

PRODUCT DISCLOSURE SHEET



United Overseas Bank (Malaysia) Bhd

Dear Customer,

This Product Disclosure Sheet (PDS) provides you with key information on **Vendor Financing**.

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

Date:

Know Your Vendor Financing

Vendor Financing (VF) refers to an arrangement where the Bank finances the Buyer's open account payables by providing financing to their Suppliers (you). Financing is extended against the Buyer's irrevocable instruction to pay on maturity and your request for drawdown with a Bill of Exchange drawn on and accepted by the Buyer.

The main features of this product are as follows:

- Finance your local sales to the specific Buyer.
- Financing may be with or without recourse to the Supplier and is denominated in Ringgit Malaysia (RM).
- Financing Rate is pegged to the Bank's prevailing Base Lending Rate (BLR) or Effective Cost of Fund (ECOF) plus a Margin, determined at facility structuring stage (total being the "prescribed rate")**.
- Bunching of Invoices is allowed, provided in the same class.
- Financing Tenor is based on the remaining credit period to maturity, granted to the Buyer.

Know Your Obligations

Interest is collected upfront, deducted from the invoice value and is calculated as follows:

$$\frac{[\text{VF Principal Amount} \times \text{Financing Rate (ECOF or BLR}^* + \text{Margin)}] \times \text{Financing Tenor}}{365 \times 100}$$

For this VF **as an illustration**:

- Your Principal Amount: RM 100,000
- Your Financing Rate: 6.57% (BLR) + 1.25% (Margin)
- Your Financing Tenor: 90 days
- Your Interest: RM 1,928.22

In **total** you will receive **RM 98,071.78 on drawdown date** and the Buyer will pay **RM 100,000 on the maturity date**

It is your responsibility to:



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



As **Supplier**, to **honour your undertaking to pay the Bank** when your Buyer defaults on their repayment (for VF with recourse to Supplier)
As **Buyer**, to make **full payment on maturity date**



Ensure you can afford to **pay a higher VF amount** if BLR rises



Contact us immediately, if you are unable to pay your VF facility

*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	As mentioned above
Handling Charge	0.1% flat, minimum RM 50 and maximum RM 500
Stamp Duty	As per Stamp Duty Act 1949 (Revised 1989)

You also have to pay the following fees and charges:

Other Charges	Please refer to our Letter of Offer and the Bank's Corporate website at www.uob.com.my for details
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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 make full repayment on the maturity date of the VF?

- VF will be classified as past due if not fully repaid on its maturity date and default interest at 1.0% p.a. above the "prescribed rate" / the Bank's prevailing BLR + 3.5% will be imposed on the VF principal amount**.
- Any past due VF will affect your further drawdown of the VF Facility and any other facilities with the Bank.
- If the past due VF remains unpaid after 30 days, the Bank will demand the outstanding sum plus interest from the Supplier for VF with recourse to the Supplier.
- If the past due VF remains unpaid after 3 months, your facilities with the Bank will be classified as non-performing.
- The Bank has the right to set-off any credit balances in your account(s) against the past due VF following prior notification of 7 days to you.
- The Bank may exercise its rights and start its recovery process/ legal action against you and/or the Buyer.
- Your VF Facility along with any other facilities with the Bank may be recalled.

Other Key Terms

- You will need to have an approved VF 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 supporting documentation e.g. Invoices, transport documents, evidencing the underlying trade transaction.
- 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 VF 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.