

TERMS AND CONDITIONS OF PURCHASE

1. General

Optiled Holdings Company Limited or any successor is hereinafter termed the Buyer. The Person, Firm or Company supplying the goods and/or services is hereinafter termed the Seller.

2. Validity of Purchase

- (a) No order is valid unless made out on the official purchase order form of the Buyer and including these terms and conditions (the "Purchase Order"). The Buyer will not be responsible for payment for any goods and/or services supplied unless the Purchase Order can be provided.
- (b) The provisions or conditions of the Seller's Sales contract, if any, shall not be binding on the Buyer and shall not be applicable.

3. Agreement to Buy

The Seller agrees to sell and the Buyer agrees to purchase the goods and/or services described in the Purchase Order for the purchase price set forth therein, and upon these terms and conditions.

4. Order Acknowledgement

Orders must be acknowledged by the Seller completing and returning the acknowledgement of order slip. The Buyer reserves the right to cancel the order, without any liability to the Seller, if such acknowledgement is not received by the Buyer within seven days.

5. Prices

- (a) The prices specified in the Purchase Order are net prices to the Buyer after allowing for all trade discount, and shall include the cost of transport, insurance, containers, packing, packaging materials and customs or other duties or taxes, unless stated otherwise.
- (b) All prices quoted by the Seller are to remain firm unless otherwise agreed in writing by the Buyer.

6. Inspection

Before despatching the goods, the Seller shall carefully inspect and test them for compliance with the Purchase Order. The Buyer is entitled to inspect and test the

goods during manufacture, processing or storage. Goods supplied not in conformity with the Purchase Order will be returned.

7. Delivery

- (a) The goods supplied against this order must be packed and delivered in accordance with the instructions, if any, typed on the Purchase Order. Time shall be of the essence as regards delivery to the Buyer. Buyer reserves the right to reschedule all or part of the shipment within 30 days notice.
- (b) On or before delivery, Seller should give at least 2 days delivery notice to Buyer. The Seller must ensure that delivery notes must accompany deliveries. Delivery notes must show the order number, quantity of goods and/or services, description of goods and/or services to be provided and the Seller's name.
- (c) Partial deliveries or delay in completion of this order will not be accepted without the prior agreement in writing of the Buyer.
- (d) Buyer reserves the right to cancel order for any deferred delivery of 4 weeks or more, unless otherwise stated.
- (e) Seller shall be liable for all losses arising from late or deferred delivery.

8. Acceptance of Goods and/or services

All deliveries of goods and/or services shall be subject to inspection and shall not be deemed to have been accepted until the Buyer has furnished the Seller with a formal acceptance notice or the lapse of 28 working days after the physical receipt of the goods and/or services by the Buyer. The signing of the Delivery Note by the Buyer is not deemed to be acceptance. Any goods rejected by the Buyer whether under this Clause 8, Clause 13 or otherwise shall on the request of the Buyer be taken back by the Seller without delay and at its entire cost and the Buyer shall be entitled to charge the Seller for storage of the rejected goods prior to their recovery by the Seller.

9. Title and Risk of Loss or Damage

Title of the goods shall pass to the Buyer from the Seller when the goods are delivered against the Purchase Order to the receiving personnel of the Buyer or any other authorized person. The Buyer shall not be responsible for the risk of loss or damage to the goods which are delivered from the Seller to a carrier whether by land or sea or air.

10. Sellers' Warranties

Notwithstanding any inspection, acceptance or delivery of the goods by the Buyer pursuant to Clauses 6, 8 and 9 above, the Seller warrants and undertakes to the Buyer that: -

- (a) The Seller has good and marketable title to the goods free of any third party rights, interests or other encumbrances, including retention of title rights.
- (b) The goods are of good and merchantable quality, free from latent or patent defects, and are fit for the purpose for which goods of that description are commonly used.
- (c) The goods comply with all applicable statutory requirements and do not infringe any patent, trademark or other intellectual property rights. The Seller will indemnify the Buyer from and against all liability, claims, demands, actions, costs and damages arising out of or in connection with any infringement or alleged infringement or non-compliance with statutory requirements.

11. Warranties and Maintenance

Without prejudice to and in addition to the warranties given under Clause 10 above, the Seller further warrants that the goods delivered shall be new and free from defects, whether latent or patent, in materials and workmanship for a period of 12 months after acceptance by the Buyer. The Seller undertakes to replace any defective goods, spare parts and components or, at the election of the Buyer, make good all defects in the goods as soon as possible free from all costs to the Buyer including transport charges.

12. Sellers' Obligations

If in the provision of services any employee, agent or contractor of the Seller is required to attend the premises of the Buyer he shall give notice in advance and during his presence in the premises will respect the confidentiality of the Buyer's activities and comply with all directions, including as to compliance with security and safety requirements, given to him by the personnel of the Buyer.

13. Default

- (a) Without prejudice to its other rights under the Purchase Order or in law, if the goods and/or services fail to comply with terms and conditions laid down in the Purchase Order, the Buyer may without any notice cancel the order, reject the goods and/or services and/or claim damages or any other relief from the Seller. The Buyer also reserves the right to purchase the ordered goods and/or services on the open market, provided always that if the goods and/or service ordered are not available in the open market, the

Buyer shall have the absolute right to purchase equivalent or similar goods and/or services from any other supplier or suppliers in the open market. In such event, the Seller will be responsible for any additional charges incurred in the provision of such goods and/or services.

- (b) Without prejudice to the specific indemnity in Clause 10 (c), the Seller will indemnify the Buyer for all loss or other liability whatsoever arising from the supply of goods and/or services under this order, whether arising directly or indirectly from any breach by the Seller of the terms and conditions laid down in the Purchase Order or from any negligent or wrongful act or omission on the part of the Seller, or his contractors, subcontractors or agents.

14. Force Majeure

The Seller shall not be responsible for any failure to ship the goods and/or provision of services, or any part thereof which may arise from an event of force majeure, being acts of God, fires, explosions, strikes, lockout, riot, threat or existence of war, blockades, embargoes, or any other causes beyond the reasonable control of the Seller provided that any failures or default of any supplier or contractor of the Seller with regard to the provision of the goods and/or services, or any part hereof, shall not constitute a cause beyond the reasonable control of the Seller. The Seller shall notify the Buyer of an event of force majeure by telex/cable/fax or telephone within three (3) days from the date of actual occurrence of the event and the Buyer may exercise the right to cancel the order in its entirety or in part whether for partially delivered orders or orders yet to be fulfilled.

15. Assignment

The Seller shall not be entitled to sub-contract or assign the supply of goods and/or services to be provided under the Purchase Order without the prior written consent of the Buyer.

16. Copyright

The Buyer has the "Copyright" of the design of the Buyer's logo and the Buyer only authorizes the Seller to produce the goods and/or provision of services during the terms of this agreement for the sole purpose of fulfilling this order. The Seller acquires no right to the design by its use and may consequently only use it for the duration of this agreement and to the extent specified by the Buyer. The Buyer shall have the sole and exclusive right in its sole discretion to bring legal actions against the Seller for "Copyright" infringement by the Seller.

17. Entire Agreement

This Purchase Order constitutes the entire agreement between the parties relating to the supply of the goods and/or services identified herein and replaces and supersedes any other agreement, written or oral, between the parties. Any amendment to the Purchase Order must be made in writing and duly signed by the both parties.

18. Law Applicable

The Purchase Order and any disputes between the Buyer and Seller arising out of the supply of goods and/or services hereunder shall be subject to and construed in accordance with the laws of Hong Kong and subject to the jurisdiction of the courts of Hong Kong of Special Administrative Region.

19. Confidentiality

- (a) The Seller shall treat as confidential all information and data supplied by the Buyer for the execution of the Purchase Order. Such matters shall be assigned only to Seller's representative or staff on a very restricted basis, limiting to those immediately engaged in the performance of the Purchase Order.
- (b) The Seller shall not at any time divulge, disclose or otherwise furnish to any third party any information relating the Buyer's affairs or business or confidential information concerning the Buyer.