

Terms and Conditions for Pledge and Trust Receipt

In consideration of your releasing to us any bill(s) of lading, shipping document(s), godown warrant(s), warehouse receipt(s), delivery order(s) and/or other document(s) of title (the "**Document(s)**") relating to the goods specified above (the "**Goods**"), receipt of which is hereby acknowledged, we undertake and agree with you as follows:-

1. The Document(s) and the Goods have been and will continue to be pledged to you as a continuing security but the risk of the Goods shall be with us at all times.
2. The Document(s) are released to us exclusively for the purpose of taking delivery of the Goods and selling the Goods for you to buyer(s) at market value on normal trade terms. If so required by you, we shall obtain your prior consent on the sale price and trade terms of such sale and forthwith forward to you copies of our sales invoices for the Goods showing the name of the buyer(s) and the total sale price in each case.
3. We will hold the Document(s), the Goods and their sale proceeds in trust for you, in your name and solely to your order. You may at any time and at your discretion take possession of the Goods and/or the Document(s) and/or the sale proceeds. We shall pay the sale proceeds of the Goods to you immediately upon receipt without set-off or any deduction.
4. The trust receipt loan ("**T/R Loan**") granted to us in relation to the documentary credit or bill specified above is payable on demand or on the applicable due date, whichever is earlier. We shall note your interest on the Goods in our books or records.
5. We shall provide you with cash or other collaterals in such form and value as you may require from time to time. To secure the discharge of our obligations to you under this agreement, you are irrevocably authorized to debit our account(s) with you and you shall have a lien over all our properties in your possession, with power to sell or dispose of such properties at any time for satisfaction of our obligations. You are entitled to demand and receive the sale proceeds of the Goods from buyer(s) or any person(s) and give valid receipt for the same without reference to us.
6. We shall upon your request forthwith return the Document(s) and/or Goods to you and comply promptly and fully with any instructions which you may give as to the manner of dealing with the Document(s) and Goods or any of them.
7. We shall keep you informed of the whereabouts of the Document(s) and/or Goods and of any change in the condition, market price, quality or quantity of the Goods. You are authorized to enter into any premises so as to inspect or secure possession of the Goods, to remove and dispose of the Goods by sale or otherwise to deal with the Goods as you may consider appropriate.
8. We represent that the Goods and the Documents are free from any security interest or encumbrance.
9. We shall keep this transaction, the Document(s), the Goods and all relevant sale proceeds separate from any other transaction, document(s), goods or proceeds and shall not permit the Goods to be encumbered or to be processed or altered without your prior consent.

10. We shall keep the Goods fully insured against all insurable risks and shall hold the policies and any insurance proceeds in trust for you. In the event of loss or damage, we shall notify you in writing immediately and shall at our own expenses take all necessary action to claim under the insurance. We shall account to you immediately for any monies received from the insurers and shall make good any deficiency.
11. We shall pay all freights, warehouse, dock, transit and other charges, rent and all other costs of and in connection with the Document(s) and/or Goods.
12. We shall indemnify you and your delegate(s) on demand (on a full indemnity basis) against all liabilities, losses, payments, damages, demands, claims, expenses and costs (including legal fees), proceedings or actions which you or your delegate(s) may suffer or incur in connection with the release of Document(s) to us or otherwise in relation to the Goods.
13. We acknowledge and agree that the above information duly completed by us and/or any of your staff shall be, in the absence of manifest error, conclusive evidence of our acknowledged receipt of the Document(s) and booking of the T/R Loan.
14. This agreement is subject to the Trade Finance Security Assignment, Standard Terms for Banking Facilities as are in effect from time to time and any other agreement previously signed and delivered to you by us. In case of conflict, terms of this application shall prevail to the extent of conflict.
15. This agreement is governed by and shall be construed in accordance with the laws of Hong Kong SAR and we agree to submit to the nonexclusive jurisdiction of Hong Kong courts.