

**APPLICATION FOR ADVANCE AGAINST TRADE (PRE-SHIPMENT)**

To: HONG LEONG BANK BERHAD

Date: \_\_\_\_\_

Please follow as marked with an "X"

Bank Ref (to be filled in by the Bank): \_\_\_\_\_

Applicant (Name & Address):	Contact Person (Name, Tel. & Email):
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We, the undersigned applicant (the "**Applicant**"), refer to the latest facility letter (the "**Facility Letter**") issued by Hong Leong Bank Berhad (the "**Bank**") to us in relation to the Advance against Trade (Pre-shipment) facility (the "**Facility**"). Subject to the terms of the Facility Letter, the Applicant hereby:

1. applies for the drawdown of the Facility on the following terms (the "**Loan**"):

a. Drawdown Amount:	b. Drawdown Date:
c. Loan Period: _____ days	

against the following  documentary credit ("**DC**")  purchase order ("**PO**")  sales contract ("**Contract**"):

a. DC/PO/Contract issued by:	b. DC/PO/Contract No.:
c. DC/PO/Contract Amount:	

2. irrevocably authorises and instructs the Bank to credit the drawdown amount to the Applicant's account with the following details:

a. Account No.:	b. Currency:
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3. undertakes and agrees with the Bank as follows:

- a. all the terms and conditions of the DC, PO or Contract (as the case may be) and the DC issuing bank (if any) must be acceptable to the Bank;
- b. the proceeds of the Loan shall solely be used for the purchase, production and/or preparation for sale or shipment of the goods called for under the DC, PO or Contract (as the case may be)(the "**Goods**");
- c. the Applicant hereby lodges with and pledges to the Bank the original DC, PO or Contract (as the case may be) and all amendments (if any) and undertakes to deliver all future amendments of the DC, PO or Contract (as the case may be) to the Bank immediately upon receipt by the Applicant, but the Applicant shall not accept any amendment or cancellation of the DC, PO or Contract (as the case may be) without the Bank's prior written consent;
- d. the Applicant hereby undertakes to present documents in strict compliance with the terms and conditions of the DC, PO or Contract (as the case may be);
- e. the Applicant shall not dispose of or otherwise deal with the Goods except for the purpose of making a valid drawing under the DC or fulfilling the terms and conditions of the PO or Contract (as the case may be);
- f. if the Bank agrees to (i) negotiate the presented documents, prepay the deferred payment undertaking incurred by the Bank or purchase the draft accepted by the Bank under the DC or present the documents to the DC issuing bank for payment or (ii) otherwise provide post-shipment financing to the Applicant under the PO or Contract (as the case may be), the Applicant irrevocably authorises the Bank to apply the relevant proceeds to discharge the Loan together with any interest, commissions, costs, expenses or other charges at such rate determined by the Bank in connection with the Loan and/or to discharge any other debts owed by the Applicant to the Bank (collectively the "**Indebtedness**") in any manner or order that the Bank thinks appropriate;
- g. the Applicant shall pay interest on the Loan at the interest rate as determined by the Bank from time to time. Subject to the Bank's overriding right of demand, the Applicant will repay the Loan and any accrued interest to the Bank on the applicable due date of the Loan. In addition and without prejudice to the Bank's overriding right to demand repayment, the Loan shall become immediately due and payable if and as soon as the presentation under the DC is rejected;
- h. the Applicant represents that the Goods, the DC, PO or Contract (as the case may be) and the relevant proceeds (the "**Assets**") are free

from any security interest and encumbrance and the Applicant is the sole and beneficial owner of the Assets. The Applicant undertakes not to assign, sell or otherwise dispose of the proceeds of the Goods or the DC, PO or Contract (as the case may be) or create any encumbrance or security interest over the Assets, apart from the Loan;

- i. the Applicant acknowledges and declares that until full discharge of the Indebtedness, (i) all Goods will be dealt with by the Applicant as the Bank's agent and the Goods and sale proceeds will be held by the Applicant in trust for the Bank; (ii) the Applicant shall fully insure the Goods at the Applicant's expense against all risks and hold the policy and proceeds of such insurance to the Bank's order; and (iii) the Applicant will keep the Goods and the sale proceeds separate from other transactions, goods or sale proceeds. Any monies payable to the Applicant under the insurance policy shall be held in trust for the Bank and dealt with at the Bank's direction;
- j. the Applicant assigns to the Bank absolutely all its rights, title, interests and benefits in and to all the proceeds receivable under the DC, PO or Contract (as the case may be) and undertakes to indemnify the Bank against any balance which may remain unpaid under the DC, PO or Contract (as the case may be) due to whatever reasons;
- k. in case the value of the Goods or the proceeds of the DC, PO or Contract (as the case may be) at any time fall below the amount of the Indebtedness, the Applicant undertakes to make up such deficiency by cash payment immediately;
- l. the Applicant 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 Indebtedness and any financing provided under the DC, PO or Contract (as the case may be), the Bank is irrevocably authorised to debit the Applicant's account(s) maintained 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;
- m. (where applicable) the Applicant undertakes to deliver the export documents in connection with the related Advance Against Trade (Post-shipment) to the Bank prior to the maturity date of this Advance Against Trade (Pre-shipment);
- n. the Applicant undertakes that it shall indemnify the Bank and the Bank's 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 the Bank's delegate(s) may suffer or incur in connection with this application, the Loan and any financing provided under the DC, PO or Contract (as the case may be);
- o. this application is subject to the Standard Terms and Conditions for Banking Facilities as are in effect from time to time and other agreement(s) previously signed and delivered to the Bank by the Applicant, if any. In case of conflict, terms of this application shall prevail to the extent of such conflict;
- p. the Applicant acknowledges that the Bank would refuse to process any transaction which may violate or breach any sanctions, anti-money laundering or counter-terrorist financing laws, regulations, rules, guidelines and procedures promulgated by the United Nations, the European Union, the United States of America, the United Kingdom, Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), the People's Republic of China and all other jurisdictions to which it is subject ("**Sanctions**"). The Applicant agrees that the Bank will not be liable for any claims, losses, damages, costs or expenses suffered by any party in connection with the Bank's refusal to process such transactions. The Applicant certifies that no shipment or transaction involved in this application is in violation of any Sanctions; and
- q. this application is governed by and construed in accordance with the laws of Hong Kong and the Applicant agrees to submit to the non-exclusive jurisdiction of the Hong Kong courts.

**Each of the persons signing this application (both in his/her own personal capacity and as an authorised representative of the Applicant) warrants, represents and acknowledges that:**

- (i) this application is for the financing of a genuine arm's-length trade transaction, i.e. for the Applicant's purchase, production and/or preparation for sale or shipment of the Goods;
- (ii) the enclosed DC, PO or Contract was duly issued by the relevant issuing bank or buyer or duly entered into between the Applicant and the relevant buyer in relation to the above transaction and received by the Applicant in its ordinary course of business;
- (iii) the relevant buyer (or its shareholder, director, partner or any person having a substantial interest in the profits or business of or any subsidiary or holding company of the relevant buyer) does not directly or indirectly have control over or have a substantial interest in the Applicant (or the Applicant's business) and vice versa;
- (iv) no other financing has been or will be obtained from any other financial institution in connection with the Assets;
- (v) the Applicant has not and will not pledge, charge, assign or create any encumbrance over the Assets (except in favour of the Bank); and
- (vi) the Bank will rely on such warranty and representation when approving this application.

For Bank Use Only		
Made by	Approved by	V. Sig.

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Authorised Signature(s) with Company Chop