANT NOTE(s):

You are advised to go through and understand the information in this Product Disclosure Sheet. Prior to making any decisions or accepting the terms and conditions outlined in the facility letter and/or the relevant application form for this product, it is advisable for you to consult with qualified professional

advisors in obtaining the financial, legal, accounting, tax, or other advice tailored to your business needs and ensuring a clear understanding of your significant contractual obligations under the terms and conditions. If you require further assistance, kindly contact your Relationship Manager or the relevant Citi officer. By proceeding with your application for the trade service/facility, it is deemed as you understood the relevant product and have sought for clarification as needed.

The information provided in this disclosure sheet is valid as at 15/08/2023.