



General Terms and Conditions of Trustful's Purchase Orders

1. Interpretation

'Hong Kong' means the Hong Kong Special Administrative Region of the People's Republic of China.

'Trustful' means **Trustful Construction Company Limited** and **Trustful Engineering & Design Limited** whichever is stated in the purchase order.

'Receiving Officer' means the officer in Trustful to which any goods are to be sent and services are to be provided or such other officer as he may authorize to accept delivery thereof.

'Supplier' means the supplier to whom this purchase order is issued.

2. Order Acceptance

Upon delivery of this purchase order to Supplier, Supplier is bound by the terms set out in the purchase order, these General Terms and Conditions.

3. Assignment

Supplier shall not, without the written consent of Trustful, assign or otherwise transfer this purchase order or any part, share or interest therein and the performance of this purchase order by Supplier shall be deemed to be personal to it.

4. Quality, Specifications and Proof Notes

(a) Goods and/or services delivered by Supplier shall be of the qualities and sorts described and equal in all respects to any specifications and drawings mentioned in this purchase order or to any specifications, drawings or samples supplied by Supplier and approved by Trustful.

(b) Any drawings and specifications reasonably required for Supplier's guidance in the execution of this purchase order shall be furnished to it free of charge but shall be returned to Trustful on completion of this purchase order.

(c) If required Supplier shall furnish Trustful with a proof note or certificate showing that ordered goods have been subjected to normal tests for such goods or such tests as Trustful may reasonably require.

5. Delivery

(a) Supplier shall supply and deliver goods and/or services to the ship-to-location on or before the delivery date(s) specified in this purchase order unless otherwise instructed or agreed by Trustful. Time shall be deemed to be the essence of this purchase order. Delivery shall be completed within 14 days in case no delivery date is specified in this purchase order.

(b) Each delivery shall be marked with Trustful's purchase order number and made with delivery note and packing list. Supplier shall ensure that a receipt thereof is received from the Receiving Officer of Trustful but such receipt shall not constitute an acknowledgement that goods therein mentioned are acceptable or satisfactory.

6. Packaging and Conveyance

Supplier is responsible for adequate packaging and suitable transportation of goods to ensure those goods will arrive at Trustful site or any specified ship-to-location in good condition and without defects.

7. Inspection and Acceptance

All goods and services will be subject to inspection and/or testing for acceptance by Trustful after delivery.

8. Rejection

(a) Without prejudice to any statutory rights, Trustful may reject any delivered goods (including services) which are found to be defective, damaged, spoiled, soiled or not complying with order specifications.

(b) Within 48 hours of being notified in writing of the rejection of any goods delivered, Supplier shall remove the same at its own risk and expense.

(c) Within 3 days of being notified in writing that the delivered goods are unacceptable, Supplier shall replace all rejected goods with satisfactory goods complying with order specifications. If replacement goods have to be obtained from sources outside Hong Kong, Supplier must advise Trustful the earliest date when replacement goods will arrive at Trustful site. Trustful reserves the right to apply to Clause 11 stipulated below in the event that replacement goods cannot be delivered within the 3 days period referred to above and the goods are urgently required for operations of Trustful.

9. Empties

No return of empties to Supplier will be made unless it is expressly stated in this purchase order or otherwise agreed by Trustful and all costs incurred for the return will be paid by Supplier. Trustful shall not be responsible for the loss or damages of such empties whilst under its control.

10. Payment for Goods/Services

Supplier shall send certified invoices to Trustful stating Trustful's purchase order number, particulars and quantities of goods and/or services delivered, unit prices, applicable discounts and net payment due. Payment will be made to suppliers within 60 days from receipt of invoices and acceptable goods and/or services unless otherwise specified in the purchase order.

11. Default and Termination of Order

If Supplier fails to deliver all or any ordered goods and/or services on or before the specified delivery date or as otherwise provided in Clause 5 above, or in accordance with Clause 4(a) above, Trustful may at its absolute discretion cancel the whole or any part of this purchase order by notice in writing to Supplier but without prejudice to any claims to Supplier for breach of Contract including but not limited to the right of Trustful to procure any ordered goods and/or services then outstanding from any other source and Supplier shall be liable for any sums so incurred in excess (hereinafter called "Any Excess") of the order prices.

12. Deposits

(a) Any sum deposited by Supplier may be applied by Trustful against Any Excess arising by virtue of termination under Clause 11 above and accordingly the balance (if any) thereof shall not be returnable to Supplier until the date when but for such termination the contract would have expired.

(b) The provision of sub-clause (a) of this Clause shall apply equally in the case of termination, without lawful excuse, of this purchase order by Supplier.

(c) The application of any deposit as aforesaid shall be without prejudice to the right of Trustful to recover from Supplier Any Excess not wholly absorbed by the said deposit.

13. Warranties

Supplier shall warrant for a period of 12 months from the date of acceptance or any other specified periods agreed by Trustful that all goods and/or services furnished pursuant to this purchase order are:

(a) free from defects in design, material and workmanship;

(b) suitable and fit for the purposes intended whether express or reasonably implied;

(c) in conformity with the drawings, specifications, samples or other descriptions applicable thereto; and

(d) in conformity with all other requirements of this purchase order. If any goods and/or services are found not to conform to the warranty requirement, Trustful may, in addition to any other remedies at law or in this purchase order, return such goods to Supplier, and/or reject such services, at Supplier's expense, for correction, replacement or credit, as Trustful may direct.

14. Recovery of Sums Due

Whenever under this purchase order any sum of money shall be recoverable by Trustful from or payable by Supplier, the same may be deducted from any sum then due or which at any time thereafter may become due to Supplier under this or any purchase order, agreement or contract with both Trustful Construction Company Limited, Trustful Engineering & Design Limited and Trustful (Façade) Engineering Limited.

15. Liability for Damages or Compensation

(a) Trustful shall not be liable for or in respect of any damages or compensation under the Fatal Accidents Ordinance, the Employees' Compensation Ordinance, or at Common Law by or in consequence to any accident or injury to any workman or other person whether in the employment of Supplier or any subcontractor and Supplier shall indemnify and hold Trustful harmless against and from any and all claims, demands, proceedings, costs, charges and expenses whatsoever in respect thereof or in relation thereto.

(b) Supplier shall effect a policy of insurance against all claims, demands or liability in pursuance of this purchase order with an insurance company and shall continue such insurance for the duration of this purchase order.

(c) Supplier, Supplier's agents or Supplier's contractors shall at all times be responsible and liable for damage to property of Trustful or of any of its employees or agents or any injury to or death of any employee or agent of Trustful arising out of their actions.

16. Bankruptcy

Trustful may at any time by notice in writing summarily terminate this purchase order without entitling Supplier to compensation in any of the following events:

(a) If Supplier shall at any time be adjudged bankrupt, or shall have a receiving order or orders for administration of Supplier's estate made against Supplier or shall take any proceedings for liquidation or compensation under the Bankruptcy Ordinance for the time being in force, or make any conveyance or assignment of Supplier's effects or composition or arrangement for the benefit of Supplier's creditors, or purports so to do; or

(b) If Supplier, being a company, shall pass a resolution or the court shall make an order for the liquidation of Supplier's assets, or a receiver or manager shall be appointed on behalf of the debenture holders or circumstances shall have arisen which entitle the court or debenture holders to appoint a receiver or manager.

Provided always that such determination shall not prejudice or affect any right or action or remedy which shall have accrued or shall accrue thereafter to Trustful.

17. Patents and Copyrights

Supplier shall warrant that goods and/or services supplied under this purchase order do not infringe upon the patent or copyright of any third party. In the case of any claim or action

brought against Trustful, its employees or agents alleging infringement of any patent or copyright in respect of the goods and/or services supplied pursuant to this purchase order, Supplier shall indemnify and hold Trustful, its employees and agents harmless against all costs and damages arising out of such alleged infringement and undertake to defend or settle such claim or action at the expense of Supplier.

18. Intellectual Property Rights

Trustful shall be the sole proprietary owner of and has control or the right to use all materials including but not limited to files, discoveries, development, designs, drawings, specifications, tracings, diagrams, flow-charts, samples, data, marketing plans or techniques, software programs, tapes, technical, financial or business information, artworks, photos and films (the "Deliverables") produced under this purchase order by Supplier. All Deliverables should be returned to Trustful immediately upon the termination of this purchase order or completion of the services rendered under this purchase order.

All materials supplied by Trustful (the "Materials") under this purchase order remain the property of Trustful. Supplier shall be responsible for the due return of the Materials upon termination of this purchase order or completion of the services rendered under this purchase order. Should any Materials be lost or damaged from any cause whatsoever while in the possession or control of Supplier or its employees, officers, representatives, sub-contractors or agents, Trustful shall have right to claim Supplier for the original cost of the Materials and all costs and damages incurred as a result of the loss of the Materials.

Supplier shall keep the Materials supplied by Trustful and the Deliverables supplied to Trustful confidential, and shall not divulge or communicate to any person the Materials or Deliverables including but not limited to the business or affairs of Trustful and shall use its best endeavours to prevent any unauthorized disclosure of such information and undertake not to use or reproduce such Materials and Deliverables by itself, its employees, officers, representatives, sub-contractors, agents and clients without the prior written consent of Trustful save and except for the rendering of service under this purchase order. Any unauthorized use of such Materials and Deliverables shall be construed as a material breach of this purchase order, and Trustful shall have the right to claim Supplier for all benefits gained by Supplier, and/or the loss of benefits to Trustful resulting from such unauthorized use.

19. Risk of Loss

Notwithstanding any other term of this purchase order or inference therefrom, the risk of loss to goods ordered shall be upon Supplier until the goods are received and accepted by Trustful.

20. Exclusion of Third Party Beneficiaries

Nothing in this purchase order, express or implied, is intended to or shall confer upon any person other than the contracting parties hereto any right, benefit or remedy of any nature whatsoever under or by reason of this purchase order. The Contracts (Rights of Third Parties) Ordinance shall not apply to this purchase order.

21. Supplier's Conditions

Any terms and conditions imposed by Supplier which are inconsistent with or additional to the terms and conditions stated herein shall not be binding upon Trustful unless expressly accepted in writing by Trustful.

22. Disputes and Applicable Law

(a) If any dispute arises between Trustful and Supplier in reference to the performance of this purchase order, or any part thereof, Trustful or Supplier may forthwith give to the other party written notice requiring the matter to be referred to a single arbitrator, in accordance with the procedures governed by the Arbitration Ordinance, whose decision shall be final, and binding on the parties.

(b) The costs of such reference shall be in the discretion of the arbitrator.

(c) This purchase order shall be governed by and construed in accordance with the laws of Hong Kong.