

Very Substantial Acquisition and Major Transaction

Jinhui Holdings Company Limited (00137)

- ▶ [\(a\) the First Shipbuilding Contract, the Second Shipbuilding Contract and the Third Agreement](#)
- ▶ [\(b\) Unaudited pro forma financial information of the Group](#)
- ▶ [\(c\) Letter on unaudited pro forma financial information of the Group](#)
- ▶ [\(d\) Valuation certificate prepared by Clarkson Valuations Limited in relation to the Third Vessel](#)
- ▶ [\(e\) Consent letter from Experts](#)
- ▶ [\(f\) Written approval dated 2 July 2024 given by Fairline Consultants Limited and Timberfield Limited in relation to the Acquisition of the Third Vessel](#)

SHIPBUILDING CONTRACT

FOR

CONSTRUCTION OF ONE 63,500DWT BULK CARRIER

(CONTRACT NO. NWHT64-428)

(HULL NO. HT64-428)

BETWEEN

**JINHAN MARINE INC.
as the BUYER**

and

**JIANGSU HANTONG SHIP HEAVY INDUSTRY CO., LTD.
as the BUILDER**

**DATE: 28th June 2024
in Nantong City**

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SHIPBUILDING CONTRACT

FOR

CONSTRUCTION OF ONE 63,500DWT BULK CARRIER
(HULL NO. HT64-428)

PREAMBLE

This CONTRACT, entered into this day of 28th June 2024 by and between **JINHAN MARINE INC.**, a limited liability company organized and existing under the Laws of Panama, having its registered office at Banco General Tower, 19/F, Aquilino de la Guardia Street, Marbella, Panama City, Republic of Panama (hereinafter called the “BUYER”) on one part; and **Jiangsu Hantong Ship Heavy Industry Co., Ltd.**, a corporation organized and existing under the Laws of the People’s Republic of China with its registered office at Wujie Town, Tongzhou City, Jiangsu Province, the People’s Republic of China (hereinafter called the “BUILDER”) on the other part.

WITNESSETH

In consideration of the mutual covenants contained herein, the BUILDER agrees to design, build, launch and equip at the BUILDER’s shipyard at JIANGSU HANTONG WING HEAVY INDUSTRY CO., LTD. (江苏韩通赢吉重工有限公司) at Nantong City, the People’s Republic of China (hereinafter called the “the BUILDER’s yard”), as well as complete, sell and deliver at the BUILDER’s yard to the BUYER after completion and trial one (1) 63500dwt Bulk Carrier as more fully described in Article I hereof, to be registered under Hong Kong flag (as defined in the Specification) and the BUYER agrees to purchase and take delivery of the aforesaid vessel from the BUILDER and to pay for the same in accordance with the terms and conditions hereinafter set forth.

DEFINITION

Unless the context of this Contract stipulates otherwise, the following words in this Contract shall have the meaning set out hereinbelow:

“Banking Days” or “Business Days”	days (other than Saturday and Sunday) on which commercial banks are open for business in Shanghai, Hong Kong and New York;
“BUILDER”	the company referred to as “BUILDER” in the Preamble;
“BUILDER’s yard”	shall have the meaning ascribed to it in the Preamble hereto;
“BUYER”	the company referred to as “BUYER” in the Preamble inclusive of its assignees and transferees;
“BUYER’s Supply”	any item, equipment, stores or service, which is to be supplied and/or paid for by the BUYER in accordance with the express terms of this Contract;
“Classification Society” or “Class”	the classification society referred to in Article I Paragraph 2;
“Construction”	the designing, building, testing, commissioning, launching and equipping of the VESSEL, unless the context otherwise requires;
“Contract”	this shipbuilding contract with its exhibits and appendices, any amendments thereto and including the Specifications and Drawings;
“Contractual Documents”	the Contract, Specifications, General Arrangement Plan, Midship Section Plan, Maker’s List set out in Article I;

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“Contract Delivery Date”	the date set out in Article VII Paragraph 1;
“Contract Price”	the Original Contract Price, as adjusted in accordance with the terms of this Contract;
“Date of Contract”	the date specified in the Preamble;
“Day” or “Days”	“calendar day” or “calendar days”;
“Deadweight”	has the meaning set out in the Specifications;
“Delivery”	the actual delivery of the VESSEL from the BUILDER to the BUYER in accordance with Article VII;
“Delivery Date”	the date upon which Delivery occurs;
“Drawings”	the plans and drawings listed in the Specifications and any amendment thereto;
“Effective Date”	the date determined in accordance with the provisions set out in Article XVIII;
“Flag State”	the state referred to in WITNESSETH, to which the VESSEL to be registered;
“Force Majeure”	any of the events set out in and subject to Article VIII;
“Guarantee Period”	a period of 12 months from the Delivery Date plus further extended period, if any;
“Makers List”	an agreed list of suppliers approved for delivery of equipment, machinery or services which shall be included in the Specifications;

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“Original Contract Price”	the unadjusted price stipulated in Article II, paragraph 1;
“Parties”	the BUYER and the BUILDER;
“Permissible Delay”	all delays as described in Article VIII, according to the terms of the Contract, will permit an adjustment of the Contract Delivery Date without paying liquidated damages;
“Regulatory Bodies”	the relevant authorities imposing rules and regulations with which the construction and delivery of the VESSEL must comply, which shall include the authorities of the flag state together with other authorities set out in the Specifications, as the case may be;
“Refund Guarantee”	a guarantee as stipulated in Article II, Paragraph 7
“Specifications”	the specifications referred to in Article I Paragraph 1 and any amendment thereto signed by the Parties;
“VESSEL”	the vessel described in Article I including her machinery, engine, boiler, equipment, fittings, appurtenances, materials, articles and all things specified or required by the Specifications and/or otherwise under this Contract.

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ARTICLE I DESCRIPTION AND CLASS

1. DESCRIPTION

The VESSEL is a Single Screw, Diesel-Driven, Bulk Carrier of 63,500 metric tons deadweight at scantling draft of 13.5 meters (hereinafter called the "VESSEL") of the Class described below. The VESSEL shall have the BUILDER's Hull No. HT64-428 and shall be constructed, equipped and completed in accordance with:

- (1) Specifications (Drawing No. SC2020-B4036-02SM) with 63,500 DWT BC Full Specification Comments dated 28th June 2024, and
- (2) General Arrangement Plan (Drawing No. SC2020-B4036-03), and
- (3) Midship Section Plan (Drawing No. SC2020-B4036-04), and
- (4) Maker's List (Drawing No. SC2020-B4036-05), and
- (5) Extra Cost List for 63,500 DWT BC Full Specification Comments.

attached hereto and signed by each of the parties to this Contract (hereinafter called the "Specifications"), making an integral part hereof.

2. CLASS AND RULES

The VESSEL, including its machinery and equipment, shall be constructed in accordance with the rules and regulations of ABS (hereinafter called the "Classification Society") issued, having become effective and mandatorily applying to the VESSEL up to and on the date of signing this Contract and shall be distinguished in the record by the symbol of +A1, (E), Bulk Carrier, CSR, AB-CM, BC-A(Holds 2 and 4 may be empty), GRAB[20],ESP, BWE, BWT,CPS, TCM, UWILD, IHM, CRC(SC,SP), +AMS, +ACCU, PMA, RRDA, NOx-Tier III, EEDI-Ph3, ENVIRO and shall also comply with the rules and regulations of the other regulatory bodies and authorities as fully described in the Specifications which are issued, having become effective and mandatorily applying to the VESSEL up to and on the date of signing this Contract.

The requirements of the rules and regulations as described in the Specifications are to include amendments or circulars thereof issued, having become effective and mandatorily applying to the VESSEL up to and on the date of signing this Contract.

The BUILDER shall arrange with the Classification Society to assign a representative or representatives (hereinafter called the "Classification Surveyor") to the BUILDER's yard for supervision of the construction of the VESSEL. All fees and charges incidental to Classification and delivery of all certificates required under this Contract and the Specifications and compliance with the above specified rules, regulations and requirements of this Contract, as well as royalties, if any, payable on account of the construction of the

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VESSEL shall be for the account of the BUILDER, except as otherwise provided and agreed herein. The key plans, materials and workmanship entering into the construction of the VESSEL shall be subject to inspections and tests in accordance with the rules and regulations of the Classification Society.

Decisions of the Classification Society as to compliance or non-compliance with Classification rules and regulations shall be final and binding upon the parties hereto.

3. PRINCIPAL PARTICULARS AND DIMENSIONS OF THE VESSEL

(a) Hull

Length overall	Abt	199.90 m.
Length between perpendiculars		196.50 m
Breadth moulded		32.26 m
Depth moulded		18.90 m
Scantling Draft moulded		13.50 m

(b) Propelling Machinery

The VESSEL shall be propelled by a marine diesel engine MAN 6G50ME-C9.6 (Tier III HP-SCR) or equivalent.

4. GUARANTEED SPEED

The BUILDER guarantees that the service speed of the Vessel, after correction, is to be not less than 13.5 nautical miles per hour on the conditions stipulated in the Specifications (hereinafter called the "Guaranteed Speed").

The trial speed shall be corrected for wind speed and shallow water effect. The correction method of the speed shall be as specified in the Specifications. The attained EEDI of the vessel meets the requirement of Phase 3.

5. GUARANTEED FUEL CONSUMPTION

The BUILDER guarantees that the fuel oil consumption of the main engine shall not exceed tolerance of 6% as determined by the shop test to be 156.2 gram/kW/h at 78% CMCR (5460KW) for Tier II as stipulated in the Specification (hereinafter called the "Guaranteed Fuel Consumption"). Shop test shall be based on diesel oil having a lower calorific value of 42700Kj/kg at ISO standard reference condition. If the fuel oil used at shop test has a calorific value other than 42700Kj/kg and/or the surrounding shop test condition is different from the above ISO standard condition, the fuel oil consumption shall be adjusted accordingly based on the conversion formula issued by B&W and shall be subject to a tolerance of 6%.

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6. GUARANTEED DEADWEIGHT

The BUILDER guarantees that the VESSEL is to have deadweight of not less than 63500 metric tons at the scantling draft of 13.50 meters in sea water of 1.025 specific gravity (hereinafter called the "Guaranteed Deadweight").

The actual deadweight of the VESSEL expressed in metric tons shall be based on calculations made by the BUILDER and checked by the BUYER, and all measurements necessary for such calculations shall be performed in the presence of the BUYER's supervisor(s) and Class Society representative(s) and in accordance with the Specifications and thereafter a certificate of deadweight shall be issued by the BUILDER.

Should there be any dispute between the BUILDER and the BUYER in such calculations and/or measurements, the decision of the Classification Society shall be final and binding upon the Parties hereto.

7. SUBCONTRACTING

The BUILDER may, at the BUILDER's discretion, subcontract any part or work or construction of the vessel to subcontractors provided that the BUILDER shall remain fully responsible for such subcontracted work or construction. However, final assembly into the VESSEL of any such work(s) subcontracted shall be at the BUILDER's Shipyard.

The BUILDER is entitled to subcontract the construction of the VESSEL to JIANGSU HANTONG WING HEAVY INDUSTRY CO., LTD. without any notices to the BUYER.

8. REGISTRATION (Flag State)

The VESSEL shall be registered by the BUYER at its own cost and expense under the laws of Hong Kong at the time of delivery and acceptance thereof.

(End of this Article)

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ARTICLE II CONTRACT PRICE & TERMS OF PAYMENT

1. CONTRACT PRICE

The Contract Price of the VESSEL is United States Dollars Thirty Four Million only (USD34,000,000) (hereinafter referred to as the "Original Contract Price"), which is exclusive of the cost for the BUYER's Supplies as provided in Article V hereof and shall be subject to upward or downward adjustment, if any, as hereinafter set forth in this Contract. Bank's charges for transfer of funds to the BUILDER in respect of payments under this Article II shall be for the account of the BUYER.

2. CURRENCY

Any and all payments by the BUYER to the BUILDER and vice versa under this Contract shall be made in United States Dollars.

3. TERMS OF PAYMENT

The Contract Price shall be paid by the BUYER to the BUILDER in five instalments as follows:

(a) 1st Instalment:

The sum of United States Dollars Three Million Four Hundred Thousand only (USD3,400,000), representing ten percent (10%) of the Original Contract Price, shall become due and payable and be paid by the BUYER within seven (7) Banking Days of the BUYER or its bank's receipt of the BUILDER Refund Guarantee in the form and substance acceptable to BUYER and the BUYER's Bank as stipulated in Article II.7 hereunder covering 1st, 2nd, 3rd and 4th instalments.

(b) 2nd Instalment:

The sum of United States Dollars Three Million Four Hundred Thousand only (USD3,400,000), representing ten percent (10%) of the Original Contract Price, shall become due and payable within seven (7) Banking Days from the date of receipt by the BUYER of a written notice by e-mail from the BUILDER to the BUYER accompanied by a statement or certificate signed by the Classification Society, stating that the cutting of the first steel plate of the VESSEL in the BUILDER's yard has taken place.

(c) 3rd Instalment:

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The sum of United States Dollars Three Million Four Hundred Thousand only (USD3,400,000), representing ten percent (10%) of the Original Contract Price, shall become due and payable within seven (7) Banking Days from the date of receipt by the BUYER of a written notice by e-mail from the BUILDER to the BUYER accompanied by a statement or certificate signed by the Classification Society, stating that keel laying of the Vessel in the BUILDER's yard has taken place.

(d) 4th Instalment:

The sum of United States Dollars Three Million Four Hundred Thousand only (USD3,400,000), representing ten percent (10%) of the Original Contract Price, shall become due and payable within seven (7) Banking Days from the date of receipt by the BUYER of a written notice by e-mail from the BUILDER to the BUYER accompanied by a statement or certificate signed by the Classification Society, stating that launching of the Vessel in the BUILDER's yard has taken place.

(e) 5th Instalment (Payment upon delivery of the VESSEL):

The sum of United States Dollars Twenty Million and Four Hundred Thousand only (USD20,400,000), representing sixty percent (60%) of the Original Contract Price, plus those amounts under Article II.1 (if any) and plus any increase or minus any decrease due to modifications and/or adjustments of the Original Contract Price in accordance with the provisions of the relevant articles of this Contract hereof, shall become due and payable and be paid by the BUYER to the BUILDER concurrently with the execution of the Protocol of Delivery and Acceptance of the VESSEL as provided in Article VII.2 below.

4. METHOD OF PAYMENT

(a) 1st-4th Instalments:

The BUYER shall remit the amount of these instalments in accordance with Article II, Paragraph 3(a), (b), (c), (d) by telegraphic transfer to the bank to be nominated by the BUILDER for credit to the account of the BUILDER.

(b) 5th Instalment (Payable upon Delivery of the VESSEL):

In addition to Article II, Paragraph 3(e), the fifth instalment shall be paid by the BUYER in accordance with the following terms and conditions:

The BUYER shall, at least three (3) Banking Days prior to the scheduled date of delivery of the VESSEL as notified by the BUILDER, make a cash deposit in the name of the BUYER with the BUILDER's Bank for a period of fifteen (15) Days and covering the amount of this instalment (as adjusted in accordance with the provisions of this Contract), with an irrevocable instruction that the said amount shall be released to the BUILDER against

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presentation by the BUILDER to the said BUILDER's Bank of a copy of Protocol of Delivery and Acceptance signed by the BUYER's authorized representative and the BUILDER's authorized representative. Interest, if any, accrued from such deposit, shall be for the benefit of the BUYER.

If the delivery of the VESSEL is not effected on or before the expiry of the aforesaid fifteen (15) Days deposit period, the BUYER shall have the right to withdraw the said deposit plus accrued interest upon the expiry date. However, when the new scheduled delivery date has been notified to the BUYER by the BUILDER, the BUYER shall make a cash deposit again in accordance with the same terms and conditions as set out above.

5. PREPAYMENT

The BUYER shall have the right to make prepayment of any and all instalments before delivery of the VESSEL, by giving to the BUILDER at least thirty (30) Days prior written notice, provided that the fifth (5th) instalment shall be made in the amount as adjusted according to the terms and conditions of this CONTRACT.

6. SECURITY FOR PAYMENT OF INSTALMENTS BEFORE DELIVERY

The BUYER shall, within 30 days after signing of this CONTRACT, furnish the BUILDER with an irrevocable and unconditional letter of Guarantee (hereinafter called "Payment Guarantee") issued by JINHUI SHIPPING AND TRANSPORTATION LIMITED acceptable to the BUILDER. This guarantee shall secure the BUYER's obligations for payment of the 1st, 2nd, 3rd and 4th instalments of the Contract Price as per ARTICLE II.3. Such Letter of Guarantee shall be substantially in the form and substance attached as Exhibit "B" of this Contract and acceptable to the BUILDER.

7. REFUNDS

All instalments made by the BUYER to the BUILDER prior to the Delivery of the VESSEL, in the event this Contract is rescinded or cancelled by the BUYER in accordance with any specific clause of this Contract permitting such rescission or cancellation, shall be refunded by the BUILDER to the BUYER in United States Dollars in the full amount of all sums the BUILDER has received under this Contract, together with interest (at the rate set out in respective provision hereof) from the respective payment date(s) to the date of remittance by telegraphic transfer of such refund to the account specified by the BUYER.

As security to the BUYER, the BUILDER shall deliver to the BUYER, prior to the payment by the BUYER of the 1st instalment, a Refund Guarantee to be issued by a first class Chinese Bank or their respective branch or other banks acceptable by the BUYER for the 1st, 2nd, 3rd and 4th instalments (hereinafter called 'BUILDER's Bank') acceptable to BUYER and the BUYER's Bank and substantially in the form as per Exhibit "A" annexed here to.

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However, in the event of any dispute between the BUILDER and the BUYER with regard to the BUILDER's obligation to repay any or all the 1st, 2nd, 3rd and 4th instalments paid by the BUYER and to the BUYER's right to demand payment from the BUILDER's bank under its Refund Guarantee, and such dispute is submitted either by the BUILDER or by the BUYER for arbitration in accordance with Article XIII hereof, the BUILDER's bank shall withhold and defer payment until the Final Award between the BUILDER and the BUYER is published. The BUILDER's bank shall not be obligated to make any payment unless the Final Award orders the BUILDER to make repayment. If the BUILDER fails to honour such Final Award, then the BUILDER's bank shall refund to the extent the Final Award orders and the guaranteed amount under the Refund Guarantee, whichever is lower (and the expiry of its guarantee shall be deferred accordingly as stipulated hereof).

For the purpose of this Contract, the term "Final Award" means a published final arbitration award in respect of any disputes arising out of or in connection with this Contract where any right of appeal available in respect of such arbitration award under the applicable law is waived or is not exercised by the BUYER and the BUILDER within the time limit under such applicable law and in case of such arbitration award is appealed, the final judgment by the English court on such award upon appeal by either the BUYER and the BUILDER where any right of appeal available in respect of such judgment under English law is waived or is not exercised by the BUYER and the BUILDER within the time limit under such applicable law.

The BUILDER's bank undertakes that the Refund Guarantee(s) shall be safely filed in the State Administration of Foreign Exchange ("SAFE") within 60 days after it is issued.

(End of this Article)

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ARTICLE III ADJUSTMENT OF THE CONTRACT PRICE

The Original Contract Price of the VESSEL shall be subject to adjustments as hereinafter set forth. It is hereby understood by both parties that the reduction of the Original Contract Price as stipulated hereunder is by way of liquidated damages and not by way of penalty.

1. DELIVERY

- (a) No adjustment shall be made, and the Original Contract Price shall remain unchanged for the first thirty (30) Days of non-permissible delay in delivery of the VESSEL beyond the Contract Delivery Date (as extended or postponed) as defined in Article VII hereof ending as of twelve o'clock midnight of the thirtieth (30th) Day of non-permissible delay.
- (b) If the delivery of the VESSEL is delayed more than thirty (30) Days of non-permissible delay after the Contract Delivery Date (as extended or postponed) as defined in Article VII hereof, then, in such event, beginning at twelve o'clock midnight of the aforesaid thirtieth (30th) Day, the Original Contract Price of the VESSEL shall be reduced by deducting therefrom the sum of United States Dollars Six thousand only (USD6,000.00) per Day.

Unless the Parties hereto agree otherwise, the total reduction in the Original Contract Price shall be deducted from the fifth instalment of the Original Contract Price and in any event (including the event that the BUYER consents to take the VESSEL at the later delivery date after the expiration of two hundred and ten (210) Days delay of non-permissible delay in delivery as described in Paragraph 1(c) of this Article) shall not be more than the maximum amount of United States Dollars One Million and Eighty Thousand only (USD1,080,000.00) corresponding to one hundred eighty (180) Days of non-permissible delay at the above specified rate of reduction after the aforesaid thirty (30) Days allowance.

- (c) Without prejudice to Article VIII.3, if the non-permissible delay in the delivery of the VESSEL continues for a period of two hundred and ten (210) Days after the Contract Delivery Date (as extended or postponed) as defined in Article VII, then in such event, the BUYER may, at its option, rescind or cancel this Contract in accordance with the provisions of Article X of this Contract by written notice to the BUILDER at any time after the expiration of the said two hundred and ten (210) Days period or the BUILDER may at any time after the expiration of the aforementioned two hundred and ten (210) Days, notify the BUYER of the date upon which the BUILDER estimates the VESSEL will be ready for delivery and demand in writing that the BUYER make an election, in which case the BUYER shall, within thirty (30) Days after such demand is received by the BUYER, either notify the BUILDER of its decision to cancel this Contract, or consent to take delivery of the VESSEL at an agreed future date ("Future Delivery Date"). Failure of the BUYER

to give its confirmation on acceptance or objection to the Future Delivery Date within the said thirty (30) Days period shall be deemed as giving its acceptance of the Future Delivery Date. It is understood and agreed by the Parties hereto that, if the VESSEL is not delivered by such Future Delivery Date, the BUYER shall have the same right of cancellation upon the same terms, as herein above provided.

- (d) For the purpose of this Article, the delivery of the VESSEL shall not be deemed delayed and the Original Contract Price shall not be reduced when and if the Contract Delivery Date of the VESSEL is extended or postponed due to breach of contract or default in performance by, or other act of prevention by, the BUYER, or by reason of causes and provisions permitting such extension or postponement. Also, the Original Contract Price shall not be adjusted or reduced if the delivery of the VESSEL is delayed by reason of permissible delays as defined in Article VIII hereof.

2. INSUFFICIENT SPEED

- (a) The Original Contract Price of the VESSEL shall not be affected nor changed by reason of the actual speed (as determined by the Trial Run after correction according to the Specifications) being less than three tenths (3/10) of one knot below the Guaranteed Speed as specified in Paragraph 4 of Article I of this Contract.
- (b) However, commencing with and including a deficiency of three tenths (3/10) of one knot in actual speed (as determined by the Trial Run after correction according to the Specifications) below the Guaranteed Speed as specified in Paragraph 4, Article I of this Contract, the Original Contract Price shall be reduced as follows:

In case of deficiency

at or above 0.30 but below 0.40 knot	USD100,000; or
at or above 0.40 but below 0.50 knot	USD170,000; or
at or above 0.50 but below 0.60 knot	USD250,000; or
at or above 0.60 but below 0.70 knot	USD380,000; or
at or above 0.70 but below 0.80 knot	USD480,000; or
at or above 0.80 but no more than 0.90 knot	USD580,000

- (c) If the deficiency in actual speed (as determined by the Trial Run after correction according to the Specifications) of the VESSEL upon the Trial Run, is more than nine tenths (9/10) knot below the Guaranteed Speed, and should the BUILDER fail to remedy this deficiency prior to delivery, then the BUYER may at its option reject the VESSEL and rescind this Contract in accordance with provisions of Article X of this Contract, or may accept the VESSEL at a reduction in the Original Contract Price in the maximum amount of United States Dollars Five Hundred and Eighty Thousand only (USD 580,000).

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3. FUEL CONSUMPTION

- (a) The Original Contract Price of the VESSEL shall not be affected nor changed if the actual fuel consumption of the Main Engine, as determined by shop trial in manufacturer's works as per the Specifications, is greater than the Guaranteed Fuel Consumption as specified and required under the provisions of this Contract and the Specifications, if such actual excess is equal to or less than six percent (6%).
- (b) However, if the actual fuel consumption as determined by shop trial is greater than six percent (6%) above the Guaranteed Fuel Consumption, then the Original Contract Price shall be reduced by the sum of United States Dollars Seventy Thousand Only (US\$70,000.00) for each full one percent (1%) increase in fuel consumption in excess of the above said six percent (6%) (fractions of one percent to be prorated).
- (c) If as determined by shop trial such actual fuel consumption of the Main Engine is more than ten percent (10%) in excess of the Guaranteed Fuel Consumption, and should the BUILDER fail to remedy this deficiency prior to delivery, the BUYER may, at its option, reject the VESSEL and rescind this Contract, in accordance with the provisions of Article X of this Contract, or may accept the VESSEL at a reduction in the Original Contract Price in the maximum amount of United States Dollars Two Hundred and Eighty Thousand (US\$280,000.00).
- (d) If as determined by shop trial such actual fuel consumption of the Main Engine is more than ten percent (10%) in excess of the Guaranteed Fuel Consumption, the BUILDER may investigate the cause of the non-conformity and the proper steps may promptly be taken to remedy the same and to make corrections and alterations and / or re-shop trial test or tests as may be necessary to correct such non-conformity without extra cost to the BUYER. Upon completion of such alterations or corrections of such nonconformity, the BUILDER shall promptly perform such further shop trials or any other tests (after giving the BUYER notice thereof and an opportunity to attend) as may be deemed necessary to prove the fuel consumption of the Main Engine's conformity with the requirement of this Contract and the Specifications and if found to be satisfactory, give the BUYER notice by e-mail confirmed in writing of such correction and as appropriate, successful completion accompanied by copies of such results, and the BUYER shall, within six (6) Business Days after receipt of such notice, notify the BUILDER by e-mail confirmed in writing of its acceptance or reject the re-shop trial together with the reasons and details therefor. If the BUYER fails to notify the BUILDER by e-mail confirmed in writing of its acceptance or rejection of the re-shop trial together with the reasons and details therefor within six (6) Business Days period as provided herein, the BUYER shall be deemed to have accepted the shop trial.

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4. DEADWEIGHT

- (a) In the event that there is a deficiency in the actual deadweight of the VESSEL determined as provided in the Specifications, the Original Contract Price shall not be decreased, if such deficiency is Six Hundred (600) metric tons or less below the Guaranteed Deadweight as specified in Paragraph 6 of Article I of this Contract.
- (b) However, the Original Contract Price shall be reduced by the sum of United States Dollars Six Hundred (US\$600.00) for each full metric ton of such deficiency in excess of the aforesaid Six Hundred (600) metric tons.
- (c) In the event that there is a deficiency in the actual deadweight of the VESSEL which exceeds one thousand and two hundred (1200) metric tons below the Guaranteed Deadweight, and should the BUILDER fail to remedy this deficiency prior to delivery, the BUYER may, at its option, reject the VESSEL and rescind this Contract in accordance with the provisions of Article X of this Contract, or may accept the VESSEL with reduction in the Original Contract Price in the maximum amount of United States Dollars Three Hundred and Sixty Thousand only (US\$ 360,000.00).

5. EFFECT OF RESCISSION

It is expressly understood and agreed by the parties hereto that in any case as stated herein, if the BUYER rescinds this Contract pursuant to this Contract, the BUYER, save its rights and remedy set out in Article X hereof, shall not be entitled to any liquidated damages, compensation or damages in whatever nature and kind, whether by contract, by law, in tort or otherwise.

6. LIQUIDATED DAMAGES

The liquidated damages hereunder shall be the conclusive pecuniary compensation recoverable in connection with each particular event stated herein and BUILDER shall not be liable for any additional compensation and/or damages claimed by BUYER in relation to any or all such events and its consequences. However, the liquidated damages under each heading of this Article are cumulative.

Neither Party shall be liable to the other Party any and all indirect, special, exemplary, punitive or consequential losses and damages, arising from, or relating to or in connection with the Contract, irrespective of cause (by contract, by law, in tort or otherwise) and notwithstanding the negligence, misconduct or breach (whether contractual, statutory or otherwise).

(End of this Article)

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ARTICLE IV SUPERVISION AND INSPECTION

1. APPOINTMENT OF THE BUYER'S SUPERVISOR

The BUYER shall send in good time to and maintain at the BUILDER's yard, at the BUYER's own cost and expense and for the purpose of ensuring the due construction of the Vessel, sufficient number of representative(s) who shall be duly accredited in writing by the BUYER (such representative(s) being hereinafter collectively and individually called the "Supervisor") to supervise and survey the construction of the VESSEL, her engines and accessories, attendance at the tests and inspections relating to the Vessel, its machinery, equipment and outfitting, and any other matter in respect of which he is specifically authorized to act on BUYER's behalf.

2. PLANS AND DRAWINGS

The parties mutually agree the VESSEL is to be built as the BUILDER's standard design hereto defined in ARTICLE I, Paragraph 1. The BUILDER and the BUYER shall, within 60 Days after effectiveness of this Contract, mutually agree a list of the plans and drawings, which are to be sent to the BUYER by the BUILDER (herein below referred to as the "List").

(1) The BUILDER shall submit to the BUYER one (1) electronic copy of the plans and drawings in the List to be submitted to the BUYER through email for filing.

The plan and/or drawing shall be deemed acceptable to the buyers, based on the repeating basis. The questions on the plan and/or drawings, if any from the BUYER, will be replied or clarified by the BUILDER. If with changes on the makers, the related plan and/or drawing will be checked and approved by the BUYER.

Concurrently with the arrival of the Supervisor at the BUILDER's yard, the BUYER shall notify the BUILDER in writing, stating the authority which the said Supervisor shall have, and when with regard to the Supervisor can act, on behalf of the BUYER.

The mooring procedure, sea trial procedure based on the Class requirements is also acceptable to the BUYER.

The plans and drawings provided by the SELLER shall be final, and any alteration thereof shall be regarded as modification as referred to in Article V of this Contract, unless the parties hereto agree in writing otherwise.

(2) In case that there are modifications on the plans and drawings due to changes of makers in the Maker List, the relevant modified drawing and plans shall be sent to the BUYER through email for approval. The BUYER shall, within 14 Days after receipt thereof, return such plans and drawings submitted by the BUILDER with comments, if any. Unless notification is given to the BUILDER by the BUYER of the comments to any plans and drawings within the above designated period of time for each case, the said

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plans and drawings shall be deemed acceptable to the BUYER without comments and implemented for construction by the BUILDER.

The above modified plans and drawings approved by the BUYER shall be final, and any alteration thereof shall be regarded as modification as referred to in Article V of this Contract.

3. SUPERVISION AND INSPECTION BY THE SUPERVISOR

The necessary inspection of the VESSEL, her machinery, equipment and outfittings shall be carried out by the Classification Society and/or Supervisor of the BUYER throughout the construction in order to ensure that the construction of the VESSEL is duly performed in accordance with this Contract and the Specifications.

The Supervisor shall have, at all times until delivery of the VESSEL, the right to attend tests according to the mutually agreed tests list before commencement of tests (herein referred to as the "Tests List") and inspect the VESSEL, her engines, accessories and materials at the BUILDER's yard, its subcontractors or any other place where work is done or materials stored in connection with the VESSEL. The BUILDER shall give notice to the Supervisor reasonably in advance of the date and place of any tests and inspections to be attended by the Supervisor, and in any event a notice at least 20 Days in advance must be given by the BUILDER for the shop tests of main engine and auxiliary engines of the VESSEL. Failure of the Supervisor or other BUYER's representative to be present at such tests and trials after due notice has been given by the BUILDER as above provided, shall be deemed to be a waiver of BUYER's right to be present and shall be deemed as the BUYER has approved the test/trial results if such results meet with the requirements of the Classification Society (i.e. for the Class related tests and trials) or of the maker (i.e. for the non Class related tests and trials).

In the event that the Supervisor discovers any construction or material or workmanship which does not or will not conform to the requirements of this Contract and the Specifications, the Supervisor shall forthwith give the BUILDER a notice in writing as to such nonconformity with reasons, upon receipt of which the BUILDER shall correct such nonconformity if the BUILDER agrees with the BUYER. In any event, the BUILDER shall be entitled to proceed with the construction of the VESSEL, though a disagreement may exist between both parties, without prejudice to the BUYER or BUILDER's right to submit the dispute to the Classification Society for determination or, if necessary for arbitration pursuant to Article XIII hereof.

The BUYER undertakes and assures the BUILDER that the Supervisor shall carry out his inspections in accordance with the mutually agreed inspection procedure and schedule and usual shipbuilding practice and in such a way as to minimize any increase in building costs and delays in the construction of the VESSEL.

The BUILDER agrees to furnish free of charge the Supervisor with air conditioned office space, working lunch and other reasonable facilities according to BUILDER's practice

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including bookshelves, chairs, desks and filing cabinets, and access to telephone, internet and photocopying machines, at or in the immediate vicinity of the BUILDER's yard. Telephone charges shall be for the BUYER's account.

At all times, during the construction of the VESSEL until delivery thereof, the Supervisor shall be given access to the VESSEL, her engines and accessories, and to any other place where the work is being done, or the materials are being processed or stored, in connection with the construction of the VESSEL, including the yards, workshops, stores of the BUILDER, and the premises of subcontractors of the BUILDER, who are doing work, or storing materials in connection with the VESSEL's construction, provided such access shall in no event cause adverse influence on the construction of the VESSEL. The travel expenses for the said access to BUILDER's subcontractors outside of Jiangsu shall be at BUYER's account. The transportation within Jiangsu shall be provided to the Supervisor by the BUILDER.

4. LIABILITY OF THE BUILDER

The Supervisor engaged by the BUYER under this Contract shall at all times be deemed to be in the employment of the BUYER. The BUILDER shall be under no liability whatsoever to the BUYER, or to the Supervisor or the BUYER's employees or agents and the BUYER shall save, indemnify, defend and hold harmless the BUILDER (including any of its assigns, novatees, successors, shareholders, affiliates, consultants, agents, suppliers, vendors and subcontractors (at any tier) and their respective shareholders, directors, officers, employees, or representatives) from and against any and all claims, costs, expenses, losses, damages or liabilities for personal injuries, including death, injury or illness to any of BUYER (including any of its assigns, novatees, successors, shareholders, affiliates, consultants, agents, suppliers, vendors and subcontractors (at any tier) and their respective shareholders, directors, officers, employees, or representatives)'s personnel, unless, however, any such personal injuries, including death, injury or illness, were caused by wilful misconduct or gross negligence of the BUILDER or of any of the BUILDER's employees or agents or subcontractors of the BUILDER. The BUILDER shall also be under no liability for loss of or damage to the property of BUYER (including any of its assigns, novatees, successors, shareholders, affiliates, consultants, agents, suppliers, vendors and subcontractors (at any tier) and their respective shareholders, directors, officers, employees, or representatives) or any of BUYER (including any of its assigns, novatees, successors, shareholders, affiliates, consultants, agents, suppliers, vendors and subcontractors (at any tier) and their respective shareholders, directors, officers, employees, or representatives)'s personnel, during the time when they, or any of them, are on the VESSEL, or within the premises of either the BUILDER or its agents, vendors and subcontractors (at any tier), or are otherwise engaged in and about the construction of the VESSEL, unless, however, any such loss of or damage to the said property were caused by wilful misconduct or gross negligence of the BUILDER or of any of the BUILDER's employees or agents or subcontractors of the BUILDER.

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6. SALARIES AND EXPENSES

All salaries and expenses of the Supervisor, or any other employees employed directly by the BUYER under this Article, shall be for the BUYER's account.

7. REPORT OF PROGRESS

Within 30 Days after the date of this Contract becoming effective, BUILDER shall prepare and submit to BUYER a preliminary and estimate construction schedule. Arrangement of various stages of construction of Vessel shall be at the sole discretion of BUILDER as long as such arrangement will be consistent with the Contract.

Thereafter, BUILDER shall use reasonable efforts to follow the preliminary and estimate schedules and such schedule could be amended from time to time, if deemed necessary by the BUILDER.

8. REPLACEMENT OF SUPERVISOR

The BUILDER has the right to request the BUYER in writing to replace any Supervisor who is deemed unsuitable and unsatisfactory for the proper progress of the VESSEL's construction together with reasons. The BUYER shall investigate the situation within 10 Days after receipt of aforesaid replacement request, and if the BUYER considers that such BUILDER's request is justified, the BUYER shall effect the replacement as soon as practical, and no later than 10 Days after receipt of aforesaid replacement request.

9. RESPONSIBILITY OF THE BUYER

The BUYER shall undertake and assure that the Supervisor shall carry out his duties hereunder in accordance with good shipbuilding practice and in such a way as to avoid any unnecessary increase in building cost, delay in the construction of the VESSEL, and/or disturbance in the construction schedule of the BUILDER.

(End of this Article)

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ARTICLE V MODIFICATIONS, CHANGES AND EXTRAS

1. HOW EFFECTED

The Contract, the Specifications and Plans in accordance with which the VESSEL is constructed, may be modified and/or changed at any time hereafter by written agreement of the parties hereto, provided that such modifications and/or changes or an accumulation thereof will not, in the BUILDER's reasonable judgement, taking into account the current status of the construction of the VESSEL, adversely affect the BUILDER's other projects and/or commitments and provided further that the BUYER shall assent to adjustment of the Original Contract Price, time of delivery of the VESSEL and other terms of this Contract, if any, as hereinafter provided. Subject to the above, the BUILDER hereby agrees to exert its efforts to accommodate such reasonable requests by the BUYER so that the said changes and/or modifications may be made at a reasonable cost and within a period of time which is reasonable and possible. Any such agreement for modifications and/or changes shall include an agreement as to the increase or decrease, if any, in the Original Contract Price of the VESSEL together with an agreement as to any extension or reduction in the time of delivery (including the Contract Delivery Date), or any other alterations in this Contract or the Specifications, which may be occasioned by such modifications and/or changes. The aforementioned agreement to modify and/or to change the Specifications may be effected by an exchange of duly confirmed letters or e-mails manifesting such agreement. The letters and e-mails exchanged by the parties hereto pursuant to the foregoing shall constitute an amendment of the Specifications under which the VESSEL shall be built, and such letters and e-mails shall be deemed to be incorporated into this Contract and the Specifications by reference and made a part hereof. Upon consummation of the agreement to modify and/or to change the Specifications, the BUILDER shall alter the construction of the VESSEL in accordance therewith, including any additions to, or deductions from, the work to be performed in connection with such construction. If for whatever reason, the parties hereto shall fail to agree on the adjustment of the Original Contract Price or extension of time of delivery or modification of any terms of this Contract for such modifications and/or changes, then the BUILDER shall have no obligation to comply with the BUYER's request for any modification and/or changes.

2. CHANGES IN RULES AND REGULATIONS, ETC.

(1) If, after the date of signing this Contract and before the Delivery, any requirements as to the rules and regulations as specified in this Contract and the Specifications to which the construction of the VESSEL is required to conform or the BUYER desires to incorporate and subject to the BUILDER's consent, are altered or changed by the Classification Society or the other regulatory bodies authorized to make such alterations or changes, or there is any new rule or regulation coming into force, the BUILDER and/or the BUYER, upon receipt of the notice thereof, shall transmit such information in full to each other in writing, whereupon within fourteen (14) Days after receipt of the said notice by the BUYER from

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the BUILDER or vice versa, the BUYER shall instruct the BUILDER in writing as to the alterations or changes, if any, to be made in the VESSEL which the BUYER, in its sole discretion, shall decide. The BUILDER shall promptly comply with such alterations or changes, if any, in the construction of the VESSEL, provided that the BUYER shall first agree:

- (a) As to any increase or decrease in the Original Contract Price of the VESSEL that is occasioned by the cost for such compliance; and/or
- (b) As to any extension in the time for delivery of the VESSEL (including Contract Delivery Date) that is necessary due to such compliance; and/or
- (c) As to any increase or decrease in the guaranteed deadweight and/or speed and/or fuel consumption of the VESSEL, if such compliance results in increased or reduced deadweight and/or speed and/or fuel consumption; and/or
- (d) As to any other alterations in the terms of this Contract or of Specifications or both, if such compliance makes such alterations of the terms necessary.

Agreement as to such alterations or changes under this Paragraph shall be made in the same manner as provided above for modifications of and/or changes to the Specifications and/or Plans as referred to in Paragraph 1 hereof.

(2) If, for whatever reason, the parties shall fail to agree on the adjustment of the Original Contract Price, extension of the time for delivery or increase or decrease of the guaranteed speed, deadweight, fuel consumption and etc., and/or any other alteration of the terms of this Contract, if any, then the BUILDER shall proceed with the construction of the VESSEL in accordance with, and the BUYER shall continue to be bound by, the terms of this Contract and Specifications without making any such alterations or changes.

However, if the changes in rules and regulations or the new rules or regulations are compulsory to the VESSEL and the parties are unable to reach agreement on the adjustment of the Original Contract Price, extension of the time for delivery or increase or decrease of the guaranteed speed, deadweight and etc, the BUILDER shall proceed with the construction of the VESSEL in accordance with the change in rules and regulations or such new rules or regulations, and the Contract Delivery Date shall, at the sole discretion of the BUILDER and by the BUILDER's written notice to the BUYER, be further extended for a period necessary for such compliance. The extra cost for compliance with such changes in rules and regulations or the new rules or regulations shall be borne by the BUYER.

Any dispute that is not resolved shall be referred to resolution in accordance with Article XIII.

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3. SUBSTITUTION OF MATERIALS AND/OR EQUIPMENT

In the event that any of the materials and/or equipment required by the Specifications or otherwise under this Contract for the construction of the VESSEL cannot be procured in time to effect delivery of the VESSEL, the BUILDER may, provided the BUILDER shall provide evidence, supply other materials and/or equipment of the equivalent quality, capable of meeting the requirements of the Classification Society and of the rules, regulations with which the construction of the VESSEL must comply. Any such substitution of materials and/or equipment shall be effected at the BUILDER's sole cost and expense.

4. BUYER'S SUPPLIED ITEMS

The BUYER shall deliver to the BUILDER at the BUILDER's yard the items as specified in the Specifications which the BUYER shall supply on its account by the time designated by the BUILDER. The BUILDER shall if requested (whether by the Supervisor or the BUYER) provide necessary and reasonable assistance to the BUYER in connection with any formal documentary and customs clearance for the import into the People's Republic of China of the BUYER's supplied items.

Should the BUYER fail to deliver to the BUILDER any of such items within the time specified, the Contract Delivery Date of the VESSEL shall automatically be extended for a period of such delay.

However, if the delay in delivery of any of the BUYER's supplied items should exceed 10 Days, the BUILDER shall be entitled to proceed with construction of the VESSEL without installation of such items in or onto the VESSEL, without prejudice to the BUILDER's right hereinabove provided (including the delivery or tender for delivery), and the BUYER shall accept the VESSEL so completed.

The BUYER shall be responsible for testing, pre-commissioning, commissioning, supervision for equipment installation, site services and other technical services relating to the BUYER's supplied items, which the BUILDER will provide assistance it deems necessary. The Builder is in no event liable as to the title, performance, quality, seaworthiness, condition, design, operation or fitness for use of any or all BUYER's supplied items or as to the eligibility of any or all BUYER's supplied items for any particular trade or purpose.

The BUILDER shall be responsible for storing of the BUYER's supplied items as specified in the Specifications after delivery to the BUILDER.

Upon arrival of such shipment of the BUYER's supplied items, both parties shall undertake a joint unpacking inspection. If any damaged item is found to be not suitable for installation, the BUILDER shall be entitled to refuse to accept the BUYER's supplied items.

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In the event of rescission of the Contract by the BUYER, the BUILDER will return all the BUYER's supplies. In the event such return would be impossible or impractical, the BUILDER shall compensate the BUYER for actual and documented value (excluding transportation, insurance and all other costs or expenses), the date the BUYER paid for such equipment.

(End of this Article)

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ARTICLE VI TRIALS

1. NOTICE

The trial run shall be held when the VESSEL is ready for trial run. The BUILDER shall give the BUYER in writing by e-mail at least 30 Days approximate notice in advance and 7 Days definite notice in advance of the time and place of the trial run of the VESSEL as described in the Specifications (hereinafter referred to as the "Trial Run").

The BUYER's representatives and/or the Supervisor shall be on board the VESSEL to witness such Trial Run, and to check upon the performance of the VESSEL during the same. Failure of the BUYER's representatives to be present at the Trial Run of the VESSEL, after due notice to the BUYER and the Supervisor as provided above, shall have the effect of extending the Contract Delivery Date of the VESSEL by the period of delay caused by such failure to be present. However, if the Trial Run is delayed more than three (3) Days by reason of the failure of the BUYER's representatives to be present after receipt of due notice as provided above, then in such event, the BUYER shall be deemed to have waived its right to have its representatives on board the VESSEL during the Trial Run, and the BUILDER may conduct such Trial Run without the BUYER's representatives being present, and in such case the BUYER shall be obliged to accept the VESSEL on the basis of a certificate jointly signed by the BUILDER and the Classification Society certifying that the VESSEL, after Trial Run subject to non-material alterations and corrections as provided in this Article, if any, is found to conform to the Contract and Specifications. Furthermore, the Contract Delivery Date as stipulated in Article VII hereof shall be extended by the delays so caused by the BUYER.

In the event of unfavorable weather on the date specified for the Trial Run, the same shall take place on the first available Day thereafter that the weather conditions permit. The parties hereto recognize that the weather conditions in Chinese waters in which the Trial Run is to take place are such that great changes in weather may arise momentarily and without warning and, therefore, it is agreed that if during the Trial Run of the VESSEL, the weather should suddenly become unfavorable, as would have precluded the continuance of the Trial Run, the Trial Run of the VESSEL shall be discontinued and postponed until the first favorable Day next following, unless the BUYER shall assent by e-mail and confirm in writing of its acceptance of the VESSEL on the basis of the Trial Run made prior to such sudden change in weather conditions. In the event that the Trial Run is postponed because of unfavorable weather conditions, such delay shall be regarded as a permissible delay, as specified in Article VIII hereof.

The officers and crew of the BUYER may be on board the VESSEL during the Trial Run to witness it and obtain familiarity with the operation of the VESSEL.

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2. HOW CONDUCTED

(a) All expenses in connection with Trial Run of the VESSEL are to be for the account of the BUILDER, who, during the Trial Run and when subjecting the VESSEL to Trial Run, is to provide, at its own expense, the necessary crew to comply with conditions of safe navigation.

The Trial Run shall in all circumstances be conducted in such manner and to such standard as the rules and regulations applicable to the VESSEL may require, and comply with the program of test and trial agreed by both parties.

The course of Trial Run shall be determined by the BUILDER and shall be conducted within trial basin.

(b) The BUILDER shall provide the VESSEL with the required quantities of water and fuel oil and lubrication oil, greases and hydraulic oil for the conduct of the Trial Run or Trial Runs as prescribed in the Specifications. The fuel oil and lubricating oil, greases and hydraulic oil supplied by the BUILDER, shall be in accordance with the applicable engine specifications, and the cost of the quantities of water, fuel oil, lubricating oil, hydraulic oil and greases consumed during the Trial Run or Trial Runs shall be for the account of the BUILDER.

3. TRIAL LOAD DRAFT

In addition to the supplies provided by the BUYER in accordance with sub-paragraph (b) of the preceding Paragraph 2 hereof, the BUILDER shall provide the VESSEL with the required quantity of fresh water and other stores necessary for the conduct of the Trial Run. The necessary ballast (fresh and sea water and such other ballast as may be required) to bring the VESSEL to the trial load draft as specified in the Specifications, shall be for the BUILDER's account.

4. METHOD OF ACCEPTANCE OR REJECTION

(a) Upon completion of Trial Run, the BUILDER shall give the BUYER a notice by e-mail in writing of the completion of the sea trial. The BUYER or the BUYER's Supervisor shall within 5 Business Days thereafter, notify the BUILDER by e-mail confirmed in writing of its acceptance of the VESSEL or of its rejection of the VESSEL together with the reasons and details therefor.

(b) However, should the result of the Trial Run indicate that the VESSEL or any part thereof including her equipment does not conform to the requirements of this Contract and the Specifications, then the BUILDER shall investigate with the Supervisor the cause of failure and shall take proper steps to remedy the same if the BUILDER confirms the existence and

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extent of such failure and shall make whatever corrections and alterations and/or re-Trial Run or Runs (unless otherwise agreed, the BUILDER shall send to the BUYER at least 3-Day notice for the re-Trial Run or Runs) as may be necessary without extra cost to the BUYER, and upon notification by the BUILDER of completion of such alterations or corrections and/or re-trial or re-trials, the BUYER shall, within 3 Business Days thereafter, notify the BUILDER by e-mail confirmed in writing of its acceptance of the VESSEL or of the rejection of the VESSEL together with the reason therefor on the basis of the alterations and corrections and/or re-trial or re-trials by the BUILDER.

(c) In the event that the BUYER fails to notify the BUILDER by e-mail in writing of its acceptance or rejection of the VESSEL together with the reason and details therefor within 5 Business Days as provided for in the above Sub-paragraphs (a) and/or (b), the BUYER shall be deemed to have accepted the VESSEL.

(d) Any dispute arising among the parties hereto as to the result of any Trial Run or further tests or trials, as the case may be, of the VESSEL shall be solved by reference to the Classification Society for determination or arbitration as provided in Article XIII hereof.

(e) Nothing herein shall preclude the BUYER from accepting the VESSEL with its qualifications and/or remarks following the Trial Run and/or further tests or trials as aforesaid and the BUILDER shall be obliged to comply with and/or remove such qualifications and/or remarks (if such qualifications and/or remarks are acceptable to the BUILDER).

5. DISPOSITION OF SURPLUS CONSUMABLE STORES

Should any amount of fuel oil, fresh water, lubricating oil, greases, hydraulic oil or other consumable stores furnished by the BUILDER for the Trial Run or Trial Runs remain on board the VESSEL at the time of acceptance thereof by the BUYER, the BUYER agrees to buy the same from the BUILDER at original invoiced purchasing price at the port of delivery thereof, and payment by the BUYER shall be effected as provided in Article II 3 (e) and 4 (b) of this Contract.

6. EFFECT OF ACCEPTANCE

The BUYER's acceptance of the VESSEL by written notification sent to the BUILDER or deemed acceptance, in accordance with the provisions set out above, subject as provided in paragraph 4(e) above shall be final and binding so far as conformity of the VESSEL to this Contract and the Specifications is concerned, and shall preclude the BUYER from refusing formal delivery by the BUILDER of the VESSEL.

If, at the time of delivery of the VESSEL, there are deficiencies and/or non-conformities in the VESSEL or the certificates procured by the BUILDER have

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conditions/recommendations (however, the BUILDER shall not be liable and responsible if any of such is caused by the BUYER), such deficiencies and/or non-conformities and/or conditions and/or recommendations should be resolved in such way that if the deficiencies or non-conformities or condition/recommendations are of non-material importance, and do not affect the safety or the trading of the VESSEL, the BUILDER shall be nevertheless entitled to deliver the VESSEL or tender the VESSEL for delivery and the BUYER shall be nevertheless obliged to take delivery of the VESSEL, provided that:

- (i) the BUILDER shall for its own account remedy the deficiency and fulfil the requirements as soon as possible, or
- (ii) if elimination of such deficiencies and/or non-conformities and/or conditions and/or recommendations will affect timely delivery of the VESSEL, then the BUILDER shall have the option to choose either treat such items as warranty items, or indemnify the BUYER for any actual and direct cost in association with remedying these outstanding deficiencies or non-conformities or removal of the conditions/recommendations elsewhere than the BUILDER's Shipyard as a consequence thereof, excluding, however, indirect, special, exemplary, punitive or consequential losses and damages, including without limitation loss of profit, loss of use, loss of production, loss of revenue, loss of time, loss of contracts or otherwise.

(End of this Article)

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ARTICLE VII DELIVERY

1. TIME AND PLACE

The VESSEL shall be delivered safely afloat at a safe berth in the public jetty or anchorage of Nantong city by the BUILDER to the BUYER, in accordance with the Specifications and with all Classification and Statutory Certificates and after completion of Trial Run (or, as the case may be, re-Trial or re-Trials) and accepted by the BUYER in accordance with the provisions of Article VI hereof on or before 31st December 2026, provided that, in the event of delays in the construction of the VESSEL or any performance required under this Contract due to causes which under the terms of the Contract permit extension or postponement of the time for delivery, the aforementioned time for delivery of the VESSEL shall be extended accordingly.

The aforementioned date or such later date to which delivery is extended or postponed pursuant to the terms of this Contract is herein called the "Contract Delivery Date".

The BUILDER shall give the BUYER at least 30 Days and 7 Days approximate delivery notice and at least at least 3 Days definite delivery notice in writing.

2. WHEN AND HOW EFFECTED

Provided that the BUYER and the BUILDER shall each have fulfilled all of their respective obligations as stipulated in this Contract, delivery of the VESSEL shall be effected forthwith by the concurrent delivery by each of the parties hereto, one to the other, of the Protocol of Delivery and Acceptance, acknowledging delivery of the VESSEL by the BUILDER and acceptance thereof by the BUYER, which Protocol shall be prepared in quadruplicate and executed by each of the parties hereto.

3. DOCUMENTS TO BE DELIVERED TO THE BUYER

Concurrently with acceptance of the VESSEL by the BUYER, the BUILDER shall deliver to the BUYER the following documents which shall accompany the aforementioned Protocol of Delivery and Acceptance: all such documents shall be in the English language.

(a) BUILDER'S CERTIFICATE issued by the BUILDER

This certificate shall be in English and notarized by the notary public in the People's Republic of China.

(b) COMMERCIAL INVOICE issued by the BUILDER.

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(c) DECLARATION OF WARRANTY issued by the BUILDER that the VESSEL is delivered to the BUYER free and clear of any liens, charges, claims, mortgages, or other encumbrances upon the BUYER's title thereto, and in particular, that the VESSEL is absolutely free of all burdens in the nature of charges, dues, duties, fines, imposts, levies, or taxes imposed by the province or country of the port of delivery, as well as of all liabilities of the BUILDER to its subcontractors, employees and crews and/or all liabilities arising from the operation of the VESSEL in Trial Run or Trial Runs, or otherwise, prior to delivery.

(d) ALL CERTIFICATES required to be furnished upon delivery of the VESSEL pursuant to this Contract and the Specifications. Certificates shall be issued by relevant Authorities or Classification Society as stipulated in the Contract and Specifications. All the certificates shall be delivered in one (1) original to the VESSEL and two (2) copies to the BUYER.

If the full term certificate or certificates are unable to be issued at the time of delivery by the Classification Society or any third party, then the provisional certificate or certificates as issued by the Classification Society or the third party shall be acceptable to the BUYER provided that the full term certificates shall be furnished by the BUILDER after delivery of the VESSEL and in any event before the expiry of the provisional certificates.

(e) Certificate of Non-Registration to be issued by the BUILDER stating that the VESSEL is not registered in any register on the time of delivery. This certificate shall be notarised by the notary public in the People's Republic of China if legally and practically possible.

(f) Bill of Sale issued by the BUILDER, if required for registration of Vessel, in English and notarized by the notary public in the People's Republic of China.

(g) FINISHED DRAWINGS AND PLANS and INSTRUCTION MANUALS, made by the BUILDER, all in English and all in triplicate, shall be delivered together with the VESSEL as stipulated in the Specifications.

(h) PROTOCOL OF TRIALS of the VESSEL made by the BUILDER pursuant to the Specifications.

(i) PROTOCOL OF INVENTORY of the equipment of the VESSEL including spare part and the like, all as specified in the Specifications, made by the BUILDER.

(j) PROTOCOL OF STORES OF CONSUMABLE NATURE made by the BUILDER.

(k) PROTOCOL OF DEADWEIGHT MEASUREMENT made by the BUILDER.

The BUYER shall provide with the BUILDER or the designated party (such as the Classification Society) without delay any and all necessary information and documents required for the timely issuance of above delivery documents and certificates. If the construction and/or delivery of the VESSEL is delayed by such BUYER's delay in provision of above information

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and/or documents, the BUILDER is not liable for such delay and the Contract Delivery Date shall be extended accordingly for a period of such delay.

4. TITLE AND RISK

Title to and risk of the VESSEL shall pass to the BUYER only upon delivery of the VESSEL from the BUILDER to the BUYER and the receipt of the 5th installment by the BUILDER. As stated above, it is expressly understood that, until Delivery, title to the VESSEL, and her equipment, shall remain at all times with the BUILDER and at the entire risk of the BUILDER.

5. REMOVAL OF VESSEL

The BUYER shall take possession of the VESSEL immediately upon delivery and acceptance thereof, and shall remove the VESSEL from the premises of the BUILDER within 3 Business Days after delivery and acceptance thereof is effected. If the BUYER shall not remove the VESSEL from the premises of the BUILDER within the aforesaid 3 Business Days, then, in such event, without prejudice to the BUILDER's right to require the BUYER to remove the VESSEL immediately at any time thereafter, the BUYER shall pay to the BUILDER reasonable mooring charges for the VESSEL as required by the BUILDER.

6. TENDER OF THE VESSEL

If the BUYER fails to take delivery of the VESSEL after completion thereof according to this Contract and the Specifications, the BUILDER shall, have the right to tender the VESSEL for delivery after compliance with all procedural requirements as above provided.

(End of this Article)

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ARTICLE VIII DELAYS & EXTENSION OF TIME FOR DELIVERY
(FORCE MAJEURE)

1. CAUSE OF DELAY

If, at any time before actual delivery, either the construction of the VESSEL, or any performance required hereunder, is delayed due to war, blockade, revolution, insurrection, mobilization, civil commotions, riots, terrorism, strikes, local temperature reaching certain degree centigrade which applicable law, regulation or rule requires stoppage or suspension of work, reduction of working time or restriction of overtime work, sabotage, lockouts, Acts of God or the public enemy, plague or other epidemics, quarantines, prolonged failure or freight embargoes, if any, earthquakes, tidal waves, typhoons, hurricanes, storms or other causes beyond the control of the BUILDER or of its subcontractors (including but not limited to vendors for main equipment such as Main Engine, Auxiliary Generator and Shaft), as the case may be, or by destruction of the BUILDER or works of the BUILDER or its applicable subcontractors, or of the VESSEL or any part thereof, by fire, flood, or other causes beyond the control of the BUILDER or its subcontractors, or due to the bankruptcy of the equipment and/or material supplier or suppliers (i.e. Main Engine, Generator and Shaft etc), or due to the delay caused by acts of God in the supply of parts essential to the construction of the Vessel, as the case may be, then the BUILDER shall not be liable for such delay, provided that the BUILDER makes all reasonable efforts to mitigate the influence thereby caused and the time for delivery of the VESSEL under this Contract shall be extended without any reduction in the Contract Price for a period of time of such delay, subject nevertheless to the BUYER's right of cancellation under Paragraph 3 of this Article and subject however to all relevant provisions of this Contract which authorize and permit extension of the time of delivery of the VESSEL.

2. NOTICE OF DELAY

Within 5 Business Days from the date of commencement of any permissible delay on account of which the BUILDER claims that it is entitled under this Article to an extension of the time for delivery of the VESSEL, the BUILDER shall advise the BUYER by email, of the date such delay commenced.

Likewise within 5 Business Days after such permissible delay ends, the BUILDER shall advise the BUYER in writing or by e-mail, of the date such delay ended, and also shall specify the period of the time by which the time for delivery of the VESSEL is extended.

Failure of the BUYER to object to the BUILDER's notification and claim for extension of the Delivery Date within 3 Days after receipt by the BUYER of such notification, shall be deemed to be a waiver by the BUYER of its right to object to such extension.

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3. RIGHT TO CANCEL FOR EXCESSIVE DELAY

If the total accumulated time of all permissible delays specified in Paragraph 1 of this Article aggregates to 180 Days or more, or the total accumulated time of all permissible delays specified in Paragraph 1 of this Article and non-permissible delays specified in Article III.1 aggregates to 240 Days or more, excluding delays due to arbitration as provided for in Article XIII hereof or due to default in performance by the BUYER, or due to delays in delivery of the BUYER's supplied items, and excluding delays due to causes which applicable clauses hereof permit extension or postponement of the Contract Delivery Date, then in such event, the BUYER may in accordance with the provisions set out herein cancel this Contract by serving upon the BUILDER notice of cancellation and the provisions of Article X of this Contract shall apply. The BUILDER may, at any time, after the accumulated time of the aforementioned delays justifying cancellation by the BUYER as above provided for, demand in writing that the BUYER shall make an election, in which case the BUYER shall, within thirty (30) Days after such demand is received by the BUYER either notify the BUILDER of its intention to cancel, or consent to an extension of the time for delivery to an agreed future date, it being understood and agreed by the parties hereto that, if any further delay occurs on account of causes justifying cancellation as specified in this Contract, the BUYER shall have the same right of cancellation upon the same terms as hereinabove provided. Failure of the BUYER to give its notice of its intention to cancel, or consent to an extension of the time for delivery to an agreed future date within the said thirty (30) Days period shall be deemed as giving its consent to an extension of the time for delivery to an agreed future date.

4. DEFINITION OF PERMISSIBLE DELAY

Delays on account of such causes as provided for in Paragraph 1 of this Article, but excluding any other extensions of a nature which under the terms of this Contract permit extension or postponement of the Contract Delivery Date, shall be understood to be (and are herein referred to as) permissible delays, and are to be distinguished from non-permissible delays on account of which the Contract Price of the VESSEL is subject to adjustment as provided for in Article III hereof.

(End of this Article)

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ARTICLE IX WARRANTY OF QUALITY

1. GUARANTEE OF MATERIAL AND WORKMANSHIP

Subject to the provisions hereinafter set out, BUILDER hereby give a warranty against, and undertake to repair or replace, free of charge to BUYER, any defects in the VESSEL, which are due to defective material and/or improper workmanship and/or faulty design or construction and/or miscalculation on the part of BUILDER and/or its subcontractors and/or its employees and/or its agents, provided that the defects shall have been discovered during a period of twelve (12) months following delivery and acceptance to the BUYER of the VESSEL, or, where the defect is something which has been repaired or replaced pursuant to this warranty and undertaking, during a further extended period of 12 months from the date of such repair or replacement provided however that any and all such extended warranty period(s) shall not continue longer than 18 months following delivery and acceptance to the BUYER of the VESSEL in any circumstances (the "Warranty Period") and provided that notice thereof shall have been duly given to BUILDER as prescribed below.

For the purpose of this Article, the VESSEL shall include, but not limited to, her hull, machinery, engine, equipment and all parts and gear manufactured or furnished or supplied by the BUILDER and/or the BUILDER'S subcontractors (and including the machinery, equipment and appurtenances thereof), but excludes any parts for the VESSEL which have been supplied by the BUYER.

2. NOTICE OF DEFECTS

The BUYER shall notify the BUILDER in writing, as promptly as possible, after discovery of any defect for which a claim is made under this guarantee. The BUYER's notice shall describe the discovery date, nature of the defect and the estimated extent of the damage caused thereby. The BUILDER shall have no obligation under this guarantee for any defects discovered prior to the expiry date of the guarantee, unless notice of such defects, is received by the BUILDER not later than 7 Days after such expiry date.

3. REMEDY OF DEFECTS

The BUILDER shall remedy at its expense any defects, against which the VESSEL or any part of the equipment thereof is guaranteed under this Article by making all necessary repairs and/or replacement.

However, if it is impractical for the BUILDER to make the repair and if forwarding by the BUILDER of replacement parts, and materials cannot be accomplished without impairing or delaying the operation or working of the VESSEL, then, in any such event, the BUYER

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shall, cause the necessary repairs or replacements to be made elsewhere at the discretion of the BUYER provided that the BUYER shall first procure written consent of the BUILDER (which shall not be unreasonably delayed or withheld) for such necessary repairs or replacements elsewhere and in all events as soon as reasonably practicable, giving the BUILDER notice by email of the time and place such repairs will be made and fee quote by the third party where repairs or replacements will be made and, if the VESSEL is not thereby delayed or her operation or working is not thereby delayed or impaired, the BUILDER shall have the right to verify by its representative(s) or that of Classification Society the nature and extent of the defects complained of. The BUILDER shall, in such cases, promptly advise the BUYER after such examination has been completed, of its acceptance or rejection of the defects with reasons as ones that are subject to the guarantee herein provided.

Subject to above and in any circumstances as set out below, the BUILDER shall pay to the BUYER in United States Dollars by telegraphic transfer the actual and direct cost for such repairs or replacements including necessary forwarding charges but excluding indirect, special, exemplary, punitive or consequential losses and damages, arising from, or relating to or in connection with such repairs or replacements and excluding loss of hire, loss of contract, loss of profit, crew wage, cost of stores or inspection, customs, port and anchorage charge, claims from third party, or at the fee for making similar repairs or replacements including forwarding charges as quoted by a leading shipyard in South Korea, Singapore or the People's Republic of China, whichever is lower:

(a) Upon the BUILDER's acceptance of the defects as justifying remedy under this Article, or

(b) If the BUILDER neither accepts nor rejects the defects as above provided, nor requests arbitration within sixty (60) Days after its receipt of the BUYER's notice of defects.

For the avoidance of doubt, upon replacement, the ownership of replaced parts shall revert to the BUILDER and if the BUILDER requires to return the replaced parts, the BUILDER shall bear the necessary costs.

Any dispute shall be referred to arbitration in accordance with the provisions of Article XIII hereof.

4. EXTENT OF THE BUILDER'S LIABILITY

The BUILDER shall in no circumstances be responsible or liable for (1) defects discovered or notified after the expiration of the Guarantee Period specified above, (2) any defects in the VESSEL or any part of the VESSEL which has been caused, subsequent to delivery of the VESSEL, by any replacement or repair work performed by any other contractor not appointed by the BUILDER, (3) any consequential, indirect or special losses, damages or expenses whatsoever or howsoever arising; and/or (4) any losses, damages or expenses for loss of hire, loss of time, loss of profit, loss of earnings or demurrage, regardless of whether

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such losses, damages or expenses are the direct or indirect result of any guaranteed defect(s) or are the direct or indirect result of repairs or other works done to the VESSEL to remedy such guaranteed defect(s).

The BUILDER's liability shall be limited to repair and/or replacement of any of the defects specified in Paragraph 1 of this Article. The BUILDER shall not be liable for the VESSEL or to any part thereof, due to ordinary wear and tear or caused by the defects other than those specified in Paragraph 1 above, nor shall there be any BUILDER's liability hereunder for defects in the VESSEL, or any part of the equipment thereof, caused by fire or accidents at sea or elsewhere, or mismanagement, accidents, negligence, or wilful neglect, on the part of the BUYER, its employees or agents including the VESSEL's officers, crew and passengers, or any persons on or doing work on the VESSEL other than the BUILDER, its employees, agents or subcontractors. Likewise, the BUILDER shall not be liable for defects in the VESSEL, or the equipment or any part thereof, due to repairs or replacement which were made by those other than the BUILDER and/or its subcontractors.

Upon delivery and acceptance of the VESSEL to the BUYER, in accordance with the terms of the Contract, the BUILDER shall thereby and thereupon be released of all responsibility and liability whatsoever and howsoever arising under or by virtue of this Contract (save in respect of those obligations to the BUYER expressly provided for in this Article IX) including without limitation, any responsibility or liability for defective workmanship, materials or equipment, design or in respect of any other defects whatsoever and any loss or damage resulting from any act, omission or default of the BUILDER. The BUILDER shall not, in any circumstances, be liable for any consequential loss or special loss, or expenses arising from any cause whatsoever including, without limitation, loss of time, loss of profit or earnings or demurrage directly from any commitments of the BUYER in connection with the VESSEL.

The guarantee provided in this Article and the obligations and the liabilities of the BUILDER hereunder are exclusive and shall replace and in lieu of, and the BUYER hereby waives, all remedies, warranties, guarantees or liabilities, express or implied, arising by Law, in equity, in tort or otherwise (including without limitation any obligations of the BUILDER with respect to fitness, merchantability and/or damages) or whether or not occasioned by the BUILDER's negligence. This guarantee shall not be extended, altered or varied except by a written instrument signed by the duly authorized representatives of the BUILDER and the BUYER.

(End of this Article)

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ARTICLE X CANCELLATION, REJECTION AND RESCISSION BY THE BUYER

1. EVENT OF TERMINATION

BUYER shall be entitled to terminate this Contract in any of the following cases:

- (a) if there occurs such occurrence which permits the BUYER to rescind the Contract, being: (i) excessive delay in delivery of the VESSEL (Article III.1.(c) or Article VIII.3); or (ii) excessive deficiency of the speed of the VESSEL (Article III.2.(c)); or (iii) excessive fuel consumption of the Main Engine (Article III.3.(c)); or (iv) excessive deficiency of the deadweight of the VESSEL (Article III.4.(c)); or
- (b) if the validity of the Refund Guarantee expires prior to the delivery of the VESSEL and the BUILDER fails to extend the validity of the Refund Guarantee as per the request by the BUYER by no later than 10 days prior to the expiration of Refund Guarantee; or
- (c) if, prior to the delivery of the VESSEL, the BUILDER becomes or is declared, either by effective resolution of the BUILDER or by order of any court of competent jurisdiction in China, insolvent or bankrupt, or the making of an order or the passing of an effective resolution for the winding up or closure of the BUILDER and/or any holding company of the BUILDER (other than for the purpose of solvent reconstruction or amalgamation or public listing), or the appointment of a receiver over the undertaking or property of the BUILDER, or the insolvency of the BUILDER, or the cessation of the carrying on of business by the BUILDER, or the making by the BUILDER of any special arrangement or composition with the creditors of the BUILDER, or any like or similar circumstance occurring of the BUILDER; or
- (d) if, prior to the delivery of the VESSEL, the Refund Guarantor becomes or is declared, either by effective resolution of the Refund Guarantor or by order of any court of competent jurisdiction in China, insolvent or bankrupt, or the making of an order or the passing of an effective resolution for the winding up or closure of the Refund Guarantor (other than for the purpose of solvent reconstruction or amalgamation or public listing), or the appointment of a receiver over the undertaking or property of the Refund Guarantor, or the insolvency of the Refund Guarantor, or the cessation of the carrying on of business by the Refund Guarantor, or the making by the Refund Guarantor of any special arrangement or composition with the creditors of the Refund Guarantor, or any like or similar circumstance occurring of the Refund Guarantor, and in case of above event, the BUILDER further fails to find an alternative refund guarantor within 30 Days thereafter.

2. NOTICE

The payments made by BUYER prior to the delivery of the Vessel shall be in the nature of advances to BUILDER. If BUYER shall exercise its right of termination of this Contract under Article X.1, then such termination shall be effective as of the date when notice in writing of such termination is received by BUILDER unless such termination is disputed by the BUILDER.

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For the avoidance of doubt, the events and/or occurrences which entitle the BUYER to rescind and cancel the CONTRACT shall be limited to those occurrence or event specified in this CONTRACT which specifically permits the BUYER to do so. No other event or circumstance shall give rise to any right to the BUYER for rescission or cancellation of the CONTRACT whether under this CONTRACT or under any applicable laws.

3. REFUND BY BUILDER

After receipt of notice of termination, unless BUILDER duly contests any termination by BUYER pursuant to Article XIII, BUILDER shall promptly refund to BUYER the full amount of the instalments of the Contract Price (if any) paid by BUYER to BUILDER on account of the Vessel plus interest thereon at 5% per annum if the cancellation or rescission of the Contract is exercised by the BUYER in accordance with Article X.1 hereof, however in the event of total loss as described in Article XII of this Contract or in respect of period of permissible delay, then, no interest will be charged on the amount required herein to be refunded to the BUYER, computed from the respective dates when such sums were received by BUILDER's Bank or any such other bank account as nominated by the BUILDER to the date of remittance by telegraphic transfer of such refund to the BUYER by the BUILDER.

If the BUYER's termination of this Contract is disputed by the BUILDER by instituting arbitration as aforesaid, then no refund shall be made by the BUILDER or Refund Guarantor, and the BUYER shall not be entitled to demand repayment from Refund Guarantor under its Refund Guarantee, until the Final Award between the BUYER and the BUILDER which shall be in favour of the BUYER, declaring the BUYER's termination justified, is made and delivered to the BUILDER by the final and binding arbitration tribunal or in case of an appeal, the final and binding court judgement or order and the BUILDER fails to honor such Final Award.

4. DISCHARGE OF OBLIGATIONS

Upon such refundment by BUILDER to BUYER, all obligations, duties and liabilities of BUILDER and the BUYER under this Contract and applicable laws shall be deemed to have been completely and forthwith discharged and released.

(End of this Article)

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ARTICLE XI BUYER'S DEFAULT

1. DEFINITION OF DEFAULT

The BUYER shall be deemed in default of its obligation under the Contract if any of the following events occurs:

- (a) The BUYER fails to pay the first, and/or the second, and/or the third, and/or the fourth instalment to the BUILDER when any such instalment becomes due and payable under the provisions of Article II hereof; or
- (b) The BUYER fails to provide and maintain the Payment Guarantee covering the 1st and 2nd and 3rd and 4th instalments of Contract Price in accordance with Clause 6 of ARTICLE II of this Contract; or
- (c) The BUYER fails to pay the fifth instalment to the BUILDER in accordance with Paragraphs 3 (e) and 4 (b) of Article II hereof; or
- (d) The BUYER fails to accept and/or take delivery of the VESSEL, when the VESSEL is duly delivered or tendered for delivery under the provisions of Article VII hereof by the BUILDER, or
- (e) The BUYER becomes or is declared, either by effective resolution of the BUYER or by order of any court of competent jurisdiction, insolvent or bankrupt, or the filing of a petition or the making of an order or the passing of an effective resolution for the winding up or closure of the BUYER and/or any holding company of the BUYER (other than for the purpose of solvent reconstruction or amalgamation which has been previously approved by the BUILDER), or the appointment of a receiver over the undertaking or property of the BUYER, or the insolvency of or a suspension of payment by the BUYER, or the cessation of the carrying on of business by the BUYER, or the making by the BUYER of any special arrangement or composition with the creditors of the BUYER, or any like or similar circumstance occurring of the Buyer.
- (f) The Payment Guarantor becomes or is declared, either by effective resolution of the Payment Guarantor or by order of any court of competent jurisdiction, insolvent or bankrupt, or the making of an order or the passing of an effective resolution for the winding up or closure of the Payment Guarantor and/or any holding company of the Payment Guarantor (other than for the purpose of solvent reconstruction or amalgamation which has been previously approved by the BUILDER), or the appointment of a receiver over the undertaking or property of the Payment Guarantor, or the insolvency of or a suspension of payment by the Payment Guarantor, or the cessation of the carrying on of business by the Payment Guarantor, or the making by the Payment Guarantor of

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any special arrangement or composition with the creditors of the Payment Guarantor, or any like or similar circumstance occurring of the Payment Guarantor.

2. NOTICE OF DEFAULT

If the BUYER is in default of payment or in performance of its obligations as provided in Paragraph 1 (a) or 1(c) or 1(d) of this Article, the BUILDER shall notify the BUYER to that effect in writing after the date of occurrence of the default as per Paragraph 1 of this Article.

If the BUYER is in default as provided in Paragraph 1 (e) or (f) of this Article, the BUILDER has no obligation to notify the BUYER the occurrence of the default.

3. INTEREST AND CHARGE

(a) If the BUYER is in default of payment as to any instalment as provided in Paragraph 1 (a) and/or 1 (c) of this Article, the BUYER shall pay interest on such instalment at the rate of five percent (5%) per annum from the due date thereof until the date of the payment of the full amount, including all aforesaid interest. In case the BUYER shall fail to take delivery of the VESSEL when required to as provided in Paragraph 1 (d) of this Article, the BUYER shall be deemed in default of payment of the fifth instalment and shall pay interest thereon at the same rate as aforesaid from and including the day on which the VESSEL is tendered for delivery by the BUILDER, as provided in Article VII Paragraph 7 hereof. In case any event of Paragraph 1(e) or (f) of this Article occurs, the BUYER shall be deemed in default of payment of all unpaid instalments and shall pay interest thereon at the same rate as aforesaid from and including the day on which such event of Paragraph 1(e) or (f) of this Article occurs.

(b) In any event of default by the BUYER under this Article, the BUYER shall also pay all reasonable costs, charges and expenses directly incurred by the BUILDER as the result of such default.

4. DEFAULT BEFORE DELIVERY OF THE VESSEL

(a) If any default by the BUYER occurs as defined in Paragraph 1 (a) or 1(c) or 1(d) or 1(e) or (f) of this Article, the Contract Delivery Date shall be postponed for a period of continuance of such default by the BUYER, and/or at the BUILDER's option, the BUILDER is further entitled to suspend the performance of the Contract (including work and construction hereof) until the rectification of such default by the BUYER.

(b) If any such default as defined in Paragraph 1 (a) or 1 (b) or 1(c) or 1(d) of this Article continues for a period of fifteen (15) Days or any event of Paragraph 1(e) or (f) of this Article occurs, then, the BUILDER shall have all following rights and remedies:

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(i) The BUILDER may, at its option, cancel or rescind this Contract, provided the BUILDER has notified the BUYER of such default pursuant to Paragraph 2 of this Article (except for the BUYER's default as provided in Paragraph 1 (e) or 1(f) of this Article which no notice of default is required), by giving notice of such effect to the BUYER in writing. Upon receipt by the BUYER of such notice of cancellation or rescission, all of the BUYER's Supplies shall forthwith become the sole property and at the sole disposal of the BUILDER, and the VESSEL and all its equipment and machinery shall be at the sole disposal of the BUILDER for sale or otherwise; and

(ii) In the event of such cancellation or rescission of this Contract, the BUILDER shall be entitled to retain any instalment or instalments of the Contract Price paid by the BUYER to the BUILDER on account of this Contract.

(iii) (Applicable to any BUYER's default defined in 1 (a) or 1(b) or 1(e) or 1(f) of this Article) The BUILDER shall, without prejudice to the BUILDER's right to recover from the BUYER the fifth instalment, interest, costs and/or expenses by applying the proceeds to be obtained by the sale of the VESSEL in accordance with the provisions set out in this Contract, have the right to declare all unpaid instalments to be forthwith due and payable, and upon such declaration, the BUILDER shall have the right to immediately demand the payment of the amount of unpaid instalments from the BUYER.

5. SALE OF THE VESSEL

(a) In the event of cancellation or rescission of this Contract as above provided, the BUILDER shall have full right and power either to complete or not to complete the VESSEL as it deems fit, and to sell the VESSEL at a public or private sale at the suitable price reasonably obtainable. In case of private sale of the VESSEL, the BUILDER shall have responsibility to disclose the terms and conditions including the sale price to the BUYER.

In the case of sale of the VESSEL, the BUILDER shall give notice to the BUYER.

(b) In the event of the sale of the VESSEL in its completed state, the proceeds of sale received by the BUILDER shall be applied firstly to payment of all expenses attending such sale and costs, charges and expenses otherwise incurred by the BUILDER as a result of the BUYER's default, and then to payment of all unpaid instalments and/or unpaid balance of the Contract Price and interest on such instalment at the interest rate as specified in the relevant provisions set out above from the respective due dates thereof to the date of application.

(c) In the event of the sale of the VESSEL in its incomplete state, the proceeds of sale received by the BUILDER shall be applied firstly to all expenses attending such sale and costs, charges and expenses otherwise incurred by the BUILDER as a result of the BUYER's default, and then to payment of all costs of construction of the VESSEL (such costs of

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construction, as herein mentioned, shall include but are not limited to all reasonable costs of labour and/or prices paid or to be paid by the BUILDER for the equipment and/or technical design and/or materials purchased or to be purchased, installed and/or to be installed on the VESSEL) and/or any reasonable fees, charges, expenses and/or royalties incurred and/or to be incurred for the VESSEL less the instalments so retained by the BUILDER, and compensation to the BUILDER for a reasonable sum of loss of profit due to the cancellation or rescission of this Contract.

(d) In either of the above events of sale, if the proceed of sale exceeds the total of the amounts to which such proceeds are to be applied as aforesaid, the BUILDER shall promptly pay the excesses to the BUYER without interest, provided, however that the amount of each payment to the BUYER shall in no event exceed the total amount of instalments already paid by the BUYER and the cost of the BUYER's supplies, if any.

(e) If the proceed of sale are insufficient to pay such total amounts payable as aforesaid, the BUYER shall forthwith pay the deficiency to the BUILDER upon request.

(End of this Article)

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ARTICLE XII INSURANCE

1. EXTENT OF INSURANCE COVERAGE

From the time of keel-laying of the first section of the VESSEL until the same is completed, delivered to and accepted by the BUYER, the BUILDER shall, at its own cost and expense, keep the VESSEL and all machinery, materials, equipment, appurtenances and outfit, delivered to the BUILDER for the VESSEL or built into, or installed in or upon the VESSEL, including the BUYER's Supplies, fully insured with first class Chinese insurance companies for BUILDER's risk which will cover all risks covered by Institute Clauses - Builder's Risks.

The amount of such insurance coverage shall, up to the date of delivery of the VESSEL, be in an amount at least equal to, but not limited to, the aggregate of the payments made by the BUYER to the BUILDER under Article II and including the value of the BUYER's supplies of maximum amount of USD 600,000. The policy referred to hereinabove shall be taken out in the name of the BUILDER and all losses under such policy shall be payable to the BUILDER.

2. APPLICATION OF RECOVERED AMOUNT

(a) Partial Loss:

In the event the VESSEL shall be damaged by any insured cause whatsoever prior to acceptance and delivery thereof by the BUYER and in the further event that such damage shall not constitute an actual or a constructive total loss of the VESSEL, the BUILDER shall apply the amount recovered under the insurance policy referred to in Paragraph 1 of this Article to the repair of such damage satisfactory to the Classification Society, and other institutions or authorities as described in the Specifications, and to the reasonable satisfaction of the BUYER without additional expenses to the BUYER, and the BUYER shall accept the VESSEL under this Contract if completed in accordance with this Contract and Specifications and not make any claim or demand for any depreciation or decrease of Contract Price.

(b) Total Loss:

However, in the event that the VESSEL is determined to be an actual or constructive total loss, the BUILDER shall either:

(i) By the mutual agreement between the parties hereto, proceed in accordance with terms of this Contract, in which case the amount recovered under said insurance policy shall be applied to the reconstruction and/or repair of the VESSEL's damages and/or replacement and reinstallation of BUYER's supplies without additional expenses to the BUYER, provided the parties hereto shall have first agreed in writing as to such reasonable extension

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of the Contract Delivery Date and adjustment of other terms of this Contract including the Original Contract Price as may be necessary for the completion of such reconstruction; or

(ii) If for whatever reason the parties fail to agree on the above, then refund within 60 Banking Days to the BUYER the amount of all instalments paid to the BUILDER under this Contract without interest together with recovered amount for BUYER's Supplies onboard, whereupon this Contract shall be deemed to be cancelled and all rights, duties, liabilities and obligations of each of the parties to the other shall terminate and discharge forthwith.

Within thirty (30) Days after receiving e-mail notice of any damage to the VESSEL constituting an actual or a constructive total loss from the BUILDER, the BUYER shall notify the BUILDER in writing by e-mail of its agreement or disagreement under this sub-paragraph. In the event the BUYER fails to so notify the BUILDER, then such failure shall be construed as a disagreement on the part of the BUYER. This Contract shall be deemed as rescinded and cancelled and the BUYER shall receive the refund as hereinabove provided and the provisions hereof shall apply.

In case of any damages to the VESSEL, the BUILDER shall notify the BUYER of the extent of damage to the VESSEL and provide a copy of surveyor's report within 10 Business Days.

3. TERMINATION OF THE BUILDER'S OBLIGATION TO INSURE

The BUILDER's obligation to insure the VESSEL hereunder shall cease and terminate forthwith upon delivery thereof to and acceptance by the BUYER.

(End of this Article)

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ARTICLE XIII DISPUTES AND ARBITRATION

1. PROCEEDINGS

Unless otherwise mutually agreed in writing and in the event of any dispute between the BUYER and the BUILDER as to any matter arising out of or relating to this Contract or any stipulation herein or with respect thereto which cannot be settled by the BUYER and the BUILDER themselves, such dispute shall be resolved by arbitration in London in accordance with the Laws of England in accordance with the Arbitration Act, 1996 or any re-enactment or statutory modification thereof for the time being in force and the rules of London Maritime Arbitrators Association (the "LMAA") for the time being in force. Either party may demand arbitration of any such disputes by giving written notice to the other party. Any demand for arbitration by either party hereto shall state the name of the arbitrator appointed by such party and shall also state specifically the question or questions as to which such party is demanding arbitration. Within 30 Days after receipt of notice of such demand for arbitration, the other party shall in turn appoint a second arbitrator. The two arbitrators thus appointed shall thereupon select a third arbitrator and the three arbitrators so named shall constitute the board of arbitration (hereinafter called the "Arbitration Board") for the settlement of such dispute.

In the event however, that said other party should fail to appoint a second arbitrator as aforesaid within 30 Days following receipt of notice of demand of arbitration, it is agreed that such party shall thereby be deemed to have accepted and appointed as its own arbitrator the one already appointed by the party demanding arbitration, and the arbitration shall proceed forthwith before this sole arbitrator, who alone, in such event, shall constitute the arbitration board. In the further event that the two arbitrators appointed respectively by the parties hereto as aforesaid should be unable to reach agreement on the appointment of the third arbitrator within 30 Days from the date on which the second arbitrator is appointed, either party of the said two arbitrators shall apply to the President for the time being of LMAA to appoint the third arbitrator. The award of the arbitration, made by the sole arbitrator or by the majority of the three arbitrators, as the case may be, shall be final, conclusive and binding upon the parties hereto.

The arbitration will be conducted in London.

2. ALTERNATIVE ARBITRATION BY AGREEMENT

Notwithstanding the preceding provisions of this Article, it is recognized that in the event of any dispute or difference of opinion arising in regard to the construction of the VESSEL, her machinery and equipment, or concerning the quality of materials or workmanship thereof or thereon, such dispute may be referred to the Classification Society upon agreement of the parties hereto. In such case, the opinion of the Classification Society shall be final and binding on the parties hereto.

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3. NOTICE OF AWARD

Notice of any award shall immediately be given in writing by e-mail confirmed in writing to the BUILDER and the BUYER.

4. EXPENSES

The arbitrator(s) shall determine which party shall bear the expenses of the arbitration or the proportion of such expenses which each party shall bear.

5. AWARD OF ARBITRATION

Final Award shall be final and binding upon the parties concerned.

6. ENTRY IN COURT

Judgment on any award may be entered in any court of competent jurisdiction.

7. ALTERATION OF DELIVERY TIME

In the event of reference to arbitration of any dispute arising out of matters occurring prior to delivery of the VESSEL, the BUILDER shall be entitled to extend the Contract Delivery Date as defined in Article VII for a period of the arbitration proceeding.

(End of this Article)

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ARTICLE XIV RIGHT OF ASSIGNMENT

1. ASSIGNMENT BY THE BUYER

The BUYER may assign or novate this Contract to a third party with the prior written consent of the BUILDER, which consent shall not be unreasonably withheld or delayed by the BUILDER provided that (1) in case of assignment, (a) the assignee shall only be the bank and/or financial institution which finances the BUYER's purchase of the VESSEL, or the purchaser or bareboat charterer of the VESSEL in respect of Article IX and (b) the BUILDER's rights, benefits, interests and remedies under the Contract shall not in any event or in any way be affected, reduced or prejudiced and (c) the assignment shall not impose upon the BUILDER any further obligations or liabilities other than those which have already expressly existed under the Contract, and (2) in case of novation, the BUYER shall remain jointly and severally liable with the transferee or novatee's performance under the terms of the Contract.

All reasonable and documented costs, including legal and other costs on the part of the BUILDER in relation to such assignment or novation shall be borne and paid by the BUYER on demand.

(End of this Article)

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ARTICLE XV TAXES AND DUTIES

1. TAXES AND DUTIES INCURRED IN CHINA

The BUILDER shall bear and pay all taxes, duties, stamps, dues, levies, and fees imposed upon the BUILDER or its personnel in the People's Republic of China in connection with the execution and/or performance of this Contract.

The BUILDER will give necessary assistance to the BUYER in the respect of BUYER's Supplies to be imported into the People's Republic of China in compliance with the laws of the People's Republic of China.

2. TAXES AND DUTIES INCURRED OUTSIDE CHINA

The BUYER shall bear and pay all taxes, duties, stamps, and fees outside the People's Republic of China and imposed upon the BUYER or its personnel or BUYER's supplied items by law in connection with execution and/or performance of this Contract except for taxes, duties, stamps, dues, and fees imposed upon the items which are procured by the BUILDER for the construction of the VESSEL in accordance with the terms of this Contract and the Specification.

(End of this Article)

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ARTICLE XVI PATENTS, TRADEMARKS AND COPYRIGHTS

The machinery and equipment of the VESSEL may bear the patent number, trademarks or trade names of the manufacturers. The BUILDER shall defend and save harmless the BUYER from patent liability or claims of patent infringement of any nature or kind, including costs and expenses for, or on account of any patented or patentable invention made or used in the performance of this Contract and also including cost and expense of litigation, if any.

Nothing contained herein shall be construed as transferring any patent or trademark rights or copyright in equipment covered by this Contract, and all such rights are hereby expressly reserved to the true and lawful owners thereof. Notwithstanding any provisions contained herein to the contrary, the BUILDER's obligation under this Article will not be terminated by the passage of any specified period of time.

The BUILDER's indemnity hereunder does not extend to equipment or parts procured or supplied by the BUYER (or a third party designated by the BUYER) to the BUILDER if any.

The BUILDER retains all rights with respect to the Specification, and plans and working drawings, technical descriptions, calculations, test results and other data, information and documents concerning the design and construction of the VESSEL and the BUYER undertakes not to disclose the same or divulge any information contained therein to any third parties, without the prior written consent of the BUILDER except where it is necessary for the usual operation, repair and maintenance of the Vessel or on sale or bareboat charter of the Vessel.

This Article shall survive upon the expiry or termination of the Contract.

(End of this Article)

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ARTICLE XVII NOTICE

Any and all notices and communications in connection with this Contract shall be in writing and addressed as follows:

To the BUYER: **JINHAN MARINE INC.**
Address : 26th Floor, Yardley Commercial Building,
1-6 Connaught Road West, Hong Kong, China.
Attention: Mr. S.F. Ng; Mr. Michael Ng; Mr. Y.H. Shum; Mr. T.H. Tsang
E-mail: sfng@jinhuiship.com; mng@jinhuiship.com;
shumyh@jinhuiship.com; tsangth@jinhuiship.com

To the BUILDER: Jiangsu Hantong Ship Heavy Industry Co., Ltd.
Address : No.6 , Dongfang Avenue, Economic & Development Zone, Nantong
City, Jiangsu Province, P.R.China
Attention: Mr. Chengjun Meng, Ms. Lili Ding & Ms. Haiyan Yin
E-mail: mcj@cnhtship.com; dll@cnhtship.com; yhy@cnhtship.com;

Any change of address shall be communicated in writing by registered mail by the party making such change to the other party and in the event of failure to give such notice of change, communications addressed to the party at their last known address shall be deemed sufficient. E-mail shall not be a valid means of communication in connection with any change of address.

Any and all notices, requests, demands, instructions, advice and communications in connection with this Contract shall be deemed to be given at, and shall become effective from, the time when the same is delivered to the address of the party to be served, provided, however, that personal delivery shall be deemed to be delivered upon receipt by the addressee, registered mail shall be deemed to be delivered ten (10) Days after the date of dispatch, express courier service shall be deemed to be delivered five (5) Days after the date of dispatch, and email shall be deemed to be delivered upon the subject email has been automatically moved to the "sent" box on the sending computer.

Any and all notices and communications in connection with this Contract shall be written in the English language and each party hereto shall have no obligation to translate them into any other language.

(End of this Article)

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ARTICLE XVIII EFFECTIVE DATE OF CONTRACT

This Contract shall become effective upon due execution of the Contractual Documents by both Parties hereof.

(End of this Article)

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ARTICLE XIX INTERPRETATION

1. LAW APPLICABLE

The parties hereto agree that the validity and interpretation of this Contract and of each Article and part hereof be governed by and interpreted in accordance with the Laws of England.

2. DISCREPANCIES

All general language or requirements embodied in the Specifications are intended to amplify, explain and implement the requirements of this Contract. However, in the event that any language or requirements so embodied in the Specifications permit an interpretation inconsistent with any provision of this Contract, then in each and every such event the applicable provisions of this Contract shall govern. The Specifications and plans are also intended to explain each other, and anything shown on the plans and not stipulated in the Specifications or stipulated in the Specifications and not shown on the plans, shall be deemed and considered as if embodied in both. In the event of conflict between the Specifications and plans, the Specifications shall govern.

However, with regards to such inconsistency or contradiction between this Contract and the Specifications as may later occur by any change or changes in the Specifications agreed upon by and among the parties hereto after execution of this Contract, then such change or changes shall govern.

3. MISCELLANEOUS

Entire Agreement: This Contract contains the entire agreement and understanding between the Parties hereto and supersedes all prior negotiations, representations, undertakings and agreements, letter of intent on any subject matter of this Contract. Neither Party shall be entitled to rely on any representations or statements made during negotiations other than to the extent that the same are expressly included in this Contract.

Third party rights: Unless expressly identified in this Contract, no third parties shall have the right to enforce or apply any term of this Contract.

Amendment: Unless otherwise stated herein no provision of this Contract may be amended, modified, waived or rescinded except by an instrument in writing executed by each of the parties hereto.

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This Contract may be executed in any number of counterparts and any single counterpart or set of counterparts signed, in either case, by all the parties hereto shall be deemed to constitute a full and original agreement for all purposes.

(End of this Article)

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ARTICLE XX CONFIDENTIALITY

The details of this Contract shall be kept private and confidential by each Party unless required for the purpose of performing this Contract and/or any Party is required to make disclosure pursuant to applicable laws, rules or regulations. It is acknowledged that the intermediate holding company of the BUYER, Jinhui Shipping and Transportation Limited (“Jinhui Shipping”) and the parent company of Jinhui Shipping, Jinhui Holdings Company Limited (“Jinhui Holdings”) will need to make public announcements pursuant to applicable rules and regulations of the Oslo Stock Exchange and the Hong Kong Stock Exchange respectively, provide that such public announcements shall be limited to the necessary scope and extent as required by applicable rules and regulations of the Oslo Stock Exchange and the Hong Kong Stock Exchange respectively.

This shipbuilding contract is conditional upon approval by the general meeting of Jinhui Holding (the “General Meeting”) for obtaining approval by shareholders of Jinhui Holdings.

The BUYER warrants and represents that (i) Fairline Consultants Limited and Timberfield Limited, being the shareholders together holding 64.53% of issued shares of Jinhui Holdings and voting rights in the General Meeting as date of this shipbuilding contract, have irrevocably agreed to vote in favour of the shipbuilding contract at the General Meeting and (ii) to the best of the knowledge of the BUYER, the said shareholders are qualified to vote at the General Meeting and are not required to abstain from voting other than the requirements imposed upon the said shareholders by The Stock Exchange of Hong Kong Limited and (iii) the BUYER shall ensure the said shareholders shall comply with (i) and (ii).

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In WITNESS WHEREOF, the parties hereto have caused this Contract to be duly executed on the day and year first above written.

THE BUYER:

By: 

Name: Mr. NG Siu Fai
Title: Director

THE BUILDER:

By: 

Name: Mr. Chengjun Meng
Title: Legal Representative

Exhibit "A"

**FORM OF REFUND GUARANTEE FOR THE _____) INSTALMENT
[FOR REFERENCE ONLY AND SUBJECT TO THE APPROVAL OF THE
BUILDER'S BANK]**

To:
(sent by SWIFT via _____ (the BUYER's bank))

Date:

1. At the request of _____ (hereinafter called the "BUILDER") and in consideration of your agreeing to pay the BUILDER the instalments before delivery of the VESSEL under the Contract No. _____ concluded by and amongst you and the BUILDER dated ____; (hereinafter called "the CONTRACT") for the BUILDER's construction and delivery to you of one (1) _____ Vessel to be designated as Hull No. _____ (hereinafter called "the VESSEL"), we, _____ ("Refund Guarantor"), do hereby irrevocably and unconditionally guarantee as primary obligor and not as a mere surety, repayment to you by the BUILDER of an amount up to but not exceeding a total amount of United States Dollars _____ (US\$ _____), representing the _____ instalment of the Contract Price of the VESSEL, _____ (US\$ _____), the _____ instalment of the Contract Price of the VESSEL, _____ (US\$ _____), the _____ instalment of the Contract Price of the VESSEL, _____ (US\$ _____), the _____ instalment of the Contract Price of the VESSEL, _____ (US\$ _____), as you may have paid to the BUILDER under the Contract prior to the delivery of the VESSEL, together with applicable interest thereon if and when the same or any part thereof becomes repayable to you from the BUILDER in accordance with the terms of the Contract.

2. Should the BUILDER fail to make such repayment within the period under the Contract after you cancel the Contract and demand the refund pursuant to Paragraph 3 of Article VIII, or Article III 1(c), 2(c), 3(c) or 4(c), or in the event of total loss as described in Article XII under the Contract, we shall pay you the amount the BUILDER ought to pay with no interest if cancellation of the Contract is exercised by you for the total loss of the VESSEL or in respect of period of permissible delays, or together with interest at the rate of _____ percent (_____ %) per annum if the cancellation of the Contract is exercised by you in accordance with the provisions of Article X of the Contract, within _____ Banking Days after our receipt of a duly executed written demand from you for repayment and describing that the BUILDER fails to make repayment within the period under the Contract after you cancel the Contract and demand the refund pursuant to Paragraph 3 of Article VIII, or Article III 1(c), 2(c), 3(c) or 4(c), or in the event of total loss as described in Article XII under the Contract.

3. However, in the event of our receipt, before your demand or after your demand has been received by us, of a notice made by the BUILDER that there is a dispute between you and the BUILDER in relation to (i) whether the BUILDER shall be liable to repay any or all the instalments paid by you, and (ii) consequently whether you shall have the right to demand payment from us, and such dispute is submitted for arbitration in accordance with Article XIII of the Contract, we shall be entitled to withhold and defer payment until the Final Award is published. We shall not be obligated to make any payment to you unless such Final Award orders the BUILDER to make repayment. If the BUILDER fails to honour the Final Award, then within sixty(60) Banking Days after publication of the Final Award we shall make




payment to you to the extent the Final Award orders but not exceeding the aggregate amount of this guarantee plus the interest (if applicable) described above.

"Final Award" means a published final arbitration award in respect of any disputes arising out of or in connection with the CONTRACT where any right of appeal available in respect of such arbitration award under the applicable law is waived or is not exercised by the BUYER and the BUILDER within the time limit under such applicable law and in case of such arbitration award is appealed, the final judgment by the English court on such award upon appeal by either the BUYER and the BUILDER where any right of appeal available in respect of such judgment under English law is waived or is not exercised by the BUYER and the BUILDER within the time limit under such applicable law.

4. All notices, statements or demands under this Letter of Guarantee shall be sent to us by authenticated message through your bank. Our SWIFT Code is _____.

5. This Letter of Guarantee shall become effective from the time when the BUILDER has actually received the first instalment in the account held with _____ under the CONTRACT.

The amount available under this Letter of Guarantee shall in no event exceed the amount actually received by the BUILDER from the BUYER together with interest accrued at the rate of _____ percent (_____%) per annum for the period commencing with the date of receipt by the BUILDER of the respective instalment to the date of our payment hereunder and the amount available under this Letter of Guarantee shall be automatically reduced upon the repayment of any amount by the BUILDER or us.

6. This Letter of Guarantee shall remain in force until the VESSEL has been delivered to and accepted by you, or full refund has been made by the BUILDER or ourselves, or the CONTRACT is duly terminated by the BUILDER under Article XI (unless you disputes the termination and submits such dispute to arbitration by issuing notice of arbitration pursuant to the CONTRACT), or until [DATE FALLING 285 DAYS AFTER THE CONTRACT DELIVERY DATE], whichever occurs earlier.

However, in the event that there exists arbitration between you and the BUILDER, then the validity of this Letter of Guarantee shall be automatically extended until the date falling on the thirtieth (30th) calendar day after the publish of the Final Award.

7. All payments by us under this Letter of Guarantee shall be made in United States Dollars without any set-off or counterclaim and without deduction or withholding for or on account of any taxes, duties, or charges whatsoever unless we are compelled by law to deduct or withhold the same.

8. You may assign all your rights under this letter of Guarantee in accordance with the terms of the CONTRACT without our prior written consent to your financing bank. Notice of such assignment, in such form as your financing bank shall require, shall be sent to us and terms of consent and acknowledged shall be agreed by us.

9. Our liabilities under this Letter of Guarantee shall not be discharged, impaired or diminished by any period of time, grace period or indulgence granted by the BUYER to the BUILDER, or by any modification of or amendment or supplement to the CONTRACT, or by any insolvency, bankruptcy or liquidation of the BUILDER.

10. We hereby certify, represent and warrant that we have the corporate power and authority to enter into, execute and delivery this Letter of Guarantee and perform our obligations

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hereunder and that we will take all reasonable steps necessary to maintain the validity and enforceability of this Letter of Guarantee.

11. We hereby further, represent and warrant that we are permitted by the Laws of the People's Republic of China to issue this foreign currency (USD) Letter of Guarantee with the wording hereof.

We herewith undertake to keep this Letter of Guarantee duly filed with the relevant SAFE authority.

12. This Letter of Guarantee shall be construed in accordance with and governed by the Laws of England. If a dispute or difference arises, such dispute or difference shall be settled by arbitration in accordance with the LMAA (London Maritime Arbitrators Association) Arbitration Rules then present in force. The number of arbitrators shall be three. The place of arbitration shall be London. The language to be used in the arbitration proceeding shall be English. An award of arbitration shall be final and binding upon the Parties.

For and on behalf of
[●]

Name:
Title:

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Exhibit "B"

FORM OF PAYMENT GUARANTEE FOR THE _____ INSTALMENTS

To: _____
The People's Republic of China
(hereinafter referred to as the "BUILDER")

Date:

In consideration of you ("the BUILDER") entering into a Shipbuilding Contract (Reference No.: _____) dated ----- ("Contract") with ----- (the "BUYER") for the construction of one (1) ----- known as ----- Hull No. _____ (the "VESSEL") we, -----, hereby irrevocably and unconditionally guarantee, as primary obligor and not merely as surety, the due and punctual payment by the BUYER to you of the _____ instalments of the Contract Price amounting to a sum of USD----- (say United States Dollars ----- only).

The instalments guaranteed hereunder, pursuant to the terms of the Shipbuilding Contract, comprise the ___ instalment in the amount of USD----- (say United States Dollars ----- only) payable by the BUYER.

We also irrevocably and unconditionally guarantee, as primary obligor and not merely as surety, the due and punctual payment by the BUYER of interest on the full instalment guaranteed hereunder at the rate of _____ percent per annum for a period from the due date of the instalment until the date of full payment by us of such amount guaranteed hereunder.

In the event that the BUYER fails to punctually pay to you any instalment and interest guaranteed hereunder and any such default continues for a period of _____ Days after the date it occurred, then within _____ Days after receipt of your first written demand, we shall immediately and unconditionally pay to you or your nominee or assignee the unpaid instalments guaranteed hereunder, together with the interest as specified above, without requesting you to take any or further action, proceeding, procedure or step against the BUYER or with respect to any other security which you may hold and such demand shall be taken as conclusive evidence for the purpose of this guarantee that such payment is due.

For the avoidance of doubt, (1) multiple notices, demands or claims are allowed under this Letter of Guarantee, and (2) our obligation to make payment against your demand is immediate and is not dependent upon the BUYER's obligation to pay any relevant instalment

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having first been established by agreement or award of a competent arbitral tribunal or judgment or order of a competent court.

You may be entitled to assign your rights and interests under this letter of guarantee without our prior written consent.

Any payment made by us under this guarantee shall be effected in United States Dollars by Telegraphic transfer to _____, as receiving bank nominated by you for credit to the account _____ with _____ you No.: _____ or through another receiving bank nominated by you from time to time, in favour of you or your assignee. The payment of any of the instalments guaranteed hereunder paid by the BUYER or by ourselves shall automatically reduce our liability under this guarantee accordingly.

Our obligations under this guarantee shall not be affected or prejudiced by any dispute between you as the BUILDER and the BUYER under the Contract or by the BUILDER's yard delay in the construction and/or delivery of the VESSEL due to whatever causes and shall not be prejudiced, discharged or released by any agreement, settlement, arrangement made between BUILDER and BUYER or by any alteration, supplementation, amendment, variation, assignment, novation, invalidity, illegality or unenforceability of any or all terms of the Contract or by any forbearance, forgiveness or indulgence whether as to payment, time, performance or otherwise related to the Contract or this guarantee, or the insolvency, bankruptcy, winding up or similar event of the BUYER, even though any of such aforesaid events has been occurred or implemented without notifying us or procuring our consent.

Any notice, demand or claim shall be served by BUILDER to us by telefax or by registered mail with telefax number as [] and address as []. The aforesaid notice, demand or claim shall be deemed received by us: if by registered mail, _____ Days after the date of dispatch, or if by telefax, when acknowledged by the answerbacks shall be deemed to be delivered upon dispatch. Any change of aforesaid telefax number or address shall be communicated in writing by us through both telefax and registered mail and in the event of failure to give such notice of change, communications addressed to us at the last known telefax number or address hereof shall be deemed sufficient and valid.

This Letter of Guarantee shall come into full force and effect from the date of issuance and shall continue in force and effect until either the full payment of the ____ instalments of the Contract Price together with the aforesaid interests by the BUYER or us to you.

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We hereby certify, represent and warrant that we have the corporate power and authority to enter into, execute and delivery this Letter of Guarantee and perform our obligation hereunder and that we will take all reasonable steps necessary to maintain the validity and enforceability of this Letter of Guarantee.

However, in the event that there exists arbitration between you and the BUYER, then the validity of this guarantee shall be automatically extended until the date falling on the thirtieth (30th) calendar day after the later of (1) the final and binding arbitration award is published or (2) in case of an appeal, the final and binding court judgement or order is rendered.

All payments made by us under this guarantee shall be effected without any set-off or counterclaim and without deduction or withholding for or on account of any taxes, duties, or charges whatsoever.

This Letter of Guarantee is governed by the Laws of England. If a dispute or difference arises, such dispute or difference shall be settled by arbitration in accordance with the LMAA (London Maritime Arbitrators Association) Arbitration Rules then present in force. The number of arbitrators shall be three. The place of arbitration shall be London. The language to be used in the arbitration proceeding shall be English. An award of arbitration shall be final and binding upon the Parties.

This Letter of Guarantee shall have expired as aforesaid, and you will return the same to us.

Very Truly Yours

By: -----

For and on behalf of _____

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SHIPBUILDING CONTRACT

FOR

CONSTRUCTION OF ONE 63,500DWT BULK CARRIER

(CONTRACT NO. NWHT64-429)

(HULL NO. HT64-429)

BETWEEN

JINMING MARINE INC.

as the BUYER

and

JIANGSU HANTONG SHIP HEAVY INDUSTRY CO., LTD.

as the BUILDER

DATE: 28th June 2024

in Nantong City

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SHIPBUILDING CONTRACT

FOR

CONSTRUCTION OF ONE 63,500DWT BULK CARRIER
(HULL NO. HT64-429)

PREAMBLE

This CONTRACT, entered into this day of 28th June 2024 by and between **JINMING MARINE INC.**, a limited liability company organized and existing under the Laws of Panama, having its registered office at Banco General Tower, 19/F, Aquilino de la Guardia Street, Marbella, Panama City, Republic of Panama (hereinafter called the “BUYER”) on one part; and **Jiangsu Hantong Ship Heavy Industry Co., Ltd.**, a corporation organized and existing under the Laws of the People’s Republic of China with its registered office at Wujie Town, Tongzhou City, Jiangsu Province, the People’s Republic of China (hereinafter called the “BUILDER”) on the other part.

WITNESSETH

In consideration of the mutual covenants contained herein, the BUILDER agrees to design, build, launch and equip at the BUILDER’s shipyard at JIANGSU HANTONG WING HEAVY INDUSTRY CO., LTD. (江苏韩通赢吉重工有限公司) at Nantong City, the People’s Republic of China (hereinafter called the “the BUILDER’s yard”), as well as complete, sell and deliver at the BUILDER’s yard to the BUYER after completion and trial one (1) 63500dwt Bulk Carrier as more fully described in Article I hereof, to be registered under Hong Kong flag (as defined in the Specification) and the BUYER agrees to purchase and take delivery of the aforesaid vessel from the BUILDER and to pay for the same in accordance with the terms and conditions hereinafter set forth.

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DEFINITION

Unless the context of this Contract stipulates otherwise, the following words in this Contract shall have the meaning set out hereinbelow:

“Banking Days” or “Business Days”	days (other than Saturday and Sunday) on which commercial banks are open for business in Shanghai, Hong Kong and New York;
“BUILDER”	the company referred to as “BUILDER” in the Preamble;
“BUILDER’s yard”	shall have the meaning ascribed to it in the Preamble hereto;
“BUYER”	the company referred to as “BUYER” in the Preamble inclusive of its assignees and transferees;
“BUYER’s Supply”	any item, equipment, stores or service, which is to be supplied and/or paid for by the BUYER in accordance with the express terms of this Contract;
“Classification Society” or “Class”	the classification society referred to in Article I Paragraph 2;
“Construction”	the designing, building, testing, commissioning, launching and equipping of the VESSEL, unless the context otherwise requires;
“Contract”	this shipbuilding contract with its exhibits and appendices, any amendments thereto and including the Specifications and Drawings;
“Contractual Documents”	the Contract, Specifications, General Arrangement Plan, Midship Section Plan, Maker’s List set out in Article I;

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“Contract Delivery Date”	the date set out in Article VII Paragraph 1;
“Contract Price”	the Original Contract Price, as adjusted in accordance with the terms of this Contract;
“Date of Contract”	the date specified in the Preamble;
“Day” or “Days”	“calendar day” or “calendar days”;
“Deadweight”	has the meaning set out in the Specifications;
“Delivery”	the actual delivery of the VESSEL from the BUILDER to the BUYER in accordance with Article VII;
“Delivery Date”	the date upon which Delivery occurs;
“Drawings”	the plans and drawings listed in the Specifications and any amendment thereto;
“Effective Date”	the date determined in accordance with the provisions set out in Article XVIII;
“Flag State”	the state referred to in WITNESSETH, to which the VESSEL to be registered;
“Force Majeure”	any of the events set out in and subject to Article VIII;
“Guarantee Period”	a period of 12 months from the Delivery Date plus further extended period, if any;
“Makers List”	an agreed list of suppliers approved for delivery of equipment, machinery or services which shall be included in the Specifications;

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“Original Contract Price”	the unadjusted price stipulated in Article II, paragraph 1;
“Parties”	the BUYER and the BUILDER;
“Permissible Delay”	all delays as described in Article VIII, according to the terms of the Contract, will permit an adjustment of the Contract Delivery Date without paying liquidated damages;
“Regulatory Bodies”	the relevant authorities imposing rules and regulations with which the construction and delivery of the VESSEL must comply, which shall include the authorities of the flag state together with other authorities set out in the Specifications, as the case may be;
“Refund Guarantee”	a guarantee as stipulated in Article II, Paragraph 7
“Specifications”	the specifications referred to in Article I Paragraph 1 and any amendment thereto signed by the Parties;
“VESSEL”	the vessel described in Article I including her machinery, engine, boiler, equipment, fittings, appurtenances, materials, articles and all things specified or required by the Specifications and/or otherwise under this Contract.

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ARTICLE I DESCRIPTION AND CLASS

1. DESCRIPTION

The VESSEL is a Single Screw, Diesel-Driven, Bulk Carrier of 63,500 metric tons deadweight at scantling draft of 13.5 meters (hereinafter called the "VESSEL") of the Class described below. The VESSEL shall have the BUILDER's Hull No. HT64-429 and shall be constructed, equipped and completed in accordance with:

- (1) Specifications (Drawing No. SC2020-B4036-02SM) with 63,500 DWT BC Full Specification Comments dated 28th June 2024, and
- (2) General Arrangement Plan (Drawing No. SC2020-B4036-03), and
- (3) Midship Section Plan (Drawing No. SC2020-B4036-04), and
- (4) Maker's List (Drawing No. SC2020-B4036-05), and
- (5) Extra Cost List for 63,500 DWT BC Full Specification Comments.

attached hereto and signed by each of the parties to this Contract (hereinafter called the "Specifications"), making an integral part hereof.

2. CLASS AND RULES

The VESSEL, including its machinery and equipment, shall be constructed in accordance with the rules and regulations of ABS (hereinafter called the "Classification Society") issued, having become effective and mandatorily applying to the VESSEL up to and on the date of signing this Contract and shall be distinguished in the record by the symbol of +A1, (E), Bulk Carrier, CSR, AB-CM, BC-A(Holds 2 and 4 may be empty), GRAB[20],ESP, BWE, BWT,CPS, TCM, UWILD, IHM, CRC(SC,SP), +AMS, +ACCU, PMA, RRDA, NOx-Tier III, EEDI-Ph3, ENVIRO and shall also comply with the rules and regulations of the other regulatory bodies and authorities as fully described in the Specifications which are issued, having become effective and mandatorily applying to the VESSEL up to and on the date of signing this Contract.

The requirements of the rules and regulations as described in the Specifications are to include amendments or circulars thereof issued, having become effective and mandatorily applying to the VESSEL up to and on the date of signing this Contract.

The BUILDER shall arrange with the Classification Society to assign a representative or representatives (hereinafter called the "Classification Surveyor") to the BUILDER's yard for supervision of the construction of the VESSEL. All fees and charges incidental to Classification and delivery of all certificates required under this Contract and the Specifications and compliance with the above specified rules, regulations and requirements of this Contract, as well as royalties, if any, payable on account of the construction of the VESSEL shall be for the account of the BUILDER, except as otherwise provided and agreed

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herein. The key plans, materials and workmanship entering into the construction of the VESSEL shall be subject to inspections and tests in accordance with the rules and regulations of the Classification Society.

Decisions of the Classification Society as to compliance or non-compliance with Classification rules and regulations shall be final and binding upon the parties hereto.

3. PRINCIPAL PARTICULARS AND DIMENSIONS OF THE VESSEL

- (a) Hull
- | | | |
|-------------------------------|-----|-----------|
| Length overall | Abt | 199.90 m. |
| Length between perpendiculars | | 196.50 m |
| Breadth moulded | | 32.26 m |
| Depth moulded | | 18.90 m |
| Scantling Draft moulded | | 13.50 m |
- (b) Propelling Machinery
- The VESSEL shall be propelled by a marine diesel engine MAN 6G50ME-C9.6 (Tier III HP-SCR) or equivalent.

4. GUARANTEED SPEED

The BUILDER guarantees that the service speed of the Vessel, after correction, is to be not less than 13.5 nautical miles per hour on the conditions stipulated in the Specifications (hereinafter called the "Guaranteed Speed").

The trial speed shall be corrected for wind speed and shallow water effect. The correction method of the speed shall be as specified in the Specifications. The attained EEDI of the vessel meets the requirement of Phase 3.

5. GUARANTEED FUEL CONSUMPTION

The BUILDER guarantees that the fuel oil consumption of the main engine shall not exceed tolerance of 6% as determined by the shop test to be 156.2 gram/kW/h at 78% CMCR (5460KW) for Tier II as stipulated in the Specification (hereinafter called the "Guaranteed Fuel Consumption"). Shop test shall be based on diesel oil having a lower calorific value of 42700Kj/kg at ISO standard reference condition. If the fuel oil used at shop test has a calorific value other than 42700Kj/kg and/or the surrounding shop test condition is different from the above ISO standard condition, the fuel oil consumption shall be adjusted accordingly based on the conversion formula issued by B&W and shall be subject to a tolerance of 6%.

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6. GUARANTEED DEADWEIGHT

The BUILDER guarantees that the VESSEL is to have deadweight of not less than 63500 metric tons at the scantling draft of 13.50 meters in sea water of 1.025 specific gravity (hereinafter called the "Guaranteed Deadweight").

The actual deadweight of the VESSEL expressed in metric tons shall be based on calculations made by the BUILDER and checked by the BUYER, and all measurements necessary for such calculations shall be performed in the presence of the BUYER's supervisor(s) and Class Society representative(s) and in accordance with the Specifications and thereafter a certificate of deadweight shall be issued by the BUILDER.

Should there be any dispute between the BUILDER and the BUYER in such calculations and/or measurements, the decision of the Classification Society shall be final and binding upon the Parties hereto.

7. SUBCONTRACTING

The BUILDER may, at the BUILDER's discretion, subcontract any part or work or construction of the vessel to subcontractors provided that the BUILDER shall remain fully responsible for such subcontracted work or construction. However, final assembly into the VESSEL of any such work(s) subcontracted shall be at the BUILDER's Shipyard.

The BUILDER is entitled to subcontract the construction of the VESSEL to JIANGSU HANTONG WING HEAVY INDUSTRY CO., LTD. without any notices to the BUYER.

8. REGISTRATION (Flag State)

The VESSEL shall be registered by the BUYER at its own cost and expense under the laws of Hong Kong at the time of delivery and acceptance thereof.

(End of this Article)

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ARTICLE II CONTRACT PRICE & TERMS OF PAYMENT

1. CONTRACT PRICE

The Contract Price of the VESSEL is United States Dollars Thirty Four Million only (USD34,000,000) (hereinafter referred to as the "Original Contract Price"), which is exclusive of the cost for the BUYER's Supplies as provided in Article V hereof and shall be subject to upward or downward adjustment, if any, as hereinafter set forth in this Contract. Bank's charges for transfer of funds to the BUILDER in respect of payments under this Article II shall be for the account of the BUYER.

2. CURRENCY

Any and all payments by the BUYER to the BUILDER and vice versa under this Contract shall be made in United States Dollars.

3. TERMS OF PAYMENT

The Contract Price shall be paid by the BUYER to the BUILDER in five instalments as follows:

(a) 1st Instalment:

The sum of United States Dollars Three Million Four Hundred Thousand only (USD3,400,000), representing ten percent (10%) of the Original Contract Price, shall become due and payable and be paid by the BUYER within seven (7) Banking Days of the BUYER or its bank's receipt of the BUILDER Refund Guarantee in the form and substance acceptable to BUYER and the BUYER's Bank as stipulated in Article II.7 hereunder covering 1st, 2nd, 3rd and 4th instalments.

(b) 2nd Instalment:

The sum of United States Dollars Three Million Four Hundred Thousand only (USD3,400,000), representing ten percent (10%) of the Original Contract Price, shall become due and payable within seven (7) Banking Days from the date of receipt by the BUYER of a written notice by e-mail from the BUILDER to the BUYER accompanied by a statement or certificate signed by the Classification Society, stating that the cutting of the first steel plate of the VESSEL in the BUILDER's yard has taken place.

(c) 3rd Instalment:

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The sum of United States Dollars Three Million Four Hundred Thousand only (USD3,400,000), representing ten percent (10%) of the Original Contract Price, shall become due and payable within seven (7) Banking Days from the date of receipt by the BUYER of a written notice by e-mail from the BUILDER to the BUYER accompanied by a statement or certificate signed by the Classification Society, stating that keel laying of the Vessel in the BUILDER's yard has taken place.

(d) 4th Instalment:

The sum of United States Dollars Three Million Four Hundred Thousand only (USD3,400,000), representing ten percent (10%) of the Original Contract Price, shall become due and payable within seven (7) Banking Days from the date of receipt by the BUYER of a written notice by e-mail from the BUILDER to the BUYER accompanied by a statement or certificate signed by the Classification Society, stating that launching of the Vessel in the BUILDER's yard has taken place.

(e) 5th Instalment (Payment upon delivery of the VESSEL):

The sum of United States Dollars Twenty Million and Four Hundred Thousand only (USD20,400,000), representing sixty percent (60%) of the Original Contract Price, plus those amounts under Article II.1 (if any) and plus any increase or minus any decrease due to modifications and/or adjustments of the Original Contract Price in accordance with the provisions of the relevant articles of this Contract hereof, shall become due and payable and be paid by the BUYER to the BUILDER concurrently with the execution of the Protocol of Delivery and Acceptance of the VESSEL as provided in Article VII.2 below.

4. METHOD OF PAYMENT

(a) 1st-4th Instalments:

The BUYER shall remit the amount of these instalments in accordance with Article II, Paragraph 3(a), (b), (c), (d) by telegraphic transfer to the bank to be nominated by the BUILDER for credit to the account of the BUILDER.

(b) 5th Instalment (Payable upon Delivery of the VESSEL):

In addition to Article II, Paragraph 3(e), the fifth instalment shall be paid by the BUYER in accordance with the following terms and conditions:

The BUYER shall, at least three (3) Banking Days prior to the scheduled date of delivery of the VESSEL as notified by the BUILDER, make a cash deposit in the name of the BUYER with the BUILDER's Bank for a period of fifteen (15) Days and covering the amount of this instalment (as adjusted in accordance with the provisions of this Contract), with an irrevocable instruction that the said amount shall be released to the BUILDER against

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presentation by the BUILDER to the said BUILDER's Bank of a copy of Protocol of Delivery and Acceptance signed by the BUYER's authorized representative and the BUILDER's authorized representative. Interest, if any, accrued from such deposit, shall be for the benefit of the BUYER.

If the delivery of the VESSEL is not effected on or before the expiry of the aforesaid fifteen (15) Days deposit period, the BUYER shall have the right to withdraw the said deposit plus accrued interest upon the expiry date. However, when the new scheduled delivery date has been notified to the BUYER by the BUILDER, the BUYER shall make a cash deposit again in accordance with the same terms and conditions as set out above.

5. PREPAYMENT

The BUYER shall have the right to make prepayment of any and all instalments before delivery of the VESSEL, by giving to the BUILDER at least thirty (30) Days prior written notice, provided that the fifth (5th) instalment shall be made in the amount as adjusted according to the terms and conditions of this CONTRACT.

6. SECURITY FOR PAYMENT OF INSTALMENTS BEFORE DELIVERY

The BUYER shall, within 30 days after signing of this CONTRACT, furnish the BUILDER with an irrevocable and unconditional letter of Guarantee (hereinafter called "Payment Guarantee") issued by JINHUI SHIPPING AND TRANSPORTATION LIMITED acceptable to the BUILDER. This guarantee shall secure the BUYER's obligations for payment of the 1st, 2nd, 3rd and 4th instalments of the Contract Price as per ARTICLE II.3. Such Letter of Guarantee shall be substantially in the form and substance attached as Exhibit "B" of this Contract and acceptable to the BUILDER.

7. REFUNDS

All instalments made by the BUYER to the BUILDER prior to the Delivery of the VESSEL, in the event this Contract is rescinded or cancelled by the BUYER in accordance with any specific clause of this Contract permitting such rescission or cancellation, shall be refunded by the BUILDER to the BUYER in United States Dollars in the full amount of all sums the BUILDER has received under this Contract, together with interest (at the rate set out in respective provision hereof) from the respective payment date(s) to the date of remittance by telegraphic transfer of such refund to the account specified by the BUYER.

As security to the BUYER, the BUILDER shall deliver to the BUYER, prior to the payment by the BUYER of the 1st instalment, a Refund Guarantee to be issued by a first class Chinese Bank or their respective branch or other banks acceptable by the BUYER for the 1st, 2nd, 3rd and 4th instalments (hereinafter called 'BUILDER's Bank') acceptable to BUYER and the BUYER's Bank and substantially in the form as per Exhibit "A" annexed here to.

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However, in the event of any dispute between the BUILDER and the BUYER with regard to the BUILDER's obligation to repay any or all the 1st, 2nd, 3rd and 4th instalments paid by the BUYER and to the BUYER's right to demand payment from the BUILDER's bank under its Refund Guarantee, and such dispute is submitted either by the BUILDER or by the BUYER for arbitration in accordance with Article XIII hereof, the BUILDER's bank shall withhold and defer payment until the Final Award between the BUILDER and the BUYER is published. The BUILDER's bank shall not be obligated to make any payment unless the Final Award orders the BUILDER to make repayment. If the BUILDER fails to honour such Final Award, then the BUILDER's bank shall refund to the extent the Final Award orders and the guaranteed amount under the Refund Guarantee, whichever is lower (and the expiry of its guarantee shall be deferred accordingly as stipulated hereof).

For the purpose of this Contract, the term "Final Award" means a published final arbitration award in respect of any disputes arising out of or in connection with this Contract where any right of appeal available in respect of such arbitration award under the applicable law is waived or is not exercised by the BUYER and the BUILDER within the time limit under such applicable law and in case of such arbitration award is appealed, the final judgment by the English court on such award upon appeal by either the BUYER and the BUILDER where any right of appeal available in respect of such judgment under English law is waived or is not exercised by the BUYER and the BUILDER within the time limit under such applicable law.

The BUILDER's bank undertakes that the Refund Guarantee(s) shall be safely filed in the State Administration of Foreign Exchange ("SAFE") within 60 days after it is issued.

(End of this Article)

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ARTICLE III ADJUSTMENT OF THE CONTRACT PRICE

The Original Contract Price of the VESSEL shall be subject to adjustments as hereinafter set forth. It is hereby understood by both parties that the reduction of the Original Contract Price as stipulated hereunder is by way of liquidated damages and not by way of penalty.

1. DELIVERY

- (a) No adjustment shall be made, and the Original Contract Price shall remain unchanged for the first thirty (30) Days of non-permissible delay in delivery of the VESSEL beyond the Contract Delivery Date (as extended or postponed) as defined in Article VII hereof ending as of twelve o'clock midnight of the thirtieth (30th) Day of non-permissible delay.
- (b) If the delivery of the VESSEL is delayed more than thirty (30) Days of non-permissible delay after the Contract Delivery Date (as extended or postponed) as defined in Article VII hereof, then, in such event, beginning at twelve o'clock midnight of the aforesaid thirtieth (30th) Day, the Original Contract Price of the VESSEL shall be reduced by deducting therefrom the sum of United States Dollars Six thousand only (USD6,000.00) per Day.

Unless the Parties hereto agree otherwise, the total reduction in the Original Contract Price shall be deducted from the fifth instalment of the Original Contract Price and in any event (including the event that the BUYER consents to take the VESSEL at the later delivery date after the expiration of two hundred and ten (210) Days delay of non-permissible delay in delivery as described in Paragraph 1(c) of this Article) shall not be more than the maximum amount of United States Dollars One Million and Eighty Thousand only (USD1,080,000.00) corresponding to one hundred eighty (180) Days of non-permissible delay at the above specified rate of reduction after the aforesaid thirty (30) Days allowance.

- (c) Without prejudice to Article VIII.3, if the non-permissible delay in the delivery of the VESSEL continues for a period of two hundred and ten (210) Days after the Contract Delivery Date (as extended or postponed) as defined in Article VII, then in such event, the BUYER may, at its option, rescind or cancel this Contract in accordance with the provisions of Article X of this Contract by written notice to the BUILDER at any time after the expiration of the said two hundred and ten (210) Days period or the BUILDER may at any time after the expiration of the aforementioned two hundred and ten (210) Days, notify the BUYER of the date upon which the BUILDER estimates the VESSEL will be ready for delivery and demand in writing that the BUYER make an election, in which case the BUYER shall, within thirty (30) Days after such demand is received by the BUYER, either notify the BUILDER of its decision to cancel this Contract, or consent to take delivery of the VESSEL at an agreed future date ("**Future Delivery Date**"). Failure of the BUYER

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to give its confirmation on acceptance or objection to the Future Delivery Date within the said thirty (30) Days period shall be deemed as giving its acceptance of the Future Delivery Date. It is understood and agreed by the Parties hereto that, if the VESSEL is not delivered by such Future Delivery Date, the BUYER shall have the same right of cancellation upon the same terms, as herein above provided.

- (d) For the purpose of this Article, the delivery of the VESSEL shall not be deemed delayed and the Original Contract Price shall not be reduced when and if the Contract Delivery Date of the VESSEL is extended or postponed due to breach of contract or default in performance by, or other act of prevention by, the BUYER, or by reason of causes and provisions permitting such extension or postponement. Also, the Original Contract Price shall not be adjusted or reduced if the delivery of the VESSEL is delayed by reason of permissible delays as defined in Article VIII hereof.

2. INSUFFICIENT SPEED

- (a) The Original Contract Price of the VESSEL shall not be affected nor changed by reason of the actual speed (as determined by the Trial Run after correction according to the Specifications) being less than three tenths (3/10) of one knot below the Guaranteed Speed as specified in Paragraph 4 of Article I of this Contract.
- (b) However, commencing with and including a deficiency of three tenths (3/10) of one knot in actual speed (as determined by the Trial Run after correction according to the Specifications) below the Guaranteed Speed as specified in Paragraph 4, Article I of this Contract, the Original Contract Price shall be reduced as follows:

In case of deficiency

at or above 0.30 but below 0.40 knot	USD100,000; or
at or above 0.40 but below 0.50 knot	USD170,000; or
at or above 0.50 but below 0.60 knot	USD250,000; or
at or above 0.60 but below 0.70 knot	USD380,000; or
at or above 0.70 but below 0.80 knot	USD480,000; or
at or above 0.80 but no more than 0.90 knot	USD580,000

- (c) If the deficiency in actual speed (as determined by the Trial Run after correction according to the Specifications) of the VESSEL upon the Trial Run, is more than nine tenths (9/10) knot below the Guaranteed Speed, and should the BUILDER fail to remedy this deficiency prior to delivery, then the BUYER may at its option reject the VESSEL and rescind this Contract in accordance with provisions of Article X of this Contract, or may accept the VESSEL at a reduction in the Original Contract Price in the maximum amount of United States Dollars Five Hundred and Eighty Thousand only (USD 580,000).

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3. FUEL CONSUMPTION

- (a) The Original Contract Price of the VESSEL shall not be affected nor changed if the actual fuel consumption of the Main Engine, as determined by shop trial in manufacturer's works as per the Specifications, is greater than the Guaranteed Fuel Consumption as specified and required under the provisions of this Contract and the Specifications, if such actual excess is equal to or less than six percent (6%).
- (b) However, if the actual fuel consumption as determined by shop trial is greater than six percent (6%) above the Guaranteed Fuel Consumption, then the Original Contract Price shall be reduced by the sum of United States Dollars Seventy Thousand Only (US\$70,000.00) for each full one percent (1%) increase in fuel consumption in excess of the above said six percent (6%) (fractions of one percent to be prorated).
- (c) If as determined by shop trial such actual fuel consumption of the Main Engine is more than ten percent (10%) in excess of the Guaranteed Fuel Consumption, and should the BUILDER fail to remedy this deficiency prior to delivery, the BUYER may, at its option, reject the VESSEL and rescind this Contract, in accordance with the provisions of Article X of this Contract, or may accept the VESSEL at a reduction in the Original Contract Price in the maximum amount of United States Dollars Two Hundred and Eighty Thousand (US\$280,000.00).
- (d) If as determined by shop trial such actual fuel consumption of the Main Engine is more than ten percent (10%) in excess of the Guaranteed Fuel Consumption, the BUILDER may investigate the cause of the non-conformity and the proper steps may promptly be taken to remedy the same and to make corrections and alterations and / or re-shop trial test or tests as may be necessary to correct such non-conformity without extra cost to the BUYER. Upon completion of such alterations or corrections of such nonconformity, the BUILDER shall promptly perform such further shop trials or any other tests (after giving the BUYER notice thereof and an opportunity to attend) as may be deemed necessary to prove the fuel consumption of the Main Engine's conformity with the requirement of this Contract and the Specifications and if found to be satisfactory, give the BUYER notice by e-mail confirmed in writing of such correction and as appropriate, successful completion accompanied by copies of such results, and the BUYER shall, within six (6) Business Days after receipt of such notice, notify the BUILDER by e-mail confirmed in writing of its acceptance or reject the re-shop trial together with the reasons and details therefor. If the BUYER fails to notify the BUILDER by e-mail confirmed in writing of its acceptance or rejection of the re-shop trial together with the reasons and details therefor within six (6) Business Days period as provided herein, the BUYER shall be deemed to have accepted the shop trial.

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4. DEADWEIGHT

- (a) In the event that there is a deficiency in the actual deadweight of the VESSEL determined as provided in the Specifications, the Original Contract Price shall not be decreased, if such deficiency is Six Hundred (600) metric tons or less below the Guaranteed Deadweight as specified in Paragraph 6 of Article I of this Contract.
- (b) However, the Original Contract Price shall be reduced by the sum of United States Dollars Six Hundred (US\$600.00) for each full metric ton of such deficiency in excess of the aforesaid Six Hundred (600) metric tons.
- (c) In the event that there is a deficiency in the actual deadweight of the VESSEL which exceeds one thousand and two hundred (1200) metric tons below the Guaranteed Deadweight, and should the BUILDER fail to remedy this deficiency prior to delivery, the BUYER may, at its option, reject the VESSEL and rescind this Contract in accordance with the provisions of Article X of this Contract, or may accept the VESSEL with reduction in the Original Contract Price in the maximum amount of United States Dollars Three Hundred and Sixty Thousand only (US\$ 360,000.00).

5. EFFECT OF RESCISSION

It is expressly understood and agreed by the parties hereto that in any case as stated herein, if the BUYER rescinds this Contract pursuant to this Contract, the BUYER, save its rights and remedy set out in Article X hereof, shall not be entitled to any liquidated damages, compensation or damages in whatever nature and kind, whether by contract, by law, in tort or otherwise.

6. LIQUIDATED DAMAGES

The liquidated damages hereunder shall be the conclusive pecuniary compensation recoverable in connection with each particular event stated herein and BUILDER shall not be liable for any additional compensation and/or damages claimed by BUYER in relation to any or all such events and its consequences. However, the liquidated damages under each heading of this Article are cumulative.

Neither Party shall be liable to the other Party any and all indirect, special, exemplary, punitive or consequential losses and damages, arising from, or relating to or in connection with the Contract, irrespective of cause (by contract, by law, in tort or otherwise) and notwithstanding the negligence, misconduct or breach (whether contractual, statutory or otherwise).

(End of this Article)

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ARTICLE IV SUPERVISION AND INSPECTION

1. APPOINTMENT OF THE BUYER'S SUPERVISOR

The BUYER shall send in good time to and maintain at the BUILDER's yard, at the BUYER's own cost and expense and for the purpose of ensuring the due construction of the Vessel, sufficient number of representative(s) who shall be duly accredited in writing by the BUYER (such representative(s) being hereinafter collectively and individually called the "Supervisor") to supervise and survey the construction of the VESSEL, her engines and accessories, attendance at the tests and inspections relating to the Vessel, its machinery, equipment and outfitting, and any other matter in respect of which he is specifically authorized to act on BUYER's behalf.

2. PLANS AND DRAWINGS

The parties mutually agree the VESSEL is to be built as the BUILDER's standard design hereto defined in ARTICLE I, Paragraph 1. The BUILDER and the BUYER shall, within 60 Days after effectiveness of this Contract, mutually agree a list of the plans and drawings, which are to be sent to the BUYER by the BUILDER (herein below referred to as the "List").

- (1) The BUILDER shall submit to the BUYER one (1) electronic copy of the plans and drawings in the List to be submitted to the BUYER through email for filing.

The plan and/or drawing shall be deemed acceptable to the buyers, based on the repeating basis. The questions on the plan and/or drawings, if any from the BUYER, will be replied or clarified by the BUILDER. If with changes on the makers, the related plan and/or drawing will be checked and approved by the BUYER.

Concurrently with the arrival of the Supervisor at the BUILDER's yard, the BUYER shall notify the BUILDER in writing, stating the authority which the said Supervisor shall have, and when with regard to the Supervisor can act, on behalf of the BUYER.

The mooring procedure, sea trial procedure based on the Class requirements is also acceptable to the BUYER.

The plans and drawings provided by the SELLER shall be final, and any alteration thereof shall be regarded as modification as referred to in Article V of this Contract, unless the parties hereto agree in writing otherwise.

- (2) In case that there are modifications on the plans and drawings due to changes of makers in the Maker List, the relevant modified drawing and plans shall be sent to the BUYER through email for approval. The BUYER shall, within 14 Days after receipt thereof, return such plans and drawings submitted by the BUILDER with comments, if any. Unless notification is given to the BUILDER by the BUYER of the comments to any plans and drawings within the above designated period of time for each case, the said

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plans and drawings shall be deemed acceptable to the BUYER without comments and implemented for construction by the BUILDER.

The above modified plans and drawings approved by the BUYER shall be final, and any alteration thereof shall be regarded as modification as referred to in Article V of this Contract.

3. SUPERVISION AND INSPECTION BY THE SUPERVISOR

The necessary inspection of the VESSEL, her machinery, equipment and outfitings shall be carried out by the Classification Society and/or Supervisor of the BUYER throughout the construction in order to ensure that the construction of the VESSEL is duly performed in accordance with this Contract and the Specifications.

The Supervisor shall have, at all times until delivery of the VESSEL, the right to attend tests according to the mutually agreed tests list before commencement of tests (herein referred to as the "Tests List") and inspect the VESSEL, her engines, accessories and materials at the BUILDER's yard, its subcontractors or any other place where work is done or materials stored in connection with the VESSEL. The BUILDER shall give notice to the Supervisor reasonably in advance of the date and place of any tests and inspections to be attended by the Supervisor, and in any event a notice at least 20 Days in advance must be given by the BUILDER for the shop tests of main engine and auxiliary engines of the VESSEL. Failure of the Supervisor or other BUYER's representative to be present at such tests and trials after due notice has been given by the BUILDER as above provided, shall be deemed to be a waiver of BUYER's right to be present and shall be deemed as the BUYER has approved the test/trial results if such results meet with the requirements of the Classification Society (i.e. for the Class related tests and trials) or of the maker (i.e. for the non Class related tests and trials).

In the event that the Supervisor discovers any construction or material or workmanship which does not or will not conform to the requirements of this Contract and the Specifications, the Supervisor shall forthwith give the BUILDER a notice in writing as to such nonconformity with reasons, upon receipt of which the BUILDER shall correct such nonconformity if the BUILDER agrees with the BUYER. In any event, the BUILDER shall be entitled to proceed with the construction of the VESSEL, though a disagreement may exist between both parties, without prejudice to the BUYER or BUILDER's right to submit the dispute to the Classification Society for determination or, if necessary for arbitration pursuant to Article XIII hereof.

The BUYER undertakes and assures the BUILDER that the Supervisor shall carry out his inspections in accordance with the mutually agreed inspection procedure and schedule and usual shipbuilding practice and in such a way as to minimize any increase in building costs and delays in the construction of the VESSEL.

The BUILDER agrees to furnish free of charge the Supervisor with air conditioned office space, working lunch and other reasonable facilities according to BUILDER's practice

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including bookshelves, chairs, desks and filing cabinets, and access to telephone, internet and photocopying machines, at or in the immediate vicinity of the BUILDER's yard. Telephone charges shall be for the BUYER's account.

At all times, during the construction of the VESSEL until delivery thereof, the Supervisor shall be given access to the VESSEL, her engines and accessories, and to any other place where the work is being done, or the materials are being processed or stored, in connection with the construction of the VESSEL, including the yards, workshops, stores of the BUILDER, and the premises of subcontractors of the BUILDER, who are doing work, or storing materials in connection with the VESSEL's construction, provided such access shall in no event cause adverse influence on the construction of the VESSEL. The travel expenses for the said access to BUILDER's subcontractors outside of Jiangsu shall be at BUYER's account. The transportation within Jiangsu shall be provided to the Supervisor by the BUILDER.

4. LIABILITY OF THE BUILDER

The Supervisor engaged by the BUYER under this Contract shall at all times be deemed to be in the employment of the BUYER. The BUILDER shall be under no liability whatsoever to the BUYER, or to the Supervisor or the BUYER's employees or agents and the BUYER shall save, indemnify, defend and hold harmless the BUILDER (including any of its assigns, novatees, successors, shareholders, affiliates, consultants, agents, suppliers, vendors and subcontractors (at any tier) and their respective shareholders, directors, officers, employees, or representatives) from and against any and all claims, costs, expenses, losses, damages or liabilities for personal injuries, including death, injury or illness to any of BUYER (including any of its assigns, novatees, successors, shareholders, affiliates, consultants, agents, suppliers, vendors and subcontractors (at any tier) and their respective shareholders, directors, officers, employees, or representatives)'s personnel, unless, however, any such personal injuries, including death, injury or illness, were caused by wilful misconduct or gross negligence of the BUILDER or of any of the BUILDER's employees or agents or subcontractors of the BUILDER. The BUILDER shall also be under no liability for loss of or damage to the property of BUYER (including any of its assigns, novatees, successors, shareholders, affiliates, consultants, agents, suppliers, vendors and subcontractors (at any tier) and their respective shareholders, directors, officers, employees, or representatives) or any of BUYER (including any of its assigns, novatees, successors, shareholders, affiliates, consultants, agents, suppliers, vendors and subcontractors (at any tier) and their respective shareholders, directors, officers, employees, or representatives)'s personnel, during the time when they, or any of them, are on the VESSEL, or within the premises of either the BUILDER or its agents, vendors and subcontractors (at any tier), or are otherwise engaged in and about the construction of the VESSEL, unless, however, any such loss of or damage to the said property were caused by wilful misconduct or gross negligence of the BUILDER or of any of the BUILDER's employees or agents or subcontractors of the BUILDER.

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6. SALARIES AND EXPENSES

All salaries and expenses of the Supervisor, or any other employees employed directly by the BUYER under this Article, shall be for the BUYER's account.

7. REPORT OF PROGRESS

Within 30 Days after the date of this Contract becoming effective, BUILDER shall prepare and submit to BUYER a preliminary and estimate construction schedule. Arrangement of various stages of construction of Vessel shall be at the sole discretion of BUILDER as long as such arrangement will be consistent with the Contract.

Thereafter, BUILDER shall use reasonable efforts to follow the preliminary and estimate schedules and such schedule could be amended from time to time, if deemed necessary by the BUILDER.

8. REPLACEMENT OF SUPERVISOR

The BUILDER has the right to request the BUYER in writing to replace any Supervisor who is deemed unsuitable and unsatisfactory for the proper progress of the VESSEL's construction together with reasons. The BUYER shall investigate the situation within 10 Days after receipt of aforesaid replacement request, and if the BUYER considers that such BUILDER's request is justified, the BUYER shall effect the replacement as soon as practical, and no later than 10 Days after receipt of aforesaid replacement request.

9. RESPONSIBILITY OF THE BUYER

The BUYER shall undertake and assure that the Supervisor shall carry out his duties hereunder in accordance with good shipbuilding practice and in such a way as to avoid any unnecessary increase in building cost, delay in the construction of the VESSEL, and/or disturbance in the construction schedule of the BUILDER.

(End of this Article)

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ARTICLE V MODIFICATIONS, CHANGES AND EXTRAS

1. HOW EFFECTED

The Contract, the Specifications and Plans in accordance with which the VESSEL is constructed, may be modified and/or changed at any time hereafter by written agreement of the parties hereto, provided that such modifications and/or changes or an accumulation thereof will not, in the BUILDER's reasonable judgement, taking into account the current status of the construction of the VESSEL, adversely affect the BUILDER's other projects and/or commitments and provided further that the BUYER shall assent to adjustment of the Original Contract Price, time of delivery of the VESSEL and other terms of this Contract, if any, as hereinafter provided. Subject to the above, the BUILDER hereby agrees to exert its efforts to accommodate such reasonable requests by the BUYER so that the said changes and/or modifications may be made at a reasonable cost and within a period of time which is reasonable and possible. Any such agreement for modifications and/or changes shall include an agreement as to the increase or decrease, if any, in the Original Contract Price of the VESSEL together with an agreement as to any extension or reduction in the time of delivery (including the Contract Delivery Date), or any other alterations in this Contract or the Specifications, which may be occasioned by such modifications and/or changes. The aforementioned agreement to modify and/or to change the Specifications may be effected by an exchange of duly confirmed letters or e-mails manifesting such agreement. The letters and e-mails exchanged by the parties hereto pursuant to the foregoing shall constitute an amendment of the Specifications under which the VESSEL shall be built, and such letters and e-mails shall be deemed to be incorporated into this Contract and the Specifications by reference and made a part hereof. Upon consummation of the agreement to modify and/or to change the Specifications, the BUILDER shall alter the construction of the VESSEL in accordance therewith, including any additions to, or deductions from, the work to be performed in connection with such construction. If for whatever reason, the parties hereto shall fail to agree on the adjustment of the Original Contract Price or extension of time of delivery or modification of any terms of this Contract for such modifications and/or changes, then the BUILDER shall have no obligation to comply with the BUYER's request for any modification and/or changes.

2. CHANGES IN RULES AND REGULATIONS, ETC.

(1) If, after the date of signing this Contract and before the Delivery, any requirements as to the rules and regulations as specified in this Contract and the Specifications to which the construction of the VESSEL is required to conform or the BUYER desires to incorporate and subject to the BUILDER's consent, are altered or changed by the Classification Society or the other regulatory bodies authorized to make such alterations or changes, or there is any new rule or regulation coming into force, the BUILDER and/or the BUYER, upon receipt of the notice thereof, shall transmit such information in full to each other in writing, whereupon within fourteen (14) Days after receipt of the said notice by the BUYER from

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the BUILDER or vice versa, the BUYER shall instruct the BUILDER in writing as to the alterations or changes, if any, to be made in the VESSEL which the BUYER, in its sole discretion, shall decide. The BUILDER shall promptly comply with such alterations or changes, if any, in the construction of the VESSEL, provided that the BUYER shall first agree:

- (a) As to any increase or decrease in the Original Contract Price of the VESSEL that is occasioned by the cost for such compliance; and/or
- (b) As to any extension in the time for delivery of the VESSEL (including Contract Delivery Date) that is necessary due to such compliance; and/or
- (c) As to any increase or decrease in the guaranteed deadweight and/or speed and/or fuel consumption of the VESSEL, if such compliance results in increased or reduced deadweight and/or speed and/or fuel consumption; and/or
- (d) As to any other alterations in the terms of this Contract or of Specifications or both, if such compliance makes such alterations of the terms necessary.

Agreement as to such alterations or changes under this Paragraph shall be made in the same manner as provided above for modifications of and/or changes to the Specifications and/or Plans as referred to in Paragraph 1 hereof.

(2) If, for whatever reason, the parties shall fail to agree on the adjustment of the Original Contract Price, extension of the time for delivery or increase or decrease of the guaranteed speed, deadweight, fuel consumption and etc., and/or any other alteration of the terms of this Contract, if any, then the BUILDER shall proceed with the construction of the VESSEL in accordance with, and the BUYER shall continue to be bound by, the terms of this Contract and Specifications without making any such alterations or changes.

However, if the changes in rules and regulations or the new rules or regulations are compulsory to the VESSEL and the parties are unable to reach agreement on the adjustment of the Original Contract Price, extension of the time for delivery or increase or decrease of the guaranteed speed, deadweight and etc, the BUILDER shall proceed with the construction of the VESSEL in accordance with the change in rules and regulations or such new rules or regulations, and the Contract Delivery Date shall, at the sole discretion of the BUILDER and by the BUILDER's written notice to the BUYER, be further extended for a period necessary for such compliance. The extra cost for compliance with such changes in rules and regulations or the new rules or regulations shall be borne by the BUYER.

Any dispute that is not resolved shall be referred to resolution in accordance with Article XIII.

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3. SUBSTITUTION OF MATERIALS AND/OR EQUIPMENT

In the event that any of the materials and/or equipment required by the Specifications or otherwise under this Contract for the construction of the VESSEL cannot be procured in time to effect delivery of the VESSEL, the BUILDER may, provided the BUILDER shall provide evidence, supply other materials and/or equipment of the equivalent quality, capable of meeting the requirements of the Classification Society and of the rules, regulations with which the construction of the VESSEL must comply. Any such substitution of materials and/or equipment shall be effected at the BUILDER's sole cost and expense.

4. BUYER'S SUPPLIED ITEMS

The BUYER shall deliver to the BUILDER at the BUILDER's yard the items as specified in the Specifications which the BUYER shall supply on its account by the time designated by the BUILDER. The BUILDER shall if requested (whether by the Supervisor or the BUYER) provide necessary and reasonable assistance to the BUYER in connection with any formal documentary and customs clearance for the import into the People's Republic of China of the BUYER's supplied items.

Should the BUYER fail to deliver to the BUILDER any of such items within the time specified, the Contract Delivery Date of the VESSEL shall automatically be extended for a period of such delay.

However, if the delay in delivery of any of the BUYER's supplied items should exceed 10 Days, the BUILDER shall be entitled to proceed with construction of the VESSEL without installation of such items in or onto the VESSEL, without prejudice to the BUILDER's right hereinabove provided (including the delivery or tender for delivery), and the BUYER shall accept the VESSEL so completed.

The BUYER shall be responsible for testing, pre-commissioning, commissioning, supervision for equipment installation, site services and other technical services relating to the BUYER's supplied items, which the BUILDER will provide assistance it deems necessary. The Builder is in no event liable as to the title, performance, quality, seaworthiness, condition, design, operation or fitness for use of any or all BUYER's supplied items or as to the eligibility of any or all BUYER's supplied items for any particular trade or purpose.

The BUILDER shall be responsible for storing of the BUYER's supplied items as specified in the Specifications after delivery to the BUILDER.

Upon arrival of such shipment of the BUYER's supplied items, both parties shall undertake a joint unpacking inspection. If any damaged item is found to be not suitable for installation, the BUILDER shall be entitled to refuse to accept the BUYER's supplied items.

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In the event of rescission of the Contract by the BUYER, the BUILDER will return all the BUYER's supplies. In the event such return would be impossible or impractical, the BUILDER shall compensate the BUYER for actual and documented value (excluding transportation, insurance and all other costs or expenses), the date the BUYER paid for such equipment.

(End of this Article)

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ARTICLE VI TRIALS

1. NOTICE

The trial run shall be held when the VESSEL is ready for trial run. The BUILDER shall give the BUYER in writing by e-mail at least 30 Days approximate notice in advance and 7 Days definite notice in advance of the time and place of the trial run of the VESSEL as described in the Specifications (hereinafter referred to as the "Trial Run").

The BUYER's representatives and/or the Supervisor shall be on board the VESSEL to witness such Trial Run, and to check upon the performance of the VESSEL during the same. Failure of the BUYER's representatives to be present at the Trial Run of the VESSEL, after due notice to the BUYER and the Supervisor as provided above, shall have the effect of extending the Contract Delivery Date of the VESSEL by the period of delay caused by such failure to be present. However, if the Trial Run is delayed more than three (3) Days by reason of the failure of the BUYER's representatives to be present after receipt of due notice as provided above, then in such event, the BUYER shall be deemed to have waived its right to have its representatives on board the VESSEL during the Trial Run, and the BUILDER may conduct such Trial Run without the BUYER's representatives being present, and in such case the BUYER shall be obliged to accept the VESSEL on the basis of a certificate jointly signed by the BUILDER and the Classification Society certifying that the VESSEL, after Trial Run subject to non-material alterations and corrections as provided in this Article, if any, is found to conform to the Contract and Specifications. Furthermore, the Contract Delivery Date as stipulated in Article VII hereof shall be extended by the delays so caused by the BUYER.

In the event of unfavorable weather on the date specified for the Trial Run, the same shall take place on the first available Day thereafter that the weather conditions permit. The parties hereto recognize that the weather conditions in Chinese waters in which the Trial Run is to take place are such that great changes in weather may arise momentarily and without warning and, therefore, it is agreed that if during the Trial Run of the VESSEL, the weather should suddenly become unfavorable, as would have precluded the continuance of the Trial Run, the Trial Run of the VESSEL shall be discontinued and postponed until the first favorable Day next following, unless the BUYER shall assent by e-mail and confirm in writing of its acceptance of the VESSEL on the basis of the Trial Run made prior to such sudden change in weather conditions. In the event that the Trial Run is postponed because of unfavorable weather conditions, such delay shall be regarded as a permissible delay, as specified in Article VIII hereof.

The officers and crew of the BUYER may be on board the VESSEL during the Trial Run to witness it and obtain familiarity with the operation of the VESSEL.

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2. HOW CONDUCTED

(a) All expenses in connection with Trial Run of the VESSEL are to be for the account of the BUILDER, who, during the Trial Run and when subjecting the VESSEL to Trial Run, is to provide, at its own expense, the necessary crew to comply with conditions of safe navigation.

The Trial Run shall in all circumstances be conducted in such manner and to such standard as the rules and regulations applicable to the VESSEL may require, and comply with the program of test and trial agreed by both parties.

The course of Trial Run shall be determined by the BUILDER and shall be conducted within trial basin.

(b) The BUILDER shall provide the VESSEL with the required quantities of water and fuel oil and lubrication oil, greases and hydraulic oil for the conduct of the Trial Run or Trial Runs as prescribed in the Specifications. The fuel oil and lubricating oil, greases and hydraulic oil supplied by the BUILDER, shall be in accordance with the applicable engine specifications, and the cost of the quantities of water, fuel oil, lubricating oil, hydraulic oil and greases consumed during the Trial Run or Trial Runs shall be for the account of the BUILDER.

3. TRIAL LOAD DRAFT

In addition to the supplies provided by the BUYER in accordance with sub-paragraph (b) of the preceding Paragraph 2 hereof, the BUILDER shall provide the VESSEL with the required quantity of fresh water and other stores necessary for the conduct of the Trial Run. The necessary ballast (fresh and sea water and such other ballast as may be required) to bring the VESSEL to the trial load draft as specified in the Specifications, shall be for the BUILDER's account.

4. METHOD OF ACCEPTANCE OR REJECTION

(a) Upon completion of Trial Run, the BUILDER shall give the BUYER a notice by e-mail in writing of the completion of the sea trial. The BUYER or the BUYER's Supervisor shall within 5 Business Days thereafter, notify the BUILDER by e-mail confirmed in writing of its acceptance of the VESSEL or of its rejection of the VESSEL together with the reasons and details therefor.

(b) However, should the result of the Trial Run indicate that the VESSEL or any part thereof including her equipment does not conform to the requirements of this Contract and the Specifications, then the BUILDER shall investigate with the Supervisor the cause of failure and shall take proper steps to remedy the same if the BUILDER confirms the existence and

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extent of such failure and shall make whatever corrections and alterations and/or re-Trial Run or Runs (unless otherwise agreed, the BUILDER shall send to the BUYER at least 3-Day notice for the re-Trial Run or Runs) as may be necessary without extra cost to the BUYER, and upon notification by the BUILDER of completion of such alterations or corrections and/or re-trial or re-trials, the BUYER shall, within 3 Business Days thereafter, notify the BUILDER by e-mail confirmed in writing of its acceptance of the VESSEL or of the rejection of the VESSEL together with the reason therefor on the basis of the alterations and corrections and/or re-trial or re-trials by the BUILDER.

(c) In the event that the BUYER fails to notify the BUILDER by e-mail in writing of its acceptance or rejection of the VESSEL together with the reason and details therefor within 5 Business Days as provided for in the above Sub-paragraphs (a) and/or (b), the BUYER shall be deemed to have accepted the VESSEL.

(d) Any dispute arising among the parties hereto as to the result of any Trial Run or further tests or trials, as the case may be, of the VESSEL shall be solved by reference to the Classification Society for determination or arbitration as provided in Article XIII hereof.

(e) Nothing herein shall preclude the BUYER from accepting the VESSEL with its qualifications and/or remarks following the Trial Run and/or further tests or trials as aforesaid and the BUILDER shall be obliged to comply with and/or remove such qualifications and/or remarks (if such qualifications and/or remarks are acceptable to the BUILDER).

5. DISPOSITION OF SURPLUS CONSUMABLE STORES

Should any amount of fuel oil, fresh water, lubricating oil, greases, hydraulic oil or other consumable stores furnished by the BUILDER for the Trial Run or Trial Runs remain on board the VESSEL at the time of acceptance thereof by the BUYER, the BUYER agrees to buy the same from the BUILDER at original invoiced purchasing price at the port of delivery thereof, and payment by the BUYER shall be effected as provided in Article II 3 (e) and 4 (b) of this Contract.

6. EFFECT OF ACCEPTANCE

The BUYER's acceptance of the VESSEL by written notification sent to the BUILDER or deemed acceptance, in accordance with the provisions set out above, subject as provided in paragraph 4(e) above shall be final and binding so far as conformity of the VESSEL to this Contract and the Specifications is concerned, and shall preclude the BUYER from refusing formal delivery by the BUILDER of the VESSEL.

If, at the time of delivery of the VESSEL, there are deficiencies and/or non-conformities in the VESSEL or the certificates procured by the BUILDER have

conditions/recommendations (however, the BUILDER shall not be liable and responsible if any of such is caused by the BUYER), such deficiencies and/or non-conformities and/or conditions and/or recommendations should be resolved in such way that if the deficiencies or non-conformities or condition/recommendations are of non-material importance, and do not affect the safety or the trading of the VESSEL, the BUILDER shall be nevertheless entitled to deliver the VESSEL or tender the VESSEL for delivery and the BUYER shall be nevertheless obliged to take delivery of the VESSEL, provided that:

- (i) the BUILDER shall for its own account remedy the deficiency and fulfil the requirements as soon as possible, or
- (ii) if elimination of such deficiencies and/or non-conformities and/or conditions and/or recommendations will affect timely delivery of the VESSEL, then the BUILDER shall have the option to choose either treat such items as warranty items, or indemnify the BUYER for any actual and direct cost in association with remedying these outstanding deficiencies or non-conformities or removal of the conditions/recommendations elsewhere than the BUILDER's Shipyard as a consequence thereof, excluding, however, indirect, special, exemplary, punitive or consequential losses and damages, including without limitation loss of profit, loss of use, loss of production, loss of revenue, loss of time, loss of contracts or otherwise.

(End of this Article)

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ARTICLE VII DELIVERY

1. TIME AND PLACE

The VESSEL shall be delivered safely afloat at a safe berth in the public jetty or anchorage of Nantong city by the BUILDER to the BUYER, in accordance with the Specifications and with all Classification and Statutory Certificates and after completion of Trial Run (or, as the case may be, re-Trial or re-Trials) and accepted by the BUYER in accordance with the provisions of Article VI hereof on or before 30th November 2027, provided that, in the event of delays in the construction of the VESSEL or any performance required under this Contract due to causes which under the terms of the Contract permit extension or postponement of the time for delivery, the aforementioned time for delivery of the VESSEL shall be extended accordingly.

The aforementioned date or such later date to which delivery is extended or postponed pursuant to the terms of this Contract is herein called the "Contract Delivery Date".

The BUILDER shall give the BUYER at least 30 Days and 7 Days approximate delivery notice and at least at least 3 Days definite delivery notice in writing.

2. WHEN AND HOW EFFECTED

Provided that the BUYER and the BUILDER shall each have fulfilled all of their respective obligations as stipulated in this Contract, delivery of the VESSEL shall be effected forthwith by the concurrent delivery by each of the parties hereto, one to the other, of the Protocol of Delivery and Acceptance, acknowledging delivery of the VESSEL by the BUILDER and acceptance thereof by the BUYER, which Protocol shall be prepared in quadruplicate and executed by each of the parties hereto.

3. DOCUMENTS TO BE DELIVERED TO THE BUYER

Concurrently with acceptance of the VESSEL by the BUYER, the BUILDER shall deliver to the BUYER the following documents which shall accompany the aforementioned Protocol of Delivery and Acceptance: all such documents shall be in the English language.

(a) BUILDER'S CERTIFICATE issued by the BUILDER

This certificate shall be in English and notarized by the notary public in the People's Republic of China.

(b) COMMERCIAL INVOICE issued by the BUILDER.

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(c) DECLARATION OF WARRANTY issued by the BUILDER that the VESSEL is delivered to the BUYER free and clear of any liens, charges, claims, mortgages, or other encumbrances upon the BUYER's title thereto, and in particular, that the VESSEL is absolutely free of all burdens in the nature of charges, dues, duties, fines, imposts, levies, or taxes imposed by the province or country of the port of delivery, as well as of all liabilities of the BUILDER to its subcontractors, employees and crews and/or all liabilities arising from the operation of the VESSEL in Trial Run or Trial Runs, or otherwise, prior to delivery.

(d) ALL CERTIFICATES required to be furnished upon delivery of the VESSEL pursuant to this Contract and the Specifications. Certificates shall be issued by relevant Authorities or Classification Society as stipulated in the Contract and Specifications. All the certificates shall be delivered in one (1) original to the VESSEL and two (2) copies to the BUYER.

If the full term certificate or certificates are unable to be issued at the time of delivery by the Classification Society or any third party, then the provisional certificate or certificates as issued by the Classification Society or the third party shall be acceptable to the BUYER provided that the full term certificates shall be furnished by the BUILDER after delivery of the VESSEL and in any event before the expiry of the provisional certificates.

(e) Certificate of Non-Registration to be issued by the BUILDER stating that the VESSEL is not registered in any register on the time of delivery. This certificate shall be notarised by the notary public in the People's Republic of China if legally and practically possible.

(f) Bill of Sale issued by the BUILDER, if required for registration of Vessel, in English and notarized by the notary public in the People's Republic of China.

(g) FINISHED DRAWINGS AND PLANS and INSTRUCTION MANUALS, made by the BUILDER, all in English and all in triplicate, shall be delivered together with the VESSEL as stipulated in the Specifications.

(h) PROTOCOL OF TRIALS of the VESSEL made by the BUILDER pursuant to the Specifications.

(i) PROTOCOL OF INVENTORY of the equipment of the VESSEL including spare part and the like, all as specified in the Specifications, made by the BUILDER.

(j) PROTOCOL OF STORES OF CONSUMABLE NATURE made by the BUILDER.

(k) PROTOCOL OF DEADWEIGHT MEASUREMENT made by the BUILDER.

The BUYER shall provide with the BUILDER or the designated party (such as the Classification Society) without delay any and all necessary information and documents required for the timely issuance of above delivery documents and certificates. If the construction and/or delivery of the VESSEL is delayed by such BUYER's delay in provision of above information

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and/or documents, the BUILDER is not liable for such delay and the Contract Delivery Date shall be extended accordingly for a period of such delay.

4. TITLE AND RISK

Title to and risk of the VESSEL shall pass to the BUYER only upon delivery of the VESSEL from the BUILDER to the BUYER and the receipt of the 5th installment by the BUILDER. As stated above, it is expressly understood that, until Delivery, title to the VESSEL, and her equipment, shall remain at all times with the BUILDER and at the entire risk of the BUILDER.

5. REMOVAL OF VESSEL

The BUYER shall take possession of the VESSEL immediately upon delivery and acceptance thereof, and shall remove the VESSEL from the premises of the BUILDER within 3 Business Days after delivery and acceptance thereof is effected. If the BUYER shall not remove the VESSEL from the premises of the BUILDER within the aforesaid 3 Business Days, then, in such event, without prejudice to the BUILDER's right to require the BUYER to remove the VESSEL immediately at any time thereafter, the BUYER shall pay to the BUILDER reasonable mooring charges for the VESSEL as required by the BUILDER.

6. TENDER OF THE VESSEL

If the BUYER fails to take delivery of the VESSEL after completion thereof according to this Contract and the Specifications, the BUILDER shall, have the right to tender the VESSEL for delivery after compliance with all procedural requirements as above provided.

(End of this Article)

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ARTICLE VIII DELAYS & EXTENSION OF TIME FOR DELIVERY
(FORCE MAJEURE)

1. CAUSE OF DELAY

If, at any time before actual delivery, either the construction of the VESSEL, or any performance required hereunder, is delayed due to war, blockade, revolution, insurrection, mobilization, civil commotions, riots, terrorism, strikes, local temperature reaching certain degree centigrade which applicable law, regulation or rule requires stoppage or suspension of work, reduction of working time or restriction of overtime work, sabotage, lockouts, Acts of God or the public enemy, plague or other epidemics, quarantines, prolonged failure or freight embargoes, if any, earthquakes, tidal waves, typhoons, hurricanes, storms or other causes beyond the control of the BUILDER or of its subcontractors (including but not limited to vendors for main equipment such as Main Engine, Auxiliary Generator and Shaft), as the case may be, or by destruction of the BUILDER or works of the BUILDER or its applicable subcontractors, or of the VESSEL or any part thereof, by fire, flood, or other causes beyond the control of the BUILDER or its subcontractors, or due to the bankruptcy of the equipment and/or material supplier or suppliers (i.e. Main Engine, Generator and Shaft etc), or due to the delay caused by acts of God in the supply of parts essential to the construction of the Vessel, as the case may be, then the BUILDER shall not be liable for such delay, provided that the BUILDER makes all reasonable efforts to mitigate the influence thereby caused and the time for delivery of the VESSEL under this Contract shall be extended without any reduction in the Contract Price for a period of time of such delay, subject nevertheless to the BUYER's right of cancellation under Paragraph 3 of this Article and subject however to all relevant provisions of this Contract which authorize and permit extension of the time of delivery of the VESSEL.

2. NOTICE OF DELAY

Within 5 Business Days from the date of commencement of any permissible delay on account of which the BUILDER claims that it is entitled under this Article to an extension of the time for delivery of the VESSEL, the BUILDER shall advise the BUYER by email, of the date such delay commenced.

Likewise within 5 Business Days after such permissible delay ends, the BUILDER shall advise the BUYER in writing or by e-mail, of the date such delay ended, and also shall specify the period of the time by which the time for delivery of the VESSEL is extended.

Failure of the BUYER to object to the BUILDER's notification and claim for extension of the Delivery Date within 3 Days after receipt by the BUYER of such notification, shall be deemed to be a waiver by the BUYER of its right to object to such extension.

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3. RIGHT TO CANCEL FOR EXCESSIVE DELAY

If the total accumulated time of all permissible delays specified in Paragraph 1 of this Article aggregates to 180 Days or more, or the total accumulated time of all permissible delays specified in Paragraph 1 of this Article and non-permissible delays specified in Article III.1 aggregates to 240 Days or more, excluding delays due to arbitration as provided for in Article XIII hereof or due to default in performance by the BUYER, or due to delays in delivery of the BUYER's supplied items, and excluding delays due to causes which applicable clauses hereof permit extension or postponement of the Contract Delivery Date, then in such event, the BUYER may in accordance with the provisions set out herein cancel this Contract by serving upon the BUILDER notice of cancellation and the provisions of Article X of this Contract shall apply. The BUILDER may, at any time, after the accumulated time of the aforementioned delays justifying cancellation by the BUYER as above provided for, demand in writing that the BUYER shall make an election, in which case the BUYER shall, within thirty (30) Days after such demand is received by the BUYER either notify the BUILDER of its intention to cancel, or consent to an extension of the time for delivery to an agreed future date, it being understood and agreed by the parties hereto that, if any further delay occurs on account of causes justifying cancellation as specified in this Contract, the BUYER shall have the same right of cancellation upon the same terms as hereinabove provided. Failure of the BUYER to give its notice of its intention to cancel, or consent to an extension of the time for delivery to an agreed future date within the said thirty (30) Days period shall be deemed as giving its consent to an extension of the time for delivery to an agreed future date.

4. DEFINITION OF PERMISSIBLE DELAY

Delays on account of such causes as provided for in Paragraph 1 of this Article, but excluding any other extensions of a nature which under the terms of this Contract permit extension or postponement of the Contract Delivery Date, shall be understood to be (and are herein referred to as) permissible delays, and are to be distinguished from non-permissible delays on account of which the Contract Price of the VESSEL is subject to adjustment as provided for in Article III hereof.

(End of this Article)

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ARTICLE IX WARRANTY OF QUALITY

1. GUARANTEE OF MATERIAL AND WORKMANSHIP

Subject to the provisions hereinafter set out, BUILDER hereby give a warranty against, and undertake to repair or replace, free of charge to BUYER, any defects in the VESSEL, which are due to defective material and/or improper workmanship and/or faulty design or construction and/or miscalculation on the part of BUILDER and/or its subcontractors and/or its employees and/or its agents, provided that the defects shall have been discovered during a period of twelve (12) months following delivery and acceptance to the BUYER of the VESSEL, or, where the defect is something which has been repaired or replaced pursuant to this warranty and undertaking, during a further extended period of 12 months from the date of such repair or replacement provided however that any and all such extended warranty period(s) shall not continue longer than 18 months following delivery and acceptance to the BUYER of the VESSEL in any circumstances (the "Warranty Period") and provided that notice thereof shall have been duly given to BUILDER as prescribed below.

For the purpose of this Article, the VESSEL shall include, but not limited to, her hull, machinery, engine, equipment and all parts and gear manufactured or furnished or supplied by the BUILDER and/or the BUILDER'S subcontractors (and including the machinery, equipment and appurtenances thereof), but excludes any parts for the VESSEL which have been supplied by the BUYER.

2. NOTICE OF DEFECTS

The BUYER shall notify the BUILDER in writing, as promptly as possible, after discovery of any defect for which a claim is made under this guarantee. The BUYER's notice shall describe the discovery date, nature of the defect and the estimated extent of the damage caused thereby. The BUILDER shall have no obligation under this guarantee for any defects discovered prior to the expiry date of the guarantee, unless notice of such defects, is received by the BUILDER not later than 7 Days after such expiry date.

3. REMEDY OF DEFECTS

The BUILDER shall remedy at its expense any defects, against which the VESSEL or any part of the equipment thereof is guaranteed under this Article by making all necessary repairs and/or replacement.

However, if it is impractical for the BUILDER to make the repair and if forwarding by the BUILDER of replacement parts, and materials cannot be accomplished without impairing or delaying the operation or working of the VESSEL, then, in any such event, the BUYER

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shall, cause the necessary repairs or replacements to be made elsewhere at the discretion of the BUYER provided that the BUYER shall first procure written consent of the BUILDER (which shall not be unreasonably delayed or withheld) for such necessary repairs or replacements elsewhere and in all events as soon as reasonably practicable, giving the BUILDER notice by email of the time and place such repairs will be made and fee quote by the third party where repairs or replacements will be made and, if the VESSEL is not thereby delayed or her operation or working is not thereby delayed or impaired, the BUILDER shall have the right to verify by its representative(s) or that of Classification Society the nature and extent of the defects complained of. The BUILDER shall, in such cases, promptly advise the BUYER after such examination has been completed, of its acceptance or rejection of the defects with reasons as ones that are subject to the guarantee herein provided.

Subject to above and in any circumstances as set out below, the BUILDER shall pay to the BUYER in United States Dollars by telegraphic transfer the actual and direct cost for such repairs or replacements including necessary forwarding charges but excluding indirect, special, exemplary, punitive or consequential losses and damages, arising from, or relating to or in connection with such repairs or replacements and excluding loss of hire, loss of contract, loss of profit, crew wage, cost of stores or inspection, customs, port and anchorage charge, claims from third party, or at the fee for making similar repairs or replacements including forwarding charges as quoted by a leading shipyard in South Korea, Singapore or the People's Republic of China, whichever is lower:

(a) Upon the BUILDER's acceptance of the defects as justifying remedy under this Article; or

(b) If the BUILDER neither accepts nor rejects the defects as above provided, nor requests arbitration within sixty (60) Days after its receipt of the BUYER's notice of defects.

For the avoidance of doubt, upon replacement, the ownership of replaced parts shall revert to the BUILDER and if the BUILDER requires to return the replaced parts, the BUILDER shall bear the necessary costs.

Any dispute shall be referred to arbitration in accordance with the provisions of Article XIII hereof.

4. EXTENT OF THE BUILDER'S LIABILITY

The BUILDER shall in no circumstances be responsible or liable for (1) defects discovered or notified after the expiration of the Guarantee Period specified above, (2) any defects in the VESSEL or any part of the VESSEL which has been caused, subsequent to delivery of the VESSEL, by any replacement or repair work performed by any other contractor not appointed by the BUILDER, (3) any consequential, indirect or special losses, damages or expenses whatsoever or howsoever arising; and/or (4) any losses, damages or expenses for loss of hire, loss of time, loss of profit, loss of earnings or demurrage, regardless of whether

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ARTICLE X CANCELLATION, REJECTION AND RESCISSION BY THE BUYER

1. EVENT OF TERMINATION

BUYER shall be entitled to terminate this Contract in any of the following cases:

- (a) if there occurs such occurrence which permits the BUYER to rescind the Contract, being: (i) excessive delay in delivery of the VESSEL (Article III.1.(c) or Article VIII.3); or (ii) excessive deficiency of the speed of the VESSEL (Article III.2.(c)); or (iii) excessive fuel consumption of the Main Engine (Article III.3.(c)); or (iv) excessive deficiency of the deadweight of the VESSEL (Article III.4.(c)); or
- (b) if the validity of the Refund Guarantee expires prior to the delivery of the VESSEL and the BUILDER fails to extend the validity of the Refund Guarantee as per the request by the BUYER by no later than 10 days prior to the expiration of Refund Guarantee; or
- (c) if, prior to the delivery of the VESSEL, the BUILDER becomes or is declared, either by effective resolution of the BUILDER or by order of any court of competent jurisdiction in China, insolvent or bankrupt, or the making of an order or the passing of an effective resolution for the winding up or closure of the BUILDER and/or any holding company of the BUILDER (other than for the purpose of solvent reconstruction or amalgamation or public listing), or the appointment of a receiver over the undertaking or property of the BUILDER, or the insolvency of the BUILDER, or the cessation of the carrying on of business by the BUILDER, or the making by the BUILDER of any special arrangement or composition with the creditors of the BUILDER, or any like or similar circumstance occurring of the BUILDER; or
- (d) if, prior to the delivery of the VESSEL, the Refund Guarantor becomes or is declared, either by effective resolution of the Refund Guarantor or by order of any court of competent jurisdiction in China, insolvent or bankrupt, or the making of an order or the passing of an effective resolution for the winding up or closure of the Refund Guarantor (other than for the purpose of solvent reconstruction or amalgamation or public listing), or the appointment of a receiver over the undertaking or property of the Refund Guarantor, or the insolvency of the Refund Guarantor, or the cessation of the carrying on of business by the Refund Guarantor, or the making by the Refund Guarantor of any special arrangement or composition with the creditors of the Refund Guarantor, or any like or similar circumstance occurring of the Refund Guarantor, and in case of above event, the BUILDER further fails to find an alternative refund guarantor within 30 Days thereafter.

2. NOTICE

The payments made by BUYER prior to the delivery of the Vessel shall be in the nature of advances to BUILDER. If BUYER shall exercise its right of termination of this Contract under Article X.1, then such termination shall be effective as of the date when notice in writing of such termination is received by BUILDER unless such termination is disputed by the BUILDER.

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For the avoidance of doubt, the events and/or occurrences which entitle the BUYER to rescind and cancel the CONTRACT shall be limited to those occurrence or event specified in this CONTRACT which specifically permits the BUYER to do so. No other event or circumstance shall give rise to any right to the BUYER for rescission or cancellation of the CONTRACT whether under this CONTRACT or under any applicable laws.

3. REFUND BY BUILDER

After receipt of notice of termination, unless BUILDER duly contests any termination by BUYER pursuant to Article XIII, BUILDER shall promptly refund to BUYER the full amount of the instalments of the Contract Price (if any) paid by BUYER to BUILDER on account of the Vessel plus interest thereon at 5% per annum if the cancellation or rescission of the Contract is exercised by the BUYER in accordance with Article X.1 hereof, however in the event of total loss as described in Article XII of this Contract or in respect of period of permissible delay, then, no interest will be charged on the amount required herein to be refunded to the BUYER, computed from the respective dates when such sums were received by BUILDER's Bank or any such other bank account as nominated by the BUILDER to the date of remittance by telegraphic transfer of such refund to the BUYER by the BUILDER.

If the BUYER's termination of this Contract is disputed by the BUILDER by instituting arbitration as aforesaid, then no refund shall be made by the BUILDER or Refund Guarantor, and the BUYER shall not be entitled to demand repayment from Refund Guarantor under its Refund Guarantee, until the Final Award between the BUYER and the BUILDER which shall be in favour of the BUYER, declaring the BUYER's termination justified, is made and delivered to the BUILDER by the final and binding arbitration tribunal or in case of an appeal, the final and binding court judgement or order and the BUILDER fails to honor such Final Award.

4. DISCHARGE OF OBLIGATIONS

Upon such refundment by BUILDER to BUYER, all obligations, duties and liabilities of BUILDER and the BUYER under this Contract and applicable laws shall be deemed to have been completely and forthwith discharged and released.

(End of this Article)

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ARTICLE XI BUYER'S DEFAULT

1. DEFINITION OF DEFAULT

The BUYER shall be deemed in default of its obligation under the Contract if any of the following events occurs:

- (a) The BUYER fails to pay the first, and/or the second, and/or the third, and/or the fourth instalment to the BUILDER when any such instalment becomes due and payable under the provisions of Article II hereof; or
- (b) The BUYER fails to provide and maintain the Payment Guarantee covering the 1st and 2nd and 3rd and 4th instalments of Contract Price in accordance with Clause 6 of ARTICLE II of this Contract; or
- (c) The BUYER fails to pay the fifth instalment to the BUILDER in accordance with Paragraphs 3 (e) and 4 (b) of Article II hereof; or
- (d) The BUYER fails to accept and/or take delivery of the VESSEL, when the VESSEL is duly delivered or tendered for delivery under the provisions of Article VII hereof by the BUILDER, or
- (e) The BUYER becomes or is declared, either by effective resolution of the BUYER or by order of any court of competent jurisdiction, insolvent or bankrupt, or the filing of a petition or the making of an order or the passing of an effective resolution for the winding up or closure of the BUYER and/or any holding company of the BUYER (other than for the purpose of solvent reconstruction or amalgamation which has been previously approved by the BUILDER), or the appointment of a receiver over the undertaking or property of the BUYER, or the insolvency of or a suspension of payment by the BUYER, or the cessation of the carrying on of business by the BUYER, or the making by the BUYER of any special arrangement or composition with the creditors of the BUYER, or any like or similar circumstance occurring of the Buyer.
- (f) The Payment Guarantor becomes or is declared, either by effective resolution of the Payment Guarantor or by order of any court of competent jurisdiction, insolvent or bankrupt, or the making of an order or the passing of an effective resolution for the winding up or closure of the Payment Guarantor and/or any holding company of the Payment Guarantor (other than for the purpose of solvent reconstruction or amalgamation which has been previously approved by the BUILDER), or the appointment of a receiver over the undertaking or property of the Payment Guarantor, or the insolvency of or a suspension of payment by the Payment Guarantor, or the cessation of the carrying on of business by the Payment Guarantor, or the making by the Payment Guarantor of

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any special arrangement or composition with the creditors of the Payment Guarantor, or any like or similar circumstance occurring of the Payment Guarantor.

2. NOTICE OF DEFAULT

If the BUYER is in default of payment or in performance of its obligations as provided in Paragraph 1 (a) or 1(c) or 1(d) of this Article, the BUILDER shall notify the BUYER to that effect in writing after the date of occurrence of the default as per Paragraph 1 of this Article.

If the BUYER is in default as provided in Paragraph 1 (e) or (f) of this Article, the BUILDER has no obligation to notify the BUYER the occurrence of the default.

3. INTEREST AND CHARGE

(a) If the BUYER is in default of payment as to any instalment as provided in Paragraph 1 (a) and/or 1 (c) of this Article, the BUYER shall pay interest on such instalment at the rate of five percent (5%) per annum from the due date thereof until the date of the payment of the full amount, including all aforesaid interest. In case the BUYER shall fail to take delivery of the VESSEL when required to as provided in Paragraph 1 (d) of this Article, the BUYER shall be deemed in default of payment of the fifth instalment and shall pay interest thereon at the same rate as aforesaid from and including the day on which the VESSEL is tendered for delivery by the BUILDER, as provided in Article VII Paragraph 7 hereof. In case any event of Paragraph 1(e) or (f) of this Article occurs, the BUYER shall be deemed in default of payment of all unpaid instalments and shall pay interest thereon at the same rate as aforesaid from and including the day on which such event of Paragraph 1(e) or (f) of this Article occurs.

(b) In any event of default by the BUYER under this Article, the BUYER shall also pay all reasonable costs, charges and expenses directly incurred by the BUILDER as the result of such default.

4. DEFAULT BEFORE DELIVERY OF THE VESSEL

(a) If any default by the BUYER occurs as defined in Paragraph 1 (a) or 1(c) or 1(d) or 1(e) or (f) of this Article, the Contract Delivery Date shall be postponed for a period of continuance of such default by the BUYER, and/or at the BUILDER's option, the BUILDER is further entitled to suspend the performance of the Contract (including work and construction hereof) until the rectification of such default by the BUYER.

(b) If any such default as defined in Paragraph 1 (a) or 1 (b) or 1(c) or 1(d) of this Article continues for a period of fifteen (15) Days or any event of Paragraph 1(e) or (f) of this Article occurs, then, the BUILDER shall have all following rights and remedies:

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(i) The BUILDER may, at its option, cancel or rescind this Contract, provided the BUILDER has notified the BUYER of such default pursuant to Paragraph 2 of this Article (except for the BUYER's default as provided in Paragraph 1 (e) or 1(f) of this Article which no notice of default is required), by giving notice of such effect to the BUYER in writing. Upon receipt by the BUYER of such notice of cancellation or rescission, all of the BUYER's Supplies shall forthwith become the sole property and at the sole disposal of the BUILDER, and the VESSEL and all its equipment and machinery shall be at the sole disposal of the BUILDER for sale or otherwise; and

(ii) In the event of such cancellation or rescission of this Contract, the BUILDER shall be entitled to retain any instalment or instalments of the Contract Price paid by the BUYER to the BUILDER on account of this Contract.

(iii) (Applicable to any BUYER's default defined in 1 (a) or 1(b) or 1(e) or 1(f) of this Article) The BUILDER shall, without prejudice to the BUILDER's right to recover from the BUYER the fifth instalment, interest, costs and/or expenses by applying the proceeds to be obtained by the sale of the VESSEL in accordance with the provisions set out in this Contract, have the right to declare all unpaid instalments to be forthwith due and payable, and upon such declaration, the BUILDER shall have the right to immediately demand the payment of the amount of unpaid instalments from the BUYER.

5. SALE OF THE VESSEL

(a) In the event of cancellation or rescission of this Contract as above provided, the BUILDER shall have full right and power either to complete or not to complete the VESSEL as it deems fit, and to sell the VESSEL at a public or private sale at the suitable price reasonably obtainable. In case of private sale of the VESSEL, the BUILDER shall have responsibility to disclose the terms and conditions including the sale price to the BUYER.

In the case of sale of the VESSEL, the BUILDER shall give notice to the BUYER.

(b) In the event of the sale of the VESSEL in its completed state, the proceeds of sale received by the BUILDER shall be applied firstly to payment of all expenses attending such sale and costs, charges and expenses otherwise incurred by the BUILDER as a result of the BUYER's default, and then to payment of all unpaid instalments and/or unpaid balance of the Contract Price and interest on such instalment at the interest rate as specified in the relevant provisions set out above from the respective due dates thereof to the date of application.

(c) In the event of the sale of the VESSEL in its incomplete state, the proceeds of sale received by the BUILDER shall be applied firstly to all expenses attending such sale and costs, charges and expenses otherwise incurred by the BUILDER as a result of the BUYER's default, and then to payment of all costs of construction of the VESSEL (such costs of

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construction, as herein mentioned, shall include but are not limited to all reasonable costs of labour and/or prices paid or to be paid by the BUILDER for the equipment and/or technical design and/or materials purchased or to be purchased, installed and/or to be installed on the VESSEL) and/or any reasonable fees, charges, expenses and/or royalties incurred and/or to be incurred for the VESSEL less the instalments so retained by the BUILDER, and compensation to the BUILDER for a reasonable sum of loss of profit due to the cancellation or rescission of this Contract.

(d) In either of the above events of sale, if the proceed of sale exceeds the total of the amounts to which such proceeds are to be applied as aforesaid, the BUILDER shall promptly pay the excesses to the BUYER without interest, provided, however that the amount of each payment to the BUYER shall in no event exceed the total amount of instalments already paid by the BUYER and the cost of the BUYER's supplies, if any.

(e) If the proceed of sale are insufficient to pay such total amounts payable as aforesaid, the BUYER shall forthwith pay the deficiency to the BUILDER upon request.

(End of this Article)

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ARTICLE XII INSURANCE

1. EXTENT OF INSURANCE COVERAGE

From the time of keel-laying of the first section of the VESSEL until the same is completed, delivered to and accepted by the BUYER, the BUILDER shall, at its own cost and expense, keep the VESSEL and all machinery, materials, equipment, appurtenances and outfit, delivered to the BUILDER for the VESSEL or built into, or installed in or upon the VESSEL, including the BUYER's Supplies, fully insured with first class Chinese insurance companies for BUILDER's risk which will cover all risks covered by Institute Clauses - Builder's Risks.

The amount of such insurance coverage shall, up to the date of delivery of the VESSEL, be in an amount at least equal to, but not limited to, the aggregate of the payments made by the BUYER to the BUILDER under Article II and including the value of the BUYER's supplies of maximum amount of USD 600,000. The policy referred to hereinabove shall be taken out in the name of the BUILDER and all losses under such policy shall be payable to the BUILDER.

2. APPLICATION OF RECOVERED AMOUNT

(a) Partial Loss:

In the event the VESSEL shall be damaged by any insured cause whatsoever prior to acceptance and delivery thereof by the BUYER and in the further event that such damage shall not constitute an actual or a constructive total loss of the VESSEL, the BUILDER shall apply the amount recovered under the insurance policy referred to in Paragraph 1 of this Article to the repair of such damage satisfactory to the Classification Society, and other institutions or authorities as described in the Specifications, and to the reasonable satisfaction of the BUYER without additional expenses to the BUYER, and the BUYER shall accept the VESSEL under this Contract if completed in accordance with this Contract and Specifications and not make any claim or demand for any depreciation or decrease of Contract Price.

(b) Total Loss:

However, in the event that the VESSEL is determined to be an actual or constructive total loss, the BUILDER shall either:

(i) By the mutual agreement between the parties hereto, proceed in accordance with terms of this Contract, in which case the amount recovered under said insurance policy shall be applied to the reconstruction and/or repair of the VESSEL's damages and/or replacement and reinstallation of BUYER's supplies without additional expenses to the BUYER, provided the parties hereto shall have first agreed in writing as to such reasonable extension

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of the Contract Delivery Date and adjustment of other terms of this Contract including the Original Contract Price as may be necessary for the completion of such reconstruction; or

(ii) If for whatever reason the parties fail to agree on the above, then refund within 60 Banking Days to the BUYER the amount of all instalments paid to the BUILDER under this Contract without interest together with recovered amount for BUYER's Supplies onboard, whereupon this Contract shall be deemed to be cancelled and all rights, duties, liabilities and obligations of each of the parties to the other shall terminate and discharge forthwith.

Within thirty (30) Days after receiving e-mail notice of any damage to the VESSEL constituting an actual or a constructive total loss from the BUILDER, the BUYER shall notify the BUILDER in writing by e-mail of its agreement or disagreement under this sub-paragraph. In the event the BUYER fails to so notify the BUILDER, then such failure shall be construed as a disagreement on the part of the BUYER. This Contract shall be deemed as rescinded and cancelled and the BUYER shall receive the refund as hereinabove provided and the provisions hereof shall apply.

In case of any damages to the VESSEL, the BUILDER shall notify the BUYER of the extent of damage to the VESSEL and provide a copy of surveyor's report within 10 Business Days.

3. TERMINATION OF THE BUILDER'S OBLIGATION TO INSURE

The BUILDER's obligation to insure the VESSEL hereunder shall cease and terminate forthwith upon delivery thereof to and acceptance by the BUYER.

(End of this Article)

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ARTICLE XIII DISPUTES AND ARBITRATION

1. PROCEEDINGS

Unless otherwise mutually agreed in writing and in the event of any dispute between the BUYER and the BUILDER as to any matter arising out of or relating to this Contract or any stipulation herein or with respect thereto which cannot be settled by the BUYER and the BUILDER themselves, such dispute shall be resolved by arbitration in London in accordance with the Laws of England in accordance with the Arbitration Act, 1996 or any re-enactment or statutory modification thereof for the time being in force and the rules of London Maritime Arbitrators Association (the "LMAA") for the time being in force. Either party may demand arbitration of any such disputes by giving written notice to the other party. Any demand for arbitration by either party hereto shall state the name of the arbitrator appointed by such party and shall also state specifically the question or questions as to which such party is demanding arbitration. Within 30 Days after receipt of notice of such demand for arbitration, the other party shall in turn appoint a second arbitrator. The two arbitrators thus appointed shall thereupon select a third arbitrator and the three arbitrators so named shall constitute the board of arbitration (hereinafter called the "Arbitration Board") for the settlement of such dispute.

In the event however, that said other party should fail to appoint a second arbitrator as aforesaid within 30 Days following receipt of notice of demand of arbitration, it is agreed that such party shall thereby be deemed to have accepted and appointed as its own arbitrator the one already appointed by the party demanding arbitration, and the arbitration shall proceed forthwith before this sole arbitrator, who alone, in such event, shall constitute the arbitration board. In the further event that the two arbitrators appointed respectively by the parties hereto as aforesaid should be unable to reach agreement on the appointment of the third arbitrator within 30 Days from the date on which the second arbitrator is appointed, either party of the said two arbitrators shall apply to the President for the time being of LMAA to appoint the third arbitrator. The award of the arbitration, made by the sole arbitrator or by the majority of the three arbitrators, as the case may be, shall be final, conclusive and binding upon the parties hereto.

The arbitration will be conducted in London.

2. ALTERNATIVE ARBITRATION BY AGREEMENT

Notwithstanding the preceding provisions of this Article, it is recognized that in the event of any dispute or difference of opinion arising in regard to the construction of the VESSEL, her machinery and equipment, or concerning the quality of materials or workmanship thereof or thereon, such dispute may be referred to the Classification Society upon agreement of the parties hereto. In such case, the opinion of the Classification Society shall be final and binding on the parties hereto.

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3. NOTICE OF AWARD

Notice of any award shall immediately be given in writing by e-mail confirmed in writing to the BUILDER and the BUYER.

4. EXPENSES

The arbitrator(s) shall determine which party shall bear the expenses of the arbitration or the proportion of such expenses which each party shall bear.

5. AWARD OF ARBITRATION

Final Award shall be final and binding upon the parties concerned.

6. ENTRY IN COURT

Judgment on any award may be entered in any court of competent jurisdiction.

7. ALTERATION OF DELIVERY TIME

In the event of reference to arbitration of any dispute arising out of matters occurring prior to delivery of the VESSEL, the BUILDER shall be entitled to extend the Contract Delivery Date as defined in Article VII for a period of the arbitration proceeding.

(End of this Article)

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ARTICLE XIV RIGHT OF ASSIGNMENT

1. ASSIGNMENT BY THE BUYER

The BUYER may assign or novate this Contract to a third party with the prior written consent of the BUILDER, which consent shall not be unreasonably withheld or delayed by the BUILDER provided that (1) in case of assignment, (a) the assignee shall only be the bank and/or financial institution which finances the BUYER's purchase of the VESSEL, or the purchaser or bareboat charterer of the VESSEL in respect of Article IX and (b) the BUILDER's rights, benefits, interests and remedies under the Contract shall not in any event or in any way be affected, reduced or prejudiced and (c) the assignment shall not impose upon the BUILDER any further obligations or liabilities other than those which have already expressly existed under the Contract, and (2) in case of novation, the BUYER shall remain jointly and severally liable with the transferee or novatee's performance under the terms of the Contract.

All reasonable and documented costs, including legal and other costs on the part of the BUILDER in relation to such assignment or novation shall be borne and paid by the BUYER on demand.

(End of this Article)

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ARTICLE XV TAXES AND DUTIES

1. TAXES AND DUTIES INCURRED IN CHINA

The BUILDER shall bear and pay all taxes, duties, stamps, dues, levies, and fees imposed upon the BUILDER or its personnel in the People's Republic of China in connection with the execution and/or performance of this Contract.

The BUILDER will give necessary assistance to the BUYER in the respect of BUYER's Supplies to be imported into the People's Republic of China in compliance with the laws of the People's Republic of China.

2. TAXES AND DUTIES INCURRED OUTSIDE CHINA

The BUYER shall bear and pay all taxes, duties, stamps, and fees outside the People's Republic of China and imposed upon the BUYER or its personnel or BUYER's supplied items by law in connection with execution and/or performance of this Contract except for taxes, duties, stamps, dues, and fees imposed upon the items which are procured by the BUILDER for the construction of the VESSEL in accordance with the terms of this Contract and the Specification.

(End of this Article)

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ARTICLE XVI PATENTS, TRADEMARKS AND COPYRIGHTS

The machinery and equipment of the VESSEL may bear the patent number, trademarks or trade names of the manufacturers. The BUILDER shall defend and save harmless the BUYER from patent liability or claims of patent infringement of any nature or kind, including costs and expenses for, or on account of any patented or patentable invention made or used in the performance of this Contract and also including cost and expense of litigation, if any.

Nothing contained herein shall be construed as transferring any patent or trademark rights or copyright in equipment covered by this Contract, and all such rights are hereby expressly reserved to the true and lawful owners thereof. Notwithstanding any provisions contained herein to the contrary, the BUILDER's obligation under this Article will not be terminated by the passage of any specified period of time.

The BUILDER's indemnity hereunder does not extend to equipment or parts procured or supplied by the BUYER (or a third party designated by the BUYER) to the BUILDER if any.

The BUILDER retains all rights with respect to the Specification, and plans and working drawings, technical descriptions, calculations, test results and other data, information and documents concerning the design and construction of the VESSEL and the BUYER undertakes not to disclose the same or divulge any information contained therein to any third parties, without the prior written consent of the BUILDER except where it is necessary for the usual operation, repair and maintenance of the Vessel or on sale or bareboat charter of the Vessel.

This Article shall survive upon the expiry or termination of the Contract.

(End of this Article)

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ARTICLE XVII NOTICE

Any and all notices and communications in connection with this Contract shall be in writing and addressed as follows:

To the BUYER: **JINMING MARINE INC.**
Address : 26th Floor, Yardley Commercial Building,
1-6 Connaught Road West, Hong Kong, China.
Attention: Mr. S.F. Ng; Mr. Michael Ng; Mr. Y.H. Shum; Mr. T.H. Tsang
E-mail: sfng@jinhuiship.com; mng@jinhuiship.com;
shumyh@jinhuiship.com; tsangth@jinhuiship.com

To the BUILDER: Jiangsu Hantong Ship Heavy Industry Co., Ltd.
Address : No.6 , Dongfang Avenue, Economic & Development Zone, Nantong
City, Jiangsu Province, P.R.China
Attention: Mr. Chengjun Meng, Ms. Lili Ding & Ms. Haiyan Yin
E-mail: mcj@cnhtship.com; dll@cnhtship.com; yhy@cnhtship.com;

Any change of address shall be communicated in writing by registered mail by the party making such change to the other party and in the event of failure to give such notice of change, communications addressed to the party at their last known address shall be deemed sufficient. E-mail shall not be a valid means of communication in connection with any change of address.

Any and all notices, requests, demands, instructions, advice and communications in connection with this Contract shall be deemed to be given at, and shall become effective from, the time when the same is delivered to the address of the party to be served, provided, however, that personal delivery shall be deemed to be delivered upon receipt by the addressee, registered mail shall be deemed to be delivered ten (10) Days after the date of dispatch, express courier service shall be deemed to be delivered five (5) Days after the date of dispatch, and email shall be deemed to be delivered upon the subject email has been automatically moved to the "sent" box on the sending computer.

Any and all notices and communications in connection with this Contract shall be written in the English language and each party hereto shall have no obligation to translate them into any other language.

(End of this Article)

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ARTICLE XVIII EFFECTIVE DATE OF CONTRACT

This Contract shall become effective upon due execution of the Contractual Documents by both Parties hereof.

(End of this Article)

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ARTICLE XIX INTERPRETATION

1. LAW APPLICABLE

The parties hereto agree that the validity and interpretation of this Contract and of each Article and part hereof be governed by and interpreted in accordance with the Laws of England.

2. DISCREPANCIES

All general language or requirements embodied in the Specifications are intended to amplify, explain and implement the requirements of this Contract. However, in the event that any language or requirements so embodied in the Specifications permit an interpretation inconsistent with any provision of this Contract, then in each and every such event the applicable provisions of this Contract shall govern. The Specifications and plans are also intended to explain each other, and anything shown on the plans and not stipulated in the Specifications or stipulated in the Specifications and not shown on the plans, shall be deemed and considered as if embodied in both. In the event of conflict between the Specifications and plans, the Specifications shall govern.

However, with regards to such inconsistency or contradiction between this Contract and the Specifications as may later occur by any change or changes in the Specifications agreed upon by and among the parties hereto after execution of this Contract, then such change or changes shall govern.

3. MISCELLANEOUS

Entire Agreement: This Contract contains the entire agreement and understanding between the Parties hereto and supersedes all prior negotiations, representations, undertakings and agreements, letter of intent on any subject matter of this Contract. Neither Party shall be entitled to rely on any representations or statements made during negotiations other than to the extent that the same are expressly included in this Contract.

Third party rights: Unless expressly identified in this Contract, no third parties shall have the right to enforce or apply any term of this Contract.

Amendment: Unless otherwise stated herein no provision of this Contract may be amended, modified, waived or rescinded except by an instrument in writing executed by each of the parties hereto.

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This Contract may be executed in any number of counterparts and any single counterpart or set of counterparts signed, in either case, by all the parties hereto shall be deemed to constitute a full and original agreement for all purposes.

(End of this Article)

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ARTICLE XX CONFIDENTIALITY

The details of this Contract shall be kept private and confidential by each Party unless required for the purpose of performing this Contract and/or any Party is required to make disclosure pursuant to applicable laws, rules or regulations. It is acknowledged that the intermediate holding company of the BUYER, Jinhui Shipping and Transportation Limited (“Jinhui Shipping”) and the parent company of Jinhui Shipping, Jinhui Holdings Company Limited (“Jinhui Holdings”) will need to make public announcements pursuant to applicable rules and regulations of the Oslo Stock Exchange and the Hong Kong Stock Exchange respectively, provide that such public announcements shall be limited to the necessary scope and extent as required by applicable rules and regulations of the Oslo Stock Exchange and the Hong Kong Stock Exchange respectively.

This shipbuilding contract is conditional upon approval by the general meeting of Jinhui Holding (the “General Meeting”) for obtaining approval by shareholders of Jinhui Holdings.

The BUYER warrants and represents that (i) Fairline Consultants Limited and Timberfield Limited, being the shareholders together holding 64.53% of issued shares of Jinhui Holdings and voting rights in the General Meeting as date of this shipbuilding contract, have irrevocably agreed to vote in favour of the shipbuilding contract at the General Meeting and (ii) to the best of the knowledge of the BUYER, the said shareholders are qualified to vote at the General Meeting and are not required to abstain from voting other than the requirements imposed upon the said shareholders by The Stock Exchange of Hong Kong Limited and (iii) the BUYER shall ensure the said shareholders shall comply with (i) and (ii).

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In WITNESS WHEREOF, the parties hereto have caused this Contract to be duly executed on the day and year first above written.

THE BUYER:

By: 

Name: Mr. NG Siu Fai
Title: Director

THE BUILDER:

By: 

Name: Mr. Chengjun Meng
Title: Legal Representative

Exhibit "A"

**FORM OF REFUND GUARANTEE FOR THE _____) INSTALMENT
[FOR REFERENCE ONLY AND SUBJECT TO THE APPROVAL OF THE
BUILDER'S BANK]**

To:
(sent by SWIFT via _____ (the BUYER's bank))

Date:

1. At the request of _____ (hereinafter called the "BUILDER") and in consideration of your agreeing to pay the BUILDER the instalments before delivery of the VESSEL under the Contract No. _____ concluded by and amongst you and the BUILDER dated ____; (hereinafter called "the CONTRACT") for the BUILDER's construction and delivery to you of one (1) _____ Vessel to be designated as Hull No. _____ (hereinafter called "the VESSEL"), we, _____ ("Refund Guarantor"), do hereby irrevocably and unconditionally guarantee as primary obligor and not as a mere surety, repayment to you by the BUILDER of an amount up to but not exceeding a total amount of United States Dollars _____ (US\$ _____), representing the _____ instalment of the Contract Price of the VESSEL, _____ (US\$ _____), the _____ instalment of the Contract Price of the VESSEL, _____ (US\$ _____), the _____ instalment of the Contract Price of the VESSEL, _____ (US\$ _____), the _____ instalment of the Contract Price of the VESSEL, _____ (US\$ _____), as you may have paid to the BUILDER under the Contract prior to the delivery of the VESSEL, together with applicable interest thereon if and when the same or any part thereof becomes repayable to you from the BUILDER in accordance with the terms of the Contract.

2. Should the BUILDER fail to make such repayment within the period under the Contract after you cancel the Contract and demand the refund pursuant to Paragraph 3 of Article VIII, or Article III 1(c), 2(c), 3(c) or 4(c), or in the event of total loss as described in Article XII under the Contract, we shall pay you the amount the BUILDER ought to pay with no interest if cancellation of the Contract is exercised by you for the total loss of the VESSEL or in respect of period of permissible delays, or together with interest at the rate of _____ percent (_____ %) per annum if the cancellation of the Contract is exercised by you in accordance with the provisions of Article X of the Contract, within _____ Banking Days after our receipt of a duly executed written demand from you for repayment and describing that the BUILDER fails to make repayment within the period under the Contract after you cancel the Contract and demand the refund pursuant to Paragraph 3 of Article VIII, or Article III 1(c), 2(c), 3(c) or 4(c), or in the event of total loss as described in Article XII under the Contract.

3. However, in the event of our receipt, before your demand or after your demand has been received by us, of a notice made by the BUILDER that there is a dispute between you and the BUILDER in relation to (i) whether the BUILDER shall be liable to repay any or all the instalments paid by you, and (ii) consequently whether you shall have the right to demand payment from us, and such dispute is submitted for arbitration in accordance with Article XIII of the Contract, we shall be entitled to withhold and defer payment until the Final Award is published. We shall not be obligated to make any payment to you unless such Final Award orders the BUILDER to make repayment. If the BUILDER fails to honour the Final Award, then within sixty(60) Banking Days after publication of the Final Award we shall make

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payment to you to the extent the Final Award orders but not exceeding the aggregate amount of this guarantee plus the interest (if applicable) described above.

"Final Award" means a published final arbitration award in respect of any disputes arising out of or in connection with the CONTRACT where any right of appeal available in respect of such arbitration award under the applicable law is waived or is not exercised by the BUYER and the BUILDER within the time limit under such applicable law and in case of such arbitration award is appealed, the final judgment by the English court on such award upon appeal by either the BUYER and the BUILDER where any right of appeal available in respect of such judgment under English law is waived or is not exercised by the BUYER and the BUILDER within the time limit under such applicable law.

4. All notices, statements or demands under this Letter of Guarantee shall be sent to us by authenticated message through your bank. Our SWIFT Code is _____.

5. This Letter of Guarantee shall become effective from the time when the BUILDER has actually received the first instalment in the account held with _____ under the CONTRACT.

The amount available under this Letter of Guarantee shall in no event exceed the amount actually received by the BUILDER from the BUYER together with interest accrued at the rate of _____ percent (_____%) per annum for the period commencing with the date of receipt by the BUILDER of the respective instalment to the date of our payment hereunder and the amount available under this Letter of Guarantee shall be automatically reduced upon the repayment of any amount by the BUILDER or us.

6. This Letter of Guarantee shall remain in force until the VESSEL has been delivered to and accepted by you, or full refund has been made by the BUILDER or ourselves, or the CONTRACT is duly terminated by the BUILDER under Article XI (unless you disputes the termination and submits such dispute to arbitration by issuing notice of arbitration pursuant to the CONTRACT), or until [DATE FALLING 285 DAYS AFTER THE CONTRACT DELIVERY DATE], whichever occurs earlier.

However, in the event that there exists arbitration between you and the BUILDER, then the validity of this Letter of Guarantee shall be automatically extended until the date falling on the thirtieth (30th) calendar day after the publish of the Final Award.

7. All payments by us under this Letter of Guarantee shall be made in United States Dollars without any set-off or counterclaim and without deduction or withholding for or on account of any taxes, duties, or charges whatsoever unless we are compelled by law to deduct or withhold the same.

8. You may assign all your rights under this letter of Guarantee in accordance with the terms of the CONTRACT without our prior written consent to your financing bank. Notice of such assignment, in such form as your financing bank shall require, shall be sent to us and terms of consent and acknowledged shall be agreed by us.

9. Our liabilities under this Letter of Guarantee shall not be discharged, impaired or diminished by any period of time, grace period or indulgence granted by the BUYER to the BUILDER, or by any modification of or amendment or supplement to the CONTRACT, or by any insolvency, bankruptcy or liquidation of the BUILDER.

10. We hereby certify, represent and warrant that we have the corporate power and authority to enter into, execute and delivery this Letter of Guarantee and perform our obligations

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hereunder and that we will take all reasonable steps necessary to maintain the validity and enforceability of this Letter of Guarantee.

11. We hereby further, represent and warrant that we are permitted by the Laws of the People's Republic of China to issue this foreign currency (USD) Letter of Guarantee with the wording hereof.

We herewith undertake to keep this Letter of Guarantee duly filed with the relevant SAFE authority.

12. This Letter of Guarantee shall be construed in accordance with and governed by the Laws of England. If a dispute or difference arises, such dispute or difference shall be settled by arbitration in accordance with the LMAA (London Maritime Arbitrators Association) Arbitration Rules then present in force. The number of arbitrators shall be three. The place of arbitration shall be London. The language to be used in the arbitration proceeding shall be English. An award of arbitration shall be final and binding upon the Parties.

For and on behalf of
[●]

Name:
Title:

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Exhibit "B"

FORM OF PAYMENT GUARANTEE FOR THE _____ INSTALMENTS

To: _____
The People's Republic of China
(hereinafter referred to as the "BUILDER")

Date:

In consideration of you ("the BUILDER") entering into a Shipbuilding Contract (Reference No.: _____) dated ----- ("Contract") with ----- (the "BUYER") for the construction of one (1) ----- known as ----- Hull No. _____ (the "VESSEL") we, -----, hereby irrevocably and unconditionally guarantee, as primary obligor and not merely as surety, the due and punctual payment by the BUYER to you of the _____ instalments of the Contract Price amounting to a sum of USD----- (say United States Dollars ----- only).

The instalments guaranteed hereunder, pursuant to the terms of the Shipbuilding Contract, comprise the ___ instalment in the amount of USD----- (say United States Dollars ----- only) payable by the BUYER.

We also irrevocably and unconditionally guarantee, as primary obligor and not merely as surety, the due and punctual payment by the BUYER of interest on the full instalment guaranteed hereunder at the rate of _____ percent per annum for a period from the due date of the instalment until the date of full payment by us of such amount guaranteed hereunder.

In the event that the BUYER fails to punctually pay to you any instalment and interest guaranteed hereunder and any such default continues for a period of _____ Days after the date it occurred, then within _____ Days after receipt of your first written demand, we shall immediately and unconditionally pay to you or your nominee or assignee the unpaid instalments guaranteed hereunder, together with the interest as specified above, without requesting you to take any or further action, proceeding, procedure or step against the BUYER or with respect to any other security which you may hold and such demand shall be taken as conclusive evidence for the purpose of this guarantee that such payment is due.

For the avoidance of doubt, (1) multiple notices, demands or claims are allowed under this Letter of Guarantee, and (2) our obligation to make payment against your demand is immediate and is not dependent upon the BUYER's obligation to pay any relevant instalment

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having first been established by agreement or award of a competent arbitral tribunal or judgment or order of a competent court.

You may be entitled to assign your rights and interests under this letter of guarantee without our prior written consent.

Any payment made by us under this guarantee shall be effected in United States Dollars by Telegraphic transfer to _____, as receiving bank nominated by you for credit to the account _____ with _____ you _____ No.: _____ or through another receiving bank nominated by you from time to time, in favour of you or your assignee. The payment of any of the instalments guaranteed hereunder paid by the BUYER or by ourselves shall automatically reduce our liability under this guarantee accordingly.

Our obligations under this guarantee shall not be affected or prejudiced by any dispute between you as the BUILDER and the BUYER under the Contract or by the BUILDER's yard delay in the construction and/or delivery of the VESSEL due to whatever causes and shall not be prejudiced, discharged or released by any agreement, settlement, arrangement made between BUILDER and BUYER or by any alteration, supplementation, amendment, variation, assignment, novation, invalidity, illegality or unenforceability of any or all terms of the Contract or by any forbearance, forgiveness or indulgence whether as to payment, time, performance or otherwise related to the Contract or this guarantee, or the insolvency, bankruptcy, winding up or similar event of the BUYER, even though any of such aforesaid events has been occurred or implemented without notifying us or procuring our consent.

Any notice, demand or claim shall be served by BUILDER to us by telefax or by registered mail with telefax number as [] and address as []. The aforesaid notice, demand or claim shall be deemed received by us: if by registered mail, _____ Days after the date of dispatch, or if by telefax, when acknowledged by the answerbacks shall be deemed to be delivered upon dispatch. Any change of aforesaid telefax number or address shall be communicated in writing by us through both telefax and registered mail and in the event of failure to give such notice of change, communications addressed to us at the last known telefax number or address hereof shall be deemed sufficient and valid.

This Letter of Guarantee shall come into full force and effect from the date of issuance and shall continue in force and effect until either the full payment of the _____ instalments of the Contract Price together with the aforesaid interests by the BUYER or us to you.

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We hereby certify, represent and warrant that we have the corporate power and authority to enter into, execute and delivery this Letter of Guarantee and perform our obligation hereunder and that we will take all reasonable steps necessary to maintain the validity and enforceability of this Letter of Guarantee.

However, in the event that there exists arbitration between you and the BUYER, then the validity of this guarantee shall be automatically extended until the date falling on the thirtieth (30th) calendar day after the later of (1) the final and binding arbitration award is published or (2) in case of an appeal, the final and binding court judgement or order is rendered.

All payments made by us under this guarantee shall be effected without any set-off or counterclaim and without deduction or withholding for or on account of any taxes, duties, or charges whatsoever.

This Letter of Guarantee is governed by the Laws of England. If a dispute or difference arises, such dispute or difference shall be settled by arbitration in accordance with the LMAA (London Maritime Arbitrators Association) Arbitration Rules then present in force. The number of arbitrators shall be three. The place of arbitration shall be London. The language to be used in the arbitration proceeding shall be English. An award of arbitration shall be final and binding upon the Parties.

This Letter of Guarantee shall have expired as aforesaid, and you will return the same to us.

Very Truly Yours

By: -----

For and on behalf of _____

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Norwegian Shipbrokers' Association's
Memorandum of Agreement for sale and
purchase of ships. Adopted by BIMCO in 1956.
Code-name

SALEFORM 2012

Revised 1966, 1983 and 1986/87, 1993 and 2012

MEMORANDUM OF AGREEMENT

- 1 Dated: 2nd July 2024
- 2 **WHITE REEFER LINE CORP. of Panama** (~~Name of sellers~~), hereinafter called the "Sellers",
have agreed to sell, and
- 3 **JINMEI MARINE INC. of Panama and its guaranteed by Jinhui Shipping And Transportation
Limited** (~~Name of buyers~~), hereinafter called the "Buyers", have agreed to buy:
- 4 Name of vessel: **Ocean Courtesy**
- 5 IMO Number: **9465198**
- 6 Classification Society: **Bureau Veritas**
- 7 Class Notation: **As per Class Certificate**
- 8 Year of Build: **2008** Builder/Yard: **SHANGHAI WAIGAOQIAO SHIPBUILDING CO., LTD**
- 9 Flag: **Marshall Islands** Place of Registration: **Majuro** GT/NT: **91,407 / 57,770**
- 10 hereinafter called the "Vessel", on the following terms and conditions:
- 11 **Definitions**
- 12 "Banking Days" are days on which banks are open both in the country of the currency stipulated for
13 the Purchase Price in Clause 1 (Purchase Price) and in the place of closing stipulated in Clause 8
14 (Documentation) and **Hong Kong, China, Japan and Singapore** (~~add additional
jurisdictions as appropriate~~).
- 15 "Buyers' Nominated Flag State" means **Hong Kong** (~~state flag state~~).
- 16 "Class" means the class notation referred to above.
- 17 "Classification Society" means the Society referred to above.
- 18 "Deposit" shall have the meaning given in Clause 2 (Deposit)
- 19 "Deposit Holder / Escrow /Agent" means **Hill Dickinson, Hong Kong** (~~state name and location of
Deposit Holder~~) or, if left blank, the
20 ~~Sellers' Bank, which shall hold and release the Deposit in accordance with this Agreement.~~
- 21 "In writing" or "written" means a letter handed over from the Sellers to the Buyers or vice versa, a
22 registered letter, e-mail or telefax.
- 23 "Parties" means the Sellers and the Buyers.
- 24 "Purchase Price" means the price for the Vessel as stated in Clause 1 (Purchase Price).
- 25 "Sellers' Account" means **to be advised by Sellers later**
(~~state details of bank account~~) at the Sellers' Bank,



26 "Sellers' Bank" means **SUMITOMO MITSUI BANKING CORPORATION, DOUJIMA**
27 **BRANCH, OSAKA, JAPAN** (~~state name of bank, branch and details~~) or, if left blank, the bank
notified by the Sellers to the Buyers for receipt of the balance of the Purchase Price.

28 1. Purchase Price

29 The Purchase Price is **USD 24,000,000** (*say United States Dollars Twenty Four Million*
only) (~~state currency and amount both in words and figures~~).

30 2. Deposit

31 As security for the correct fulfilment of this Agreement the Buyers shall lodge a deposit of
32 **20** % (**twenty** per cent) or, if left blank, ~~10% (ten per cent)~~, of the Purchase Price (the
33 "Deposit") in an interest bearing account for the Parties with the Deposit Holder / **Escrow Agent**
within three (3)

34 Banking Days after the date that:

35 (i) this Agreement has been signed by the Parties, **the Deposit Holder / Escrow Agent**
agreement has been signed by the Sellers/Buyers/Deposit Holder / Escrow Agent and
36 **both have been** and exchanged in original or by e-mail or
telefax; and

37 (ii) the Deposit Holder / **Escrow Agent** has confirmed in writing to the Parties that the
account has been
38 opened.

39 The Deposit shall be released in accordance with joint written instructions of the Parties.
40 Interest, if any, shall be credited to the Buyers. Any fee charged for holding and releasing the
41 Deposit shall be borne equally by the Parties. The Parties shall provide to the Deposit Holder
42 all necessary documentation to open and maintain the account without delay.

43 3. Payment

44 On delivery of the Vessel, but not later than three (3) Banking Days after the date that Notice of
45 Readiness has been given in accordance with Clause 5 (Time and place of delivery and
46 notices):

47 (i) the Deposit shall be released to the Sellers; and

48 (ii) the balance of the Purchase Price and all other sums payable on delivery by the Buyers,
49 to the Sellers under this Agreement shall be paid in full free of bank charges to the
50 Sellers' Account.

Three Banking Days prior to the delivery of the Vessel, the Buyers shall lodge the balance of the Purchase Price ("Balance") as per the escrow agreement and all other sums payable on delivery by the Buyers to the Sellers under this Agreement ("Extras") with the Deposit Holder/Escrow Agent. On delivery of the Vessel and in exchange of the delivery documents as per Clause 8 of this Agreement, the Balance and the Extras shall be released in full and free of any bank charges to the Sellers' Account.

51 4. Inspection

52 (a) *The Buyers have ~~waived the right to inspect the Vessel physically~~ inspected and
~~accepted~~ **waived the right to inspect the** Vessel's classification records. ~~The Buyers~~
53 ~~have also inspected the Vessel at/in~~ (state place) on (state date) and have
54 ~~accepted the Vessel~~ following this inspection and the sale is outright and definite, subject only
55 to the terms and conditions of this Agreement.

56 (b) *~~The Buyers shall have the right to inspect the Vessel's classification records and declare~~
57 ~~whether same are accepted or not within~~ (state date/period).

58 ~~The Sellers shall make the Vessel available for inspection at/in~~ (state place/range) within
59 (state date/period).



60 ~~The Buyers shall undertake the inspection without undue delay to the Vessel. Should the~~
61 ~~Buyers cause undue delay they shall compensate the Sellers for the losses thereby incurred.~~

62 ~~The Buyers shall inspect the Vessel without opening up and without cost to the Sellers.~~

63 ~~During the inspection, the Vessel's deck and engine log books shall be made available for~~
64 ~~examination by the Buyers.~~

65 ~~The sale shall become outright and definite, subject only to the terms and conditions of this~~
66 ~~Agreement, provided that the Sellers receive written notice of acceptance of the Vessel from~~
67 ~~the Buyers within seventy two (72) hours after completion of such inspection or after the~~
68 ~~date/last day of the period stated in Line 59, whichever is earlier.~~

69 ~~Should the Buyers fail to undertake the inspection as scheduled and/or notice of acceptance of~~
70 ~~the Vessel's classification records and/or of the Vessel not be received by the Sellers as~~
71 ~~aforsaid, the Deposit together with interest earned, if any, shall be released immediately to the~~
72 ~~Buyers, whereafter this Agreement shall be null and void.~~

73 ~~*4(a) and 4(b) are alternatives; delete whichever is not applicable. In the absence of deletions,~~
74 ~~alternative 4(a) shall apply.~~

75 **5. Time and place of delivery and notices**

76 (a) The Vessel shall be delivered and taken over safely afloat at a safe and accessible berth or
77 anchorage at/in **Singapore to Japan range** (state place/range) in the Sellers' option.

78 Notice of Readiness shall not be tendered before: **1st September 2024** (date)
79 Cancelling Date (see Clauses 5(c), 6(a)(i), 6(a)(iii) and 14): **31st December 2024**

***But straight after redelivery from current Time Charterers (PACBULK SHIPPING PTE LTD.).
Sellers/Owners shall not do any laden voyage after ship redelivery from current Time
Charterers.***

80 (b) The Sellers shall keep the Buyers well informed of the Vessel's itinerary and shall
81 provide the Buyers with twenty (20), ten (10), five (5) and three (3) days' **approximate** notice of the
82 date the
82 Sellers intend to tender Notice of Readiness and of the intended place of delivery. **Delivery
country should be declared together with 20 days of approximate notice tender by Sellers (as
per back-to-back message received from Time Charterers).**

83 When the Vessel is at the place of delivery and physically ready for delivery in accordance with
84 this Agreement, the Sellers shall give the Buyers a written Notice of Readiness for delivery.

85 (c) If the Sellers anticipate that, notwithstanding the exercise of due diligence by them, the
86 Vessel will not be ready for delivery by the Cancelling Date they may notify the Buyers in writing
87 stating the date when they anticipate that the Vessel will be ready for delivery and proposing a
88 new Cancelling Date. Upon receipt of such notification the Buyers shall have the option of
89 either cancelling this Agreement in accordance with Clause 14 (Sellers' Default) within three (3)
90 Banking Days of receipt of the notice or of accepting the new date as the new Cancelling Date.
91 If the Buyers have not declared their option within three (3) Banking Days of receipt of the
92 Sellers' notification or if the Buyers accept the new date, the date proposed in the Sellers'
93 notification shall be deemed to be the new Cancelling Date and shall be substituted for the
94 Cancelling Date stipulated in line 79.

95 If this Agreement is maintained with the new Cancelling Date all other terms and conditions
96 hereof including those contained in Clauses 5(b) and 5(d) shall remain unaltered and in full
97 force and effect.

98 (d) Cancellation, failure to cancel or acceptance of the new Cancelling Date shall be entirely
99 without prejudice to any claim for damages the Buyers may have under Clause 14 (Sellers'
100 Default) for the Vessel not being ready by the original Cancelling Date.

101 (e) Should the Vessel become an actual, constructive or compromised total loss before delivery
102 the Deposit together with interest earned, if any, shall be released immediately to the Buyers
103 whereafter this Agreement shall be null and void.



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6. Divers Inspection / Drydocking

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(i)

The Buyers shall have the option at their cost and expense to arrange for an underwater inspection by a diver approved by the Classification Society prior to the delivery of the Vessel **not later than the daytime of next weather working day after Vessel's arrival at delivery port/place**. Such option shall be declared latest nine (9) days prior to the Vessel's intended

date of readiness for delivery as notified by the Sellers pursuant to Clause 5(b) of this Agreement. The Sellers shall at their cost and expense make the Vessel available for such inspection. This inspection shall be carried out without undue delay and in the presence of a Classification Society surveyor arranged for by the Sellers and paid for by the Buyers. The Buyers' representative(s) shall have the right to be present at the diver's inspection as observer(s) only without interfering with the work or decisions of the Classification Society surveyor. The extent of the inspection and the conditions under which it is performed shall be to the satisfaction of the Classification Society. If the conditions at the place of delivery are unsuitable for such inspection, the **Sellers shall at their cost and expense** make the Vessel available at a suitable alternative place near to the delivery port, in which event the Cancelling Date shall be extended by the additional time required for such positioning and the subsequent re-positioning. The Sellers may not tender Notice of Readiness prior to completion of the underwater inspection.

(ii)

If the rudder, propeller, bottom or other underwater parts below the deepest load line are found broken, damaged or defective so as to affect the Vessel's class, then (1) unless repairs can be carried out afloat to the satisfaction of the Classification Society, the Sellers shall arrange for the Vessel to be drydocked at their expense for inspection by the Classification Society of the Vessel's underwater parts below the deepest load line, the extent of the inspection being in accordance with the Classification Society's rules (2) such defects shall be made good by the Sellers at their cost and expense to the satisfaction of the Classification Society without condition/recommendation** and (3) the Sellers shall pay for the underwater inspection and the Classification Society's attendance.

Notwithstanding anything to the contrary in this Agreement, if the Classification Society do not require the aforementioned defects to be rectified before the next class drydocking survey, the Sellers shall be entitled to deliver the Vessel with these defects against a deduction from the Purchase Price of the estimated direct cost (of labour and materials) of carrying out the repairs to the satisfaction of the Classification Society, whereafter the Buyers shall have no further rights whatsoever in respect of the defects and/or repairs. The estimated direct cost of the repairs shall be the average of quotes for the repair work obtained from two reputable independent shipyards **in P.R.China at or in the vicinity of**

~~the port of delivery~~, one to be obtained by each of the Parties within two (2) Banking Days from the date of the imposition of the condition/recommendation, unless the Parties agree otherwise. Should either of the Parties fail to obtain such a quote within the stipulated time then the quote duly obtained by the other Party shall be the sole basis for the estimate of the direct repair costs. The Sellers may not tender Notice of Readiness prior to such estimate having been established.

(iii)

If the Vessel is to be drydocked pursuant to Clause 6(a) (ii) and no suitable dry-docking facilities are available at the port of delivery, the Sellers shall take the Vessel to a port where suitable drydocking facilities are available, whether within or outside the delivery range as per Clause 5(a). Once drydocking has taken place the Sellers shall deliver the Vessel at a port within the delivery range as per Clause 5(a) which shall, for the purpose of this Clause, become the new port of delivery. In such event the Cancelling Date shall be extended by the additional time required for the drydocking and extra steaming, but limited to a maximum of fourteen (14) days.

~~(b) *The Sellers shall place the Vessel in drydock at the port of delivery for inspection by the Classification Society of the Vessel's underwater parts below the deepest load line, the extent of the inspection being in accordance with the Classification Society's rules. If the rudder, propeller, bottom or other underwater parts below the deepest load line are found broken, damaged or defective so as to affect the Vessel's class, such defects shall be made good at the~~

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159 ~~Sellers' cost and expense to the satisfaction of the Classification Society without~~
160 ~~condition/recommendation**. In such event the Sellers are also to pay for the costs and~~
161 ~~expenses in connection with putting the Vessel in and taking her out of drydock, including the~~
162 ~~drydock dues and the Classification Society's fees. The Sellers shall also pay for these costs and~~
163 ~~expenses if parts of the tailshaft system are condemned or found defective or broken so as to~~
164 ~~affect the Vessel's class. In all other cases, the Buyers shall pay the aforesaid costs and~~
165 ~~expenses, dues and fees.~~

166 (c) If the Vessel is drydocked pursuant to Clause 6(a) (ii) ~~or 6(b) above:~~

167 (i) The Classification Society may require survey of the tailshaft system, the extent of the
168 survey being to the satisfaction of the Classification Society surveyor. If such survey is
169 not required by the Classification Society, the Buyers shall have the option to require the
170 tailshaft to be drawn and surveyed by the Classification Society, the extent of the survey
171 being in accordance with the Classification Society's rules for tailshaft survey and
172 consistent with the current stage of the Vessel's survey cycle. The Buyers shall declare
173 whether they require the tailshaft to be drawn and surveyed not later than by the
174 completion of the inspection by the Classification Society. The drawing and refitting of the
175 tailshaft shall be arranged by the Sellers. Should any parts of the tailshaft system be
176 condemned or found defective so as to affect the Vessel's class, those parts shall be
177 renewed or made good at the Sellers' cost and expense to the satisfaction of the
178 Classification Society without condition/recommendation**.

179 (ii) The costs and expenses relating to the survey of the tailshaft system shall be borne by
180 the Buyers unless the Classification Society requires such survey to be carried out or if
181 parts of the system are condemned or found defective or broken so as to affect the
182 Vessel's class, in which case the Sellers shall pay these costs and expenses.

183 (iii) The Buyers' representative(s) shall have the right to be present in the drydock, as
184 observer(s) only without interfering with the work or decisions of the Classification
185 Society surveyor.

186 (iv) The Buyers shall have the right to have the underwater parts of the Vessel cleaned
187 and painted at their risk, cost and expense without interfering with the Sellers' or the
188 Classification Society surveyor's work, if any, and without affecting the Vessel's timely
189 delivery. If, however, the Buyers' work in drydock is still in progress when the
190 Sellers have completed the work which the Sellers are required to do, the additional
191 docking time needed to complete the Buyers' work shall be for the Buyers' risk, cost and
192 expense. In the event that the Buyers' work requires such additional time, the Sellers
193 may upon completion of the Sellers' work tender Notice of Readiness for delivery whilst
194 the Vessel is still in drydock and, notwithstanding Clause 5(a), the Buyers shall be
195 obliged to take delivery in accordance with Clause 3 (Payment), whether the Vessel is in
196 drydock or not.

197 ~~*6(a) and 6(b) are alternatives; delete whichever is not applicable. In the absence of deletions,~~
198 ~~alternative 6(a) shall apply.~~

199 ***Notes or memoranda, if any, in the surveyor's report which are accepted by the Classification*
200 *Society without condition/recommendation are not to be taken into account.*

201 7. Spares, bunkers and other items

202 The Sellers shall deliver the Vessel to the Buyers with everything belonging to her on board
203 and on shore. All spare parts and spare equipment including spare tail-end shaft(s) and/or
204 spare propeller(s)/propeller blade(s), if any, belonging to the Vessel at the time of **delivery inspection**
used or
205 unused, whether on board or not shall become the Buyers' property, but spares on order are
206 excluded. Forwarding charges, if any, shall be for the Buyers' account. The Sellers are not
207 required to replace spare parts including spare tail-end shaft(s) and spare propeller(s)/propeller
208 blade(s) which are taken out of spare and used as replacement prior to delivery, but the replaced
209 items shall be the property of the Buyers. Unused stores and provisions shall be included in the
210 sale and be taken over by the Buyers without extra payment. **The Vessel has neither
spare propeller nor spare tail-end shaft.**

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- 211 Library and forms exclusively for use in the Sellers' vessel(s) and captain's, officers' and crew's
212 personal belongings including the slop chest are excluded from the sale without compensation,
213 as well as the following additional items: **KS computer** ~~(include list)~~
- 214 Items on board which are on hire or owned by third parties, listed as follows, are excluded from
215 the sale without compensation:
1. Whole set of VSAT
2. One set of HYD water jet machine ~~(include list)~~
- 216 Items on board at the time of **delivery** ~~inspection~~ which are on hire or owned by third parties, not listed
217 above, shall be replaced or procured by the Sellers prior to delivery at their cost and expense.
- 218 The Buyers shall take over remaining bunkers and unused lubricating and hydraulic oils and
219 greases in storage tanks and unopened drums and pay **in the following manner: either:**
- 220 **(a) * For luboils, greases and hydraulic oils onboard**, the actual net **purchase** price (excluding
delivery/barging expenses) as evidenced by invoices or vouchers **(on First in First out basis)**
~~and ; or~~
- 221 **(b) * For remaining bunkers (Fuel Oil and Gas Oil) onboard, same shall be as per PLATTS price**
in Singapore published two(2) Banking Days prior to the day of tender Notice of Readiness
(NOR) as published in Platts Bunkerwire (in case that day Platts does not publish prices,
then the last published price in Platts Bunkerwire to apply). ~~the current net market price~~
~~(excluding barging expenses) at the port and date of delivery~~
222 ~~of the Vessel or, if unavailable, at the nearest bunkering port,~~
- 223 for the quantities taken over.
- 224 Payment under this Clause shall be made at the same time and place and in the same currency
225 as the Purchase Price.
- A bunker sounding between Sellers and Buyers representatives to be held latest two days
prior closing to agree the remaining quantities taking into consideration consumption until
the delivery time.**
- Buyers shall pay extra for the Food provision and bonded stores. Same shall be settled by
Sellers Master and Buyers Master directly before delivery.**
- 226 "inspection" in this Clause 7, shall mean the Buyers' inspection according to Clause 4(a) or(b)
227 (Inspection), if applicable. If the Vessel is taken over without inspection, the date of this
228 Agreement shall be the relevant date.
- 229 ~~* (a) and (b) are alternatives, delete whichever is not applicable. In the absence of deletions~~
230 ~~alternative (a) shall apply.~~
- 231 **8. Documentation**
- 232 The place of closing: **Deposit Holder/Escrow Agent's office or Virtual (remote) closing**
- At the time of delivery of the Vessel, the Sellers shall provide the Buyers with all such
documents as may reasonably be required for the legal transfer of ownership and
registration of the Vessel by the Buyers under the flag of their choice under line 15. Such
documents to be mutually agreed by the parties and to be incorporated into an
addendum which will form integral part of this Agreement, same not to delay the signing
of this Agreement.**
- 233 ~~(a) In exchange for payment of the Purchase Price the Sellers shall provide the Buyers with the~~
234 ~~following delivery documents:~~
- 235 ~~(i) Legal Bill(s) of Sale in a form recordable in the Buyers' Nominated Flag State,~~
236 ~~transferring title of the Vessel and stating that the Vessel is free from all mortgages,~~
237 ~~encumbrances and maritime liens or any other debts whatsoever, duly notarially attested.~~

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- 238 ~~and legalised or apostilled, as required by the Buyers' Nominated Flag State;~~
- 239 (ii) ~~Evidence that all necessary corporate, shareholder and other action has been taken by~~
240 ~~the Sellers to authorise the execution, delivery and performance of this Agreement;~~
- 241 (iii) ~~Power of Attorney of the Sellers appointing one or more representatives to act on behalf~~
242 ~~of the Sellers in the performance of this Agreement, duly notarially attested and legalised~~
243 ~~or apostilled (as appropriate);~~
- 244 (iv) ~~Certificate or Transcript of Registry issued by the competent authorities of the flag state~~
245 ~~on the date of delivery evidencing the Sellers' ownership of the Vessel and that the~~
246 ~~Vessel is free from registered encumbrances and mortgages, to be faxed or e-mailed by~~
247 ~~such authority to the closing meeting with the original to be sent to the Buyers as soon as~~
248 ~~possible after delivery of the Vessel;~~
- 249 (v) ~~Declaration of Class or (depending on the Classification Society) a Class Maintenance~~
250 ~~Certificate issued within three (3) Banking Days prior to delivery confirming that the~~
251 ~~Vessel is in Class free of condition/recommendation;~~
- 252 (vi) ~~Certificate of Deletion of the Vessel from the Vessel's registry or other official evidence of~~
253 ~~deletion appropriate to the Vessel's registry at the time of delivery, or, in the event that~~
254 ~~the registry does not as a matter of practice issue such documentation immediately, a~~
255 ~~written undertaking by the Sellers to effect deletion from the Vessel's registry forthwith~~
256 ~~and provide a certificate or other official evidence of deletion to the Buyers promptly and~~
257 ~~latest within four (4) weeks after the Purchase Price has been paid and the Vessel has~~
258 ~~been delivered;~~
- 259 (vii) ~~A copy of the Vessel's Continuous Synopsis Record certifying the date on which the~~
260 ~~Vessel ceased to be registered with the Vessel's registry, or, in the event that the registry~~
261 ~~does not as a matter of practice issue such certificate immediately, a written undertaking~~
262 ~~from the Sellers to provide the copy of this certificate promptly upon it being issued~~
263 ~~together with evidence of submission by the Sellers of a duly executed Form 2 stating~~
264 ~~the date on which the Vessel shall cease to be registered with the Vessel's registry;~~
- 265 (viii) ~~Commercial Invoice for the Vessel;~~
- 266 (ix) ~~Commercial Invoice(s) for bunkers, lubricating and hydraulic oils and greases;~~
- 267 (x) ~~A copy of the Sellers' letter to their satellite communication provider cancelling the~~
268 ~~Vessel's communications contract which is to be sent immediately after delivery of the~~
269 ~~Vessel;~~
- 270 (xi) ~~Any additional documents as may reasonably be required by the competent authorities of~~
271 ~~the Buyers' Nominated Flag State for the purpose of registering the Vessel, provided the~~
272 ~~Buyers notify the Sellers of any such documents as soon as possible after the date of~~
273 ~~this Agreement; and~~
- 274 (xii) ~~The Sellers' letter of confirmation that to the best of their knowledge, the Vessel is not~~
275 ~~black listed by any nation or international organisation.~~
- 276 (b) ~~At the time of delivery the Buyers shall provide the Sellers with:~~
- 277 (i) ~~Evidence that all necessary corporate, shareholder and other action has been taken by~~
278 ~~the Buyers to authorise the execution, delivery and performance of this Agreement; and~~
- 279 (ii) ~~Power of Attorney of the Buyers appointing one or more representatives to act on behalf~~
280 ~~of the Buyers in the performance of this Agreement, duly notarially attested and legalised~~
281 ~~or apostilled (as appropriate).~~
- 282 (c) ~~If any of the documents listed in *the Addendum* Sub-clauses (a) and (b) above are not in the~~
~~English~~



- 283 language they shall be accompanied by an English translation by an authorised translator or
284 certified by a lawyer qualified to practice in the country of the translated language.
- 285 (d) The Parties shall to the extent possible exchange copies, drafts or samples of the documents
286 listed in ~~the Addendum Sub-clause (a) and Sub-clause (b) above~~ for review and comment by the
other party
287 not later than (state number of days), or if left blank, nine (9) days prior to the Vessel's
288 intended date of readiness for delivery as notified by the Sellers pursuant to Clause 5(b) of
289 this Agreement.
- 290 (e) Concurrent with the exchange of documents in ~~the Addendum Sub-clause (a) and Sub-clause (b)~~
above, the
291 Sellers shall also hand to the Buyers the classification certificate(s) as well as all plans, drawings
292 and manuals, (excluding ISM/ISPS manuals), which are on board the Vessel. Other certificates
293 which are on board the Vessel shall also be handed over to the Buyers unless the Sellers are
294 required to retain same, in which case the Buyers have the right to take copies.
- 295 (f) Other technical documentation which may be in the Sellers' possession shall promptly after
296 delivery be forwarded to the Buyers at their expense, if they so request. The Sellers may keep
297 the Vessel's log books but the Buyers have the right to take copies of same.
- 298 (g) The Parties shall sign and deliver to each other a Protocol of Delivery and Acceptance
299 confirming the date and time of delivery of the Vessel from the Sellers to the Buyers.

Sellers shall provide Vessel's certificates/documents original or copy to the Buyers to fulfill Buyers' intended flag state and class requirements.

On Vessel's delivery, the Sellers undertake to deliver to the Buyers all Classification Certificates as well as any plans, manuals, drawings and instruction books available onboard (except for those which need to be returned to the flag/Class for deletion).

The Sellers shall leave the following onboard to the Buyers upon delivery (originals unless stated as copy) :

- **Copy of the deck and engine logbook for the last 12 months**
- **Emergency Towing Booklet**
- **ESP File**
- **Copy of Oil Record Book for the last 18 months**
- **Copy of Garbage Record Book for the last 18 months**
- **All drawings available onboard and Instruction Manuals**
- **All CSR (original)**
- **BDN for last 36 months & fuel oil sample report**
- **PMS to be kept on board for Buyers' further reference (PMS shall be kept onboard in electronic copy)**
- **All the service reports (Original)**
- **Ballast Water Record Book copy of the last 36 months**
- **All copies of PSC Reports**
- **SOPEP**
- **IHM parts 1 and 2**
- **BWTS Product Certificates**
- **BWMP**
- **Original SOC (DCS) & MRV (if any).**

All the following are to be provided to Buyers before delivery

- **Machinery / equipment list, spare part inventory list**
- **All bridge equipment list including makers and serial number**
- **Copies of the Last docking report**
- **Copies of Luboil analysis and running hours report of the Main Engine/Aux/Boiler etc.**

300 **9. Encumbrances**

301 The Sellers warrant that the Vessel, at the time of delivery, is free from all charters,
302 encumbrances, mortgages and maritime liens or any other debts whatsoever, and is not subject to
303 to Port State or other administrative detentions. The Sellers hereby undertake to indemnify the
304 Buyers against all consequences of claims made against the Vessel which have been incurred



305 prior to the time of delivery.

306 10. Taxes, fees and expenses

307 Any taxes, fees and expenses in connection with the purchase and registration in the Buyers'
308 Nominated Flag State shall be for the Buyers' account, whereas similar charges in connection
309 with the closing of the Sellers' register shall be for the Sellers' account.

310 11. Condition on delivery

311 The Vessel with everything belonging to her shall be at the Sellers' risk and expense until she is
312 delivered to the Buyers, but subject to the terms and conditions of this Agreement she shall be
313 delivered and taken over **basis "As Is, Where Is"** ~~as she was at the time of inspection, fair wear and
tear excepted.~~

314 However, the Vessel shall be delivered free of cargo and free of stowaways with her Class
315 maintained without condition/recommendation*, free of average damage affecting the Vessel's
316 class, and with her classification certificates and national certificates, as well as all other
317 **trading** certificates the Vessel has ~~at the time of delivery inspection~~, valid and unextended
without
318 condition/recommendation* by the Classification Society or the relevant authorities at the time of
319 delivery.

Sellers can either sweep the cargo holds before delivery or leave the cargo holds as they are as left by stevedores without holds cleaning after completion of discharge. If the Sellers elect not to sweep clean the cargo holds, then Sellers shall pay Buyers US\$ 8,500 as in lieu of holds cleaning fee to the Buyers at the time of closing.

320 ~~"inspection" in this Clause 11, shall mean the Buyers' inspection according to Clause 4(a) or~~
321 ~~4(b) (Inspection), if applicable. If the Vessel is taken over without inspection, the date of this~~
322 ~~Agreement shall be the relevant date.~~

323 **Notes and memoranda, if any, in the surveyor's report which are accepted by the Classification*
324 *Society without condition/recommendation are not to be taken into account.*

325 12. Name/markings

326 Upon delivery the Buyers undertake to change the name of the Vessel and alter funnel
327 markings.

328 13. Buyers' default

329 Should the Deposit not be lodged in accordance with Clause 2 (Deposit), the Sellers have the
330 right to cancel this Agreement, and they shall be entitled to claim compensation for their losses
331 and for all expenses incurred together with interest.

332 Should the Purchase Price not be paid in accordance with Clause 3 (Payment), the Sellers
333 have the right to cancel this Agreement, in which case the Deposit together with interest
334 earned, if any, shall be released to the Sellers. If the Deposit does not cover their loss, the

335 Sellers shall be entitled to claim further compensation for their losses and for all expenses
336 incurred together with interest.

337 14. Sellers' default

338 Should the Sellers fail to give Notice of Readiness in accordance with Clause 5(b) or fail to be
339 ready to validly complete a legal transfer by the Cancelling Date the Buyers shall have the option
340 of cancelling this Agreement. If after Notice of Readiness has been given but before the
341 Buyers have taken delivery, the Vessel ceases to be physically ready for delivery and is not
342 made physically ready again by the Cancelling Date and new Notice of Readiness given, the
343 Buyers shall retain their option to cancel. In the event that the Buyers elect to cancel this
344 Agreement, the Deposit together with interest earned, if any, shall be released to them
345 immediately.

346 Should the Sellers fail to give Notice of Readiness by the Cancelling Date or fail to be ready to
347 validly complete a legal transfer as aforesaid they shall make do compensation to the Buyers
348 for their loss and for all expenses together with interest if their failure is due to proven negligence
349 and whether or not the Buyers cancel this Agreement.



350 **15. Buyers' representatives**

351 After this Agreement has been signed by the Parties and the Deposit has been lodged, the
352 Buyers have the right to place two (2) representatives on board the Vessel at their sole risk and
353 expense *for the last voyage before delivery*.

354 These representatives are on board for the purpose of familiarisation and in the capacity of
355 observers only, and they shall not interfere in any respect with the operation of the Vessel. The
356 Buyers and the Buyers' representatives shall sign the Sellers' P&I Club's standard letter of
357 indemnity prior to their embarkation.

*The Buyers should pay the Sellers USD 20 per person/day for the provisions during the
Buyers representatives onboard the Vessel.*

358 **16. Law and Arbitration**

359 (a) This Agreement shall be governed by and construed in accordance with English law and any
360 dispute arising out of or in connection with this Agreement shall be referred to arbitration in
361 London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment
362 thereof save to the extent necessary to give effect to the provisions of this Clause.

363 The arbitration shall be conducted in accordance with the London Maritime Arbitrators
364 Association (LMAA) Terms current at the time when the arbitration proceedings are
365 commenced.

366 The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall
367 appoint its arbitrator and send notice of such appointment in writing to the other party requiring
368 the other party to appoint its own arbitrator within fourteen (14) calendar days of that notice and
369 stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own
370 arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the
371 other party does not appoint its own arbitrator and give notice that it has done so within the
372 fourteen (14) days specified, the party referring a dispute to arbitration may, without the
373 requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator
374 and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on
375 both Parties as if the sole arbitrator had been appointed by agreement.

376 In cases where neither the claim nor any counterclaim exceeds the sum of US\$100,000 the
377 arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at
378 the time when the arbitration proceedings are commenced.

379 ~~(b) *This Agreement shall be governed by and construed in accordance with Title 9 of the~~
380 ~~United States Code and the substantive law (not including the choice of law rules) of the State~~
381 ~~of New York and any dispute arising out of or in connection with this Agreement shall be~~
382 ~~referred to three (3) persons at New York, one to be appointed by each of the parties hereto,~~
383 ~~and the third by the two so chosen; their decision or that of any two of them shall be final, and~~
384 ~~for the purposes of enforcing any award, judgment may be entered on an award by any court of~~
385 ~~competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the~~
386 ~~Society of Maritime Arbitrators, Inc.~~

387 ~~In cases where neither the claim nor any counterclaim exceeds the sum of US\$ 100,000 the~~
388 ~~arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the~~
389 ~~Society of Maritime Arbitrators, Inc.~~

390 ~~(c) This Agreement shall be governed by and construed in accordance with the laws of~~
391 ~~(state place) and any dispute arising out of or in connection with this Agreement shall be~~
392 ~~referred to arbitration at (state place), subject to the procedures applicable there.~~

393 ~~*16(a), 16(b) and 16(c) are alternatives; delete whichever is not applicable. In the absence of~~
394 ~~deletions, alternative 16(a) shall apply.~~

395 **17. Notices**

396 All notices to be provided under this Agreement shall be in writing.

Handwritten signature

Handwritten mark



397 Contact details for recipients of notices are as follows:

398 For the Buyers: *via established broking channel*

399 For the Sellers: *via established broking channel*

400 **18. Entire Agreement**

401 The written terms of this Agreement comprise the entire agreement between the Buyers and
402 the Sellers in relation to the sale and purchase of the Vessel and supersede all previous
403 agreements whether oral or written between the Parties in relation thereto.

404 Each of the Parties acknowledges that in entering into this Agreement it has not relied on and
405 shall have no right or remedy in respect of any statement, representation, assurance or
406 warranty (whether or not made negligently) other than as is expressly set out in this Agreement.

407 Any terms implied into this Agreement by any applicable statute or law are hereby excluded to
408 the extent that such exclusion can legally be made. Nothing in this Clause shall limit or exclude
409 any liability for fraud.

Clause 19. Confidentiality

The details of this sale are to be kept private and confidential unless any party is required to make disclosure pursuant to any laws, rules or regulations. However, even if, despite the best efforts of all parties involved, details of this sale become known or reported on the market, neither the Sellers nor the Buyers have the right to withdraw or to fail to fulfil all their obligation under the agreed contract.

It is acknowledged that the intermediate holding company of the Buyers, Jinhui Shipping and Transportation Limited ("Jinhui Shipping") and the parent company of Jinhui Shipping, Jinhui Holdings Company Limited ("Jinhui Holdings") will need to make announcements pursuant to the rules and regulations of the Oslo Stock Exchange and the Hong Kong Stock Exchange respectively.

This Sale is conditional upon approval by majority shareholders of Jinhui Holdings holding more than 50% interests in Jinhui Holdings, which has already been obtained.

Clause 20. (COVID-19)

The Parties hereby mutually agree that COVID - 19 is not considered a force majeure event. Either Party shall promptly inform the other Party as soon as they foresee any possible COVID-19 related problems that could affect the delivery of the Vessel and both Parties shall use their reasonable endeavours to cooperate and find the best commercial solution for the delivery of the Vessel. In case, however, the place of delivery is or becomes unsuitable for a crew change due to COVID-19 related restrictions prohibiting or materially delaying either the Buyers' crew's embarkation or Sellers' crew's disembarkation (but any crew quarantine period before / after embarkation and / or disembarkation is accepted by the Parties as not being unsuitable for crew change and the Buyers shall use their reasonable endeavours to reposition their crew as early as possible to limit the time lost as much as possible) as proven by official information provided by / available from the local authorities of the delivery port or place, and the Parties fail to agree on a reasonable commercial solution within three (3) Banking Days, the Sellers shall have the option either:

- (i) at Sellers' cost and expense, the Vessel shall be kept waiting at the delivery port until any locally applicable restrictions have expired and a crew change becomes possible in which case the Cancelling Date shall be extended by the additional time required for such waiting but not exceeding 30 calendar days; or*
- (ii) at a cost to be shared equally between the Buyers and the Sellers, the Sellers to make the Vessel available at a suitable alternative place near the delivery port mutually agreed by the Parties, to deliver the Vessel, crew change and underwater inspection (without seeking any further employment), in which case the Cancelling Date shall be extended by such additional time required for such positioning which under all circumstances not to exceed 30 running calendar days.*

If Clause 20(i) becomes effective and the 30 calendar days lapse, then Clause 20(ii) will become effective immediately.




If the underwater inspection as per clause 6 of this Agreement (the "UWI") is permitted at the last discharge port/anchorage, Sellers agree for the Buyers (at their risk & cost) to arrange the UWI prior to the arrival of delivery port, otherwise, the UWI to be carried out at the delivery port as per this Agreement.

Clause 21 (SANCTION)


Both Sellers and Buyers warrant that they are not in violation of any sanction laws imposed by the UN and/or the US and/or the EU and/or the UK. Should either party breach this provision and/or appear on the OFAC/SDN list of the US Department of Treasury before delivery of the Vessel, then such party will be in default.

For and on behalf of the Sellers



Name: TAKAAKI TANABE
Title: PRESIDENT

For and on behalf of the Buyers



Name: SHUM YEE HONG
Title: DIRECTOR

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(A) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**Introduction**

The following is the unaudited pro forma consolidated statement of financial position (the “Unaudited Pro Forma Financial Information”) as at 31 December 2023 of Jinhui Holdings Company Limited (the “Company”) and its subsidiaries (collectively the “Group”) in connection with the transactions contemplated under Acquisition of the First Vessel and the Second Vessel and the Acquisition of the Third Vessel. In addition, apart from the Acquisition of the First Vessel and the Second Vessel and the Acquisition of the Third Vessel, the Group also entered into the following acquisition of vessels and chartered-in of vessels after 31 December 2023 (the “Previous Acquisitions”):

1. Acquisition of vessel as per announcement dated 2 February 2024;
2. Acquisition of vessel as per announcement dated 21 February 2024;
3. Leasing of a vessel under a charterparty as per announcement dated 12 April 2024;
4. Leasing of a vessel under a charterparty as per announcement dated 17 April 2024; and
5. Leasing of a vessel under a charterparty as per announcement dated 26 April 2024

The Enlarged Group represents the Group upon the completion of the Acquisition of the First Vessel and the Second Vessel and the Acquisition of the Third Vessel and the Previous Acquisitions (collectively referred to as the “Enlarged Group”).

The Unaudited Pro Forma Financial Information, comprising the unaudited pro forma consolidated statement of financial position of the Group and related notes, has been prepared in accordance with Rule 4.29 of the Listing Rules for the purposes of illustrating the effect of the Acquisition of the First Vessel and the Second Vessel and the Acquisition of the Third Vessel and the Previous Acquisitions as if the transactions had been completed on 31 December 2023.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated statement of financial position of the Group as at 31 December 2023, which has been extracted from the published annual report of the Group for the year ended 31 December 2023, after making pro forma adjustments relating to the Acquisition of the First Vessel and the Second Vessel and the Acquisition of the Third Vessel and Previous Acquisitions, as if they had been completed on 31 December 2023.

The Unaudited Pro Forma Financial Information of the Enlarged Group is prepared based on a number of assumptions, estimates, uncertainties and currently available information to provide information of the Enlarged Group upon completion of the Acquisition of the First Vessel and the Second Vessel and the Acquisition of the Third Vessel and the Previous Acquisitions. It has been prepared for illustrative purpose only and because of its nature, it may not give a true picture of the Enlarged Group’s financial position following the completion of the Acquisition of the First Vessel

and the Second Vessel and the Acquisition of the Third Vessel and the Previous Acquisitions. Further, the Unaudited Pro Forma Financial Information of the Enlarged Group does not purport to predict the future financial position of the Enlarged Group after the completion of the Acquisition of the First Vessel and the Second Vessel and the Acquisition of the Third Vessel and the Previous Acquisitions.

The Unaudited Pro Forma Financial Information of the Enlarged Group after the Acquisition of the First Vessel and the Second Vessel and the Acquisition of the Third Vessel and the Previous Acquisitions should be read in conjunction with the historical financial information of the Group as set out in Appendix I to this circular and other financial information included elsewhere in this circular.

The unaudited pro forma consolidated statement of financial position as at 31 December 2023 included in this Circular does not constitute the Company's statutory annual consolidated financial statements for the year ended 31 December 2023 but is derived from those financial statements. The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by Section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance (Cap. 622). The Company's auditor has reported on the consolidated financial statements for the year ended 31 December 2023 of the Group. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under Sections 406(2), 407(2) or 407(3) of the Companies Ordinance (Cap. 622).

Unaudited Pro Forma Consolidated Statement of Financial Position

	As at 31								Pro forma total
	December								
	2023								
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Notes (1)	Notes (2)	Notes (3)	Notes (4)	Notes (5)	Notes (6)	Notes (7)	Notes (8)	
ASSETS AND LIABILITIES									
Non-current assets									
Property, plant and equipment	2,613,676	241,410	242,755				530,400	187,200	3,815,441
Right-of-use assets	164,541			78,252	70,334	207,775			520,902
Investment properties	339,680								339,680
Financial assets at fair value through OCI	82,590								82,590
Loan receivables	12,304								12,304
Intangible assets	800								800
	<u>3,213,591</u>								<u>4,771,717</u>
Current assets									
Inventories	10,781								10,781
Trade and other receivables	141,831								141,831
Financial assets at fair value through profit or loss	202,610								202,610
Tax recoverable	166								166
Pledged deposits	2,803								2,803
Bank balances and cash	329,449	(72,423)	(72,824)				(159,120)	(56,160)	(31,078)
	687,640								327,113
Assets held for sale	81,299								81,299
	<u>768,939</u>								<u>408,412</u>

APPENDIX II
**UNAUDITED PRO FORMA
FINANCIAL INFORMATION OF THE GROUP**

	As at 31							Pro forma total	
	December								
	2023								
	Pro forma adjustments								
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	Notes (1)	Notes (2)	Notes (3)	Notes (4)	Notes (5)	Notes (6)	Notes (7)	Notes (8)	
Current liabilities									
Trade and other payables	128,259							128,259	
Secured bank loans	345,765	6,885	6,924				15,128	5,339	380,041
Lease liabilities	39,476			31,382	29,170	79,879			179,907
	<u>513,500</u>								<u>688,207</u>
Non-current liabilities									
Secured bank loans	462,917	162,102	163,007				356,152	125,701	1,269,879
Lease liabilities	187,805			46,870	41,164	127,896			403,735
	<u>650,722</u>								<u>1,673,614</u>
Net assets	<u>2,818,308</u>								<u>2,818,308</u>
EQUITY									
Equity attributable to shareholders of the Company									
Issued capital	381,639								381,639
Reserves	1,213,875								1,213,875
	1,595,514								1,595,514
Non-controlling interests	<u>1,222,794</u>								<u>1,222,794</u>
Total equity	<u>2,818,308</u>								<u>2,818,308</u>

Notes to the Unaudited Pro Forma Financial Information:

- (1) The amounts are extracted from the audited consolidated statement of financial position of the Group as at 31 December 2023 as set out in the published annual report of the Group for the year ended 31 December 2023.
- (2) The adjustment reflects the acquisition of vessel as announced by the Company on 2 February 2024. The increase in property, plant and equipment represents the consideration of the vessel of US\$30.95 million (approximately HK\$241.41 million). Approximately 70% of the consideration amount of the vessel of US\$21.66 million (approximately HK\$168.99 million) will be paid from a three-year term loan, thus the Group's current liabilities will be increased by US\$0.88 million (approximately HK\$6.89 million) and non-current liabilities will be increased by US\$20.78 million (approximately HK\$162.10 million). The remaining amount of US\$9.29 million (approximately HK\$72.42 million) will be paid from the internal resources of the Group.
- (3) The adjustment reflects the acquisition of vessel as announced by the Company on 21 February 2024. The increase in property, plant and equipment represents the consideration for the vessel of US\$31.12 million (approximately HK\$242.76 million). Approximately 70% of the consideration amount of the vessel of US\$21.78 million (approximately HK\$169.93 million) will be paid from a three-year term loan, thus the Group's current liabilities will be increased by US\$0.88 million (approximately HK\$6.93 million) and non-current liabilities will be increased by US\$20.90 million (approximately HK\$163 million). The remaining amount of US\$9.34 million (approximately HK\$72.83 million) will be paid from the internal resources of the Group.
- (4) The adjustment reflects the leasing of a vessel under the charterparty as announced by the Company on 12 April 2024. The increase in right-of-use assets represents the unaudited value of the right-of-use assets of approximately US\$10.03 million (approximately HK\$78.25 million) for the chartered-in vessel and is calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparty in accordance with HKFRS 16 Leases. The Group will depreciate the right-of-use assets over the lease terms which will be charged to the consolidated statement of profit or loss and other comprehensive income. Lease liabilities amounting to approximately US\$10.03 million (approximately HK\$78.25 million) will be recognized by the Group in the consolidated statement of financial position and will decrease upon the settlement of lease payments to the lessor accordingly. Interest expenses on the lease liabilities will be recognized at the discount rate of approximately 6.39% per annum.
- (5) The adjustment reflects the leasing of a vessel under the charterparty as announced by the Company on 26 April 2024. The increase in right-of-use assets represents the unaudited value of the right-of-use assets of approximately US\$9.02 million (approximately HK\$70.33 million) for the chartered-in vessel and is calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparty in accordance with HKFRS 16 Leases. The Group will depreciate the right-of-use assets over the lease terms which will be charged to the consolidated statement of profit or loss and other comprehensive income. Lease liabilities amounting to approximately US\$9.02 million (approximately HK\$70.33 million) will be recognized by the Group in the consolidated statement of financial position and will decrease upon the settlement of lease payments to the lessor accordingly. Interest expenses on the lease liabilities will be recognized at the discount rate of approximately 6.71% per annum.
- (6) The adjustment reflects the leasing of a vessel under the charterparty as announced by the Company on 17 April 2024. The increase in right-of-use assets represents the unaudited value of the right-of-use assets of approximately US\$26.64 million (equivalent to approximately HK\$207.77 million) for the chartered-in vessel and is calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparty in accordance with HKFRS 16 Leases. The Group will depreciate the right-of-use assets over the lease terms which will be charged to the consolidated statement of profit or loss and other comprehensive income. Lease liabilities amounting to approximately US\$26.64 million (equivalent to approximately

HK\$207.77 million) will be recognized by the Group in the consolidated statement of financial position and will decrease upon the settlement of lease payments to the Lessor accordingly. Interest expenses on the lease liabilities will be recognized at the discount rate of approximately 6.62% per annum.

- (7) The increase in property, plant and equipment represents the total contract price of the First Vessel and the Second Vessel of US\$68 million (approximately HK\$530.40 million). Approximately 70% of the total contract price of the First Vessel and the Second Vessel of US\$47.60 million (approximately HK\$371.28 million) will be paid from a three-year term loan, thus the Group's current liabilities will be increased by US\$1.94 million (approximately HK\$15.13 million) and non-current liabilities will be increased by US\$45.66 million (approximately HK\$356.15 million). The remaining amount of US\$20.40 million (approximately HK\$159.12 million) will be paid from the internal resources of the Group.
- (8) The increase in property, plant and equipment represents the consideration for the Third Vessel of US\$24 million (approximately HK\$187.20 million). Approximately 70% of the consideration amount of the Third Vessel of US\$16.80 million (approximately HK\$131.04 million) will be paid from a three-year term loan, thus the Group's current liabilities will be increased by US\$0.68 million (approximately HK\$5.34 million) and non-current liabilities will be increased by US\$16.12 million (approximately HK\$125.70 million). The remaining amount of US\$7.20 million (approximately HK\$56.16 million) will be paid from the internal resources of the Group.
- (9) No adjustment has been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2023 apart from those adjustments as disclosed in notes (2) – (8).

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

TO THE DIRECTORS OF JINHUI HOLDINGS COMPANY LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Jinhui Holdings Company Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated financial statement of position as at 31 December 2023 and related notes as set out on pages 43 to 48 of the Company's circular dated 31 August 2024 (the "Circular"). The applicable criteria on the basis of which the directors have compiled the unaudited pro forma financial information are described on pages 43 to 48 of the Circular.

The unaudited pro forma financial information has been compiled by the directors to illustrate the impact of the acquisition of the First Vessel, the Second Vessel and the Third Vessel (the "Acquisitions") and previous acquisition of vessels and chartered-in of vessels after 31 December 2023 (the "Previous Acquisitions") on the Group's financial position as at 31 December 2023 as if the Acquisitions and Previous Acquisitions had taken place at 31 December 2023. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's audited consolidated financial statements for the year ended 31 December 2023, on which an auditor's report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline ("AG") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2023 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) The unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.



Grant Thornton Hong Kong Limited
Certified Public Accountants
Hong Kong
31 August 2024

Jinhui Holdings Company Limited
 26/F Yardley Commercial Building
 1-6 Connaught Road West
 Hong Kong

28th June 2024

Ref: cvl/36583-24

Dear Sirs,

In accordance with your request and subject to the terms and conditions we have agreed with you, we, Clarkson Valuations Limited (CVL), have prepared this Valuation by (i) collating shipbrokers' price estimates and/or ideas and market knowledge (ii) then seeking to validate such price estimates and/or ideas, where possible and appropriate, with details held on our database, information in relevant works of reference in our possession and particulars given to us for the preparation of this Valuation. PLEASE NOTE: We have relied upon price information provided by Brokers who are in the same group as those who, during the usual course of their business, have been commercially involved in the transaction of the Vessel described below.

CVL has not physically inspected the Vessel nor inspected its classification records. We have assumed that the Vessel is in good and seaworthy condition and would be delivered free from all debts, registered encumbrances and maritime liens.

CVL is of the opinion that the approximate market value of the below mentioned Vessel, as at 28th June 2024, on the basis of prompt charterfree delivery, as between a willing Seller and a willing Buyer for cash payment under normal commercial terms, is:

Bulk Carrier								
Vessel Name	Dwt	Built	Builder	Loa (m)	Beam (m)	Holds / Hatches	Main Engine	Charterfree Value (US\$)
OCEAN COURTESY	178,021	2008	Shanghai Waigaoqiao	292.0	45.0	9 / 9	MAN B&W 6S70MC6.1	24,000,000

This Valuation is based solely on a subjective opinion of the approximate market value applying the methodology described above as at the above Valuation date only and should not be taken to apply to any other date.

All statements made are statements of opinion and are not representations of fact. Any person contemplating entering a transaction of any nature whatsoever or otherwise having regard to this Valuation should satisfy himself by inspection of the Vessel and its records, or otherwise, as to the correctness of the statements which this Valuation contains.




Clarkson Valuations Limited
 Registered office: Commodity Quay | St Katharine Docks | London | E1W 1BF | United Kingdom | England No. 3354934
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 clarksons.com

VAT Number: GB 245 9035 56 | Quality system registered under ISO 9001, Certified by BSI, Licence Number FS 30573

No assurance or representation is given that the Valuation given will be sustained or that it would be realisable in any actual transaction.

This Valuation has been provided solely for the private use of the person to whom it is addressed or to such other person to whom we have consented that this Valuation may be provided. By accepting the provision of our services in respect of this Valuation or by otherwise using or relying on this Valuation, you have accepted either our terms and conditions as specifically agreed between us in writing or, in the event of no such agreement in writing, our terms and conditions including the limitation of liability provisions at www.clarksons.com/terms-of-business/

No person other than the named addressee of this Valuation shall have any rights whatsoever as arising out of or relating to this Valuation under the Contract (Rights of Third Parties) Act 1999 or otherwise.

For and on behalf of
CLARKSON VALUATIONS LIMITED



Director



Authorised Signatory

27th August 2024

Jinhui Holdings Company Limited
26/F Yardley Commercial Building
1-6 Connaught Road West
Hong Kong

Attention: The Board of Directors

Dear Sirs,

JINHUI HOLDINGS COMPANY LIMITED (THE "COMPANY")

CIRCULAR TO SHAREHOLDERS (THE "CIRCULAR") IN RELATION TO THE PROPOSED ACQUISITION OF A VESSEL

We, Clarkson Valuations Limited, named as the valuers of the Third Vessel (as defined in the Circular), do hereby consent to act in that capacity in relation to the Circular, and confirm that we have not withdrawn our consent to act in such capacity.

We have given, and have not before the date of the Circular, withdrawn our written consent to the issue of the Circular with the inclusion of our name and all references thereto, in the form and context in which they are respectively included in the Circular.

We further advise that our role has been limited to the provision of the valuation report referred to in the Circular. The fact that we have consented to the issue of the Circular with the inclusion of our name and all references thereto does not affect the fact that the valuation, as at the 28th June 2024, provided by us in the report, was prepared with reference to that specific point in time and does not provide a guide to values on any other date.

We hereby confirm that we do not have any shareholding in Jinhui Holdings Company Limited, a company listed on The Stock Exchange of Hong Kong Limited, or any member of the Group, including Jinhui Shipping and Transportation Limited or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Yours faithfully
For and on behalf of
Clarkson Valuations Limited



Name: Michael Garlick
Designation: Director



Name: Andrew Johnson
Designation: Authorised Signatory



Grant Thornton
致同

Our ref: CS/JLCW/100029/M101537/VSA_MT

PRIVATE AND CONFIDENTIAL

The Board of Directors
Jinhui Holdings Company Limited
26/F, Yardley Commercial Building
1-6 Connaught Road West
Hong Kong

31 August 2024

**Grant Thornton
Hong Kong Limited**

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Dear Sirs,

**Jinhui Holdings Company Limited (the "Company") and its subsidiaries
(the "Group")
Very Substantial Acquisition in relation to acquisition of two vessels
and Major Transaction in relation to acquisition of a vessel**

Consent Letter

We refer to the circular dated 31 August 2024 in connection with the very substantial acquisition in relation to acquisitions of two new vessels of deadweight 63,500 metric tons type bulk carriers and a vessel which is a deadweight 178,021 metric tons bulk carrier "OCEAN COURTESY" registered in the Republic of the Marshall Islands respectively (the "Circular") and a copy of which is attached and initialled by us on its front cover for identification purposes.

We hereby consent to the issue of the Circular, with references to our name in the form and context in which they are included.

This consent should not be construed as in any way updating or refreshing the aforementioned reports nor do we accept responsibility for such report beyond that owed to those to whom the report was addressed by us at the date of its issue.

Yours faithfully,

Grant Thornton Hong Kong Limited

The Board of Directors
Jinhui Holdings Company Limited
26th Floor, Yardley Commercial Building
1-6 Connaught Road West
Hong Kong

Date: 2 July 2024

Dear Sirs,

Major Transaction of Jinhui Holdings Company Limited (the “Company”)

FAIRLINE CONSULTANTS LIMITED, incorporated in the British Virgin Islands, being the shareholder of the Company who holds 205,325,568 issued shares (approximately 38.72% of the total issued shares of the Company) and 407,858 issued shares of Jinhui Shipping and Transportation Limited (“Jinhui Shipping”) (approximately 0.37% of the total issued shares of Jinhui Shipping) as at date of this letter. Mr. Ng Siu Fai, Chairman and executive director of the Company, is the beneficial owner holding 51% of FAIRLINE CONSULTANTS LIMITED.

TIMBERFIELD LIMITED, incorporated in the British Virgin Islands, being the shareholder of the Company who holds 136,883,712 issued shares (approximately 25.81% of the total issued shares of the Company) and 260,000 issued shares of Jinhui Shipping (approximately 0.24% of the total issued shares of Jinhui Shipping) as at date of this letter. Mr. Ng Kam Wah, Managing Director and executive director of the Company, is the beneficial owner of TIMBERFIELD LIMITED.

Mr. Ng Siu Fai and Mr. Ng Kam Wah are brothers and the two founders of the Group. FAIRLINE CONSULTANTS LIMITED and TIMBERFIELD LIMITED, being a closely allied group of shareholders, together hold 342,209,280 shares which represent a controlling interests of approximately 64.53% of the total issued shares of the Company and voting rights in general meetings of the Company and 667,858 issued shares of Jinhui Shipping (approximately 0.61% of the total issued shares of Jinhui Shipping) as at date of this letter.

Under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the acquisition of the vessel “OCEAN COURTESY”, a deadweight 178,021 metric tons bulk carrier registered in the Marshall Islands constitutes a major transaction for the Company.

FAIRLINE CONSULTANTS LIMITED and TIMBERFIELD LIMITED are not interested in the acquisition of the vessel “OCEAN COURTESY”, other than through its shareholding interest in the Company and Jinhui Shipping as aforesaid.

FAIRLINE CONSULTANTS LIMITED and TIMBERFIELD LIMITED, hereby irrevocably and unconditionally approve the acquisition of the vessel "OCEAN COURTESY" on the respective terms of the memorandums of agreement, copies of which are attached thereto.

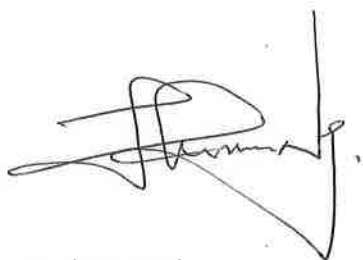
You are hereby authorised to provide a copy of this approval to The Stock Exchange of Hong Kong Limited and to any other persons to whom disclosure of this approval is deemed appropriate by the Board of Directors of the Company.

Yours faithfully
For and on behalf of
Fairline Consultants Limited

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal stroke at the end.

Ng Siu Fai
Authorized Signature

For and on behalf of
Timberfield Limited

A handwritten signature in black ink, featuring a large, stylized initial 'N' followed by a series of loops and a vertical stroke on the right.

Ng Kam Wah
Authorized Signature