

**AGENCIA DE NAVEGACAO KA FUNG LDA.
EMPRESA TRANSITARIA KA FUNG LDA.
KA FUNG –GESTAO COMERCIAL LDA.**

STANDARD TERMS AND CONDITIONS FOR LOGISTICS SERVICES

1. Definitions

In these terms and conditions, unless the context otherwise defines :-

"Cargo Unit" means each physical unit or piece of Goods not in Package including articles or things of any description whatsoever and shall include, but not limited to, a skid, cradle, pallet or unitized load, group or assemblage, except Goods shipped in bulk, and irrespective of the weight or measurement unit employed in calculating the Rates;

"Commencement Date" means the commencement date as specified in the Quotation or as subsequently determined pursuant to Clause 3.2;

"Confidential Information" means any and all manuals, procedures, documents, material and/or information of a party hereto that is not generally known to the public, whether of a technical, business or other nature (including, without limitation, trade secrets, know-how and information relating to the technology, customers, vendors, business plans, marketing activities, finances and other business affairs of such party), that is disclosed by such party to the other party in written, oral, electronic and/or other form or that otherwise comes to the knowledge of the other party in the course of its discussions or dealings with, or its physical or electronic access to the Premises of, such party, and that has been identified as being proprietary and/or confidential or that by the nature of the circumstances surrounding the disclosure or receipt should reasonably be construed as proprietary or confidential;

"Consignment" means Goods (whether contained in one or more parcel or Package or Cargo Unit; and whether dispatched in bulk or not) sent or consigned at any one time by the Customer from one address to another address;

"Consignment Note" means the consignment note, delivery note, delivery order, pick-up order and any document as mutually agreed in written or electronic form, submitted to Ka Fung by the Customer for the purpose of giving instructions to Ka Fung, whether or not signed by the Customer, for each Consignment of Goods tendered by the Customer to Ka Fung for delivering and/or for collecting the Goods from the Designated Address;

"Customer" means the party or parties named and described as customer in the Quotation;

"Dangerous Goods" means Goods whose Storage, handling or transportation is, because of their dangerous or hazardous nature, subject to special regulation under the International Maritime Dangerous Goods Code and/or any applicable laws in Macau. These include, without limitation, Goods which are explosive, oxidising, compressed or liquefied gas, combustible, flammable, poisonous, perishable or radioactive;

"Delivery Address" means the delivery bay or the practicable area of an address within Macau or Guangdong Province as described in the Consignment Note and excludes a post office box to which the Goods will be delivered;

"Designated Address" means the bay or the practicable area of an address within Macau and, if expressly agreed in writing, Guangdong Province as described in the Consignment Note and excludes a post office box to which the Goods will be collected;

"Distribution Centre" means the Storage facility or facilities where Ka Fung stores and/or handles the Goods in accordance with the Quotation and this Standard Terms and Conditions;

"Event of Default" means any event or circumstances specified as such in Clause 14 and "Potential Event of Default" means any event or circumstances which with the giving of nature and/or the passage of time and/or the making of any relevant determination and/or the forming of any necessary opinion would be an Event of Default;

"Force Majeure" means, in relation to either party, any circumstances that are (i) beyond the reasonable control of the party claiming Force Majeure, (ii) reasonably unforeseeable and (iii) of such a nature as to prevent or prohibit that party's performance (including, without limitation, any of the following: fire, flood, epidemic, earthquake, storm, tidal wave or other acts of nature; riot, war, hostility, public disturbance or acts of public enemies; strike, lock-out or other form of industrial action or work stoppages or individual actions; prohibitions by or acts of governments or public agencies; and failure or interruption of public transportation or other utilities);

"General Goods" means the Customer's Goods and products (Dangerous and Special Goods excepted);

"Goods" means the Customer's General Goods, Dangerous Goods and/or Special Goods;

"Ka Fung" means Agencia De Navegacao Ka Fung Lda., Empresa Transitaria Ka Fung Lda., Ka Fung – Gestao Comercial Lda., its successors and assigns;

"Logistics Services" means the services specified in the Quotation to be provided by Ka Fung within Macau and, if expressly agreed in writing, Guangdong Province;

"Macau" means the Macao Special Administrative Region of the People's Republic of China;

"Package" means the number of Packages or Cargo Units stated on the face of the Consignment Note in the box provided which shall be deemed to be the number of Packages or Cargo Units for the purpose of calculation pursuant to Clause 11;

"Premises" means any Premises in the possession or control of Ka Fung whether directly or indirectly and whether as registered owner or otherwise;

"Product Master" means a document containing product information which is provided by the Customer in such format as prescribed by Ka Fung and essential for Ka Fung's operation in providing the Logistics Services;

"Quotation" means a letter to be signed by Ka Fung and the Customer which is annexed hereto;

"Rates" and "Security Deposit" respectively mean the charges/rates and deposit to be paid by the Customer to Ka Fung in consideration of the Logistics Services provided by Ka Fung set out in the Quotation;

"Special Goods" means any perishable, chilled, frozen, fragile, odd size Goods or other Goods, items, articles and things requiring special handling or care;

"Standard Operating Procedure" means standard operating procedure / operation flow / manual in a format as mutually agreed;

"Standard Terms and Conditions" means all terms and conditions stipulated and contained herein;

"Stock Keeping Unit" / "SKU" means a specific type of Goods which bears an individual identification number in a specific unit of measure;

"Storage" means care, custody, control, storage, consolidation process, inventory management, handling, loading and unloading process and other services rendered to the Customer in relation to the Goods stored and handled by Ka Fung whether at or within the Premises;

"Transportation Unit" means any vehicle (loaded or otherwise), container (stuffed or otherwise) or any other equipment for the transportation of the Goods between the Designated Address, Distribution Centre and Delivery Address;

"Term" means the duration of the Quotation; and

"Working Day" means Monday to Saturday (Sunday and statutory holidays excepted) in Macau or where applicable the Guangdong Province.

2. Logistics Services Provider

The parties agree that during the Term of the Quotation, Ka Fung shall be the Customer's provider of the Logistics Services in Macau and that the Quotation is subject to the Standard Operating Procedure and the following terms and conditions.

3. Condition Precedent

3.1 The Quotation and this Standard Terms and Conditions are conditional on the Customer providing to Ka Fung:-

(a) Security Deposit specified and payable to Ka Fung in the manner set out in the Quotation to secure the due observance and performance by the Customer of the Quotation and this Standard Terms and Conditions;

(b) all necessary and/or relevant information, including the nature, description and volume of the Goods, which is essential for Ka Fung's production of the Product Master by which Ka Fung's planning and performance the Logistics Services is allowed; and

(c) the Standard Operating Procedure.

3.2 Notwithstanding otherwise provided in any other parts of this Standard Terms and Conditions, the Customer shall comply with the above conditions, to the satisfaction of Ka Fung not less than fourteen (14) days prior to the Commencement Date. In the event of default, Ka Fung shall be entitled to, at its discretion, immediately terminate the Quotation or postpone the Commencement Date to another mutually agreed date. If the Quotation is terminated, the liabilities of the parties hereunder and thereunder shall cease and determine and no party shall have any claim hereunder and thereunder against the other, save and except that the Customers are still obliged to pay, within 7 days upon Ka Fung's written demand, to Ka Fung its set-up costs which has been incurred for its performance of the Logistics Services pursuant to the Quotation.

4. Payments, Costs, Charges, Expenses and Re-payment

4.1 During the Term, the Customer shall pay to Ka Fung, in such amount and manner set out in the Quotation, the Rates on the first written demand as invoiced by Ka Fung in its standard form.

4.2 In case of any error and omission found in the invoice prepared by Ka Fung, the error and omission shall be rectified in the following month in such a way that any deficit shall be carried forward to next invoice and any surplus shall be deducted.

4.3 The Customer shall from time to time forthwith on demand pay to or reimburse Ka Fung for all costs, charges and expenses (including legal and other fees and all other out-of-pocket expenses) reasonably incurred by Ka Fung in exercising or preserving or enforcing any of its rights or powers or in suing for or seeking to recover any sums due or in defending any claims brought against it in respect of the Quotation.

4.4 The Customer shall, with respect to all sums payable under the Quotation, pay interest from the relevant due dates to the date of payment in full (as well after as before any demand or judgment and notwithstanding the bankruptcy, insolvency and liquidation of the Customer) at such Rates and in such manner as are specified in the Quotation.

4.5 The Security Deposit mentioned in Clause 3.1(a) shall be retained by Ka Fung throughout the Term. In no event shall the Customer be entitled to treat Security Deposit as payment of other charges hereby reserved.

4.6 In the event of any breach or non-observance or non-performance by the Customer of any of the Quotation, stipulations, terms and conditions herein contained and on the Customer's part to be observed and performed, Ka Fung shall be entitled (without prejudice to any other right or remedy hereunder) to terminate the Quotation pursuant to Clause 13(b) and to deduct from the Security Deposit the amount of any monetary loss incurred by Ka Fung in consequence of the breach, non-observance or non-performance by the Customer.

4.7 The Security Deposit or such balance after deduction shall be refunded to the Customer by Ka Fung free of interest within twenty-eight (28) days after the expiration or early termination of the Quotation and after the settlement of last outstanding claim by Ka Fung against the Customer in respect of any charges and any breach, non-observance or non-performance of any of the Quotation, stipulations, terms and conditions herein contained and on the part of the Customer to be observed and performed, whichever is the later.

5. Sub-Contracting

5.1 Ka Fung is and shall at all times remain an independent contractor and not an agent of the Customer unless expressly specified in the Quotation. Subject to the Quotation and this Standard Terms and Conditions and reasonable instructions of the Customer, Ka Fung shall have full discretion over the manner in which the Logistics Services are performed, including the engagement or employment of, without limitation, any subsidiaries or its holding companies or its associated companies or any independent contractors and their servants or agents to perform any or all of Logistics Services.

5.2 The Quotation and this Standard Terms and Conditions shall take effect only as a contract between the Customer and Ka Fung. The Customer undertakes that no claim or allegation shall be made against any person or party whatsoever other than Ka Fung, including, but not limited to, Ka Fung's servants or agents, any independent contractor, its subsidiaries or its holding companies or its associated companies and its servants or agents, and all others by whom the whole or any part of the Logistics Services, whether directly or indirectly, is procured, performed or undertaken, which imposes or attempts to impose upon any such person or parties any liability whatsoever in connection with the Goods or the performance of the Logistics Services. If any claim or allegation should nevertheless be made to defend, indemnify and hold harmless Ka Fung against all consequences thereof, without prejudice to the foregoing each such person and/or party shall have the benefit of all provisions herein benefiting Ka Fung as if such provision were expressly for its benefit.

5.3 The Customer shall defend, indemnify and hold harmless Ka Fung against any claim or liability (and any expenses arising therefrom) arising from the performance of the Logistics Services insofar as such claim or liability exceeds Ka Fung's liability under the Quotation and this Standard Terms and Conditions.

5.4 At all material times, unless otherwise specified in this Standard Terms and Conditions, the property and/or title of the Goods remains with the Customer, whether the Goods are in the actual possession or custody or control of Ka Fung or its subsidiaries, holding companies, associated companies or any other independent contractors and their servants or agents in performing the Logistics Services.

6. Taxes And Other Deductions

All sums payable by the Customer under the Quotation shall be paid in full without set-off or counterclaim or any restriction or condition and free and clear of any taxes or other deductions or withholdings of any nature. If the Customer or any other person is required by any law or regulation to make any deduction or withholding (on account of tax or otherwise) for any payment for the account of Ka Fung, the Customer shall, together with such payment pay such additional amount as will ensure that Ka Fung receives (free and clear of any taxes or other deductions or withholdings) the full amount which it would have received if no such deduction or withholding have been required.

7. Customer's Obligations

The Customer hereby :-

(a) represents and warrants that descriptions and particulars of the Goods furnished by the Customer including, without limitation, weight, content, measure, quantity, quality, condition, marks, numbers and values are correct and sufficient and are in such format as Ka Fung may reasonably request;

(b) represents and warrants that the Goods are securely and properly packed in the appropriate Package or Cargo Unit and labelled for pick-up by Ka Fung or delivery to Ka Fung for the performance of the Logistics Services and in compliance with government requirements and/or the laws and/or regulations of the Macau;

(c) agree to, within the reasonable time stipulated by Ka Fung, supply Ka Fung with all necessary and/or relevant information (in particular and without limitation arrival notice, Goods and Consignment details, shipping instructions, the nature and forecast volume of the Goods and those information essential for updating the Product Master) to enable Ka Fung to perform the Logistics Services. The Customer acknowledges that Ka Fung shall rely on such information for the planning and performance of the Logistics Services. If such information is not supplied within the stipulated time, Ka Fung is entitled to additional charge due to the delay in providing the necessary and/or relevant information;

(d) agree to keep Ka Fung fully informed of any particular risk relating to the Goods and, including, without limitation, their possible deterioration or damage or their hazardous nature or likelihood to contaminate or otherwise affect other Goods, property, persons and/or the environment;

(e) agree to pay and discharge forthwith all government charges, duties, levies, tariffs or taxes which are levied against any of the Goods; and

(f) agree to comply with government requirements and/or the laws and/or regulations of Macau that may apply to the Goods.

8. Ka Fung's Obligations and Responsibilities

8.1 Ka Fung hereby agrees to :-

(a) provide Logistics Services in accordance with the terms and conditions hereof and at the Customer's reasonable instructions and requests;

(b) ensure that the Distribution Centre and/or Transportation Unit is reasonably suitable for the performance of the Logistics Services for the Goods;

(c) provide the Customer with the standard Ka Fung inventory reports on a monthly basis after the Commencement Date;

(d) perform its duties and obligations hereby promptly and diligently;

(e) comply with government requirements and/or laws and/or regulations of Macau that may apply to the Goods.

8.2 The responsibility of Ka Fung for the performance of the Logistics Services shall be limited to that part when Ka Fung takes possession of the Goods for the performance of the Logistics Services from the Designated Address up to the completion of the Logistics Services.

8.3 Every Consignment of Goods shall, except as otherwise arranged, be accompanied by Consignment Note containing such particulars as Ka Fung may require and be subject to the Standard Operating Procedure.

9. General Exemptions

9.1 In addition to every exemption or immunity whatsoever that Ka Fung is entitled to be benefited under this Standard Terms and Conditions, Ka Fung shall in any event and in all cases whatsoever be relieved of liability for any loss or damage if such loss or damage was caused by or resulted from but not limited to:

- (a) the wrongful act or neglect of the Customer;
- (b) compliance with the instructions of the Customer or any person entitled to give them;
- (c) wrongful, false, incorrect, inaccurate or insufficient description of Goods or other particulars declared by the Customer of the Goods;
- (d) lack of, insufficiency of, or defective condition of packing in case of the Goods, which by their nature, are not properly packed;
- (e) handling, loading, stowage, or unloading of the Goods by the Customer;
- (f) inherent vice and/or ordinary wear and tear of the Goods;
- (g) lack of, insufficiency or inadequacy of, marks or numbers of the Goods covering or unit loads;
- (h) pre and post-Logistics Services loss and/or damage;
- (i) strike, lock-out, stoppages or restraint of labour from whatsoever cause whether partial or general;
- (j) military actions;
- (k) nuclear incident;
- (l) Force Majeure;
- (m) fire, unless caused by the actual fault or privity of Ka Fung;
- (n) saving or attempting to save life during performance of the Logistics Services;
- (o) any cause or event which Ka Fung could not avoid and the consequences whereof it could not prevent by the exercise of reasonable diligence.

10. Dangerous Goods and Special Goods

10.1 Ka Fung shall perform Logistics Services on Dangerous Goods and/or Special Goods upon satisfying the following conditions :

- (a) Ka Fung has agreed in writing to accept the performance of the Logistics Services on the Dangerous Goods and/or Special Goods;
- (b) the Customer has made prior arrangements in writing with Ka Fung and all necessary permits for the performance of the Logistics Services (including, without limitation, transportation and/or Storage) on the Dangerous Goods and/or Special Goods have been obtained;
- (c) the Dangerous Goods and/or Special Goods shall be properly marked and labelled on the outside of the Packages and/or Cargo Units so as to indicate the nature and character of any such Dangerous Goods and/or Special Goods so as to comply with laws, regulations and/or requirements of Macau; and
- (d) in the event of Dangerous Goods, special instructions and material safety data sheet in writing for the handling and care of the Dangerous Goods have been received by Ka Fung at least one (1) clear Working Day before the date of delivery or picking up, where applicable, of the Dangerous Goods.

10.2 The Customer shall ensure that the Dangerous Goods and/or Special Goods are packed in a manner adequate to withstand the risk of performance of the Logistics Services having regard to their nature and in compliance with laws, regulations or requirements of Macau. Ka Fung shall not be liable for any loss and/or damage to the Dangerous Goods and/or Special Goods arising out of and resulting from the Customer's failure in such obligations.

10.3 If in opinion of Ka Fung the Dangerous Goods are of or are liable to become a dangerous or noxious nature, the Dangerous Goods may at any time at the discretion of Ka Fung be destroyed, disposed of, abandoned or rendered harmless without compensation to the Customer and without prejudice to Ka Fung's entitlement to the Rates.

10.4 The Customer shall indemnify Ka Fung against all claims, losses, damages, liabilities and/or expenses whatsoever arising in consequence of the performance of the Logistics Services of such Dangerous Goods.

10.5 Ka Fung shall, before or at the beginning of the performance of the Logistics Services, exercise due diligence to ensure the maintenance of the refrigerating and/or special handling machinery, plant, insulation or of any apparatus of the Cargo Units of the Special Goods or other facilities required for the Storage and handling of the Special Goods (other than the Customer-provided equipments) in an efficient state. By exercising such due diligence, Ka Fung shall not be liable for loss of and/or damage to the Special Goods arising from latent defects, breakdown or stoppage of the aforesaid machinery and facilities. Where Ka Fung has undertaken, by special arrangement, to perform the Logistics Services for the Special Goods, Ka Fung undertakes only that the refrigerating and/or special handling equipment shall perform within the operating specifications of the equipment. If the Special Goods require temperature control, Ka Fung makes no warranty or agreement with respect to the actual temperature of any such Special Goods.

10.6 Nothing contained in this Clause 10 shall deprive Ka Fung of any of its rights provided elsewhere in this Standard Terms and Conditions.

11. Limitation of Liability

11.1 The liability of Ka Fung, howsoever arising for any loss or damage to or in connection with the Goods shall not exceed (a) the net invoice value of the Goods, or (b) HK\$200.00 per Package and/or Cargo Unit, or (c) where the Goods cannot be categorized as Package and/or Cargo Unit, HK\$2,000.00 per cubic meter or metric ton, whichever is the lesser.

11.2 In no event shall Ka Fung's liability exceed HK\$200,000.00 per event arising from a common cause.

11.3 Where the Customer so wish, Ka Fung shall, upon prior written instructions given by the Customer and accepted in writing by Ka Fung, act solely as agent of the Customer using reasonable efforts to arrange insurance coverage incorporating waiver of subrogation for and on behalf of the Customer at the Customer's expenses. Ka Fung does not warrant or undertake any such insurance will be accepted by the insurance company or underwriters. All insurances effected by Ka Fung are subject to the usual exceptions and conditions of the policies of insurance company or underwriters taking the risk. Unless otherwise agreed in writing, Ka Fung shall not be under any obligation to effect a separate insurance on the Goods. Where the insurers dispute their liability for any reason, the Customer, as the insured, shall have recourse against the insurers only.

12. Delay, Consequential Loss

12.1 Unless otherwise specially provided in the Standard Operating Procedure, time shall not be of the essence of the Standard Operating Procedure.

12.2 Ka Fung shall in no circumstances be liable for direct, indirect or consequential or economic loss including, without limitation, loss of profits and/or loss of market, and/or damage caused by delay or any other cause whatsoever and howsoever caused.

13. Early Termination

The Quotation may be terminated by either party, except specifically provided, as follows :-

(a) upon the occurrence of an Event of Default or Potential Event of Default;

(b) by giving to the other party a fourteen (14) Working Days written notice of breach by the other party of any part of the Quotation and/or this Standard Terms and Conditions provided that the breach (if capable of remedy) is not remedied within such fourteen (14) Working Days period (or such longer period as Ka Fung may approve);

(c) subject to Clause 19.4, any amendment, revision and/or waiver not accepted by the Customer or Ka Fung is not in receipt of the notice of acceptance in writing from the Customer;

(d) by agreement in writing between the Customer and Ka Fung;

(e) pursuant to Clause 16.3; or

(f) pursuant to Clause 18.

14. Events of Default

Each of the following events and circumstances shall be an Event of Default :

(a) the Customer fails to pay any sum payable under the Quotation when due or otherwise in accordance with the terms and conditions hereof;

(b) any representation, warranty made or deemed to be made by the Customer in or in connection with the Quotation and/or this Standard Terms and Conditions proved to have been incorrect or misleading;

(c) a petition is presented or a proceeding is commenced or an order is made or an effective resolution is passed for the winding-up, insolvency, administration, reorganization, reconstruction, dissolution or bankruptcy of the Customer or for the appointment of a liquidator, receiver, administrator, trustee or similar officer of the Customer or of all or any part of its business or assets;

(d) death, incapacity, disability or limitation or any change in the constitution or status of the Customer (where applicable).

15. Force Majeure

15.1 If either party is affected by Force Majeure, it shall forthwith notify the other party in writing of the nature and extent thereof and to provide detail information and relevant evidence.

15.2 Neither party shall be deemed to be in breach of the Quotation and/or this Standard Terms and Conditions, or otherwise be liable to the other party, by reason of any delay in performance or non-performance of any of its obligation hereunder to the extent that such delay or non-performance is due to any Force Majeure of which it has notified the other party; and the time for performance of that obligation shall be extended accordingly.

15.3 The party claiming Force Majeure shall take appropriate measures to minimize or remove the effects of Force Majeure and, within the shortest possible reasonable time, resume performance of the obligation affected by the event of Force Majeure.

15.4 If the Force Majeure prevails for a continuous period in excess of three (3) months, the parties shall enter into bona fide discussions with a view to alleviating its effects, or to agreeing upon such alternative arrangements as may be fair and reasonable.

16. Lien and Suspension of Logistics Services

16.1 Notwithstanding Clauses 3.1(a), 4.5, 4.6 and/or 4.7 hereinabove, Ka Fung shall have a general and particular lien on the Goods and any documents relating thereto for all sums of whatever nature due and payable by the Customer to Ka Fung including, without limitation, charge for attending, co-operating, reporting, fumigating, devanning, restoring, storing or reconditioning and/or all expenses incurred for the benefit or protection of the Goods, and also for any payments, duties, fines or other expenses including but not limited to interest and legal costs and expenses, due at any time to Ka Fung from the Customer.

16.2 If any amount due and payable by the Customer to Ka Fung is not paid, upon the giving of fourteen (14) Working Days' prior written notice, Ka Fung may, at its absolute discretion and without notice, suspend or cease providing all or any part of the Logistics Services without any liability whatsoever to the Customer or any third party.

16.3 Where applicable, the obligations and/or responsibilities of Ka Fung and/or the performance of the Logistics Services shall be suspended when:-

- (a) the Customer requests Ka Fung to deliver the Goods to or hold the Goods at some place other than the Delivery Address; or
- (b) the consignee and/or receiving party refuses or is unable or fails to take delivery of the Goods at the Delivery Address; or
- (c) the Customer requests Ka Fung to perform beyond the scope of the Logistics Services and/or the Standard Operating Procedure; and shall resume when such situations are resolved in writing between the Customer and/or consignee and/or receiving party and Ka Fung. If the situation cannot be resolved in writing between the Customer and/or Consignee and/or receiving party and Ka Fung within fourteen (14) Working Days from the occurrence of any of the above Clause 16.3(a), (b) and/or (c) or such longer period as Ka Fung may, at its sole discretion, elect, Ka Fung is entitled to immediately terminate the Quotation without any liability to the Customer and/or any third party.

17. Notice of Loss and/or Damage, Time Bar

(a) Ka Fung shall be deemed prima facie to have performed the Logistics Services for the Goods as described in the Quotation, unless notice of loss or damage and the general nature of such loss or damage has been given in writing to Ka Fung or to its representative at the Delivery Address before or at the time of removal of the Goods into the custody of the person entitled to delivery thereof under the Consignment Note or, if the loss or damage is not apparent, within three (3) consecutive days thereafter.

(b) Ka Fung shall be discharged from all liability whatsoever in respect of the Goods unless suit is brought in the proper forum and written notice thereof received by Ka Fung within one (1) year of their delivery or the date when they should have been delivered or the expiration or sooner termination of the Quotation. In the event that such time period shall be found contrary to any convention or law compulsorily applicable and cannot be varied, the period prescribed by such convention or law shall then apply but in that circumstances only.

(c) Unless written notice be given in writing to Ka Fung within three (3) months from the date of the monthly inventory statement of Ka Fung, such statement shall be deemed to be agreed by the Customer.

(d) Unless written notice be given in writing to Ka Fung within six (6) months from the date of the invoice of Ka Fung, such invoice shall be deemed to be agreed by the Customer.

18. Government Orders

Ka Fung shall have liberty to comply with any orders, directions, regulations, requests or suggestions given by or received from the Government of Macau or by any person purporting to act with the authority of such government. Any disposition of the Goods pursuant to this Clause 18 shall constitute completion of the Logistics Services by Ka Fung, and the Goods thereafter shall be solely at the Customer's own risk and expense. The Customer shall bear and pay all duties, taxes, fines, imposts, expenses or losses incurred or suffered by reason thereof and shall indemnify Ka Fung in respect thereof.

19. Miscellaneous

19.1 In this Standard Terms and Conditions, unless the context requires otherwise, references to statutory provisions and this Standard Terms and Conditions or any other documents referred to herein shall be construed as references to those statutory provisions and this Standard Terms and Conditions or such documents as replaced, amended re-enacted or supplemented from time to time; words importing the singular including the plural and vice versa and words importing a gender include every gender; unless otherwise stated, references to Clauses are to Clauses of this Standard Terms and Conditions. Clause headings and Index are inserted for convenience only and have no legal effect.

19.2 For the purpose of this Standard Terms and Conditions, "Customer" and "Ka Fung" shall include their respective servants, employees, agents and invitees.

19.3 This Standard Terms and Conditions constitutes the entire agreement between the parties pertaining to the subject matter of this Standard Terms and Conditions, supersedes all previous agreements and understandings between the parties with respect thereto. There are no warranties, representations or agreements between the parties in connection with the subject matter of this Standard Terms and Conditions except as specifically set forth or referred to in this Standard Terms and Condition and the Standard Operating Procedure, or otherwise agreed to by the parties in writing.

19.4 Any amendment, revision (including, without limitation, the Rates) and/or waiver of any provision of the Quotation and/or this Standard Terms and Conditions and any waiver of any default under the Quotation and/or this Standard Terms and Conditions shall only be effective if made in writing. Subject to the acceptance in writing of such amendment, revision and/or waiver within fourteen (14) consecutive days after the receipt of the notice in writing from Ka Fung, such amendment, revision and/or waiver shall take effect no later than one (1) month after the acceptance in writing by the Customer.

19.5 The parties shall exert their best efforts to resolve and settle amicably through consultations any dispute, controversy or claim arising out of or in connection with this Standard Terms and Conditions or its validity, interpretation, performance, breach or enforceability. If such dispute, controversy or claim cannot be resolved through amicable settlement within three (3) months from the date of the dispute, controversy or claim, both parties agree to subject to Clause 24.

19.6 Stock count for each SKU of the Goods shall be conducted upon the Customer's written request subject to an individual variance of plus (+) or minus (-) one (1) percentile on the quantity of each type of Goods ("Tolerance"). In accordance with Clause 19.7 hereinbelow, Ka Fung is entitled, at its sole discretion, to set-off the surplus with the deficiency of each SKU of the Goods by way of Cargo Unit or Package or cubic meter or metric ton, whichever is applicable, after taking into account the Tolerance. All other clauses in this Agreement are not affected.

19.7 Subject to Clause 19.6 hereinabove, in the event that the deficiency is in excess of the surplus for each SKU of the Goods by way of Cargo Unit or Package or cubic meter or metric ton, whichever is applicable, after taking into account the Tolerance, the liability of Ka Fung is calculated in accordance with the following method. All other clauses in this Agreement are not affected.

Method of Calculation referred to in Clause:-

- i. At the written request of the Customer, a stock count will be taken for each SKU of the Goods by way of Cargo Unit or Package or cubic meter or metric ton, whichever is applicable.

ii. If there are deficiencies and/or surpluses by way of Cargo Unit or Package or cubic meter or metric ton, whichever is applicable, for any SKU of the Goods, the percentage of deficiencies and/or surpluses with respect to the agreed book records for each SKU of the Goods will be calculated. All digits after the decimal point should be rounded upwards to two digits.

iii. Each SKU of the Goods in excess or less than the Tolerance in accordance with Clause 19.6 shall be identified. If the SKU of the Goods are in excess of the Tolerance in accordance with Clause 19.6, the Goods are surplus Goods. If the SKU of the Goods are less than the Tolerance in accordance with Clause 19.6, the Goods are deficient Goods.

iv. Each SKU of the Goods, whether they are surplus Goods or deficient Goods, shall be converted into surplus or deficiency amounts in accordance with the calculations stated in Clause 11.1.

v. The surplus and deficiency amounts shall be set-off against each other.

vi. Subsequent to the set-off in accordance with paragraph v hereinabove, if the calculated amount is positive, Ka Fung shall not be liable for compensation whatsoever. If the calculated amount is negative, Ka Fung shall be entitled to limit its liability to the calculated amount in accordance with this paragraph vi.

20. Confidentiality

The contents of the Quotation, this Standard Terms and Conditions and any Confidential Information received and/or retained by one party from the other in connection with the Quotation and/or this Standard Terms and Conditions shall be treated as confidential at all times during the Term and within two (2) years after expiration or soon determination of the Quotation. Each party's Confidential Information in the custody of the other party remains the property of the original party supplying the Confidential Information. Each party agrees to retain such Confidential Information on a confidential basis and to disclose it to no one except for the purpose of carrying out the Logistics Services, whether before, during or within 2 years after the expiration or sooner termination of the Quotation. It is further agreed that all such Confidential Information will be returned immediately upon written demand by the party who owned the Confidential Information.

21. Assignment

Neither the Customer nor Ka Fung shall assign any of its rights or obligations hereunder.

22. Waiver And Severability

No failure or delay by Ka Fung in exercising any right, power or remedy hereunder shall impair such right, power or remedy or operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercise of any other rights, powers or remedies. The rights, powers and remedies herein provided are cumulative and do not exclude any other rights, powers and remedies provided by law. In the event of any part of this Standard Terms and Conditions being or becoming void, illegal or unenforceable, that part shall be severed from this Standard Terms and Conditions to the extent that all the remaining parts shall remain in full force and be unaffected or impaired thereby.

23. Notices

23.1 Each notice, demand or other communication to be given or made under this Standard Terms and Conditions shall be in writing and delivered by hand or sent by prepaid registered mail to the relevant party at its address or delivered by fax to the fax number set out in the Quotation (or such other address or fax number as the addressee has by five (5) consecutive days' prior written notice specified to the other party).

23.2 Any notice, demand or other communication so addressed to the relevant party shall be deemed to have been delivered (a) on the date of delivery if delivered by hand; or (b) two business days after the date of posting if sent by prepaid registered mail; or (c) if delivered by fax, when dispatched (with confirmed transmission report).

24. Law And Jurisdiction

This Standard Terms and Conditions and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of Macau and the Customer irrevocably submits to the exclusive jurisdiction of the Courts of Macau.

