

**SHIPBUILDING CONTRACT**  
**FOR**  
**CONSTRUCTION OF ONE (1) 210,000 DWT BULK CARRIER**  
**(HULL NO. BC210K-91)**

**BETWEEN**  
**FORTUNE PROPULSION SHIPPING LIMITED**  
**as BUYER**

**AND**  
**CSSC QINGDAO BEIHAI SHIPBUILDING CO., LTD.**  
**and**



**CHINA SHIPBUILDING TRADING CO., LTD.**  
**Collectively as SELLER**

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## SHIPBUILDING CONTRACT

FOR

### CONSTRUCTION OF ONE (1) 210,000 DEADWEIGHT BULK CARRIER

(Hull No. BC210K-91)

This CONTRACT, entered into this 16 day of July, 2025 (hereinafter called the "Contract") by and between FORTUNE PROPULSION SHIPPING LIMITED, a company organized and existing under the laws of Hong Kong, having its registered office at 31/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong (hereinafter called the "BUYER") on one part; and CSSC QINGDAO BEIHAI SHIPBUILDING CO., LTD., a corporation organized and existing under the laws of the People's Republic of China, having its registered office at No. 369 Lijiang East Road, Qingdao Economic and Technical Development Zone 266520, the People's Republic of China (hereinafter called the "BUILDER"), and CHINA SHIPBUILDING TRADING CO., LTD., a corporation organised and existing under the Laws of the People's Republic of China, having its registered office at 56(Yi) Zhongguancun Nan Da Jie, Beijing 100044, the People's Republic of China (hereinafter called "CSTC"), and each one of them jointly and severally (hereinafter collectively called the "SELLER"), on the other part

### WITNESSETH

In consideration of the mutual covenants contained herein, the SELLER agrees to design, build, launch, equip and complete at the BUILDER's Shipyard and to sell and deliver to the BUYER after completion and successful trial One (1) 210,000 DWT Bulk Carrier as more fully described in Article I hereof, to be registered under the flag of HONG KONG and the BUYER agrees to purchase and take delivery of the aforesaid VESSEL from the SELLER and to pay for the same in accordance with the terms and conditions hereinafter set forth.

CSTC and BUILDER shall be jointly and severally liable for SELLER's duties, responsibilities and liabilities stipulated in this Contract.

## ARTICLE I - DESCRIPTION AND CLASS

### 1. DESCRIPTION

The VESSEL is a steel-hulled, single screw, diesel engine driven, 210,400 metric tons deadweight bulk carrier, at Scantling Draft moulded of [REDACTED] meters in sea water of specific gravity of [REDACTED] t/m<sup>3</sup> (hereinafter called the "VESSEL") of the class described below. The VESSEL shall have the BUILDER's Hull No. BC210K-91 and shall be constructed, equipped and completed in accordance with the following "Specifications":

- (1) Specification (Drawing No. DC [REDACTED]);
- (2) General Arrangement (Drawing No. DC [REDACTED]);
- (3) Midship Section (Drawing No. [REDACTED]);
- (4) Makers List (File No. DC [REDACTED]);

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

The Specifications and the CONTRACT are intended to explain and complement each other. Should there be any inconsistencies or contradictions between the CONTRACT and the Specifications, this CONTRACT shall prevail.

### 2. CLASS AND RULES

The VESSEL, including its hull, machinery, equipment and outfitings, shall be constructed and inspected in accordance with the rules and regulations issued and having become effective and compulsorily applicable to the VESSEL up to and on the date of signing this CONTRACT of China Classification Society (CCS) (hereinafter called the "Classification Society") and shall be distinguished in register by symbol of:

[REDACTED]

[REDACTED]

and shall also comply with the rules, regulations and requirement of the Authorities as fully described in the Specifications, which are in force as of the date of signing this CONTRACT

together with all mandatory rules and regulations, which have already been adopted, ratified issued and having become effective and compulsorily applicable to the VESSEL up to and on the date of signing this CONTRACT.

The SELLER shall arrange with the Classification Society to assign a representative or representatives (hereinafter called the "Classification Surveyor") to the BUILDER's Shipyard for supervision of the construction of the VESSEL.

All fees and charges incidental to Classification and to comply with the rules, regulations and requirements of this CONTRACT as described in the Specifications issued and having become effective and compulsorily applicable to the VESSEL up to and on the date of signing this CONTRACT, if any, payable on account of the construction of the VESSEL shall be for the account of the SELLER, except as otherwise provided and agreed herein. The key plans, materials and workmanship entering into the construction of the VESSEL shall at all times be subject to inspections and tests in accordance with the rules and regulations of the Classification Society.

Decisions of the Classification Society (or its head office if required by its procedure) as to compliance or noncompliance with Classification rules and regulations shall be final and binding upon the parties hereto, save for manifest error or fraud. The SELLER and the BUYER herewith agree that the BUYER has the right to contact the Classification Society at any time to consult in writing for any technical item which is related to the classification of the VESSEL. If reasonably required by the BUYER in relation to specific technical items, the SELLER shall copy the BUYER in on correspondence exchanged between the SELLER and the Classification Society. No omission of the Classification Society and/or Classification Surveyor shall, in any way, diminish or impair the obligations and liabilities of the SELLER under the terms of this Contract.

### 3. PRINCIPAL PARTICULARS AND DIMENSIONS OF THE VESSEL

#### (a) Hull:

Length overall	abt [REDACTED] n
Length between perpendiculars	[REDACTED] m
Breadth moulded	[REDACTED] m
Depth moulded	[REDACTED] n
Scantling Draft moulded	[REDACTED] n

#### (b) Propelling Machinery:

The VESSEL shall be equipped, in accordance with the Specifications, with [REDACTED] set of [REDACTED] with [REDACTED] Main Engine.

#### 4. GUARANTEED SPEED

The guaranteed speed of the VESSEL at the Scantling draft of [REDACTED] m on even keel shall be [REDACTED] knots with the main engine running at PCSR (for propulsion only) with 15% sea margin. The above speed shall be based on the VESSEL with clean hull in deep and calm water (no wind, no wave) and without currents.

The speed performance of the VESSEL at the Scantling draft shall be based on the model test result by applying the same correlation between the actual speed result from the sea trial at ballast draft condition with ISO 15016-2015 and the model test result at ballast draft.

#### 5. GUARANTEED FUEL CONSUMPTION

The guaranteed fuel oil consumption of the Main Engine shall be approx [REDACTED] [REDACTED] at a test result measured at manufacturer's shop trial, with burning of marine diesel oil having the lower calorific value of 42,700 kJ/kg, at CSR of the main engine under the ISO standard reference condition.

The actual fuel oil consumption at manufacturer's shop test shall be allowed to have the tolerance margin of [REDACTED]

#### 6. GUARANTEED DEADWEIGHT

The SELLER guarantees that the VESSEL is to have a deadweight of not less than [REDACTED] metric tons at the Scantling Draft moulded of [REDACTED] meters in sea water of 1.025 T/M3 specific gravity.

The term, "Deadweight", as used in this CONTRACT, shall be as defined in the Specifications.

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) or the party authorized by the BUYER, and the Classification Surveyor.

Should there be any dispute between the SELLER and the BUYER in such calculations and/or measurements, the decision of the Classification Society shall be final.

#### 7. SUBCONTRACTING

The SELLER may, at its sole discretion and responsibility, subcontract any portion of the construction work of the VESSEL to experienced subcontractors, but delivery and final assembly into the VESSEL of any such work subcontracted shall be at the BUILDER's Shipyard. The SELLER shall remain fully responsible for such subcontracted work. The detailed portion to be subcontracted shall be notified to the BUYER and the Supervisor the procedure of construction in the subcontractor shall be submitted to the BUYER, a reasonable time before the start of the sub-contracted works and the BUYER shall be entitled to equivalent rights of access and inspection rights in relation to the sub-contracted work as it would have enjoyed if the work had been undertaken by the SELLER at the Shipyard.

#### 8. FLAG AND REGISTRATION

The VESSEL shall be built to fly the flag of HONG KONG and shall be registered by the BUYER at its own cost and expenses under the laws of HONG KONG at the time of delivery and acceptance thereof.

## ARTICLE II - CONTRACT PRICE & TERMS OF PAYMENT

### 1. CONTRACT PRICE

The purchase price of the VESSEL is Chinese Yuan Five Hundred Twenty Eight Million only (CNY528,000,000.00), net receivable by the SELLER (hereinafter called the "Contract Price"), which is exclusive of the cost for the BUYER's Supplies but includes the cost of storage and installation of the same as provided in Article V hereof and shall be subject to upward or downward adjustment, if any, as hereinafter set forth in this CONTRACT.

### 2. CURRENCY

Any and all payments by the BUYER to the SELLER under this CONTRACT shall be made in Chinese Yuan from outside of China's customs territory.

### 3. TERMS OF PAYMENT

The Contract Price including any adjustment thereof shall be paid by the BUYER to the SELLER in installments as follows:

#### (a) 1st Installment

The sum of Chinese Yuan [REDACTED] representing [REDACTED] of the Contract Price, shall become due and payable and be paid by the BUYER within [REDACTED] after effectiveness of the Contract and the BUYER's receipt of a demand for payment of this instalment.

#### (b) 2nd Installment

The sum of Chinese Yuan [REDACTED] representing [REDACTED] of the Contract Price, shall become due and payable and be paid within [REDACTED] after steel-cutting of the VESSEL evidenced by the steel-cutting certificate issued by the Classification Society.

The SELLER shall give a notice at least [REDACTED] prior the scheduled date of the steel-cutting of the VESSEL by facsimile or email to the BUYER stating that the said steel-cutting of the VESSEL will be carried out. The SELLER shall send to the BUYER a facsimile or email demand for payment of this installment accompanied by a copy of the steel-cutting certificate issued by the Classification Society and a copy of the

proforma invoice of this installment. The original of this invoice shall be couriered to the BUYER.

(c) 3rd Installment

The sum of Chinese Yuan [REDACTED] representing [REDACTED] of the Contract Price, shall become due and payable and be paid within [REDACTED] after the keel-laying of the VESSEL (i.e., first block laid in the dock) evidenced by the keel-laying certificate issued by the Classification Society.

The SELLER shall give a notice at least [REDACTED] prior the scheduled date of the first block of the VESSEL laid in the dock by facsimile or email to the BUYER stating that the said first block of the VESSEL laid in the dock will be carried out. The SELLER shall send to the BUYER a facsimile or email demand for payment of this installment accompanied by a copy of the keel-laying certificate issued by the Classification Society, and a copy of the proforma invoice of this installment. The original of this invoice shall be couriered to the BUYER.

(d) 4th Installment

The sum of Chinese Yuan [REDACTED] representing [REDACTED] of the Contract Price, shall become due and payable and be paid within [REDACTED] after launching of the VESSEL evidenced by the launching certificate issued by the Classification Society.

The SELLER shall give a notice at least [REDACTED] prior the scheduled date of the launching of the VESSEL by facsimile or email to the BUYER stating that the said launching of the VESSEL will be carried out. The SELLER shall send to the BUYER a facsimile or email demand for payment of this installment accompanied by a copy of the launching certificate issued by the Classification Society, and a copy of the proforma invoice of this installment. The original of this invoice shall be couriered to the BUYER.

(e) 5th Installment:

The sum of Chinese Yuan [REDACTED] representing [REDACTED] of the Contract Price, plus any increase or minus any decrease due to the modifications and/or adjustments of the Contract Price in accordance with provisions of the relevant Articles hereof, shall become due and payable and be paid by the BUYER to the SELLER concurrently with delivery of the VESSEL.

The SELLER shall send to the BUYER a facsimile or email notice demand for this installment at least five (5) banking days prior to the scheduled date of delivery of the VESSEL.

#### 4. METHOD OF PAYMENT

##### (a) 1st Installment

The BUYER shall remit the amount of this instalment in accordance with Article II, Paragraph 3(a) by telegraphic transfer to [REDACTED]  
[REDACTED]  
[REDACTED] as receiving bank  
nominated by the SELLER, for credit to the account of [REDACTED]  
[REDACTED] or through other  
receiving bank to be nominated by the SELLER from time to time and such nomination  
shall be notified to the BUYER at least Seven (7) Business Days prior to the due date for  
payment.

##### (b) 2nd Installment

The BUYER shall remit the amount of this instalment in accordance with Article II, Paragraph 3(b) by telegraphic transfer to [REDACTED]  
[REDACTED]  
[REDACTED] as receiving bank  
nominated by the SELLER, for credit to the account of [REDACTED]  
[REDACTED] or through other  
receiving bank to be nominated by the SELLER from time to time and such nomination  
shall be notified to the BUYER at least Seven (7) Business Days prior to the due date for  
payment.

##### (c) 3rd Installment

The BUYER shall remit the amount of this instalment in accordance with Article II, Paragraph 3(c) by telegraphic transfer to [REDACTED]  
[REDACTED]  
[REDACTED] as receiving bank  
nominated by the SELLER, for credit to the account of [REDACTED]  
[REDACTED] or through other  
receiving bank to be nominated by the SELLER from time to time and such nomination  
shall be notified to the BUYER at least Seven (7) Business Days prior to the due date for  
payment.



(d) 4th Installment

The BUYER shall remit the amount of this instalment in accordance with Article II, Paragraph 3(d) by telegraphic transfer to [REDACTED] as receiving bank nominated by the SELLER, for credit to the account of [REDACTED] or through other receiving bank to be nominated by the SELLER from time to time and such nomination shall be notified to the BUYER at least Seven (7) Business Days prior to the due date for payment.

(e) 5th Installment (payable upon delivery of the VESSEL)

The BUYER shall, at least one (1) Banking Days prior to the scheduled delivery date of the Vessel, make an irrevocable cash deposit in the name of the BUYER with [REDACTED] for a period of fifteen (15) days and covering the amount of this instalment, plus any increase or minus any decrease due to modifications and/or adjustments of the Contract Price, with an irrevocable instruction that the said amount shall be released to the SELLER against presentation by the SELLER to the said [REDACTED] of a copy of the Protocol of Delivery and Acceptance signed by the BUYER's authorized representative and the SELLER. 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 (if any) upon the expiry date or extend the deposit period upon the expiry date. However when the newly scheduled delivery date is notified to the BUYER by the SELLER, the BUYER shall make the same cash deposit in accordance with the same terms and conditions as set out above.

The SELLER shall give a facsimile or email confirmation to the BUYER within Five (5) days after the receipt of each installment.

5. PREPAYMENT

The BUYER shall have the right to make prepayment of any and all installments before delivery of the VESSEL, by giving to the SELLER at least Thirty (30) days prior written notice, without any price adjustment of the VESSEL for such prepayment.

## 6. SUBSIDY

In case the SELLER receives shipbuilding subsidies specifically for the VESSEL from the government, the SELLER shall share such subsidies with the BUYER pursuant to an agreement to be mutually agreed between the BUYER and the SELLER.

## 7. REFUNDS

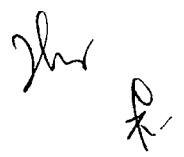
All payments made by the BUYER prior to delivery of the VESSEL shall be in the nature of advance to the SELLER, and in the event this CONTRACT is rescinded or cancelled by the BUYER, all in accordance with the specific terms of this CONTRACT permitting such rescission or cancellation, the SELLER shall refund to the BUYER in Chinese Yuan the full amount of all sums already paid by the BUYER to and received by the SELLER under this CONTRACT, together with interest (at the rate set out in respective provision thereof) from the respective payment date(s) to the date of remittance by telegraphic transfer of such refund to the account specified by the BUYER.

Should the BUYER has financing needs after this CONTRACT becomes effective and so request, the Buyer should notice the Seller at least forty five (45) days in advance of the Vessel's construction milestone provided by the BUILDER, the SELLER shall, within forty five (45) days after receiving the BUYER's request, procure and deliver to the BUYER a Refund Guarantee for the 1st, 2nd, 3rd and 4th instalments to be issued by a first-class international bank (the "Refund Guarantor") in the People's Republic of China acceptable to the BUYER, in the form as per Exhibit "A" annexed hereto. Notwithstanding any provision of this Contract, in the event that the SELLER fails to provide the Refund Guarantee as above, the BUYER's obligation to pay any subsequent Instalment(s) prior to the delivery of the VESSEL shall be conditional upon its receipt of the Refund Guarantee in accordance with the terms above in addition to the other conditions set forth in the above Clause 3 of this Article.

However, in the event of any dispute between the SELLER and the BUYER with regard to the SELLER's obligation to repay the installment or installments paid by the BUYER and to the BUYER's right to demand payment from the Refund Guarantor, under its guarantee, and such dispute is submitted either by the SELLER or by the BUYER for arbitration in accordance with Article XIII hereof, the Refund Guarantor shall withhold and defer payment until the arbitration award between the SELLER and the BUYER is published. The Refund Guarantor shall not be obligated to make any payment unless the arbitration award orders the SELLER to make

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repayment. If the SELLER fails to honour the award, then the Refund Guarantor shall refund to the extent the arbitration award orders.



### ARTICLE III - ADJUSTMENT OF THE CONTRACT PRICE

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

#### 1. DELIVERY

(a) No adjustment shall be made and the Contract Price shall remain unchanged for the first [REDACTED] days of delay in delivery of the VESSEL beyond the Delivery Date as defined in Article VII hereof ending as of twelve o'clock midnight of the [REDACTED] day of delay.

(b) If the delivery of the VESSEL is delayed more than [REDACTED] days after the date as defined in Article VII hereof, then, in such event, beginning at twelve o'clock midnight of the [REDACTED] day after the date on which delivery is required under this CONTRACT, the Contract Price of the VESSEL shall be reduced by deducting there from for each full day of delay as follows:

From the [REDACTED] day up to and including the [REDACTED]  
[REDACTED] day of delay beyond the Delivery Date Chinese Yuan [REDACTED]  
[REDACTED] per day.

Unless the parties hereto agree otherwise, the total reduction in the Contract Price shall be deducted from the Fifth installment of the 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 [REDACTED] days delay of delivery as described in Clause 1(c) of this Article or after the expiration of [REDACTED] days delay of delivery as described in Clause 3 of this Article VIII) shall not be more than [REDACTED] days at the above specified rate of reduction after the [REDACTED] days allowance, that is Chinese Yuan Nineteen Million, Nine Hundred and Eighty Thousand only (CNY 19,980,000.-) being the maximum.

(c) If the delay in the delivery of the VESSEL continues for a period of [REDACTED] days after the Delivery Date as defined in Article VII or [REDACTED] days as described in Clause 3 of Article VIII, 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. The SELLER may at any time after the expiration of the aforementioned [REDACTED] days or [REDACTED] days as the case may be, if the BUYER has not served notice of cancellation pursuant to Article X, notify the BUYER of the date upon which the

SELLER 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 SELLER of its decision to cancel this CONTRACT, or consent to take delivery of the VESSEL at an agreed future date, it being understood and agreed by the parties hereto that, if the VESSEL is not delivered by such future date, the BUYER shall have the right to cancel this CONTRACT in accordance with the provisions of Article X of this CONTRACT.

- (d) For the purpose of this Article, the delivery of the VESSEL shall not be deemed delayed and the Contract Price shall not be reduced when and if the Delivery Date of the VESSEL is extended by reason of causes and provisions of Articles V, VI, XI, XII and XIII hereof. The 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 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 below or equal to [REDACTED] knot below the guaranteed speed as specified in Clause 4 of Article I of this CONTRACT.
- (b) However, commencing with a deficiency of more than [REDACTED] not in actual speed (as determined by the Trial Run after correction according to the Specifications) below the guaranteed speed as specified in Clause 4, Article I of this CONTRACT, the Contract Price shall be reduced as follows:

In case of deficiency of less than or equal to [REDACTED] knot	CNY [REDACTED]
more than [REDACTED] but below or equal to [REDACTED] knot	CNY [REDACTED] (Total)
more than [REDACTED] but below or equal to [REDACTED] knot	CNY [REDACTED] (Total)
more than [REDACTED] but below or equal to [REDACTED] knot	CNY [REDACTED] - (Total)
more than [REDACTED] but below or equal to [REDACTED] knot	CNY [REDACTED] - (Total)
more than [REDACTED] but below or equal to [REDACTED] knot	CNY [REDACTED] - (Total)
more than [REDACTED] but below or equal to [REDACTED] knot	CNY [REDACTED] - (Total)
more than [REDACTED] but below or equal to [REDACTED] knot	CNY [REDACTED] - (Total)
more than [REDACTED] but below or equal to [REDACTED] not	CNY [REDACTED] - (Total)

- (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 [REDACTED] knot below the guaranteed speed of [REDACTED] knots, 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 Contract Price as above provided, by Chinese Yuan [REDACTED] being the maximum.

### 3. EXCESSIVE FUEL CONSUMPTION

- (a) The 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 (i.e., 158.70 g/kW-hr) if such actual excess is equal to or less than [REDACTED]
- (b) However, if the actual fuel consumption as determined by shop trial is greater than [REDACTED] above the guaranteed fuel consumption (i.e., 158.70 g/kW-hr) then, the Contract Price shall be reduced by the sum of Chinese Yuan [REDACTED] for each full One percent (1%) increase in fuel consumption in excess of the above said [REDACTED] (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 [REDACTED] in excess of the guaranteed fuel consumption (i.e., 158.70 g/kW-hr), the BUYER may, at its option, rescind this CONTRACT, in accordance with the provisions of Article X of this CONTRACT or may accept the VESSEL at a reduction in the Contract Price by Chinese Yuan [REDACTED] being the maximum.

### 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 Contract Price shall not be decreased if such deficiency is [REDACTED] metric tons or less below the guaranteed deadweight of [REDACTED] metric tons at Scantling Moulded Draft.
- (b) However, the Contract Price shall be decreased by the sum of Chinese Yuan [REDACTED] for each full metric ton of such deficiency being more than [REDACTED] metric tons.
- (c) In the event that there should be a deficiency in the VESSEL's actual deadweight which exceeds [REDACTED] metric tons below the guaranteed deadweight, 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 Contract Price in the maximum amount of Chinese Yuan [REDACTED]

## 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 any provision under this Article, the BUYER, save its rights and remedy set out in Article X hereof, shall not be entitled to any liquidated damage or compensation whether described above or otherwise.

## 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 Shipyard, at the BUYER's own cost and expense, one or more 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 by the BUILDER of the VESSEL, including its hull, machinery, engines, equipment, outfitting and accessories.

The BUYER undertakes and assures that his appointed Supervisors shall not, whilst carrying out their inspection as specified in this CONTRACT, unreasonably obstruct the normal construction schedule of the VESSEL.

The Supervisors shall observe the work's rules prevailing at the BUILDER's and the subcontractors' premises.

### 2. COMMENTS TO PLANS AND DRAWINGS AND OTHER MATTERS

The parties hereto shall, within Thirty (30) days after signing of this Contract, mutually agree a list of all the plans and drawings, which are to be sent to the BUYER for approval, together with a reference schedule for their submission (hereinbelow called the "LIST") by the BUILDER. Before arrival of the Supervisor at the BUILDER's Shipyard, the electronic version of the plans and drawings specified in the LIST, and/or one hard copy if necessary shall be sent to the BUYER, and the BUYER shall, within Fourteen (14) days after receipt the electronic version thereof, return such plans and drawings submitted by the SELLER with approval or comments, if any.

Concurrently with the arrival of the Supervisor at the BUILDER's Shipyard, the BUYER shall notify the BUILDER in writing, stating the authority which the said Supervisor shall have, with regard to the Supervisor can, on behalf of the BUYER, to approve or give comments, as the case may be, which of the plans and drawings specified in the LIST but not yet been sent to the BUYER, nevertheless in line with the Supervisor's authority. The Supervisor shall, within Seven (7) working days after receipt thereof, return those plans and drawings with comments, if any.

Unless notification is given to the BUILDER by the Supervisor or the BUYER of the comments to any plans and drawings within the above designated period of time for each case, the said plans and drawings shall be deemed to have been automatically approved and shall be implemented for construction by the BUILDER.



The BUYER's comments of the plans and drawings should be considered as accepted by the SELLER if the BUYER does not receive the BUILDER's reply for these plans and drawings within Twenty-one (21) days after receipt thereof.

In the event of any discrepancy between BUYER, SELLER and Classification Society or relevant Authorities in respect of the compliance of the plans and drawings with the rules or requirements of the Classification Society or relevant regulatory authorities, the Classification Society's or Authorities' approval shall have the preference and be adopted.

Subject always to their compliance with the rules and regulations of Class and the Authorities, the plans and drawings approved by the BUYER shall be final, and any alteration thereof (save for correction of errors or defects) shall be regarded as modification specified in Article V of this CONTRACT.

The BUYER undertakes to maintain sufficient number of the supervisors at the BUILDER's Shipyard throughout the period of construction of the VESSEL so as to meet the BUILDER's requirements for inspection, survey and attending tests and/or trials.

The BUILDER shall cooperate with the BUYER to apply COSCO Shipping Group's ship supervision and management system, provide network and project-related data support required by the system. In any case the data provided by the BUILDER shall in no event exceeding the content contained in: i) the LIST as defined in Clause II of this Article IV; ii) the Inspection and Test List as defined in Clause III of this Article IV; and iii) the others as mutually agreed by the parties within Sixty (60) after signing of this Contract.

The SELLER's design and construction of the VESSEL shall meet the provisions of the Contract and Specifications.

### 3. SUPERVISION AND INSPECTION BY THE SUPERVISOR

The necessary tests and inspections of the VESSEL, its machinery, equipment and outfitting shall be carried out by the Classification Society and inspection team of the BUILDER through the entire period of construction in order to ensure that the construction of the VESSEL is duly performed in accordance with the CONTRACT and Specifications.

The Supervisor shall have, at all times until delivery of the VESSEL, the right to attend tests according to the mutually agreed test list (hereinbelow called the "Inspection and Test List") and inspect the VESSEL, her engines, accessories and materials at the BUILDER's Shipyard, its subcontractors or any other place where work is done or materials stored in connection with the VESSEL. 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 promptly upon discovery give the BUILDER a notice in writing as to such nonconformity, upon receipt of which the BUILDER shall correct such nonconformity if the BUILDER agrees with the BUYER. In any circumstances, the BUILDER shall be entitled to proceed with the construction of the VESSEL even if there exists discrepancy in the opinion between the BUYER and the BUILDER, without however prejudice to the BUYER's right for submitting the issue for determination by the Classification Society or arbitration in accordance with the provisions hereof. However the BUYER undertakes and assures the BUILDER that the Supervisor shall carry out his inspections in accordance with the agreed inspection procedure and schedule and usual shipbuilding practice and in a way as to minimize any increase in building costs and delays in the construction of the VESSEL. Once a test has been witnessed and approved by the Supervisor, the same test should not have to be repeated, provided it has been carried out in compliance with the requirements of the Classification Society and Specifications.

The decision, approval or advice of the Supervisor shall be deemed to have been given by the BUYER and once given shall not be withdrawn, revoked or modified unless any nonconformity items as to the Specification is found. The BUILDER shall give a notice to the Supervisor reasonably in advance of the date and place of such tests and inspections according to the BUILDER's normal practice. Failure of the Supervisor to be present at such tests and inspections after due notice to him as above provided shall be deemed to be a waiver of his right to be present. In such case, the Supervisor shall be obligated to accept the results of such test, on the basis of the BUILDER's report(s) that the said results have conformed to the requirements of this CONTRACT and the Specifications, provided that such test and inspection shall be carried out with the attendance and/or approval of the Classification Surveyor as far as required by the Classification Society, and the BUILDER shall be entitled to proceed with the construction of the VESSEL without further awaiting the particular inspection in question.

However, if the Supervisor without justified reason fails to submit to the BUILDER without delay any such demand concerning alterations with respect to the building, arrangement or outfit of the VESSEL, her engines or accessories, or any other items or matters in connection herewith, which the Supervisor have examined or inspected or attended at the tests thereof under this CONTRACT or the Specifications, the Supervisor shall be deemed to have approved the same and shall be precluded from making any demand for alterations or other complaints with respect thereto at a later date

The SELLER agrees to furnish free of charge the Supervisor with office space, and other reasonable facilities according to the BUILDER's practice at, or in the immediate vicinity of the Shipyard. But the fees for the communication like telephone, facsimile, internet and etc. shall be borne by the BUYER. At all times, during the construction of the VESSEL until delivery thereof, the Supervisor shall be given free and ready 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 SELLER, and the premises of subcontractors of the SELLER, who are doing work, or storing materials in connection with the VESSEL's construction. The travel expenses for the said access to SELLER's subcontractors outside of Qingdao shall be at the BUYER's account. The transportation within Qingdao shall be provided to the Supervisor by the SELLER.

The Supervisor shall observe the SELLER's safety rules and regulations during their stay in SELLER's working areas.

#### 4. LIABILITY OF THE SELLER

The Supervisor engaged by the BUYER under this CONTRACT shall at all times be deemed to be in the employment of the BUYER. The SELLER shall be under no liability whatsoever to the BUYER, or to the Supervisor or the BUYER's employees or agents for personal injuries, including death, during the time when they, or any of them, are on the VESSEL, or within the premises of either the SELLER or its subcontractors, or are otherwise engaged in and about the construction of the VESSEL, unless, however, such personal injuries, including death, were caused by gross negligence or willful misconduct of the SELLER, or of any of the SELLER's employees or agents or subcontractors of the SELLER.

Nor shall the SELLER be under any liability whatsoever to the BUYER for damage to, or loss or destruction of property in China of the BUYER or of the Supervisor, or of the BUYER's employees or agents, unless such damage, loss or destruction was caused by gross negligence or willful misconduct of the SELLER, or of any of the employees, or agents or subcontractors of the SELLER.

#### 5. SALARIES AND EXPENSES

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

#### 6. REPLACEMENT OF SUPERVISOR

The SELLER has the right to request the BUYER in writing to replace any of the 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 by sending its representative to the BUILDER's Shipyard, if necessary, and if the BUYER considers that such SELLER's request is justified, the BUYER shall effect the replacement as soon as conveniently arrangeable.

## ARTICLE V - MODIFICATION, CHANGES AND EXTRAS

### 1. HOW EFFECTED

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 judgment, adversely affect the BUILDER's other commitments and provided further that the BUYER shall assent to adjustment of the Contract Price, time of delivery of the VESSEL and other terms of this CONTRACT, if any, as hereinafter provided. Subject to the above, the SELLER hereby agree to exert their best 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 the shortest 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 Contract Price of the VESSEL together with an agreement as to any extension or reduction in the time of delivery, or any other alterations in this CONTRACT, or the Specifications 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 authenticated letters, or facsimile, or email, manifesting such agreement. The letters, facsimiles and email 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, facsimiles and email 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 SELLER 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 due to whatever reasons, the parties hereto shall fail to agree on the adjustment of the Contract Price or extension of time of delivery or modification of any terms of this CONTRACT which are necessitated by such modifications and/or changes, then the SELLER 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, 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, are altered or changed by the Classification Society or the other regulatory bodies authorized to make such alterations or changes, the SELLER and/or the BUYER, upon receipt of the notice thereof, shall transmit such information in full to each other in writing, whereupon within Twenty One (21) days after receipt of the said notice by the BUYER from the SELLER or vice versa, the BUYER shall instruct the SELLER 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 SELLER 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 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 that is necessary due to such compliance; and/or
- (c) as to any increase or decrease in the guaranteed fuel consumption and/or deadweight and/or speed of the VESSEL, if such compliance results in increased or reduced fuel consumption, deadweight and/or speed; 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 Clause shall be made in the same manner as provided above for modifications and/or changes of the Specifications and/or Plans.

- (2) If, due to whatever reasons, the parties shall fail to agree on the adjustment of the Contract Price or extension of the time for delivery or increase or decrease of the guaranteed fuel consumption and/or speed and/or deadweight or any alternation of the terms of this CONTRACT, if any, then the SELLER shall be entitled to 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.

If the alterations or changes are compulsorily required to be made by Classification Society or IMO or Flag authority's rules, then, notwithstanding any dispute between the parties relating to the adjustment of the Contract Price or extension of the time for delivery or decrease of the guaranteed fuel consumption and/or speed and/or deadweight or any other respect, the SELLER shall promptly comply with such alterations or changes. The BUYER shall, in any event, bear the costs and expenses for such alterations or changes (with, in the absence of mutual agreement, the amount thereof and/or any other discrepancy such as but not limited to the extension of Delivery Date, etc. to be determined by arbitration in accordance with Article XIII of this CONTRACT).

### 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 SELLER may, provided the SELLER shall provide adequate evidence reasonably accepted by the BUYER and the BUYER so agrees in writing, supply other materials and/or equipment of the equivalent quality, capable of meeting the requirements of the Classification Society and of the rules, regulations, requirements and recommendations with which the construction of the VESSEL must comply.

#### 4. BUYER'S SUPPLIED ITEMS

The BUYER shall at its own risk, cost and expense, supply and deliver, or cause to supply and deliver, to the BUILDER at warehouse or other storage of the items as specified in the Specifications which shall be supplied on BUYER's account, by the time designated by the SELLER (hereinafter called "BUYER's Supplies"). The SELLER shall provide to the BUYER with copy to the Supervisor a schedule identifying the deadlines for delivery of the Buyer Supplies within reasonable period after signing of this Contract, which schedule may be revised and/or updated by the SELLER from time to time on reasonable advance notice to the BUYER to meet the building schedule of the Vessel. The SELLER shall provide reasonable assistance to the BUYER in connection with the import of the Buyer Supplies at the Buyer's own risk, cost and expense(if any).

In order to facilitate installation by the BUILDER of the BUYER's Supplies in or on the VESSEL, the BUYER shall furnish the BUILDER with necessary specifications, plans, drawings, instruction books, manuals, test reports and certificates required by the rules and regulations. The BUYER, if so reasonably requested by the BUILDER, shall, without any charge to the BUILDER, cause the representatives of the manufacturers of the BUYER's Supplies to assist the BUILDER in installation thereof in or on the VESSEL and/or to carry out installation thereof by themselves or to make necessary adjustments thereof at the BUILDER's Shipyard.

Any and all of the BUYER's Supplies shall be subject to the BUILDER's reasonable right of rejection, as and if they are found to be unsuitable or in improper condition for installation. However, if so requested by the BUYER, the BUILDER shall repair or adjust the BUYER's Supplies without prejudice to the BUILDER's other rights hereunder and without being responsible for any consequences therefrom. In such case, the BUYER shall reimburse the BUILDER for all costs and expenses incurred by the BUILDER in such repair or adjustment and the Delivery Date shall be postponed for a period of time necessary for such repair or replacement, if the BUILDER requests.

Should the BUYER fail to deliver to the SELLER such items within the time specified, the delivery of the VESSEL shall automatically be extended for a period of such delay, provided such delay in delivery of the BUYER's Supplies shall affect the delivery of the VESSEL.

Furthermore, if the delay in delivery of the BUYER's Supplies should exceed Five (5) banking days, the SELLER shall be entitled to proceed with construction of the VESSEL without installation of such items in or onto the VESSEL, without prejudice to the SELLER's right hereinabove provided, and the BUYER shall accept the VESSEL so completed.

Notwithstanding any other provision in this Contract, the SELLER shall be responsible for storing and handling of the BUYER's supplies as specified in the Specifications after delivery to the BUILDER and shall install them on board the VESSEL at the SELLER's expenses.

Upon arrival of such shipment of the BUYER's Supplies, both parties shall undertake a joint unpacking inspection. If any damages are found to be not suitable for installation, the SELLER shall be entitled to refuse to accept the BUYER's Supplies.

The SELLER shall not be responsible for the quality, performance or efficiency of any equipment supplied by the BUYER and is under no obligation with respect to the guarantee of such equipment against any defects caused by poor quality, performance or efficiency thereof provided that the BUILDER or its subcontractor install such BUYER's Supplies in accordance with the instruction of the BUYER and/or the supplier thereof.

## ARTICLE VI - TRIALS

### 1. NOTICE

The BUYER shall receive from the SELLER at least thirty (30) days prior notice and seven (7) days definite notice by fax or email in writing of the time and place of the trial run of the VESSEL (hereinafter referred to as the "Trial Run") and the BUYER shall promptly acknowledge receipt of such notice. The BUYER's representatives and/or Supervisor shall be on board the VESSEL to witness such Trial Run. Failure of the BUYER's representatives to be present at the Trial Run of the VESSEL, after due notice to the BUYER as provided above, shall have the effect to extend the date for delivery of the VESSEL by the period of the 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 and the Classification Surveyor may conduct the Trial Run without the BUYER's representatives and/or Supervisor being present, and in such case the BUYER shall be obliged to accept the VESSEL on the basis of a certificate with an approval from the Classification Society certifying that the VESSEL, after trial run subject to minor alterations and corrections as provided in this Article, if any, is found to conform to this CONTRACT and the Specifications.

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 facsimile or email 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.

### 2. HOW CONDUCTED

- (a) All expenses in connection with Trial Run of the VESSEL are to be for the account of the SELLER, 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 be conducted in the manner prescribed in the



Specifications and shall prove fulfillment of the performance required for the Trial Run as set forth in the Specifications.

The course of Trial Run shall be determined by the BUILDER and shall be conducted within the trial basin equipped with speed measuring facilities.

- (b) The BUILDER shall provide the VESSEL with the required quantities of water and fuel oil sufficient for use during trial run only, lubrication oil, greases and hydraulic oil shall be supplied by the BUYER for the conduct of the Trial Run or Trial Runs as prescribed in the Specifications. The fuel oil supplied by the SELLER, and lubricating oil, greases and hydraulic oil supplied by the BUYER 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 SELLER.

### 3. TRIAL LOAD DRAFT

In addition to the supplies provided by the BUYER in accordance with paragraph (b) of the preceding Clause 2 hereof, the SELLER 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 SELLER's account.

### 4. METHOD OF ACCEPTANCE OR REJECTION

- (a) Upon notification of the BUILDER of the completion of the Trial Run of the VESSEL, the BUYER or the BUYER's Supervisor shall within five (5) business days thereafter (provided that the BUYER receives from the SELLER full report of the results of the trials and tests conducted during the Trial Run within three(3) business days after the notice of completion of the Trial Run), notify the SELLER by facsimile or email of its acceptance of the VESSEL or of its rejection of the VESSEL together with the reasons therefore.
- (b) However, should the result of the Trial Run indicate that the VESSEL or any part thereof including its equipment does not conform to the requirements of this CONTRACT and Specifications, then the BUILDER shall investigate with the Supervisor the cause of failure and the proper steps shall be taken to remedy the same and shall make whatever corrections and alterations and 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 re-trial or re-trials the BUYER shall, within five (5) business days thereafter (provided that the BUYER receives from the SELLER full report of the results of the trials and tests conducted during the Trial Run within three (3) business days

after the notice of completion of the Trial Run), notify the SELLER by facsimile or email of its acceptance of its VESSEL or of the rejection of the VESSEL together with the reason therefore 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 SELLER by facsimile or email of its acceptance or rejection of the VESSEL together with the reason therefor within five (5) business days period as provided for in the above paragraphs (a) and (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 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 SELLER shall be obliged to comply with and/or remove such qualifications and/or remarks (if such qualifications and/or remarks are acceptable to the SELLER) at the time before effecting delivery of the VESSEL to the BUYER under this CONTRACT.

#### 5. DISPOSITION OF SURPLUS CONSUMABLE STORES

Should any amount of fuel oil, fresh water, or other unbroached 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 SELLER at the actual purchased price at the port of delivery thereof, and payment by the BUYER shall be effected as provided in Article II 3 (e) and 4 (e) of this CONTRACT.

The BUYER shall supply lubricating oil, greases and hydraulic oil for the purpose of Trial Runs at its own expenses and the SELLER will reimburse for the amount of lubricating oil, greases and hydraulic oil actually consumed prior to delivery of the VESSEL at the actual purchased price incurred by the BUYER and payment by the SELLER shall be effected as provided in Article II 3(e) and 4(e) of this CONTRACT.

#### 6. EFFECT OF ACCEPTANCE

The BUYER's acceptance of the VESSEL by written letter or facsimile or email, notification sent to the SELLER, in accordance with the provisions set out 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 SELLER of the VESSEL,

as hereinafter provided, if the SELLER complies with all other procedural requirements for delivery as hereinafter set forth.

If, at the time of delivery of the VESSEL, there are deficiencies in the VESSEL, such deficiencies should be resolved in such way that if the deficiencies are of minor importance, and do not in any way affect the safety or the operation of the VESSEL, its crew, passengers or cargo the SELLER shall be nevertheless entitled to tender the VESSEL for delivery and the BUYER shall be nevertheless obliged to take delivery of the VESSEL, provided that:

- (i) the SELLER shall for its own account remedy the deficiency and fulfill the requirements as soon as possible, or
- (ii) if elimination of such deficiencies will affect timely delivery of the VESSEL, then such deficiencies shall be deemed as defect guaranteed by the SELLER under Article IX and the SELLER shall indemnify the BUYER for any direct cost reimbursement in association with remedying these minor non-conformities elsewhere from China as a consequence thereof, excluding, however, loss of time and/or loss of profit and other consequential loss and/or damage.

## ARTICLE VII - DELIVERY

### 1. TIME AND PLACE

The BUYER and the Supervisor shall receive from the SELLER at least Fifteen (15) days' notice in advance and Seven (7) days definite notice in advance by facsimile or email, of the time and place of the VESSEL's delivery. The VESSEL shall be delivered safely afloat by the SELLER to the BUYER at the BUILDER's Shipyard, in accordance with the Specifications and with all Classification and Statutory Certificates and after completion of Trial Run and acceptance by the BUYER in accordance with the provisions of Article VI hereof on or before 31 December 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 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 pursuant to the terms of this CONTRACT is hereinafter called the "Delivery Date".

### 2. WHEN AND HOW EFFECTED

Provided that the BUYER and the SELLER 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 SELLER and acceptance thereof by the BUYER, which shall be prepared in triplicate and executed by each of the parties hereto.

### 3. DOCUMENTS TO BE DELIVERED TO THE BUYER

Upon acceptance of the VESSEL by the BUYER, the SELLER shall deliver to the BUYER the following documents (subject to the provision contained in Article VII 2 hereof) which shall accompany the aforementioned Protocol of Delivery and Acceptance:

- (a) PROTOCOL OF TRIALS of the VESSEL made by the SELLER pursuant to the Specifications.
- (b) PROTOCOL OF INVENTORY of the equipment of the VESSEL including spare part and the like, all as specified in the Specifications, made by the SELLER.

- (c) PROTOCOL OF STORES OF CONSUMABLE NATURE made by the SELLER referred to under Clause 5 of Article VI hereof.
- (d) FINISHED DRAWINGS, PLANS AND MANUALS pertaining to the VESSEL as stipulated in the Specifications, made by the SELLER.
- (e) PROTOCOL OF DEADWEIGHT AND INCLINING EXPERIMENT, made by the SELLER.
- (f) ALL CERTIFICATES required to be furnished upon delivery of the VESSEL pursuant to the Specifications.

Certificates shall be issued by relevant regulatory Authorities or Classification Society free of any conditions, remarks, qualifications or recommendations (save for those outstanding items caused by the BUYER). 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 other than the SELLER, then the provisional certificate or certificates as issued by the Classification Society or the third party other than the SELLER with the full term certificates to be furnished by the SELLER after delivery of the VESSEL and in any event before the expiry of the provisional certificates shall be acceptable to the BUYER.

- (g) DECLARATION OF WARRANTY issued by the SELLER 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 imposts, taxes or charges imposed by the province or country of the port of delivery, as well as of all liabilities of the SELLER to its sub-contractors, 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.
- (h) COMMERCIAL INVOICE made by the SELLER.
- (i) BILL OF SALE made by the SELLER to be notarized by a local Notary Public Office in the People's Republic of China or legalized or apostilled if required by the Flag State ship registry.
- (j) BUILDER's Certificate made by the BUILDER to be notarized by a local Notary Public Office in the People's Republic of China or legalized or apostilled if required by the Flag State ship registry.

- (k) The SELLER shall provide the BUYER with a POWER OF ATTORNEY of the SELLER authorizing the execution of the BUILDER'S CERTIFICATE and BILL OF SALE. This POWER OF ATTORNEY shall be duly notarized in a local Notary Public Office in the People's Republic of China or legalized or apostilled if required by the Flag State ship registry.
- (l) Any other documents reasonably required by the BUYER in connection with the registration of the VESSEL provided that (1) the SELLER is able to provide such documents, (2) the BUYER agrees to bear all the reasonable documented costs and expenses which shall be paid by the BUYER (or the BUYER reimburses the SELLER if the SELLER pays such costs and expenses) on delivery, and (3) the BUYER shall provide its best cooperation and sufficient advance notice.

#### 4. TITLE AND RISK

Title to and risk of the VESSEL shall pass to the BUYER only upon delivery thereof as evidenced by the Protocol of Delivery and Acceptance signed by the authorised representatives of both the SELLER and the BUYER and the 5<sup>th</sup> installment received by the Seller. As stated above, it being expressly understood that, until such delivery is effected, title to the VESSEL, and her equipment, shall remain at all times with the SELLER and are at the entire risk of the SELLER.

#### 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 Seven (7) 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 Seven (7) days, then, in such event, without prejudice to the SELLER's right to require the BUYER to remove the VESSEL immediately at any time thereafter, the BUYER shall pay to the SELLER the reasonable mooring charge of the VESSEL.

#### 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 without justified reason, the SELLER shall have the right to tender the VESSEL for delivery after compliance with all procedural requirements as above provided.

## ARTICLE VIII - DELAYS & EXTENSION OF TIME FOR DELIVERY

### 1. CAUSE OF DELAY

If, at any time before actual delivery, either the construction of the VESSEL, or any performance required hereunder as a prerequisite of delivery of the VESSEL, is delayed due to war, blockade, revolution, insurrection, mobilisation, civil commotions, riots, strikes, sabotage, lockouts, government's requisition main facility for priority (major) project, local temperature lower than -10 degree centigrade or higher than 37 degree centigrade in working time of the BUILDER, Acts of God or the public enemy, terrorism, plague or other epidemics, quarantines, prolonged failure or restriction of electric current from an outside source, freight embargoes, if any, earthquakes, tidal waves, typhoons, hurricanes, storms or other causes beyond the control of the BUILDER or of its sub-contractors or its equipment supplier, as the case may be, or by force majeure of any description, whether of the nature indicated by the forgoing or not, or by destruction of the BUILDER or BUILDER's works or its subcontractors or its equipment supplier, or of the VESSEL or any part thereof, by fire, flood, or other causes beyond the control of the BUILDER or its subcontractors or its equipment supplier as the case may be, or due to the bankruptcy of the equipment and/or material supplier or suppliers, or due to the delay caused by acts of God in the supply of parts essential to the construction of the VESSEL or shortage of materials or equipment essential to the construction of the VESSEL, then, in the event of delay due to the happening of any of the aforementioned contingencies, the SELLER shall not be liable for such delay 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 which shall not exceed the total accumulated time of all such delays, subject nevertheless to the BUYER's right of cancellation under Clause 3 of this Article and subject however to all relevant provisions of this CONTRACT which authorise and permit extension of the time of delivery of the VESSEL. In any such case, the BUILDER shall take immediate steps to overcome any delay by any means within their control.

### 2. NOTICE OF DELAY

Within Seven (7) days from the date of commencement of any delay on account of which the SELLER claims that it is entitled under this CONTRACT to an extension of the time for delivery of the VESSEL, the SELLER shall advise the BUYER by facsimile or email of the date such delay commenced, and the reasons therefore together with supporting evidence of the date such cause of delay occurred.

Likewise within Seven (7) days after such delay ends, the SELLER shall advise the BUYER in writing or by facsimile or email confirmed in writing, of the date such delay ended, and also shall specify the maximum period of the time by which the date for delivery of the VESSEL is

extended by reason of such delay. Failure of the BUYER to acknowledge the SELLER's notification of any claim for extension of the Delivery Date within Fifteen (15) 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.

### 3. RIGHT TO CANCEL FOR EXCESSIVE DELAY

If the total accumulated time of all delays on account of the causes specified in Clause 1 of this Article aggregate to [REDACTED] days or more, or if the total accumulated time of all delays on account of the causes specified in Clause 1 of this Article and non-permissible delays as described in Clause 1 of Article III aggregate to [REDACTED] days or more, in any circumstances, 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, under Article V, VI, XI and XII hereof, permit extension or postponement of the time for delivery of the VESSEL, then in such event, the BUYER may in accordance with the provisions set out herein cancel this CONTRACT by serving upon the SELLER facsimiled or email notice of cancellation and the provisions of Article X of this CONTRACT shall apply. The SELLER 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 SELLER 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 right to cancel this CONTRACT in accordance with the provisions of Article X of this CONTRACT.

### 4. DEFINITION OF PERMISSIBLE DELAY

Delays on account of such causes as provided for in Clause 1 of this Article excluding any other extensions of a nature which under the terms of this CONTRACT permit postponement or extension of the 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.



## ARTICLE IX - WARRANTY OF QUALITY

### 1. GUARANTEE OF MATERIAL AND WORKMANSHIP

The SELLER, for a period of [REDACTED] following delivery to the BUYER of the VESSEL, guarantees the VESSEL, her hull and machinery and all parts and equipment thereof that are manufactured or furnished or supplied by the SELLER and/or its sub-contractors under this CONTRACT including material, equipment (however excluding any parts for the VESSEL which have been supplied by or on behalf of the BUYER except for the defect due to the SELLER's storage and/or installation of the same) against all defects which are due to defective design, materials, and/or poor workmanship.

### 2. NOTICE OF DEFECTS

The BUYER shall notify the SELLER in writing, or by facsimile or email, as promptly as possible, after discovery of any defect or deviations for which a claim is made under this guarantee. The BUYER's written notice shall describe the nature of the defect and the extent of the damage caused thereby. The SELLER 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 SELLER not later than Fifteen (15) days after such expiry date; facsimiled or emailed advice with brief details explaining the nature of such defect and extent of damage within Fifteen (15) days after such expiry date and that a claim is forthcoming will be sufficient compliance with the requirements as to time.

### 3. REMEDY OF DEFECTS

- (a) The SELLER 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 or replacements.
- (b) However, if it is impractical to make the repair by the SELLER, and if forwarding by the SELLER of replacement parts, and materials can not be accomplished without impairing or delaying the operation or working of the VESSEL, then, in any such event, subject to SELLER' consent in writing, the BUYER shall cause the necessary repairs or replacements to be made elsewhere at the discretion of the BUYER provided that the BUYER shall first and in all events, will, as soon as possible, give the SELLER notice in writing, or by facsimile or email of the time and place such repairs will be made and, if the VESSEL is not thereby delayed, or her operation or working is not thereby delayed, or her operation or working is not thereby impaired, the SELLER shall have the right to verify by its own representative(s) or that of Classification Society the nature

and extent of the defects complained of.

The BUILDER shall, in such case, promptly advise the BUYER by facsimile or email after such examination has been completed, of its acceptance or rejection of defects as being covered by the guarantee hereby provided. Upon the SELLER's acceptance of the defects as justifying remedy under this Article, or upon the award of an arbitration so determining, the SELLER shall reimburse the BUYER the documented expenses incurred by the BUYER, at the end of the Warranty Period or at the time of award of an arbitration, as the case may be, but such a reimbursement shall not exceed the average costs for making such repairs or replacements including forwarding charges as quoted by a shipyard each in China, South Korean and Singapore.

- (c) If all the defects for which the SELLER is responsible under this Article are discovered, notified but not repaired before the expiration of the guarantee period, then these defects shall be agreed in writing between the SELLER and the BUYER hereto as being guaranteed items by the end of guarantee period and shall be repaired or replace in the manner provided hereinabove in principle within Six (6) months after such expiration of the guarantee period. If the said defects are not repaired or replaced within the said Six (6) months period, then the SELLER and BUYER shall enter into a settlement agreement within Sixty (60) days following the end of the said Six (6) months period, to confirm the resolution of all outstanding guarantee claims, including but not limited to:
  - i) granting the SELLER additional time to complete the repair or replacement; or
  - ii) alternative remedies as mutually agreed upon by the parties hereto.
- (d) In any case, the VESSEL shall be taken at the BUYER's risk and expenses to the place chosen, ready in all respects for such repairs or replacements and the SELLER shall not be responsible for towage, dockage, wharfage, port charges and anything else incurred for the BUYER's getting and keeping the VESSEL ready for such repairs and replacements.
- (e) The SELLER shall have the option to retrieve any of the replaced equipment and parts in case the defects are remedied in accordance with the provisions of Article IX.
- (f) In the event that it is necessary for the SELLER to forward a replacement for a defective part under this guarantee, replacement parts shall be supplied to the BUYER by ocean freight on a freight prepaid basis to the port of place designated by the BUYER. In the event that the replacement parts are urgently required and that the BUYER therefore asks for airfreight of the replacement parts, the BUYER and the SELLER shall share the freight costs half-and-half.
- (g) Any dispute under this Article shall be referred to arbitration in accordance with the provisions of Article XIII hereof.

#### 4. EXTENT OF THE SELLER'S LIABILITY

The SELLER shall have no obligation and/or liabilities with respect to defects discovered after the expiration of the period of guarantee specified above.

The SELLER shall not be obligated to repair, and/or be liable for damages to the VESSEL, or to any part of the equipment thereof, due to ordinary wear and tear or caused by defects other than those specified in Clause 1 above, nor shall there be any SELLER's liability hereunder for defects in VESSEL, or any part of the equipment thereof, caused by fire or accidents or mismanagement, negligence or willful neglect on the part of the BUYER, its employees or agents including the VESSEL's officers, crew and passengers, or any person on or doing work on the VESSEL other than the SELLER, its employees, agents or subcontractors. Likewise, the SELLER 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 persons other than the SELLER and/or their subcontractors and/or their agents and/or their servants.

The SELLER shall not be responsible or liable for any consequential damages, loss of time, loss of profit or earning or demurrage occasioned to the BUYER by reason of the defects specified in Clause 1 hereof or due to repairs or other works done to the VESSEL to remedy such defects.

The SELLER shall not be responsible for remedying defects in any part of the VESSEL which may, subsequent to the delivery of the VESSEL, have been replaced or in any way repaired by any other contractor (excluding SELLER's subcontractors, agents or servants), or for remedying any defects which have been caused by acts, omissions or neglect on the part of the BUYER, its servants or agents or by ordinary wear and tear or by any other circumstances beyond the control of the SELLER.

Upon delivery of the VESSEL to the BUYER, in accordance with the terms of the CONTRACT, the SELLER 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 SELLER. The SELLER 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 SELLER hereunder are exclusive and in lieu of and the BUYER hereby waives all other remedies,

warranties, guarantees or liabilities, express or implied, arising by law or otherwise (including without limitation any obligations of the SELLER with respect to fitness, merchantability and consequential damages) or whether or not occasioned by the SELLER's negligence. This Guarantee shall not be extended, altered or varied except by a written instrument signed by the duly authorized representatives of the SELLER, and the BUYER.



## ARTICLE X - CANCELLATION, REJECTION AND RESCISSION BY THE BUYER

1. All payments made by the BUYER prior to the delivery of the VESSEL shall be in the nature of advance to the SELLER. In the event the BUYER shall exercise its right of cancellation and/or rescission of this CONTRACT under and pursuant to any of the provisions of this CONTRACT specifically permitting the BUYER to do so, then the BUYER shall notify the SELLER in writing or by facsimile or email, and such cancellation and/or rescission shall be effective as of the date the notice thereof is received by the SELLER.
2. Thereupon the SELLER shall refund in Chinese Yuan within Forty Five (45) banking days to the BUYER the full amount of all sums paid by the BUYER to the SELLER on account of the VESSEL, unless the SELLER disputes the BUYER's cancellation and/or rescission by instituting arbitration in accordance with Article XIII. If the BUYER's cancellation or rescission of this CONTRACT is disputed by the SELLER by instituting arbitration as aforesaid, then no refund shall be made by the SELLER, and the BUYER shall not be entitled to demand repayment from Refund Guarantor and the Refund Guarantor shall be entitled to withhold repayment under its guarantee (in the circumstance that a Refund Guarantee is issued by Refund Guarantor to the BUYER under Clause 7 of Article II), until the arbitration award between the BUYER and the SELLER which shall be in favour of the BUYER, declaring the BUYER's cancellation and/or rescission justified, is made and delivered to the SELLER by the arbitration tribunal. In the event of the SELLER is obligated to make refundment, the SELLER shall pay the BUYER interest in Chinese Yuan at the rate of [REDACTED] per annum on the amount required herein to be refunded to the BUYER, computed from the respective dates when such sums were received by the bank account as nominated by the SELLER pursuant to Article II 4(a), 4(b), 4(c) or 4(d) from the BUYER to the date of remittance by telegraphic transfer of such refund to the BUYER by the SELLER if the cancellation or rescission of the CONTRACT is exercised by the BUYER in accordance with the provision of Article III 1(c), 2(c), 3(c) or 4(c), provided, however, that if the said rescission by the BUYER is made under the provisions of Clause 3 of Article VIII or Clause 2 (b) of Article XII, then in such event the SELLER shall not be required to pay any interest.

In the circumstances of refund by SELLER under Clause 2 of this Article, the SELLER shall:

i) return Buyer's Supplies not installed onto the VESSEL to the BUYER; or ii) in case the Buyer's Supplies installed onto the VESSEL or such return would be impossible or impractical, pay to the BUYER an amount equal to the actual and documented purchase price of those Buyer's Supplies, as evidenced by original invoices. Notwithstanding the foregoing, if the SELLER disputes the BUYER's cancellation and/or rescission by instituting arbitration in accordance with Article XIII, the SELLER shall comply with any specific determination regarding the Buyer's Supplies contained within the arbitration award, if any.

3. Upon completion by the SELLER of its obligations set forth in Clause 2 above, all obligations, duties and liabilities of each of the parties hereto to the other under this CONTRACT shall be forthwith completely discharged.



## 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 1st or 2nd or 3rd or 4th installment to the SELLER when any such installment becomes due and payable under the provisions of Article II hereof; or
- (b) The BUYER fails to pay the 5th installment to the SELLER in accordance with Clause 3(e) and 4(e) of Article II hereof provided the BUYER shall have received the SELLER's demand for payment in accordance with Article II hereof; or
- (c) The BUYER fails to take delivery of the VESSEL, when the VESSEL is duly tendered for delivery by the SELLER under the provisions of Article VII hereof within Five (5) business days from the tendered date; or
- (d) If an order is made by any competent court or resolutions are passed by the Board of Directors and/or shareholders of the BUYER for the appointment of a liquidator, receiver or trustee, or similar officer, of the BUYER or any of its assets PROVIDED that there shall be no default under this paragraph (d) hereof if in any such case the BUYER is engaged in a bona fide reconstruction of its business which does not prejudice its creditors.

### 2. NOTICE OF DEFAULT

If the BUYER is in default of payment Installment or in performance of its obligations as provided hereinabove, the SELLER shall notify the BUYER to that effect by facsimile or email after the date of occurrence of the default as per Clause 1 of this Article and the BUYER shall forthwith acknowledge by facsimile or email to the SELLER that such notification has been received. In case the BUYER does not give the aforesaid facsimile or email acknowledgment to the SELLER within Three (3) days it shall be deemed that such notification has been duly received by the BUYER.

### 3. INTEREST AND CHARGE

- (a) If the BUYER is in default of payment as to any installment as provided in Clause 1 (a), and/or 1 (b) and/or 1 (c) of this Article, the BUYER shall pay interest on such Installment at the rate of [REDACTED] per annum 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 Clause 1 (c) of this Article, the BUYER shall be deemed in default of payment of the Fifth Installment 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 SELLER, as provided in Article VII Clause 7 hereof.

- (b) In any event of default by the BUYER under 1 (a) or 1 (b) or 1 (c) or 1 (d) above, the BUYER shall also pay the direct costs, charges and expenses incurred and evidenced by the SELLER in consequence of such default.

#### 4. DEFAULT BEFORE DELIVERY OF THE VESSEL

- (a) If any default by the BUYER occurs as defined in Clause 1 of this Article, the Delivery Date shall, at the SELLER's option, be postponed for a period of continuance of such default by the BUYER.
- (b) If any such default as defined in Clause 1 of this Article committed by the BUYER continues for a period of [REDACTED] days, then, the SELLER shall have all following rights and remedies:
  - (i) The SELLER may, at its option, cancel or rescind this CONTRACT, provided the SELLER has notified the BUYER of such default pursuant to Clause 2 of this Article, by giving notice of such effect to the BUYER by facsimile or email confirmed in writing. Upon receipt by the BUYER of such facsimile or email notice of cancellation or rescission, all of the BUYER's Supplies shall forthwith become the sole property of the SELLER, and the VESSEL and all its equipment and machinery shall be at the sole disposal of the SELLER for sale or otherwise; and
  - (ii) In the event of such cancellation or rescission of this CONTRACT, the SELLER shall also be entitled to retain any Installment or installments of the Contract Price paid by the BUYER to the SELLER on account of this CONTRACT.

#### 5. SALE OF THE VESSEL

- (a) In the event of cancellation or rescission of this CONTRACT as above provided, the SELLER 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 on such terms and conditions as the SELLER thinks fit without being answerable for any loss or damage occasioned to the BUYER thereby, provided that such sale is to a bona fide independent third party and for the-market price reasonably available.



In the case of sale of the VESSEL, the SELLER shall give facsimile or email or written 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 SELLER shall be applied firstly to payment of all expenses attending such sale and otherwise incurred by the SELLER as a result of the BUYER's default, and then to payment of all unpaid installments and/or unpaid balance of the Contract Price and interest on such installment 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 SELLER shall be applied firstly to all expenses attending such sale and otherwise incurred by the SELLER as a result of the BUYER's default, and then to payment of all costs of construction of the VESSEL (such costs of construction, as herein mentioned, shall include but are not limited to all costs of labour and/or prices paid or to be paid by the SELLER 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 fees, charges, expenses and/or royalties incurred and/or to be incurred for the VESSEL less the installments so retained by the SELLER, and compensation to the SELLER 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 SELLER 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 installments 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 promptly pay the deficiency to the SELLER upon request.

## ARTICLE XII - INSURANCE

### 1. EXTENT OF INSURANCE COVERAGE

From the time of the first block of the VESSEL laid in dock until the same is completed, delivered to and accepted by the BUYER, the SELLER shall, at its own cost and expense, keep the VESSEL and all machinery, materials, equipment, appurtenances and outfit, delivered to the SELLER for the VESSEL or built into, or installed in or upon the VESSEL, including the BUYER's Supplies, fully insured with first class insurance companies in China for Builder's Risk.

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 SELLER including the value of maximum amount of Chinese Yuan 3,000,000.00 of the BUYER's Supplies. The policy referred to hereinabove shall be taken out in the name of the SELLER and all losses under such policy shall be payable to the SELLER.

One copy of the BUILDER's RISK INSURANCE POLICY shall be delivered to the BUYER.

### 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 SELLER shall apply the amount recovered under the insurance policy referred to in Clause 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 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 for any consequential loss or depreciation.

#### (b) Total Loss:

However, in the event that the VESSEL is determined to be an actual or constructive total loss, the SELLER 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 reinstallation of the BUYER's supplies, provided the parties hereto shall have first agreed in writing as to such reasonable extension of the Delivery Date and adjustment of other terms of this CONTRACT including the Contract Price as may be necessary for the completion of such reconstruction; or

- (ii) If due to whatever reasons the parties fail to agree on the above within sixty (60) days after an actual or constructive total loss occurs, refund immediately to the BUYER the amount of all installments paid to the SELLER under this CONTRACT without interest and return Buyer's Supplies not damaged or in case the Buyer's Supplies are damaged pay to the BUYER an amount equal to the actual and documented purchase price of those Buyer's Supplies as evidenced by original invoices, 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 forthwith

Within thirty (30) days after receiving facsimile or email notice of any damage to the VESSEL constituting an actual or a constructive total loss, the BUYER shall notify the SELLER in writing or by facsimile or email of its agreement or disagreement under this paragraph. In the event the BUYER fails to so notify the SELLER, 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 receives the refund as hereinabove provided and the provisions hereof shall apply.

### 3. TERMINATION OF THE SELLER'S OBLIGATION TO INSURE

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

## ARTICLE XIII - DISPUTES AND ARBITRATION

### 1. PROCEEDINGS

In the event of any dispute between the parties hereto 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 parties themselves, such dispute shall be resolved by arbitration in London Maritime Arbitrators Association (the "LMAA") in accordance with the laws of England and LMAA's then prevailing arbitration rules. 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 Fourteen (14) 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 Fourteen (14) 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. And 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 Fourteen (14) days from the date on which the second arbitrator is appointed, either party of the said two arbitrators may apply to the president 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.

### 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 mutual agreement of the parties hereto. In such case, the opinion of the Classification Society shall be final and binding on the parties hereto.

### 3. NOTICE OF AWARD

Notice of any award shall immediately be given in writing or by facsimile or email confirmed in writing to the SELLER 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

Award of arbitration, shall be final and binding upon the parties concerned. Any right of appeal available under the laws of England is hereby expressly precluded and excluded by the parties hereto.

### 6. ENTRY IN COURT

Judgement 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 SELLER shall not be entitled to extend the Delivery Date as defined in Article VII hereof and the BUYER shall not be entitled to postpone its acceptance of the VESSEL on the Delivery Date or on such newly planned time of delivery of the VESSEL as declared by the SELLER. However, if the construction of the VESSEL is affected by any arbitration, the SELLER shall then be permitted to extend the Delivery Date as defined in Article VII and the decision or the award shall include a finding as to what extent the SELLER shall be permitted to extend the Delivery Date.

#### ARTICLE XIV - RIGHTS OF ASSIGNMENT

Neither of the parties hereto shall assign this CONTRACT to any other individual, firm, company or corporation unless prior consent of the other party is given in writing. However, the BUYER may novate this CONTRACT to a special purpose company wholly owned by the BUYER with prior notice to the SELLER and consent by the SELLER (such consent shall not be unreasonably withheld).

The BUYER may assign the benefit of this CONTRACT to the bank or financial institution which is financing the BUYER's purchase of the VESSEL provided that such assignment is approved and acknowledged by the SELLER and the SELLER's bank, such consent not to be unreasonably withheld or delayed by the SELLER.

The BUYER may also assign its right under Article IX of this Contract to the charterers of the VESSEL.

## ARTICLE XV - TAXES AND DUTIES

### 1. TAXES AND DUTIES INCURRED IN CHINA

The SELLER shall bear and pay all taxes, duties, stamps, dues levies and fees of whatsoever nature incurred or imposed in China in connection with the execution and/or performance of this CONTRACT by the SELLER and its sub-contractors, and any payments to be made hereunder by the BUYER.

The BUYER's representatives shall pay their individual income tax in accordance with the People's Republic of China laws if P.R.China laws are applicable when they stay in China.

Any tax or duty other than those described hereinabove, if any, shall be borne by the BUYER.

### 2. TAXES AND DUTIES INCURRED OUTSIDE CHINA

The BUYER shall bear and pay all taxes, duties, stamps and fees incurred outside China in connection with execution and/or performance of this CONTRACT by the BUYER, except for taxes, duties, stamps, dues, levies and fees imposed upon those items which are to be procured by the SELLER for the construction of the VESSEL in accordance with the terms of this CONTRACT and the Specifications.

## ARTICLE XVI - PATENTS, TRADEMARKS AND COPYRIGHTS

### 1. PATENTS, TRADEMARKS AND COPYRIGHT

The machinery and equipment of the VESSEL may bear the patent number, trademarks or trade names of the manufacturers. The SELLER shall defend and save harmless the BUYER from patent liability or claims of patent infringement of any nature of 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 SELLER's obligation under this Article, should not be terminated by the passage of any specified period of time.

The SELLER's indemnity hereunder does not extend to equipment or parts supplied by the BUYER to the BUILDER if any.

### 2. GENERAL PLANS, SPECIFICATION AND WORKING DRAWINGS

The SELLER retains all rights with respect to the Specifications, 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 therefore not to disclose the same or divulge any information contained therein to any third parties, without the prior written consent of the SELLER, excepting where it is necessary for usual operation, repair and maintenance, sale or charter of the VESSEL.



### 3. CONFIDENTIALITY

The BUYER and the SELLER hereby acknowledge that this Contract and its terms hereof, including its very existence, are of confidential nature. Therefore, the BUYER and the SELLER undertake to keep, preserve and protect the confidentiality of the terms of this Contract in particular by not disclosing such terms to any third party (other than the bareboat charterer of the VESSEL subject to its written acknowledgement which agrees to be bound by this Article) without the express prior approval of the other party (save that in case of disclosing to the Refund Guarantor or as per the order by any competent governmental authorities, only written notice shall be served to the other party and no approval is required).



Shipbuilding Contract for Hull No. BC210K-91

This Article shall survive until the expiry or termination of the Contract or the delivery of the VESSEL.

## ARTICLE XVII - NOTICE

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

To the BUYER:

FORTUNE PROPULSION SHIPPING LIMITED

Address: Room 1802-03, 18/F, Worldwide House, 19 Des Voeux Road Central, H.K.

CC: COSCO SHIPPING BULK CO., LTD.

Address: Guangzhou International Shipping Tower, 8 Yuanhai Street, Haizhu District, Guangzhou, China

CC: BEIJING COSCO SHIPPING SHIP TRADING COMPANY LIMITED

Address: Rm. 1108, Lucky Tower A, No.3, Dong San Huan Bei Road, Chaoyang District, Beijing 100027, China

To the SELLER:

CHINA SHIPBUILDING TRADING CO., LTD. (the "CSTC")

Address: RM2301, No.1 Pudong Avenue, Shanghai 200120,  
The People's Republic of China

and

CSSC QINGDAO BEIHAI SHIPBUILDING CO., LTD. (the "BUILDER")

Address: No. 369 Lijiang East Road, Qingdao Economic and Technical Development Zone 266520, the People's Republic of China

Any notices and communications sent by the CSTC or the BUILDER alone to the BUYER shall be deemed as having being sent by both the CSTC and the BUILDER. Any notices and communications sent by the BUYER to the CSTC or the BUILDER alone shall be deemed as having sent to both the CSTC and the BUILDER.

Any change of address shall be communicated in writing by registered airmail or express courier or facsimile or email 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.

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 registered airmail 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 facsimile acknowledged by the answerbacks or email shall be deemed to be delivered upon dispatch.

Any and all notices, communications, Specifications and drawings 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.

### ARTICLE XVIII - EFFECTIVE DATE OF CONTRACT

This CONTRACT shall become effective upon fulfillment of all the following conditions:-

- (a) due execution of this CONTRACT and the Specifications;
- (b) the effectiveness of the Bareboat Charter to be entered into by the BUYER or its nominee and Refined Success Limited as a bareboat charterer thereunder; and
- (c) the approval on the transaction under this CONTRACT resolved by the BUYER'S shareholder meeting.

If due to whatever reason, any of the above conditions fail to be fulfilled on or before Sept 30 2025 unless an extension of time limit is mutually agreed in writing, then this Contract shall be made null and void, having no effect whatsoever, and no party shall be liable to the other for any loss and/or damage (if any).

## ARTICLE XIX - ANTI-BRIBERY

The Parties shall avoid participation in or knowingly benefit from any kind of corruption, extortion or bribery. Consequently, the Parties may not offer, promise, authorise or give anything of value to any public official in any country, or to any business partner, in order to gain any improper business advantage of any kind. In addition, the Parties may not solicit or accept any form of bribe from any person.

This Article shall survive until the expiry or termination of the Contract or the delivery of the VESSEL.

## ARTICLE XX - 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 regard 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. DEFINITION

In absence of stipulation of "banking day(s)" or "business day(s)", the "day" or "days" shall be taken as "calendar day" or "calendar days".

"banking day(s)" means a day upon which banks in New York, Beijing and Hong Kong are opened for business.

"BUILDER" and "OWNER" used in the Specifications shall correspond to "BUILDER" and "BUYER" respectively used in this CONTRACT.

## ARTICLE XXI – DESIGNATED ENTITIES

1. Each of the SELLER and the BUYER shall ensure that, at the date of this CONTRACT, it is not the subject of the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control of the US Department of the Treasury, the consolidated list of persons, groups and entities subject to EU financial sanctions maintained by the European Commission of European Union, the Consolidated List of Financial Sanctions Targets in the UK maintained by UK HM Treasury and sanction lists maintained by the Chinese government (collectively, the “Sanction List”) that may cause the construction and delivery of the Vessel becomes impossible.
2. In the event that, after the execution of this CONTRACT and until delivery of the Vessel by the SELLER to the BUYER, either of the SELLER or the BUYER becomes the subject of the Sanction List that makes the construction and delivery of the Vessel becomes impossible for the SELLER, and/or makes the payment of this instalment in accordance with Article II or taking delivery of the VESSEL becomes impossible for the BUYER (the “Sanction Event”), either Party shall give notice to the other Party of such Sanctions Event within Ten (10) business days after such Sanction Event (the “Notice of Sanction Event”). Such notice shall include reasonable detail as to the nature and circumstances of the Sanctions Event.
3. Following the Notice of Sanction Event, the Parties will consult with each other and shall take all reasonable steps to find a mutually acceptable solution to remedy the Sanction Event and which would enable the continued lawful performance of this CONTRACT, including but not limited to the restructuring of this CONTRACT and/or obtaining of any applicable licenses and permits and/or the restructuring of the shareholding arrangements of BUYER or SELLER (as applicable) and/or changing the supplier of any equipment and/or novation of this CONTRACT to an entity which is not a subject of the Sanction List, all in compliance with applicable laws and regulations. In order to proceed in accordance with any, or any combination, of the above, the SELLER and the BUYER shall promptly cooperate in full to find and agree such solution(s) and implement such solution(s) as mutually agreed.
4. If the Parties have been unable to find and/or implement a mutually acceptable solution which has enabled the continued lawful performance of this CONTRACT until the earlier of: (i) the date falling on the one hundred and eightieth (180th) day after receipt by the relevant Party of the Notice of a Sanction Event; or (ii) the date falling on the Ninetieth (90th) day after the date of completion of the Vessel’s sea trial, or any longer period as may be mutually agreed by the Parties and it remains unlawful or illegal for either or both of the Parties to perform this CONTRACT, either Party shall be entitled to terminate this CONTRACT by written notice to the other. In such case, both BUYER and SELLER shall discuss and agree in good faith on reasonable economic resolution due to such termination of the Contract and to the extent permitted by law.
5. In case of occurrence of a Sanction Event, either Party shall be entitled to suspend its performance to the extent that such performance is prevented by such Sanction Event. The suspension of a Party’s performance of obligations as permitted under this Article shall not constitute such Party’s default. Unless otherwise agreed by the Parties, the Contract Price shall

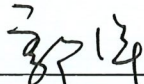
remain unaffected by such suspension. Notwithstanding any terms stated to the contrary herein, the Delivery Date as provided for in Article VII.1 shall be extended and postponed for the period running from the date of the relevant Party of notifying a Sanction Event under this Clause b) above until the earlier of (i) the date when the solution(s) mutually accepted above has been completed (i.e., the performance of this Contract can be lawfully continued) or (ii) the date when both parties otherwise agree in writing acting in good faith to continue the construction of the Vessel and the relevant terms of the CONTRACT shall be adjusted correspondingly.

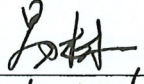
This Article shall survive until the expiry or termination of the Contract or the delivery of the VESSEL.

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

THE BUYER:


FORTUNE PROPULSION SHIPPING LIMITED

By :   
Name : Guo Yang  
Title : Director

  
YI LIN  
Director

THE SELLER:

CHINA SHIPBUILDING TRADING CO., LTD.

By :   
Name : Sheng Minsheng  
Title : Attorney-in-Fact

and

CSSC QINGDAO BEIHAI SHIPBUILDING CO., LTD.

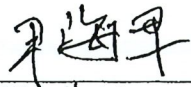
By :   
Name : Xin Huijun  
Title : Attorney-in-Fact



Exhibit "A": IRREVOCABLE LETTER OF GUARANTEE

(Subject to BUYER's Approval)

To: \_\_\_\_\_

Date:

Dear Sirs,

Irrevocable Letter of Guarantee No.

At the request of \_\_\_\_\_ and in consideration of your agreeing to pay CHINA SHIPBUILDING & OFFSHORE INTERNATIONAL CO., LTD. and \_\_\_\_\_ (hereinafter collectively called the "SELLER") the instalments before delivery of the VESSEL under the Shipbuilding Contract concluded by and amongst you, and the SELLER dated \_\_\_\_\_ for the construction of one (1) \_\_\_\_\_ Metric Tons Deadweight \_\_\_\_\_ to be designated as Hull No. \_\_\_\_\_ (hereinafter called the "Contract"), subject to the following, we, the undersigned, do hereby irrevocably guarantee the due and punctual repayment to you by the SELLER of an amount up to but not exceeding a total amount of Chinese Yuan \_\_\_\_\_ only (CNY \_\_\_\_\_) representing the first instalment of the Contract Price of the VESSEL, Chinese Yuan \_\_\_\_\_ only (CNY \_\_\_\_\_), the second instalment of the Contract Price of the VESSEL, Chinese Yuan \_\_\_\_\_ only (CNY \_\_\_\_\_), the third instalment of the Contract Price of the VESSEL, Chinese Yuan \_\_\_\_\_ only (CNY \_\_\_\_\_) and the fourth instalment of the Contract Price of the VESSEL, Chinese Yuan \_\_\_\_\_ only (CNY \_\_\_\_\_), as you may have paid to the SELLER under the Contract prior to the delivery of the VESSEL, if and when the same or any part thereof becomes repayable to you from the SELLER in accordance with the terms of the Contract. Should the SELLER fail to make such repayment, we shall pay you the amount the SELLER ought to pay with no interest if cancellation of the Contract is exercised by you for the delay caused by permissible delays in accordance with the provision of Clause 3 Article VIII or total loss in accordance with the provisions of Article XII 2(b), or together with an interest at the rate of \_\_\_\_\_ per annum if the cancellation of the Contract is exercised by you in accordance with the provisions of Article III 1(c), 2(c), 3(c) or 4(c) of the Contract within \_\_\_\_\_ after our receipt of the relevant written demand from you for repayment.

However, in the event of any dispute between you and the SELLER in relation to:

- (1) whether the SELLER shall be liable to repay the instalment or instalments paid by you and
- (2) consequently, whether you shall have the right to demand payment from us under this Letter of Guarantee,

and such dispute is submitted either by the SELLER or by you for arbitration in accordance with Article XIII of the Contract, we shall be entitled to withhold and defer payment until the arbitration award is published. We shall not be obligated to make any payment to you unless

the arbitration award orders the SELLER to make repayment. If the SELLER fails to honour the award within Forty Five (45) business days after publication, then we shall refund to you to the extent the arbitration award orders but not exceeding the aggregate amount of this Letter of Guarantee plus the interest described above.

The said repayment shall be made by us in Chinese Yuan without any set-off or counterclaim and without deduction or withhold for or on account of any taxes, duties, or charges whatsoever unless we are compelled by law to deduct or withhold the same. In the latter event we shall make the minimum deduction or withholding permitted and we shall pay such additional amounts as may be necessary in order that the net amount received by you after such deduction or withholding shall be equal to the amount which you would have received had no such deduction or withholding been required to be made.

This Letter of Guarantee shall become effective from the time of the actual receipt of the first instalment by the SELLER from you and the amounts effective under this Letter of Guarantee shall correspond to the total payment actually made by you from time to time under the Contract prior to the delivery of the VESSEL. However, the available amount under this Letter of Guarantee shall in no event exceed above mentioned amount actually paid to the SELLER, together with interest calculated, as described above at [REDACTED] or, [REDACTED] [REDACTED] per annum, as the case may be for the period commencing with the date of receipt by the SELLER of the respective instalment to the date of repayment(s) thereof.

This Letter of Guarantee shall remain in force until the VESSEL has been delivered to and accepted by you or refund has been made by the SELLER or ourselves, or until [REDACTED] [REDACTED], whichever occurs earlier, after which this Letter of Guarantee shall be cancelled automatically. However, in the event of arbitration initiated by you and/or the SELLER before expiration of this Letter of Guarantee, the validity of this Letter of Guarantee shall be automatically extended to such date being [REDACTED] business days after the arbitration award is published.

Your rights under this Letter of Guarantee may be assigned by you to the bank or financial institutions providing financing to you to purchase the VESSEL, with the exception of the right of making demand for repayment which shall remain with yourself. In case of any above assignment, you are obliged to serve us a notice of assignment signed by and between you and assignee. The assignment shall not become effective without written acknowledgment from us which shall not be unreasonably withheld or delayed.

We represent and warrant herewith that this Letter of Guarantee constitutes our legal, valid and binding obligation enforceable against us in accordance with its terms and that we are permitted by the laws of the People's Republic of China to issue this Letter of Guarantee and especially to designate English law as arbitration law and London as place of jurisdiction. With regard to rules, regulations and requirements of foreign exchange by the State Administration of Foreign Exchange ("SAFE") of the People's Republic of China i.e. approval, registration or similar

directives, we undertake to file this Letter of Guarantee for record with the relevant branch of SAFE after our issuance of the Letter of Guarantee and confirm we have the necessary approval and authorization to transfer funds out of the People's Republic of China in United State Dollars. We hereby, furthermore, warrant that, without limitation to the foregoing, all foreign exchange consents required in connection herewith have been obtained and all regulation requirements have been or will be made to validate this Letter of Guarantee. We further warrant that we have fulfilled all the necessary formalities according to the laws and regulations of the People's Republic of China for the legality, validity and enforcement of this Letter of Guarantee.

This Letter of Guarantee is governed by the laws of England.

For the Seller's bank

**SHIPBUILDING CONTRACT**  
**FOR**  
**CONSTRUCTION OF ONE (1) 210,000 DWT BULK CARRIER**  
**(HULL NO. BC210K-92)**

**BETWEEN**  
**FORTUNE PROSPERITY SHIPPING LIMITED**  
**as BUYER**  
**AND**  
**CSSC QINGDAO BEIHAI SHIPBUILDING CO., LTD.**  
**and**  
**CHINA SHIPBUILDING TRADING CO., LTD.**  
**Collectively as SELLER**

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## SHIPBUILDING CONTRACT

FOR

### CONSTRUCTION OF ONE (1) 210,000 DEADWEIGHT BULK CARRIER

(Hull No. BC210K-92)

This CONTRACT, entered into this 16 day of July, 2025 (hereinafter called the "Contract") by and between FORTUNE PROSPERITY SHIPPING LIMITED, a company organized and existing under the laws of Hong Kong, having its registered office at 31/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong (hereinafter called the "BUYER") on one part; and CSSC QINGDAO BEIHAI SHIPBUILDING CO., LTD., a corporation organized and existing under the laws of the People's Republic of China, having its registered office at No. 369 Lijiang East Road, Qingdao Economic and Technical Development Zone 266520, the People's Republic of China (hereinafter called the "BUILDER"), and CHINA SHIPBUILDING TRADING CO., LTD., a corporation organised and existing under the Laws of the People's Republic of China, having its registered office at 56(Yi) Zhongguancun Nan Da Jie, Beijing 100044, the People's Republic of China (hereinafter called "CSTC"), and each one of them jointly and severally (hereinafter collectively called the "SELLER"), on the other part

### WITNESSETH

In consideration of the mutual covenants contained herein, the SELLER agrees to design, build, launch, equip and complete at the BUILDER's Shipyard and to sell and deliver to the BUYER after completion and successful trial One (1) 210,000 DWT Bulk Carrier as more fully described in Article I hereof, to be registered under the flag of HONG KONG and the BUYER agrees to purchase and take delivery of the aforesaid VESSEL from the SELLER and to pay for the same in accordance with the terms and conditions hereinafter set forth.

CSTC and BUILDER shall be jointly and severally liable for SELLER's duties, responsibilities and liabilities stipulated in this Contract.



## ARTICLE I - DESCRIPTION AND CLASS

### 1. DESCRIPTION

The VESSEL is a steel-hulled, single screw, diesel engine driven, 210,400 metric tons deadweight bulk carrier, at Scantling Draft moulded of [REDACTED] meters in sea water of specific gravity of [REDACTED] t/m<sup>3</sup> (hereinafter called the "VESSEL") of the class described below. The VESSEL shall have the BUILDER's Hull No. BC210K-92 and shall be constructed, equipped and completed in accordance with the following "Specifications":

- (1) Specification (Drawing No. DC [REDACTED]);
- (2) General Arrangement (Drawing No. DC [REDACTED]);
- (3) Midship Section (Drawing No. [REDACTED]);
- (4) Makers List (File No. DC [REDACTED]);

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

The Specifications and the CONTRACT are intended to explain and complement each other. Should there be any inconsistencies or contradictions between the CONTRACT and the Specifications, this CONTRACT shall prevail.

### 2. CLASS AND RULES

The VESSEL, including its hull, machinery, equipment and outfitings, shall be constructed and inspected in accordance with the rules and regulations issued and having become effective and compulsorily applicable to the VESSEL up to and on the date of signing this CONTRACT of China Classification Society (CCS) (hereinafter called the "Classification Society") and shall be distinguished in register by symbol of:

[REDACTED]

[REDACTED]

and shall also comply with the rules, regulations and requirement of the Authorities as fully described in the Specifications, which are in force as of the date of signing this CONTRACT

together with all mandatory rules and regulations, which have already been adopted, ratified issued and having become effective and compulsorily applicable to the VESSEL up to and on the date of signing this CONTRACT.

The SELLER shall arrange with the Classification Society to assign a representative or representatives (hereinafter called the "Classification Surveyor") to the BUILDER's Shipyard for supervision of the construction of the VESSEL.

All fees and charges incidental to Classification and to comply with the rules, regulations and requirements of this CONTRACT as described in the Specifications issued and having become effective and compulsorily applicable to the VESSEL up to and on the date of signing this CONTRACT, if any, payable on account of the construction of the VESSEL shall be for the account of the SELLER, except as otherwise provided and agreed herein. The key plans, materials and workmanship entering into the construction of the VESSEL shall at all times be subject to inspections and tests in accordance with the rules and regulations of the Classification Society.

Decisions of the Classification Society (or its head office if required by its procedure) as to compliance or noncompliance with Classification rules and regulations shall be final and binding upon the parties hereto, save for manifest error or fraud. The SELLER and the BUYER herewith agree that the BUYER has the right to contact the Classification Society at any time to consult in writing for any technical item which is related to the classification of the VESSEL. If reasonably required by the BUYER in relation to specific technical items, the SELLER shall copy the BUYER in on correspondence exchanged between the SELLER and the Classification Society. No omission of the Classification Society and/or Classification Surveyor shall, in any way, diminish or impair the obligations and liabilities of the SELLER under the terms of this Contract.

### 3. PRINCIPAL PARTICULARS AND DIMENSIONS OF THE VESSEL

#### (a) Hull:

Length overall	abt. [REDACTED] m
Length between perpendiculars	[REDACTED] m
Breadth moulded	[REDACTED] m
Depth moulded	[REDACTED] m
Scantling Draft moulded	[REDACTED] m

#### (b) Propelling Machinery:

The VESSEL shall be equipped, in accordance with the Specifications, with [REDACTED] set of [REDACTED] with [REDACTED] Main Engine.

#### 4. GUARANTEED SPEED

The guaranteed speed of the VESSEL at the Scantling draft of [REDACTED] m on even keel shall be [REDACTED] knots with the main engine running at PCSR (for propulsion only) with 15% sea margin. The above speed shall be based on the VESSEL with clean hull in deep and calm water (no wind, no wave) and without currents.

The speed performance of the VESSEL at the Scantling draft shall be based on the model test result by applying the same correlation between the actual speed result from the sea trial at ballast draft condition with ISO 15016-2015 and the model test result at ballast draft.

#### 5. GUARANTEED FUEL CONSUMPTION

The guaranteed fuel oil consumption of the Main Engine shall be approx [REDACTED] [REDACTED] at a test result measured at manufacturer's shop trial, with burning of marine diesel oil having the lower calorific value of 42,700 kJ/kg, at CSR of the main engine under the ISO standard reference condition.

The actual fuel oil consumption at manufacturer's shop test shall be allowed to have the tolerance margin of [REDACTED]

#### 6. GUARANTEED DEADWEIGHT

The SELLER guarantees that the VESSEL is to have a deadweight of not less than [REDACTED] metric tons at the Scantling Draft moulded of [REDACTED] meters in sea water of 1.025 T/M3 specific gravity.

The term, "Deadweight", as used in this CONTRACT, shall be as defined in the Specifications.

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) or the party authorized by the BUYER, and the Classification Surveyor.

Should there be any dispute between the SELLER and the BUYER in such calculations and/or measurements, the decision of the Classification Society shall be final.

#### 7. SUBCONTRACTING

The SELLER may, at its sole discretion and responsibility, subcontract any portion of the construction work of the VESSEL to experienced subcontractors, but delivery and final assembly into the VESSEL of any such work subcontracted shall be at the BUILDER's Shipyard. The SELLER shall remain fully responsible for such subcontracted work. The detailed portion to be subcontracted shall be notified to the BUYER and the Supervisor the procedure of construction in the subcontractor shall be submitted to the BUYER, a reasonable time before the start of the sub-contracted works and the BUYER shall be entitled to equivalent rights of access and inspection rights in relation to the sub-contracted work as it would have enjoyed if the work had been undertaken by the SELLER at the Shipyard.

#### 8. FLAG AND REGISTRATION

The VESSEL shall be built to fly the flag of HONG KONG and shall be registered by the BUYER at its own cost and expenses under the laws of HONG KONG at the time of delivery and acceptance thereof.

## ARTICLE II - CONTRACT PRICE & TERMS OF PAYMENT

### 1. CONTRACT PRICE

The purchase price of the VESSEL is Chinese Yuan Five Hundred Twenty Eight Million only (CNY528,000,000.00), net receivable by the SELLER (hereinafter called the "Contract Price"), which is exclusive of the cost for the BUYER's Supplies but includes the cost of storage and installation of the same as provided in Article V hereof and shall be subject to upward or downward adjustment, if any, as hereinafter set forth in this CONTRACT.

### 2. CURRENCY

Any and all payments by the BUYER to the SELLER under this CONTRACT shall be made in Chinese Yuan from outside of China's customs territory.

### 3. TERMS OF PAYMENT

The Contract Price including any adjustment thereof shall be paid by the BUYER to the SELLER in installments as follows:

#### (a) 1st Installment

The sum of Chinese Yuan [REDACTED] representing [REDACTED] of the Contract Price, shall become due and payable and be paid by the BUYER within [REDACTED] after effectiveness of the Contract and the BUYER's receipt of a demand for payment of this instalment.

#### (b) 2nd Installment

The sum of Chinese Yuan [REDACTED] representing [REDACTED] of the Contract Price, shall become due and payable and be paid within [REDACTED] after steel-cutting of the VESSEL evidenced by the steel-cutting certificate issued by the Classification Society.

The SELLER shall give a notice at least [REDACTED] prior the scheduled date of the steel-cutting of the VESSEL by facsimile or email to the BUYER stating that the said steel-cutting of the VESSEL will be carried out. The SELLER shall send to the BUYER a facsimile or email demand for payment of this installment accompanied by a copy of the steel-cutting certificate issued by the Classification Society and a copy of the

proforma invoice of this installment. The original of this invoice shall be couriered to the BUYER.

(c) 3rd Installment

The sum of Chinese Yuan [REDACTED] representing [REDACTED] of the Contract Price, shall become due and payable and be paid within [REDACTED] after the keel-laying of the VESSEL (i.e., first block laid in the dock) evidenced by the keel-laying certificate issued by the Classification Society.

The SELLER shall give a notice at least [REDACTED] prior the scheduled date of the first block of the VESSEL laid in the dock by facsimile or email to the BUYER stating that the said first block of the VESSEL laid in the dock will be carried out. The SELLER shall send to the BUYER a facsimile or email demand for payment of this installment accompanied by a copy of the keel-laying certificate issued by the Classification Society, and a copy of the proforma invoice of this installment. The original of this invoice shall be couriered to the BUYER.

(d) 4th Installment

The sum of Chinese Yuan [REDACTED] representing [REDACTED] of the Contract Price, shall become due and payable and be paid within [REDACTED] after launching of the VESSEL evidenced by the launching certificate issued by the Classification Society.

The SELLER shall give a notice at least [REDACTED] prior the scheduled date of the launching of the VESSEL by facsimile or email to the BUYER stating that the said launching of the VESSEL will be carried out. The SELLER shall send to the BUYER a facsimile or email demand for payment of this installment accompanied by a copy of the launching certificate issued by the Classification Society, and a copy of the proforma invoice of this installment. The original of this invoice shall be couriered to the BUYER.

(e) 5th Installment:

The sum of Chinese Yuan [REDACTED] representing [REDACTED] of the Contract Price, plus any increase or minus any decrease due to the modifications and/or adjustments of the Contract Price in accordance with provisions of the relevant Articles hereof, shall become due and payable and be paid by the BUYER to the SELLER concurrently with delivery of the VESSEL.

The SELLER shall send to the BUYER a facsimile or email notice demand for this installment at least five (5) banking days prior to the scheduled date of delivery of the VESSEL.

#### 4. METHOD OF PAYMENT

##### (a) 1st Installment

The BUYER shall remit the amount of this instalment in accordance with Article II, Paragraph 3(a) by telegraphic transfer to [REDACTED]  
[REDACTED]  
[REDACTED] as receiving bank  
nominated by the SELLER, for credit to the account of [REDACTED]  
[REDACTED] or through other  
receiving bank to be nominated by the SELLER from time to time and such nomination  
shall be notified to the BUYER at least Seven (7) Business Days prior to the due date for  
payment.

##### (b) 2nd Installment

The BUYER shall remit the amount of this instalment in accordance with Article II, Paragraph 3(b) by telegraphic transfer to [REDACTED]  
[REDACTED]  
[REDACTED] as receiving bank  
nominated by the SELLER, for credit to the account of [REDACTED]  
[REDACTED] or through other  
receiving bank to be nominated by the SELLER from time to time and such nomination  
shall be notified to the BUYER at least Seven (7) Business Days prior to the due date for  
payment.

##### (c) 3rd Installment

The BUYER shall remit the amount of this instalment in accordance with Article II, Paragraph 3(c) by telegraphic transfer to [REDACTED]  
[REDACTED]  
[REDACTED] as receiving bank  
nominated by the SELLER, for credit to the account of [REDACTED]  
[REDACTED] or through other  
receiving bank to be nominated by the SELLER from time to time and such nomination  
shall be notified to the BUYER at least Seven (7) Business Days prior to the due date for  
payment.

(d) 4th Installment

The BUYER shall remit the amount of this instalment in accordance with Article II, Paragraph 3(d) by telegraphic transfer to [REDACTED]  
[REDACTED]  
[REDACTED] as receiving bank nominated by the SELLER, for credit to the account of [REDACTED]  
[REDACTED] or through other receiving bank to be nominated by the SELLER from time to time and such nomination shall be notified to the BUYER at least Seven (7) Business Days prior to the due date for payment.

(e) 5th Installment (payable upon delivery of the VESSEL)

The BUYER shall, at least one (1) Banking Days prior to the scheduled delivery date of the Vessel, make an irrevocable cash deposit in the name of the BUYER with [REDACTED]  
[REDACTED]  
[REDACTED], for a period of fifteen (15) days and covering the amount of this instalment, plus any increase or minus any decrease due to modifications and/or adjustments of the Contract Price, with an irrevocable instruction that the said amount shall be released to the SELLER against presentation by the SELLER to the said [REDACTED]  
[REDACTED]  
[REDACTED], of a copy of the Protocol of Delivery and Acceptance signed by the BUYER's authorized representative and the SELLER. 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 (if any) upon the expiry date or extend the deposit period upon the expiry date. However when the newly scheduled delivery date is notified to the BUYER by the SELLER, the BUYER shall make the same cash deposit in accordance with the same terms and conditions as set out above.

The SELLER shall give a facsimile or email confirmation to the BUYER within Five (5) days after the receipt of each installment.

5. PREPAYMENT



The BUYER shall have the right to make prepayment of any and all installments before delivery of the VESSEL, by giving to the SELLER at least Thirty (30) days prior written notice, without any price adjustment of the VESSEL for such prepayment.

#### 6. SUBSIDY

In case the SELLER receives shipbuilding subsidies specifically for the VESSEL from the government, the SELLER shall share such subsidies with the BUYER pursuant to an agreement to be mutually agreed between the BUYER and the SELLER.

#### 7. REFUNDS

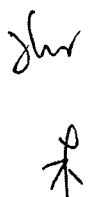
All payments made by the BUYER prior to delivery of the VESSEL shall be in the nature of advance to the SELLER, and in the event this CONTRACT is rescinded or cancelled by the BUYER, all in accordance with the specific terms of this CONTRACT permitting such rescission or cancellation, the SELLER shall refund to the BUYER in Chinese Yuan the full amount of all sums already paid by the BUYER to and received by the SELLER under this CONTRACT, together with interest (at the rate set out in respective provision thereof) from the respective payment date(s) to the date of remittance by telegraphic transfer of such refund to the account specified by the BUYER.

Should the BUYER has financing needs after this CONTRACT becomes effective and so request, the Buyer should notice the Seller at least forty five (45) days in advance of the Vessel's construction milestone provided by the BUILDER, the SELLER shall, within forty five (45) days after receiving the BUYER's request, procure and deliver to the BUYER a Refund Guarantee for the 1st, 2nd, 3rd and 4th instalments to be issued by a first-class international bank (the "Refund Guarantor") in the People's Republic of China acceptable to the BUYER, in the form as per Exhibit "A" annexed hereto. Notwithstanding any provision of this Contract, in the event that the SELLER fails to provide the Refund Guarantee as above, the BUYER's obligation to pay any subsequent Instalment(s) prior to the delivery of the VESSEL shall be conditional upon its receipt of the Refund Guarantee in accordance with the terms above in addition to the other conditions set forth in the above Clause 3 of this Article.

However, in the event of any dispute between the SELLER and the BUYER with regard to the SELLER's obligation to repay the installment or installments paid by the BUYER and to the BUYER's right to demand payment from the Refund Guarantor, under its guarantee, and such dispute is submitted either by the SELLER or by the BUYER for arbitration in accordance with Article XIII hereof, the Refund Guarantor shall withhold and defer payment until the arbitration award between the SELLER and the BUYER is published. The Refund Guarantor shall not be obligated to make any payment unless the arbitration award orders the SELLER to make

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repayment. If the SELLER fails to honour the award, then the Refund Guarantor shall refund to the extent the arbitration award orders.



### ARTICLE III - ADJUSTMENT OF THE CONTRACT PRICE

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

#### 1. DELIVERY

- (a) No adjustment shall be made and the Contract Price shall remain unchanged for the first [REDACTED] days of delay in delivery of the VESSEL beyond the Delivery Date as defined in Article VII hereof ending as of twelve o'clock midnight of the [REDACTED] day of delay.
- (b) If the delivery of the VESSEL is delayed more than [REDACTED] days after the date as defined in Article VII hereof, then, in such event, beginning at twelve o'clock midnight of the [REDACTED] day after the date on which delivery is required under this CONTRACT, the Contract Price of the VESSEL shall be reduced by deducting there from for each full day of delay as follows:

From the [REDACTED] day up to and including the [REDACTED] day of delay beyond the Delivery Date Chinese Yuan [REDACTED] per day.

Unless the parties hereto agree otherwise, the total reduction in the Contract Price shall be deducted from the Fifth installment of the 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 [REDACTED] days delay of delivery as described in Clause 1(c) of this Article or after the expiration of [REDACTED] days delay of delivery as described in Clause 3 of this Article VIII) shall not be more than [REDACTED] days at the above specified rate of reduction after the [REDACTED] days allowance, that is Chinese Yuan Nineteen Million, Nine Hundred and Eighty Thousand only (CNY 19,980,000.-) being the maximum.

- (c) If the delay in the delivery of the VESSEL continues for a period of [REDACTED] days after the Delivery Date as defined in Article VII or [REDACTED] days as described in Clause 3 of Article VIII, 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. The SELLER may at any time after the expiration of the aforementioned [REDACTED] days or [REDACTED] days as the case may be, if the BUYER has not served notice of cancellation pursuant to Article X, notify the BUYER of the date upon which the

SELLER 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 SELLER of its decision to cancel this CONTRACT, or consent to take delivery of the VESSEL at an agreed future date, it being understood and agreed by the parties hereto that, if the VESSEL is not delivered by such future date, the BUYER shall have the right to cancel this CONTRACT in accordance with the provisions of Article X of this CONTRACT.

- (d) For the purpose of this Article, the delivery of the VESSEL shall not be deemed delayed and the Contract Price shall not be reduced when and if the Delivery Date of the VESSEL is extended by reason of causes and provisions of Articles V, VI, XI, XII and XIII hereof. The 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 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 below or equal to [REDACTED] knot below the guaranteed speed as specified in Clause 4 of Article I of this CONTRACT.
- (b) However, commencing with a deficiency of more than [REDACTED] knot in actual speed (as determined by the Trial Run after correction according to the Specifications) below the guaranteed speed as specified in Clause 4, Article I of this CONTRACT, the Contract Price shall be reduced as follows:

In case of deficiency of less than or equal to [REDACTED] knot	CNY [REDACTED]
more than [REDACTED] but below or equal to [REDACTED] knot	CNY [REDACTED] - (Total)
more than [REDACTED] but below or equal to [REDACTED] knot	CNY [REDACTED] - (Total)
more than [REDACTED] but below or equal to [REDACTED] knot	CNY [REDACTED] - (Total)
more than [REDACTED] but below or equal to [REDACTED] knot	CNY [REDACTED] - (Total)
more than [REDACTED] but below or equal to [REDACTED] knot	CNY [REDACTED] - (Total)
more than [REDACTED] but below or equal to [REDACTED] knot	CNY [REDACTED] (Total)
more than [REDACTED] but below or equal to [REDACTED] knot	CNY [REDACTED] - (Total)

- (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 [REDACTED] knot below the guaranteed speed of [REDACTED] knots, 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 Contract Price as above provided, by Chinese Yuan [REDACTED] [REDACTED] being the maximum.

### 3. EXCESSIVE FUEL CONSUMPTION

- (a) The 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 (i.e., 158.70 g/kW-hr) if such actual excess is equal to or less than [REDACTED]
- (b) However, if the actual fuel consumption as determined by shop trial is greater than [REDACTED] above the guaranteed fuel consumption (i.e., 158.70 g/kW-hr) then, the Contract Price shall be reduced by the sum of Chinese Yuan [REDACTED] for each full One percent (1%) increase in fuel consumption in excess of the above said [REDACTED] (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 [REDACTED] in excess of the guaranteed fuel consumption (i.e., 158.70 g/kW-hr), the BUYER may, at its option, rescind this CONTRACT, in accordance with the provisions of Article X of this CONTRACT or may accept the VESSEL at a reduction in the Contract Price by Chinese Yuan [REDACTED] being the maximum.

### 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 Contract Price shall not be decreased if such deficiency is [REDACTED] metric tons or less below the guaranteed deadweight of [REDACTED] metric tons at Scantling Moulded Draft.
- (b) However, the Contract Price shall be decreased by the sum of Chinese Yuan [REDACTED] for each full metric ton of such deficiency being more than [REDACTED] metric tons.
- (c) In the event that there should be a deficiency in the VESSEL's actual deadweight which exceeds [REDACTED] metric tons below the guaranteed deadweight, 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 Contract Price in the maximum amount of Chinese Yuan [REDACTED]

## 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 any provision under this Article, the BUYER, save its rights and remedy set out in Article X hereof, shall not be entitled to any liquidated damage or compensation whether described above or otherwise.



## 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 Shipyard, at the BUYER's own cost and expense, one or more 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 by the BUILDER of the VESSEL, including its hull, machinery, engines, equipment, outfitting and accessories.

The BUYER undertakes and assures that his appointed Supervisors shall not, whilst carrying out their inspection as specified in this CONTRACT, unreasonably obstruct the normal construction schedule of the VESSEL.

The Supervisors shall observe the work's rules prevailing at the BUILDER's and the subcontractors' premises.

### 2. COMMENTS TO PLANS AND DRAWINGS AND OTHER MATTERS

The parties hereto shall, within Thirty (30) days after signing of this Contract, mutually agree a list of all the plans and drawings, which are to be sent to the BUYER for approval, together with a reference schedule for their submission (hereinbelow called the "LIST") by the BUILDER. Before arrival of the Supervisor at the BUILDER's Shipyard, the electronic version of the plans and drawings specified in the LIST, and/or one hard copy if necessary shall be sent to the BUYER, and the BUYER shall, within Fourteen (14) days after receipt the electronic version thereof, return such plans and drawings submitted by the SELLER with approval or comments, if any.

Concurrently with the arrival of the Supervisor at the BUILDER's Shipyard, the BUYER shall notify the BUILDER in writing, stating the authority which the said Supervisor shall have, with regard to the Supervisor can, on behalf of the BUYER, to approve or give comments, as the case may be, which of the plans and drawings specified in the LIST but not yet been sent to the BUYER, nevertheless in line with the Supervisor's authority. The Supervisor shall, within Seven (7) working days after receipt thereof, return those plans and drawings with comments, if any.

Unless notification is given to the BUILDER by the Supervisor or the BUYER of the comments to any plans and drawings within the above designated period of time for each case, the said plans and drawings shall be deemed to have been automatically approved and shall be implemented for construction by the BUILDER.

The BUYER's comments of the plans and drawings should be considered as accepted by the SELLER if the BUYER does not receive the BUILDER's reply for these plans and drawings within Twenty-one (21) days after receipt thereof.

In the event of any discrepancy between BUYER, SELLER and Classification Society or relevant Authorities in respect of the compliance of the plans and drawings with the rules or requirements of the Classification Society or relevant regulatory authorities, the Classification Society's or Authorities' approval shall have the preference and be adopted.

Subject always to their compliance with the rules and regulations of Class and the Authorities, the plans and drawings approved by the BUYER shall be final, and any alteration thereof (save for correction of errors or defects) shall be regarded as modification specified in Article V of this CONTRACT.

The BUYER undertakes to maintain sufficient number of the supervisors at the BUILDER's Shipyard throughout the period of construction of the VESSEL so as to meet the BUILDER's requirements for inspection, survey and attending tests and/or trials.

The BUILDER shall cooperate with the BUYER to apply COSCO Shipping Group's ship supervision and management system, provide network and project-related data support required by the system. In any case the data provided by the BUILDER shall in no event exceeding the content contained in: i) the LIST as defined in Clause II of this Article IV; ii) the Inspection and Test List as defined in Clause III of this Article IV; and iii) the others as mutually agreed by the parties within Sixty (60) after signing of this Contract.

The SELLER's design and construction of the VESSEL shall meet the provisions of the Contract and Specifications.

### 3. SUPERVISION AND INSPECTION BY THE SUPERVISOR

The necessary tests and inspections of the VESSEL, its machinery, equipment and outfitting shall be carried out by the Classification Society and inspection team of the BUILDER through the entire period of construction in order to ensure that the construction of the VESSEL is duly performed in accordance with the CONTRACT and Specifications.

The Supervisor shall have, at all times until delivery of the VESSEL, the right to attend tests according to the mutually agreed test list (hereinbelow called the "Inspection and Test List") and inspect the VESSEL, her engines, accessories and materials at the BUILDER's Shipyard, its subcontractors or any other place where work is done or materials stored in connection with the VESSEL. 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 promptly upon discovery give the BUILDER a notice in writing as to such nonconformity, upon receipt of which the BUILDER shall correct such nonconformity if the BUILDER agrees with the BUYER. In any circumstances, the BUILDER shall be entitled to proceed with the construction of the VESSEL even if there exists discrepancy in the opinion between the BUYER and the BUILDER, without however prejudice to the BUYER's right for submitting the issue for determination by the Classification Society or arbitration in accordance with the provisions hereof. However the BUYER undertakes and assures the BUILDER that the Supervisor shall carry out his inspections in accordance with the agreed inspection procedure and schedule and usual shipbuilding practice and in a way as to minimize any increase in building costs and delays in the construction of the VESSEL. Once a test has been witnessed and approved by the Supervisor, the same test should not have to be repeated, provided it has been carried out in compliance with the requirements of the Classification Society and Specifications.

The decision, approval or advice of the Supervisor shall be deemed to have been given by the BUYER and once given shall not be withdrawn, revoked or modified unless any nonconformity items as to the Specification is found. The BUILDER shall give a notice to the Supervisor reasonably in advance of the date and place of such tests and inspections according to the BUILDER's normal practice. Failure of the Supervisor to be present at such tests and inspections after due notice to him as above provided shall be deemed to be a waiver of his right to be present. In such case, the Supervisor shall be obligated to accept the results of such test, on the basis of the BUILDER's report(s) that the said results have conformed to the requirements of this CONTRACT and the Specifications, provided that such test and inspection shall be carried out with the attendance and/or approval of the Classification Surveyor as far as required by the Classification Society, and the BUILDER shall be entitled to proceed with the construction of the VESSEL without further awaiting the particular inspection in question.

However, if the Supervisor without justified reason fails to submit to the BUILDER without delay any such demand concerning alterations with respect to the building, arrangement or outfit of the VESSEL, her engines or accessories, or any other items or matters in connection herewith, which the Supervisor have examined or inspected or attended at the tests thereof under this CONTRACT or the Specifications, the Supervisor shall be deemed to have approved the same and shall be precluded from making any demand for alterations or other complaints with respect thereto at a later date

The SELLER agrees to furnish free of charge the Supervisor with office space, and other reasonable facilities according to the BUILDER's practice at, or in the immediate vicinity of the Shipyard. But the fees for the communication like telephone, facsimile, internet and etc. shall be borne by the BUYER. At all times, during the construction of the VESSEL until delivery thereof, the Supervisor shall be given free and ready 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 SELLER, and the premises of subcontractors of the SELLER, who are doing work, or storing materials in connection with the VESSEL's construction. The travel expenses for the said access to SELLER's subcontractors outside of Qingdao shall be at the BUYER's account. The transportation within Qingdao shall be provided to the Supervisor by the SELLER.

The Supervisor shall observe the SELLER's safety rules and regulations during their stay in SELLER's working areas.

#### 4. LIABILITY OF THE SELLER

The Supervisor engaged by the BUYER under this CONTRACT shall at all times be deemed to be in the employment of the BUYER. The SELLER shall be under no liability whatsoever to the BUYER, or to the Supervisor or the BUYER's employees or agents for personal injuries, including death, during the time when they, or any of them, are on the VESSEL, or within the premises of either the SELLER or its subcontractors, or are otherwise engaged in and about the construction of the VESSEL, unless, however, such personal injuries, including death, were caused by gross negligence or willful misconduct of the SELLER, or of any of the SELLER's employees or agents or subcontractors of the SELLER.

Nor shall the SELLER be under any liability whatsoever to the BUYER for damage to, or loss or destruction of property in China of the BUYER or of the Supervisor, or of the BUYER's employees or agents, unless such damage, loss or destruction was caused by gross negligence or willful misconduct of the SELLER, or of any of the employees, or agents or subcontractors of the SELLER.

#### 5. SALARIES AND EXPENSES

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

#### 6. REPLACEMENT OF SUPERVISOR

The SELLER has the right to request the BUYER in writing to replace any of the 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 by sending its representative to the BUILDER's Shipyard, if necessary, and if the BUYER considers that such SELLER's request is justified, the BUYER shall effect the replacement as soon as conveniently arrangeable.

## ARTICLE V - MODIFICATION, CHANGES AND EXTRAS

### 1. HOW EFFECTED

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 judgment, adversely affect the BUILDER's other commitments and provided further that the BUYER shall assent to adjustment of the Contract Price, time of delivery of the VESSEL and other terms of this CONTRACT, if any, as hereinafter provided. Subject to the above, the SELLER hereby agree to exert their best 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 the shortest 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 Contract Price of the VESSEL together with an agreement as to any extension or reduction in the time of delivery, or any other alterations in this CONTRACT, or the Specifications 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 authenticated letters, or facsimile, or email, manifesting such agreement. The letters, facsimiles and email 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, facsimiles and email 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 SELLER 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 due to whatever reasons, the parties hereto shall fail to agree on the adjustment of the Contract Price or extension of time of delivery or modification of any terms of this CONTRACT which are necessitated by such modifications and/or changes, then the SELLER 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, 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, are altered or changed by the Classification Society or the other regulatory bodies authorized to make such alterations or changes, the SELLER and/or the BUYER, upon receipt of the notice thereof, shall transmit such information in full to each other in writing, whereupon within Twenty One (21) days after receipt of the said notice by the BUYER from the SELLER or vice versa, the BUYER shall instruct the SELLER 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 SELLER 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 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 that is necessary due to such compliance; and/or
- (c) as to any increase or decrease in the guaranteed fuel consumption and/or deadweight and/or speed of the VESSEL, if such compliance results in increased or reduced fuel consumption, deadweight and/or speed; 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 Clause shall be made in the same manner as provided above for modifications and/or changes of the Specifications and/or Plans.

- (2) If, due to whatever reasons, the parties shall fail to agree on the adjustment of the Contract Price or extension of the time for delivery or increase or decrease of the guaranteed fuel consumption and/or speed and/or deadweight or any alternation of the terms of this CONTRACT, if any, then the SELLER shall be entitled to 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.

If the alterations or changes are compulsorily required to be made by Classification Society or IMO or Flag authority's rules, then, notwithstanding any dispute between the parties relating to the adjustment of the Contract Price or extension of the time for delivery or decrease of the guaranteed fuel consumption and/or speed and/or deadweight or any other respect, the SELLER shall promptly comply with such alterations or changes. The BUYER shall, in any event, bear the costs and expenses for such alterations or changes (with, in the absence of mutual agreement, the amount thereof and/or any other discrepancy such as but not limited to the extension of Delivery Date, etc. to be determined by arbitration in accordance with Article XIII of this CONTRACT).

### 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 SELLER may, provided the SELLER shall provide adequate evidence reasonably accepted by the BUYER and the BUYER so agrees in writing, supply other materials and/or equipment of the equivalent quality, capable of meeting the requirements of the Classification Society and of the rules, regulations, requirements and recommendations with which the construction of the VESSEL must comply.

#### 4. BUYER'S SUPPLIED ITEMS

The BUYER shall at its own risk, cost and expense, supply and deliver, or cause to supply and deliver, to the BUILDER at warehouse or other storage of the items as specified in the Specifications which shall be supplied on BUYER's account, by the time designated by the SELLER (hereinafter called "BUYER's Supplies"). The SELLER shall provide to the BUYER with copy to the Supervisor a schedule identifying the deadlines for delivery of the Buyer Supplies within reasonable period after signing of this Contract, which schedule may be revised and/or updated by the SELLER from time to time on reasonable advance notice to the BUYER to meet the building schedule of the Vessel. The SELLER shall provide reasonable assistance to the BUYER in connection with the import of the Buyer Supplies at the Buyer's own risk, cost and expense(if any).

In order to facilitate installation by the BUILDER of the BUYER's Supplies in or on the VESSEL, the BUYER shall furnish the BUILDER with necessary specifications, plans, drawings, instruction books, manuals, test reports and certificates required by the rules and regulations. The BUYER, if so reasonably requested by the BUILDER, shall, without any charge to the BUILDER, cause the representatives of the manufacturers of the BUYER's Supplies to assist the BUILDER in installation thereof in or on the VESSEL and/or to carry out installation thereof by themselves or to make necessary adjustments thereof at the BUILDER's Shipyard.

Any and all of the BUYER's Supplies shall be subject to the BUILDER's reasonable right of rejection, as and if they are found to be unsuitable or in improper condition for installation. However, if so requested by the BUYER, the BUILDER shall repair or adjust the BUYER's Supplies without prejudice to the BUILDER's other rights hereunder and without being responsible for any consequences therefrom. In such case, the BUYER shall reimburse the BUILDER for all costs and expenses incurred by the BUILDER in such repair or adjustment and the Delivery Date shall be postponed for a period of time necessary for such repair or replacement, if the BUILDER requests.

Should the BUYER fail to deliver to the SELLER such items within the time specified, the delivery of the VESSEL shall automatically be extended for a period of such delay, provided such delay in delivery of the BUYER's Supplies shall affect the delivery of the VESSEL.

Furthermore, if the delay in delivery of the BUYER's Supplies should exceed Five (5) banking days, the SELLER shall be entitled to proceed with construction of the VESSEL without installation of such items in or onto the VESSEL, without prejudice to the SELLER's right hereinabove provided, and the BUYER shall accept the VESSEL so completed.

Notwithstanding any other provision in this Contract, the SELLER shall be responsible for storing and handling of the BUYER's supplies as specified in the Specifications after delivery to the BUILDER and shall install them on board the VESSEL at the SELLER's expenses.

Upon arrival of such shipment of the BUYER's Supplies, both parties shall undertake a joint unpacking inspection. If any damages are found to be not suitable for installation, the SELLER shall be entitled to refuse to accept the BUYER's Supplies.

The SELLER shall not be responsible for the quality, performance or efficiency of any equipment supplied by the BUYER and is under no obligation with respect to the guarantee of such equipment against any defects caused by poor quality, performance or efficiency thereof provided that the BUILDER or its subcontractor install such BUYER's Supplies in accordance with the instruction of the BUYER and/or the supplier thereof.

## ARTICLE VI - TRIALS

### 1. NOTICE

The BUYER shall receive from the SELLER at least thirty (30) days prior notice and seven (7) days definite notice by fax or email in writing of the time and place of the trial run of the VESSEL (hereinafter referred to as the "Trial Run") and the BUYER shall promptly acknowledge receipt of such notice. The BUYER's representatives and/or Supervisor shall be on board the VESSEL to witness such Trial Run. Failure of the BUYER's representatives to be present at the Trial Run of the VESSEL, after due notice to the BUYER as provided above, shall have the effect to extend the date for delivery of the VESSEL by the period of the 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 and the Classification Surveyor may conduct the Trial Run without the BUYER's representatives and/or Supervisor being present, and in such case the BUYER shall be obliged to accept the VESSEL on the basis of a certificate with an approval from the Classification Society certifying that the VESSEL, after trial run subject to minor alterations and corrections as provided in this Article, if any, is found to conform to this CONTRACT and the Specifications.

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 facsimile or email 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.

### 2. HOW CONDUCTED

- (a) All expenses in connection with Trial Run of the VESSEL are to be for the account of the SELLER, 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 be conducted in the manner prescribed in the

Specifications and shall prove fulfillment of the performance required for the Trial Run as set forth in the Specifications.

The course of Trial Run shall be determined by the BUILDER and shall be conducted within the trial basin equipped with speed measuring facilities.

- (b) The BUILDER shall provide the VESSEL with the required quantities of water and fuel oil sufficient for use during trial run only, lubrication oil, greases and hydraulic oil shall be supplied by the BUYER for the conduct of the Trial Run or Trial Runs as prescribed in the Specifications. The fuel oil supplied by the SELLER, and lubricating oil, greases and hydraulic oil supplied by the BUYER 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 SELLER.

### 3. TRIAL LOAD DRAFT

In addition to the supplies provided by the BUYER in accordance with paragraph (b) of the preceding Clause 2 hereof, the SELLER 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 SELLER's account.

### 4. METHOD OF ACCEPTANCE OR REJECTION

- (a) Upon notification of the BUILDER of the completion of the Trial Run of the VESSEL, the BUYER or the BUYER's Supervisor shall within five (5) business days thereafter (provided that the BUYER receives from the SELLER full report of the results of the trials and tests conducted during the Trial Run within three(3) business days after the notice of completion of the Trial Run), notify the SELLER by facsimile or email of its acceptance of the VESSEL or of its rejection of the VESSEL together with the reasons therefore.
- (b) However, should the result of the Trial Run indicate that the VESSEL or any part thereof including its equipment does not conform to the requirements of this CONTRACT and Specifications, then the BUILDER shall investigate with the Supervisor the cause of failure and the proper steps shall be taken to remedy the same and shall make whatever corrections and alterations and 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 re-trial or re-trials the BUYER shall, within five (5) business days thereafter (provided that the BUYER receives from the SELLER full report of the results of the trials and tests conducted during the Trial Run within three (3) business days



after the notice of completion of the Trial Run), notify the SELLER by facsimile or email of its acceptance of its VESSEL or of the rejection of the VESSEL together with the reason therefore 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 SELLER by facsimile or email of its acceptance or rejection of the VESSEL together with the reason therefor within five (5) business days period as provided for in the above paragraphs (a) and (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 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 SELLER shall be obliged to comply with and/or remove such qualifications and/or remarks (if such qualifications and/or remarks are acceptable to the SELLER) at the time before effecting delivery of the VESSEL to the BUYER under this CONTRACT.

## 5. DISPOSITION OF SURPLUS CONSUMABLE STORES

Should any amount of fuel oil, fresh water, or other unbrokeed 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 SELLER at the actual purchased price at the port of delivery thereof, and payment by the BUYER shall be effected as provided in Article II 3 (e) and 4 (e) of this CONTRACT.

The BUYER shall supply lubricating oil, greases and hydraulic oil for the purpose of Trial Runs at its own expenses and the SELLER will reimburse for the amount of lubricating oil, greases and hydraulic oil actually consumed prior to delivery of the VESSEL at the actual purchased price incurred by the BUYER and payment by the SELLER shall be effected as provided in Article II 3(e) and 4(e) of this CONTRACT.

## 6. EFFECT OF ACCEPTANCE

The BUYER's acceptance of the VESSEL by written letter or facsimile or email, notification sent to the SELLER, in accordance with the provisions set out 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 SELLER of the VESSEL,

as hereinafter provided, if the SELLER complies with all other procedural requirements for delivery as hereinafter set forth.

If, at the time of delivery of the VESSEL, there are deficiencies in the VESSEL, such deficiencies should be resolved in such way that if the deficiencies are of minor importance, and do not in any way affect the safety or the operation of the VESSEL, its crew, passengers or cargo the SELLER shall be nevertheless entitled to tender the VESSEL for delivery and the BUYER shall be nevertheless obliged to take delivery of the VESSEL, provided that:

- (i) the SELLER shall for its own account remedy the deficiency and fulfill the requirements as soon as possible, or
- (ii) if elimination of such deficiencies will affect timely delivery of the VESSEL, then such deficiencies shall be deemed as defect guaranteed by the SELLER under Article IX and the SELLER shall indemnify the BUYER for any direct cost reimbursement in association with remedying these minor non-conformities elsewhere from China as a consequence thereof, excluding, however, loss of time and/or loss of profit and other consequential loss and/or damage.

## ARTICLE VII - DELIVERY

### 1. TIME AND PLACE

The BUYER and the Supervisor shall receive from the SELLER at least Fifteen (15) days' notice in advance and Seven (7) days definite notice in advance by facsimile or email, of the time and place of the VESSEL's delivery. The VESSEL shall be delivered safely afloat by the SELLER to the BUYER at the BUILDER's Shipyard, in accordance with the Specifications and with all Classification and Statutory Certificates and after completion of Trial Run and acceptance by the BUYER in accordance with the provisions of Article VI hereof on or before 31 March 2028, 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 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 pursuant to the terms of this CONTRACT is hereinafter called the "Delivery Date".

### 2. WHEN AND HOW EFFECTED

Provided that the BUYER and the SELLER 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 SELLER and acceptance thereof by the BUYER, which shall be prepared in triplicate and executed by each of the parties hereto.

### 3. DOCUMENTS TO BE DELIVERED TO THE BUYER

Upon acceptance of the VESSEL by the BUYER, the SELLER shall deliver to the BUYER the following documents (subject to the provision contained in Article VII 2 hereof) which shall accompany the aforementioned Protocol of Delivery and Acceptance:

- (a) PROTOCOL OF TRIALS of the VESSEL made by the SELLER pursuant to the Specifications.
- (b) PROTOCOL OF INVENTORY of the equipment of the VESSEL including spare part and the like, all as specified in the Specifications, made by the SELLER.

- (c) PROTOCOL OF STORES OF CONSUMABLE NATURE made by the SELLER referred to under Clause 5 of Article VI hereof.
- (d) FINISHED DRAWINGS, PLANS AND MANUALS pertaining to the VESSEL as stipulated in the Specifications, made by the SELLER.
- (e) PROTOCOL OF DEADWEIGHT AND INCLINING EXPERIMENT, made by the SELLER.
- (f) ALL CERTIFICATES required to be furnished upon delivery of the VESSEL pursuant to the Specifications.

Certificates shall be issued by relevant regulatory Authorities or Classification Society free of any conditions, remarks, qualifications or recommendations (save for those outstanding items caused by the BUYER). 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 other than the SELLER, then the provisional certificate or certificates as issued by the Classification Society or the third party other than the SELLER with the full term certificates to be furnished by the SELLER after delivery of the VESSEL and in any event before the expiry of the provisional certificates shall be acceptable to the BUYER.

- (g) DECLARATION OF WARRANTY issued by the SELLER 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 imposts, taxes or charges imposed by the province or country of the port of delivery, as well as of all liabilities of the SELLER to its sub-contractors, 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.
- (h) COMMERCIAL INVOICE made by the SELLER.
- (i) BILL OF SALE made by the SELLER to be notarized by a local Notary Public Office in the People's Republic of China or legalized or apostilled if required by the Flag State ship registry.
- (j) BUILDER's Certificate made by the BUILDER to be notarized by a local Notary Public Office in the People's Republic of China or legalized or apostilled if required by the Flag State ship registry.

- (k) The SELLER shall provide the BUYER with a POWER OF ATTORNEY of the SELLER authorizing the execution of the BUILDER'S CERTIFICATE and BILL OF SALE. This POWER OF ATTORNEY shall be duly notarized in a local Notary Public Office in the People's Republic of China or legalized or apostilled if required by the Flag State ship registry.
- (l) Any other documents reasonably required by the BUYER in connection with the registration of the VESSEL provided that (1) the SELLER is able to provide such documents, (2) the BUYER agrees to bear all the reasonable documented costs and expenses which shall be paid by the BUYER (or the BUYER reimburses the SELLER if the SELLER pays such costs and expenses) on delivery, and (3) the BUYER shall provide its best cooperation and sufficient advance notice.

#### 4. TITLE AND RISK

Title to and risk of the VESSEL shall pass to the BUYER only upon delivery thereof as evidenced by the Protocol of Delivery and Acceptance signed by the authorised representatives of both the SELLER and the BUYER and the 5<sup>th</sup> installment received by the Seller. As stated above, it being expressly understood that, until such delivery is effected, title to the VESSEL, and her equipment, shall remain at all times with the SELLER and are at the entire risk of the SELLER.

#### 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 Seven (7) 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 Seven (7) days, then, in such event, without prejudice to the SELLER's right to require the BUYER to remove the VESSEL immediately at any time thereafter, the BUYER shall pay to the SELLER the reasonable mooring charge of the VESSEL.

#### 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 without justified reason, the SELLER shall have the right to tender the VESSEL for delivery after compliance with all procedural requirements as above provided.

## ARTICLE VIII - DELAYS & EXTENSION OF TIME FOR DELIVERY

### 1. CAUSE OF DELAY

If, at any time before actual delivery, either the construction of the VESSEL, or any performance required hereunder as a prerequisite of delivery of the VESSEL, is delayed due to war, blockade, revolution, insurrection, mobilisation, civil commotions, riots, strikes, sabotage, lockouts, government's requisition main facility for priority (major) project, local temperature lower than -10 degree centigrade or higher than 37 degree centigrade in working time of the BUILDER, Acts of God or the public enemy, terrorism, plague or other epidemics, quarantines, prolonged failure or restriction of electric current from an outside source, freight embargoes, if any, earthquakes, tidal waves, typhoons, hurricanes, storms or other causes beyond the control of the BUILDER or of its sub-contractors or its equipment supplier, as the case may be, or by force majeure of any description, whether of the nature indicated by the forgoing or not, or by destruction of the BUILDER or BUILDER's works or its subcontractors or its equipment supplier, or of the VESSEL or any part thereof, by fire, flood, or other causes beyond the control of the BUILDER or its subcontractors or its equipment supplier as the case may be, or due to the bankruptcy of the equipment and/or material supplier or suppliers, or due to the delay caused by acts of God in the supply of parts essential to the construction of the VESSEL or shortage of materials or equipment essential to the construction of the VESSEL, then, in the event of delay due to the happening of any of the aforementioned contingencies, the SELLER shall not be liable for such delay 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 which shall not exceed the total accumulated time of all such delays, subject nevertheless to the BUYER's right of cancellation under Clause 3 of this Article and subject however to all relevant provisions of this CONTRACT which authorise and permit extension of the time of delivery of the VESSEL. In any such case, the BUILDER shall take immediate steps to overcome any delay by any means within their control.

### 2. NOTICE OF DELAY

Within Seven (7) days from the date of commencement of any delay on account of which the SELLER claims that it is entitled under this CONTRACT to an extension of the time for delivery of the VESSEL, the SELLER shall advise the BUYER by facsimile or email of the date such delay commenced, and the reasons therefore together with supporting evidence of the date such cause of delay occurred.

Likewise within Seven (7) days after such delay ends, the SELLER shall advise the BUYER in writing or by facsimile or email confirmed in writing, of the date such delay ended, and also shall specify the maximum period of the time by which the date for delivery of the VESSEL is

extended by reason of such delay. Failure of the BUYER to acknowledge the SELLER's notification of any claim for extension of the Delivery Date within Fifteen (15) 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.

### 3. RIGHT TO CANCEL FOR EXCESSIVE DELAY

If the total accumulated time of all delays on account of the causes specified in Clause 1 of this Article aggregate to [REDACTED] days or more, or if the total accumulated time of all delays on account of the causes specified in Clause 1 of this Article and non-permissible delays as described in Clause 1 of Article III aggregate to [REDACTED] days or more, in any circumstances, 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, under Article V, VI, XI and XII hereof, permit extension or postponement of the time for delivery of the VESSEL, then in such event, the BUYER may in accordance with the provisions set out herein cancel this CONTRACT by serving upon the SELLER facsimiled or email notice of cancellation and the provisions of Article X of this CONTRACT shall apply. The SELLER 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 SELLER 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 right to cancel this CONTRACT in accordance with the provisions of Article X of this CONTRACT.

### 4. DEFINITION OF PERMISSIBLE DELAY

Delays on account of such causes as provided for in Clause 1 of this Article excluding any other extensions of a nature which under the terms of this CONTRACT permit postponement or extension of the 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.

## ARTICLE IX - WARRANTY OF QUALITY

### 1. GUARANTEE OF MATERIAL AND WORKMANSHIP

The SELLER, for a period of [REDACTED] following delivery to the BUYER of the VESSEL, guarantees the VESSEL, her hull and machinery and all parts and equipment thereof that are manufactured or furnished or supplied by the SELLER and/or its sub-contractors under this CONTRACT including material, equipment (however excluding any parts for the VESSEL which have been supplied by or on behalf of the BUYER except for the defect due to the SELLER's storage and/or installation of the same) against all defects which are due to defective design, materials, and/or poor workmanship.

### 2. NOTICE OF DEFECTS

The BUYER shall notify the SELLER in writing, or by facsimile or email, as promptly as possible, after discovery of any defect or deviations for which a claim is made under this guarantee. The BUYER's written notice shall describe the nature of the defect and the extent of the damage caused thereby. The SELLER 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 SELLER not later than Fifteen (15) days after such expiry date; facsimiled or emailed advice with brief details explaining the nature of such defect and extent of damage within Fifteen (15) days after such expiry date and that a claim is forthcoming will be sufficient compliance with the requirements as to time.

### 3. REMEDY OF DEFECTS

- (a) The SELLER 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 or replacements.
- (b) However, if it is impractical to make the repair by the SELLER, and if forwarding by the SELLER of replacement parts, and materials can not be accomplished without impairing or delaying the operation or working of the VESSEL, then, in any such event, subject to SELLER's consent in writing, the BUYER shall cause the necessary repairs or replacements to be made elsewhere at the discretion of the BUYER provided that the BUYER shall first and in all events, will, as soon as possible, give the SELLER notice in writing, or by facsimile or email of the time and place such repairs will be made and, if the VESSEL is not thereby delayed, or her operation or working is not thereby delayed, or her operation or working is not thereby impaired, the SELLER shall have the right to verify by its own representative(s) or that of Classification Society the nature



and extent of the defects complained of.

The BUILDER shall, in such case, promptly advise the BUYER by facsimile or email after such examination has been completed, of its acceptance or rejection of defects as being covered by the guarantee hereby provided. Upon the SELLER's acceptance of the defects as justifying remedy under this Article, or upon the award of an arbitration so determining, the SELLER shall reimburse the BUYER the documented expenses incurred by the BUYER, at the end of the Warranty Period or at the time of award of an arbitration, as the case may be, but such a reimbursement shall not exceed the average costs for making such repairs or replacements including forwarding charges as quoted by a shipyard each in China, South Korean and Singapore.

- (c) If all the defects for which the SELLER is responsible under this Article are discovered, notified but not repaired before the expiration of the guarantee period, then these defects shall be agreed in writing between the SELLER and the BUYER hereto as being guaranteed items by the end of guarantee period and shall be repaired or replaced in the manner provided hereinabove in principle within Six (6) months after such expiration of the guarantee period. If the said defects are not repaired or replaced within the said Six (6) months period, then the SELLER and BUYER shall enter into a settlement agreement within Sixty (60) days following the end of the said Six (6) months period, to confirm the resolution of all outstanding guarantee claims, including but not limited to:
  - i) granting the SELLER additional time to complete the repair or replacement; or
  - ii) alternative remedies as mutually agreed upon by the parties hereto.
- (d) In any case, the VESSEL shall be taken at the BUYER's risk and expenses to the place chosen, ready in all respects for such repairs or replacements and the SELLER shall not be responsible for towage, dockage, wharfage, port charges and anything else incurred for the BUYER's getting and keeping the VESSEL ready for such repairs and replacements.
- (e) The SELLER shall have the option to retrieve any of the replaced equipment and parts in case the defects are remedied in accordance with the provisions of Article IX.
- (f) In the event that it is necessary for the SELLER to forward a replacement for a defective part under this guarantee, replacement parts shall be supplied to the BUYER by ocean freight on a freight prepaid basis to the port of place designated by the BUYER. In the event that the replacement parts are urgently required and that the BUYER therefore asks for airfreight of the replacement parts, the BUYER and the SELLER shall share the freight costs half-and-half.
- (g) Any dispute under this Article shall be referred to arbitration in accordance with the provisions of Article XIII hereof.

#### 4. EXTENT OF THE SELLER'S LIABILITY

The SELLER shall have no obligation and/or liabilities with respect to defects discovered after the expiration of the period of guarantee specified above.

The SELLER shall not be obligated to repair, and/or be liable for damages to the VESSEL, or to any part of the equipment thereof, due to ordinary wear and tear or caused by defects other than those specified in Clause 1 above, nor shall there be any SELLER's liability hereunder for defects in VESSEL, or any part of the equipment thereof, caused by fire or accidents or mismanagement, negligence or willful neglect on the part of the BUYER, its employees or agents including the VESSEL's officers, crew and passengers, or any person on or doing work on the VESSEL other than the SELLER, its employees, agents or subcontractors. Likewise, the SELLER 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 persons other than the SELLER and/or their subcontractors and/or their agents and/or their servants.

The SELLER shall not be responsible or liable for any consequential damages, loss of time, loss of profit or earning or demurrage occasioned to the BUYER by reason of the defects specified in Clause 1 hereof or due to repairs or other works done to the VESSEL to remedy such defects.

The SELLER shall not be responsible for remedying defects in any part of the VESSEL which may, subsequent to the delivery of the VESSEL, have been replaced or in any way repaired by any other contractor (excluding SELLER's subcontractors, agents or servants), or for remedying any defects which have been caused by acts, omissions or neglect on the part of the BUYER, its servants or agents or by ordinary wear and tear or by any other circumstances beyond the control of the SELLER.

Upon delivery of the VESSEL to the BUYER, in accordance with the terms of the CONTRACT, the SELLER 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 SELLER. The SELLER 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 SELLER hereunder are exclusive and in lieu of and the BUYER hereby waives all other remedies,

warranties, guarantees or liabilities, express or implied, arising by law or otherwise (including without limitation any obligations of the SELLER with respect to fitness, merchantability and consequential damages) or whether or not occasioned by the SELLER's negligence. This Guarantee shall not be extended, altered or varied except by a written instrument signed by the duly authorized representatives of the SELLER, and the BUYER.



## ARTICLE X - CANCELLATION, REJECTION AND RESCISSION BY THE BUYER

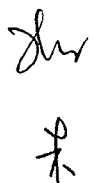
1. All payments made by the BUYER prior to the delivery of the VESSEL shall be in the nature of advance to the SELLER. In the event the BUYER shall exercise its right of cancellation and/or rescission of this CONTRACT under and pursuant to any of the provisions of this CONTRACT specifically permitting the BUYER to do so, then the BUYER shall notify the SELLER in writing or by facsimile or email, and such cancellation and/or rescission shall be effective as of the date the notice thereof is received by the SELLER.
2. Thereupon the SELLER shall refund in Chinese Yuan within Forty Five (45) banking days to the BUYER the full amount of all sums paid by the BUYER to the SELLER on account of the VESSEL, unless the SELLER disputes the BUYER's cancellation and/or rescission by instituting arbitration in accordance with Article XIII. If the BUYER's cancellation or rescission of this CONTRACT is disputed by the SELLER by instituting arbitration as aforesaid, then no refund shall be made by the SELLER, and the BUYER shall not be entitled to demand repayment from Refund Guarantor and the Refund Guarantor shall be entitled to withhold repayment under its guarantee (in the circumstance that a Refund Guarantee is issued by Refund Guarantor to the BUYER under Clause 7 of Article II), until the arbitration award between the BUYER and the SELLER which shall be in favour of the BUYER, declaring the BUYER's cancellation and/or rescission justified, is made and delivered to the SELLER by the arbitration tribunal. In the event of the SELLER is obligated to make refundment, the SELLER shall pay the BUYER interest in Chinese Yuan at the rate of [REDACTED] per annum on the amount required herein to be refunded to the BUYER, computed from the respective dates when such sums were received by the bank account as nominated by the SELLER pursuant to Article II 4(a), 4(b), 4(c) or 4(d) from the BUYER to the date of remittance by telegraphic transfer of such refund to the BUYER by the SELLER if the cancellation or rescission of the CONTRACT is exercised by the BUYER in accordance with the provision of Article III 1(c), 2(c), 3(c) or 4(c), provided, however, that if the said rescission by the BUYER is made under the provisions of Clause 3 of Article VIII or Clause 2 (b) of Article XII, then in such event the SELLER shall not be required to pay any interest.

In the circumstances of refund by SELLER under Clause 2 of this Article, the SELLER shall:

- i) return Buyer's Supplies not installed onto the VESSEL to the BUYER; or ii) in case the Buyer's Supplies installed onto the VESSEL or such return would be impossible or impractical, pay to the BUYER an amount equal to the actual and documented purchase price of those Buyer's Supplies, as evidenced by original invoices. Notwithstanding the foregoing, if the SELLER disputes the BUYER's cancellation and/or rescission by instituting arbitration in accordance with Article XIII, the SELLER shall comply with any specific determination regarding the Buyer's Supplies contained within the arbitration award, if any.

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3. Upon completion by the SELLER of its obligations set forth in Clause 2 above, all obligations, duties and liabilities of each of the parties hereto to the other under this CONTRACT shall be forthwith completely discharged.



## 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 1st or 2nd or 3rd or 4th installment to the SELLER when any such installment becomes due and payable under the provisions of Article II hereof; or
- (b) The BUYER fails to pay the 5th installment to the SELLER in accordance with Clause 3(e) and 4(e) of Article II hereof provided the BUYER shall have received the SELLER's demand for payment in accordance with Article II hereof; or
- (c) The BUYER fails to take delivery of the VESSEL, when the VESSEL is duly tendered for delivery by the SELLER under the provisions of Article VII hereof within Five (5) business days from the tendered date; or
- (d) If an order is made by any competent court or resolutions are passed by the Board of Directors and/or shareholders of the BUYER for the appointment of a liquidator, receiver or trustee, or similar officer, of the BUYER or any of its assets PROVIDED that there shall be no default under this paragraph (d) hereof if in any such case the BUYER is engaged in a bona fide reconstruction of its business which does not prejudice its creditors.

### 2. NOTICE OF DEFAULT

If the BUYER is in default of payment Installment or in performance of its obligations as provided hereinabove, the SELLER shall notify the BUYER to that effect by facsimile or email after the date of occurrence of the default as per Clause 1 of this Article and the BUYER shall forthwith acknowledge by facsimile or email to the SELLER that such notification has been received. In case the BUYER does not give the aforesaid facsimile or email acknowledgment to the SELLER within Three (3) days it shall be deemed that such notification has been duly received by the BUYER.

### 3. INTEREST AND CHARGE

- (a) If the BUYER is in default of payment as to any installment as provided in Clause 1 (a), and/or 1 (b) and/or 1 (c) of this Article, the BUYER shall pay interest on such Installment at the rate of [REDACTED] per annum 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 Clause 1 (c) of this Article, the BUYER shall be deemed in default of payment of the Fifth Installment 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 SELLER, as provided in Article VII Clause 7 hereof.

- (b) In any event of default by the BUYER under 1 (a) or 1 (b) or 1 (c) or 1 (d) above, the BUYER shall also pay the direct costs, charges and expenses incurred and evidenced by the SELLER in consequence of such default.

#### 4. DEFAULT BEFORE DELIVERY OF THE VESSEL

- (a) If any default by the BUYER occurs as defined in Clause 1 of this Article, the Delivery Date shall, at the SELLER's option, be postponed for a period of continuance of such default by the BUYER.
- (b) If any such default as defined in Clause 1 of this Article committed by the BUYER continues for a period of [REDACTED] days, then, the SELLER shall have all following rights and remedies:
  - (i) The SELLER may, at its option, cancel or rescind this CONTRACT, provided the SELLER has notified the BUYER of such default pursuant to Clause 2 of this Article, by giving notice of such effect to the BUYER by facsimile or email confirmed in writing. Upon receipt by the BUYER of such facsimile or email notice of cancellation or rescission, all of the BUYER's Supplies shall forthwith become the sole property of the SELLER, and the VESSEL and all its equipment and machinery shall be at the sole disposal of the SELLER for sale or otherwise; and
  - (ii) In the event of such cancellation or rescission of this CONTRACT, the SELLER shall also be entitled to retain any Installment or installments of the Contract Price paid by the BUYER to the SELLER on account of this CONTRACT.

#### 5. SALE OF THE VESSEL

- (a) In the event of cancellation or rescission of this CONTRACT as above provided, the SELLER 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 on such terms and conditions as the SELLER thinks fit without being answerable for any loss or damage occasioned to the BUYER thereby, provided that such sale is to a bona fide independent third party and for the-market price reasonably available.

In the case of sale of the VESSEL, the SELLER shall give facsimile or email or written 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 SELLER shall be applied firstly to payment of all expenses attending such sale and otherwise incurred by the SELLER as a result of the BUYER's default, and then to payment of all unpaid installments and/or unpaid balance of the Contract Price and interest on such installment 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 SELLER shall be applied firstly to all expenses attending such sale and otherwise incurred by the SELLER as a result of the BUYER's default, and then to payment of all costs of construction of the VESSEL (such costs of construction, as herein mentioned, shall include but are not limited to all costs of labour and/or prices paid or to be paid by the SELLER 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 fees, charges, expenses and/or royalties incurred and/or to be incurred for the VESSEL less the installments so retained by the SELLER, and compensation to the SELLER 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 SELLER 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 installments 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 promptly pay the deficiency to the SELLER upon request.



## ARTICLE XII - INSURANCE

### 1. EXTENT OF INSURANCE COVERAGE

From the time of the first block of the VESSEL laid in dock until the same is completed, delivered to and accepted by the BUYER, the SELLER shall, at its own cost and expense, keep the VESSEL and all machinery, materials, equipment, appurtenances and outfit, delivered to the SELLER for the VESSEL or built into, or installed in or upon the VESSEL, including the BUYER's Supplies, fully insured with first class insurance companies in China for Builder's Risk.

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 SELLER including the value of maximum amount of Chinese Yuan 3,000,000.00 of the BUYER's Supplies. The policy referred to hereinabove shall be taken out in the name of the SELLER and all losses under such policy shall be payable to the SELLER.

One copy of the BUILDER's RISK INSURANCE POLICY shall be delivered to the BUYER.

### 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 SELLER shall apply the amount recovered under the insurance policy referred to in Clause 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 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 for any consequential loss or depreciation.

#### (b) Total Loss:

However, in the event that the VESSEL is determined to be an actual or constructive total loss, the SELLER 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 reinstallation of the BUYER's supplies, provided the parties hereto shall have first agreed in writing as to such reasonable extension of the Delivery Date and adjustment of other terms of this CONTRACT including the Contract Price as may be necessary for the completion of such reconstruction; or

- (ii) If due to whatever reasons the parties fail to agree on the above within sixty (60) days after an actual or constructive total loss occurs, refund immediately to the BUYER the amount of all installments paid to the SELLER under this CONTRACT without interest and return Buyer's Supplies not damaged or in case the Buyer's Supplies are damaged pay to the BUYER an amount equal to the actual and documented purchase price of those Buyer's Supplies as evidenced by original invoices, 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 forthwith

Within thirty (30) days after receiving facsimile or email notice of any damage to the VESSEL constituting an actual or a constructive total loss, the BUYER shall notify the SELLER in writing or by facsimile or email of its agreement or disagreement under this paragraph. In the event the BUYER fails to so notify the SELLER, 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 receives the refund as hereinabove provided and the provisions hereof shall apply.

### 3. TERMINATION OF THE SELLER'S OBLIGATION TO INSURE

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

## ARTICLE XIII - DISPUTES AND ARBITRATION

### 1. PROCEEDINGS

In the event of any dispute between the parties hereto 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 parties themselves, such dispute shall be resolved by arbitration in London Maritime Arbitrators Association (the "LMAA") in accordance with the laws of England and LMAA's then prevailing arbitration rules. 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 Fourteen (14) 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 Fourteen (14) 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. And 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 Fourteen (14) days from the date on which the second arbitrator is appointed, either party of the said two arbitrators may apply to the president 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.

### 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 mutual agreement of the parties hereto. In such case, the opinion of the Classification Society shall be final and binding on the parties hereto.

### 3. NOTICE OF AWARD

Notice of any award shall immediately be given in writing or by facsimile or email confirmed in writing to the SELLER 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

Award of arbitration, shall be final and binding upon the parties concerned. Any right of appeal available under the laws of England is hereby expressly precluded and excluded by the parties hereto.

### 6. ENTRY IN COURT

Judgement 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 SELLER shall not be entitled to extend the Delivery Date as defined in Article VII hereof and the BUYER shall not be entitled to postpone its acceptance of the VESSEL on the Delivery Date or on such newly planned time of delivery of the VESSEL as declared by the SELLER. However, if the construction of the VESSEL is affected by any arbitration, the SELLER shall then be permitted to extend the Delivery Date as defined in Article VII and the decision or the award shall include a finding as to what extent the SELLER shall be permitted to extend the Delivery Date.

#### ARTICLE XIV - RIGHTS OF ASSIGNMENT

Neither of the parties hereto shall assign this CONTRACT to any other individual, firm, company or corporation unless prior consent of the other party is given in writing. However, the BUYER may novate this CONTRACT to a special purpose company wholly owned by the BUYER with prior notice to the SELLER and consent by the SELLER (such consent shall not be unreasonably withheld).

The BUYER may assign the benefit of this CONTRACT to the bank or financial institution which is financing the BUYER's purchase of the VESSEL provided that such assignment is approved and acknowledged by the SELLER and the SELLER's bank, such consent not to be unreasonably withheld or delayed by the SELLER.

The BUYER may also assign its right under Article IX of this Contract to the charterers of the VESSEL.

## ARTICLE XV - TAXES AND DUTIES

### 1. TAXES AND DUTIES INCURRED IN CHINA

The SELLER shall bear and pay all taxes, duties, stamps, dues levies and fees of whatsoever nature incurred or imposed in China in connection with the execution and/or performance of this CONTRACT by the SELLER and its sub-contractors, and any payments to be made hereunder by the BUYER.

The BUYER's representatives shall pay their individual income tax in accordance with the People's Republic of China laws if P.R.China laws are applicable when they stay in China.

Any tax or duty other than those described hereinabove, if any, shall be borne by the BUYER.

### 2. TAXES AND DUTIES INCURRED OUTSIDE CHINA

The BUYER shall bear and pay all taxes, duties, stamps and fees incurred outside China in connection with execution and/or performance of this CONTRACT by the BUYER, except for taxes, duties, stamps, dues, levies and fees imposed upon those items which are to be procured by the SELLER for the construction of the VESSEL in accordance with the terms of this CONTRACT and the Specifications.

## ARTICLE XVI - PATENTS, TRADEMARKS AND COPYRIGHTS

### 1. PATENTS, TRADEMARKS AND COPYRIGHT

The machinery and equipment of the VESSEL may bear the patent number, trademarks or trade names of the manufacturers. The SELLER shall defend and save harmless the BUYER from patent liability or claims of patent infringement of any nature of 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 SELLER's obligation under this Article, should not be terminated by the passage of any specified period of time.

The SELLER's indemnity hereunder does not extend to equipment or parts supplied by the BUYER to the BUILDER if any.

### 2. GENERAL PLANS, SPECIFICATION AND WORKING DRAWINGS

The SELLER retains all rights with respect to the Specifications, 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 therefore not to disclose the same or divulge any information contained therein to any third parties, without the prior written consent of the SELLER, excepting where it is necessary for usual operation, repair and maintenance, sale or charter of the VESSEL.

### 3. CONFIDENTIALITY

The BUYER and the SELLER hereby acknowledge that this Contract and its terms hereof, including its very existence, are of confidential nature. Therefore, the BUYER and the SELLER undertake to keep, preserve and protect the confidentiality of the terms of this Contract in particular by not disclosing such terms to any third party (other than the bareboat charterer of the VESSEL subject to its written acknowledgement which agrees to be bound by this Article) without the express prior approval of the other party (save that in case of disclosing to the Refund Guarantor or as per the order by any competent governmental authorities, only written notice shall be served to the other party and no approval is required).

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This Article shall survive until the expiry or termination of the Contract or the delivery of the VESSEL.





## ARTICLE XVII - NOTICE

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

To the BUYER:

FORTUNE PROSPERITY SHIPPING LIMITED

Address: Room 1802-03, 18/F, Worldwide House, 19 Des Voeux Road Central, H.K.

[REDACTED]

[REDACTED]

[REDACTED]

CC: COSCO SHIPPING BULK CO., LTD.

Address: Guangzhou International Shipping Tower, 8 Yuanhai Street, Haizhu District, Guangzhou, China

[REDACTED]

[REDACTED]

[REDACTED]

CC: BEIJING COSCO SHIPPING SHIP TRADING COMPANY LIMITED

Address: Rm. 1108, Lucky Tower A, No.3, Dong San Huan Bei Road, Chaoyang District, Beijing 100027, China

[REDACTED]

[REDACTED]

[REDACTED]

To the SELLER:

CHINA SHIPBUILDING TRADING CO., LTD. (the "CSTC")

Address: RM2301, No.1 Pudong Avenue, Shanghai 200120,  
The People's Republic of China

[REDACTED]

[REDACTED]

and

CSSC QINGDAO BEIHAI SHIPBUILDING CO., LTD. (the "BUILDER")

Address: No. 369 Lijiang East Road, Qingdao Economic and Technical Development Zone 266520, the People's Republic of China

[REDACTED]

[REDACTED]

[REDACTED]

Any notices and communications sent by the CSTC or the BUILDER alone to the BUYER shall be deemed as having being sent by both the CSTC and the BUILDER. Any notices and communications sent by the BUYER to the CSTC or the BUILDER alone shall be deemed as having sent to both the CSTC and the BUILDER.

Any change of address shall be communicated in writing by registered airmail or express courier or facsimile or email 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.

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 registered airmail 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 facsimile acknowledged by the answerbacks or email shall be deemed to be delivered upon dispatch.

Any and all notices, communications, Specifications and drawings 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.

### ARTICLE XVIII - EFFECTIVE DATE OF CONTRACT

This CONTRACT shall become effective upon fulfillment of all the following conditions:-

- (a) due execution of this CONTRACT and the Specifications;
- (b) the effectiveness of the Bareboat Charter to be entered into by the BUYER or its nominee and Refined Success Limited as a bareboat charterer thereunder; and
- (c) the approval on the transaction under this CONTRACT resolved by the BUYER'S shareholder meeting.

If due to whatever reason, any of the above conditions fail to be fulfilled on or before Sept 30, 2015, unless an extension of time limit is mutually agreed in writing, then this Contract shall be made null and void, having no effect whatsoever, and no party shall be liable to the other for any loss and/or damage (if any).

## ARTICLE XIX - ANTI-BRIBERY

The Parties shall avoid participation in or knowingly benefit from any kind of corruption, extortion or bribery. Consequently, the Parties may not offer, promise, authorise or give anything of value to any public official in any country, or to any business partner, in order to gain any improper business advantage of any kind. In addition, the Parties may not solicit or accept any form of bribe from any person.

This Article shall survive until the expiry or termination of the Contract or the delivery of the VESSEL.



## ARTICLE XX - 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 regard 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. DEFINITION

In absence of stipulation of "banking day(s)" or "business day(s)", the "day" or "days" shall be taken as "calendar day" or "calendar days".

"banking day(s)" means a day upon which banks in New York, Beijing and Hong Kong are opened for business.

"BUILDER" and "OWNER" used in the Specifications shall correspond to "BUILDER" and "BUYER" respectively used in this CONTRACT.

## ARTICLE XXI – DESIGNATED ENTITIES

1. Each of the SELLER and the BUYER shall ensure that, at the date of this CONTRACT, it is not the subject of the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control of the US Department of the Treasury, the consolidated list of persons, groups and entities subject to EU financial sanctions maintained by the European Commission of European Union, the Consolidated List of Financial Sanctions Targets in the UK maintained by UK HM Treasury and sanction lists maintained by the Chinese government (collectively, the “Sanction List”) that may cause the construction and delivery of the Vessel becomes impossible.
2. In the event that, after the execution of this CONTRACT and until delivery of the Vessel by the SELLER to the BUYER, either of the SELLER or the BUYER becomes the subject of the Sanction List that makes the construction and delivery of the Vessel becomes impossible for the SELLER, and/or makes the payment of this instalment in accordance with Article II or taking delivery of the VESSEL becomes impossible for the BUYER (the “Sanction Event”), either Party shall give notice to the other Party of such Sanctions Event within Ten (10) business days after such Sanction Event (the “Notice of Sanction Event”). Such notice shall include reasonable detail as to the nature and circumstances of the Sanctions Event.
3. Following the Notice of Sanction Event, the Parties will consult with each other and shall take all reasonable steps to find a mutually acceptable solution to remedy the Sanction Event and which would enable the continued lawful performance of this CONTRACT, including but not limited to the restructuring of this CONTRACT and/or obtaining of any applicable licenses and permits and/or the restructuring of the shareholding arrangements of BUYER or SELLER (as applicable) and/or changing the supplier of any equipment and/or novation of this CONTRACT to an entity which is not a subject of the Sanction List, all in compliance with applicable laws and regulations. In order to proceed in accordance with any, or any combination, of the above, the SELLER and the BUYER shall promptly cooperate in full to find and agree such solution(s) and implement such solution(s) as mutually agreed.
4. If the Parties have been unable to find and/or implement a mutually acceptable solution which has enabled the continued lawful performance of this CONTRACT until the earlier of: (i) the date falling on the one hundred and eightieth (180th) day after receipt by the relevant Party of the Notice of a Sanction Event; or (ii) the date falling on the Ninetieth (90th) day after the date of completion of the Vessel’s sea trial, or any longer period as may be mutually agreed by the Parties and it remains unlawful or illegal for either or both of the Parties to perform this CONTRACT, either Party shall be entitled to terminate this CONTRACT by written notice to the other. In such case, both BUYER and SELLER shall discuss and agree in good faith on reasonable economic resolution due to such termination of the Contract and to the extent permitted by law.
5. In case of occurrence of a Sanction Event, either Party shall be entitled to suspend its performance to the extent that such performance is prevented by such Sanction Event. The suspension of a Party’s performance of obligations as permitted under this Article shall not constitute such Party’s default. Unless otherwise agreed by the Parties, the Contract Price shall

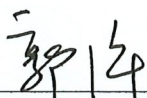
remain unaffected by such suspension. Notwithstanding any terms stated to the contrary herein, the Delivery Date as provided for in Article VII.1 shall be extended and postponed for the period running from the date of the relevant Party of notifying a Sanction Event under this Clause b) above until the earlier of (i) the date when the solution(s) mutually accepted above has been completed (i.e., the performance of this Contract can be lawfully continued) or (ii) the date when both parties otherwise agree in writing acting in good faith to continue the construction of the Vessel and the relevant terms of the CONTRACT shall be adjusted correspondingly.

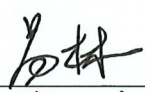
This Article shall survive until the expiry or termination of the Contract or the delivery of the VESSEL.

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

THE BUYER:


FORTUNE PROSPERITY SHIPPING LIMITED

By :   
Name : Guo Yang  
Title : Director

  
YI LIN  
Director

THE SELLER:

CHINA SHIPBUILDING TRADING CO., LTD.

By :   
Name : Zhang Mingsheng  
Title : Attorney-in-Fact

and

CSSC QINGDAO BEIHAI SHIPBUILDING CO., LTD.


By :   
Name : Yin Haijun  
Title : Attorney-in-Fact

Exhibit "A": IRREVOCABLE LETTER OF GUARANTEE

(Subject to BUYER's Approval)

To: \_\_\_\_\_

Date:

Dear Sirs,

Irrevocable Letter of Guarantee No.

At the request of \_\_\_\_\_ and in consideration of your agreeing to pay CHINA SHIPBUILDING & OFFSHORE INTERNATIONAL CO., LTD. and \_\_\_\_\_ (hereinafter collectively called the "SELLER") the instalments before delivery of the VESSEL under the Shipbuilding Contract concluded by and amongst you, and the SELLER dated \_\_\_\_\_ for the construction of one (1) \_\_\_\_\_ Metric Tons Deadweight \_\_\_\_\_ to be designated as Hull No. \_\_\_\_\_ (hereinafter called the "Contract"), subject to the following, we, the undersigned, do hereby irrevocably guarantee the due and punctual repayment to you by the SELLER of an amount up to but not exceeding a total amount of Chinese Yuan \_\_\_\_\_ only (CNY \_\_\_\_\_) representing the first instalment of the Contract Price of the VESSEL, Chinese Yuan \_\_\_\_\_ only (CNY \_\_\_\_\_), the second instalment of the Contract Price of the VESSEL, Chinese Yuan \_\_\_\_\_ only (CNY \_\_\_\_\_), the third instalment of the Contract Price of the VESSEL, Chinese Yuan \_\_\_\_\_ only (CNY \_\_\_\_\_) and the fourth instalment of the Contract Price of the VESSEL, Chinese Yuan \_\_\_\_\_ only (CNY \_\_\_\_\_), as you may have paid to the SELLER under the Contract prior to the delivery of the VESSEL, if and when the same or any part thereof becomes repayable to you from the SELLER in accordance with the terms of the Contract. Should the SELLER fail to make such repayment, we shall pay you the amount the SELLER ought to pay with no interest if cancellation of the Contract is exercised by you for the delay caused by permissible delays in accordance with the provision of Clause 3 Article VIII or total loss in accordance with the provisions of Article XII 2(b), or together with an interest at the rate of \_\_\_\_\_ per annum if the cancellation of the Contract is exercised by you in accordance with the provisions of Article III 1(c), 2(c), 3(c) or 4(c) of the Contract within \_\_\_\_\_ after our receipt of the relevant written demand from you for repayment.

However, in the event of any dispute between you and the SELLER in relation to:

- (1) whether the SELLER shall be liable to repay the instalment or instalments paid by you and
- (2) consequently, whether you shall have the right to demand payment from us under this Letter of Guarantee,

and such dispute is submitted either by the SELLER or by you for arbitration in accordance with Article XIII of the Contract, we shall be entitled to withhold and defer payment until the arbitration award is published. We shall not be obligated to make any payment to you unless



the arbitration award orders the SELLER to make repayment. If the SELLER fails to honour the award within Forty Five (45) business days after publication, then we shall refund to you to the extent the arbitration award orders but not exceeding the aggregate amount of this Letter of Guarantee plus the interest described above.

The said repayment shall be made by us in Chinese Yuan without any set-off or counterclaim and without deduction or withhold for or on account of any taxes, duties, or charges whatsoever unless we are compelled by law to deduct or withhold the same. In the latter event we shall make the minimum deduction or withholding permitted and we shall pay such additional amounts as may be necessary in order that the net amount received by you after such deduction or withholding shall be equal to the amount which you would have received had no such deduction or withholding been required to be made.

This Letter of Guarantee shall become effective from the time of the actual receipt of the first instalment by the SELLER from you and the amounts effective under this Letter of Guarantee shall correspond to the total payment actually made by you from time to time under the Contract prior to the delivery of the VESSEL. However, the available amount under this Letter of Guarantee shall in no event exceed above mentioned amount actually paid to the SELLER, together with interest calculated, as described above at [REDACTED] or, [REDACTED] [REDACTED] per annum, as the case may be for the period commencing with the date of receipt by the SELLER of the respective instalment to the date of repayment(s) thereof.

This Letter of Guarantee shall remain in force until the VESSEL has been delivered to and accepted by you or refund has been made by the SELLER or ourselves, or until \_\_\_\_ ( [REDACTED] ), whichever occurs earlier, after which this Letter of Guarantee shall be cancelled automatically. However, in the event of arbitration initiated by you and/or the SELLER before expiration of this Letter of Guarantee, the validity of this Letter of Guarantee shall be automatically extended to such date being [REDACTED] business days after the arbitration award is published.

Your rights under this Letter of Guarantee may be assigned by you to the bank or financial institutions providing financing to you to purchase the VESSEL, with the exception of the right of making demand for repayment which shall remain with yourself. In case of any above assignment, you are obliged to serve us a notice of assignment signed by and between you and assignee. The assignment shall not become effective without written acknowledgment from us which shall not be unreasonably withheld or delayed.

We represent and warrant herewith that this Letter of Guarantee constitutes our legal, valid and binding obligation enforceable against us in accordance with its terms and that we are permitted by the laws of the People's Republic of China to issue this Letter of Guarantee and especially to designate English law as arbitration law and London as place of jurisdiction. With regard to rules, regulations and requirements of foreign exchange by the State Administration of Foreign Exchange ("SAFE") of the People's Republic of China i.e. approval, registration or similar

directives, we undertake to file this Letter of Guarantee for record with the relevant branch of SAFE after our issuance of the Letter of Guarantee and confirm we have the necessary approval and authorization to transfer funds out of the People's Republic of China in United State Dollars. We hereby, furthermore, warrant that, without limitation to the foregoing, all foreign exchange consents required in connection herewith have been obtained and all regulation requirements have been or will be made to validate this Letter of Guarantee. We further warrant that we have fulfilled all the necessary formalities according to the laws and regulations of the People's Republic of China for the legality, validity and enforcement of this Letter of Guarantee.

This Letter of Guarantee is governed by the laws of England.

For the Seller's bank

