

To : Bank of Shanghai (Hong Kong) Limited (the "Bank")

PACKING CREDIT NO. _____
 (For Bank Use Only)

UNDERTAKING FOR REPAYMENT OF PACKING CREDIT

Date: _____

 In consideration of the Bank's granting, at our request, a loan of up to the sum of Dollars _____
 _____ Hong Kong Currency (HK\$ _____) (the "**Loan**") by way of packing credit
 against the goods (the "**Goods**") and the relative Documentary Credit (the "**D/C**") particulars and details of which are set out below:

D/C No.	Issued by	Amount	Description of goods

We hereby irrevocably and unconditionally undertake and agree with the Bank as follows:-

- We undertake to repay to the Bank on demand all amounts due to the Bank from us in connection with the Loan together with interest thereon at the rate of _____ percent per annum or at such higher or other rates as the Bank may from time to time charge such interest to be payable monthly on the last day of each month without deduction and all fees, charges, costs and expenses of any kind (including, without limitation, legal fees and out-of-pocket expenses on a full indemnity basis) incurred by the Bank arising from or in connection with the Loan (collectively, the "**Indebtedness**").
- We shall use the Loan solely for the production, purchase, storage, insurance and/or preparation for sale or shipment of the Goods.
- We shall place in the Bank's custody the original D/C or original advice of the D/C and that we shall not accept any amendment to or cancellation of the D/C without the Bank's prior written consent.
- We acknowledge that the Goods shall be dealt with by us as the Bank's agent and held by us on trust for the Bank until full repayment of the Indebtedness and absolute discharge of all liabilities owed by us to the Bank. We shall fully insure the Goods at our expense against all insurable risks and for full value of the Goods in such manner as the Bank may require and shall deliver to the Bank or hold to its order the policy or policies of insurance duly endorsed until such repayment and discharge. We shall pay any sums received in respect of such insurances relating to the Goods to the Bank immediately on receipt, without any set-off or deduction and hold all sums on trust for the Bank pending payment.
- The proceeds of the D/C shall be used exclusively for the repayment of the Indebtedness. All documents as required under the D/C will be delivered, in full compliance with the terms and conditions of the D/C, to the Bank for negotiation as soon as received and prior to the expiry date of the D/C. We authorize the Bank to deduct the amount of the Indebtedness from the proceeds of such negotiation and we undertake to pay the Bank the shortfall, if any, on demand.
- In the event of partial shipment and drawings under the D/C, such drawings shall be applied in reduction of the amount of the Indebtedness in the manner specified by the Bank.
- Notwithstanding anything contained herein, we undertake to repay the Indebtedness on or before the expiry date of the D/C or immediately on demand. If the value of the Goods at any time falls below the amount of the Indebtedness, we shall pay the shortfall on demand by an immediate cash payment.
- We shall promptly and fully on demand indemnify the Bank and its officers, employees, correspondents and agents and them fully indemnified against all actions, claims, demands and proceedings and against all costs, payments, bankers' charges, damages, taxes, expenses (including legal fees and out-of-pocket expenses on a full indemnity basis), liabilities and losses of whatever nature, that may be taken, made or threatened against them or sustained, suffered, incurred or paid by them or any of them in connection with or arising out of the Loan or providing such other services or performing such other acts in connection with the Loan.
- The Bank may (but is not obliged to), at any time and without notice to us or our authority, apply any credit balance to which we are entitled on any account with the Bank in or towards satisfaction of our obligations and liabilities in connection with the Loan. For this purpose, we authorise the Bank to purchase, at such exchange rates at such relevant times as the Bank may at its sole discretion determine, such other currencies as may be necessary to effect such application with the moneys standing to the credit of such account. We shall be solely responsible for any and all costs, fees, expenses and charges (including bankers' charges) in connection with such currency conversion and shall pay the Bank on demand.
- We confirm that this Undertaking for Repayment of Packing Credit is subject to the terms and conditions applicable to trade financing, and banking accounts and services generally as the Bank may specify from time to time, and we agree to be bound by them.

Please credit the proceeds of the Loan to our HKD A/C No. _____ with _____

In case of queries, please contact Mr./Miss _____ Tel: _____

For Bank Use Only	AML List Checked	Signature Verified
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 Authorized Signature(s) and Company Chop

