

PRODUCT DISCLOSURE SHEET



Dear Customer,

This Product Disclosure Sheet (PDS) provides you with key information on **Account Receivable Purchase** **United Overseas Bank (Malaysia) Bhd**

Other customers have read this PDS and found it helpful; **you should read it too.**

Date:

Know Your Account Receivable Purchase

Account Receivable Purchase (ARP) financing is a form of post shipment financing for open account trade. It is a form of financing in which suppliers (sellers) sell all or a part of their receivables (invoices) to the Bank (Purchaser). Sellers shall assign their receivables to the Bank in which the Bank shall pay in advance the amount of invoices assigned in full or up to a certain percentage agreed upon between the sellers and the Bank. Settlement of the assigned receivables shall be made direct to the Bank.

The main features of this product are as follows:

- ARP is available to finance the Seller's local sales and/or export. Financing can be on with or without recourse to the Seller. The underlying trade may involve goods or services.
- ARP is denominated in the currency of the invoices purchased.
- For foreign currency denominated ARP, the financing rate is pegged to the Bank's prevailing Foreign Currency Effective Cost of Fund (COF) plus a Margin, determined at facility structuring stage**.
- For RM denominated ARP, the financing rate is pegged to the Bank's prevailing Ringgit Effective Cost of Fund (COF) / Base Lending Rate (BLR) plus a Margin, determined at facility structuring stage**.

Know Your Obligations

Discount Interest is calculated upfront and is calculated as follows:

$$\frac{[\text{Financing Value} \times \text{Discounting Rate (Reference Rate} + \text{Margin)}] \times \text{Discounting Period}}{(360 \text{ or } 365) \times 100}$$

Purchase Price = Financing Value – Discount

For this ARP **as an illustration**:

- Your Financing Value: RM 500,000
- Your Financing Rate: 6.57% (BLR*) + 1.25% (Margin)
- Your Discounting Period: 90 days
- Your Discount: RM 9,641.10

In **total** you will receive the Purchase Price **RM 490,358.90** on purchase date

It is your responsibility to:



Read and understand the **key terms** in the **Bank's standard Application Form** before you sign it



For **ARP with recourse** structure, to **repay the Bank in the event on non-payment from the Buyer.**

For **ARP without recourse** structure, the Bank will **pursue payment from the Buyer unless there is any breach of terms and conditions** by you under the ARP Agreement



Contact us immediately, if there is any delay on the part of the Buyer to pay the sale or export proceeds on maturity date

*BLR is a variable financing rate published by the Bank and may change from time to time. Any increase in the BLR will result in higher repayment amount.

You also have to pay the following fees and charges:

Interest/Discount Charge	As mentioned above
Stamp Duty	As per Stamp Duty Act 1949 (Revised 1989)
Other Charges	Please refer to our Letter of Offer and the Bank's Corporate website at www.uob.com.my for details

Effective 1 October 2025, the above trade related charges will be subject to an 8% Service Tax (SST), or any prevailing rate by the Malaysian Government, and will be payable by you, where applicable.

Note: The Bank may revise the commission, interest rate, fee and charges from time to time, subject to the Bank giving you advance notice of 21 days.

Know Your Risks

What happens if you fail to fulfil your obligations?

- If the sale or export proceeds are not received from the Buyers by the maturity date, the ARP will be classified as past due.
- An additional Discount charge at a prescribed rate as indicated in the ARP Agreement will be imposed on the ARP financing value remaining outstanding.
- Any past due ARP may hinder further drawdown on your ARP Facility and other facilities with the Bank.
- If the past due ARP remains unpaid after 3 months, your facilities with the Bank will be classified as non-performing (for with recourse structure).
- The Bank has the right to set-off any credit balances in your account(s) against the past due ARP following prior notification of 7 days to you (for with recourse structure).
- The Bank may exercise its rights and start its recovery process/ legal action against you.

Other Key Terms

- You will need to have an approved ARP Facility with the Bank and application must be made in the Bank's standard Application Form, duly completed and signed by your authorised signatory/ies.
- Each application must be accompanied by the supporting documents as prescribed in the Application Form/ ARP Agreement.
- Please inform us of any changes in your contact details to ensure that all correspondences reach you in a timely manner.

Avenue for Redress or Assistance

- If you have difficulties in making settlement, please contact the Bank earliest possible to discuss settlement alternatives. You may contact your UOB Account Relationship Manager or send an E-mail to us at uobcustomerservice@uob.com.my or contact us at the numbers below.
- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK). AKPK has been established by Bank Negara Malaysia to provide free services on money management, credit counselling, financial education and debt restructuring for individuals. You can contact AKPK at Level 5 & 6, Menara Bumiputra Commerce, Jalan Raja Laut, 50350 Kuala Lumpur (Tel: 03-26167766 or E-mail at enquiry@akpk.org.my).

**Note: subject to Bank's credit assessment.

If you have any questions or require assistance on your ARP facility, you can:



Call us at

Kuala Lumpur +6 03-26128 121
Penang +6 04-2402 121
Johor Bahru +6 07-2881 121
Kuching +6 082-287 121
Kota Kinabalu +6 088-477 121



**Visit us at the nearest
UOB branch**



Email us at

uobcustomerservice@uob.com.my



Log on to

<https://www.uob.com.my/business/trade/index.page>

The information provided in this disclosure sheet is valid as at January 2026 and is subject to change from time to time.