

APPLICATION FOR PRE-SHIPMENT FINANCING BACKED BY PAYMENT
GUARANTEE

To : China Minsheng Banking Corp., Ltd., Hong Kong Branch (the "Bank")

Date:

We, _____ (the "Applicant" or "us") refer to the latest facility document(s) (including but not limited to the Facility Letter dated _____ issued by the Bank to us (the "Facility Letter"), the Assignment of Receivables executed by us dated _____ (the "Assignment of Receivables") and the Assignment of Demand Guarantee executed by us dated _____) in relation to the [[] financing facility] (the "Facility Documents"), pursuant to which the Bank shall, upon the terms and subject to the conditions of the Facility Letter, make available to the Applicant a loan facility and as a condition precedent to the Bank making such loan facility available to the Applicant, the Applicant shall (i) assign to the Bank [all the Applicant's rights, title, interest and benefit in and under the relevant sale contract] (the "Sale Contract") between the Applicant, as seller, and the purchaser(s) (the "Purchaser"), as security for the payment of all moneys becoming due by the Applicant to the Bank; and (ii) assign to the Bank [all the Applicant's rights, title, interest and benefit in and under a guarantee] granted in favour of the Applicant, as security for the payment of all moneys becoming due by the Applicant to the Bank. In any event, if the Purchaser(s) fail(s) to perform any of its payment obligations under the Sale Contract, the Bank shall have full recourse against the Applicant for payment of the amount owing and/or payable by the Purchaser(s) under the Sale Contract.

Pursuant to the terms of the Facility Documents and subject to the terms thereof and the conditions printed overleaf, we hereby inform the Bank that, subject to the Bank's approval, we would like to utilise a facility of _____ (the "Loan"), and, if approved, request the Bank to credit such amount to our account no. _____ maintained with the Bank.

In case of queries, please contact _____ at Tel. no. _____.

FOR BANK USE ONLY	APPROVED BY	CHECKED BY
		MADE BY
		Verify SIG

Authorised Signature(s) and Company Chop

CONDITIONS OF APPLICATION FOR PRE-SHIPMENT FINANCING BACKED BY PAYMENT GUARANTEE

1. The proceeds of the Loan shall solely be used for the purchase, production, storage, insurance and/or preparation for sale or shipment of the goods sold under the Sale Contract (the “**Goods**”).
2. The Applicant undertakes to comply with all its obligations under the Sale Contract. Without prejudice to the generality of the foregoing, the Goods provided to the Purchaser(s) are the sole responsibility of the Applicant. The Bank shall not in any event be liable or responsible for the existence, description, quality, quantity, value, fitness, safety, delivery or otherwise of any Goods shipped or delivered to the Purchaser(s) by the Applicant.
3. The Applicant authorizes the Bank to verify with the Purchaser(s) the genuineness, validity or terms of, or any other information related to the Sale Contract.
4. The Bank is authorised to pay any proceeds of the Loan to the supplier of the Goods for payment of any invoice issued by the supplier related to the supply of Goods.
5. Without the Bank’s prior written consent, the Applicant shall not accept any amendment or cancellation of the Sale Contract and shall not dispose of or otherwise deal with the Goods except for the purpose of shipping the Goods and obtaining the relevant documents required under the Sale Contract for obtaining payment under the Sale Contract.
6. The Applicant shall pay interest on the Loan at the interest rate as determined by the Bank. Subject to the Bank’s overriding right of demand, the Applicant shall repay the Loan and an accrued interest to the Bank on a date falling within 15 days of shipments of the Goods, the date stipulated as the latest shipment date in the Sale Contract or the applicable due date of the Loan, whichever is earlier.
7. The Applicant represents that, subject to the interest created in favour of the Bank under the Assignment of Receivables, the Goods and all sale proceeds and monies payable to the Applicant arising out of the Goods or the Sale Contract (the “**Receivables**”) are free from any security interest(s) and encumbrance(s) and the Applicant is the sole and beneficial owner of the Goods and the Receivables. The Applicant undertakes not to factor, sell or otherwise dispose of or create any encumbrance(s) or security interest(s) over the Goods and the Receivables unless otherwise agreed by the Bank in writing.
8. The Applicant acknowledges and declares that until full discharge of the Loan and any other debts and liabilities owing by the Applicant to the Bank, (i) all Goods will be dealt with by the Applicant as the Bank’s agent and all Receivables will be held by the Applicant in trust for the Bank; (ii) the Applicant shall fully insure the Goods at the Applicant’s expense against all risks and hold the policy and proceeds of such insurance to the Bank’s order; and (iii) the Applicant will keep the Goods and the Receivables separate from other transactions, goods or sale proceeds. Any monies payable to the Applicant under the insurance policy shall be held in trust for the Bank and dealt with at the Bank’s direction.
9. Immediately after the Goods have been shipped, the Applicant shall deliver to the Bank the related shipping documents, invoice(s), bills of exchange and other documents in such form satisfactory to the Bank (collectively, the “**Shipping Documents**”). The Applicant warrants and represents to the Bank that (i) the Supporting Document(s) is/are duly issued by the Applicant to the Purchaser(s) in relation to the Goods in accordance with the Sale Contract; (ii) the Purchaser(s) is/are liable to pay the sum stipulated in the Supporting Documents in full on the stated due date without any set-off, counterclaim or any other deduction; and (iii) the Applicant has not done or caused to be done, and shall not do or cause to be done, anything which may affect or jeopardise the Bank’s right to receive full payment from the Purchaser(s) of the amount set out in the Supporting Documents.
10. The Applicant warrants and represents to the Bank that the Applicant shall place in the Bank’s custody the original or advice of the Guarantee..
11. The Bank may collect, for its own benefit and account, payment from the Purchaser(s) without reference to the Applicant.
12. The Applicant shall indemnify the Bank and the Bank’s delegate(s) on demand (on a full indemnity basis) against all liabilities, losses, damages, demands, claims, expenses and costs (including legal fees), proceedings or actions which the Bank or the Bank’s delegate(s) may suffer or incur under or in connection with the Loan and any financing provided under this application.
13. Each of the persons signing this application (in his own personal capacity and as authorised representative(s) of the Applicant) warrants and represents to the Bank that this application is made for the purpose set out in Clause 1 above and for no other purpose and acknowledges that the Bank will rely on such warranty and representation when assessing this application.
14. The representations, warranties and undertakings made by the Applicant under the Facility Documents are hereby made repeatedly.
15. The Bank is entitled to refuse the Applicant’s utilization of the Loan without providing any reason.
16. This application is subject to the General Agreement, the Facility Documents and other agreement(s) previously signed and delivered to the Bank by the Applicant, if any. In case of conflict, terms of this application shall prevail to the extent of conflict.
17. This application is governed by and shall be construed in accordance with the laws of the Hong Kong Special Administrative Region and the Applicant agrees to submit to the non-exclusive jurisdiction of the Hong Kong courts.