

To:

Dear Sir/Madam,

**Re: Master Forfeiting Agreement
Purchase without recourse of certain claims due to**

With reference to the recent negotiations, we hereby confirm our intention to purchase from you on without recourse basis your claims specified in a separate schedule substantially in the format attached hereto (the “**Schedule**”) which substance is to be agreed in writing by you and us from time to time and in consideration of your representations, warranties and covenants below and subject to the terms and conditions in this Master Forfeiting Agreement (this “**Agreement**”, which term shall include each Schedule). Each Schedule shall be subject to the terms of this Agreement. Terms used herein that are not defined shall have the same meaning as provided in the Schedule.

I. Conditions Precedent:

We shall effect unconditional payment of the Discount Proceeds against presentation to us at our counters at [] on or before the Availability Date of the following documents which are free of any claims and expenses and in form and substance to our satisfaction:

1. Your duly completed and signed letter of assignment (in the form of Annex 1 and on your letterhead) of the proceeds that you are entitled by your tendering of the documents required by the L/C[, which are presented by us on your behalf to the L/C Issuing Bank];
2. Duly authenticated confirmation of the Issuing Bank to the following effect:
 - (a) it has taken note of the assignment of the Claims to the assignee as indicated by us;
 - (b) that the documents under the L/C have been taken up by the Importer without any reservation and that the Issuing Bank will irrevocably and unconditionally pay the full amount of the L/C at maturity; and
 - (c) payment will be made by it without any deductions to the assignee [through us in accordance with our payment instructions provided with the presented documents].

II. Representations and Warranties:

By countersigning this Agreement you represent, warrant and undertake that:

1. the Claims constitute legal, valid and binding obligations of the Issuing Bank;
2. you have the power to enter into, perform and deliver, and have taken all necessary action to authorise your entry into, performance and delivery of, this Agreement;
3. the choice of the law of the Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”) as the governing law of this Agreement will be recognised and enforced in your place of establishment / jurisdiction of domicile. Any judgment obtained in Hong Kong in relation to this Agreement will generally be recognised and enforced in your place of establishment / jurisdiction of domicile;
4. any factual information provided by you to us in relation to this Agreement was true, complete and accurate in all material respects as at the date it was provided or as at the date (if any) at

which it is stated;

5. the description of the Underlying Transaction in the Schedule is true and correct and that you have fulfilled all your obligations under the Underlying Transaction with respect to the assigned Claims and any dispute resulting from the Underlying Transaction shall be resolved and settled between yourselves and the Importer and shall not affect the legality, validity and enforceability of the assigned Claims;
6. all necessary export and import licences and exchange control approvals in connection with the Underlying Transaction have been obtained;
7. the purchase of the Claims by us upon the terms of this Agreement will not incur stamp duties or other duties or imposts of any kind whatsoever and the L/C payment of the Claims will be made free of any taxes, levies, imposts or duties, present or future, and of any nature, in particular free of any charges due under the L/C including reimbursement charges;
8. you will not accept any amendments to the L/C which might affect the Claims without our prior written consent;
9. you have not in any way assigned, mortgaged, charged, pledged or otherwise encumbered, or received any monies in respect of, any of the Claims and that the Claims are fully assignable by you without any restriction;
10. by your acceptance of this offer you are irrevocably and unconditionally, legally and validly bound in accordance with the terms of this Agreement.

By countersigning, you further represent, warrant and undertake that the foregoing representations and warranties will be true and accurate on or before each Availability Date with reference to the facts and circumstances subsisting from time to time.

III. Covenants:

By countersigning you undertake and agree:-

1. to perform your obligations hereunder in accordance with the terms and conditions of this Agreement;
2. to give all information, and to do everything, necessary and appropriate to complete the assignment of the Claims and/or, as required in the future in connection with any enforcement of the Claims;
3. not to interfere with any assigned Claims or any underlying or ancillary claims;
4. to pay to us or otherwise as we may direct all monies which you may receive in respect of the assigned Claims or any underlying or ancillary claims;
5. to indemnify us and hold us harmless upon our first demand unconditionally and irrevocably from any losses, liabilities, damages, claims, costs or expenses suffered or incurred by us resulting from any default by you or failure by you to duly and punctually perform your obligations hereunder or from any breach by you of any representation, warranty or covenant hereunder.

IV. Final Provision:

1. This Agreement shall be governed by and interpreted in accordance with Hong Kong laws and the parties hereto irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts but this Agreement may be enforced in the courts of any competent jurisdiction and that the taking of any suit, action or proceedings arising out of or in connection with this Agreement in

one or more jurisdictions shall not preclude the taking of such suit, action or proceedings in any other jurisdiction whether concurrently or not.

2. Should any provision of this Agreement be or become illegal, invalid or unenforceable, neither the legality, validity or enforceability of the remaining provisions of this Agreement under the law of that or of any other jurisdiction nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.
3. No failure or delay by us to exercise or enforce any right or any partial or defective exercise of any rights in connection herewith shall preclude our assertion in the future.
4. This Agreement is subject to the General Agreement by Customer(s) and other agreement(s) entered into by you and us, if any. In case of conflict, terms of this Agreement shall prevail to the extent of the conflict.

Please return to us the duplicate of this Agreement duly signed by you at your earliest convenience, but such signed duplicate should be received by us on or before [indicate expiry date for acceptance] failing which our offer shall be deemed by us as null and void.

Yours faithfully,

China Minsheng Banking Corp., Ltd., Hong Kong Branch
Authorised signature and company chop

I/We hereby confirm that I/we have read the terms and conditions of the Master Forfeiting Agreement and am/are willing to be bound by and act in accordance with the terms and conditions of such Agreement.

Accepted by:

Authorised signature and company chop

Schedule

Subject to the Master Forfaiting Agreement dated _____ (the "**Agreement**") and referring to the recent negotiations, we hereby offer our commitment to purchase from you without recourse your claims specified under "Forfaiting Transaction" stated below against your presentation to us at our address specified above of satisfactory documentation (within the time limit, in accordance with the terms specified under "Conditions Precedent"), in consideration of your representations, warranties and covenants in the Agreement and subject to the terms and conditions thereof:

I. Underlying Transaction:

Importer:
Transaction:
L/C Issuing Bank:

II. Forfaiting Transaction:

Claims:
L/C: Irrevocable Letter of Credit No. _____ dated _____, issued by
(hereinafter called the Issuing Bank") and available with any bank by
negotiation.

Deferred Payment: L/C provides for deferred payment at _____ days after sight

Latest Date for
Shipment:

III. Commercial Terms of the Forfaiting Transaction:

Provided the Conditions Precedent specified in Section I of the Master Forfaiting Agreement have been fulfilled to our satisfaction on or before the Availability Date specified below, we shall purchase the Claims at face value less interest ("**Discount Proceeds**") calculated at the Interest Rate specified below for the remaining lifetime of the Claims plus the Days of Grace (if any) specified below:

Availability Date: _____ at our office in Hong Kong at
Interest Rate: _____ %per discount to yield
Computation: Interest Rate will be calculated on the actual number of days elapsed over a
360 days' year (365/360).
Commitment Fee: none
Days of Grace: _____ working days

Please return to us the duly signed duplicate of this Schedule at your earliest convenience, but such signed duplicate should be received by us on or before [indicate expiry date for acceptance] failing which our offer shall be deemed by us as null and void.

Yours faithfully,

China Minsheng Banking Corp., Ltd. Hong Kong Branch
Authorised signature and company chop

Annex 1

Date:

To: China Minsheng Banking Corp., Ltd., Hong Kong Branch
36/F., Bank of America Tower
12 Harcourt Road, Central
Hong Kong

**Re: Assignment of Claims under Irrevocable Deferred-Payment Letter of Credit No.
issued by**

On _____, _____ issued in our favour the irrevocable letter of credit No. _____ (the "L/C").
The L/C covers the shipment of _____.

We hereby irrevocably assign, sell and transfer to you all our rights and claims to the proceeds in respect of the L/C.

We confirm that we have not in any way assigned, mortgaged, charged, pledged or otherwise encumbered any of our rights to payment under the captioned letter of credit otherwise than in favour of you (and will not do so); and that such rights are fully assignable by us without any restriction.

Yours faithfully,

Authorised signature and company chop of Beneficiary