

Point Well Investment Limited

Terms and Conditions of Sales Order

1. Definitions

Goods: means the subject matter agreed to be supplied by PWI to its purchaser under a Sales Order.

PWI: means Point Well Investment Limited

Purchaser: means the Purchaser named in a Sales Order

Sales Order: means a Sales Order issued by PWI to a Purchaser

2. Unless there is express reference in the Sales Order to other documents or unless reference to other documents is necessary for proper identification of the Goods or specifications thereof, the Sales Order contains all the terms and conditions of the sale and purchase of the Goods subject to these Terms and Conditions of Sales Order and supersedes all previous communications, agreements, documents and mutual understanding, verbal or written, between PWI and the Purchaser.
3. For Goods which are required to be produced in accordance with specific design, sample or specifications provided by the Purchaser, the Purchaser warrants that the Purchaser is either the rightful owner of all intellectual property rights or having proper authority of the rightful owner thereof to obtain supply from PWI.
4. Save and except the Goods the intellectual property rights of which are owned by PWI, the Purchaser agrees to indemnify and keep indemnified PWI against all loss and damages suffered by PWI arising from claims and demands for infringement of intellectual property rights in respect of the Goods.
5. PWI shall have the right to receive from the Purchaser, by way of increase in the purchase price in the Sales Order or by way of separate invoice for additional charge, the additional cost of PWI incurred after the date of the Sales Order by reason of sudden increase of cost of material or component used by PWI for the purpose of the Goods, and/or by reason of PWI accomodating the Purchaser's request for change of delivery schedule and quantity shipped in a delivery, or change of specifications of the Goods, and/or by reason of the Purchaser's delay in providing necessary information to PWI so as to enable PWI to meet the agreed delivery schedule.
6. If the Purchaser shall fail to take delivery of the Goods or shall fail to give the necessary instructions to

PWI to enable PWI to arrange for delivery of the Goods, PWI shall, without prejudice to PWI's rights to damages and other remedies against the Purchaser, be at liberty to grant an extension of the delivery date in which event the Purchaser shall be responsible for and shall reimburse PWI all storage and other charge thereby incurred, or to terminate the contract between PWI and the Purchaser under the Sales Order. In the event that PWI shall terminate the contract between PWI and the Purchaser under the Sales Order, PWI shall have the right to sell to a third party the Goods not yet delivered to the Purchaser without prejudice to PWI's right to recover damages from the Purchaser.

7. The risk of loss of and damages to the Goods passes onto the Purchaser when the Goods are collected from PWI or PWI's agent or representative by the Purchaser or the Purchaser's designated transportation agent or representative, or as the case may be when the Goods are delivered by PWI or PWI's transportation agent to the place of delivery designated by the Purchaser.
8. The Purchaser shall have no claims against PWI whatsoever and shall indemnify and keep indemnified PWI against all loss and damages suffered by PWI in respect of any design defect in the Goods where the design is provided by the Purchaser, or in respect of mistake or misdescription in drawings or in specifications provided or designated by the Purchaser, or in respect of the Purchaser's choice of components or materials.
9. PWI shall not be responsible to the Purchaser or any other party for loss and damages caused by
 - (a) use of the Goods not in accordance with Seller's instructions;
 - (b) damage to the Goods caused by the wilful act, omission or negligence of the Purchaser or the Purchaser's successor in title or agent; or
 - (c) defect in parts, components or materials supplied by the Purchaser to PWI for the production of the Goods.
10. The Purchaser shall be deemed to have accepted the Goods and shall have no right to claim PWI against any defect in quality or physical condition of the Goods if the Purchaser does not notify PWI of such defect and claim within a reasonable time not exceeding 14 days after (i) the date when the Purchaser shall first have the opportunity to inspect and examine the Goods, or (ii) the date when the Goods shall have been either collected by the Purchaser or the Purchaser's designated transportation agent or representative, or delivered to the place of delivery designated by the Purchaser, whichever date is the earlier.
11. Upon PWI receiving a valid claim from the Purchaser or defect in the Goods for which PWI is responsible, PWI may elect to
 - (a) replace at PWI's own cost and transportation expenses the defective Goods; or
 - (b) to refund the price (if payment has already been made) of the defective Goods to the Purchaser

and the Purchaser shall have no further claim against PWI.

12. (a) The Goods supplied by PWI to the Purchaser shall remain the sole and absolute property of PWI until the Purchaser shall have paid the price of the Goods in full together with the full price of all other goods that have been supplied by PWI to the Purchaser.

(b) The Purchaser acknowledges that upon receiving the delivery of the Goods by the Purchaser or the Purchaser's agent or designated representative, the Purchaser is in possession of the Goods as bailee for PWI until the Purchaser shall have paid the price of the Goods in full together with the full price for all other goods supplied by PWI to the Purchaser.

(c) Until such time as the Purchaser shall have acquired the property in the Goods pursuant to the terms hereof, the Purchaser shall hold the proceeds of further sale by the Purchaser of the Goods on trust for PWI.
13. PWI shall have right of lien on and over all tools, mouldings, toolings and testing devices and equipments provided by or made at the direction and cost of the Purchaser against full payment of all sums due from the Purchaser to PWI.
14. In the event that the Purchaser fails to make punctual payment of the invoice or debit note of PWI, PWI shall have the right to withhold further delivery of the Goods to the Purchaser under the same or other Sales Order(s) of PWI to the Purchaser until all overdue payments are received by PWI. PWI shall not be responsible for any loss or damages of the Purchaser arising from PWI's lawful exercise of its right to withhold delivery of the Goods herein beyond original delivery schedule.
15. In the event that the Purchaser (a) makes any voluntary arrangement with its creditors (being an individual or firm), or (b) becomes bankrupt (being a company), or (c) becomes subject to an administration or receiving order, or (d) goes into liquidation (otherwise than for the purposes of amalgamation or reconstruction), or (e) suffers an encumbrancer of the Purchaser to take possession of all or any of the property or assets of the Purchaser, or (f) ceases or threatens to cease to carry on business, PWI shall be entitled to cancel all uncompleted Sales Orders and to cease any further deliveries under all Sales Orders without any liability to the Purchaser without prejudice to any other right or remedy available to PWI and all outstanding payment due from the Purchaser to PWI under all Sales Orders to the Purchaser shall become immediately due and payable to PWI notwithstanding any previous agreement or arrangement to the contrary.
16. This Sales Order shall be governed by the laws of Hong Kong.