

Application for Packing Credit Loan

Name of Customer:	
Account Number:	

To : Public Bank (Hong Kong) Limited (the “**Bank**”)

Date: _____

I/We, the above-named customer of the Bank, hereby request the Bank to advance to me/us the packing credit loan (the “**Loan**”) in the following amount against the letter of credit (the “**Credit**”) briefly identified below covering the goods described therein (the “**Goods**”) :

Packing Credit Loan Currency and Amount:	
Letter of Credit No.:	
Issuing Bank:	
Goods covered by the Credit:	

In consideration of the Bank advancing to me/us the Loan against the Credit, I/we hereby agree with and undertake to the Bank as follows:

1. The Loan, Interest and Repayment

- 1.01 I/We will use the Loan solely in the purchase of raw materials, manufacturing/processing of goods or the purchase, storage, insurance and/or preparation for sale or shipment of the Goods.
- 1.02 I/We will pay to the Bank at any time on demand the Loan and all amounts due to the Bank from me/us together with interest thereon at such rate as the Bank may from time to time charge or notify to me/us and all costs and charges. Without prejudice to any other provisions hereof, I/we will repay to the Bank forthwith on demand the Loan, interest thereon and all charges: (i) if I/we fail to tender the Bank all the necessary shipping documents, drafts and/or documents for negotiation prior to the expiry date of the Credit or any extension thereof or (ii) if the drafts drawn and/or documents tendered thereunder are not paid or honoured by the drawee and/or purchaser of the Goods.
- 1.03 Interest on the Loan shall be calculated according to the actual number of days elapsed on the basis of, in the case of Hong Kong dollars, a 365-day year and in the case of other currencies, such number of days in a year as is customary for interest calculation on such currency and shall accrue from day to day. Such interest shall be compounded if it is not punctually paid in accordance with the Bank’s usual practice.
- 1.04 If the value of the Goods (as conclusively determined by the Bank) at any time shall fall below the aggregate amount of the Loan and interest thereon, I/we shall make up such deficiency by an immediate cash payment.
- 1.05 In the event of partial shipment and drawings under the Credit (where applicable), I/we agree that such drawings shall be applied in reduction of the outstanding balance from time to time of the Loan and interest thereon.

2. The Credit

- 2.01 I/We will place in the Bank’s custody the original advice of the Credit and I/we shall not accept any amendment to or cancellation of the Credit without the Bank’s consent.
- 2.02 Proceeds of the Credit shall be used by me/us exclusively in the repayment of the Loan and interest thereon together with all costs and charges in relation thereto and the Bank is hereby authorised to apply the proceeds for such purpose.
- 2.03 I/We will deliver to the Bank all the necessary shipping documents, drafts and/or documents for negotiation under the Credit as soon as received and prior to the expiry date of the Credit or any extension thereof.

3. The Goods

- 3.01 I/We acknowledge and undertake that until repayment of the Loan, interests, costs and charges (i) title in the Goods will at all times remain with the Bank; (ii) I/we will at any time upon demand by the Bank transfer possession in the Goods to the Bank (iii) the Goods will be dealt with by me/us as the Bank’s agent and held by me/us in trust for the Bank.
- 3.02 I/We undertake to insure the Goods fully at my/our expense against all risks and to deliver the policy or policies of such insurance duly endorsed or held to the Banks order and the Bank shall at all times have a lien on the same and the monies thereby insured.

4. Indemnity for Costs and General Matters

- 4.01 I/We shall from time to time forthwith on demand reimburse the Bank for all costs, charges and expenses (including but not limited to all legal fees and expenses on a full indemnity basis and the fees and expenses of accountants and other professional consultants and all other out-of-pocket expenses) reasonably and properly incurred by the Bank in suing for or recovering any sum due to the Bank hereunder or otherwise preserving or enforcing or seeking to preserve or enforce any of the Bank's rights hereunder.
- 4.02 I/We shall indemnify the Bank and hold the Bank harmless against all actions, claims, demands and proceedings that may be taken, made or threatened against the Bank and against all costs, charges and expenses (legal, governmental and otherwise and whether required by law, regulation or the interpretation thereof or otherwise considered by the Bank to be necessary or desirable), damages, liabilities and losses of whatever nature that may be sustained, suffered, incurred or paid by the Bank in accepting my/our request herein and otherwise generally in connection with or arising out of the Loan.

5. Miscellaneous

- 5.01 This instrument shall be binding on my/our legal representatives, successors and assigns. If this instrument is signed by more than one person, the liabilities and obligations hereby assumed by us and the undertakings hereby given by us shall be of joint and several effect and none of us shall be entitled to any of the rights or remedies of a surety as regards the obligations of any other of us. If signed by a firm, all the agreements, undertakings, obligations and liabilities hereby created or herein contained shall be binding on the person or persons from time to time carrying on business in the name of such firm or under the name in which the business of such firm may from time to time be continued.
- 5.02 The request herein is made by me/us on and subject to the terms and conditions of the General Letter of Hypothecation, General Letter of Guarantee and/or Trade Financing General Agreement entered into between the Bank and me/us, all of which shall be incorporated as if they were set out in full herein. In case of inconsistency arising, the terms herein shall prevail to the extent of the inconsistency.
- 5.03 No time for limitation of liability in respect of this instrument shall begin to run in my/our favour unless and until the Bank shall have made demand on me/us and if more than one demand is made, then only from the date and to the extent of each demand respectively.
- 5.04 If any one or more provisions of this instrument, or any part thereof, shall be declared or adjudged to be illegal, invalid or unenforceable under any applicable law, such illegality, invalidity or unenforceability shall not vitiate any other provisions of this instrument, which shall remain in full force, validity and effect.

6. Law and Jurisdiction

- 6.01 This instrument is governed by and shall be construed in all respects in accordance with the laws of the Hong Kong Special Administrative Region ("HKSAR"). I/We hereby submit to the non-exclusive jurisdiction of the HKSAR courts but this instrument may be enforced by the Bank in the courts of any competent jurisdiction.

PROCEEDS DISPOSAL: please follow instructions marked 'X'	
<input type="checkbox"/>	Please credit my/our Savings/Current Account No.
<input type="checkbox"/>	Please deduct from proceeds in settlement of
<input type="checkbox"/>	
<input type="checkbox"/>	My/Our fax of even date refers. Please avoid duplication.

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Authorised signature(s) of the above-named customer

FOR BANK USE ONLY					
Bank reference:				Signature verified by:	
WAL	WBL	NO1	AMC	CLC	BDC
Remarks:				Checked by:	