

BONDED PROCESSING TRADE CONTRACT

This contract is made and agreed on this Nineteenth day of August, 20 by and between the following parties concerned :

American Trade Inc., hereinafter referred to as Party A,
having their head office at
San Francisco, U.S.A. and

Dae Yang Trading Co., Ltd., hereinafter referred to as Party B,
having their head office at
Seoul, Korea.

Whereas it is the mutual intent and desire to bring a satisfactory conclusion of this contract, both parties concerned hereto acting as principals, with the care of good manager trusting in the sincerity and faith of parties concerned and whereas it is further promise and convenience to promote mutually reliable and advantageous business transaction, the parties concerned hereto agree the terms and conditions of this contract mentioned hereunder :

Article 1 Party A exports to Party B Rayon Yarns as specified in the attached sheet, and Party B exports to Party A Rayon Fabrics after bonded processing as specified in the attached sheet.

Article 2 Party B guarantees the quality of the Rayon Farics to be strictly equivalent to the samples already confirmed by Party A.

Article 3 Party A establishes a letter of Credit in the amount of U. S. \$8,000—approx. in favor of Party B, and then Party B opens Credit in favor of Party A in the amount which is to be proper for processing the ordered quantity.

Article 4 Shipments are to be carried out partially as agreed upon by Parties A and B, and establishments of Credits after the first Credit are to be made partially as agreed upon in consideration of execution of the first Credit.

Article 5 The term of this contract is one year, and further extension and/or renewal may be possible after consultation by Parties A and B.

Article 6 In performance of this contract, both Party A and B are always to cooperate to their best sincerity and care. In case any loss may be incurred by breach of this contract by either party, the party breaking this contract is to compensate the other party for the loss.

Article 7 Unilateral cancellation of this contract is prohibited unless Parties A and B agree

upon beforehand.

Article 8 This contract shall be put into effect promptly after signed by both parties concerned here to.

In witness whereof, the parties concerned have hereunto set out hands and dealt in duplicate in the presence of the undersigned witnesses in San Francisco, on the day and year aforementioned.

Article 15. Entirety

This instrument constitutes the entire agreement and understanding between the parties hereto relative to the subject matter hereof and there are no understandings, agreement's conditions or representations, oral or written, expressed or implied, with reference to the subject matter hereof that are merged herein or superseded hereby. No modification hereof shall be of any force of effect unless reduced to writing and signed by the parties claimed to be bound thereby and no modification shall be effected by the acknowledgement or acceptance of any order containing different conditions.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first above written :

For and on behalf of,

For and on behalf of,

BY :

BY :

Typed Name :

Typed Name :

Title :

Title :