SALES AGREEMENT

Party A:
Buyer Company:
Address:
Tel.: 
Fax :
Hereinafter called the “Buyer”

Party B:
HK Elephone Communication Tech Co., Limited
ADDRESS: Rm.2101~2104, B Blk.3th Bld. Cloud Park, Xuegang Rd. Bantian
Street, Longgang District, Shenzhen,China 518000
Tel.: +86-0755-83243246
Fax: +86-0755-84745226
Hereinafter called the “Seller”

It is mutually agreed by both parties to sign the agreement with terms and conditions stipulated as follows:

Clause 1: COMMODITY – QUANTITY – AMOUNT

The Seller agrees to sell and the Buyer agrees to buy mobile phones in quantity as mentioned below which will be made and agreed by both parties:

<table>
<thead>
<tr>
<th>No.</th>
<th>Seller’s Model</th>
<th>Color</th>
<th>Price (US$)</th>
<th>Qty (PCS)</th>
<th>Total (US$)</th>
<th>Note:</th>
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<tr>
<td>Deposit</td>
<td></td>
<td>30%</td>
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<tr>
<td>Balance</td>
<td></td>
<td>70%</td>
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</table>

Clause 2: ORIGIN – QUALITY – PACKING
- Origin : PRC
- Quality : 100% brand new as manufacturer’s standard
- Packing : Standard export packing

Clause 3: SHIPMENT – DELIVERY
1. Time of Golden Sample: will start immediately after the contract takes effect, actualization time depends on seller’s OEM project scheduling. Buyer shall confirm golden sample as soon as it is received. Golden sample confirmation delay would cause volume order production delay.

2. Time of Shipment: 45 days after golden sample is confirmed.

3. Port of Loading: FCA Hong Kong

4. Destination port: 

5. Notice of shipment: Seller shall notify Buyer the following details in 2 working days after the goods are dispatched:
   - Tracking NO. (if any);
   - Packing List
   - Details including name of goods, specification, and quantity of goods shipped, cartons number, net weight / gross weight.

Clause 4: SHIPMENT DELAY
- If any problem at Seller’s side, which causes shipment delay, during when market price of the products has dropped, the price should be re-negotiate in order to avoid problem in selling the product at the Buyer’s side.
- If any problem at Buyer’s side, which cause shipment delayed, during when market price of the products has dropped. The Seller’s will not take any responsibilities.

Clause 5: PAYMENT
Payment term: 30% USD T / T deposit in advance and 70% USD balance by T/T at sight within 2 weeks in advance before shipment, in favor of Seller through the following bank account:

Name of Bank: HSBC

T/T Bank Account:
Account Name: HK ELEPHONE COMMUNICATION TECH CO.,LIMITED
Bank Name: HSBC HONG KONG
Bank Address: 24/F, City Landmark I, 68 Chung On Street, Tsuen Wan
Beneficiary A/C NO.: 033-346412-838
Swift Code: HSBCCHHKHHKH
Beneficiary bank code: 004

Buyer bank information:
T/T Bank Account:
Account Name:
Bank Name: 
Bank Address:
Beneficiary A/C NO.:
Swift Code:
Remarks:
- All Bank charges, commissions and other expenses occurred in this bank transfer transaction shall be borne by Buyer.

**Clause 6 : Trade Mark**

Buyer undertakes to hold harmless, indemnify Seller and its subsidiaries against any and all claims, allegations, damages, costs, expenses, fees, or compensation arising out of the use of trade mark. (The buyer should offer the authorization file with its company & Brand name’s stamp to the seller then the seller can manufacture the products with buyer’s logo.)

In case that the use of Trademark by the Seller and its subsidiaries is infringing or possible to infringe the legal rights of the third party they are entitled to, voluntary or under the order of the competent authority or court, immediately cease on the date of their awareness of the infringement or possibility of the infringement the manufacture or supply of any products under the Trademark without any liability to Seller. Buyer shall indemnify Seller for all products or materials prepared and purchased therefore at the purchased price prior to the date of this termination and all damages incurred by the Seller therefore.

Buyer’s trademark is protected by law, Seller can’t use it on other products without Buyer’s permission to infringe the trademark, otherwise need pay the fine $10,000.00.

**Clause 7 : PRODUCTS**

- The products will be manufactured and inspected according to the standards which have been approved by Buyer as attached.
- The Seller must use the components of products on the condition and term mutually agreed in the Sales Contract. Any changes to the parts or components of products must be informed to the Buyer in advance to get approval.
- The products will supplied in CBU(Complete Built Unit).

**Clause 8.1: CUSTOM ITEM**

Seller agrees to provide custom items requested by Buyer, all confirmed based on Golden Sample and mass production will be the same as Golden Sample standards. Refer to Detailed custom list in Appendix.

For each unit of goods Seller manufactures with logo (brand) of Buyer, the intellectual property belongs to Buyer. The size, shape, content of the logo, the site of application logo on the surface of the corresponding unit of the commodity is determined by the Buyer in Appendix in this Contract. Before Golden Sample, position of the logo on the surface of the respective units of the Goods can be changed unilaterally by the Buyer, as he indicated in the application. After the Golden sample has been confirmed, nothing can be changed unilaterally, both Buyer and Seller need to take Golden sample as standard.

**Clause 8.1.1 : GOLDEN SAMPLE confirmed an mass produce**
- Buyer will do testing and approval for the new samples in 7 days after golden sample is received.
- After samples approved by buyer, Seller can arrange mass production with the new tooling.
- All design as Golden Sample agreed.

Clause 9: QUALITY INSPECTION
- To ensure the product’s quality, the Buyer should offer seller the quality standard and inspection standard when contact effect. The buyer can arrange pre-shipment inspection. For the first pre-shipment, Buyer should send their own team to do the inspection. For second order afterwards, Buyer should inform Seller whether to use their own inspector or the third party inspector.
  - Seller will inform Buyer regarding mass production schedule enable the Buyer to arrange their inspector.
  - The Seller must consistently supply the products with the same components as agreed by Buyer before. Any changes in component used in the products, should be informed to Buyer in advance, to get confirmation or re-approval.

Clause 10: WARRANTY TERM
- The Seller will provide 12 month warranty to Buyer, counted from the date of shipment.
- Within warranty period, if Buyer find any defect product from the field, buyer can send the defective products to Seller to be repaired at Seller’s side, then send back to Buyer. And Buyer should pay the cargo cost.

- In case of Buyer will do repair on his own, Buyer should inform to Seller about the defective parts, then Seller will send the replacement for defective parts to buyer.

- Seller will inform whether Buyer needs to send back the defective parts or not. Buyer has the right to write off the defective parts which are not required by Seller to send them back.

Clause 11: AFTER SALES SERVICE

The Seller should provide Buyer list of easy broken parts of the products and send the quotation of the easy broken parts to the Buyer with reasonable price.
- In case of the products will be discontinued, Seller should advice Buyer in advance and allow Buyer to place last order for the spare parts.
- The Seller should provide Buyer software burning tools to upgrade software.
- If necessary, Seller have the obligation to send its engineers to solve technical problems or to give technical training to buyer’s team.

Clause 12: SHIPPMENT:
- The Seller needs to deliver goods in the agreed shipping time after Golden Sample, and have 15 days extra flexible time in case of delay. If Seller still
can’t ship goods out in 15 days, Buyer has the right to cancel the order and get the deposit refunded. Except “ Forced Majeure”. 
- The buyer need to pay 70% balance then take the goods from the day goods was inspected. In case of any delay, Buyer have 15 days extra time to pick up the goods. If Buyer haven’t take the goods after 15 days, Seller has the right to cancel the order without refunding the deposit or other fees Buyer paid before. Seller can dispose the goods by themselves.

Clause 13: PRE-SHIPMENT INSPECTION
- Every importation in CBU format has to be inspected by legal inspector before shipment.
- Buyer can arrange international legal inspector to do pre-shipment inspection at Seller’s side.
- Buyer can inform Seller in advance the appointed legal inspector in China, who will do the pre-shipment inspection.
- Seller has to contact the appointed legal inspector in China before mass production completed, in order to ensure that surveyor will come to inspect their goods once mass production are finished.

Clause 14: CLAIM

Within 4 weeks after arrival of goods at port of destination, should the specification or quantity of the goods be found not in conformity with the stipulation of the contract except those claim for which the insurance company or the owner of the vessel are liable, Buyer has the right to claim for replacement.
- The Seller has to send the replacement immediately. Ways of shipment to be defined by Buyer.
- Shipping cost for the replacement parts from Seller to Buyer are under Seller’s responsibility.
- Shipping cost for the rejected parts from Buyer to Seller are under Seller’s responsibility.
- In case of Seller needs to proof of the rejected parts or product, Seller has the right to send their inspector.

Clause 15: FORCE MAJEURE
- Neither party shall be held responsible for delay or failure or performance of obligation due to generally recognized “ Forced Majeure “ causes such as : strikes, fires, flood, earthquakes or any law, rule, or regulations or any government authority or other conditions beyond its control which cannot be predicted.
- In such case, the Seller shall immediately advise Buyer the Force Majeure case and send a Certificate of the accident issued by the Competent Government Authority / Chamber of Commerce to the Buyer within 5 days after the accident. If Force Majeure last over 60 days, the Seller and the Buyer have the right to cancel this contract.

Clause 16: ARBITRATION
- All disputes arising from or in connection with the contract shall be submitted to Hong Kong International Arbitration Center at Hong Kong.

**Clause 17: GENERAL CONDITIONS**

- During performing of this contract, if any of the relating parties amend and / or alter this Contract in any means and to any extent, which causes the amended or altered contract to be in conflict with the stipulation / provisions of this contract, this contract shall prevail. In the meanwhile, all the agreement and / or understandings entered by the Buyer and the Seller shall not be binding unless the authorized representative of the Seller signs the agreement and / or understanding personally or signs the notices of entering into effect.

- In witness whereof, this contract has already been executed by the representatives of both parties respectively at the aforementioned date and is in duplicate.

- Each party shall hold one copy of the contract, and the contract shall enter into effect when the Seller has completed the approval formalities and notify the Buyer in writing within one month after the execution.

- This contract shall be valid until the date of: 20-09-2017 (20th September, 2017 ) or at the will of both parties.

On Behalf of the SELLER:

On Behalf of the BUYER: