

Conditions of Application for Shipping Guarantee/Endorsement of Transport Documents

In consideration of countersigning the attached letter of indemnity/guarantee or endorsing the transport documents (as the case may be) by The Bank of East Asia, Limited (the "**Bank**"), the applicant of this application (the "**Applicant**") agrees to the following conditions:

1. The Applicant shall indemnify the Bank and the Bank's delegate(s) on demand (on a full indemnity basis) or provide the Bank with any cash or collateral in such form and value as the Bank may require against all liabilities, losses, damages, demands, 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 Bank's so doing upon the Applicant's request in this application and upon the Bank's request to apply and defend at the Applicant's own cost and expense any action which may be commenced against the Bank in connection with this application.
2. The Applicant agrees to redeem and deliver the attached letter of indemnity/guarantee (if any) to the Bank for cancellation immediately upon receipt of the relevant bills of lading or transport documents and undertakes that its obligations hereunder shall remain in full force and effect until the attached letter of indemnity/guarantee is returned to Bank for cancellation
3. The Applicant declares and represents that the Goods are, to the best of the Applicant's knowledge, not hypothecated to any person nor will this be done by the Applicant other than to the Bank, and the Applicant shall hold the sale proceeds in trust for the Bank.
4. The Bank is hereby authorised (but not obliged) (i) to honour any drawings made under the documentary credit or documentary collection or to pay the invoiced amount of Goods without examining any of the presented documents; and (ii) to utilise the bills of lading or transport documents in the Bank's possession for the redemption of the letter of indemnity/guarantee from the relevant transport company. The Applicant irrevocably agrees and undertakes to reimburse the Bank on demand in respect of such drawings or payments and pay the Bank all charges, expenses and interest at such rate from time to time as determined by the Bank irrespective of any discrepancy(ies) that may appear in such documents (all of which, if any, are hereby waived by the Applicant) and/or even if the Goods drawings or payments are unacceptable to the Applicant due to whatever reasons.
5. To secure the discharge of the Applicant's obligations to the Bank under this application, the Bank is irrevocably authorised to debit the Applicant's account(s) with the Bank and the Bank shall have a lien over all the Applicant's properties in the Bank's possession, with power to sell or dispose of such properties at any time for satisfaction of the Applicant's obligations.
6. The Applicant agrees to keep the Goods fully insured against all insurable risks at their own expense and will furnish proof of this at any time, if requested to do so by the Bank.
7. The Goods have been and will continue to be pledged to the Bank as continuing security.
8. This application is subject to the General Security Agreement Relating to Goods, General Customer Agreement, other agreement(s) previously signed and delivered by the Applicant to the Bank, if any. In case of conflict, terms of this application shall prevail to the extent of conflict.
9. This application is governed by and shall be construed in accordance with the laws of the Hong Kong SAR.