

General Conditions of Sales Contract Chen Hsong Europe After called "Seller".

1. **Specifications.** The Goods shall be functioning according to the Specifications expressed in the appropriate documentation provided by the Seller. The Buyer shall take all necessary measures to convince himself that the Goods will satisfy his needs and will be fit for the Buyers purpose and/or needs/ and /or requirements. The Seller is under no obligation to investigate the Buyers purpose and/or needs/ and /or requirements and/or intentions. Only in case of a clear and evident discrepancy between the expressed purpose and/or needs/ and /or requirements and/or intentions on the part of the Buyer and the specifications of the Goods as known to the Seller, the Seller shall warn the Buyer in writing of this discrepancy. By entering into this Contract, the Buyer indicates its acceptance of fitness of the Goods for the purpose for which the Buyer requires them.
2. **Variation :** This Contract is the only and entire agreement between the Seller and the Buyer and supersedes all previous agreements whether oral or in writing and signed on their behalf. All implied terms, conditions and warranties relating to the quality and/or fitness for purpose of the Goods are excluded. No relaxation, forbearance, delay or indulgence by the Seller in enforcing any term or condition of this Contract or the granting of time by the Seller to the Buyer shall prejudice affect or restrict the rights and powers of the Seller hereunder nor shall any waiver by the Seller of any breach hereof operate as a waiver of any subsequent or continuing breach hereof.
3. **Payment :** Unless otherwise agreed upon explicitly in the Sales Contract, the Buyer shall establish at signing of the Sales Contract an irrevocable and confirmed letter of credit, which shall refer to this Contract by number, with a prime bank in favour of the Seller or other party designated on face of this Contract to be maintained for not less than 30 days after the latest date the Goods are required to be available for delivery and which shall provide that all payments be made to the order of the negotiating bank for partial availments against partial deliveries and shall authorize reimbursement to the Seller for such sums as may be advanced by the Seller for inspection fees and other expenditures made by the Seller for account of the Buyer. In case the Buyer is allowed a term within he has to establish the Letter of Credit and the Buyer fails to do so in due time and in the form agreed by the Seller, the Seller may cancel this Contract and the Buyer is bound to reimburse the Seller for any loss sustained from such cancellation. No cash should be tendered to any representative of the Seller and the Buyer shall be liable for all losses and costs incurred by the Seller for non-compliance by the Buyer in this respect.
4. **Delivery Date :** The date of delivery of the Goods stated in the Sales Contract is for Seller intended to be an estimate only , unless a firm date for delivery is explicitly agreed upon in the Sales Contract. Delivery shall be suspended with the term meant in Clause 3 for the establishment of the Letter of Credit and any granted prolongation of that term. In case a firm date for delivery is explicitly agreed upon in the Sales Contract itself, this will nevertheless be subject to prolongation when no shipping space is available in case of delivery C&F or CIF.
5. **Delay in Payment or Taking Delivery :** Goods not paid by due date or not accepted for delivery by the Buyer within the time stipulated for delivery are subject to payment of interest by the Buyer to the Seller at the rate of 2% per month from the due date until payment and all godown and storage charges, insurance premium, and other charges in respect thereof from the stipulated date of delivery until payment. The Seller may cancel this Contract without notice if the Buyer fails to pay the purchase price in full or take delivery of the Goods within 30 days after the stipulated time. Provided always that such cancellation shall not prejudice or affect any right or cause of action or remedy which shall have accrued or shall accrue thereafter to the Seller.
6. **Delivery by Installments :** If the Contract provides expressly or impliedly for delivery (or shipment) by installments, each installment will be deemed to be the subject matter of a separate contract. The Buyer will not be entitled to withhold or refuse payment in strict accordance with this Contract for the Goods or any installment thereof by reason of any claim which it may have against the Seller in respect of any other installment of this Contract or any other contract between it and the Seller. If this Contract provides for delivery by installments and if the Buyer fails to make due payment for any installment the Seller will be entitled to withhold delivery of any further installment until payment has been made and at any time until such payment is made to treat the whole Contract as wrongfully repudiated by the Buyer and recover such loss as it may thereby have suffered. In the event of the Seller so withholding delivery, it will be entitled to recover from the Buyer any loss or expense which it thereby incurs. If the Buyer fails to accept delivery or pay for the Goods or any installment thereof in accordance with the terms of this Contract the Seller will have the right to dispose of such Goods or installment or any part thereof at such time, in such manner, and upon such terms as it may consider fit and recover from the Buyer any loss it

may thereby suffer. The rights given to the Seller by this condition will not affect its rights at law as an unpaid seller. The Seller shall be entitled to withhold delivery under this Contract if the Buyer fails to make due payment under any other contract between the parties hereto.

7. **Shipping Space** : Shipment within time stipulated is subject to freight being available. In case of a FOB contract, the Buyer is bound to provide necessary shipping space. If the Buyer fails to furnish details or shipping instructions required, the Seller may give the Buyer not less than 30 days' notice to remedy such failure. In case establishment of a Letter of Credit has not been stipulated in Sales Contract, Seller is entitled to stipulate in such a notice the same as condition for shipment or sending of the Goods or the portion of the contract affected. Unless such failure is remedied by the Buyer and such a Letter of Credit is established within the time stated in the notice, the Seller shall have the right in addition to all other rights, either to (a) dispose of the Goods for the Buyer's account and at the Buyer's risk and charge the Buyer the full invoice price thereof less the net proceeds of disposition, or (b) cancel the portion of the contract affected, or (c) make shipment in any reasonable manner. Under FOB contracts and any contract in which the purchase price does not include freight, any service rendered by the Seller to the Buyer in the matter of finding or booking shipping space will be rendered without any liability of the Seller in the event of its failing to find or obtain the same or the ship not being available or not accepting the Goods. All sea freight contracts will be made in accordance with the prevailing and relevant Conference Rules. The Seller will not be responsible for the arrival of the Goods at destination by any particular date unless it has expressly undertaken in writing to be so responsible.
8. **Import Documentation** : The Buyer shall be responsible for the preparation of all import documents and customs clearance arrangement for the delivery of the Goods. If there is any delay in preparation of import documents or customs clearance arrangement due to the fault of the Buyer which leads to the Goods' stopover, hold-over in customs or the resulting return of the Goods back to the port of origin, any expenses, including but not limited to godown or storage charges, insurance premium, transportation charges and labour costs, arising therefrom shall be borne by the Buyer.
9. **Risk** : In all contracts providing for shipment on ship or plane or vehicle or posting by the Seller, the Goods will be at the sole risk of the Buyer forthwith upon such shipment or posting. The Seller shall be under no other obligation than to give the Buyer notice of shipment or sending. If the Goods are damaged or destroyed or lost, in whole or in part, for any reason, while in the possession of or being used by the Buyer or any carrier and before payment in full therefor, and the Seller suffers any loss by virtue thereof, then the Buyer agrees to indemnify and hold harmless the Seller for any such loss. If any such loss is covered by insurance to which the Buyer is a beneficiary and/or recourse by the Buyer against any other party, then any such claim and any proceeds payable with respect thereto shall automatically vest in the Seller.
10. **Title to Goods** : The title to the Goods sold under this Contract remains with the Seller until the full amount of the purchase price is paid. If the Buyer is in possession of the Goods before full payment aforesaid, the Buyer shall hold the Goods in trust for the Seller until full payment is made and shall not make any modification or remodeling on the Goods, and shall keep the Goods separate from those of the Buyer and third parties and properly stored, protected and insured and identified as the Seller's property. If the Buyer should sell the Goods or any part thereof at any time before full payment, the Buyer shall be deemed to have sold the Goods as agent for the Seller and shall hold the proceeds of such sale in trust for the Seller. In addition to any right of lien to which the Seller may by law be entitled the Seller shall be entitled to a general lien on all goods of the Buyer in the Seller's possession (although such goods or some of them may have been paid for) for the unpaid price of any other goods sold and delivered to the Buyer by the Seller under any contract.
11. **Assembly and Commissioning** : Where the assembly and/or commissioning of the Goods is/are expressly included in this Contract, the Buyer shall procure adequate utilities support, including but not limited to water and electricity, to enable the Seller to carry out the assembly and/or commissioning.
12. **Rejection and Claim, Warranty** : The Buyer will not be entitled to exercise any right to reject the Goods or any part thereof or to claim or recover any damages because of any breach of any condition or warranty as to their description, quality or condition, unless the Buyer shall have given the Seller written notice of such rejection or claim within 14 days of the delivery of the Goods to it. Where the assembly and/or commissioning of the Goods are/is required, the aforesaid period shall be calculated from the day of completion of such assembly and/or commissioning instead of the day of delivery. Full particulars of such claim shall be stated in the notice supported by sworn surveyor's reports (written in English) when quality or quantity of the Goods is in dispute. In case assembly and/or commissioning is

not included in the Sales Contract the Buyer has to proof the default is not caused by or during assembly and/or commissioning. Upon receipt of the notice, the Seller may reject the claim, repair or replace the Goods (or the part in question) free of charge or, at the Seller's sole discretion, refund to the Buyer the purchase price of the Goods (or a proportionate part thereof), in which case the Seller shall have no further liability to the Buyer. The Seller's liability under this Contract, including breach of warranty or condition, shall not exceed the total purchase price. Under no circumstances shall the Seller be liable for prospective profit or for special, indirect or consequential damages. The Buyer assumes all risk and liability for loss, damage or injury to the person or property of the Buyer or others arising out of its use or possession of any Goods sold hereunder, for which the Seller shall not be liable. In case any payment is due to the Seller the Buyer is not entitled to suspend payment and/or settle any pretended claim of any nature against the Seller, nor is the Buyer entitled to seize upon such due payment and/or transfer such a pretended claim against the Seller to another entity. In case a Letter of Credit has not or not fully been drawn upon by the Seller, the Buyer is not entitled to seize upon the (remaining) claim of the Seller under that Letter of Credit against the negotiating bank. The Seller warrants the functioning of the Goods according to the specifications meant in Clause 1 during the period set out in Clause 7 of the Special Conditions of the Sales Contract. The Seller shall be under no liability according to this warranty in respect of any defect in the Goods arising from any drawing, design or specification supplied by the Buyer, fair wear and tear, rust or deterioration out of natural causes, willful damage, negligence, improper custody or working conditions, failure to follow the Seller's instructions (whether oral or in writing), maintenance according to the regulations given and that may be published from time to time by the Seller. After the warranty period the Seller is under no obligation whatsoever to address any claim from the buyer, including claims arising from any hidden defect of the Goods.

13. **Maintenance :**

(a) Subject to sub-paragraphs (b) and (c) of this Clause 13 and unless the parties agree otherwise in Clause 7 of the Special Conditions of the Sales Contract, the Seller shall provide fourteen months free maintenance warranty on parts for injection moulding machine (labour costs and accommodation are excluded and shall be borne by the Buyer solely) from the date of ex-warehouse and for such period for the Goods or specified parts thereof in accordance with the current regulations as from time to time published by the Seller. Thereafter, the Seller will provide maintenance

services on terms to be agreed with the Buyer.

(b) The Seller and the manufacturer of the Goods shall not be responsible for any claim on the Goods after re-sale of the Goods by the Buyer notwithstanding the Buyer's full payment of the purchase price of the Goods.

(c) The Seller shall be under no liability in respect of any defect in the Goods arising from any drawing, design or specification supplied by the Buyer, fair wear and tear, rust or deterioration out of natural causes, willful damage, negligence, improper custody or working conditions, failure to follow the Seller's instructions (whether oral or in writing), misuse or improper maintenance, unauthorized repair or alteration of the Goods. If the installation is not carried out by the Seller, the Seller is not responsible to any faults or defects arising from installation.

(d) During the maintenance warranty period, if the Buyer requests for maintenance services, the Seller may request the Buyer to pay a deposit prior to rendering such services. After such services, the Seller will return such deposit if the Seller finds that the reason for maintenance is not caused by any reason set out in the preceding sub-paragraph (c).

14. **Determination :** If the Buyer shall commit a breach of this Contract or of any other of its obligations to the Seller under any other contract, or if any distress or execution shall be levied upon the Buyer's property or assets, or if the Buyer shall make or offer to make any arrangement or composition with creditors, or commit any act of bankruptcy, or if any petition or receiving order in bankruptcy shall be presented or made against him, or if the Buyer is a limited company and any resolution or petition to wind up such company's business (other than for the purpose of amalgamation or reconstruction) shall be passed or presented, or if an encumbrancer takes possession of the Buyer's undertaking, property or assets or any part thereof or a receiver of the same shall be appointed, or the Buyer ceases to carry on business, or the Seller reasonably apprehends that any such event is about to occur, the Seller shall have the right to forthwith determine any contract then subsisting or suspend any further delivery under this Contract, and if the Goods have been delivered but not paid for, the purchase price shall become due and payable forthwith regardless of any prior agreement to the contrary. Upon written notice of such determination being sent to the Buyer's last known address any subsisting contract shall be deemed to have been determined without prejudice to any claim or right the Seller may otherwise make or exercise.

15. **Force Majeure** : The Seller shall not be liable to the Buyer or be deemed to be in breach of this Contract by reason of any delay in performing, or any failure to perform any of the Seller's obligations in relation to the Goods, if the delay or failure was due to any cause beyond the Seller's reasonable control, which includes inter alia: Government restrictions, embargo, boycott, war, strikes, riots, civil commotion, act of God, difficulties in obtaining raw materials, labour, fuel, parts or machinery, power failure, machinery breakdown, detention, deviation, delay or loss owing to any cause whatsoever of the means of transportation by which the Goods are delivered, and any delay in performing, or any failure to perform by any of the Seller's sub-contractors caused by force majeure, including events and circumstances as described above. This Contract may be cancelled in part or in full by the Seller, who shall not incur any liability or obligation whatsoever in respect of such cancellation in the event of the performance of this Contract being rendered impossible or impracticable by reason of events or circumstances as described above.
16. **Legality** : If any provision of this Contract shall be construed to be illegal or invalid, it shall not affect the legality, validity and enforceability of the other provisions of this Contract. The illegal or invalid provision shall be deleted from this Contract and no longer incorporated herein but all other provisions of this Contract shall continue.
17. **Indemnity** : The Buyer shall indemnify the Seller in respect of all loss or damage or injury occurring to the Seller or any other persons or to any property and against all actions, suits, claims, demands, costs, charges or expenses arising out of any breach whatsoever of this Contract by the Buyer.
18. **Notice**: Any notice to be served to either party by the other be sent by prepaid recorded delivery of registered post shall be deemed to have been received by the addressee within 72 hours of posting; by fax or by electronic mail such notice shall be deemed to have been received immediately by the addressee, provided the sending party can produce the journal/report of the fax, or the received electronic message confirming delivery of the e-mail in the in-box of the addressee.
19. **Interpretation and Law** : If the context permits or requires, words importing the singular number shall include the plural number and vice versa; words importing the masculine, feminine or neuter gender shall include the others of them; words importing persons shall include firms and corporation; the terms "Seller" and "Buyer" include their successors or personal representatives or assigns and the term "Goods" includes part thereof. The headings are inserted for convenience only and shall not apply to the construction of this Contract. This Contract shall be governed by and construed in all respects in accordance with the laws of The Netherlands. Any dispute shall be submitted to the Netherlands Courts. The Seller may decide to submit a dispute to the Courts in the country of the Buyer to its sole discretion.