

Terms & Conditions for Trust Receipt

In consideration:

- a) That the Bill(s) of Lading and/or other documents of title and/or other documents (collectively known as "The Documents") representing or purporting to represent the goods specified in the Shipping Guarantee Application have been delivered to United Overseas Bank Limited ("The Bank") as security for payment by the Customer at Hong Kong of the Trust Receipt amount stated in the Shipping Guarantee Application together with interest thereon at such rate(s) as the Bank may decide from the date of advance/the date of collection note, until full repayment is received by the Bank, including all cost charges and expenses, and
- b) Of the Bank releasing to the Customer the Documents

THE CUSTOMER UNDERTAKES AND AGREES as follows:

1. To receive the said documents and the said goods to which they relate in trust for the Bank and to land store and hold the goods for the Bank's account and under trust and lien to the Bank and as its agent and bailee and to deal with them as the Bank's property.
2. Not to charge or purport to charge the goods or the proceeds of sale thereof with the payment of any money to any person or to use or purport to use the same as security for performance of any obligation whatsoever. The Customer hereby declares that it is not indebted to the buyers of the goods or to any other person(s) having possession of the said goods.
3. To hold the said goods when received in trust for the Bank and on its behalf, with authority to sell the said goods for the Bank's account but not to make any other disposition whatsoever of them. The Customer undertakes not to sell the goods or any part thereof on credit or for non-monetary consideration or at a loss without the Bank's previous consent in writing.
4. To remit the proceeds of sale of the goods to the Bank as soon as received or within such time as the Bank may allow in reduction or extinguishment of the Customer's indebtedness to the Bank and to notify the Bank at once should the goods not be sold or the proceeds of sale not be received within 28 days from this date in order that the Bank may, if the Bank wishes, make other arrangements for the sale of the goods or the recovery of the proceeds of the sale, as the case may be.
5. To keep the said goods fully insured for an amount not less than the invoiced value of the said goods in the Bank's name, against all risks usually insured against (including fire and theft) and against any other risks the Bank may deem desirable and to hand the Bank the evidence of such insurance; the sum insured to be payable, in the event of loss, to the Bank. In case such insurance is not arranged to the Bank's satisfaction, the Bank is hereby authorised to effect insurance, the cost of which the Customer engages to pay and failing payment the Bank is authorised to debit the cost to the Customer's account with the Bank.
6. To keep the said goods when received by the Customer stored to the Bank's satisfaction, to advise the Bank of the whereabouts of the goods of all times and if requested by the Bank to remove them at the Customer's expense to any other place of storage indicated by the Bank. It is understood that all charges and expenses in connection with the removal or storage of the said goods are for the Customer's account and failing payment of such charges and expenses by the Customer the Bank is authorised to make payment and debit the Customer's account with the Bank accordingly.

7. To keep the said goods and the proceeds of sale thereof (whether in the form of money or bills recoverable or accounts receivable) identifiable and separate from any other transaction. The Bank is irrevocably authorised, if the Bank shall think fit so to do, to notify and to receive direct from the buyers the proceeds of any sale.
8. It is agreed that the Bank may by notice to the Customer at any time cancel the transaction evidenced by the trust receipt and resume possession of the shipping documents or the goods specified therein. The Customer authorises the Bank, the Bank's servants or agents for the purpose of taking possession or making inspection of the said goods to enter the Customer's premise or other places where the said goods may be.
9. That the goods shall be a security to the Bank for the payment on demand of all other monies now or at any time hereafter to become due to the Bank from the Customer alone or jointly with any other or others, whether on current account or for money advanced or paid or in respect of bills, notes or drafts accepted paid or discounted interest commission or any bank charges or on any other account whatsoever together with all costs charges and expenses including but not limited to expenses incurred in retaking possession of the goods and the (re) storage of the same.
10. That no failure or omission on the Bank's part to enforce or to require that the Customer carries out fully any of the provisions of this or any similar receipt or agreement, or of the agreement under which the Bank issued the Letter of Credit under which the said goods were purchased, shall be deemed to be a waiver by the Bank of any of the Bank's rights or remedies hereunder or thereunder.
11. That it is hereby understood and agreed that the handing to the Customer of any of the Documents as above mentioned is entirely at the Bank's option and does not in any way alter or affect the Customer's personal liability or the Bank's rights under any other security or document(s) the Bank may hold.
12. That notwithstanding that the maturity date of the trust receipt or of any negotiate instrument given hereunder shall not have expired, the aforesaid sum together with all accrued interest cost, charges and expenses shall be due and payable immediately without demand upon the happening of any of the following events:
 - a) If the Customer defaults under any agreement relating to any loan or credit facility whatsoever given by any other party to the Customer or if any of the Customer's indebtedness is declared due prior to its stated maturity.
 - b) If the Customer fails to pay any debt in the ordinary course of the Customer's business or any legal proceedings or suits of any kind is instituted against the Customer which in the Bank's opinion adversely affects the Customer's financial position.
 - c) If the Customer is in breach of any of its undertakings or obligations under any agreement binding on the Customer, including this trust receipt.
13. Without prejudice to any other term herein, the Bank shall be entitled without prior notice to the Customer to debit on the maturity date of the trust receipt, or any time thereafter, any of the Customer's account(s), current or otherwise, with the Bank (regardless of whether such account(s) be in debit or credit) for payment of the trust receipt sum together with interest and all other moneys due and payable in connection with this trust receipt. Provided always that no such debiting shall operate or have any effect as payment or satisfaction of the sums due (except to the extent of any amount in credit in the account concerned) or a waiver by the Bank of any breach or default on the Customer's part. If any such debiting causes the Customer's account(s) to be overdrawn, interest on the overdrawn amount shall be payable accordingly. Where the currency of

the account(s) is different from the currency of the amounts due, the Bank's then prevailing rate of exchange for conversion of the currency of the account(s) to the currency of the amounts due shall be used to convert the same.

14. (i) If the Customer should make (a) new object(s) from the goods, mix the goods with an other object(s) or if the goods in any way whatsoever becomes a constituent of (an) other object(s) the Bank will be given the ownership of this (these) new object(s) as surety for the full payment of what the Customer owes the Bank. The Customer agrees that the ownership of the object(s) in question whether finished or not, are to be transferred to the Bank and that this transfer of ownership will be considered to have taken place through and at the moment of the single operation or event by which the goods are converted into (a) new object(s), or is mixed with or becomes a constituent of (an) other object(s).

(ii) Until the moment of full payment, the Customer shall keep the object(s) in question for the Bank in the Customer's capacity of fiduciary owner and, if required, shall store this (these) object(s) in such a way that it (they) can be recognised as such.

(iii) The Customer will be entitled to sell these objects to bona fide purchasers for value within the framework of the normal carrying on of the Customer's business and to deliver them on condition that – if the Bank so requires – the Customer, as long as the Bank has not fully discharged the Customer's debt to the Bank shall assign to the Bank the claims the Customer has against its buyer emanating from this transaction.

15. If this trust receipt is signed by or for and on behalf of two or more of the Customer's authorised signatories, the Customer's liabilities shall be joint and several. In the construction of the trust receipt the singular number shall be deemed to include the plural and vice versa.
16. The term hereof shall be construed and shall take effect according to the laws of the Hong Kong Special Administrative Region and shall be subject to the non-exclusive jurisdiction of the Court of the Hong Kong Special Administrative Region.