



KNGASIA
LEVERAGING GLOBAL OPPORTUNITIES

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Project:

Acceptance in advance of Usance Letter of Credit
and Purchasing of O/A Services

Short description:

Acceptance in advance of Usance Letter of Credit
and Purchasing of O/A Services

Introduction about KNG*Asia*

KNG Asia has very rich experiences in providing financial services to international trading. With our services, exporters can avoid risks with buyers with which they are not familiar; In addition, exporters can get paid back their cash very fast, which helps to improve their cash flow. In regards to the importers, our financial services can help them to have a larger number of suppliers, therefore help them to keep a high competitiveness.



www.kngasia.com

name: KNG Asia Trading Ltd. HK, KNG Beijing, zhongwen

Introduce of the service

Definition of Service of Acceptance in advance of usance Letter of Credit.

After the exporter has received the usance LC from the importer, in the condition that all the documents are complete and the bank in which the LC was issued agrees with the acceptance on the due date, our company can make the relative payment to the exporter in advance before the due date.

Introduce of the service

Definition of services of Purchasing of O/A

After the exporter has received the O/A, in the condition that all the documents are complete, our company can make the relative payment to the exporter in advance before the due date of the O/A.

Advantages to exporter

Definition of services of Purchasing of O/A

- Exporter can receive payments in the shortest delay, get tax return earlier, reduce it's capital pressure.
- Receive 100% of the payment , and no need to use it's credit line in the bank.
- Financing without recourse, no worries for later.
- More flexible during negotiation with importers regarding payment terms.
- Avoid risks in dealing with importers from high risk region.
- Simple and easy application procedure, short delay to get payment.
- Improve cash flow.
- No need to provide any guarantee.

Advantages for the exporter

Difference between our service and the service of banks in China

Services	Our company	Banks in China
Payment percentage	100%	80%
Service fee rate	0.5-5%	1.5%-8%
Right of recourse	No	yes
Line of credit	No need	Yes
High risk country or region	Yes	No
Payment day	Same day	
Delay of the LC or O/A	30——1000days	30——180days

Service fee

Service fee of “Acceptance in advance of usance letter of credit” or “Purchasing of O/A ”

Service Fee=Acceptance amount * discount rate
or amount of O/A * discount rate

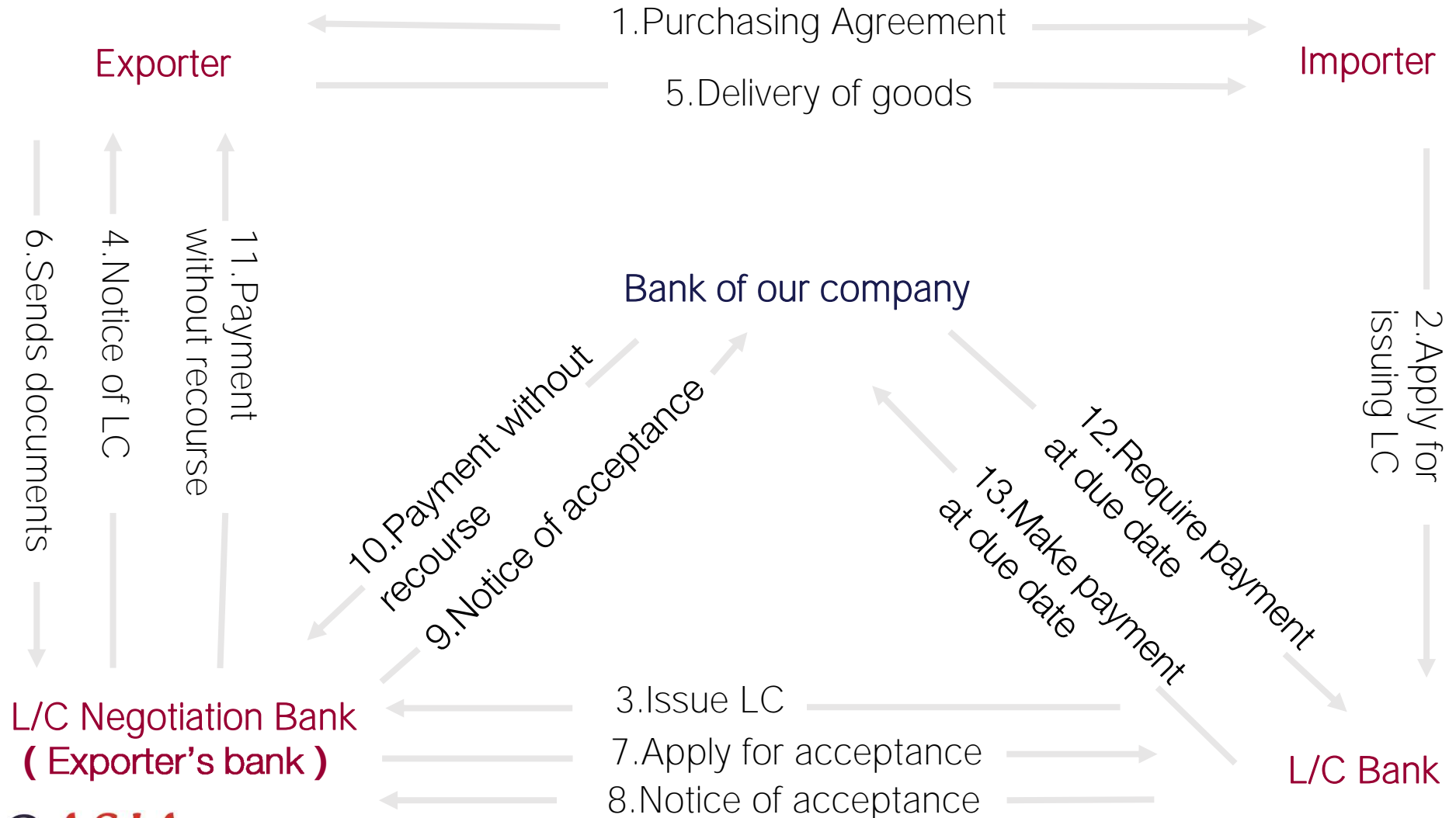
Elements that
Influence the
Discount rate

- Credit rate of the bank in which the LC is issued
- Total amount
- Delay of the LC or O/A
- Frequency of the business
- What kind of goods

Requirements to the exporter

- 1 Being an independent legal entity and has authorization of doing export business
- 2 The trade is real
- 3 Exporting goods that are allowed by Chinese laws and regulations
- 4 No fraud records during previous exporting business

Procedure of service of usance LC acceptance in advance



Procedure for exporter in the case of Usance Letter of Credit

- 1** Exporter fills in <Application Form for Service of Acceptance in advance of usance LC>, submits relative documents and consults the price.
- 2** We evaluate the exporter in 3-5 days and issue a <Notice of acceptance to provide services>.
- 3** Exporter signs <Consultancy Service Agreement> with our company , and transfer the service fee to the account of our company.
- 4** Exporter and it's overseas importer execute their purchasing agreement.
- 5** Exporter deliver the goods, after receiving the acceptance confirmation from the importer, our company makes payment to exporter.
- 6** Exporter receives payment in advance of the due date on the LC.

Documents required from the exporter in case of L/C:

1

Application Form

2

Scan of the LC or the O/A

3

Scan of the Purchasing Contract

4

Scan of Letter of Acceptance

Procedure for exporter in the case of Purchasing O/A

1

The exporter provides information such as: contract value, payment terms, goods, short presentation and financial report of the importer.

2

We proceed due diligence on the exporter and evaluate the financial report of the importer and submit its quote to the exporter (depending on the evaluation of the importer, our company will buy 80%-90% of the total value of the O/A)

3

After the quote is agreed by the exporter, our company provide an agreement of purchasing of the O/A, exporter signs the agreement, make payment of the service fee to our company and provide related documents required by our company.

4

Our company makes payment of the 80% or 90% of the total amount to the exporter. When received the total amount on the due date, our company will pay the rest of 20% or 10% to the exporter.

Documents required from the exporter in case of O/A:

- 1** Purchasing Contract, invoice, bill of lading.
- 2** The letter of transfer of O/A that exporter issues to our company.
- 3** The letter of notice that the exporter send to the importer regarding the transfer of O/A.
- 4** The confirmation letter from the importer.
- 5** The attestation from the bank of exporter confirming that the signatures on all the documents are real and effective.



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Note:

Anything mentioned in the document is purely private and confidential.

More information:

Please contact us for more information