PRODUCT DISCLOSURE SHEET

Read this Product Disclosure Sheet before you decide to take up Shipping Guarantee (SG) facility with Bank of China (Malaysia) Berhad. Be sure to also read the general terms and conditions, including the terms in the letter offer. This Product Disclosure Sheet is to be used as a basis for continued discussions and does not constitute a commitment of Bank of China (Malaysia) Berhad to lend, arrange or syndicate a financing or an agreement to prepare, negotiate, execute or deliver such a commitment. The delivery of a commitment would be subject to, amongst others (i) satisfaction with the results of its due diligence processes, (ii) relevant credit approval(s), (iii) satisfaction that other Lender(s) would participate in the facility on the basis outlined in this document (if applicable) and (iv) relevant satisfactory financing documentation. The terms and conditions of this Product Disclosure Sheet may be modified or supplemented by Bank of China (Malaysia) Berhad at its discretion at any time and from time to time during the course of its due diligence and credit approval process or as a result of changed market conditions or otherwise.	中国银行马来西亚 BANK OF CHINA (MALAYSIA) BERHAD 200001008645 (511251-V) **Product: Shipping Guarantee (SG)**

1. What is this product about?

Shipping Guarantee (SG) is a written undertaking issued by Bank of China (Malaysia) Berhad (the Bank) to indemnity the Shipping Companies release of imported goods under Letter of Credit (LC) issued by the Bank, pending receipt of the original Bill of Lading (BL).

SG is applicable in the case of short shipping voyage and arrival of cargo prior to the documents. It helps importer to pick up the goods in time to avoid port demurrage charges.

2. What do I get from this product?

a. Grasp market opportunity – In the case of arrival of cargo prior to the bill of lading (BL), the importer could pick up the goods in advance only with the SG signed and issued by the Bank, and the market opportunity is grasped as a result.

b. Reduction of capital tied up – With SG, the importer could pick up and sell goods in advance in order to speed up circulation of capital and reduce capital tied up.

c. Reduction of extra cost – Importers can pick up the goods in time to avoid demurrage charges.

3. What are my obligations?

a. When the original Bill of Lading arrives, you are required to substitute/ exchange the SG with original bill of lading at the shipping company and return the SG back to the Bank for cancellation.

b. In the event of the SG is not returned or cancelled within three (3) months from the date of issuance, an additional charge will be levied on you.

c. What are the cut-off time to observe for SG Application(s)?

Trade Product	Cut-Off Time (applies to the Bank standard SG format only)
SG Application(s) for issuance without stamping	Before 2.00PM on same business day After 2.00PM on next business day
SG Application(s) for amendment without stamping	Before 2.00PM on same business day After 2.00PM on next business day
SG Cancellation	Before 2.00PM on same business day After 2.00PM on next business day
Important Note: ▪ Same day processing applies to the Bank standard SG format and relevant SG application(s) must be in order. ▪ Processing turnaround time for SG issuance/ amendment request with stamping under the Bank standard SG format takes minimal 2 to 3 business day.	

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

1	SG Issuance Commission	▪ 0.1% on invoice amount ▪ Minimum RM100.
2	Unredeemed SG	An additional 0.5% p.a. of the invoice amount up to the date of return of the guarantee.
3	Other Charges	Please refer to the relevant Letter of Offer and our Standard Charges on International Trade Services Operations at https://www.bankofchina.com.my/m/en-my/service/information/service-rates-and-tariffs/standard-charges-on-international-trade-services-operations.html for full list of fees and charges.

5. What if I fail to fulfil my obligations?

- In the event of any overdue bills, then without prejudice to any rights or remedies the Bank may have interest on the amount overdue will be payable by you at the default rate as per the Letter of Offer, from the due date or on demand (if so payable) until the date of receipt by the Bank of the full amount thereof.

- The Bank reserves the right to disallow further utilisation of SG facility and all trade lines until such time that all overdue trade bills are fully paid and your conduct of account must be up to the Bank's satisfaction.

- The account is to be classified as Non-Performing Loan ("NPL") if the overdue bill is remained unpaid 3 months from date of the SG overdue.

- In the event of overdue triggered, you are subject to the Bank's customary overriding right of repayment on demand and legal proceedings may be commenced against you or any security party/ies.

- Right to set off: The Bank has the right to utilise any credit balance in your accounts maintained with the Bank to settle any outstanding amount under any facilities with the Bank. However, the set-off amount shall be notified to you prior to the set-off being effected.

6. What if I fully settled the facility before its expiry date?

Not applicable.

7. Do I need a guarantor or collateral?

- A guarantor is to be provided if required.
- Collateral is to be provided if required and must be acceptable to the Bank.

Note: The above requirements are depending on your credit worthiness.

8. What are the major risks?

You undertake to the Bank that the documents shall be accepted when documents arrived with or without discrepancies and you are liable to honour the payments.

9. What do I need to do if there are changes to my contact details?

It is important that the Bank is informed of any change in your business/ company's contact details to ensure that all correspondences reach your business/ company in a timely manner.

10. Where can I get assistance and redress?

a. If you have difficulties in making repayments, you should contact your dedicated Relationship Manager at the earliest possible to discuss repayment alternatives.

b. Alternatively, you may seek the services of:

- Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia as a one stop platform for both individuals and SMEs seeking debts restructuring services, as well as financial education and credit advisory.

  You may contact AKPK at:

  Agensi Kaunseling dan Pengurusan Kredit (AKPK)
  Address : Level 5 and 6, Menara Aras Raya (Formerly known as Menara Bumiputera Commerce), Jalan Raja Laut, 50350
  Contact Number: 03-2616 7766
  E-mail : enquiry@akpk.org.my

c. To make a complaint on products or services offered, you may contact us at:

- Bank of China (Malaysia) Berhad
  Address:
  2nd Floor, Plaza OSK,
  25, Jalan Ampang,
  50450 Kuala Lumpur.

- Customer Service Centre
  Contact Number: 03-2059 5566
  Email : callcenter@bankofchina.com.my

You may be asked to provide further information or clarification from time to time and to cooperate in any investigation or any process carried out upon receipt of your complaints via any of the above channels.

- In the event you are still not satisfied with the response from the Bank, you may seek review with the following redress channel:

  Bank Negara Malaysia (BNM)
  Address : Bank Negara Malaysia, Jalan Dato' Onn, P.O.Box 10922, 50929 Kuala Lumpur.
  Contact Number : 1-300-88-5465 (1-300-88-LINK) (Overseas: +603-2174 1717)
  Facsimile : +603-2174 1515

Web form: (eLINK): https://telelink.bnm.gov.my
Website : www.bnm.gov.my

11. Where can I get further information

Should you require additional information about taking up SG issuance, please refer to the *bankinginfo* booklet on "Small and Medium Enterprises – Financing Products for Your Business – Trade Financing", available at www.bankinginfo.com.my. Kindly take note that the information available in the *bankinginfo* booklet refers to types of financing products in general, and is not be an exact representation of products offered by the Bank.

For any further enquiries, please contact us at:

Bank of China (Malaysia) Berhad
Transaction Banking Department
Trade Product & Sales
3rd Floor, Plaza OSK,
25, Jalan Ampang,
50450 Kuala Lumpur.
Contact Number: 03-2387 8235 / 03-2387 8277 / 03-2387 8204

12. What other trade loans available?

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

- Letter of Credit
- Bank Guarantee
- Account Receivable Financing
- Export Bill Purchase/ Discount
- Trust Receipt
- Banker's Acceptance
- Onshore Foreign Currency Loan
- Pre-Shipment Financing
- Invoice Financing
- Standby Letter of Credit
- Documentary Collection/ Purchase/ Negotiation

The information provided in this product disclosure sheet is valid as at 06/12/2023.