

CONDITIONS OF BUSINESS FOR SELLERS

The provisions agreed upon by the Company with the Seller and with the Buyer are included in these Conditions. The Company may amend the following provisions by way of notice or verbal notification during the auction. By bidding at an auction, the Bidder agrees to be bound by the following provisions.

1. China Guardian (Hong Kong) Auctions Co., Ltd. as the Auction Agent

Unless otherwise provided, China Guardian (Hong Kong) Auctions Co., Ltd., as the Seller's agent, shall sell the property(ies) listed in the Contract of Auction by Consignment ("Auction Property") by public auction. The contract for the sale of the Auction Property shall be the contract between the Seller and the Buyer (namely the Bidder who made the highest bid accepted by the Auctioneer). These Conditions, the Conditions of Business for Buyers set out in catalogues as well as all other terms, conditions, declarations and notices contained in catalogues or announced by the Auctioneer or posted in the form of notices and notifications etc. in the auction venue shall constitute the provisions agreed upon between the Seller and the Buyer and/or China Guardian (Hong Kong) Auctions Co., Ltd. as the Auction Agent.

2. Definitions and Interpretations

(i) Unless otherwise required by the context, the following terms used herein shall have the following meanings:

(i) "Company" or "Auction Agent" means China Guardian (Hong Kong) Auctions Co., Ltd.;

(ii) "China Guardian" means China Guardian Auctions Co., Ltd., with its domicile at 3/F, Guardian Art Centre, No.1 Wangfujing Street, Dongcheng District, Beijing, the People's Republic of China;

(iii) "Seller" means any person, company, body corporate or entity that offers an Auction Property for sale. Unless otherwise stated or specifically required by the context, Seller" herein shall include the Seller's agent (excluding the Company);

(iv) "Seller's Commission" means the commission payable by the Seller to the Company pursuant to the Contract of Auction by Consignment;

(v) "Bidder" means any person, company, body corporate or entity that contemplates, makes or attempts a bid in any manner. Unless otherwise stated or specifically required by the context, Bidder herein shall include the Bidder's agent;

(vi) "Buyer" means the Bidder, the highest bid or offer of whom is accepted by the Auctioneer in an auction held by the Company, including the principal of a person bidding as an agent;

(vii) "Buyer's Commission" means the commission payable by the Buyer based on the Hammer Price at the rate specified in the Company's Conditions of Business for Buyers;

(viii) "Auction Date" means, for a particular auction, the date announced by the Company on which the auction will officially commence;

(ix) "Auctioneer" means the person that the Company designates to preside over a particular auction;

(x) "Auction Property" refers to the auction property(ies) listed in the Contract of Auction by Consignment;

(xi) "Sale Date" means the date on which the transaction of the Auction Property is confirmed by the striking of the hammer by the Auctioneer or in other manner indicated in public to confirm any Auction Property is sold in an auction held by the Company;

(xii) "Hammer Price" means the highest bid at which the Auctioneer strikes the hammer, or in the case of a post-auction transaction, the agreed sale price;

(xiii) "Sales Proceeds" means the net amount payable to the Seller, being the balance remaining after deducting from the Hammer Price the Seller's Commission, taxes, various charges and other monies payable to the Company by the Seller;

(xiv) "Purchase Price" means the total amount that the Buyer is required to pay for his or her purchase of an Auction Property, including the Hammer Price plus the Buyer's Commission, and the taxes, interest and various charges payable by the Buyer;

(xv) "Various Charges" means the expenditures and expenses in relation to the sale of the Auction Property incurred by the Company, including but not limited to those incurred by the Company for the purchase of insurance for the Auction Property, production of catalogues of the Auction Property and other form of Auction Agent publication materials, advertisements, reproductions, displays, packaging, transportation, customs duties, storage, custody, reproduction fees, expenses in relation to testing, investigating, searching or authenticating any Auction Property or expenses recoverable from a defaulting party legal fees, etc;

(xvi) "Reserve" means the confidential minimum selling price for an Auction Property proposed by the Seller and determined with the Company under the Contract of Auction by Consignment;

(xvii) "Estimated Price" means the estimated sales price of an Auction Property indicated in the Auction Property catalogues or after other descriptive text, and excluding the Buyer's Commission;

(xviii) "China" means the People's Republic of China which, for the purposes of these Conditions, excludes Hong Kong, the Macau Special Administrative Region of China and Taiwan;

(xix) "Hong Kong" means the Hong Kong Special Administrative Region of China.

(2) Unless otherwise required by the context:

(i) The Seller and the Company are herein collectively referred to as the "Parties", and a "Party" refers to either Party;

(ii) Any mention of legal provisions shall be construed as including any future amendments to, or re-enactment of, such provisions;

(iii) Any mention of "person" shall include natural persons, companies, legal persons, enterprises, partnerships, individual proprietorships, governmental or social organizations and organizations comprised of more than one of the foregoing;

(iv) Any mention of "Article" or "Clause" refers to the Articles or Clauses hereof;

(v) The headings are provided for ease of reference only, and shall not affect the interpretation hereof.

(3) As required by the context, the singular of a term herein includes the plural thereof, and vice versa.

3. Applicable Scope

Any Seller participating in the auctions of cultural artifacts, works of art and other such collectibles organized and conducted by the Company shall act in accordance herewith.

4. Consignment Procedure

When the Seller consigns a property to the Company for auction, he or she shall, being an individual, hold an identity document with photo thereon (such as a resident identity card or passport) issued by a relevant government, and execute the Contract of Auction by Consignment with the Company; or it shall, being a company or other organization, execute the Contract of Auction by Consignment with the Company with valid incorporation documents and identity document of the legal or authorized representative or lawful documents of such authorization.

5. Seller's Agent

If the Seller appoints an agent to auction a property on his or her behalf, he or she shall present the relevant authorization document and provide lawful identity documents of the Seller and its agent to the Company, and execute a Contract of Auction by Consignment with the Company. The Company has the right to verify the aforementioned appointment in a manner that it deems reasonable.

6. Representations and Warranties of the Seller

(1) The Seller gives the following irrevocable warranties to the Company and the Buyer in respect of an Auction Property that he or she consigns to the Company for auction:

(i) the Seller is the beneficiary owner of an Auction Property or has been duly authorized by the beneficiary owner of the Auction Property, and has the right to transfer the ownership of the Auction Property to the Buyer without limitation by any third party rights (including copyrights) or claims;

(ii) To the best of his or her knowledge, the Seller has given a full and detailed disclosure and account, without omissions or false statements, of the following to the Company in writing:

(a) the origin of and defects in an Auction Property;

(b) the description of an Auction Property (including the description of the Auction Property listed in the Description of Property Section in the Contract of Auction by Consignment);

(c) whether an Auction Property contains materials from endangered animals;

(d) any concerns raised by a third party in respect of the ownership, condition, authenticity, attributes of an Auction Property, or the export or import of an Auction Property;

(e) any other facts or information that could affect the salability or transferability of an Auction Property;

(f) any major modifications to an Auction Property of which the Seller is aware of; and

(g) any concerns raised by any third party concerning the ownership, condition or vesting of an Auction Property of which the Seller is aware of.

(iii) The Seller has satisfied all the legal or other related requirements in connection with the import and export of an Auction Property; has duly carried out all the declarations that must be provided in connection with the import and export of an Auction Property' and has paid in full the customs duties and taxes relating to the import and export of an Auction Property;

(iv) The Seller has paid or shall pay all the taxes relating to the Sales Proceeds from an Auction Property; and has notified the Company in writing of the overseas taxes payable by the Company on behalf of the Seller;

(v) If an Auction Property contains any personal data, privacy of the Seller or any third party, the Seller confirms and agrees the Company or he/ she has been duly authorized by such third party and such third party agrees the Company, to display, take photographs of or publish the Auction Property in other ways, transfer the Auction Property to the Buyer or waive the limitations or claims in respect of the personal data privacy in concerned. If the Company is subjected to claims by any third party due to the fact that the Auction Property contains personal data privacy, the Seller agrees to indemnify the Company against all losses arising therefrom;

(vi) Unless the Company receives prior contrary instructions in writing from the Seller, the Company has the right to exhibit, display, produce photos, illustrations, catalogues or other forms of video recording or publication materials in respect of the Auction Property on its own;

(vii) If the Auction Property contains electrical or mechanical components, the Seller shall ensure that it is in safe working order when reasonably used for its designed purpose, and, there are no obvious defects that could be shown to jeopardize life or health upon the examination on the face of it, failing which the Seller shall be liable for compensating for all the losses suffered by the Company and/or the Buyer as a result thereof, and bear all expenses and expenditures for claims arising therefrom and pay compensation in full for all legal expenses, unless the Seller has already expressed a contrary opinion in writing at the time he or she delivers the Auction Property to the Company;

(viii) If the Seller breaches the foregoing warranties, the Company shall have the right to cancel the relevant auction, and the Seller shall repay in full to the Company and/or the Buyer all claims, expenses or expenditures arising from, caused by or incurred in connection with the monies derived from the sale of the Auction Property. If the rightful owner of the Auction Property, or any third party claiming title to the Auction Property issues a claim or legal action, causing the Company and/or the Buyer to suffer a loss, the Seller shall be liable for compensating for all the losses incurred by the Company and/or the Buyer as a result thereof, and bear all expenses and expenditures for the claims and indemnify all legal expenses in full arising therefrom;

(ix) The Seller acknowledges that the Company has the right to charge a commission from the Buyer in respect of an Auction Property set out in the Contract of Auction by Consignment at a percentage to be decided by the Company, and agrees that the Company may, in accordance with Article 34 hereof, use the personal information of the Seller or other information obtained by it. Additionally, the Seller agrees that the Company may disclose the Seller's personal information to other affiliates of the Company or third party service providers in accordance with Article 34 hereof, and that the countries or regions where such affiliates or third party service providers are located may not provide the same standard of protection of personal information as Hong Kong.

(x) In the event that an Auction Property is destroyed, damaged or lost in an event covered by the insurance purchased for the Auction Property by the Company, and there is evidence indicating that the Auction Property does not conform to the Seller's description, the balance of insurance indemnity payable by the Company to the Seller pursuant to Article 20 hereof shall be limited to the actual market price of the Auction Property had there been no damage, as determined by the insurance company. In addition, the Seller shall compensate the Company for all losses caused to the Company due to the inconsistency with Seller's description and bear all

expenses and expenditures for the claims and indemnify all legal expenses in full arising therefrom.

(2) The Seller confirms that he or she has received the Conditions of Business for Buyers and acknowledges its content, and confirms that he or she does not disagree with the provisions thereof.

7. Retention of the Auction Property

(1) The Company shall have the right to retain or keep the Auction Property under the Contract of Auction by Consignment and the auction property(ies) or items under other agreements (if any) to the fullest extent permitted by law until it has received all the monies payable by the Seller pursuant to the Contract of Auction by Consignment, these Conditions and/ or any other agreements entered into between the Seller and the Company. If the Company is notified that or is aware of a third party has lodged a claim in respect of the ownership, possession or control of the Auction Property, it shall also have the right, under all circumstances, to retain the Auction Property for a reasonable period of time.

(2) If the auction is successful or the Auction Property is sold, and/ or the Company has obtained the ownership of the Auction Property from the Seller pursuant to Article 26 hereof, and there are monies payable by the Seller pursuant to the Contract of Auction by Consignment and/ or these Conditions, the Company has the right to deduct such payable sums directly from the Sales Proceeds.

8. Disclaimer

(1) The Seller confirms that in respect of the condition or description of an Auction Property listed in the Contract of Auction by Consignment, despite the Company may have already rendered assistance to the Seller and/ or provided authentication in respect of the description of the Auction Property (e.g. year), the Company or any of its employees or agents shall not be liable for any condition or description of the Auction Property listed in the Contract of Auction by Consignment or make any representation or warranty thereon. The Seller shall ensure that the condition and description of the Auction Property listed in the Contract of Auction by Consignment are accurate, and all liabilities arising therefrom are at the Seller's own risks.

(2) The description and assessment of any Auction Property made in whatever form (including the catalogues, description of condition, reports, announcements, slide show, news media, internet media, etc.) by the Company, or any of its employees or agents of the Company are opinions of a reference nature, and do not constitute any guarantee in respect of the Auction Property. Without prejudice to the effect of the former Article hereof, neither the Company nor its employees or agents shall be liable for the inaccuracies or omissions in the aforementioned description or assessment.

9. Estimated Price and Reserve

An Estimated Price is determined some time before the Auction Date. The Estimated Price is not the determined selling price and is not legally binding. No Estimated Price may serve as a forecast of the Hammer Price for an Auction Property, and the Company has the right to revise the Estimated Price from time to time after such Estimated Price has been proposed. A Reserve is set for an Auction Property if there is no Reserve indicated or stated for the Auction Property. Once the amount of the Reserve is determined by the Parties, any change thereof shall require prior written consent of the other Party. The Reserve may not be higher than the low Estimated Price announced or published by the Company before the auction. If a Reserve is not set for an Auction Property and unless bid has already placed for the Auction Property, the Auctioneer shall have the right, at his or her discretion, to decide the starting price of the Auction Property, which, however, may not be higher than the low Estimated Price of the Auction Property determined before the auction.

An auction with a Reserve means that if the highest bid at an auction is lower than the designated amount, the Auction Property will not be sold. Under no circumstance shall the Company bear any liability in the event that the bids for the Auction Property fail to reach the Reserve at an auction held by the Company. The Company shall have the right, at its discretion, to sell the Auction Property at a price lower than the Reserve. However, under such aforementioned circumstance, the Company shall take the Reserve of the Auction Property as the Hammer Price and pay the corresponding Sales Proceeds to the Seller, and the Seller shall pay the Seller's Commission to the Company based on the Reserve as the Hammer Price.

10. Discretion of the Company Before the Auction

Before the auction, the Company shall have sole discretion in the following matters:

(1) To give any descriptions and/or explanation and/or assessment of any Auction Property through Auction Property catalogues or any other notices, reports or documents and/or news media and/or other media;

(2) Whether or not to engage any external expert or custodian, agent or seek the opinion of other third parties, and perform the duty of care, requirements, research or inspection relating to an Auction Property or the origin of an Auction Property before and after the sale, and the Company shall not be liable to any act or negligence by the aforementioned third parties;

(3) The arrangements as to the sequence, position, display size, etc. of the illustrations of an Auction Property in catalogues as well as the fee standard; the method of exhibiting/displaying an Auction Property; the various arrangements for an Auction Property in the course of the exhibition/display thereof and the standard of the charges payable thereafter;

(4) Unless otherwise agreed by the Company and the Seller, the Company shall have sole discretion to decide whether or not a particular Auction Property is suitable for auction by the Company (i.e. whether it is ultimately put up for auction), to withdraw an Auction Property, combine or split it up into different categories for auction, as well as the auction venue, number of auction sessions, auction date, auction conditions and auction method, etc.;

(5) The Company may, depending on any circumstances such as the auction conditions and auction method etc., announce before the Auction Date the conditions and procedures for Bidders to obtain paddles, including but not limited to formulating the qualification conditions for Bidders to obtain a paddle. When a Bidder participates in an auction held by the Company, he or she shall pay an auction deposit before collecting his or her paddle. The amount of the auction deposit shall be announced by the Company before the Auction Date, and the Company has the right to reduce or waive the auction deposit. The Company has the right, at its discretion, to refuse anyone from participating in any auction organized by the Company or from entering the auction venue, and has the right to refuse or accept any bid.

11. Liability of the Company and Exclusion and Limitation of Liability

(1) Neither the Company nor its employees shall bear any liability in respect of the following matters:

(i) any error or omission in the information provided by the Company to the Seller verbally or in writing; or

(ii) any act of the Company in connection with the preparation of an auction or with the auction itself or negligence.

(2) Without prejudice to Article 11(1) above, the amount of damages in any legal action instituted by the Seller against the Company may not be higher than the Sales Proceeds from the Auction Property. Under no circumstance shall the Company or its employees be liable for any indirect losses incurred by the Seller.

12. Auction Property Not Put up for Auction

After the Seller has executed the Contract of Auction by Consignment with the Company, and delivered the Auction Property to the Company, if for any reasons the Company considers that the Auction Property is not suitable for an auction held by the Company, the Seller shall collect the Auction Property (packaging and transportation costs of which shall be at the Seller's own expense) within 30 days from the date of receipt of the collection notice from the Company and the Contract of Auction by Consignment between the Company and the Seller shall be terminated on the day the Seller collects the Auction Property. The Seller shall only collect the Auction Property only after paying the relevant charges in full. If the Seller fails to collect the Auction Property by the aforementioned deadline, the Contract of Auction by Consignment between the Company and the Seller shall be terminated on the expiry date of the aforementioned deadline. If the Seller fails to collect the Auction Property within 7 days after the termination of the Contract of Auction by Consignment, he or she shall pay a daily storage fee to the Company at the amount specified in the Contract of Auction by Consignment starting from the eighth day after the termination of the Contract of Auction by Consignment. If the Seller fails to collect the Auction Property within 90 days after the termination of the Contract of Auction by Consignment, the Company shall have the right to execute in accordance with Article 32 hereof.

13. Suspension of an Auction

If any of the following circumstances arises, the Company shall have the right to decide to suspend the auction of any Auction Property at any time before the actual auction, and retain the Auction Property until such time as the circumstance set forth below is resolved:

(1) the company has raised an objection to the ownership or authenticity of the Auction Property;

(2) a third party has raised an objection to the ownership or authenticity of the Auction Property and can provide relevant supporting materials that the Company deems reasonable or serve as a support for the objection, and, additionally, indicates in writing that he or she agrees to bear all of the legal liability for the legal consequences and all losses arising out of the suspension of the auction;

(3) an objection has been raised as to the accuracy of the description of an Auction Property given by the Seller or the Seller's warranties set forth in Article 6 hereof;

(4) there is evidence showing that the Seller has breached or will violate any of the provisions hereof;

(5) there exists any other reason deemed reasonable by the Company.

14. Withdrawal of an Auction Property

Unless the Company has committed a material breach of its obligations hereunder, the Seller may not withdraw the Auction Property without the consent of the Company.

The Seller may withdraw his or her Auction Property at any time before the Auction Date after giving the Company written notice explaining the reason thereof. However, if at the time of the withdrawal of an Auction Property, the Auction Property has already been listed in catalogues or other promotional materials which have already started printing, he or she shall pay an amount equivalent to 20 percent of the insured amount of the Auction Property and Various Charges. If catalogues or any other promotional materials have not yet been printed, he or she shall still pay an amount equivalent to 10 percent of the insured amount of the Auction Property and Various Charges.

If the Seller withdraws the Auction Property, he or she shall collect the Auction Property and pay the aforementioned charges within 30 days upon receipt of the Company's collection notice. The Seller shall only collect the Auction Property (packaging, transportation and transport insurance costs of which shall be at the Seller's own expense) after he or she has paid the aforementioned charges in full. If the Seller fails to collect the Auction Property by the aforementioned deadline, he or she shall pay a daily storage fee to the Company in the amount specified in the Contract of Auction by Consignment starting from the day immediately following the expiration of the aforementioned deadline. If the Seller fails to collect the Auction Property within 90 days after the expiration of the aforementioned deadline, the Company shall have the right to execute in accordance with Article 32 hereof. On the happening of any of the following events, the Company may withdraw an Auction Property at any time (or sell the same within a reasonable period of time at the Company's sole discretion): (i) the Company reasonably suspects the ownership, authenticity or origin of an Auction Property; or (ii) the Company reasonably suspects the accuracy of the representations given in Article 6 hereof; or (iii) the Seller commits a material breach hereunder; or (iv) the Company has reason to believe that accepting an Auction Property could result in a legal claim against or damage the goodwill of the Company. Except in the event that the Company commits a material breach hereunder, the Seller must pay to the Company the charges specified in Article 3 of the Contract of Auction by Consignment and those specified in Articles 16, 22, 23, 24 and 29 herein in respect of the withdrawal of the Auction Property.

Any dispute or claim arising from the withdrawal of the Auction Property by the Seller shall be borne solely by the Seller, and shall be of no concern to the Company. If the Company is subjected to any claims by any third parties as a result of such dispute or claim, the Seller agrees to indemnify the Company against all losses arising therefrom.

15. Automatic Insurance Coverage

Unless otherwise instructed in writing by the Seller, after the Seller has executed the Contract of Auction by Consignment with the Company, and delivered an Auction Property to the Company and the same has been inspected and deemed satisfactory by the Company, the Auction Property shall automatically be covered by the insurance taken out by the Company. The insured amount shall be equivalent to the Reserve determined by the Company and the Seller in the Contract of Auction by Consignment (should there be no Reserve, it shall be the insured amount agreed upon for the Auction Property; if the Reserve is adjusted, it shall be the equivalent of the adjusted Reserve for the Auction Property).

The insured amount shall apply only to the taking out of insurance with an insurance company and when a claim is filed with the insurance company after the occurrence of an insured event. The insured amount is not a guarantee or warranty of the value of the Auction Property given by the Company, and does not imply that if the Auction Property is auctioned off by the Company, it can be sold for an amount equivalent to the insured amount.

16. Insurance Premium

The Company has the right to charge a fee at 1 percent of the Hammer Price or the insured amount when an Auction Property is not yet sold, to take out insurance on behalf of the Seller. It is specifically declared that, the Company may designate an insurer on the behalf of the Seller, but the Company will not bear any liability as a result thereof.

17. Insurance Term

If an Auction Property is successfully sold at an auction, the insurance term shall run until the seventh day following the Sale Date or to the date on which the Buyer collects the Auction Property (whichever is earlier); if the auction of an Auction Property is unsuccessful, the insurance term shall run until the expiration of 30 days following the date of receipt by the Seller of the notice from the Company informing him or her to collect the Auction Property.

18. Insurance Arranged by the Seller

If the Seller informs the Company in writing before delivery of an Auction Property to the Company that the Company is not required to take out insurance for the Auction Property, the risks shall be solely borne by the Seller, and the Seller shall bear the following liability at any time (unless otherwise decided by a court or arbitration institution) until such time as the Buyer has paid all of the Purchase Price:

(1) To compensate any other rights holder for any claim lodged or legal action instituted against the Company in respect of the destruction, damage and loss of the Auction Property;

(2) To be liable for damages in respect of all the losses incurred and all the expenses paid (including the loss of commission and the Various Charges) by the Company or any rights holder as a result of the destruction, damage and loss of the Auction Property for any reason;

(3) To notify any insurer of the Auction Property regarding the compensation stipulated under this Article;

(4) To provide to the Company a photocopy of the insurance policy and the written waiver of subrogation issued by the Seller's insurer, i.e. that the insurer on behalf of the Seller, waives the right to seek indemnification from the Company and the beneficiary of the insurance policy issues a written confirmation indicating that he or she waives the right to file any claim with the insurer in respect of any claim against the Company;

(5) To waive the right to assert any rights against the Company in respect of the destruction, damage and loss of the Auction Property, unless such destruction, damage and loss is due to any willful and gross improper act by the Company.

19. Insurance Disclaimer

The Company shall not be liable for damages for any destruction, damage and loss of an Auction Property due to natural wear and tear, existing defects, inherent or latent flaws, change in the substance itself, spontaneous combustion, spontaneous heating, oxidation, corrosion, leakage, rodent damage, insect damage, atmospheric (climate or air temperature) change, change in humidity or temperature, change in normal water level or other transitional change or due to earthquake, tsunami, war, warfare act, hostilities, military conflict, terrorist activities, political conspiracy, coup d'état, strike, riot, social unrest, and nuclear fission, nuclear fusion, nuclear weapon, nuclear materials, nuclear radiation and radioactive contamination causing any destruction, damage and loss to the Auction Property, and the destruction, damage or loss of a picture frame or glass, box, backing sheet, stand, mounting, inserts, rolling rod or other similar auxiliary object arising for any reason.

20. Insurance Indemnity

Subject to Article 6(1)(x) of these Conditions, in the event that an Auction Property is destroyed, damaged and lost in an incident or disaster covered by the insurance purchased for the Auction Property by the Company, the Company shall pay to the Seller the balance of the insurance indemnity remaining after deducting the Seller's Commission and relevant expenses after it has filed a claim with the insurance company and obtained the insurance indemnity. The insurance indemnity is limited to the Hammer Price of the Auction Property if it has been sold, or the Reserve if the Auction Property was not sold or has not been put up for an auction.

21. Bidding Prohibition

The Seller shall neither bid for an Auction Property that he or she has consigned to the Company for auction, nor appoint any person to bid for an Auction Property on his or her behalf. However, the Company has the right to participate in the bidding on behalf of the Seller at an amount not higher than the Reserve. If the Seller breaches this prohibition, the Company may deem the Seller as both the Seller and the Buyer, in which case it shall have the right to charge the Seller both the Seller's commission and the Buyer's commission on the basis of the Reserve (but not lower).

22. Commission and Charges

Unless otherwise agreed by the Seller and the Company, the Seller agrees that the Company may deduct the Seller's Commission at the rate of 10 percent of the Hammer Price and other Various Charges. The Seller also confirms that the Company may charge the Buyer for the Buyer's Commission and other Various Charges in accordance with the Conditions of Business for Buyers.

23. Relevant Charges

The Seller shall be liable for all of the following charges in connection with an Auction Property:

(1) expenses for packing and transporting the Auction Property to the Company;

(2) any applicable transport insurance premium;

(3) insurance premium specified herein;

(4) any applicable customs duties (if any);

(5) marketing expenses (including catalogue fee);

(6) expenses for repairing the Auction Property as agreed by the Seller;

(7) charge for mounting;

(8) storage fee;

(9) any applicable value added tax/consumption tax (if any).

24. Handling Fee For Unsuccessful Sale

If the highest bid on an Auction Property is lower than the Reserve amount and such sale is unsuccessful as a result, the Seller authorizes the Company to charge him or her a handling fee for the unsuccessful sale which is to be calculated at 3 percent of the Reserve and other Various Charges.

25. Payment of the Sales Proceeds

If the Buyer has paid all of the Purchase Price to the Company in full in accordance with the Conditions of Business for Buyers, the Company shall pay the Sales Proceeds in Hong Kong dollars to the Seller after 35 days following the Sale Date. If the Seller requests the settlement of the payment be made in a currency other than Hong Kong dollar, the Seller must bear all the expenses arising therefrom.

26. Delay of Payment

The Company is under no obligation to investigate the Buyer's payment capacity. If the Company charges the Buyer interest for late payment, it shall have the right to retain such interest. If the Company has not received all of the Purchase Price from the Buyer by the expiration of the payment deadline specified in the Conditions of Business for Buyers, the Company will pay the Sales Proceeds to the Seller within 7 working days from the date on which it actually receives all of the Purchase Price paid by the Buyer (however, such deadline shall also be after 35 days following the Sale Date). If the Company has not received all of the Purchase Price from the Buyer by the expiration of the payment deadline specified in the Conditions of Business for Buyers, the Company shall have the right (but no obligation) to pay the Seller an amount equivalent to the Sales Proceeds, in which case the Company shall obtain the ownership of the Auction Property and all of the benefits arising from the Seller's representations, warranties and indemnities hereunder.

The Seller agrees to inform the Company of the actions he or she takes against the Buyer to collect or recover payment.

27. Cancellation of Transaction

If the Buyer fails to pay all of the Purchase Price to the Company in full within 90 days from the Sale Date, the Seller shall, after giving the Company written notice and obtaining the Company's consent, have the right to cancel the transaction, and the Company will give the Buyer a notice of cancellation of the transaction within 7 working days from the date on which the Company gives its consent to the Seller's decision to cancel the transaction. If the Seller applies for the cancellation of transaction, the amount of Purchase Price received by the Seller from the Buyer ("Received Amount") shall be returned in full to the Company. If the Seller refuses to return the Received Amount in full for any reason, such as compensation for losses, the Company shall have the right to refuse the Seller's application to cancel the transaction. If, at the time the Seller serves the notice of cancellation of the transaction on the Company, the Buyer has paid all of the Purchase Price in full and/or has completed the procedures for taking delivery of the Auction Property, the Seller's notice of cancellation of the transaction shall automatically be deemed void, performance of the transaction shall continue, and the Seller shall offer necessary cooperation and may not raise any objections in respect thereof. If the Seller cancels the transaction, he or she shall collect the Auction Property (packaging and removal costs of which shall be at the Seller's own expense) within 30 days from the date of receipt of the collection notice from the Company. If the Seller fails to collect the Auction Property by the deadline, he or she shall pay the Company a daily storage fee in the amount specified in the Contract of Auction by Consignment starting from the day immediately following the expiration of the deadline. If the Seller fails to collect the Auction Property within 90 days after the expiry of the deadline, the Company shall have the right to execute in accordance with Article 32 hereof.

28. Remedies for Non-payment

The Company shall decide at its sole discretion whether to enforce the remedies for non-payment specified in the Conditions of Business for Buyers. The Company will take reasonable measure to inform the Seller the relevant remedies against non-payment by the Buyer. The Company shall retain the interest (if any) that it receives as a result thereof.

29. Taxes

(1) The Company shall not bear the taxes payable by the Seller and the Seller shall be liable to such taxes payable in accordance with relevant laws currently in force.

(2) The Company will determine if the Seller is a Hong Kong resident based on the Seller's representations and the documents and materials provided, and the following provisions shall apply:

(i) If the Seller is a Hong Kong resident (whether a company or an individual), the Company shall not be required to withhold Hong Kong income tax on behalf of the Seller. If the Company subsequently discovers that the Seller's representations and documents are false, the Company retains the right to recover from the Seller Hong Kong taxes and other relevant expenses (such as interest, fines, etc.).

(ii) If the Seller is not a Hong Kong resident (whether a company or an individual), or refuses to provide information or documents evidencing his or her status as a Hong Kong resident, or the supporting documentation provided is insufficient, the Seller agrees that the Company may, pursuant to Section 20A(3) of the Inland Revenue Ordinance (Cap 112), directly deduct a sum equivalent to the relevant percentage of the Hammer Price or the Reserve (if the Reserve of the Auction Property is higher than the Hammer Price) as post-auction consignment tax (profit tax), which the Company shall declare and pay to the Inland Revenue Department on behalf of the Seller. If the Inland Revenue Department revises the tax rate, the Company may calculate the tax according to the new tax rate.

30. Post-auction Transaction

The Company shall have the right to sell an unsold Auction Property within 60 days after the conclusion of the auction, unless the Seller has expressed a contrary opinion to the company in writing. The Sales Proceeds payable to the Seller by the Company shall not be lower than the Sales Proceeds that would have been received by the Seller if the Auction Property was sold at the Reserve, or such lower amount as agreed by the Seller. Under such circumstances, the liability of the Seller towards the Company and the Buyer shall be identical to the

liability if the Auction Property was auctioned off at the auction.

31. Unsuccessful Sale of an Auction Property

If an Auction Property is unsold and no post-auction transaction is conducted pursuant to Article 30 hereof, and the Seller does not reappoint the Company to conduct another auction, the Seller shall collect the Auction Property (packaging and transportation of which shall be at the Seller's own expense) and pay to the Company the handling fee for unsuccessful sale and the other Various Charges within 30 days from the date of receipt of the collection notice from the Company. The Seller shall collect the Auction Property only after he or she has paid in full the aforementioned handling fee and charges. The Contract of Auction by Consignment between the Company and the Seller shall be terminated on the date the Seller collects the Auction Property. If the Seller fails to collect the Auction Property by the aforementioned deadline, the Contract of Auction by Consignment between the Company and the Seller shall be terminated on the date the aforementioned deadline expires. If the Seller fails to collect the Auction Property within 7 days after the termination of the Contract of Auction by Consignment, he or she shall pay a daily storage fee to the Company in the amount specified in the Contract of Auction by Consignment starting from the eighth day following the termination of the Contract of Auction by Consignment. If the Seller fails to pay the charges and handling fee in full or collect the Auction Property within 90 days after the termination of the Contract of Auction by Consignment, the Company shall have the right to execute in accordance with Article 32 hereof.

32. Delayed Collection of an Auction Property

The Seller shall bear the sole liability for all of the risks and expenses arising in connection with his or her failure to collect an Auction Property by the deadlines specified herein. Where an Auction Property is not put up for auction, the Seller withdraws the Auction Property, the Auction Property is not sold, the Company or the Seller cancels the auction transaction or such other circumstances, the Seller is required to collect the Auction Property in accordance with the provisions hereof but he or she delays in collecting the same, the Company shall have the right to sell the Auction Property by public auction or by other means and under conditions deemed appropriate by the Company after the expiration of the relevant deadline specified herein. If there is any balance remaining after deduction from the sales proceeds of all the losses and expenses (the Seller's Commission and Various Charges calculated for the initial auction, the Seller's Commission and the Various Charges for the subsequent auction, storage fee, insurance premiums, transport costs, notaries' fees, etc.) incurred by the Company arising from the aforementioned circumstances, such balance shall be collected by the Seller himself or herself without interest.

Regardless of whether the Seller delays in collecting the Auction Property or not, if the Seller requests the Company to assist him or her in returning his or her Auction Property, the risks of and charges for such return shall be borne by the Seller, unless otherwise particularly specified and he or she bears the insurance premiums. In general, insurance is not taken out for the transport of the Auction Property.

33. Discretion of the Company

The Company may decide the following matters based on the specific circumstances:

(1) To agree on payment of the Purchase Price subject to special payment conditions;

(2) To transport, store and take out insurance for an Auction Property which has been sold;

(3) To resolve a claim made by the Buyer or the Seller pursuant to the relevant provisions hereof;

(4) To take other necessary measures to collect the amount owed by the Buyer;

(5) If the Company deems it necessary to have an Auction Property authenticated, it may have such authentication carried out. If the authentication conclusion is inconsistent with the condition of the Auction Property as described in the Contract of Auction by Consignment, the Company shall have the right to amend or cancel the Contract of Auction by Consignment; but Article 8(1) hereof shall apply to the accuracy of the description of the Auction Property;

(6) If an Auction Property is reasonably determined by the Company to be a forgery, the Company shall have the right to cancel the transaction of the Auction Property. The Seller shall return to the Company all of the Sales Proceeds relating to the Auction Property, which the Company has paid him or her, within 10 days of receipt of the written notice of cancellation of the transaction issued by the Company, and bear all of the expenses incurred by the Company in connection with the cancellation of the transaction. The Company shall return the Auction Property to the Seller after receiving the entire aforementioned amount from the Seller and all the charges payable by the Seller. If the Company is unable to return the Auction Property to the Seller for any reason beyond the Company's control (including an act by a third party), the Company shall have the right to retain the Sales Proceeds from the Auction Property.

34. Collection of Information and Video Recording

For the purposes of carrying out its auction business, the Company may make audio recordings, video recordings or keep record of any auction process. The Company will also require the Seller to provide personal information or collect relevant information from third parties, and the Seller agrees that the Company may use the aforementioned information to provide him or her auction and related services. The Company is obliged to keep the aforementioned information of the Seller obtained by it confidential. The Company may provide such information to the Company, its divisions, affiliates, subsidiaries, parent company, China Guardian, divisions, affiliates, subsidiaries, parent company of China Guardian for their use to facilitate the Seller's auction by consignment or bidding of an Auction Property, and notify the Seller of the auction, auction activities and related services etc., unless the Seller objects in writing.

35. Copyright

The Seller authorizes the Company to produce photos, illustrations, catalogues, or other forms of video recording, and publication materials in respect of an Auction Property that he or she consigns to the Company for auction, and the Company has the right to utilize it at any time (note: not limited to a particular auction), whether or not such use is for matters relating to the Auction Property or the purpose of the Company in developing the auction business. No one may copy or use any part of the abovementioned photos, illustrations, catalogues or other forms of video recording and publication materials without approval of the Company.

36. Notices

The notifications or notices given by the Company to the Seller pursuant to the Contract of Auction by Consignment and these Conditions, shall, if sent in writing or to the address, email address or fax number or by the Company's client app ("Client App") (hereinafter collectively referred to as "Contact Information") recorded in the Contract of Auction by Consignment and these Conditions, be deemed lawfully given. In the event of a change in the Contact Information, the Seller shall promptly notify the Company in writing. The notices, demands or other communications provided for under the Contract of Auction by Consignment and these Conditions shall be given in writing and served at, or sent to, the Seller's address, email address or fax number (or such other address, email address or fax number as communicated to the other Party by the recipient in writing 7 days in advance) recorded in the Contract of Auction by Consignment and these Conditions. The Company may also give or serve the aforesaid notices, demands or other communications through the Client App.

A notice, demand or other communication given to the relevant Party in accordance with the aforementioned information shall be deemed to be served at the following times:

(1) If served by hand, when delivered to the address of the relevant Party;

(2) If sent by post, the seventh day after the postage date;

(3) If sent by fax, when the sending fax machine confirms the transmission;

(4) If by email, when delivery is confirmed by the email record;

(5) A notice sent by the Company through Client App shall be deemed to be received by the Seller on the date when it is delivered.

37. General Matters

Without the written consent of the other Party, neither Party may grant or transfer any of his, her or its rights and responsibilities under the Contract of Auction by Consignment and these Conditions to a third party.

The Contract of Auction by Consignment and these Conditions constitute the entire contract between the Parties in respect of the subject matter of the Contract of Auction by Consignment and these Conditions, and supersede all previous verbal contracts, written contracts and records on the subject matter of the Contract of Auction by Consignment and these Conditions.

38. Severability

If any provision or part hereof is found to be invalid, unlawful or unenforceable for any reason, the other provisions and parts hereof shall remain valid, and the relevant Parties shall abide by and perform the same.

39. Law and Jurisdiction

(1) These Conditions and related matters, transactions and any disputes arising from, or in connection with, participation in the auction conducted by the Company pursuant hereto shall be governed by, and construed in accordance with, the laws of Hong Kong.

(2) Subject to Article 39.3 below, the Hong Kong courts have exclusive jurisdiction to settle any disputes arising out of or in connection with any auctions conducted by the Company (the "Disputes"). All of the Company, the Seller and the Bidder agree that the Hong Kong courts are the most appropriate and convenient courts to settle the Disputes and accordingly no party will object to submit to the exclusive jurisdiction of Hong Kong courts.

(3) This Article 39.3 is for the benefit of the Company only. The Company shall not be prevented from taking any proceedings relating to the Disputes in any other courts with jurisdiction. To the extent allowed by law, the Company may take concurrent proceedings in any number of jurisdictions.

40. Language

The Chinese language version of these Conditions shall be the governing version and the English language version shall be for reference only.

In the event of a discrepancy between the English language version and Chinese language version, the Chinese language version shall prevail.

41. Ownership of Copyright in the Conditions

These Conditions are formulated and shall be revised by the Company, and the relevant copyrights shall vest in the Company. Without the prior written permission of the Company, no one may use these Conditions in any manner or way to obtain commercial benefits, and shall not take copies of, communicate or store in any searchable system any part hereof.

42. Term of Applicability

Unless otherwise stated in these Conditions, these Conditions shall apply solely to the relevant auction of the Auction Property specified in the Contract of Auction by Consignment. The Company may update these Conditions from time to time. If the Consignor re-appoints the Company, the then applicable Conditions of Business for Seller shall prevail.

43. Right of Interpretation

During routine performance hereof, the right to interpret these Conditions shall be exercised by the Company. In the event of a legal dispute between the Seller and the Company, the right to interpret these Conditions, when resolving the dispute, shall be exercised by the competent court.