

TERMS & CONDITIONS OF SERVICE

SECTION 1

1. All and any business undertaken, including any advice, information or service provided whether gratuitously or not by STALLION FREIGHT LTD. (hereinafter called "the Company") is transacted subject to the Conditions hereinafter set out and also the HAFFA Standard Trading Conditions (HAFFA STC) where applicable. A copy of the HAFFA STC is available in the office of the Company for inspection by customers. All other terms and conditions are hereby excluded. Should the Customer wish to contract with the Company otherwise than subject to these Conditions special arrangements can be made and revised prices quoted, provided that such arrangements shall only apply if reduced to writing and signed by a Director or the Secretary of the Company. Save as aforesaid no agent or employee of the Company has the Company's authority to waive or vary these conditions.
2. The Company is a Forwarding Company and except in the special circumstances to which Sections II and III of these Conditions apply, acts solely as agent to perform and secure services for the Customer and to enter into contracts on the Customer's behalf with other persons. Except in the special circumstances to which Section III of these Conditions apply the Company is not a carrier and does not make or purport to make any contract for the carriage, storage, packing or handling of goods with the Customer. The Company is not a common carrier.
3. The Company shall be entitled to enter into contracts.
 - (a) for the carriage of goods by any route or by any means;
 - (b) for the storage, packing or handling of the goods by any persons at any place or places and for any length of time;and to do such acts as may be necessary or incidental thereto at the absolute discretion of the Company, and to depart from the Customer's instructions in any respect if in the opinion of the Company it is necessary or desirable to do so in the Customer's interests.
4. The Customer expressly authorizes the Company to do such acts and enter into such contracts as are referred to in Condition 3 on behalf of the Customer so as to bind the Customer by such acts and contracts in all respects, notwithstanding any departure from the Customer's instructions as aforesaid.
5. The Customer warrants that he is either the owner or the authorized agent of the owner of the goods (including any containers or equipments) to which any business relates, and further warrants that he authorized to accept and is accepting these Conditions not only for himself but also as agent for and on behalf of the owner of the goods and all other persons who are or may hereafter become interested in the goods (all such persons being hereinafter called "the Owner").
6. The Company shall be entitled to perform any of its obligations hereunder itself or by its parents, subsidiary or associated companies, or by any other person, firm or company carrying out the functions of freight forwarding duties. Any contract to which these Conditions apply is made by the Company on their own behalf, and also as agent for and on behalf of any such parents, subsidiary or associated company, and any such company shall be entitled to the benefit of these Conditions. The Customer will not seek to impose upon any such company a liability greater than that accepted by the Company under these Conditions.
7. Estimates and quotations are given on the basis of immediate acceptance and are subject to withdrawals or revisions. Further unless otherwise agreed in writing the Company shall be after acceptance at liberty to revise quotation or charges with or without notice in the event of change occurring in currency exchange rates, rates of

freight, insurance premiums or any charges applicable to the goods.

8. The Customer warrants that the description and particulars of any consignments furnished by or on behalf of the Customer are accurate and to indemnify the Company against all losses, damages expenses and fines whatsoever arising from any inaccuracy or omission even if such inaccuracy or omission is not due to any negligence.
9. (i) The Company shall not be obliged to make any declaration for the purpose of any statute or convention or contract as to the nature or value of any goods or as to any special interest in delivery, unless expressly instructed by the Customer in writing.

(ii) Where there is a choice of rates according to the extent or degree of the liability assumed by carriers, warehousemen or others, goods will be forwarded, dealt with, etc., at Customer's risk or order minimum charges, and no declaration of value (where optional) will be made, unless express instructions in writing to the contrary have previously been given by the Customer.
10. The company shall not be obliged to arrange for the goods to be carried, stored or handled separately from the goods of other Customers.
11. The Company shall be entitled to retain and be paid all brokerages, commissions, allowances and other remunerations customarily retained by or paid to other Forwarding Agents, carriers and insurance brokers.
12. No insurance will be effected except upon express instructions given in writing by the Customer and all insurances effected by the Company are subject to the usual exceptions and conditions of the policies of the insurance company or underwriters taking the risk. The Company shall not be under any obligation to effect a separate one on each consignment but may declare it on any open or general policy. Should the insured dispute their liability for any reason the insured shall have recourse against the insurers only the Company shall not be under any responsibility of liability whatsoever in relation thereto notwithstanding that the premium upon the policy may not be at the same rate as that charged by the Company or paid to the Company by its Customer.
13. Except under special arrangements previously made in writing the Company will not accept or deal with any noxious, dangerous, hazardous or inflammable or explosive goods or any goods likely to cause damage. Should any customer nevertheless deliver any such goods to the Company or cause the Company to handle or deal with any such goods otherwise than under special arrangements previously made in writing, he shall be liable for all loss or damage whatsoever caused by or to or in connection with the goods however arising and shall indemnify the Company against all penalties, claims, damages, costs and expenses whatsoever arising in connection therewith and the goods may be destroyed or otherwise dealt with at the sole discretion of the Company or any other person in whose custody they may be at the relevant time. If such goods are accepted under arrangements previously made in writing, they may nevertheless be so destroyed or otherwise dealt with on account of risk to other goods property, life or health. The expression "goods likely to cause damage" includes goods likely to harbour or encourage vermin or other pests.
14. Except under special arrangements previously made in writing the Company will not accept or deal with bullion, coins, precious stones, jewellery, valuables, antiques, pictures, livestock or perishable plants, Should any Customer nevertheless deliver any such goods to the Company or cause the Company to handle or deal with any such goods otherwise than under special arrangements previously made in writing the Company shall be under no liability whatsoever for or in connection with the

goods however caused.

15. The Company shall entitle at the expenses of the Customer to sell or dispose of.
 - (a) on 21 days' notice in writing to the Customer cannot be traced, after the goods have been held by the Company for 90 days, all goods which in the opinion of the Company cannot be delivered either because they are insufficiently or incorrectly addressed or because they are not collected or accepted by the consignee or for any reason, and
 - (b) without notice perishable goods which are not taken up immediately on arrival or which are insufficiently or incorrectly addressed or marked or which in the opinion of the company would be likely to perish in the course of the carriage, storage or handing.
16. The Company shall have a general lien on all goods or documents relating to goods in its possession for all sums due at any time from the Customer or Owner, and shall be entitled to sell or dispose of such goods or documents at the expense of the customer and apply the proceeds in to towards the payment of such sums on 28 days' notice in writing to the Customer.
17.
 - (i) When goods are accepted or dealt with upon instructions to collect freight, duties, charges or other expenses from the consignee or any other person the Customer shall remain responsible for the same if they are not paid by such consignee or other person immediately when due.
 - (ii) Without prejudice to Condition 5 the Company shall have the right to enforce any liability of the Customer under those conditions or to recover any sums to be paid by the Customer under these Conditions not only against or from the Customer but also if it thinks fit against or from the sender and/or consignee and/or Owner.
 - (iii) All sums shall be paid to the Company in cash immediately when due without deduction and payment shall not be withheld or deferred on account of any claim, counterclaim or set off.
18. Notwithstanding any negligence and/or omission/of and/or default of the Company, its servants or agents or sub-contractors or other persons for whom the Company is responsible, the Company shall not be responsible or liable to the Customer or Owner for:-
 - (a) any damage to or loss or non-delivery or mis-delivery of goods or for any delay or deviation in respect of the transportation or delivery or other handling of goods, or
 - (b) any damage to or loss or failure to carry out the Customer's or the Owner's instructions
 - (c) any damage to or loss or failure to perform the Company's obligations, whether such obligations arise by contract or otherwise,
 - (d) consequential loss or loss of Market
19. Subject to clause 18, in no case whatsoever shall the liability of the Company howsoever arising and notwithstanding any lack of explanation to the cause of damage or loss, exceed:-
 - (a) the value of the relevant goods, or
 - (b) a sum of US\$20.00 per shipping package or unit or per kilogram on the gross weight of the goods, or
 - (c) US\$10,000.00 in any one claim whichever is the least.

20. Without prejudice to Condition 18, any claim by the Customer or Owner against the Company shall be made in writing and notified to the Company
- (a) in the case of damage to the goods within 7 days after the end of the transit where the transit ends in Hong Kong and within 14 days after the end of the transit where the transit ends outside Hong Kong.
 - (b) in the case of delay in delivery or non-delivery within 14 days of the date when the goods should have been delivered, and
 - (c) in any other case within 14 days of the event giving rise to the claim.

Any claim not made and notified as aforesaid shall be deemed to be waived and absolutely barred.

21. No claim of any kind shall be made against any servant or agent of the Company on any ground whatsoever. No claim of any kind shall be made against any parent subsidiary or associated company of the company, or against any forwarding agent employed by the Company in pursuance of Condition 6, or against any of their respective servants or agents on any ground whatsoever.
22. The Customer shall indemnify the Company against all duties, taxes, payment, fines, expenses, losses, damages (including physical damage) and liability whether or not arising out of the negligence of the Company, their servants or agents suffered or incurred by the Company in the performance of their obligations under contract to which these conditions apply, including any liability to indemnify any other person against claims made against such other person by the Customer or by the Owner.

SECTION II

23. Where in any circumstances the Company acts as principal in entering into a contract with any other person for the carriage, storage, packing or handing of the goods, the Company is not itself carrier for the purpose of the Carriage of goods by Sea Act, 1971, the carriage by Air Act, 1961, the Carriage by Air (supplementary Provisions) Act, 1962, the Carriage of Goods by Road Act, 1965 or for any other purpose, nor does it make or purport to make any contract for the carriage, storage, packing, or handing of any goods with the Customer. The Company's sole obligation is to procure contracts for the carriage, storage, packing or handing to goods by other persons.
24. Without prejudice to the exceptions and limitations contained herein, the Company shall be entitled to the benefit of all exceptions and limitations in favour of the carrier or other person storing or handing the goods (such other person together with the carrier being hereinafter called "the Carrier"), contained in the Company's contract with the Carrier. The Customer will not seek to impose on the carrier any liability greater than that accepted by the carrier under such contract.
25. The liberties contained in Condition 3 and the provisions, exceptions and limitations contained in Conditions 1 and 5 to 22 shall apply to this section of these Conditions.

SECTION III

26. Notwithstanding the provision of Section I and II of these Conditions, the Company shall be entitled to perform all or part of the carriage, storage, packing or handing of the goods by themselves or by their subsidiary or associated companies. This Section of these Conditions shall apply to any such case, and also to any case where, notwithstanding Condition 23, the Company is deemed to be the Carrier or otherwise to be in possession of the goods. The section of these Conditions shall apply only so long as and to the extent that the Company is or is deemed to be the

Carrier or in possession of the goods as aforesaid and no further.

27. The company shall not entitled:-

(a) to carry the goods by any route or by any mean, and

(b) to store, pack or handle the goods at any place or places and for any length of time

and to do all such other acts as may be necessary or incidental thereto at the absolute discretion of the Company and to depart from the Customer's instructions if in the opinion of the Company it is necessary or desirable to do so in the Customer's interests.

28. The Company shall not be liable to the Customer or Owner for loss of damage to the goods resulting from:

(a) fire;

(b) any other cause, unless such loss or damage is proved to be due to the willful neglect or default of the Company or its servants.

29. Without prejudice to condition 28 the liberties contained in Condition 3 and the provision, exception and limitations contained in conditions 1 and 5 to 22 shall apply to this section of these conditions.

30. Where the Company is or is deemed to be Carrier under a contract subject to legislation compulsorily applicable thereto the Company shall be entitled to all the rights, immunities, exceptions and limitations conferred on the Carrier by virtue of such legislation, and these Conditions shall be void to the extent that they are inconsistent with such rights, immunities, exceptions and limitations, but no further.

SECTION IV

31. Where in these Conditions any matter is to be determined in accordance with the opinion of the Company, the certificate of a Director or the Secretary of the company for the time being shall be conclusive evidence as to any matter so certified.

32. These conditions, and any act or contract to which they apply shall be governed by Hong Kong Law any dispute arising out of any such act or contract shall be within the exclusive jurisdiction of the Hong Kong Courts.

33. Any right of action against the Company shall be extinguished if suit is or proceedings are not brought in the proper forum and written notice thereof received by the Company within 9 months from the date of the goods arrived at the destination or the date of the goods should have arrived at the destination (whichever date is earlier).