

1. Definition

"Carrier" means the issuer of this Bill of Lading or the party on whose behalf this Bill of Lading has been signed "Merchant" or "Customer" includes the Shipper, the Receiver, the Consignor, the Consignee, the Holder of this Bill of Lading, the Owner of the goods or the authorized agents of the Owners of the goods. "Goods" means the cargo described on the face of this Bill of Lading and includes any container not supplied by the Carrier.

2. Law and Jurisdiction

All disputes arising under, or in connection with this Bill of Lading shall be determined by Chinese laws in the courts of, or by arbitration in PRC unless the Carrier elects or approves otherwise.

3. Application/variation of terms

The Carrier is only dealing with goods and doing business and transaction subject to the terms and conditions set down as below. The business undertaken including any advice information or service provided whether gratuitously or not by the Carrier. Neither agent nor employee of the Carrier has the authority to waive, change or vary any part of the conditions.

4. Carrier's responsibility and authority

For all instructions or business accepted by the Carrier, they are at the absolute discretion of the Carrier to be fulfilled by the Carrier itself, by its own servants performing part of, all of the relevant services. Or by the Carrier employing or instructing or entrusting the goods to others on such conditions as such others may stipulate to perform part or all of the services. In any event and without prejudice to the provisions to clause 18 hereof, the Carrier's liability shall not in any circumstance exceed that of the actual carriage of goods.

5. Deviation, forwarding and transhipment, substitute of vessel

Carrier reserves to itself absolute discretion as to the means, route and procedure to be applied in the handling storage and transportation of goods. Further, if in the opinion of the Carrier it is at any stage necessary or desirable in the Merchant's and/or Carrier's interest or is otherwise expedient to depart from those instructions, the Carrier shall at the liberty to do so. If necessary, the Carrier shall be at liberty to carry the goods to the port of destination by other vessel(s) either belonging to the Carrier or other persons/company, or by rail or by other means of transport proceeding either directly or indirectly to such port destination. In carrying the goods or part of the goods beyond the port/destination, it is at the liberty of the Carrier to tranship, lighten, land and store the goods on shore or aloft and reship and forward same at the Merchant's risk and expenses.

6. Consolidation and warehousing

The Carrier is authorized but not obliged to consolidate the goods of the Customer with other goods. Goods may be warehoused or otherwise held at any place of places at the sole discretion of the Carrier while pending for delivery or forwarding. The cost so incurred shall be for the Merchant's account.

7. Period of responsibility

The responsibility of the Carrier shall commence from the time when the goods are loaded on board the ship and shall cease when they are discharged from the ship. The Carrier shall not be liable for loss of or damage to the goods before loading and after discharging from the vessel, howsoever such loss or damage arises.

8. Loading, discharging and delivery

The goods shall be supplied and taken delivery of by the owner of the goods as fast as the vessel can take and discharge them, without interruption, by day and if required by Carrier also by night, Sundays and holidays included, notwithstanding any custom of the port to the contrary and the Owner of the goods shall be liable for all losses or damages including demurrage incurred in default thereof. Discharge may commence without previous notice. If the goods are not taken delivery of by the Receiver from alongside the vessel without delay, or if the Receiver refuses to take delivery of the goods, or in case there are unclaimed goods, the Carrier shall be at liberty to land such goods on shore or at any other proper places at the sole risk and expense of the Merchant, and the Carrier's responsibility of delivery of cargo shall be deemed to have been fulfilled. Weighing on board is only allowed by special permission of the Carrier, including detention and extra costs of discharging, shall be for account of the Receivers or Consignees, notwithstanding any custom of the port to the contrary. If the goods are unclaimed during a reasonable time, or whenever the goods will become deteriorated, decayed or worthless, the Carrier may at its discretion and subject to its lien and without any responsibility attaching to it, sell, abandon or otherwise dispose of such goods surely at the risk and expenses of the Merchant.

9. Disposal of goods

Notice of arrival of the goods will be sent to the port party or the consignee by ordinary methods. The Carrier and its agent is not liable for the non-receipt or delay in the receipt of such notices. Any charges including storages incurred pending collection will be for the account of the Merchant. Without prejudice to any other rights or remedies which the Carrier may have (including without limitation those under the other sub-Clauses of this Clause), if delivery of the goods or any part thereof is not taken by the consignee or other person entitled to the delivery of the same at the time and place when and where delivery should be taken, the Carrier shall be entitled (but is not obliged) to store or cause to be stored the goods or any part thereof at the sole risk of the Merchant or the Owner, whereupon any liability which the Carrier may have in respect of the goods or that part thereof stored as aforesaid shall wholly cease and the cost of such storage shall upon demand be paid by the Merchant to the Carrier. Perishable goods which are not taken up immediately upon arrival or which are insufficiently addressed or marked or otherwise not readily identifiable, may be sold or otherwise disposed of without any notice to the Merchant or the Owner and payment or tender of the net proceeds of any sale after deduction of charges and expenses shall be equivalent to delivery. All charges and expenses arising in connection with the sale or disposal of the goods shall be paid by the Merchant. The Carrier is entitled (but not obliged) to sell or dispose of (or cause to be sold or disposed of) all non-perishable goods which in the opinion of the Carrier cannot be delivered either because they are insufficiently or incorrectly addressed or because they are not collected or accepted by the consignee or any other reason upon giving 14 days' notice in writing to the Merchant. All charges and expenses arising in connection with the storage and sale or disposal of the goods shall be paid by the Merchant.

10. Lien

All goods (and documents relating to goods) shall be subject to a particular and general lien and right of detention for monies due either in respect of such goods, or for any particular or general balance or other monies due from the Merchant or the Owner to the Carrier. If any such monies due to the Carrier and its agent are not paid within 14 days after notice has been given to the Merchant that such goods are being detained, the goods and/or the documents may be sold by auction or otherwise at the sole discretion of the Carrier at the expense of the Merchant, and the proceeds (net of the expenses in connection with such sale) applied in or towards satisfaction of such indebtedness, and the Carrier shall not be liable for any deficiencies or reduction in value received on the sale of the goods, nor shall the Merchant be relieved from the liability merely because the goods have been sold. The rights of the Carrier under this and Clause 9 are independent and cumulative.

11. Packing and marks

The Merchant shall have the goods properly packed and accurately and clearly marked before shipment. The port of destination of the goods should be marked in letters not less than 5 cm high, in such a way as will remain legible until their delivery. A lines and expenses arising from insufficiency or inadequacy of packing or marks shall be borne by the Merchant.

12. Freight and other charges

The Merchant is primarily liable for the payment of all freight, fees, duties, charges and other expenses whether the same (or any of them) are to be pre-paid or to be collected. The Merchant shall pay to the Carrier and its agent all sums immediately when due without deduction or set-off, counterclaim or set-off. Payment to the Carrier and its agent is due as soon as an invoice is rendered. Payment shall be made in cash unless otherwise agreed by the Carrier and its agent. Without prejudice to the foregoing provisions, when the Carrier is instructed to collect freight, duties, fees, charges or other expenses from any person other than the Merchant, the Merchant shall remain responsible to the payment of the same. The Merchant shall forthwith, upon demand pay the Carrier such freight, duties, fees, charges and other expenses or any balance thereof together with interest (if applicable) without deduction or set-off and without demand account of any claim, counterclaim or set-off (whether or not demand is made to such other person). Without prejudice to the generality of the foregoing, this provision shall apply if (inter alia) the goods are refused by the consignee or other person entitled to delivery or consigned by the customs or other authorities or for any reason it is in the opinion of the Carrier not practicable or impossible to arrange for the delivery of the goods. On all amounts overdue to the Carrier, the Carrier shall be entitled to interest calculated on a monthly basis from the date such amounts are overdue until payment thereof at 2% per month (compounded monthly) during the period that such amounts are overdue.

13. Quotations

Quotations are given on the basis of immediate acceptance by the Merchant and are subject to withdrawals or revisions by the Carrier and its agent. Further, unless otherwise agreed in writing by the Carrier, the Carrier, notwithstanding acceptance of the quotations by the Merchant, shall be at liberty to revise quotations or charges with or without prior notice in the event of changes occurring in currency exchange risks, rates of freight, insurance premiums or any charges applicable to the goods.

14. Incorrect statements

The Carrier is entitled, at port of shipment and/or port of destination, to verify the quantity, weight, measurement and contents of the goods as declared by the Merchant. If the weight, measurement and contents of such goods as stated in the Bill of Lading turned out to be inconsistent with that of the goods actually loaded, there is a freight payment shortage. The Carrier is entitled to collect from the Merchant the difference between the amount which would have been due if such declaration had been correct and that of the mis-stated declaration. The Merchant will be liable for the loss of and damage to the vessel, the goods of his own and the goods of others arising or resulting from inaccuracies and omission in stating the description, quantity, weight, measurement, contents of the goods. The Merchant will further be responsible and indemnify the Carrier for all the losses, damages, expenses, fines and costs whatsoever arising from the inaccuracy or omission, even though such is due to negligence. The costs and expenses in connection with weighing, measuring and checking such goods are also on the Merchant's account.

15. Duties

The Merchant shall be liable for any duties, taxes, imposts, levies, deposits or outlays of any kind levied by the authorities at any port or place for or in connection with the goods and for any port or place for or in connection with the goods and for any payments, fines, expenses, loss or damage whatsoever incurred or sustained by the Carrier in connection therewith.

16. Freight and charges on collect basis

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 Merchant shall remain responsible for the same if they are not paid by such consignee or other person immediately when due. The Carrier accepts no liability for delivery of such goods without payment and shall not be liable for any act of omission fault suspension, insolvency, want of care, negligence or fault of any bank, correspondent or sub-agent or for any delay in remittance less in exchange, loss during transmission loss however caused after collection of the said freight, duties, charges or other expenses from the consignee.

17. Insurance

No insurance will be effected except upon express instructions given in writing by the Merchant. All insurance effected by the Carrier are subject to the usual exceptions and conditions of the policies of the insurance company or underwriters taking the risk. The Carrier shall not be under any obligation to effect a separate insurance on each consignment but may declare it on any open or general policy. Should the insurers dispute their liability for any reason, the insured shall have recourse against the insurers only and the Carrier shall not be responsible for any liability whatsoever in relation thereto notwithstanding that the premium upon the policy may not be at the same rate as that charged by the Carrier or paid to the Carrier by the Merchant.

16. Limit of liability

The Carrier shall only be responsible for any loss of goods, damage to goods, non-delivery or mis-delivery if it is proved that such occurred whilst the goods were in the actual custody of the Carrier and under its actual control and that such was due to the willful neglect or default of the Carrier or its own servants. The Carrier shall only be liable for any non-compliance or mis-compliance with instructions given if it is proved that the same was caused by the willful neglect or default of the Carrier or its own servants. Except aforesaid the Carrier shall be under no liability whatsoever arising, in respect of or in connection with any goods, instructions, business, advice, information, service or otherwise.

Further and without prejudice to the generality of above condition the Carrier shall not in any event be liable for any special, incidental, indirect, economic and consequential loss or damage or loss of market, loss due to fire or consequence of fire, loss due to delay or deviation however caused.

In no case whatsoever shall any liability of the Carrier however arising and notwithstanding any lack of explanation exceed the value of the relevant goods or a sum at the rate of HK\$500.00 per shipping package of the goods whichever is the less, with a maximum of HK\$50 000 00 per claim.

This maximum amount is to be strictly observed without exception unless the value of the goods higher than the maximum amount is being declared in writing by the Merchant before receipt of the goods by the Carrier. And this higher amount is being inserted in this Bill of Lading with extra freight being paid by Merchant. If the actual value of the goods per package or per freight unit exceeds such declared value, the value shall nevertheless be deemed to be the declared value. The Carriers liability, if any, shall not exceed the declared value. Any partial loss or damage shall be adjusted pro rate on the basis of such declared value.

19. Notice of claim / time bar

Unless notice of loss or damage and the general nature of such loss or damage be given in writing to the Carrier or its agent at the port of discharge before or at the time of the removal of the goods into the custody of the person entitled to delivery thereof under the contract of carriage such removal shall be prima facie evidence of the delivery by the Carrier of the goods as described in the Bill of Lading. If the loss or damage is not apparent, the notice must be given within three days of the delivery.

The notice in writing need not be given if the state of the goods has at the time of their receipt been subject to joint survey or inspection. In any event the Carrier and the vessel shall be discharged from all liability in respect of loss or damage unless suit is brought within one year after delivery of the goods or the date when the goods should have been delivered (whichever date is the earlier). In the case of any actual or apprehended loss or damage the Carrier and the Receiver shall give all reasonable facilities to each other for inspecting and tallying the goods.

20. Cargo in containers

Goods may be stowed by the Carrier or its agents or servants to containers and containers whether stowed as aforesaid or received fully stowed may be carried on or under deck without notice. The Carriers liability for such carriage shall likewise be governed by the terms and conditions of this Bill of Lading irrespective of Clause 22 hereof notwithstanding the fact that the goods are being carried on deck and the goods shall contribute to General Average and shall receive compensation in General Average. If a container has been filled, packed, stuffed or loaded by the Carrier, the Carrier shall not be liable for loss of or damage to the contents and the Merchant shall indemnify the Carrier against any injury, loss, damage, liability or expense incurred by the Carrier if such injury, loss, damage, liability or expense has been caused by

- 1) the manner in which the container has been filled, packed, stuffed or loaded, or
- 2) the unsuitability of the contents for carriage in containers; or
- 3) the unsuitability or defective condition of the container which would have been apparent upon reasonable inspection by the Merchant at or prior to the time the container was filled, packed, stuffed or loaded.

If a container which has not been filled, packed, stuffed or loaded by the Carrier is delivered by the Carrier with the seal intact, such delivery shall be deemed as full and complete performance of the Carrier's obligation hereunder and the Carrier shall not be liable for any loss of or damage to the contents of the container. The Shipper shall inspect containers before stuffing them and the use of the containers shall be prima facie evidence of their being sound and suitable for use.

21. Hazardous goods, contraband

The Merchant undertakes not to tender for transportation of any goods when are of a dangerous, inflammable, radio-active, and/or any harmful nature without previously giving written notice of their nature to the Carrier and marking the goods and the container or other covering on the outside as required by any laws or regulations which may be applicable during the carriage.

Whenever the goods are discovered to have been shipped without complying with the subclause above or the goods are found to be contraband or prohibited by any laws or regulations of the port of loading, discharge or call or any place or waters during the carriage, the Carrier shall be entitled to have such goods rendered innocuous, thrown overboard or discharged or otherwise disposed of at the Carrier's discretion without compensation and the Merchant shall be liable for and indemnify the Carrier against any kind of loss, damage, penalty, costs, expenses or liability including loss of freight, and any expenses directly or indirectly arising out of or resulting from such shipment. If any goods shipped complying with the sub-clause above become a danger to the ship or cargo, they may in like manner be rendered innocuous, thrown overboard or discharged or otherwise disposed of at the Carrier's discretion without compensation except to General Average, if any.

22. Deck cargo, live animals and plants

Cargo on deck, plants and live animals are received, handled, carried, kept and discharged at Merchant's risk and the Carrier shall not be liable for loss thereof or damage thereto.

23. Perishable goods

Perishable goods that are not being taken up immediately upon arrival of vessel or which are insufficiently addressed or marked or otherwise, the Carrier is authorized to dispose of the goods without notice to the Merchant. The payment or tender of the net proceeds of any sale after deduction of charges and expenses shall be equivalent to the delivery of the goods. The Merchant is responsible for all charges and expenses arising in connection with the sale or disposal of the goods.

24. Timber

Any statement in this Bill of Lading to the effect that timber has been shipped in apparent good order and condition does not involve any admission by the Carrier as to the absence of stains, shakes, splits, holes or broken pieces, for which the Carrier accepts no responsibility.

25. Iron and steel

Every piece of iron or steel is to be distinctly and permanently marked with oil paint and every bundle securely fastened, distinctly and permanently marked with oil paint and metal tagged, by the Merchant, so that each piece or bundle can be distinguished at port of discharge. If the Merchant fails to meet the aforesaid requirements, the Carrier shall neither be responsible for correct delivery nor liable for expenses arising therefrom.

26. Bulk cargo, goods to more than one consignee

As the Carrier has no reasonable means of checking the weight of bulk cargo, any reference to such weight in this Bill of Lading shall be deemed to be for reference only, it shall constitute in no way evidence against the Carrier. Where bulk cargo or goods without marks or cargo with the same marks are shipped to more than one consignee, the Consignees or owners of the goods shall jointly and severally bear any expense or loss in dividing the goods or parcels into pro rata quantities and any deficiency shall fall upon them in such proportion as the Carriers, his servants or agents shall decide.

27. Heavy lifts and awkward cargo

Any one place or package of cargo weighs 2000 kilos or upwards and any awkward cargo with a length of 9 meters or upwards must be clearly and boldly marked with the weight and/or dimensions and/or length by the Shipper and shall be loaded and discharged by shore crane or otherwise at the ship's option and at the risk and expense of the Merchant. If any damage, loss or liability to the ship, lighter, wharf, quay, cranes, hoisting tackle, or whatsoever or to whomsoever occurs owing to the lack of statement or mis-statement of weight measurement or length, the Merchant shall be responsible for such damage, loss or liability.

28. Furnigation

In the event of furnigation of goods on board for whatever reason, the Carrier shall not be liable for damage to goods without actual proof of the Carrier's negligence which shall not be presumed against it and all expenses incurred are for Merchant's account.

29. Option

The port of discharge for optional goods must be declared to the vessel's agents at the first of the optional ports named in the option not later than 48 hours before the vessel's arrival there. In the absence of such declaration the Carrier may elect to discharge at the first or any optional port and the contract of carriage shall then be considered as having been fulfilled. Any option must be for total quantity of goods under this Bill of Lading.

30. Valuable goods

The Carrier shall not be liable for any loss of or damage to or in connection with platinum, gold, silver, jewellery, precious stones, precious metals, radioisotopes, precious chemicals, bullion, specie, currency, negotiable instruments, securities, writings, documents, pictures, embroideries, works of art, curios, heirlooms, collections of every nature or any other valuable goods whatsoever including goods having particular value only for the Merchant, unless the true nature and value of the Goods has been declared in writing by the Merchant before receipt of the Goods by the Carrier, and the same is inserted in this Bill of Lading and ad valorem freight has been prepaid thereon.

31. General average and New Jason Clause

The Merchant shall admit that general average may be declared during the course of or in respect of the carriage of the good by sea. And shall in such case undertake to make for settlement of the general average. Such contribution due from the goods is determined in accordance with York-Antwerp Rules 1974, as amended 1990 and any modification thereof.

General Average is to be applied in the event of accident, danger, damage or disaster before or after the voyage. No matter if results from any cause whatsoever, whether due to negligence or not. For which or for the consequence of which the Carrier is not responsible by statute contract or otherwise. The goods, the Shippers, the Consignees or the Owners of the goods shall contribute to the Carrier in General Average for the payment of any sacrifices, losses or expenses of a General Average nature that may be made or incurred in respect of the goods. If a satellite ship is employed, salvage cost is also of a General Average nature.

32. Special circumstances

Should it appear that war, blockade, pirate epidemics, quarantine, ice, strikes, congestion and other causes beyond the Carrier's control would prevent the vessel from safely reaching the port of destination and/or discharging the goods thereat, the Carrier is entitled to discharge the goods at the port of loading or on another safe and convenient port and the contract of carriage shall be deemed to have been fulfilled. Any extra expenses incurred under the aforesaid circumstances shall be borne by the Merchant.

33. Both to blame collision clause

If the carrying ship comes into collision with another ship as a result of negligence of the other ship and any act, neglect or default in the navigation or the management of the carrying ship the Merchant undertakes to indemnify the Carrier. And the Merchant pays to the Carrier itself or where the Carrier is not the owner and in possession of the carrying ship, to the Carrier as trustee for the owner and/or demise charterer of the carrying ship a sum sufficient to indemnify the Carrier and/or the owner and/or demise charterer of the carrying ship. This sum is used to fulfill all loss or liability to the other or non-carrying ship or her owners insofar as such loss or liability represents loss of or damage to, or any claim whatsoever of the Merchant, paid or payable by the other or non-carrying ship or her owners to the Merchant. And set off, recouped or recovered by the other or non-carrying ship or her owners as part of their claim against the carrying ship or her owner or demise charterer of the Carrier. The foregoing provisions shall also apply where the owners, operators or those in charge of any ship or ships or objects, other than or in addition to, the colliding ships or objects are at fault in respect to a collision contact, stranding or other accident.

34. USA CLAUSE PARAMOUNT

(1) If carriage includes carriage to, from or through a port in the United States of America, the Carrier shall be subject to the United States carriage of Goods by Sea Act of 1936 ("US COGSA"), the terms of which are incorporated herein and shall be paramount throughout carriage by sea and the entire time that the Goods are in the custody of the Carrier or his sub-contractor at the sea terminal in the United States or being transported by non-ocean carriers under a bill of lading covering both water and inland through transportation to or from the United States.

(2) The Carrier shall not be liable in any capacity whatsoever for loss, damage or delay to the Goods, while the Goods are in the United States away from the sea terminal and are not in the actual custody of the Carrier. At these times the Carrier acts as agent only to procure carriage by persons (one or more) under the usual terms and conditions of those persons. If for any reason the Carrier is denied the right to act as agent only at these times, his liability for loss, damage or delay shall be governed by US COGSA.

(3) If US COGSA applies the liability of the Carrier shall not exceed \$500 per package or customary freight unit (in accordance with Section 1304(5) thereof).

(4) If carriage includes carriage to, from or through the United States of America, the Consignor or Consignee may refer any claim or dispute to the United States District Court for the Southern District of New York in accordance with the laws of the United States of America.