

CONDITIONS OF PURCHASE

- 1. Applicable Conditions.** The following conditions of purchase shall apply to all contracts between the Company named in the purchase contract overleaf (the "Buyer") and the addressee of such contract (the "Seller") and shall override any terms or conditions referred to by the Seller (in any quotation, tender negotiations or otherwise) unless expressly accepted in writing signed by an authorised representative of the Buyer. Any step by the Seller towards implementation of a purchase contract of the Buyer, or any written acceptance thereof, shall (whether or not any such acceptance purports to incorporate further terms or conditions) be deemed an unconditional acceptance of such contract on these conditions and those on the face of such contract. If the Seller disagree with any terms of the Conditions of Purchase or have any conditions whatsoever, the Seller should not deliver the first batch of the Goods after the receipt of this Purchase Order because the first delivery after the receipt of this Purchase Order is deemed to be an acceptance by conduct. No variation or waiver of, or addition to, these conditions of purchase shall be binding on the Buyer unless expressly confirmed in writing by an authorised representative of the Buyer. No contract placed by the Buyer with the Seller shall be binding on the Buyer unless placed on the Buyer's printed purchase contract form which must be signed by its authorised representative and stamped with its company chop on this Purchase Order. Any instruction of delivery in the form of letters, memo, etc., even if delivery is made will not be paid for. Reference herein to the "Contract" shall be reference to each contract constituted by the Seller's acceptance of a purchase contract of the Buyer and reference herein to "Goods" shall be deemed to include all or any part of the goods described on the purchase contract comprised in each such contract.
- 2. Quantity, Quality and Description.** Without prejudice to the Buyer's statutory or other rights and remedies, the Goods shall (a) be new (unless otherwise specified), (b) conform to quality and description with the particulars stated overleaf, (c) be of sound materials and workmanship and free of any defect whatsoever, (d) conform in all respects to the specifications, drawings, patterns, designs, samples, or other information relating thereto provided or approved by the Buyer, (e) capable of any standard of performance specified overleaf, and (f) be fit for any purpose indicated to the Seller and as intended. Regarding the quantities, the Seller agrees to supply the goods at the stated unit price with quantities as instructed by the Buyer. The quantities may be instructed at different period and quantities may be different than the quoted quantities stated on this Purchase Order. The Seller is deemed to absorb all additional cost.
- 3. Delivery.** The Goods, which shall be at the Seller's risk until delivery, shall be delivered by the Seller at the delivery address, on the date, at the time and in the manner specified overleaf. Time is an essence of this Purchase Order and without prejudice to the Buyer's other rights and remedies, the Buyer may terminate the Contract without liability on its part if the Goods are not delivered at such address, on such date or dates as specified. Such termination may (at the Buyer's option) be in relation to the whole or any part of the Goods (whether already delivered or not). Upon any such termination, the Buyer shall (without prejudice to its other rights and remedies) be entitled to return to the Seller at the Seller's risk and expense any of the Goods already delivered and to recover from the Seller any monies paid by the Buyer (any expenditure reasonably incurred by the Buyer in obtaining replacements) in respect of those Goods for which the Buyer has terminated the Contract. If the Buyer is prevented from taking delivery of the Goods by reason of any strike, lockout, industrial dispute, fire, flood, governmental regulation or other cause whatsoever beyond the Buyer's control, the Buyer shall have the right to suspend delivery of the Goods, without compensation to the Seller.
- 4. Right of Rejection.** The Buyer is entitled to examine the Goods after delivery to, and before acceptance by, the Buyer and to reject any of the Goods if the Buyer considers them defective, and/or not in accordance with the Contract. The Buyer shall notify the Seller of any such rejection and the Goods so rejected shall on and from such notification be in the Seller's risk and shall be collected forthwith by the Seller at the Seller's expense. The Seller shall reimburse the Buyer its costs and expenses involved in handling and inspecting such rejected Goods and shall (at the Buyer's option and without prejudice to the Buyer's other rights and remedies) without delay replace such rejected Goods with Goods which comply in all respects with the Contract.
- 5. The property in the Goods** shall pass to the Buyer upon delivery or part delivery of the Goods to the location specified overleaf but the Goods shall remain at the absolute risk of the Seller until the Buyer shall have inspected or paid for the Goods whichever shall first occur. The Seller warrants that the Goods shall be (immediately prior to delivery) the property of the Seller and free from all liens charges and encumbrances.
- 6. Price and Payment.** The price stated overleaf for the Goods shall be fixed, shall not be subject to any variation (except as accepted in writing signed by an authorized representative, of the Buyer) and shall, unless otherwise stated overleaf, include all costs of materials, packing and protection, transportation, delivery to a designated area on ground level at the delivery address, storage, insurance, taxes, duties, royalties and other expenses of the Seller. Subject to the Goods having been delivered in accordance with the Contract and not rejected by the Buyer, payment for the Goods shall be made as specified overleaf.
- 7. Indemnity.** The Seller shall indemnify and keep indemnified the Buyer against all losses and claims for injury to or death of any person or damage to any properties and losses due to the breach of any clauses of this Contract by the Seller which may arise out of or in connection with the Seller or the Goods and against all claims, demands, proceedings, damages, costs, charges and expenses whatsoever in respect thereof or in relation thereto. The Seller shall make good or, at the option of the Buyer, shall pay to the Buyer the cost of making good any damage, loss or injury which may occur to any work or property of the Buyer or other parties and shall compensate the Buyer for any damage, loss or injury which may occur to the Buyer, its employees, agents or other sub-contractors of the Buyer, arising out of or in connection with the Seller or the Goods.
- 8. In addition to clause 7,** the Seller shall indemnify and keep indemnified in full the Buyer against any expense, liability, loss, claims and proceedings whatsoever arising under any statute or at common law (including without limitation those in respect of personal injury or the death of the Buyer employees, workers, sub-contractors and any other third parties and those contributed or caused by the negligence of the Buyer, its employees, agents or servants) arising out of or in connection with the Purchase Order and delivery and transportation in whatever nature and area. Also, the Seller is responsible for giving written notice promptly to the Buyer in case of accident of personal injury or death happened in relation to the Buyer's worker and/or his works. If the Seller fails to give notice the damages incurred by the Buyer shall be all borne by the Seller, in any event, notwithstanding any provisions in the contract. The Seller shall be deemed to have allowed for the costs of such risks in the price of Purchase Order.
- 9. Infringement of Patents, etc.** The Seller warrants that its sale to the Buyer and the use or sale by the Buyer of the Goods do not and will not constitute an infringement of any patent, registered design, trade mark, trade name or other intellectual property right and the Seller shall indemnify the Buyer from and against all cost, claims, demands or proceedings in respect of any such infringement or alleged infringement.
- 10. Statutory Regulations and Safety.** The Seller warrants that the Goods (and their quality, construction, manufacture and design) comply in all respects with all relevant requirement of any statutory rule or regulation or other instrument having the force of law (in each case in force at the time of delivery) and that the Goods will be safe and without risk to health when properly used. Acceptance of the Goods by the Buyer shall not be deemed an admission by the Buyer that the Goods comply with such requirements. All drivers, delivery staff & representatives of Seller shall possess Valid CITA Green Card before allowance is given to enter construction site.
- 11. Assignment.** The Buyer reserves the right to assign the benefit of its rights under the Contract to any person, firm or company (including any to whom the Buyer sells or transfers the Goods). The liability of the Seller under this Purchase Order shall thereafter be novated to any such assignee and the Seller agrees that it shall not in any way seek to terminate or withhold performance of its obligations under this Purchase Order on the grounds of any such assignment.
- 12. Termination.** The Buyer may, without prejudice to its other rights and remedies (including under Condition 3 above) and without incurring any liability to the Seller, terminate the Contract in respect of all or any of the Goods (whether delivered or not) summarily by notice in writing if (a) the Seller commits a serious breach or, after due warning, continues, any breach of its obligations under the Contract, or; (b) any distress, execution or other legal process is levied upon any of the Seller's assets, or; (c) the Seller makes any arrangement or composition with its creditors, or commits an act of bankruptcy or (being a corporation) enters into liquidation or has a winding up petition presented against it, or suffers the appointment of a receiver in respect of all or any part of its undertaking or assets.
- 13. Waiver Failure by the Buyer** at any time to enforce any of the provisions of the Contract or to answer any counter-offer by the Seller shall not be construed as a waiver by the Buyer of such provisions or any other provision of the Contract. If any condition in this Contract is held to be invalid, it will not affect the other conditions or the completeness of the Contract.
- 14. According to the Rules for Administration of the List of Approved Contractors for Public Works,** the Buyer has advised the Seller that it is not allowed to offer or give any advantage or excessive entertainment to any of the Government employees or members of their family, or to solicit or accept any advantages or excessive entertainment from other agents in relation to the Goods supplied under any Public Works Contract. The Seller shall indemnify and keep indemnified the Buyer from all damages, losses and expenses, direct and indirect, which may result from any breach of the Prevention of Bribery Ordinance.
- 15. Proper Law.** The provisions of the Contract shall be construed and take effect in all respects in accordance with the laws of Hong Kong Special Administrative Region.
- 16. Any dispute or difference** arising of or in connection with this Purchase Order shall be resolved by Mediation under the Rules of HKIAC first and if fail, shall be resolved by Arbitration under the relevant Law of HKSAR.
- 17. Notwithstanding any other provisions of this Purchase Order,** nothing in this Purchase Order confers or purports to confer any right to enforce any of its items on any person or entity who is not a party to this Purchase Order, pursuant to the Contracts (Rights of Third Parties) Ordinance (HK) or otherwise.