

**Letter of Indemnity for Packing Loan
Terms and Conditions**

1. The issuing bank and all the terms and conditions of the Credit must be acceptable to the Bank.
2. 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 called for under the Credit (the **"Goods"**).
3. We hereby (i) lodge with and pledge to the Bank the original Credit and all amendments (if any); (ii) undertake to deliver all future amendments of the Credit to the Bank immediately upon receipt by us; and (iii) undertake to present documents in strict compliance with the terms and conditions of the Credit to the Bank on or before the time limit(s) prescribed in the Credit.
4. We shall not accept any amendment or cancellation of the Credit without the Bank's prior written consent and shall not dispose of or otherwise deal with the Goods except for the purpose of making a valid drawing under the Credit.
5. We shall pay interest on the Loan at the interest rate as determined by the Bank. Subject to the Bank's overriding right of demand, we will repay the Loan and any accrued interest to the Bank on the applicable due date of the Loan.
6. If the Bank agrees to negotiate the presented documents, prepay the deferred payment undertaking incurred by the Bank or purchase the draft accepted by the Bank under the Credit, or present the documents to the Credit issuing bank for payment, we irrevocably authorise the Bank to apply the relevant proceeds to discharge the Loan together with any costs and expenses incurred by the Bank and any commissions, interest or other charges at such rate from time to time as determined by the Bank in connection with the Loan and/or to discharge any other debts owed by us to the Bank (collectively the **"Indebtedness"**) in any manner or order that the Bank thinks appropriate.
7. We represent that the Goods, Credit and the relevant proceeds (the **"Assets"**) are free from any security interest(s) and encumbrance(s), and we are the sole and beneficial owner of the Assets. We undertake not to factor, sell or otherwise dispose of the proceeds of the Goods or Credit or create any encumbrance(s) or security interest(s) over the Assets, apart from the Loan.
8. We acknowledge and declare that until full discharge of the Indebtedness, (i) all Goods will be dealt with by us as the Bank's agent and the sale proceeds will be held by us in trust for the Bank; (ii) we shall fully insure the Goods at our expense against all risks and hold the policy and proceeds of such insurance to the Bank's order; and (iii) we will keep the Goods and the sale proceeds separate from other transactions, goods or sale proceeds. Any monies payable to us under the insurance policy shall be held in trust for the Bank and dealt with at the Bank's direction.
9. We assign to the Bank absolutely all our rights, title, interests and benefits in and to all the proceeds receivable under the Credit and undertake to indemnify the Bank against any balance which may remain unpaid under the Credit for whatever reasons.
10. In the case that the value of the Goods or the proceeds under the Credit should at any time fall below the amount of the Indebtedness, we promise and undertake to make up such deficiency by cash payment immediately.
11. We shall provide the Bank with cash or other collaterals in such form and value as the Bank may require from time to time. To secure the discharge of our obligations to the Bank under this agreement, the Bank is irrevocably authorised to debit our account(s) with the Bank, and the Bank shall have a lien over all our properties in the Bank's possession, with power to sell or dispose of such properties at any time for satisfaction of our obligations.
12. We shall indemnify the Bank and its 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 the Bank or its delegate(s) may suffer or incur under or in connection with the Loan and any financing provided under the Credit.
13. If the Letter of Indemnity for Packing Loan is executed by more than one party (i.e. by the applicant and the Guarantor), the obligations and liabilities of each of us under the Letter of Indemnity for Packing Loan are primary as well as joint and several.
14. The Letter of Indemnity for Packing Loan is subject to the General Security Agreement Relating to Goods, General Customer Agreement and other agreement(s) previously signed and delivered to the Bank by us, if any. In case of conflict, the terms of the Letter of Indemnity for Packing Loan shall prevail to the extent of conflict.
15. The Letter of Indemnity for Packing Loan is governed by and shall be construed in accordance with the laws of the Hong Kong SAR.