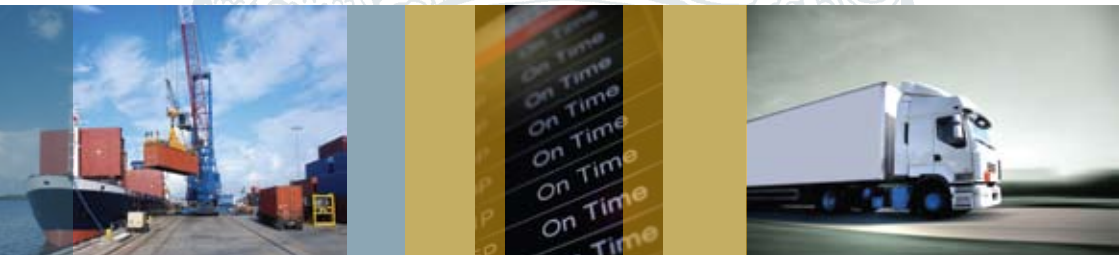




THE ICS TRUST DIRECT IMPORT PROGRAM


THE ICS TRUST DIRECT IMPORT PROGRAM CONTENTS



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THE ICS TRUST DIRECT IMPORT PROGRAM



Vast numbers of businesses want to source imports from Asia, but are reluctant to do so due to factors such as the costs and challenges of sustaining a distant operation. The good news is that there is an ideal option available to establish an efficient, effective, worry-free Asian base – a unique Direct Import (DI) Program with ICS TRUST (Asia) Ltd.

ICS TRUST and its DI Programs provide a comprehensive package of corporate, accounting, banking, tax management and trade solutions, all managed on behalf of your business, which translates into growth and enhanced profitability. You can have a cost-effective Asian operation up and running in surprisingly little time. Read on . . .

There is an ideal option available to establish an efficient, effective, worry-free Asian base – a unique Direct Import (DI) Program with ICS TRUST (Asia) Ltd.

WHY AN ICS TRUST DIRECT IMPORT PROGRAM?

International markets today are more competitive and complex than ever. From buying textiles in China or Vietnam for sale to North American retailers, to moving bulk volumes of semi-finished products from India to Europe, buyers today expect importers to be highly proactive, to take a greater share of the risk and to offer more flexibility in how goods are sold. Today's successful importers have to be able to sell products at competitive prices and to be highly skilled at the distribution of goods, at managing the increasing demands of customers, and in being creative in how business is financed and operated.

With such heavy demands on importers today, it's difficult to respond effectively if you are operating half a world away from where you source goods. That's where an ICS TRUST DI Program provides the solution. Our customized DI Programs are perfectly suited for corporate clients,



Our customized DI Programs are perfectly suited for corporate clients, in particular those who source products in Asia and sell to retail chains.

in particular those who source products in Asia and sell to retail chains. Our DI Programs are the ideal tool for providing clients with the flexibility of selling on a free/freight-on-board (FOB) Asia basis while maintaining full control of the process. An established and efficient DI Program will deliver your business' ultimate goals – success, growth and enhanced profitability.

In fact, from the very moment clients launch their ICS TRUST DI Program, they begin to benefit because:

- They now have the flexibility to choose how to sell to their customers
- They're not required to have employees in Hong Kong/Asia
- Their program is priced to grow as their business grows

If you don't have an ICS TRUST DI Program, it's most likely costing you money. So let's get started . . .





THE ICS TRUST DI PROGRAM: SET-UP AND BENEFITS

ICS TRUST incorporates a Hong Kong subsidiary for you. While this step is a foundation of your DI Program, your new company – call it Imports (Hong Kong) Ltd., usually a wholly-owned subsidiary of the parent company – provides you with the credibility and prestige of having a registered office in Hong Kong's high-powered Central district. ICS TRUST is located at Five Queen's

Road, a premier business address, next to the Standard Chartered Bank and HSBC's main building in Central. This will be your office address in Hong Kong, to be used on all your business stationery. You can even have a separate telephone line in your company's name if desired. Once established, you will have a strong Asian presence, business credibility and visibility. You have a "virtual office."

2. ESTABLISHING YOUR SUBSIDIARY'S INFRASTRUCTURE

With your registered office set up, the next stage involves appointing directors and shareholders, opening bank accounts, arranging a bank signatory and related issues.

One corporate director is required (provided by ICS TRUST) so we can operate your Hong Kong company, while a second director can be provided by ICS TRUST or you, either a person or a company, and not necessarily resident in Hong Kong. We make these arrangements.

If required, ICS TRUST can provide corporate nominee shareholders to act on your behalf. In this circumstance, your ownership can be as confidential as you wish.

With our established, long-standing relationships with Hong Kong's leading local and international banks, we identify judiciously the bank that best meets

your needs. We open Hong Kong dollar chequing, multi-currency savings or US dollar savings accounts for your Hong Kong subsidiary. We frequently facilitate new banking relationships for clients that prove to be very beneficial. ICS TRUST then provides a signatory to the company's bank accounts to ease the flow of trade documents and all payments.

With these structural and financial steps in place, you're in business in Hong Kong! Tell your customers and vendors you now have a fully functioning local office in Asia. On behalf of your Hong Kong company, we will meet with your customers' local buying office staff, attend their training courses and liaise with them in Chinese on a day-to-day basis.

And you've accomplished all this without requiring local staff. ICS TRUST staff, managed by our senior executives, handles all needed tasks, which eliminates a major operational headache – staffing an office from abroad.



3. YOU'RE READY/ PUT YOUR ICS TRUST DI PROGRAM TO WORK FOR YOU.

Here's an outline of a program in action: Your customer issues either an International letter of credit (L/C) or wire transfers funds to Imports (Hong Kong) Ltd. Our experience is that when a Hong Kong subsidiary exists, an international L/C can be obtained more easily than with a domestic transaction. Payments can also be made using wire transfers.

Next, ICS TRUST, acting for Imports (Hong Kong) Ltd., transfers the L/C to the Asian vendor, for instance your designated Chinese factory. Since the L/C is transferable, no credit facilities are required and opening the L/C account is virtually the same as opening a chequing account. The bank does not request collateral from you, which

allows you to secure bigger orders knowing credit is not an issue.

The vendor then ships the goods directly to the customer's freight forwarder, who consolidates these goods with all your customer's other Asian purchases, then to be forwarded to the customer.

In essence, an ICS TRUST DI Program allows importers to take title from the vendor and transfer title to the customer in real time and with minimal delays, with all details handled for you in Hong Kong by ICS TRUST. Importantly, DI Programs are entirely scalable and can be customized to each client's unique needs. Our team of knowledgeable and trained professionals respond only and precisely to what your circumstances demand.

SAMPLE CASES

The following examples illustrate problems that an ICS TRUST DI Program can resolve for your company

CASE A

ISSUE: A large retail customer demands all transactions be on a FOB any Asian port basis.

PROBLEM: Without an Asian office, you don't have a representative to take title to the goods (from the vendor) and then transfer title to the retailer customer.

OUTCOME: You lose the order because you do not have an Asian office or company presence through which to re-invoice the goods.

CASE B

ISSUE: Your customer, a retailer, gives you a purchase order or domestic letter of credit. Your bank requires increased collateral before they will finance the order. PROBLEM: Insufficient collateral or bank lines of credit.

OUTCOME: You lose the order due to lack of bank support

CASE C

ISSUES: A contract manufacturer wants to purchase components from you, which you have made by a third party factory. PROBLEM: The contract manufacturer will know the details of the factory if the goods are shipped direct.

OUTCOME: The contract manufacturer can go direct to the factory and you will lose the business.

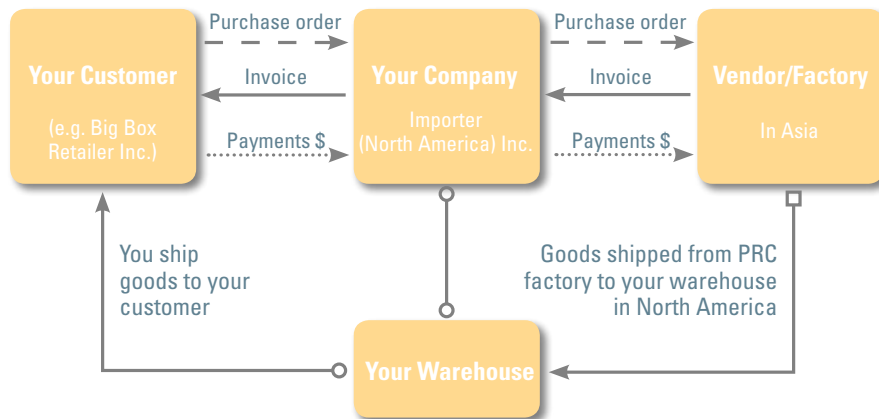
These three cases illustrate key obstacles – lack of an Asian presence, financing problems, and confidentiality of source – that ICS TRUST'S DI Program will resolve for you.

IMPORT DIAGRAM

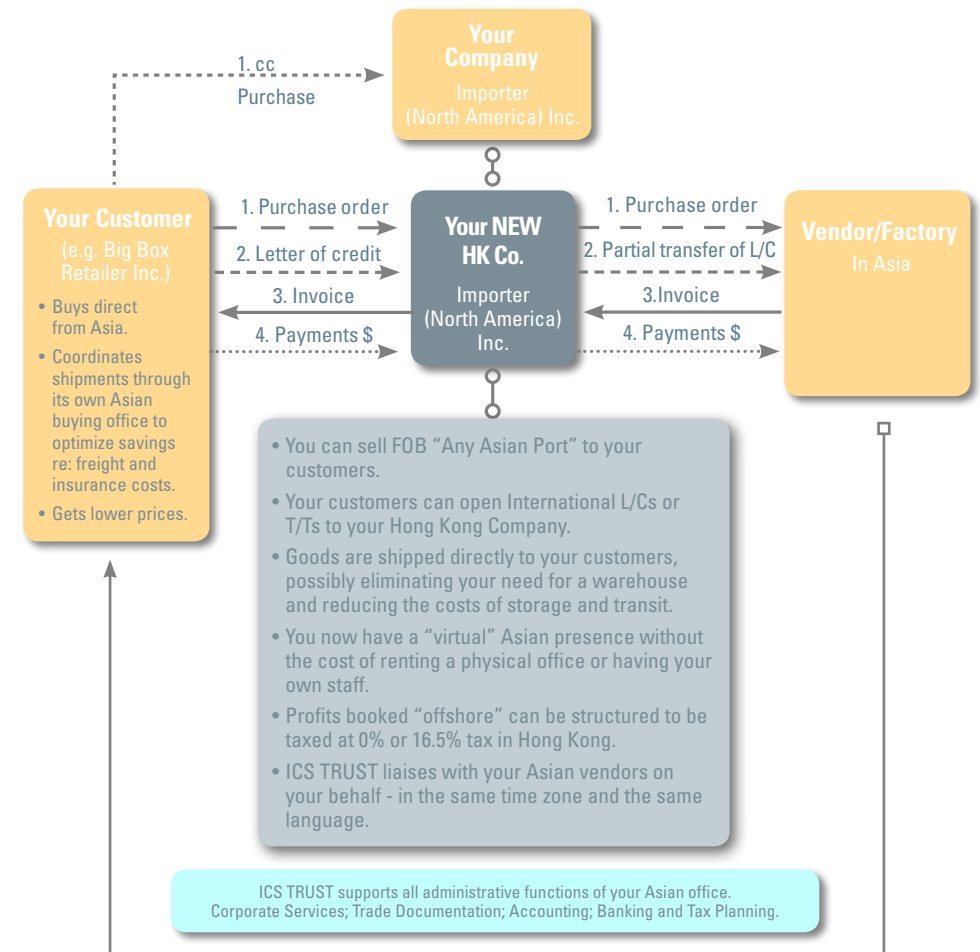


The two graphs that follow illustrate different scenarios for importing from Asia. The first offers a schematic of the way many businesses currently import from Asia. The second sets out how an ICS TRUST DI Program works effectively for you.

HOW YOU MAY IMPORT FROM ASIA NOW



THE ICS TRUST DI PROGRAM IN DETAIL



Direct shipment of goods from vendor/factory to customer

BENEFITS TO YOU

Invaluable Asian base

- You can find new international buyers more readily from a Hong Kong base. You're viewed as an Asian vendor;
- You gain greater prestige with Asian vendors and customers since having a Hong Kong office demonstrates your commitment to Asia;
- Once you're an Asian operator, from running a trade program to filing annual tax returns and audited accounts, ICS TRUST treats your business like its own, so you get to focus on growing sales, long-term growth and profit;
- The way you choose to operate can be kept confidential.

Financial edges

- You can sell either FOB Asia or ex-warehouse – you reduce inventory and save money;
- You get orders because with a Hong Kong office, you can sell FOB Hong Kong;
- With most fees being transaction-based, the cost of administering the Hong Kong subsidiary is driven by how much business goes through it rather than a large, fixed overhead;
- The FOB model can enable you to sell to your customers at a lower price;
- The FOB model allows you to increase sales without the necessity of tying up capital or arranging credit (no collateral is required for transferable L/Cs);
- Obtaining bank credit lines will be much easier in Hong Kong with your subsidiary's "local" track record.

Tax advantages

- Your profits are likely to be taxed at 0% in Hong Kong. Money grows fast when no tax is levied;
- Profits repatriated are likely to be taxed, but it may be possible to defer taxation in your home country for several years, thereby giving you the benefit of the use of that money or more credit generated through your own operation.

Your profits are likely to be taxed at 0% in Hong Kong. Money grows fast when no tax is levied;

BENEFITS TO YOUR CUSTOMER

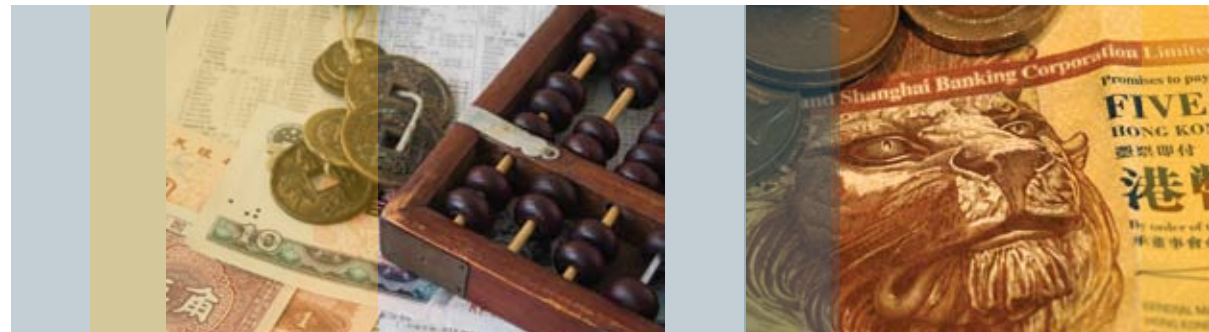
Invaluable Asian base

- When a customer insists on "buying direct," a DI Program lets the buyer place an international order and fulfill the customer's directive;
- Your customer's Asian buying office can deal with Imports (Hong Kong) Ltd. during the same day in the same time zone and by telephone in their native language.

Financial edges

- Customers may be able to consolidate and save on freight and insurance;
- Customers can more easily coordinate shipments through their distribution chains, through a consolidator or their own buying office in Hong Kong.

ADVANTAGES OF AN ICS TRUST DI PROGRAM





SUCCESS STORIES: TRADE SERVICES

Our client is a Montreal-based entrepreneur who began sourcing home appliances in China in the mid-1990s and exporting them to his warehouse in Canada, for eventual sale to Canadian Tire. Five years ago, Canadian Tire began insisting on buying the product direct from Asia, to eliminate intermediary costs and to create economies in shipping and insurance costs. Our client needed to sell to Canadian Tire on an FOB Asia basis or he would lose the business. ICS TRUST established a strategic working partnership with this company, allowing its president to focus on sourcing and selling products, while ICS TRUST handled all day-to-day activities in Hong Kong, such as banking, accounting, invoicing, managing letters of credit, and liaison with factories in China. ICS TRUST provided the following services to ensure the client's trading business can continue to operate successfully:

1. Strategic Structuring Advice:

Working with our client and his vice-president, we devised a customized solution allowing them to sell FOB Asia, using Hong Kong as their base.

2. Hong Kong Structure: We established a Hong Kong subsidiary of the Canadian company in a "virtual office" environment, to act as their international sales and marketing arm.

3. Trade Services: We act as the client's trading "back office" in Asia. Our staffs receive orders from customers, place orders with vendors, and book trading revenue in Hong Kong. We receive and transfer international letters of credit (L/Cs), review shipping documentation, prepare bills for collection and instruct the bank to retire them when due. We also liaise with the vendor, the customer's buying office and freight

forwarder as required, ensuring timely shipments in accordance with the terms of the purchase orders and L/Cs.

4. Banking: We set up all bank accounts, including L/C accounts. ICS TRUST is a signatory to the accounts to allow us to manage the business and facilitate timely transactions on an Asian-time basis.

5. Accounting: We prepare management accounts monthly and financial statements annually for head office. We have the statements audited in accordance with Hong Kong Law.

6. Taxation: We helped the client achieve a zero-tax rating on his Hong Kong profits. We also succeeded, working with his Canadian tax advisors, in establishing the Hong Kong subsidiary as an "active trading" company in the

eyes of Revenue Canada, allowing our client to defer tax. We continue to advise on Hong Kong taxation, and respond to the Hong Kong Tax Department's queries regarding his annual accounts.

CONCLUSION

Not only did our client retain his business with Canadian Tire, he also used his Hong Kong company to establish relationships with other large retail chains in North America, such as Wal-Mart and Sears. In his first two years of operation, his business grew rapidly, and in 2003 his Canadian company and its Hong Kong subsidiary were bought by a large, listed U.S. company for US\$600 million. He remained in control of his division within the larger company, and continues to use ICS TRUST for all of his trading transactions in Asia.



SUCCESS STORIES: COMMERCIAL TRADE SOLUTIONS

Our client is an entrepreneur based in Paris, who designs and sources high-quality cosmetic cases in China for sale to European designer boutiques. His business has been very successful, and had expanded to the point where he could no longer manage it effectively from his base in France. With larger orders, he had also begun to experience occasional quality problems with his vendors in China.

ICS TRUST identified at the outset the need for the client to have a corporate presence in Asia. Our solution included the following elements:

1. Strategic Advice: ICS TRUST developed a thorough understanding

of our client's human model and the specific needs of his business. We devised a customized, Hong Kong-based solution that allowed him to focus on developing his business while we managed day-to-day operations of his DI Program and his entire business in China. By establishing an active presence in the Asian market, he has been able to regain control of his product quality.

2. Hong Kong Structuring: We incorporated a Hong Kong subsidiary for his French company and we manage it in a "virtual office" environment. This operation serves as the client's international trading arm, allowing him to sell to his customers FOB Asia. The

Hong Kong office consists of quality control staff we recruited based on his requirements, while ICS TRUST handles all the company's day-to-day commercial activities in Hong Kong – invoicing, banking, bookkeeping, as well as liaison with our client's vendors in China.

3. Banking: We identified a suitable, leading bank and established bank accounts, including a letter of credit account. ICS TRUST was appointed a signatory to all accounts, to facilitate timely transactions during the Asian workday and eliminate delays arising from the time difference between France and China.

4. Trade Services: We act as our client's trading back office in Asia. We receive and transfer purchase orders to our client's vendors in China, invoice his customers in Europe, and arrange payments to the factories, so all trading profits are booked in Hong Kong. We handle the shipping documentation and liaise with our client's vendors and his customers' local buying offices and

freight forwarders as required to ensure timely shipments.

5. Accounting: ICS TRUST provides a variety of specific value-added monthly accounting services to help our client track the performance of his Asian operations. We also arrange for annual audits in Hong Kong in accordance with local laws.

6. Taxation: We assisted our client to achieve and maintain a 0% tax rating on his Hong Kong company's profits, and continue to advise and represent him regarding Hong Kong taxation.

CONCLUSION

Along with the advantages outlined above, this solution allows our client to focus on developing his core business in Europe, as he no longer needs to fly to China frequently to deal with his vendors. As well, since ICS TRUST was able to eliminate the client's tax liability in Hong Kong, the owner reinvested profits into the business and his revenue has tripled in just three years.

WHY ICS TRUST?



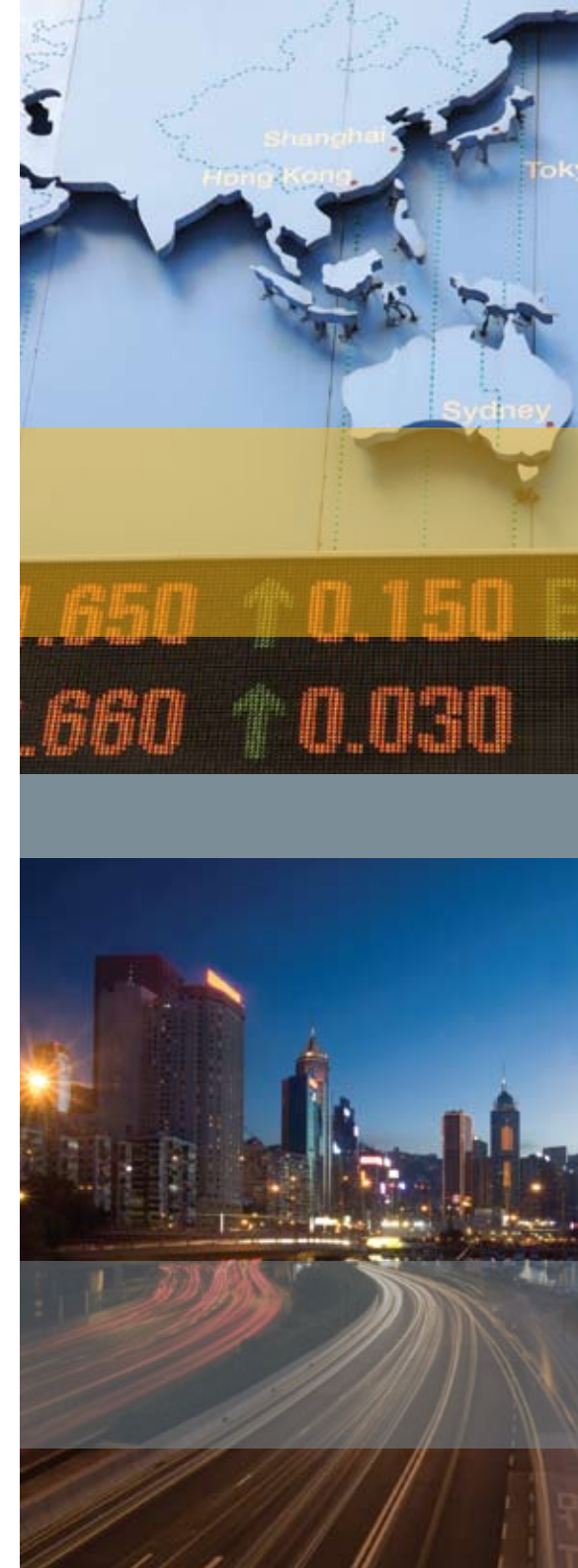
Established in 1980 by Canadian businesswoman and international lawyer, Elizabeth L. Thomson, ICS TRUST has been a leader in providing DI Programs for our clients. Over almost three decades, ICS TRUST has become highly respected and uniquely positioned to provide practical advice on trade in Hong Kong and China, which adds to the raw power of our DI Programs.

By teaming with ICS TRUST, our clients gain invaluable access to our experience and expertise in dealing with large retail chains from around the world. And the wealth of knowledge that resides at ICS TRUST means our

clients reap benefits that range from risk management to greatly enhanced profitability. This experience allows our clients to do business with an impressive roster of companies, including Wal-Mart USA /Canada, Canadian Tire, Sears Canada, Lowes, Home Depot, Kmart, Fred Myer, Menard Inc., Loblaw's and Target and many more household names.

ICS TRUST is focused on helping you grow your business in Hong Kong and Asia, while providing you with the time to develop new sales at home and abroad. Our role is not to represent your customers or your vendors; rather, we look after your interests and your profitability.

To talk with us about establishing your DI Program, please contact ICS TRUST at (+852) 2854 4544 or email us at ics@icstrust.com





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OTHER PUBLICATIONS BY ICS TRUST



DOING BUSINESS IN CHINA

Whether looking to expand local sales or competitiveness in domestic markets, or seeking to build foreign export sales, no business today can afford not to have a China strategy. ICS TRUST's Doing Business in China guide offers an integrated solution to China market entry, designed to help companies establish and do businesses in the PRC in an efficient and effective manner by ensuring investors overcome challenges faced by foreign customers.



VIRTUAL CFO SOLUTIONS

While the potential for gain in China is considerable, lack of controls and reporting standards coupled with a still developing financial sector mean many companies face a high risk of financial mismanagement in China. For companies that have structured their China entry through a Hong Kong limited company, the ICS TRUST Virtual CFO Solution provides financial control systems and regular reports to head office, treasury functions and regulatory compliance. These measures ensure risks are controlled and managed.



ICS TRUST COUNTRY INFORMATION GUIDES

At ICS TRUST, we recognise the need for concise, practical, informative data on key countries where clients seek to do business. Packed with critical information on subjects such as the tax system, company structuring, banking facilities and more, ICS TRUST Country Information Guides are the ideal primer for the businessperson who needs to familiarize themselves swiftly with a new market. Country Information Guides are available on Hong Kong, China, India, Vietnam and many more.

Contact us today to receive complimentary copies of the above publications, and much more...



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