

14th October 2014

To : John Norton

Norton Accounting & Taxation Limited (hereafter "Norton")

Accountancy & Taxation Engagement Letter

This is the authorisation and documentary evidence between the "Norton" (the service provider) and us about the services of accountancy, taxation and company affairs.

This is also a pre-estimated fee agreement for us and is subjected to change for the increase of annual inflation and unanticipated events with our business.

Followings define the basic scopes of work rendered by "Norton", our responsibilities under the terms of engagement, and the fees.

Scopes of work

Basic Services: Preparation of annual financial statements

Preparation of income tax returns

Additional Services: GST and PAYE returns

Periodical Financial statements

Annual return to the Companies Office

Unanticipated Services: GST and Income tax Audit

Formation of Companies & Company affairs maintenance

Due Diligence

Ad-hoc report/ letter

Documentation of share transfer

Term of Engagement – Special Purpose Only

We understand that you are not to complete an audit, nor do we wish you to undertake a detailed review of our affairs in order to substantiate the accuracy of our information, and therefore you are unable to provide any assurance on our financial statements.

We understand that your work cannot be relied on to detect error and fraud and that you accept no liability for the accuracy and completeness of the information supplied by us.

We understand that the financial statements will be prepared at our request as Special Purpose accounts for taxation and that you will not be liable for any losses, claims or demands by any third person.

We therefore accept responsibility for the accuracy and completeness of the information supplied which is to be used in the preparation of our financial statements.

We accept responsibility for any failure by us to supply all relevant records and information to you, and therefore you are not liable for any losses or claims whatsoever.

We understand that there are inherent risks wherever advice is to be adopted in relation to tax matters on the ground of information provided to you; we therefore accept the ultimate responsibility for our decision made and your company will not be liable for any losses or claims.

We understand this engagement will continue in effect from year to year unless amended or superseded by our mutual agreement.

Fees

We understand that your fees, which will be billed as the work progresses, are based on the below standard hourly rates plus reimbursement of our expenses.

Principal: \$180.00 per hour

Senior staff: \$120.00 per hour

Junior staff: \$80.00 per hour

An estimated annual fee for year-end financial statements for each location will be around **\$900.00 plus GST**, which is subject to review within 5% per annum due to the cost of inflation;

An estimated annual two-monthly GST preparation fee is **\$500.00 plus GST** or an estimated annual six-monthly GST preparation fee is **\$600.00 plus GST**, which is subject to adjust due to the size of workloads;

An estimated annual income tax return will be around **\$200.00 plus GST** each, which is subject to our mutual agreed price in case there is income tax preparation only;

If an unanticipated or additional service arises, we agree to pay your fees based on above time cost or at our mutual agreed price (if any). All services will be invoiced separately.

Payment methods

We understand that the payment must be made **within 7 days** upon the receipt of a tax invoice for service rendered by your company, and accept that we will personally undertake the entire fee if any defaults.

For non-payment of the service fee rendered, we understand that your company may:

- a.) Charge us interest at a rate of 5% calculated on a daily basis;
- b.) Charge us the cost of recovery or attempting to recover any outstanding debt owed to you;
- c.) Stop doing further accounting work;

Please note that late or non-payment would be a breach of this agreement; as a result, your company has rights to hold up all documents as a professional lien and our tax returns will not be filed to the IRD accordingly. Also, your company will not pass on any information to other service provider until all outstanding fees are cleared.

We further accept responsibility for late filing penalty or use of money interest due to your holding back on our tasks on the ground of any breaches of this agreement.

Cheque Indemnity Authority & Authority to set-off Fees

We authorise "Norton" to deposit cheque(s) from Inland Revenue payable to us (or related entities) into the trust account of Norton Consulting Limited.

We also authorise "Norton" to apply cheque(s) from Inland Revenue payable to us (or related entities) to any unpaid accounting fees charged by "Norton" with relation to us (or related entities)

Termination

We understand we can withdraw this engagement at any time we want to. However, we are still liable for your fees on what you have done for us during the year such as document review, coding, data input, etc.,

We understand that you will cease to act further if:

- a. we fail to pay the fees;
- b. we fail to provide adequate information and instruction;
- c. there is a loss of confidence among us;
- d. a conflict of interest comes to your notice;
- e. it is required by Law;

Authorisation

We hereby appoint and instruct “Norton” as our accountant. This appointment allows you to place us (i.e., we and related entities) onto your agency list and provides you or your agents with the authority to deal all of our taxation affairs with the Inland Revenue Department.

We also authorise Mr. Winson Yiu from “Norton” to file our annual return (if applicable) to the Companies Office and to maintain our company affairs when requires.

This authority from the entities below remains valid until revoked in writing or termination of this engagement with notice.

List of entities including individual and or related parties:

Arcady Trust

Acceptances of Terms and conditions

The above terms and conditions were read and accepted by us.

Name of Signer:

Signed on behalf of the Trust