

SHIPBUILDING CONTRACT

FOR

CONSTRUCTION OF ONE 14,000 TEU
CONTAINER VESSEL

(HULL NO. H2871)

BETWEEN

LECANG FANTASY LIMITED or its nominee

as the BUYER

and

JIANGNAN SHIPYARD (GROUP) CO., LTD.

and

CHINA SHIPBUILDING TRADING CO., LTD.

Collectively as the SELLER



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SHIPBUILDING CONTRACT
FOR
CONSTRUCTION OF ONE 14,000 TEU
CONTAINER VESSEL (HULL NO. H2871)

This SHIPBUILDING CONTRACT, entered into this 6th day of June, 2024 (hereinafter called the "CONTRACT") by and between LECANG FANTASY LIMITED, a corporation organized and existing under the laws of the British Virgin Islands, having its registered office at Start Chambers, Wickham's Cay II, P.O.Box 2221, Road Town, Tortola, British Virgin Islands or its nominee (hereinafter called the "BUYER") on one part; and JIANGNAN SHIPYARD (GROUP) CO., Ltd., a corporation organized and existing under the laws of the People's Republic of China, having its registered office at 988 Changxing Jiangnan Ave., Changxing Island, Shanghai 201913, the People's Republic of China (hereinafter called the "BUILDER") and CHINA SHIPBUILDING TRADING CO., LTD., a corporation organized 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") on the other part. The BUILDER and CSTC are hereinafter collectively called the "SELLER".

WITNESSETH

In consideration of the mutual covenants contained herein, the SELLER agrees to build, launch, equip, complete and to sell and deliver to the BUYER after completion and trial one (1) 14,000 TEU Container Vessel as more fully described in Article I hereof, to be registered under the flag of Singapore 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.

ARTICLE I DESCRIPTION AND CLASS

1. DESCRIPTION

The VESSEL is a 14,000 TEU Container Vessel, at Scantling draft moulded of 17.0 meters (hereinafter called the "VESSEL") of the class described below. The VESSEL shall have the BUILDER's Hull No. H2871 and shall be constructed, equipped and completed in accordance with the following "Specifications" of the vessel bearing the BUILDER's Hull No. H2789 (hereinafter called "Prototype Vessel"):

- (1) Specification (No. 2CS220404A) version B signed on June 10th 2022;
- (2) General Arrangement (Drawing No. 2CS220402A) version A signed on June 10th 2022;
- (3) Midship Section (Drawing No. 2CS220403A) version A signed on June 10th 2022;
- (4) Makers List (No. 2CS220405A) version A signed on June 10th 2022.

attached hereto and signed by the BUYER and the BUILDER (hereinafter collectively called the "Specifications"), making an integral part hereof.

The final makers selected for the Prototype Vessel in maker list will be applied to the VESSEL for free.

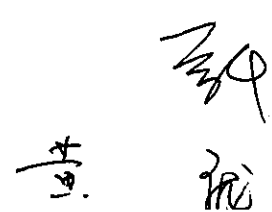
Modifications previously mutually agreed between the Parties on the Prototype Vessel before April 18, 2024 will be applied to the VESSEL for free.

Any modifications for the Prototype Vessel on or after April 18, 2024 will be automatically applied to the VESSEL according to the mutually agreed extra cost or credit.

Drawings for the VESSEL will follow the drawings for the Prototype Vessel without repeat drawings approval.

(Note: Part of final selected makers in maker list shall be later discussed if issues relate to technology, delivery or others arise in the future, and both parties will discuss and reach an agreement.)

Should there be any inconsistency or discrepancy between this Contract and the Specifications or between this Contract and the Approved Drawings, this Contract shall prevail. Should there be any inconsistency or discrepancy between the Specifications and the Approved Drawings, the Specifications to prevail.



2. CLASS AND RULES

The VESSEL, including its machinery and equipment, shall be constructed in accordance with the rules and regulations issued and having become effective and compulsorily applicable to the VESSEL up to and on the signing date of this CONTRACT of Bureau Veritas ("BV") (hereinafter called the "Classification Society", In principle, all the plans, drawings, equipment and material applied to the Prototype Vessel shall be applied to the VESSEL without re-approval by BV and the BUYER), and shall be distinguished in the record by the symbol of

BV I +HULL, +MACH, Container ship, Tier III, Unrestricted navigation, +VeriSTAR-HULL CM FLM FAT 25 years, Spectral Fatigue (worldwide), WhiSp1, CPS(WBT), +AUT-UMS, +SYS-NEQ-1, INWATERSURVEY, GREEN PASSPORT, BWT, LASHING-RSSA(all routes), LI-LASHING, LI-HG-S2, MON-SHAFT, CLEANSHIP, ERS-S, EGCS-SCRUBBER, LNGFUEL-PREPARED, METHANOLFUEL-PREPARED

and shall also comply with the rules and regulations as fully described in the Specifications of the Prototype Vessel.

The requirements of the Classification Society and the Flag State and other authorities and regulatory bodies referred to in the Specifications with which the VESSEL must comply shall also include those applicable additional compulsory rules, regulation amendments or circulars with entry into force up to date of signing of 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 the Classification Society and to comply with the rules, regulations and requirements of this CONTRACT as described in the Specifications issued, effective and compulsorily applicable to the VESSEL up to the signing date of this CONTRACT as well as royalties, if any, payable on account of the construction of the VESSEL shall be for the account of the 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 as to compliance or noncompliance with classification rules and regulations as well as any other rules, regulations and circulars applicable to the VESSEL under this CONTRACT shall be final and binding upon the parties hereto.

3. PRINCIPAL PARTICULARS AND DIMENSIONS OF THE VESSEL

(a) Hull:

Length overall	abt. 335.00m
Length between perpendiculars	abt. 323.00m
Breadth moulded	51.00m
Depth moulded	30.00m
Design draft moulded	14.50m
Scantling Draft moulded	17.00m

(b) Propelling Machinery:

The VESSEL shall be equipped, in accordance with the Specifications, with One (1) set of WinGD 8X92-B LLT, LPSCR type Main Engine.

Contract Maximum continuous rating (CMCR): 42,000 kW x 76.6 RPM

Continuous service rating (CSR, 90% CMCR): 37,800 kW x 74.0 RPM

4. GUARANTEED SPEED

The SELLER guarantees that the service speed, after correction as provided below, is to be not less than 22.0 nautical miles per hour at the design draft and at CSR including 15% sea margin as stipulated in the Specifications.

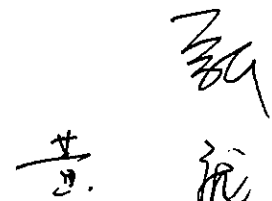
The fulfilment of service speed on the design draft shall be proven by sea trial on ballast draft, using the model test result on the design draft by comparing model test results with the Trial Run results on ballast draft.

The trial speed shall be corrected for wind speed, wave, current etc. The correction method of the speed shall be in accordance with BUILDER's standard method, latest ITTC and ISO 15016 (including the latest version of STAIMO).

5. GUARANTEED FUEL CONSUMPTION

The SELLER guarantees that the fuel oil consumption of the Main Engine in Tier II mode is not to exceed 153.9 grams/kW +5% per hour at 90% Contract Maximum continuous rating (CMCR) at manufacturer's shop test based on diesel fuel oil having a lower calorific value of 42,700 kJ per kilogram at ISO ambient condition (below) with exhaust back pressure of 600 mm WC.

Total barometric pressure:	1,000 mbar
Suction air temperature:	25 deg C
Charge air cooling water temperature:	25 deg C



6. GUARANTEED DEADWEIGHT AND CONTAINER CAPACITY

The SELLER guarantees that the VESSEL is to have a deadweight of not less than 155,000 metric tons at the scantling draft moulded of 17.00 meters in sea water of 1.025 specific gravity at even keel condition.

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.

The SELLER guarantees that the VESSEL shall have the container capacity of 14700TEU containers of 20ft at a draft of 17m.

The container capacity specified as the geometry slots based on ISO 20'x8'x8'6" type and IMO visibility guidelines on scantling draft at even keel.

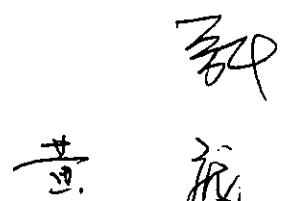
Should there be any dispute between the BUILDER and the BUYER in such calculations and/or measurements, the decision of the Classification Surveyor shall be final.

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 responsible for such subcontracted work.

8. REGISTRATION

The VESSEL shall be registered by the BUYER at its own cost and expenses under the laws of Singapore 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 United States Dollars One Hundred and Forty Four Million Eight Hundred Thousand Only (US\$ 144,800,000.00), net receivable by the SELLER (hereinafter called the "Contract Price"), which is exclusive of the cost for the BUYER Supplied Items 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 United States Dollars.

3. TERMS OF PAYMENT

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

(a) 1st Instalment:

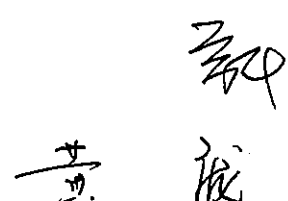
The sum of United States Dollars Twenty Eight Million Nine Hundred and Sixty Thousand Only (US\$ 28,960,000.00), representing Twenty percent (20%) of the Contract Price, shall become due and payable and be paid by the BUYER within Three (3) Banking Days after BUYER's or BUYER's designated advising bank receipt of the 1st Refund Guarantee as described in Paragraph 7 of this Article.

(b) 2nd Instalment:

The sum of United States Dollars Fourteen Million Four Hundred and Eighty Thousand Only (US\$14,480,000.00), representing Ten percent (10%) of the Contract Price, shall become due and payable and be paid by the BUYER within Three (3) Banking Days after the cutting of the first steel plate of the VESSEL and receipt of the 2nd Refund Guarantee as described in Paragraph 7 of this Article. The SELLER shall notify with a telefax notice or an email notice to the BUYER stating that the steel cutting has been carried out and demand for payment of this instalment.

(c) 3rd Instalment:

The sum of United States Dollars Fourteen Million Four Hundred and Eighty Thousand Only (US\$14,480,000.00), representing Ten percent (10%) of the



Contract Price, shall become due and payable and be paid by the BUYER within Three (3) Banking Days after keel-laying of the first section of the VESSEL. The SELLER shall notify with a telefax notice or an email notice to the BUYER stating that the keel-laying has been carried out, together with a statement/verification of the Classification Society confirming that the said keel-laying has been carried out and shall send a demand for payment of this instalment.

(d) 4th Instalment:

The sum of United States Dollars Eighty Six Million Eight Hundred and Eighty Thousand Only (US\$86,880,000.00), representing Sixty percent (60%) of the Contract Price, plus any increase or minus any decrease due to modifications and/or adjustments of the Contract Price in accordance with the provisions of 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 telefax or email demand for this instalment Ten (10) days prior to the scheduled date of delivery of the VESSEL.

No payment under this CONTRACT shall be delayed or withheld by the BUYER on account of any dispute or disagreement of whatever nature arising between the parties hereto.

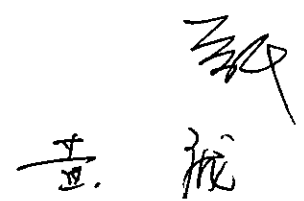
4. METHOD OF PAYMENT

(a) 1st Instalment:

The BUYER shall remit the amount of this instalment in accordance with Article II, Paragraph 3(a) by telegraphic transfer to China Merchants Bank Co., Ltd. Beijing Branch, No. 156 Fuxingmennei Street, Xicheng District, Beijing, China (SWIFT Code: CMBCCNBS201) as receiving bank nominated by the SELLER for credit to the account of China Shipbuilding Trading Co., Ltd. (account No. 021900001232001), or through other receiving bank with the account to be nominated by the SELLER from time to time and such nomination shall be notified to the BUYER at least Ten (10) days prior to the scheduled date for payment.

(b) 2nd Instalment:

The BUYER shall remit the amount of this instalment in accordance with Article II, Paragraph 3(b) by telegraphic transfer to China Merchants Bank Co., Ltd. Beijing Branch, No. 156 Fuxingmennei Street, Xicheng District, Beijing, China (SWIFT Code: CMBCCNBS201) as receiving bank nominated by the SELLER for credit to the account of China Shipbuilding Trading Co., Ltd. (account No. 021900001232001), or through other receiving bank with the account to be nominated by the SELLER from time to time and such nomination shall be



notified to the BUYER at least Ten (10) days prior to the scheduled date for payment.

(c) 3rd Instalment:

The BUYER shall remit the amount of this instalment in accordance with Article II, Paragraph 3(c) by telegraphic transfer to China Merchants Bank Co., Ltd. Beijing Branch, No. 156 Fuxingmennei Street, Xicheng District, Beijing, China (SWIFT Code: CMBCCNBS201) as receiving bank nominated by the SELLER for credit to the account of China Shipbuilding Trading Co., Ltd. (account No. 021900001232001), or through other receiving bank with the account to be nominated by the SELLER from time to time and such nomination shall be notified to the BUYER at least Ten (10) days prior to the scheduled date for payment.

(d) 4th Instalment:

The BUYER shall, at least Five (5) Banking Days prior to the scheduled date of delivery of the VESSEL, make an irrevocable cash deposit in the name of the BUYER with China Merchants Bank Co., Ltd. Beijing Branch, No. 156 Fuxingmennei Street, Xicheng District, Beijing, China (SWIFT Code: CMBCCNBS201) as receiving bank nominated by the SELLER for credit to the account of China Shipbuilding Trading Co., Ltd. (account No. 021900001232001), or through other receiving bank to be nominated by the SELLER at least Ten (10) days prior to the scheduled date of delivery of the VESSEL, for a period of Thirty (30) days and covering the amount of this instalment (as adjusted in accordance with the provisions of this CONTRACT), with an irrevocable instruction that the said amount shall be released to the SELLER against presentation by the SELLER to the said receiving bank, 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 Thirty (30) days deposit period, the BUYER shall have the right to withdraw the said deposit plus accrued interest upon the expiry date. However, when the newly scheduled delivery date is notified to the BUYER by the SELLER, the BUYER shall make the cash deposit in accordance with the same terms and conditions as set out above.

Expenses and bank charges for remitting payment incurred by the BUYER's bank shall be for the BUYER's account and the expenses and bank charges of the SELLER's bank shall be for the SELLER's account.

Expenses and bank charges for receiving and/or cancelling the Refund Guarantee(s) charged by the BUYER's bank shall be for the BUYER's account

and the expenses and bank charges for issuing and/or cancelling the Refund Guarantee(s) charged by the SELLER's bank shall be for the SELLER's account.

5. PREPAYMENT

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

6. SECURITY FOR PAYMENT OF INSTALMENTS

The BUYER shall, within Sixty (60) Days after signing of the CONTRACT, deliver to the SELLER an irrevocable and unconditional Letter of Guarantee (the "Payment Guarantee") in the form annexed hereto as Exhibit "B" in favour of the SELLER issued by a first class international bank (hereinafter called the "Payment Guarantor") acceptable to the SELLER's bank and the SELLER. The form and substance of such Payment Guarantee shall, in all respects, be acceptable to the SELLER, under which the Payment Guarantee shall secure the BUYER's obligation for the payment of the 2nd and 3rd instalments of the Contract Price.

7. REFUNDS

- (a) 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 justifiably cancelled or rescinded by the BUYER, all in accordance with the specific terms of this CONTRACT permitting such cancellation or rescission, the SELLER shall refund to the BUYER in United States Dollars the full amount of all sums already paid by the BUYER to the SELLER under this CONTRACT, together with interest (at the rate set out in respective provision thereof) from the date of receipt by the SELLER of the respective instalment(s) to the date of remittance by telegraphic transfer of such refund to the account specified by the BUYER.
- (b) As security to the BUYER, the SELLER shall deliver to the BUYER, within Forty Five (45) Banking Days following the execution of this CONTRACT, a refund guarantee (securing refund of the 1st instalment of the Contract Price) (the "1st Refund Guarantee") to be issued by the SELLER's bank (hereinafter called the "Refund Guarantor") in the People's Republic of China in the form as per Exhibit "A1" annexed hereto and shall deliver to the BUYER together with demand for payment of the 2nd instalment a refund guarantee (securing refund of the 2nd and 3rd instalments of the Contract Price) (the "2nd Refund Guarantee") to be issued by the Refund Guarantor in the form as per Exhibit "A2" annexed hereto. The 1st Refund Guarantee shall become effective upon the SELLER's receipt of the 1st instalment from the BUYER. The 2nd Refund Guarantee shall become effective upon the SELLER's receipt of the 2nd instalment from the BUYER. The 1st Refund

Guarantee and the 2nd Refund Guarantee are collectively the "Refund Guarantee(s)"

- (c) However, in the event of any dispute between the SELLER and the BUYER with regard to the SELLER's obligation to repay the instalment or instalments 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 under the Refund Guarantee(s) until the Final Award between the SELLER and the BUYER is published. The Refund Guarantor shall not be obligated to make any payment under the Refund Guarantee(s) unless the Final Award orders the SELLER to make repayment. If the SELLER fails to honour the Final Award, then the Refund Guarantor shall refund to the extent the Final Award orders.
- (d) The Refund Guarantor will be the Bank of China or the Export and Import Bank of China or ICBC or China Merchants Bank Co., Ltd. or POSTAL SAVINGS BANK OF CHINA CO., LTD. or CITIC.



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 Thirty (30) 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 Thirtieth (30th) day of delay.
- (b) If the delivery of the VESSEL is delayed more than Thirty (30) days after the date as defined in Article VII hereof, then, in such event, beginning at twelve o'clock midnight of the Thirtieth (30th) day after the date on which delivery is required under this CONTRACT, the Contract Price of the VESSEL shall be reduced by deducting therefrom the sum of United States Dollars Thirty Four Thousand Only (US\$ 34,000.00) per day.

Unless the parties hereto agree otherwise, the total reduction in the Contract Price shall be deducted from the 4th Instalment 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 Two Hundred and Ten (210) days of delay in delivery as described in Paragraph 1(c) of this Article or after the expiration of Two Hundred and Seventy (270) days of delay in delivery as described in Paragraph 3 of Article VIII) shall not be more than the sum of United States Dollars Six Million One Hundred and Twenty Thousand Only (US\$ 6,120,000.00) being the maximum, as above One Hundred and Eighty (180) days of delay in delivery from the Thirty-first (31st) day after the Delivery Date at the above specified rate of reduction. Other than the liquidated damages permitted under this Paragraph 1(b) and in any event subject to the limitation of the aforesaid maximum amount, claims of the BUYER on account of the delay in delivery of the VESSEL arising out of any nature whatsoever or caused by whatever reason shall be and are hereby expressly and irrevocably waived and given up by the BUYER whether under this CONTRACT or under the laws of England.

- (c) Subject to Article VIII. 3 and 4 of this CONTRACT, if the delay in the delivery of the VESSEL continues for a period of Two Hundred and Ten (210) days after the Delivery Date as defined in Article VII, then in such event, the BUYER may, at its option, cancel or rescind 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, XIII and other applicable clauses hereof and/or extensions being permitted under the laws of England. The Contract Price shall not be adjusted or reduced if the delivery of the VESSEL is delayed by reason of the Permissible Delays as defined in Article VIII hereof.
- (e) If the delivery of the VESSEL can made earlier than the Delivery Date as defined in Article VII of the CONTRACT, the SELLER shall notifies the BUYER by telefax or email and such notification shall be given not less than One (1) month prior to the newly planned delivery date
- (f) In the event that the SELLER is unable to deliver the VESSEL on the newly planned delivery date as declared under Paragraph 1(e) of this Article above, the VESSEL can, nevertheless, be delivered by the SELLER at a date after such declared newly planned date.

In such circumstances, and for the purpose of determining the liquidated damages to the BUYER (according to the provisions of Paragraph 1(b) of this Article) and the BUYER's right to cancel or rescind this CONTRACT (according to the provisions of Paragraph 1(c) of this Article), the newly planned delivery date declared by the SELLER shall not be in any way treated or taken as having substituted the Delivery Date as defined in Article VII. The BUYER's aforesaid right for liquidated damages and to cancel or rescind this CONTRACT shall be accrued, operated or exercised only to the extent as described in Paragraph 1(a), 1(b) and/or 1(c) of Article III. In whatever circumstances, the Delivery Date as defined in Article VII (not the newly planned delivery date as declared by the SELLER) shall be used to regulate, as so described in Paragraph 1(a), 1(b) and/or 1(c) of Article III, the BUYER's right for liquidated damages and to cancel or rescind this CONTRACT and the SELLER's liability to pay the aforesaid liquidated damages resulting from the delay in delivery of the VESSEL.

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 less than three tenths (3/10) of one knot below the guaranteed speed as specified in Paragraph 4 of Article I of this CONTRACT.
- (b) However, commencing with and including a deficiency of three tenths (3/10) of one knot in actual speed (as determined by the Trial Run after correction according to the Specifications) below the guaranteed speed as specified in

Paragraph 4 Article I of this CONTRACT, the Contract Price shall be reduced as follows:

In case of deficiency,

at or above 0.30 but below 0.40 knot US\$ 150,000.00
at or above 0.40 but below 0.50 knot US\$ 300,000.00
at or above 0.50 but below 0.60 knot US\$ 450,000.00
at or above 0.60 but below 0.70 knot US\$ 600,000.00
at or above 0.70 but below 0.80 knot US\$ 750,000.00
at or above 0.80 but below 0.90 knot US\$ 900,000.00
at or above 0.90 but below 1.00 knot US\$ 1,050,000.00

- (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 and/or re-Trial Run(s), is more than 1.00 knot below the guaranteed speed of 22.0 knots, then the BUYER may, subject to Article VI of this CONTRACT, at its option reject the VESSEL and cancel or 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 United States Dollars One Million and Fifty Thousand Only (US\$ 1,050,000.00) 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 the engine manufacturer's workshop, as per the Specifications, is greater than the guaranteed fuel consumption as specified and required under the provisions of this CONTRACT and the Specifications if such actual excess is equal to or less than Five percent (5%).
- (b) However, if the actual fuel consumption as determined by manufacturer's shop trial is greater than Five percent (5%) above the guaranteed fuel consumption then, the Contract Price shall be reduced by the sum of United States Dollars Two Hundred Thousand Only (US\$ 200,000.00) for each full One percent (1%) increase in fuel consumption in excess of the above said Five percent (5%) (fractions of one percent to be prorated).
- (c) If as determined by manufacturer's shop trial such actual fuel consumption of the Main Engine is more than Ten percent (10%) in excess of the guaranteed fuel consumption, i.e. the fuel consumption exceeds 169.29 grams/kW, the BUYER may, subject to the SELLER's right to effect alterations or corrections as specified in the following Paragraph 3(d) of this Article III hereof at its option, cancel or 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 United States Dollars One million Only (US\$ 1,000,000.00) being the maximum.

- (d) If as determined by manufacturer's shop trial such actual fuel consumption of the Main Engine is more than Ten percent (10%) in excess of the guaranteed fuel consumption, i.e. the fuel consumption exceeds 169.29 grams/kW, the SELLER may investigate the cause of the non-conformity and the proper steps may promptly be taken to remedy the same and to make whatever corrections and alterations and/or re-shop trial test or tests as may be necessary to correct such non-conformity without extra cost to the BUYER. Upon completion of such alterations or corrections of such nonconformity, the SELLER shall promptly perform such further shop trials or any other tests, as may be deemed necessary to prove the fuel consumption of the Main Engine's conformity with the requirement of this CONTRACT and the Specifications and if found to be satisfactory, give the BUYER notice of such correction and as appropriate, successful completion accompanied by copies of such results, and the BUYER shall, within Six (6) Business Days after receipt of such notice, notify the SELLER by telefax or email of its acceptance or reject the re-shop trial together with the reasons therefor. If the BUYER fails to notify the SELLER by telefax or email of its acceptance or rejection of the re-shop trial together with the reasons therefor within Six (6) Business Days period as provided herein, the BUYER shall be deemed to have accepted the shop trial.

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 One Thousand and Five Hundred (1500) metric tons or less below the guaranteed deadweight of 155,000 metric tons at the scantling draft moulded of 17.0 meters in sea water of 1.025 specific gravity.
- (b) However, the Contract Price shall be decreased by the sum of United States Dollars Two Thousand Only (US\$ 2,000.00) for each full metric ton of such deficiency being more than One Thousand and Five Hundred (1500) metric tons.
- (c) In the event that there should be a deficiency in the VESSEL's actual deadweight which exceeds Two Thousand and Five Hundred (2500) metric tons below the guaranteed deadweight, the BUYER may, subject to Article VI of this CONTRACT, at its option, reject the VESSEL and cancel or 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 United States Dollars Two Million Only (US\$ 2,000,000).

5. INSUFFICIENT NOMINAL INTAKE

- (a) The Contract Price shall not be affected or changed by reason of a deficiency in capacity for TEU containers if such deficiency is up to One Hundred and Forty (140) TEU containers below the Guaranteed Nominal Intake.
- (b) However, in the event that the deficiency in capacity for TEU containers exceeds One Hundred and Forty (140) TEU containers below the Guaranteed Nominal Intake, then the Contract Price shall be reduced by United States Dollars Twenty Thousand Only (US\$ 20,000.00) for each TEU container of such deficiency.
- (c) If the deficiency in capacity for containers is Two Hundred and Eighty (280) TEU containers or more, then the BUYER may, at its option, reject the VESSEL and rescind or cancel this Contract in accordance with the provisions of Article X hereof, or may accept the VESSEL with a reduction in the Contract Price in the amount of Two Million and Eight Hundred Thousand Only (US\$ 2,800,000.00).

6. EFFECT OF RESCISSION OR CANCELLATION

It is expressly understood and agreed by the parties hereto that in any case as stated herein, if the BUYER cancels or rescinds this CONTRACT pursuant to any provision under this Article or under the laws of England, 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, or otherwise available under any applicable laws (including the laws of England). Any other rights or remedies whether under this CONTRACT or under any applicable laws are hereby expressly waived and given up by the BUYER.

The above liquidated damages shall be the BUYER's sole and exclusive remedy for any excessive delay in the delivery of the VESSEL and any deficiency/insufficiency/excess in the guaranteed technical performance parameters as set out in this Article and shall be in lieu of all damages, which the BUYER may suffer by reason of such delay and deficiency/insufficiency/excess as set out in this Article. Save as expressly provided in this Article III hereinabove, it being further understood and agreed that SELLER shall not be responsible or liable to BUYER or any third party for any other damages, losses, expenses of any nature whatsoever (including but not limited to loss of use of the VESSEL, loss of charter costs, loss of time, loss of production, loss of profit or earnings, financing costs, loss of other contracts, etc.), occasioned by and/or in connection with such delay and deficiency/insufficiency/excess as set out in this Article.

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, expense and risk, 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, her engines and accessories. The SELLER hereby agrees to assist to arrange the invitation letter(s) for the Supervisor to apply visa to enter China provided that the Supervisor meets with the rules, regulations and laws of the People's Republic of China. The BUYER undertakes to give the SELLER adequate notice for the application of visa.

2. COMMENTS TO PLANS AND DRAWINGS

All the plans and drawings used for the Prototype Vessel shall be applied to the VESSEL without re-approval, unless changes or amendments to the same are mutually agreed between the parties.

3. SUPERVISION AND INSPECTION BY THE SUPERVISOR

The necessary inspection of the VESSEL, its machinery, equipment and outfitings shall be carried out by the Classification Society, and/or inspection team of the BUILDER throughout 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 during the construction of the VESSEL, the right to attend tests according to the mutually agreed 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 are 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 forthwith 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 a discrepancy in the opinion between the BUYER and the SELLER, 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 SELLER that the Supervisor shall carry out his inspections in accordance with the agreed test list, the SELLER's working

schedule and usual shipbuilding practice and shall not cause increase in building costs and delays in the construction of the VESSEL. Once an inspection and/or a test has been witnessed and approved by the Supervisor, the same inspection and 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 BUILDER 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 BUILDER's shipyard. But the fees for the international communication like telephone, telefax and internet, 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 BUILDER, and the premises of subcontractors of the BUILDER, 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 Shanghai shall be for the BUYER's account. The transportation within Shanghai shall be provided to the Supervisor by the SELLER.

The BUYER undertakes to maintain sufficient number of the Supervisor 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 BUYER agrees and undertakes that it will cause the Supervisor to perform inspections, survey and attending tests and/or trials in all circumstances, regardless whether such required inspection, survey and attending tests and/or trials will occur during the daytime or in the evening, during the weekend (Saturday and Sunday) or any public holiday.

Should the Supervisor fail to conduct any inspection or attend any test (after notice by the BUILDER of the same) due to any reason whatsoever, the BUILDER shall be entitled to carry out the construction and/or test without inspection and/or attendance of the Supervisor and such work so carried out shall be treated as approved by the Supervisor.

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 except with consent of the BUILDER. However, if the Supervisor 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 has 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.

4. LIABILITY OF THE SELLER

The Supervisor engaged by the BUYER under this CONTRACT shall at all times be deemed to be in the employ 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 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 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.

7. PROGRESS REPORTS

The SELLER, for reference, shall provide the BUYER with monthly reports with plans attached showing the progress of construction of the VESSEL that will include:

- (i) Milestones events estimate and latest estimate of the date of actual delivery of the VESSEL; and
- (ii) Up to date production schedule and comparison with the planned construction milestones.

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 sole 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 agrees 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, providing to the SELLER additional securities satisfactory to the SELLER, 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 and/or plans may be effected by an exchange of duly authenticated letters, or telefax, or email, manifesting such agreement. The letters and/or telefaxes and/or emails 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, telefaxes and emails 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 providing additional security to the SELLER 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 of 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. 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 deadweight, fuel consumption and speed of the VESSEL, if such compliance results in increased or reduced deadweight, fuel consumption and 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; and/or
- (e) If the price is to be increased, then, as to providing to the SELLER additional securities satisfactory to the SELLER.

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

- (2) If the alterations or changes are not compulsorily required by the Classification Society or the other regulatory bodies, and further if, due to whatever reasons, the parties fail to agree on the adjustment of the Contract Price or extension of the time for delivery or the adjustment of the guaranteed speed, fuel consumption and deadweight or providing additional security to the SELLER 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.
- (3) If however the alterations or changes are compulsorily required by the Classification Society or the other regulatory bodies, then, notwithstanding any dispute between the BUYER and the SELLER relating to the adjustment of the Contract Price or extension of the time for delivery or the adjustment of the guaranteed speed, fuel consumption and deadweight or providing additional security to the SELLER or any alternation of the terms of this CONTRACT, if any, the SELLER shall promptly comply with such alterations or changes first. The BUYER shall, in any event, bear the costs and expenses for such alterations or changes and the SELLER shall in any

such event be entitled to the extension of the Delivery Date and increase of the Contract Price and other alterations to the terms of this CONTRACT. In the absence of mutual agreement, dispute on any such issue shall 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 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 SUPPLIED ITEMS

The BUYER shall, at its own risk, cost and expense, supply and deliver to the SELLER at its shipyard the items as specified in the Specifications which the BUYER shall supply on the BUYER's account (the "BUYER Supplied Items") by the time designated by the SELLER.

Should the BUYER fail to deliver to the BUILDER such BUYER Supplied Items together with relevant documents, drawings and other information within the time specified, the delivery of the VESSEL shall automatically be extended for a period of such delay. In such event, the BUYER shall pay to the SELLER all losses and damages sustained by the SELLER due to such delay in the delivery of the BUYER Supplied Items and such payment shall be made upon delivery of the VESSEL.

Furthermore, if the delay in delivery of the BUYER Supplied Items should exceed Fifteen (15) 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.

The BUILDER shall be responsible for storing and handling of the BUYER Supplied Items as specified in the Specifications after delivery to the BUILDER and shall install them on board the VESSEL at the BUILDER's expenses.

The BUYER, if so requested by the BUILDER, shall, without any charge to the BUILDER, cause the representatives of the manufactures of the BUYER Supplied Items to, within the time requested by the BUILDER, 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.

Upon arrival of such shipment of the BUYER Supplied Items, both parties shall undertake a joint unpacking inspection. If any damages are found to be not suitable for installation, the BUILDER shall be entitled to refuse to take the BUYER Supplied Items into its custody.

The SELLER shall not be responsible for the quality, performance or efficiency of the BUYER Supplied Items and is under no obligation with respect to the guarantee of such BUYER Supplied Items against any defects caused by defective quality, performance or efficiency thereof.

ARTICLE VI TRIALS

1. NOTICE

The BUYER shall receive from the SELLER at least Fifteen (15) days approximate notice in advance and Seven (7) days definite notice in advance by telefax or email of the time and place of the VESSEL's sea trial as described in the Specifications (hereinafter referred to as the "Trial Run") and the BUYER shall promptly acknowledge receipt of such notice. The Supervisor shall be entitled to be on board the VESSEL to witness such Trial Run, and to check upon the performance of the VESSEL during the same. Failure of the Supervisor to be present after receipt of due notice as provided above, shall be deemed as that the BUYER has waived its right to have its Supervisor on board the VESSEL during the Trial Run, and the BUILDER may conduct such Trial Run without the Supervisor being present. In such case, the BUYER shall be obliged to accept the VESSEL on the basis of a certificate of the BUILDER 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 the CONTRACT and Specifications. The SELLER hereby agrees to assist to arrange the invitation letter for the Supervisor to apply visa to enter China. However, should the nationalities and other personal particulars of the Supervisor be not acceptable to the SELLER in accordance with the relevant rules, regulations and/or laws of the People's Republic of China then prevailing, then the BUYER shall effect replacement of all or any of them immediately. Otherwise the Delivery Date as stipulated in Article VII hereof shall be extended by the delays so caused by the BUYER. In the event of unfavorable weather on the date specified for the Trial Run, the same shall take place on the first available day thereafter that the weather conditions permit. The parties hereto recognize that the weather conditions in Chinese waters in which the Trial Run is to take place are such that great changes in weather may arise momentarily and without warning and, therefore, it is agreed that if during the Trial Run of the VESSEL, the weather should suddenly become unfavorable, as would have precluded the continuance of the Trial Run, the Trial Run of the VESSEL shall be discontinued and postponed until the first favorable day next following, unless the BUYER shall assent by telefax or email of its acceptance of the VESSEL on the basis of the Trial Run made prior to such sudden change in weather conditions.

Inspections and/or tests of any part of the VESSEL, including its equipment has been witnessed during the Trial Run and proved to conform to the requirements of this CONTRACT and Specifications shall not be repeated during the re-Trial Run(s).

Any delay to the Trail Run as a result of unfavorable weather or sea conditions shall operate to extend the Delivery Date by the period of delay. Such extension of the Delivery Date shall be regarded as mutually agreed change of Delivery Date

and shall be distinguished from the Permissible Delays and non-Permissible Delays which will entitle the BUYER to cancel and/or rescind this CONTRACT.

2. HOW CONDUCTED

- (a) All expenses in connection with Trial Run of the VESSEL are to be for the account of the BUILDER, who, during the Trial Run and when subjecting the VESSEL to Trial Run, are 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, fuel oil and greases with exception of lubrication oil and hydraulic oil which shall be supplied by the BUYER for the conduct of the Trial Run or re-Trial Run(s) as prescribed in the Specifications. The fuel oil and greases supplied by the SELLER, and lubricating oil 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 re-Trial Run(s) shall be for the account of the BUILDER.

3. TRIAL LOAD DRAFT

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

4. METHOD OF ACCEPTANCE OR REJECTION

- (a) Upon notification of the BUILDER of the completion of the Trial Run of the VESSEL, the BUYER or the BUYER's Supervisor shall within Six (6) days thereafter, notify the BUILDER by telefax or email of its acceptance of the VESSEL or of its rejection of the VESSEL together with the reasons, and a list of items which the BUYER or Supervisor contends do not meet the requirement of this CONTRACT and/or the Specifications.
- (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/or re-Trial Run(s) as may be necessary, and upon notification by the BUILDER of completion of such alterations or corrections and/or re-Trial Run(s), the BUYER shall, within Three(3) days thereafter, notify the SELLER by telefax or email of its acceptance of its VESSEL or of the rejection of the VESSEL together with the reason therefor on the basis of the alterations and corrections and/or re-Trial Run(s) by the BUILDER. The notice requirements in Paragraph 1 of this Article shall not be applicable to such re-Trial Run(s). The SELLER shall be entitled, and the BUYER hereby consents with the SELLER's entitlement, to effect any such corrections or alterations or re-Trial Run(s) immediately or at the time as considered appropriate or necessary by the SELLER.

- (c) In the event that the BUYER fails to notify the SELLER by telefax or email of its acceptance or rejection of the VESSEL together with the reason and a list of items which the BUYER contends do not meet the requirement of this CONTRACT and/or the Specifications within Six (6) days period or Three (3) days as provided for in the above sub-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.

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 re-Trial Run(s) 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 original purchase price incurred by the BUILDER at the port of delivery thereof, and payment by the BUYER shall be effected as provided in Article II 3(d) and 4(d) of this CONTRACT.

The BUYER shall supply lubricating oil and hydraulic oil for the purpose of Trial Run or re-Trial Run(s) at its own expenses and the SELLER will reimburse for the amount of lubricating oil and hydraulic oil actually consumed for the said Trial Run or re-Trial Run(s) at the original purchase 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 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 the SELLER shall indemnify the BUYER for any direct cost charged by the repairer for remedying these minor non-conformities elsewhere from China as a consequence thereof, excluding, however, any other losses and/or damages (i.e. loss of charter cost, loss of time, loss of profit or earning, loss of hire or demurrage) in connection with the VESSEL, provided always that, the amount of the indemnification shall be up to but under no circumstance exceeding United States Dollars Five Hundred Thousand Only (US\$ 500,000.00).

ARTICLE VII DELIVERY

1. TIME AND PLACE

The VESSEL shall be delivered safely afloat by the SELLER to the BUYER at the BUILDER's shipyard on or before November 30, 2026, provided that, in the event of delays in the construction of the VESSEL or any performance required under this CONTRACT due to causes which under the terms of the CONTRACT and/or the applicable law permit extension or postponement of the time for delivery, the aforementioned time for delivery of the VESSEL shall be extended accordingly.

The aforementioned date or such later date to which delivery is extended or postponed pursuant to the terms of this CONTRACT is herein called the "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. The Protocol of Delivery and Acceptance shall be prepared in quadruplicate and signed 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 V.2 hereof):

- (a) PROTOCOL OF TRIALS of the VESSEL made by the BUILDER 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 BUILDER;
- (c) PROTOCOL OF STORES OF CONSUMABLE NATURE made by the BUILDER referred to under Paragraph 5 of Article VI hereof;
- (d) FINISHED DRAWINGS AND PLANS pertaining to the VESSEL as stipulated in the Specifications, made by the BUILDER;

- (e) PROTOCOL OF DEADWEIGHT AND INCLINING EXPERIMENT, made by the BUILDER;
- (f) ALL CERTIFICATES required to be furnished upon delivery of the VESSEL pursuant to the Specifications.

All the certificates shall be delivered in one (1) original to the VESSEL and two (2) copies to the BUYER.

If the full term certificate or certificates are unable to be issued at the time of delivery by the Classification Society or any third party other than the BUILDER, then the provisional certificate or certificates as issued by the Classification Society or the third party other than the BUILDER with the full term certificates to be furnished by the BUILDER 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 subcontractors, employees and crews and/or all liabilities arising from the operation of the VESSEL in Trial Run or re-Trial Run(s), or otherwise, prior to delivery;
- (h) COMMERCIAL INVOICE made by the SELLER;
- (i) BILL OF SALE duly apostilled made by the SELLER; and
- (j) BUILDER's Certificate made by the SELLER.
- (k) Any other documents reasonable required by the BUYER for flag authority.

4. TITLE AND RISK

Title to and risk of the VESSEL shall pass to the BUYER only upon delivery thereof. 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 without justified reason, the SELLER shall have the right to tender the VESSEL for delivery.

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, mobilization, civil commotions, riots, strikes, sabotage, lockouts, local temperature higher than 35 degree centigrade or lower than minus 10 degree centigrade, Acts of God or the public enemy, terrorism, plague or other epidemics/pandemic, 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 SELLER or of its subcontractors or its key equipment suppliers (i.e. main engine, propeller, gearbox, etc.), as the case may be, or by force majeure of any description, whether of the nature indicated by the foregoing or not, or by destruction of the SELLER or works of the SELLER or its subcontractors or its key equipment suppliers (i.e. main engine, propeller, gearbox, etc.), or of the VESSEL or any part thereof, by fire, flood, or other causes beyond the control of the SELLER or its subcontractors or its key equipment suppliers (i.e. main engine, propeller, gearbox, etc.) as the case may be, or due to the bankruptcy of the equipment and/or material supplier or suppliers (i.e. main engine, propeller, gearbox, etc.), or due to the delay caused by acts of God in the supply of parts 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 Paragraph 3 of this Article and subject however to all relevant provisions of this CONTRACT which authorize and permit extension of the time of delivery of the VESSEL.

2. NOTICE OF DELAY

Within Seven (7) days from the date of commencement of any event on account of which the SELLER claims that it is entitled under this Article to an extension of the time for delivery of the VESSEL, the SELLER shall advise the BUYER by telefax or email, of the date such event commenced, and the reasons therefor.

Likewise within Seven (7) days after such event ends, the SELLER shall advise the BUYER by telefax or email, of the date such event 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 event. Failure of the BUYER to acknowledge the SELLER's notification of any claim for extension of the Delivery Date within Ten (10) 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 Paragraph 1 of the Article aggregate to Two Hundred and Seventy (270) days or more, or if the total accumulated time of all delays on account of the causes specified in Paragraph 1 of the Article and non-Permissible Delays as described in Paragraph 1 of Article III aggregate to Three Hundred (300) 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 Supplied Items, and excluding delays due to causes which, under Article V, VI, XI and XII and any other provisions 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 or rescind this CONTRACT by serving upon the SELLER telefaxed or emailed notice of cancellation or recession and the provisions of Article X of this CONTRACT shall apply.

4. DEFINITION OF PERMISSIBLE DELAYS

Delays on account of such causes as provided for in Paragraph 1 of this Article excluding any other extensions or postponement of a nature which under the terms of this CONTRACT and/or applicable laws permit extension or postponement of the Delivery Date or delays due to reasons attributable to the BUYER, 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. Notwithstanding any other stipulations of this CONTRACT, the parties hereby agree that a default in performance of, or any breach of this CONTRACT by, or reasons attributable to, the BUYER or the events described under this CONTRACT permit extension of the Delivery Date shall entitle the SELLER to extend the Delivery Date. Such extension of the Delivery Date shall be regarded as mutually agreed change of Delivery Date and shall be distinguished from the Permissible Delays and non-Permissible Delays which will entitle the BUYER to cancel or rescind this CONTRACT.

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ARTICLE IX WARRANTY OF QUALITY

1. GUARANTEE OF MATERIAL AND WORKMANSHIP

Subject to the provisions hereinafter set forth, the SELLER undertakes to remedy, any defects in the VESSEL which are due to defective materials and/or poor workmanship on the part of the SELLER provided that: (i) defects are discovered within a period of Twelve(12) months after the date of delivery of the VESSEL and a notice thereof is duly given to the SELLER as provided under Paragraph 2 of this Article; and (ii) the liability of the SELLER shall be limited to those set forth in Paragraph 3(a) of this Article and subject to all such exclusion of the SELLER's liabilities as described in Paragraph 4 of this Article.

For the purpose of this Article, the VESSEL shall include her hull, machinery, equipment and gear, but exclude any parts of the VESSEL which have been supplied by or on behalf of the BUYER.

2. NOTICE OF DEFECTS

The BUYER shall notify the SELLER by telefax or email of any defects for which a claim is made under this guarantee as promptly as possible after discovery thereof. The BUYER's written notice shall describe the nature and the extent of the defect. The SELLER shall have no obligation for any defects discovered prior to the expiry date of the said Twelve (12) months period, unless notice of such defects are received by the SELLER no later than Seven (7) days after such expiry date.

3. REMEDY OF DEFECTS

- (a) The SELLER shall remedy, at its expense, any defects against which the VESSEL is guaranteed under this Article, by making all necessary repair(s) and/or replacement(s). Such aforesaid repair(s) and/or replacement(s), as the case may be and, in any event, constitutes the sole liability of the SELLER and sole remedy to the BUYER, whether under this CONTRACT or under any applicable laws. In either case whether all necessary repairs or replacements are performed by the BUILDER at its shipyard or elsewhere as provided for in 3(b) below, the SELLER shall, in no circumstances, be responsible for any towage, dockage, wharfage, port charges or anything else incurred for or occasioned by the BUYER's getting and keeping the VESSEL ready for such repairing and replacing. In any case, the VESSEL shall be taken at the BUYER's sole cost and responsibility to the place elected, ready in all respects for such repairs or replacements.

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- (b) However, if it is impractical to make the repair by the SELLER, the BUYER shall cause the necessary repairs or replacements to be made elsewhere which is deemed suitable for the purpose, provided that, in such event, the SELLER may forward or supply replacement parts or materials to the VESSEL, unless forwarding or supplying thereof to the VESSEL would impair or delay the operation or working schedule of the VESSEL. In the event that the BUYER proposes to cause the necessary repairs or replacements to be made to the VESSEL elsewhere, the BUYER shall first, but in all events as soon as possible, give the SELLER notice in writing of the time and place such repairs will be made, and if the VESSEL is not thereby delayed, or her operation or working schedule is not thereby impaired, the SELLER shall have the right to verify by its own representative(s) or representative(s) of Classification Society the nature and extent of the defects complained of. The SELLER shall, in such cases, promptly advise the BUYER in writing, after such examination has been completed, of its acceptance or rejection of the defects as ones that are covered by the guarantee herein provided. Upon the SELLER's acceptance of the defects as justifying remedy under this Article, the SELLER shall immediately pay to the BUYER for such repairs or replacements a sum equal to the lower figure of (i) the actual cost for such repairs or replacements including forwarding charges; and (ii) the average cost for making similar repairs or replacements including forwarding charges as quoted by a leading shipyard each in China, South Korea and Singapore.
- (c) Any dispute under this Article shall be referred to arbitration in accordance with the provisions of Article XIII hereof.

4. EXTENT OF SELLER'S RESPONSIBILITY

The SELLER shall have no responsibility or liability for any other defects whatsoever in the VESSEL other than the defects specified in Paragraph 1 of this Article.

The SELLER shall not be obligated to repair, or to be liable for any losses and/or damages to the VESSEL, or to any part of the equipment thereof, due to ordinary wear and tear, nor shall there be any SELLER's liability hereunder for defects in the VESSEL, or any part of the equipment thereof, caused by fire or accidents at sea or elsewhere, or mismanagement, accidents, negligence, or willful neglect, on the part of the BUYER, its employees or agents including the VESSEL's officers, crew and passengers, or any persons on or doing work on the VESSEL other than the 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 those other than the SELLER and/or their subcontractors or alteration or addition by the BUYER not previously approved by 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 and/or any applicable laws (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. In any circumstances whatsoever, whether under or in connection with this CONTRACT or any applicable laws, the SELLER's liability shall be limited to the repairs and replacement as set forth in Paragraph 1 of this Article, excluding any other responsibility, obligation and/or liability such as but not limited to those for (i) consequential loss or special loss; or (ii) any damages, losses, costs and/or expenses arising from any cause whatsoever (including but not limited to the loss of management fees, pilot charges or costs, fuel or lubrication oils consumed, damage to the VESSEL or any part thereof or any third party caused by the defects specified in Paragraph 1 of this Article etc.) regardless of whether the aforesaid damages, losses, costs and/or expenses are directly or indirectly occasioned to the BUYER by reason of the defects specified in Paragraph 1 of this Article; (iii) loss of time, loss of use, loss of hire, loss of profit or earnings or demurrage arising from any cause whatsoever.

The guarantee provided in this Article and the obligations and the liabilities of the SELLER (limited to the repairs or replacements as expressly set forth in Paragraph 1 of this Article) hereunder are exclusive and in lieu of and the BUYER hereby waives all other remedies, warranties, conditions, guarantees or liabilities, express or implied, arising by any applicable law (i.e. laws of England) or out of the CONTRACT 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 by telefax or email, and such cancellation and/or rescission shall be effective as of the date the notice thereof is received by the SELLER.

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

2. Thereupon the SELLER shall refund in United States Dollars 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 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 the Refund Guarantor under its guarantee, until the Final Award between the BUYER and the SELLER, which shall be in favour of the BUYER, declaring the BUYER's cancellation or rescission justified, is made and delivered to the SELLER. In the event of the SELLER is obligated to make refundment, the SELLER shall pay the BUYER interest in United States Dollars at the rate of Four percent (4%) per annum, 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), 4(c) or 5(c) hereof, on the amount required herein to be refunded to the BUYER computed from the respective dates when such sums were received by the China Merchants Bank Co., Ltd. Beijing Branch or any such other bank account as nominated by the SELLER pursuant to Article II. 4(a), 4(b) or 4(c) from the BUYER to the date of remittance by telegraphic transfer of such refund to the BUYER by the SELLER, provided, however, that if the said cancellation or rescission by the BUYER is made under the provisions of Paragraph 3 of Article VIII or Paragraph 2(b) of Article XII, then in such event the SELLER shall not be required to pay any interest.
3. Upon such refund by the SELLER to the BUYER, all obligations, duties and liabilities of the SELLER towards the BUYER and all rights and claims

against the SELLER by the BUYER under this CONTRACT and any applicable laws shall be forthwith completely discharged and waived. The SELLER's refund to the BUYER of the instalment(s) and interests (if any) thereon pursuant to the foregoing provisions constitute the sole liabilities of the SELLER towards the BUYER which is in lieu of any other remedies under and/or in connection with this CONTRACT and any applicable laws.

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ARTICLE XI BUYER'S DEFAULT

1. DEFINITION OF DEFAULT

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

- (a) The BUYER fails to pay the 1st or 2nd or 3rd instalment to the SELLER when any such instalment becomes due and payable under the provisions of Article II hereof and provided the BUYER shall have received the SELLER's demand for payment in accordance with Article II hereof; or
- (b) The BUYER fails to deposit or pay the 4th instalment to the SELLER in accordance with Paragraph 3(d) and 4(d) 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; or
- (d) The BUYER or its holding company or ultimate holding company enters into bankruptcy protection in any form or is adjudicated bankrupt or insolvent or as a result a court order is made for the dissolution or reorganization of the BUYER; or
- (e) A liquidator, receiver or trustee is appointed over, the whole or a material part of the assets of the BUYER or its holding company or ultimate holding company or a court order is granted in favour of a creditor to freeze the whole or a material part of the assets of the BUYER or its holding company or ultimate listed holding company; or
- (f) The BUYER or its holding company or ultimate listed holding company is dissolved, liquidated or ceases to be registered as a company in its place of incorporation, or the BUYER ceases to carry on its business as a whole, or declares its intention that such event will take place, except due to group internal restructuring, requirement of IPO and/or restructuring for financing purpose; or
- (g) The BUYER fails to provide the Payment Guarantee to the SELLER under the Paragraph 6 of Article II hereof; or

- (h) Any of the events described in Paragraph (d), (e) and/or (f) hereinabove occurs to the Payment Guarantor, and in such event, the BUYER fails to procure a new payment guarantee from a new payment guarantor acceptable to the SELLER within Thirty (30) days from the SELLER's notice.

2. NOTICE OF DEFAULT

If the BUYER is in default of payment or in performance of its obligations as provided hereinabove, the SELLER shall notify the BUYER to that effect by telefax or email after the date of occurrence of the default as per Paragraph 1 of this Article.

3. INTEREST AND CHARGE

- (a) If the BUYER is in default of payment as to any instalment as provided in Paragraph 1(a) and/or 1(b) of this Article, the BUYER shall pay interest on such instalment at the rate of Four percent (4%) per annum from the due date thereof to the date of the receipt by the SELLER of the full amount, including all aforesaid interest. In case the BUYER shall fail to take delivery of the VESSEL when required to as provided in Paragraph 1(c) of this Article, the BUYER shall be deemed in default of payment of the 4th instalment and shall pay interest thereon at the same rate as aforesaid from and including the day on which the VESSEL is tendered for delivery by the SELLER, as provided in Article VII hereof.
- (b) In any event of default by the BUYER under Paragraph 1 above, the BUYER shall also pay all costs, charges and expenses incurred by the SELLER in consequence of such default together with the interest on it running on and from the date the costs, charges, losses, and expenses were incurred or paid by the SELLER up to the date the SELLER receives the full amounts due together with interest.

4. DEFAULT BEFORE DELIVERY OF THE VESSEL

- (a) If any default by the BUYER occurs as defined in Paragraph 1 of this Article, the Delivery Date shall be automatically postponed for a period of continuance of such default by the BUYER.
- (b) If any such default as defined in Paragraph 1 of this Article committed by the BUYER continues for a period of Fifteen (15) days, then, the SELLER shall have all following rights and remedies:
- (i) The SELLER may, at its option, cancel or rescind this CONTRACT, by giving notice of such effect to the BUYER by telefax or email. Upon receipt by the BUYER of such telefax or email notice of cancellation or rescission, all of the BUYER Supplied Items 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 be entitled to retain any instalment(s) of the Contract Price paid by the BUYER to the SELLER on account of this CONTRACT; and
- (iii) (Applicable to any BUYER's default defined in Paragraph 1(a), 1(d), 1(e), 1(f), 1(g) or 1(h) of this Article) The SELLER shall, without prejudice to the SELLER's right to recover from the BUYER the 4th Instalment, interest, costs and/or expenses by applying the proceeds to be obtained by sale of the VESSEL in accordance with the provisions set out in this CONTRACT, have the right to declare all unpaid 1st, 2nd and 3rd Instalments to be forthwith due and payable, and upon such declaration, the SELLER shall have the right to immediately demand the payment of the aggregate amount of all unpaid 1st, 2nd and 3rd Instalments from the Payment Guarantor under the Payment Guarantee.

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.
- (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 instalment(s) and/or unpaid balance of the Contract Price and interest on such instalment(s) 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 instalment(s) 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 instalment(s) already paid by the BUYER and the cost of the BUYER Supplied Items, 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 keel-laying of the first section of the VESSEL 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 BUILDER for the VESSEL or built into, or installed in or upon the VESSEL, including the BUYER Supplied Items, fully insured with first class Chinese insurance companies 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 US\$ 500,000.00 of the BUYER Supplied Items. 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.

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 the SELLER 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 Paragraph 1 of this Article to the repair of such damage satisfactory to the Classification Society and other institutions or authorities as described in the Specifications 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 damage, 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 BUYER Supplied Items, 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, then refund immediately to the BUYER the amount of all instalments paid to the SELLER under this CONTRACT without interest, whereupon this CONTRACT shall be deemed to be canceled and all rights, duties, liabilities and obligations of each of the parties to the other shall terminate and be discharged forthwith.

Within Thirty (30) days after receiving telefax or email notice of any damage to the VESSEL constituting an actual or a constructive total loss, the BUYER shall notify the SELLER by telefax or email of its agreement or disagreement under Paragraph 2(b) of this Article. 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 canceled or rescinded and Paragraph 2 (b) (ii) of this Article 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, England in London Maritime Arbitrators Association ("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 Twenty (20) 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 Twenty (20) 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 Twenty (20) 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 by telefax or email 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

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

7. ALTERATION OF DELIVERY TIME

In the event of reference to arbitration of any dispute arising out of matters occurring prior to delivery of the VESSEL, the 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. 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 RIGHT OF ASSIGNMENT

Neither of the parties hereto shall assign this CONTRACT to any other individual, firm, company or corporation unless prior written consent of the other party is given in writing.

Notwithstanding the foregoing, the BUYER shall have the right, by giving notice in writing to the SELLER, to assign or novate this CONTRACT and the REFUND GUARANTEE subjected to SELLER's approval which shall not be unreasonably withheld:

- (i) to any subsidiary or affiliate company of the BUYER; and/or
- (ii) by way of security for any loan provided to the BUYER by one or more banks or other financial institutions to finance BUYER's purchase of the VESSEL hereunder.

ARTICLE XV TAXES AND DUTIES

1. TAXES

All costs for taxes including stamp duties, if any, incurred in connection with this CONTRACT in the People's Republic of China shall be borne by the SELLER. Any taxes and/or duties imposed upon those items or services procured by the SELLER in the People's Republic of China or elsewhere for the construction of the VESSEL shall be borne by the SELLER.

The BUYER shall be responsible for the personal income tax for any person it employs, including Supervisor or other BUYER's staff, agent and representatives who work at the BUILDER's shipyard and premise.

All taxes, duties, stamps, dues, levies and fees of whatsoever nature incurred or imposed in China in respect of the BUYER Supplied Items, if any, shall be borne by the BUYER.

2. DUTIES

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.

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

ARTICLE XVI PATENTS, TRADEMARKS AND COPYRIGHTS

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

Nothing contained herein shall be construed as transferring any patent or trademark rights or copyright in equipment covered by this CONTRACT, and all such rights are hereby expressly reserved to the true and lawful owners thereof. Notwithstanding any provisions contained herein to the contrary, the 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.

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, except where it is necessary for usual operation, repair and maintenance, sale or charter 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:

LECANG FANTASY LIMITED or its nominee

Address: Start Chambers, Wickham's Cay II, P.O.Box 2221, Road Town, Tortola, British Virgin Islands

Telephone No.: +86 532 8666 3666

Email: tim@bal.cn; xueqiang.wang@bal.cn; april.ding@bal.cn

To the SELLER:

CHINA SHIPBUILDING TRADING CO., LTD.

C/O Address: 22nd FL., Marine Tower, No. 1 Pudongdadao, Shanghai 200120, the People's Republic of China

Telephone No.: +86 (0) 21 68821975

Telefax No.: +86 (0) 21 68860801

Email: wangqf@mail.chinaships.com; xiongkc@mail.chinaships.com; yangy@mail.chinaships.com

JIANGNAN SHIPYARD (GROUP) CO., Ltd.

Address: 988 Changxing Jiangnan Ave., Changxing Island, Shanghai 201913, the People's Republic of China

Telephone No.: +86 (0) 21 66994648

Telefax No.: +86 (0) 21 66994658

Email: qiqing@jnshipyard.com.cn; zhangjiadong@jnshipyard.com.cn; huangzhiyan@jnshipyard.com.cn

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

Any change of address shall be communicated in writing by registered mail or telefax 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

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be deemed to be delivered Five (5) days after the date of dispatch, and telefax acknowledged by the answerbacks shall be deemed to be delivered upon dispatch and email transmission shall be deemed as delivered upon the subject email has been moved to the "Sent" box on the sending computer.

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 due execution of this CONTRACT.

ARTICLE XIX INTERPRETATION

1. LAW APPLICABLE

The parties hereto agree that the validity and interpretation of this CONTRACT and of each Article and part hereof shall 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

“Banking Day(s)” are days on which banks are open both in Beijing, P. R. China.

“Business Day(s)” are days on which the working day(s) in P. R. China.

In absence of stipulation of “Banking Day(s)” or “Business Day(s)”, the “Day(s)” or “day(s)” shall be taken as “calendar day(s)”.

“Final Award” means a published arbitration award in respect of any disputes arising out of or in connection with this CONTRACT where any right of appeal available in respect of such arbitration award under the applicable law is waived/excluded or is not exercised by the BUYER and the SELLER within the time limit under such applicable law and in case of such arbitration award is appealed, the final judgement from any court of competent jurisdiction on such award upon appeal by either the BUYER or the SELLER where any right of appeal available in respect of such judgement under the applicable law is waived/excluded or is not exercised by the BUYER and the SELLER within the time limit under such applicable law.

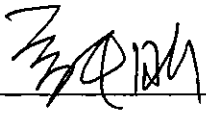
4. ENTIRE AGREEMENT

This CONTRACT sets forth the entire understanding of the parties with respect to the subject matter discussed herein. It supersedes all prior discussions, negotiations and agreements, (including but not limited to the Letter of Intent/Option Agreement) whether oral or written, expressed or implied.

Handwritten signatures and initials are present in the bottom right corner of the page.

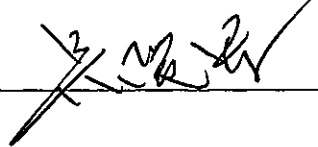
In WITNESS WHEREOF, the parties hereto have caused this CONTRACT to be duly signed on the day and year first above written.

THE BUYER:
LECANG FANTASY LIMITED

By: 
Name: _____
Title: _____

THE SELLER:

CSTC:
CHINA SHIPBUILDING TRADING CO., LTD.

By: 
Name: _____
Title: _____

THE BUILDER:
JIANGNAN SHIPYARD (GROUP) CO., Ltd.

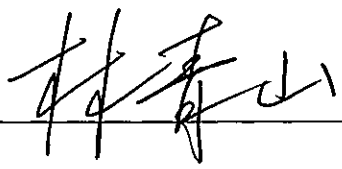
By: 
Name: _____
Title: _____

Exhibit "A1": IRREVOCABLE LETTER OF GUARANTEE
(1st Refund Guarantee)

To: BAL CONTAINER LINE CO., LIMITED

Date: _____

Dear Sirs,

Irrevocable Letter of Guarantee No. _____

At the request of CHINA SHIPBUILDING TRADING CO., LTD. and in consideration of your agreeing to pay CHINA SHIPBUILDING TRADING CO., LTD. and JIANGNAN SHIPYARD (GROUP) CO., Ltd. (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 6th June 2024 for the construction of one (1) 14,000 TEU Container Vessel to be designated as Hull No. H2871(hereinafter called "the CONTRACT"), we, China Merchants Bank Co., Ltd. Beijing Branch, do hereby guarantee repayment to you by the SELLER of an amount up to but not exceeding a total amount of US\$ 28,960,000.00 say United States Dollars Twenty Eight Million Nine Hundred and Sixty Thousand Only representing the 1st instalment of the Contract Price of the VESSEL in the amount of US\$ 28,960,000.00 say United States Dollars Twenty Eight Million Nine Hundred and Sixty Thousand Only, 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 the Permissible Delays in accordance with the provisions of Article VIII.3 or total loss in accordance with the provisions of Article XII.2(b), or together with an interest at the rate of Four percent (4%) 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), 4(c) or 5(c) of the CONTRACT within Forty-Five (45) Banking Days 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 paid by you; and
- (2) consequently whether you shall have the right to demand payment from us,

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 Final Award is published. We shall not be obligated to

make any payment to you unless the Final Award orders the SELLER to make repayment. If the SELLER fails to honour the Final Award then we shall refund to you to the extent the Final Award orders but not exceeding the aggregate amount of this guarantee plus the interest described above. The payment shall be made by us to the bank account specified in the relevant demand within Forty-Five (45) Banking Days after the date of receipt by us of (i) a written demand stating that demand has been made upon the SELLER for amounts due pursuant to Article X of the CONTRACT, and that the SELLER has within Sixty (60) Banking days failed to comply with the same, and (ii) the Final Award described hereof.

“Final Award” means a published arbitration award in respect of any disputes arising out of or in connection with the CONTRACT where any right of appeal available in respect of such arbitration award under the applicable law is waived/excluded or is not exercised by the BUYER and the SELLER within the time limit under such applicable law and in case of such arbitration award is appealed, the final judgement from any court of competent jurisdiction on such award upon appeal by either the BUYER or the SELLER where any right of appeal available in respect of such judgement under the applicable law is waived/excluded or is not exercised by the BUYER and the SELLER within the time limit under such applicable law.

The said repayment shall be made by us in United States Dollars. This Letter of Guarantee shall become effective from the time of the actual receipt of the 1st instalment being United States Dollars Twenty Eight Million Nine Hundred and Sixty Thousand Only (US\$28,960,000.00) by the SELLER from you to the SELLER's account (a/c name: CHINA SHIPBUILDING TRADING CO., LTD., a/c No.: 021900001232001 held with China Merchants Bank Co., Ltd. Beijing Branch) or through other receiving bank as may be nominated by the SELLER in accordance with Article II Paragraph 4 of the CONTRACT and the amount effective under this Letter of Guarantee shall correspond to the payment of the instalment(s) actually made by you and received by the SELLER to the SELLER's account above under the CONTRACT prior to the delivery of the VESSEL. However, the available amount under this Letter of Guarantee shall in no event exceed the above-mentioned total aggregate amount of the instalment(s) actually received by the SELLER, together with interest calculated, as described above without interest or, at Four percent (4%) per annum, as the case may be for the period commencing from the date of receipt by the SELLER of the respective instalment to the date of repayments by us thereof.

All demands, claims and notices in connection with this Letter of Guarantee shall be validly given if sent to us by authenticated SWIFT (SWIFTCODE. _____) to be sent through _____.

For the avoidance of doubt, in circumstances where arbitration between SELLER and you concerning cancellation and/or rescission of the CONTRACT, your written demand for repayment of the proceeds available hereunder shall not be issued until the Final Award between the SELLER and you is published, which

shall be made in favour of you, declaring your right to cancel and/or rescind justified.

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 November 25, 2027, whichever occurs the earliest. Upon expiry of this Letter of Guarantee for the aforesaid reasons, this Letter of Guarantee shall automatically become null and void, regardless of whether returned to us for cancellation or not, and any demand received after expiry shall be ineffective.

Unless otherwise defined herein, the terms used herein shall have the meaning assigned in the CONTRACT.

This Letter of Guarantee shall be construed in accordance with and governed by the laws of England. We hereby submit to arbitration by Three (3) arbitrators in London in accordance with the then prevailing rules of London Maritime Arbitrators Association ("LMAA") for the purposes of any legal action or proceedings in connection with this Letter of Guarantee.

For China Merchants Bank Co., Ltd. Beijing Branch

Exhibit "A2": IRREVOCABLE LETTER OF GUARANTEE
(2nd Refund Guarantee)

To: BAL CONTAINER LINE CO., LIMITED

Date: _____

Dear Sirs,

Irrevocable Letter of Guarantee No. _____

At the request of CHINA SHIPBUILDING TRADING CO., LTD. and in consideration of your agreeing to pay CHINA SHIPBUILDING TRADING CO., LTD. and JIANGNAN SHIPYARD (GROUP) CO., Ltd. (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 6th June 2024 for the construction of one (1) 14,000 TEU Container Vessel to be designated as Hull No. H2871 (hereinafter called "the CONTRACT"), we, China Merchants Bank Co., Ltd. Beijing Branch, do hereby guarantee repayment to you by the SELLER of an amount up to but not exceeding a total amount of US\$ 28,960,000.00 say United States Dollars Twenty Eight Million Nine Hundred and Sixty Thousand Only representing the aggregate of the the 2nd instalment of the Contract Price of the VESSEL in the amount of US\$ 14,480,000.00 say United States Dollars Fourteen Million Four Hundred and Eighty Thousand Only, the 3rd instalment of the Contract Price of the VESSEL in the amount of US\$ 14,480,000.00 say United States Dollars Fourteen Million Four Hundred and Eighty Thousand Only, 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 the Permissible Delays in accordance with the provisions of Article VIII.3 or total loss in accordance with the provisions of Article XII.2(b), or together with an interest at the rate of Four percent (4%) 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), 4(c) or 5(c) of the CONTRACT within Forty-Five (45) Banking Days 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:

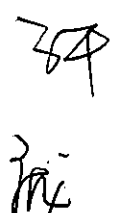
- (1) whether the SELLER shall be liable to repay the instalment paid by you; and
- (2) consequently whether you shall have the right to demand payment from us,

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 Final Award is published. We shall not be obligated to make any payment to you unless the Final Award orders the SELLER to make repayment. If the SELLER fails to honour the Final Award then we shall refund to you to the extent the Final Award orders but not exceeding the aggregate amount of this guarantee plus the interest described above. The payment shall be made by us to the bank account specified in the relevant demand within Forty-Five (45) Banking Days after the date of receipt by us of (i) a written demand stating that demand has been made upon the SELLER for amounts due pursuant to Article X of the CONTRACT, and that the SELLER has within Sixty (60) Banking days failed to comply with the same, and (ii) the Final Award described hereof.

“Final Award” means a published arbitration award in respect of any disputes arising out of or in connection with the CONTRACT where any right of appeal available in respect of such arbitration award under the applicable law is waived/excluded or is not exercised by the BUYER and the SELLER within the time limit under such applicable law and in case of such arbitration award is appealed, the final judgement from any court of competent jurisdiction on such award upon appeal by either the BUYER or the SELLER where any right of appeal available in respect of such judgement under the applicable law is waived/excluded or is not exercised by the BUYER and the SELLER within the time limit under such applicable law.

The said repayment shall be made by us in United States Dollars. This Letter of Guarantee shall become effective from the time of the actual receipt of the 2nd instalment being United States Dollars Twenty Eight Million Nine Hundred and Sixty Thousand Only (US\$28,960,000.00) by the SELLER from you to the SELLER's account (a/c name: CHINA SHIPBUILDING TRADING CO., LTD., a/c No.: 021900001232001 held with China Merchants Bank Co., Ltd. Beijing Branch) or through other receiving bank as may be nominated by the SELLER in accordance with Article II Paragraph 4 of the CONTRACT and the amount effective under this Letter of Guarantee shall correspond to the payment of the instalment(s) actually made by you and received by the SELLER to the SELLER's account above under the CONTRACT prior to the delivery of the VESSEL. However, the available amount under this Letter of Guarantee shall in no event exceed the above-mentioned total aggregate amount of the instalment(s) actually received by the SELLER, together with interest calculated, as described above without interest or, at Four percent (4%) per annum, as the case may be for the period commencing from the date of receipt by the SELLER of the respective instalment to the date of repayments by us thereof.

All demands, claims and notices in connection with this Letter of Guarantee shall be validly given if sent to us by authenticated SWIFT (SWIFTCODE. _____) to be sent through _____.



For the avoidance of doubt, in circumstances where arbitration between SELLER and you concerning cancellation and/or rescission of the CONTRACT, your written demand for repayment of the proceeds available hereunder shall not be issued until the Final Award between the SELLER and you is published, which shall be made in favour of you, declaring your right to cancel and/or rescind justified.

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 November 25, 2027, whichever occurs the earliest. Upon expiry of this Letter of Guarantee for the aforesaid reasons, this Letter of Guarantee shall automatically become null and void, regardless of whether returned to us for cancellation or not, and any demand received after expiry shall be ineffective.

Unless otherwise defined herein, the terms used herein shall have the meaning assigned in the CONTRACT.

This Letter of Guarantee shall be construed in accordance with and governed by the laws of England. We hereby submit to arbitration by Three (3) arbitrators in London in accordance with the then prevailing rules of London Maritime Arbitrators Association ("LMAA") for the purposes of any legal action or proceedings in connection with this Letter of Guarantee.

For China Merchants Bank Co., Ltd. Beijing Branch

Exhibit "B": IRREVOCABLE LETTER OF GUARANTEE FOR THE
SECOND AND THIRD INSTALMENTS

From: _____ Bank

Date: _____

To: CHINA SHIPBUILDING TRADING CO., LTD.
56(Yi) Zhongguancun Nan Da Jie, Beijing
100044, the People's Republic of China

Dear Sirs,

- (1) In consideration of your entering into a shipbuilding contract dated 6th June 2024 (the "Shipbuilding Contract") with BAL CONTAINER LINE CO., LIMITED as the buyer (the "BUYER") for the construction of one (1) 14,000 TEU Container Vessel with the BUILDER's Hull No. H2871 (the "VESSEL"), we, _____, hereby IRREVOCABLY, ABSOLUTELY and UNCONDITIONALLY guarantee, as the primary obligor and not merely as the surety, the due and punctual payment by the BUYER of the 2nd and 3rd instalments of the Contract Price amounting to a total sum of United States Dollars US\$ 28,960,000.00 say United States Dollars Twenty Eight Million Nine Hundred and Sixty Thousand Only as specified in (2) below.
- (2) The instalments guaranteed hereunder, pursuant to the terms of the Shipbuilding Contract, comprise the 2nd instalment in the amount of United States Dollars US\$ 14,480,000.00 say United States Dollars Fourteen Million Four Hundred and Eighty Thousand Only payable by the BUYER within Three (3) Banking Days after Steel Cutting of the first steel plate of the VESSEL and the 3rd instalment in the amount of United States Dollars US\$ 14,480,000.00 say United States Dollars Fourteen Million Four Hundred and Eighty Thousand Only payable by the BUYER within Three (3) Banking Days after keel laying of the first section of the VESSEL.
- (3) We also IRREVOCABLY, ABSOLUTELY and UNCONDITIONALLY guarantee, as primary obligor and not merely as surety, the due and punctual payment by the BUYER of interest on each instalment guaranteed hereunder at the rate of Four percent (4%) per annum from and including the first day after the date of instalment in default until the date of full payment by us of such amount guaranteed hereunder.
- (4) In the event that you have notified us that the BUYER has failed to punctually pay any instalment guaranteed hereunder or the BUYER has

failed to pay any interest thereon, then, upon receipt by us of your first written demand, we shall immediately pay to you or your assignee the unpaid 2nd and/or 3rd instalment(s), together with the interest as specified in Paragraph (3) hereof, without inquiring the justification or entitlement of your demand or requesting you to take any or further action, procedure or step against the BUYER or with respect to any other security which you may hold. For the avoidance of any doubt and even if it is called the "Guarantee" throughout and notwithstanding other stipulations herein, it is hereby confirmed that this Letter of Guarantee shall be regard as an "On Demand" Performance Bond.

- (5) We hereby agree that at your option this Letter of Guarantee and the undertaking hereunder shall be assignable to and if so assigned shall inure to the benefit of any 3rd party designated by you or JIANGNAN SHIPYARD (GROUP) CO., Ltd. as your assignee as if any such third party or JIANGNAN SHIPYARD (GROUP) CO., Ltd. were originally named herein.
- (6) Any payment by us under this Letter of Guarantee shall be made in the United States Dollars by telegraphic transfer to China Merchants Bank Co., Ltd. Beijing Branch, as receiving bank nominated by you for credit to the account of you with 021900001232001 or through other receiving bank to be nominated by you from time to time, in favour of you or your assignee.
- (7) This Letter of Guarantee and our obligations under this Letter of Guarantee shall not be affected or prejudiced and we shall not withhold and/or delay our payment by the reason of any dispute between you as the SELLER and the BUYER under or in connection with the Shipbuilding Contract or by the BUILDER's delay in the construction and/or delivery of the VESSEL due to whatever causes or by any variation or extension of their terms thereof (whether or not made with our knowledge), or by any security or other indemnity now or hereafter held by you in respect thereof, or by any time or indulgence granted by you or any other person in connection therewith, or by any invalidity or unenforceability of the terms thereof, or by any act, omission, fact or circumstances whatsoever, which could or might, but for the foregoing, diminish in any way our obligations under this Letter of Guarantee.
- (8) Any claim or demand shall be in writing signed by one of your officers and may be served on us either by hand or by post and if sent by post to _____ (or such other address as we may notify to you in writing), or by SWIFT (SWIFT CODE: CMBCCNBS201) via China Merchants Bank Co., Ltd. Beijing Branch.
- (9) This Letter of Guarantee shall come into full force and effect upon delivery to you of this Letter Guarantee and shall continue in force and effect until the full payment of all the 2nd and/or 3rd instalment(s) together with the aforesaid interests by the BUYER or us.

- (10) The maximum amount, however, that we are obliged to pay to you under this Letter of Guarantee shall not exceed the aggregate amount of United States Dollars Twenty Nine Million One Hundred and Fifty Three Thousand Sixty Six and Cent Sixty Seven Only (US\$ 29,153,066.67), being an amount equal to:
- (i) the 2nd and 3rd instalments guaranteed hereunder in the total amount of United States Dollars US\$28,960,000.00 say United States Dollars Twenty Eight Million Nine Hundred and Sixty Thousand Only; and
 - (ii) the interest at the rate of Four percent (4%) per annum on the respective instalments each for a period of Sixty (60) days in the total amount of United States Dollars One Hundred and Ninety Three Thousand Sixty Six and Cents Sixty Seven Only (US\$ 193,066.67).
- (11) All payments by us under this Letter of Guarantee shall be made without any set-off or counterclaim and without deduction or withholding for or on account of any taxes, duties, or charges whatsoever unless we are compelled by law to deduct or withhold the same. In the latter event we shall make the minimum deduction or withholding permitted and will pay such additional amounts as may be necessary in order that the net amount received by you after such deductions or withholdings shall equal the amount which would have been received had no such deduction or withholding been required to be made.
- (12) This Letter of Guarantee shall be construed in accordance with and governed by the laws of England. We hereby submit to arbitration by Three (3) arbitrators in London in accordance with the then prevailing rules of London Maritime Arbitrators Association ("LMAA") for the purposes of any legal action or proceedings in connection with this Letter of Guarantee.
- (13) This Letter of Guarantee shall have expired as aforesaid, you will return the same to us without any request or demand from us.
- (14) We hereby represent and confirm to you that we are permitted by the law of _____, and have the corporate power and authority, to issue this Letter of Guarantee with its precise wording and to perform our obligations hereunder and in particular to designate the laws of England as the governing law hereof. With regard to the rules, regulations and requirements of the laws and regulations of _____, we hereby confirm that this guarantee is valid and enforceable and confirm further that we have obtained all necessary approvals and authorizations to issue and perform this Letter of Guarantee in United States Dollars.

- (15) We further waive and disclaim all rights whatsoever to claim sovereign immunity for ourselves or our assets in respect of any claim or proceedings brought against us under or in respect of this Letter of Guarantee.
- (16) The "Business Day(s)", "Banking Day(s)" and "Day(s)" defined in the Shipbuilding Contract shall have the same meaning when used in this Letter of Guarantee.

Very Truly Yours,

By:

Shipbuilding Contract

Hull No. H2872

SHIPBUILDING CONTRACT

FOR

CONSTRUCTION OF ONE 14,000 TEU
CONTAINER VESSEL

(HULL NO. H2872)

BETWEEN

LECANG FANTASY LIMITED or its nominee

as the BUYER

and

JIANGNAN SHIPYARD (GROUP) CO., LTD.

and

CHINA SHIPBUILDING TRADING CO., LTD.

Collectively as the SELLER

Handwritten signatures and initials in the bottom right corner, including a large stylized character and smaller characters below it.

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SHIPBUILDING CONTRACT
FOR
CONSTRUCTION OF ONE 14,000 TEU
CONTAINER VESSEL (HULL NO. H2872)

This SHIPBUILDING CONTRACT, entered into this 6th day of June, 2024 (hereinafter called the "CONTRACT") by and between LECANG FANTASY LIMITED, a corporation organized and existing under the laws of the British Virgin Islands, having its registered office at Start Chambers, Wickham's Cay II, P.O.Box 2221, Road Town, Tortola, British Virgin Islands or its nominee (hereinafter called the "BUYER") on one part; and JIANGNAN SHIPYARD (GROUP) CO., Ltd., a corporation organized and existing under the laws of the People's Republic of China, having its registered office at 988 Changxing Jiangnan Ave., Changxing Island, Shanghai 201913, the People's Republic of China (hereinafter called the "BUILDER") and CHINA SHIPBUILDING TRADING CO., LTD., a corporation organized 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") on the other part. The BUILDER and CSTC are hereinafter collectively called the "SELLER".

WITNESSETH

In consideration of the mutual covenants contained herein, the SELLER agrees to build, launch, equip, complete and to sell and deliver to the BUYER after completion and trial one (1) 14,000 TEU Container Vessel as more fully described in Article I hereof, to be registered under the flag of Singapore 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.

ARTICLE I DESCRIPTION AND CLASS

1. DESCRIPTION

The VESSEL is a 14,000 TEU Container Vessel, at Scantling draft moulded of 17.0 meters (hereinafter called the "VESSEL") of the class described below. The VESSEL shall have the BUILDER's Hull No. H2872 and shall be constructed, equipped and completed in accordance with the following "Specifications" of the vessel bearing the BUILDER's Hull No. H2789 (hereinafter called "Prototype Vessel"):

- (1) Specification (No. 2CS220404A) version B signed on June 10th 2022;
- (2) General Arrangement (Drawing No. 2CS220402A) version A signed on June 10th 2022;
- (3) Midship Section (Drawing No. 2CS220403A) version A signed on June 10th 2022;
- (4) Makers List (No. 2CS220405A) version A signed on June 10th 2022.

attached hereto and signed by the BUYER and the BUILDER (hereinafter collectively called the "Specifications"), making an integral part hereof.

The final makers selected for the Prototype Vessel in maker list will be applied to the VESSEL for free.

Modifications previously mutually agreed between the Parties on the Prototype Vessel before April 18, 2024 will be applied to the VESSEL for free.

Any modifications for the Prototype Vessel on or after April 18, 2024 will be automatically applied to the VESSEL according to the mutually agreed extra cost or credit.

Drawings for the VESSEL will follow the drawings for the Prototype Vessel without repeat drawings approval.

(Note: Part of final selected makers in maker list shall be later discussed if issues relate to technology, delivery or others arise in the future, and both parties will discuss and reach an agreement.)

Should there be any inconsistency or discrepancy between this Contract and the Specifications or between this Contract and the Approved Drawings, this Contract shall prevail. Should there be any inconsistency or discrepancy between the Specifications and the Approved Drawings, the Specifications to prevail.

2. CLASS AND RULES

The VESSEL, including its machinery and equipment, shall be constructed in accordance with the rules and regulations issued and having become effective and compulsorily applicable to the VESSEL up to and on the signing date of this CONTRACT of Bureau Veritas ("BV") (hereinafter called the "Classification Society", In principle, all the plans, drawings, equipment and material applied to the Prototype Vessel shall be applied to the VESSEL without re-approval by BV and the BUYER), and shall be distinguished in the record by the symbol of

BV I +HULL, +MACH, Container ship, Tier III, Unrestricted navigation, +VeriSTAR-HULL CM FLM FAT 25 years, Spectral Fatigue (worldwide), WhiSp1, CPS(WBT), +AUT-UMS, +SYS-NEQ-1, INWATERSURVEY, GREEN PASSPORT, BWT, LASHING-RSSA(all routes), LI-LASHING, LI-HG-S2, MON-SHAFT, CLEANSHIP, ERS-S, EGCS-SCRUBBER, LNGFUEL-PREPARED, METHANOLFUEL-PREPARED

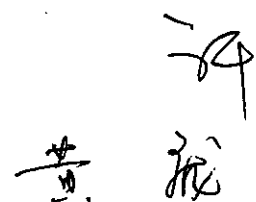
and shall also comply with the rules and regulations as fully described in the Specifications of the Prototype Vessel.

The requirements of the Classification Society and the Flag State and other authorities and regulatory bodies referred to in the Specifications with which the VESSEL must comply shall also include those applicable additional compulsory rules, regulation amendments or circulars with entry into force up to date of signing of 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 the Classification Society and to comply with the rules, regulations and requirements of this CONTRACT as described in the Specifications issued, effective and compulsorily applicable to the VESSEL up to the signing date of this CONTRACT as well as royalties, if any, payable on account of the construction of the VESSEL shall be for the account of the 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 as to compliance or noncompliance with classification rules and regulations as well as any other rules, regulations and circulars applicable to the VESSEL under this CONTRACT shall be final and binding upon the parties hereto.



3. PRINCIPAL PARTICULARS AND DIMENSIONS OF THE VESSEL

(a) Hull:

Length overall	abt. 335.00m
Length between perpendiculars	abt. 323.00m
Breadth moulded	51.00m
Depth moulded	30.00m
Design draft moulded	14.50m
Scantling Draft moulded	17.00m

(b) Propelling Machinery:

The VESSEL shall be equipped, in accordance with the Specifications, with One (1) set of WinGD 8X92-B LLT, LPSCR type Main Engine.

Contract Maximum continuous rating (CMCR): 42,000 kW x 76.6 RPM

Continuous service rating (CSR, 90% CMCR): 37,800 kW x 74.0 RPM

4. GUARANTEED SPEED

The SELLER guarantees that the service speed, after correction as provided below, is to be not less than 22.0 nautical miles per hour at the design draft and at CSR including 15% sea margin as stipulated in the Specifications.

The fulfilment of service speed on the design draft shall be proven by sea trial on ballast draft, using the model test result on the design draft by comparing model test results with the Trial Run results on ballast draft.

The trial speed shall be corrected for wind speed, wave, current etc. The correction method of the speed shall be in accordance with BUILDER's standard method, latest ITTC and ISO 15016 (including the latest version of STAIMO).

5. GUARANTEED FUEL CONSUMPTION

The SELLER guarantees that the fuel oil consumption of the Main Engine in Tier II mode is not to exceed 153.9 grams/kW +5% per hour at 90% Contract Maximum continuous rating (CMCR) at manufacturer's shop test based on diesel fuel oil having a lower calorific value of 42,700 kJ per kilogram at ISO ambient condition (below) with exhaust back pressure of 600 mm WC.

Total barometric pressure:	1,000 mbar
Suction air temperature:	25 deg C
Charge air cooling water temperature:	25 deg C

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6. GUARANTEED DEADWEIGHT AND CONTAINER CAPACITY

The SELLER guarantees that the VESSEL is to have a deadweight of not less than 155,000 metric tons at the scantling draft moulded of 17.00 meters in sea water of 1.025 specific gravity at even keel condition.

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.

The SELLER guarantees that the VESSEL shall have the container capacity of 14700TEU containers of 20ft at a draft of 17m.

The container capacity specified as the geometry slots based on ISO 20'x8'x8'6" type and IMO visibility guidelines on scantling draft at even keel.

Should there be any dispute between the BUILDER and the BUYER in such calculations and/or measurements, the decision of the Classification Surveyor 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 responsible for such subcontracted work.

8. REGISTRATION

The VESSEL shall be registered by the BUYER at its own cost and expenses under the laws of Singapore 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 United States Dollars One Hundred and Forty Four Million Eight Hundred Thousand Only (US\$ 144,800,000.00), net receivable by the SELLER (hereinafter called the "Contract Price"), which is exclusive of the cost for the BUYER Supplied Items 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 United States Dollars.

3. TERMS OF PAYMENT

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

(a) 1st Instalment:

The sum of United States Dollars Twenty Eight Million Nine Hundred and Sixty Thousand Only (US\$ 28,960,000.00), representing Twenty percent (20%) of the Contract Price, shall become due and payable and be paid by the BUYER within Three (3) Banking Days after BUYER's or BUYER's designated advising bank receipt of the 1st Refund Guarantee as described in Paragraph 7 of this Article.

(b) 2nd Instalment:

The sum of United States Dollars Fourteen Million Four Hundred and Eighty Thousand Only (US\$14,480,000.00), representing Ten percent (10%) of the Contract Price, shall become due and payable and be paid by the BUYER within Three (3) Banking Days after the cutting of the first steel plate of the VESSEL and receipt of the 2nd Refund Guarantee as described in Paragraph 7 of this Article. The SELLER shall notify with a telefax notice or an email notice to the BUYER stating that the steel cutting has been carried out and demand for payment of this instalment.

(c) 3rd Instalment:

The sum of United States Dollars Fourteen Million Four Hundred and Eighty Thousand Only (US\$14,480,000.00), representing Ten percent (10%) of the

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Contract Price, shall become due and payable and be paid by the BUYER within Three (3) Banking Days after keel-laying of the first section of the VESSEL. The SELLER shall notify with a telefax notice or an email notice to the BUYER stating that the keel-laying has been carried out, together with a statement/verification of the Classification Society confirming that the said keel-laying has been carried out and shall send a demand for payment of this instalment.

(d) 4th Instalment:

The sum of United States Dollars Eighty Six Million Eight Hundred and Eighty Thousand Only (US\$86,880,000.00), representing Sixty percent (60%) of the Contract Price, plus any increase or minus any decrease due to modifications and/or adjustments of the Contract Price in accordance with the provisions of 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 telefax or email demand for this instalment Ten (10) days prior to the scheduled date of delivery of the VESSEL.

No payment under this CONTRACT shall be delayed or withheld by the BUYER on account of any dispute or disagreement of whatever nature arising between the parties hereto.

4. METHOD OF PAYMENT

(a) 1st Instalment:

The BUYER shall remit the amount of this instalment in accordance with Article II, Paragraph 3(a) by telegraphic transfer to China Merchants Bank Co., Ltd. Beijing Branch, No. 156 Fuxingmennei Street, Xicheng District, Beijing, China (SWIFT Code: CMBCCNBS201) as receiving bank nominated by the SELLER for credit to the account of China Shipbuilding Trading Co., Ltd. (account No. 021900001232001), or through other receiving bank with the account to be nominated by the SELLER from time to time and such nomination shall be notified to the BUYER at least Ten (10) days prior to the scheduled date for payment.

(b) 2nd Instalment:

The BUYER shall remit the amount of this instalment in accordance with Article II, Paragraph 3(b) by telegraphic transfer to China Merchants Bank Co., Ltd. Beijing Branch, No. 156 Fuxingmennei Street, Xicheng District, Beijing, China (SWIFT Code: CMBCCNBS201) as receiving bank nominated by the SELLER for credit to the account of China Shipbuilding Trading Co., Ltd. (account No. 021900001232001), or through other receiving bank with the account to be nominated by the SELLER from time to time and such nomination shall be

notified to the BUYER at least Ten (10) days prior to the scheduled date for payment.

(c) 3rd Instalment:

The BUYER shall remit the amount of this instalment in accordance with Article II, Paragraph 3(c) by telegraphic transfer to China Merchants Bank Co., Ltd. Beijing Branch, No. 156 Fuxingmennei Street, Xicheng District, Beijing, China (SWIFT Code: CMBCCNBS201) as receiving bank nominated by the SELLER for credit to the account of China Shipbuilding Trading Co., Ltd. (account No. 021900001232001), or through other receiving bank with the account to be nominated by the SELLER from time to time and such nomination shall be notified to the BUYER at least Ten (10) days prior to the scheduled date for payment.

(d) 4th Instalment:

The BUYER shall, at least Five (5) Banking Days prior to the scheduled date of delivery of the VESSEL, make an irrevocable cash deposit in the name of the BUYER with China Merchants Bank Co., Ltd. Beijing Branch, No. 156 Fuxingmennei Street, Xicheng District, Beijing, China (SWIFT Code: CMBCCNBS201) as receiving bank nominated by the SELLER for credit to the account of China Shipbuilding Trading Co., Ltd. (account No. 021900001232001), or through other receiving bank to be nominated by the SELLER at least Ten (10) days prior to the scheduled date of delivery of the VESSEL, for a period of Thirty (30) days and covering the amount of this instalment (as adjusted in accordance with the provisions of this CONTRACT), with an irrevocable instruction that the said amount shall be released to the SELLER against presentation by the SELLER to the said receiving bank, 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 Thirty (30) days deposit period, the BUYER shall have the right to withdraw the said deposit plus accrued interest upon the expiry date. However, when the newly scheduled delivery date is notified to the BUYER by the SELLER, the BUYER shall make the cash deposit in accordance with the same terms and conditions as set out above.

Expenses and bank charges for remitting payment incurred by the BUYER's bank shall be for the BUYER's account and the expenses and bank charges of the SELLER's bank shall be for the SELLER's account.

Expenses and bank charges for receiving and/or cancelling the Refund Guarantee(s) charged by the BUYER's bank shall be for the BUYER's account

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and the expenses and bank charges for issuing and/or cancelling the Refund Guarantee(s) charged by the SELLER's bank shall be for the SELLER's account.

5. PREPAYMENT

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

6. SECURITY FOR PAYMENT OF INSTALMENTS

The BUYER shall, within Sixty (60) Days after signing of the CONTRACT, deliver to the SELLER an irrevocable and unconditional Letter of Guarantee (the "Payment Guarantee") in the form annexed hereto as Exhibit "B" in favour of the SELLER issued by a first class international bank (hereinafter called the "Payment Guarantor") acceptable to the SELLER's bank and the SELLER. The form and substance of such Payment Guarantee shall, in all respects, be acceptable to the SELLER, under which the Payment Guarantee shall secure the BUYER's obligation for the payment of the 2nd and 3rd instalments of the Contract Price.

7. REFUNDS

- (a) 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 justifiably cancelled or rescinded by the BUYER, all in accordance with the specific terms of this CONTRACT permitting such cancellation or rescission, the SELLER shall refund to the BUYER in United States Dollars the full amount of all sums already paid by the BUYER to the SELLER under this CONTRACT, together with interest (at the rate set out in respective provision thereof) from the date of receipt by the SELLER of the respective instalment(s) to the date of remittance by telegraphic transfer of such refund to the account specified by the BUYER.
- (b) As security to the BUYER, the SELLER shall deliver to the BUYER, within Forty Five (45) Banking Days following the execution of this CONTRACT, a refund guarantee (securing refund of the 1st instalment of the Contract Price) (the "1st Refund Guarantee") to be issued by the SELLER's bank (hereinafter called the "Refund Guarantor") in the People's Republic of China in the form as per Exhibit "A1" annexed hereto and shall deliver to the BUYER together with demand for payment of the 2nd instalment a refund guarantee (securing refund of the 2nd and 3rd instalments of the Contract Price) (the "2nd Refund Guarantee") to be issued by the Refund Guarantor in the form as per Exhibit "A2" annexed hereto. The 1st Refund Guarantee shall become effective upon the SELLER's receipt of the 1st instalment from the BUYER. The 2nd Refund Guarantee shall become effective upon the SELLER's receipt of the 2nd instalment from the BUYER. The 1st Refund

Guarantee and the 2nd Refund Guarantee are collectively the "Refund Guarantee(s)"

- (c) However, in the event of any dispute between the SELLER and the BUYER with regard to the SELLER's obligation to repay the instalment or instalments 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 under the Refund Guarantee(s) until the Final Award between the SELLER and the BUYER is published. The Refund Guarantor shall not be obligated to make any payment under the Refund Guarantee(s) unless the Final Award orders the SELLER to make repayment. If the SELLER fails to honour the Final Award, then the Refund Guarantor shall refund to the extent the Final Award orders.
- (d) The Refund Guarantor will be the Bank of China or the Export and Import Bank of China or ICBC or China Merchants Bank Co., Ltd. or POSTAL SAVINGS BANK OF CHINA CO., LTD. or CITIC.

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 Thirty (30) 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 Thirtieth (30th) day of delay.
- (b) If the delivery of the VESSEL is delayed more than Thirty (30) days after the date as defined in Article VII hereof, then, in such event, beginning at twelve o'clock midnight of the Thirtieth (30th) day after the date on which delivery is required under this CONTRACT, the Contract Price of the VESSEL shall be reduced by deducting therefrom the sum of United States Dollars Thirty Four Thousand Only (US\$ 34,000.00) per day.

Unless the parties hereto agree otherwise, the total reduction in the Contract Price shall be deducted from the 4th Instalment 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 Two Hundred and Ten (210) days of delay in delivery as described in Paragraph 1(c) of this Article or after the expiration of Two Hundred and Seventy (270) days of delay in delivery as described in Paragraph 3 of Article VIII) shall not be more than the sum of United States Dollars Six Million One Hundred and Twenty Thousand Only (US\$ 6,120,000.00) being the maximum, as above One Hundred and Eighty (180) days of delay in delivery from the Thirty-first (31st) day after the Delivery Date at the above specified rate of reduction. Other than the liquidated damages permitted under this Paragraph 1(b) and in any event subject to the limitation of the aforesaid maximum amount, claims of the BUYER on account of the delay in delivery of the VESSEL arising out of any nature whatsoever or caused by whatever reason shall be and are hereby expressly and irrevocably waived and given up by the BUYER whether under this CONTRACT or under the laws of England.

- (c) Subject to Article VIII. 3 and 4 of this CONTRACT, if the delay in the delivery of the VESSEL continues for a period of Two Hundred and Ten (210) days after the Delivery Date as defined in Article VII, then in such event, the BUYER may, at its option, cancel or rescind 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, XIII and other applicable clauses hereof and/or extensions being permitted under the laws of England. The Contract Price shall not be adjusted or reduced if the delivery of the VESSEL is delayed by reason of the Permissible Delays as defined in Article VIII hereof.
- (e) If the delivery of the VESSEL can made earlier than the Delivery Date as defined in Article VII of the CONTRACT, the SELLER shall notifies the BUYER by telefax or email and such notification shall be given not less than One (1) month prior to the newly planned delivery date
- (f) In the event that the SELLER is unable to deliver the VESSEL on the newly planned delivery date as declared under Paragraph 1(e) of this Article above, the VESSEL can, nevertheless, be delivered by the SELLER at a date after such declared newly planned date.

In such circumstances, and for the purpose of determining the liquidated damages to the BUYER (according to the provisions of Paragraph 1(b) of this Article) and the BUYER's right to cancel or rescind this CONTRACT (according to the provisions of Paragraph 1(c) of this Article), the newly planned delivery date declared by the SELLER shall not be in any way treated or taken as having substituted the Delivery Date as defined in Article VII. The BUYER's aforesaid right for liquidated damages and to cancel or rescind this CONTRACT shall be accrued, operated or exercised only to the extent as described in Paragraph 1(a), 1(b) and/or 1(c) of Article III. In whatever circumstances, the Delivery Date as defined in Article VII (not the newly planned delivery date as declared by the SELLER) shall be used to regulate, as so described in Paragraph 1(a), 1(b) and/or 1(c) of Article III, the BUYER's right for liquidated damages and to cancel or rescind this CONTRACT and the SELLER's liability to pay the aforesaid liquidated damages resulting from the delay in delivery of the VESSEL.

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 less than three tenths (3/10) of one knot below the guaranteed speed as specified in Paragraph 4 of Article I of this CONTRACT.
- (b) However, commencing with and including a deficiency of three tenths (3/10) of one knot in actual speed (as determined by the Trial Run after correction according to the Specifications) below the guaranteed speed as specified in

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Paragraph 4 Article I of this CONTRACT, the Contract Price shall be reduced as follows:

In case of deficiency,

at or above 0.30 but below 0.40 knot US\$ 150,000.00
at or above 0.40 but below 0.50 knot US\$ 300,000.00
at or above 0.50 but below 0.60 knot US\$ 450,000.00
at or above 0.60 but below 0.70 knot US\$ 600,000.00
at or above 0.70 but below 0.80 knot US\$ 750,000.00
at or above 0.80 but below 0.90 knot US\$ 900,000.00
at or above 0.90 but below 1.00 knot US\$ 1,050,000.00

- (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 and/or re-Trial Run(s), is more than 1.00 knot below the guaranteed speed of 22.0 knots, then the BUYER may, subject to Article VI of this CONTRACT, at its option reject the VESSEL and cancel or 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 United States Dollars One Million and Fifty Thousand Only (US\$ 1,050,000.00) 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 the engine manufacturer's workshop, as per the Specifications, is greater than the guaranteed fuel consumption as specified and required under the provisions of this CONTRACT and the Specifications if such actual excess is equal to or less than Five percent (5%).
- (b) However, if the actual fuel consumption as determined by manufacturer's shop trial is greater than Five percent (5%) above the guaranteed fuel consumption then, the Contract Price shall be reduced by the sum of United States Dollars Two Hundred Thousand Only (US\$ 200,000.00) for each full One percent (1%) increase in fuel consumption in excess of the above said Five percent (5%) (fractions of one percent to be prorated).
- (c) If as determined by manufacturer's shop trial such actual fuel consumption of the Main Engine is more than Ten percent (10%) in excess of the guaranteed fuel consumption, i.e. the fuel consumption exceeds 169.29 grams/kW, the BUYER may, subject to the SELLER's right to effect alterations or corrections as specified in the following Paragraph 3(d) of this Article III hereof at its option, cancel or rescind this CONTRACT, in accordance with the provisions of Article X of this CONTRACT, or may

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accept the VESSEL at a reduction in the Contract Price by United States Dollars One million Only (US\$ 1,000,000.00) being the maximum.

- (d) If as determined by manufacturer's shop trial such actual fuel consumption of the Main Engine is more than Ten percent (10%) in excess of the guaranteed fuel consumption, i.e. the fuel consumption exceeds 169.29 grams/kW, the SELLER may investigate the cause of the non-conformity and the proper steps may promptly be taken to remedy the same and to make whatever corrections and alterations and/or re-shop trial test or tests as may be necessary to correct such non-conformity without extra cost to the BUYER. Upon completion of such alterations or corrections of such nonconformity, the SELLER shall promptly perform such further shop trials or any other tests, as may be deemed necessary to prove the fuel consumption of the Main Engine's conformity with the requirement of this CONTRACT and the Specifications and if found to be satisfactory, give the BUYER notice of such correction and as appropriate, successful completion accompanied by copies of such results, and the BUYER shall, within Six (6) Business Days after receipt of such notice, notify the SELLER by telefax or email of its acceptance or reject the re-shop trial together with the reasons therefor. If the BUYER fails to notify the SELLER by telefax or email of its acceptance or rejection of the re-shop trial together with the reasons therefor within Six (6) Business Days period as provided herein, the BUYER shall be deemed to have accepted the shop trial.

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 One Thousand and Five Hundred (1500) metric tons or less below the guaranteed deadweight of 155,000 metric tons at the scantling draft moulded of 17.0 meters in sea water of 1.025 specific gravity.
- (b) However, the Contract Price shall be decreased by the sum of United States Dollars Two Thousand Only (US\$ 2,000.00) for each full metric ton of such deficiency being more than One Thousand and Five Hundred (1500) metric tons.
- (c) In the event that there should be a deficiency in the VESSEL's actual deadweight which exceeds Two Thousand and Five Hundred (2500) metric tons below the guaranteed deadweight, the BUYER may, subject to Article VI of this CONTRACT, at its option, reject the VESSEL and cancel or 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 United States Dollars Two Million Only (US\$ 2,000,000).

5. INSUFFICIENT NOMINAL INTAKE

- (a) The Contract Price shall not be affected or changed by reason of a deficiency in capacity for TEU containers if such deficiency is up to One Hundred and Forty (140) TEU containers below the Guaranteed Nominal Intake.
- (b) However, in the event that the deficiency in capacity for TEU containers exceeds One Hundred and Forty (140) TEU containers below the Guaranteed Nominal Intake, then the Contract Price shall be reduced by United States Dollars Twenty Thousand Only (US\$ 20,000.00) for each TEU container of such deficiency.
- (c) If the deficiency in capacity for containers is Two Hundred and Eighty (280) TEU containers or more, then the BUYER may, at its option, reject the VESSEL and rescind or cancel this Contract in accordance with the provisions of Article X hereof, or may accept the VESSEL with a reduction in the Contract Price in the amount of Two Million and Eight Hundred Thousand Only (US\$ 2,800,000.00).

6. EFFECT OF RESCISSION OR CANCELLATION

It is expressly understood and agreed by the parties hereto that in any case as stated herein, if the BUYER cancels or rescinds this CONTRACT pursuant to any provision under this Article or under the laws of England, 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, or otherwise available under any applicable laws (including the laws of England). Any other rights or remedies whether under this CONTRACT or under any applicable laws are hereby expressly waived and given up by the BUYER.

The above liquidated damages shall be the BUYER's sole and exclusive remedy for any excessive delay in the delivery of the VESSEL and any deficiency/insufficiency/excess in the guaranteed technical performance parameters as set out in this Article and shall be in lieu of all damages, which the BUYER may suffer by reason of such delay and deficiency/insufficiency/excess as set out in this Article. Save as expressly provided in this Article III hereinabove, it being further understood and agreed that SELLER shall not be responsible or liable to BUYER or any third party for any other damages, losses, expenses of any nature whatsoever (including but not limited to loss of use of the VESSEL, loss of charter costs, loss of time, loss of production, loss of profit or earnings, financing costs, loss of other contracts, etc.), occasioned by and/or in connection with such delay and deficiency/insufficiency/excess as set out in this Article.

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, expense and risk, 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, her engines and accessories. The SELLER hereby agrees to assist to arrange the invitation letter(s) for the Supervisor to apply visa to enter China provided that the Supervisor meets with the rules, regulations and laws of the People's Republic of China. The BUYER undertakes to give the SELLER adequate notice for the application of visa.

2. COMMENTS TO PLANS AND DRAWINGS

All the plans and drawings used for the Prototype Vessel shall be applied to the VESSEL without re-approval, unless changes or amendments to the same are mutually agreed between the parties.

3. SUPERVISION AND INSPECTION BY THE SUPERVISOR

The necessary inspection of the VESSEL, its machinery, equipment and outfitings shall be carried out by the Classification Society, and/or inspection team of the BUILDER throughout 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 during the construction of the VESSEL, the right to attend tests according to the mutually agreed 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 are 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 forthwith 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 a discrepancy in the opinion between the BUYER and the SELLER, 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 SELLER that the Supervisor shall carry out his inspections in accordance with the agreed test list, the SELLER's working

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schedule and usual shipbuilding practice and shall not cause increase in building costs and delays in the construction of the VESSEL. Once an inspection and/or a test has been witnessed and approved by the Supervisor, the same inspection and 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 BUILDER 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 BUILDER's shipyard. But the fees for the international communication like telephone, telefax and internet, 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 BUILDER, and the premises of subcontractors of the BUILDER, 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 Shanghai shall be for the BUYER's account. The transportation within Shanghai shall be provided to the Supervisor by the SELLER.

The BUYER undertakes to maintain sufficient number of the Supervisor 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 BUYER agrees and undertakes that it will cause the Supervisor to perform inspections, survey and attending tests and/or trials in all circumstances, regardless whether such required inspection, survey and attending tests and/or trials will occur during the daytime or in the evening, during the weekend (Saturday and Sunday) or any public holiday.

Should the Supervisor fail to conduct any inspection or attend any test (after notice by the BUILDER of the same) due to any reason whatsoever, the BUILDER shall be entitled to carry out the construction and/or test without inspection and/or attendance of the Supervisor and such work so carried out shall be treated as approved by the Supervisor.

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 except with consent of the BUILDER. However, if the Supervisor 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 has 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.

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4. LIABILITY OF THE SELLER

The Supervisor engaged by the BUYER under this CONTRACT shall at all times be deemed to be in the employ 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 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 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.

7. PROGRESS REPORTS

The SELLER, for reference, shall provide the BUYER with monthly reports with plans attached showing the progress of construction of the VESSEL that will include:

- (i) Milestones events estimate and latest estimate of the date of actual delivery of the VESSEL; and
- (ii) Up to date production schedule and comparison with the planned construction milestones.

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 sole 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 agrees 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, providing to the SELLER additional securities satisfactory to the SELLER, 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 and/or plans may be effected by an exchange of duly authenticated letters, or telefax, or email, manifesting such agreement. The letters and/or telefaxes and/or emails 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, telefaxes and emails 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 providing additional security to the SELLER 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 of 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. 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 deadweight, fuel consumption and speed of the VESSEL, if such compliance results in increased or reduced deadweight, fuel consumption and 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; and/or
- (e) If the price is to be increased, then, as to providing to the SELLER additional securities satisfactory to the SELLER.

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

- (2) If the alterations or changes are not compulsorily required by the Classification Society or the other regulatory bodies, and further if, due to whatever reasons, the parties fail to agree on the adjustment of the Contract Price or extension of the time for delivery or the adjustment of the guaranteed speed, fuel consumption and deadweight or providing additional security to the SELLER 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.
- (3) If however the alterations or changes are compulsorily required by the Classification Society or the other regulatory bodies, then, notwithstanding any dispute between the BUYER and the SELLER relating to the adjustment of the Contract Price or extension of the time for delivery or the adjustment of the guaranteed speed, fuel consumption and deadweight or providing additional security to the SELLER or any alternation of the terms of this CONTRACT, if any, the SELLER shall promptly comply with such alterations or changes first. The BUYER shall, in any event, bear the costs and expenses for such alterations or changes and the SELLER shall in any

such event be entitled to the extension of the Delivery Date and increase of the Contract Price and other alterations to the terms of this CONTRACT. In the absence of mutual agreement, dispute on any such issue shall 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 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 SUPPLIED ITEMS

The BUYER shall, at its own risk, cost and expense, supply and deliver to the SELLER at its shipyard the items as specified in the Specifications which the BUYER shall supply on the BUYER's account (the "BUYER Supplied Items") by the time designated by the SELLER.

Should the BUYER fail to deliver to the BUILDER such BUYER Supplied Items together with relevant documents, drawings and other information within the time specified, the delivery of the VESSEL shall automatically be extended for a period of such delay. In such event, the BUYER shall pay to the SELLER all losses and damages sustained by the SELLER due to such delay in the delivery of the BUYER Supplied Items and such payment shall be made upon delivery of the VESSEL.

Furthermore, if the delay in delivery of the BUYER Supplied Items should exceed Fifteen (15) 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.

The BUILDER shall be responsible for storing and handling of the BUYER Supplied Items as specified in the Specifications after delivery to the BUILDER and shall install them on board the VESSEL at the BUILDER's expenses.

The BUYER, if so requested by the BUILDER, shall, without any charge to the BUILDER, cause the representatives of the manufactures of the BUYER Supplied Items to, within the time requested by the BUILDER, 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.

Upon arrival of such shipment of the BUYER Supplied Items, both parties shall undertake a joint unpacking inspection. If any damages are found to be not suitable for installation, the BUILDER shall be entitled to refuse to take the BUYER Supplied Items into its custody.

The SELLER shall not be responsible for the quality, performance or efficiency of the BUYER Supplied Items and is under no obligation with respect to the guarantee of such BUYER Supplied Items against any defects caused by defective quality, performance or efficiency thereof.

ARTICLE VI TRIALS

1. NOTICE

The BUYER shall receive from the SELLER at least Fifteen (15) days approximate notice in advance and Seven (7) days definite notice in advance by telefax or email of the time and place of the VESSEL's sea trial as described in the Specifications (hereinafter referred to as the "Trial Run") and the BUYER shall promptly acknowledge receipt of such notice. The Supervisor shall be entitled to be on board the VESSEL to witness such Trial Run, and to check upon the performance of the VESSEL during the same. Failure of the Supervisor to be present after receipt of due notice as provided above, shall be deemed as that the BUYER has waived its right to have its Supervisor on board the VESSEL during the Trial Run, and the BUILDER may conduct such Trial Run without the Supervisor being present. In such case, the BUYER shall be obliged to accept the VESSEL on the basis of a certificate of the BUILDER 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 the CONTRACT and Specifications. The SELLER hereby agrees to assist to arrange the invitation letter for the Supervisor to apply visa to enter China. However, should the nationalities and other personal particulars of the Supervisor be not acceptable to the SELLER in accordance with the relevant rules, regulations and/or laws of the People's Republic of China then prevailing, then the BUYER shall effect replacement of all or any of them immediately. Otherwise the Delivery Date as stipulated in Article VII hereof shall be extended by the delays so caused by the BUYER. In the event of unfavorable weather on the date specified for the Trial Run, the same shall take place on the first available day thereafter that the weather conditions permit. The parties hereto recognize that the weather conditions in Chinese waters in which the Trial Run is to take place are such that great changes in weather may arise momentarily and without warning and, therefore, it is agreed that if during the Trial Run of the VESSEL, the weather should suddenly become unfavorable, as would have precluded the continuance of the Trial Run, the Trial Run of the VESSEL shall be discontinued and postponed until the first favorable day next following, unless the BUYER shall assent by telefax or email of its acceptance of the VESSEL on the basis of the Trial Run made prior to such sudden change in weather conditions.

Inspections and/or tests of any part of the VESSEL, including its equipment has been witnessed during the Trial Run and proved to conform to the requirements of this CONTRACT and Specifications shall not be repeated during the re-Trial Run(s).

Any delay to the Trail Run as a result of unfavorable weather or sea conditions shall operate to extend the Delivery Date by the period of delay. Such extension of the Delivery Date shall be regarded as mutually agreed change of Delivery Date

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and shall be distinguished from the Permissible Delays and non-Permissible Delays which will entitle the BUYER to cancel and/or rescind this CONTRACT.

2. HOW CONDUCTED

- (a) All expenses in connection with Trial Run of the VESSEL are to be for the account of the BUILDER, who, during the Trial Run and when subjecting the VESSEL to Trial Run, are 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, fuel oil and greases with exception of lubrication oil and hydraulic oil which shall be supplied by the BUYER for the conduct of the Trial Run or re-Trial Run(s) as prescribed in the Specifications. The fuel oil and greases supplied by the SELLER, and lubricating oil 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 re-Trial Run(s) shall be for the account of the BUILDER.

3. TRIAL LOAD DRAFT

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

4. METHOD OF ACCEPTANCE OR REJECTION

- (a) Upon notification of the BUILDER of the completion of the Trial Run of the VESSEL, the BUYER or the BUYER's Supervisor shall within Six (6) days thereafter, notify the BUILDER by telefax or email of its acceptance of the VESSEL or of its rejection of the VESSEL together with the reasons, and a list of items which the BUYER or Supervisor contends do not meet the requirement of this CONTRACT and/or the Specifications.
- (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

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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/or re-Trial Run(s) as may be necessary, and upon notification by the BUILDER of completion of such alterations or corrections and/or re-Trial Run(s), the BUYER shall, within Three(3) days thereafter, notify the SELLER by telefax or email of its acceptance of its VESSEL or of the rejection of the VESSEL together with the reason therefor on the basis of the alterations and corrections and/or re-Trial Run(s) by the BUILDER. The notice requirements in Paragraph 1 of this Article shall not be applicable to such re-Trial Run(s). The SELLER shall be entitled, and the BUYER hereby consents with the SELLER's entitlement, to effect any such corrections or alterations or re-Trial Run(s) immediately or at the time as considered appropriate or necessary by the SELLER.

- (c) In the event that the BUYER fails to notify the SELLER by telefax or email of its acceptance or rejection of the VESSEL together with the reason and a list of items which the BUYER contends do not meet the requirement of this CONTRACT and/or the Specifications within Six (6) days period or Three (3) days as provided for in the above sub-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.

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 re-Trial Run(s) 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 original purchase price incurred by the BUILDER at the port of delivery thereof, and payment by the BUYER shall be effected as provided in Article II 3(d) and 4(d) of this CONTRACT.

The BUYER shall supply lubricating oil and hydraulic oil for the purpose of Trial Run or re-Trial Run(s) at its own expenses and the SELLER will reimburse for the amount of lubricating oil and hydraulic oil actually consumed for the said Trial Run or re-Trial Run(s) at the original purchase 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 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 the SELLER shall indemnify the BUYER for any direct cost charged by the repairer for remedying these minor non-conformities elsewhere from China as a consequence thereof, excluding, however, any other losses and/or damages (i.e. loss of charter cost, loss of time, loss of profit or earning, loss of hire or demurrage) in connection with the VESSEL, provided always that, the amount of the indemnification shall be up to but under no circumstance exceeding United States Dollars Five Hundred Thousand Only (US\$ 500,000.00).

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ARTICLE VII DELIVERY

1. TIME AND PLACE

The VESSEL shall be delivered safely afloat by the SELLER to the BUYER at the BUILDER's shipyard on or before February 28, 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 and/or the applicable law permit extension or postponement of the time for delivery, the aforementioned time for delivery of the VESSEL shall be extended accordingly.

The aforementioned date or such later date to which delivery is extended or postponed pursuant to the terms of this CONTRACT is herein called the "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. The Protocol of Delivery and Acceptance shall be prepared in quadruplicate and signed 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 V.2 hereof):

- (a) PROTOCOL OF TRIALS of the VESSEL made by the BUILDER 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 BUILDER;
- (c) PROTOCOL OF STORES OF CONSUMABLE NATURE made by the BUILDER referred to under Paragraph 5 of Article VI hereof;
- (d) FINISHED DRAWINGS AND PLANS pertaining to the VESSEL as stipulated in the Specifications, made by the BUILDER;

- (e) PROTOCOL OF DEADWEIGHT AND INCLINING EXPERIMENT, made by the BUILDER;
- (f) ALL CERTIFICATES required to be furnished upon delivery of the VESSEL pursuant to the Specifications.

All the certificates shall be delivered in one (1) original to the VESSEL and two (2) copies to the BUYER.

If the full term certificate or certificates are unable to be issued at the time of delivery by the Classification Society or any third party other than the BUILDER, then the provisional certificate or certificates as issued by the Classification Society or the third party other than the BUILDER with the full term certificates to be furnished by the BUILDER 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 subcontractors, employees and crews and/or all liabilities arising from the operation of the VESSEL in Trial Run or re-Trial Run(s), or otherwise, prior to delivery;
- (h) COMMERCIAL INVOICE made by the SELLER;
- (i) BILL OF SALE duly apostilled made by the SELLER; and
- (j) BUILDER's Certificate made by the SELLER.
- (k) Any other documents reasonable required by the BUYER for flag authority.

4. TITLE AND RISK

Title to and risk of the VESSEL shall pass to the BUYER only upon delivery thereof. 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 without justified reason, the SELLER shall have the right to tender the VESSEL for delivery.

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, mobilization, civil commotions, riots, strikes, sabotage, lockouts, local temperature higher than 35 degree centigrade or lower than minus 10 degree centigrade, Acts of God or the public enemy, terrorism, plague or other epidemics/pandemic, 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 SELLER or of its subcontractors or its key equipment suppliers (i.e. main engine, propeller, gearbox, etc.), as the case may be, or by force majeure of any description, whether of the nature indicated by the foregoing or not, or by destruction of the SELLER or works of the SELLER or its subcontractors or its key equipment suppliers (i.e. main engine, propeller, gearbox, etc.), or of the VESSEL or any part thereof, by fire, flood, or other causes beyond the control of the SELLER or its subcontractors or its key equipment suppliers (i.e. main engine, propeller, gearbox, etc.) as the case may be, or due to the bankruptcy of the equipment and/or material supplier or suppliers (i.e. main engine, propeller, gearbox, etc.), or due to the delay caused by acts of God in the supply of parts 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 Paragraph 3 of this Article and subject however to all relevant provisions of this CONTRACT which authorize and permit extension of the time of delivery of the VESSEL.

2. NOTICE OF DELAY

Within Seven (7) days from the date of commencement of any event on account of which the SELLER claims that it is entitled under this Article to an extension of the time for delivery of the VESSEL, the SELLER shall advise the BUYER by telefax or email, of the date such event commenced, and the reasons therefor.

Likewise within Seven (7) days after such event ends, the SELLER shall advise the BUYER by telefax or email, of the date such event 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 event. Failure of the BUYER to acknowledge the SELLER's notification of any claim for extension of the Delivery Date within Ten (10) days after receipt by the BUYER of such

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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 Paragraph 1 of the Article aggregate to Two Hundred and Seventy (270) days or more, or if the total accumulated time of all delays on account of the causes specified in Paragraph 1 of the Article and non-Permissible Delays as described in Paragraph 1 of Article III aggregate to Three Hundred (300) 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 Supplied Items, and excluding delays due to causes which, under Article V, VI, XI and XII and any other provisions 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 or rescind this CONTRACT by serving upon the SELLER telefaxed or emailed notice of cancellation or recession and the provisions of Article X of this CONTRACT shall apply.

4. DEFINITION OF PERMISSIBLE DELAYS

Delays on account of such causes as provided for in Paragraph 1 of this Article excluding any other extensions or postponement of a nature which under the terms of this CONTRACT and/or applicable laws permit extension or postponement of the Delivery Date or delays due to reasons attributable to the BUYER, 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. Notwithstanding any other stipulations of this CONTRACT, the parties hereby agree that a default in performance of, or any breach of this CONTRACT by, or reasons attributable to, the BUYER or the events described under this CONTRACT permit extension of the Delivery Date shall entitle the SELLER to extend the Delivery Date. Such extension of the Delivery Date shall be regarded as mutually agreed change of Delivery Date and shall be distinguished from the Permissible Delays and non-Permissible Delays which will entitle the BUYER to cancel or rescind this CONTRACT.

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ARTICLE IX WARRANTY OF QUALITY

1. GUARANTEE OF MATERIAL AND WORKMANSHIP

Subject to the provisions hereinafter set forth, the SELLER undertakes to remedy, any defects in the VESSEL which are due to defective materials and/or poor workmanship on the part of the SELLER provided that: (i) defects are discovered within a period of Twelve(12) months after the date of delivery of the VESSEL and a notice thereof is duly given to the SELLER as provided under Paragraph 2 of this Article; and (ii) the liability of the SELLER shall be limited to those set forth in Paragraph 3(a) of this Article and subject to all such exclusion of the SELLER's liabilities as described in Paragraph 4 of this Article.

For the purpose of this Article, the VESSEL shall include her hull, machinery, equipment and gear, but exclude any parts of the VESSEL which have been supplied by or on behalf of the BUYER.

2. NOTICE OF DEFECTS

The BUYER shall notify the SELLER by telefax or email of any defects for which a claim is made under this guarantee as promptly as possible after discovery thereof. The BUYER's written notice shall describe the nature and the extent of the defect. The SELLER shall have no obligation for any defects discovered prior to the expiry date of the said Twelve (12) months period, unless notice of such defects are received by the SELLER no later than Seven (7) days after such expiry date.

3. REMEDY OF DEFECTS

- (a) The SELLER shall remedy, at its expense, any defects against which the VESSEL is guaranteed under this Article, by making all necessary repair(s) and/or replacement(s). Such aforesaid repair(s) and/or replacement(s), as the case may be and, in any event, constitutes the sole liability of the SELLER and sole remedy to the BUYER, whether under this CONTRACT or under any applicable laws. In either case whether all necessary repairs or replacements are performed by the BUILDER at its shipyard or elsewhere as provided for in 3(b) below, the SELLER shall, in no circumstances, be responsible for any towage, dockage, wharfage, port charges or anything else incurred for or occasioned by the BUYER's getting and keeping the VESSEL ready for such repairing and replacing. In any case, the VESSEL shall be taken at the BUYER's sole cost and responsibility to the place elected, ready in all respects for such repairs or replacements.

- (b) However, if it is impractical to make the repair by the SELLER, the BUYER shall cause the necessary repairs or replacements to be made elsewhere which is deemed suitable for the purpose, provided that, in such event, the SELLER may forward or supply replacement parts or materials to the VESSEL, unless forwarding or supplying thereof to the VESSEL would impair or delay the operation or working schedule of the VESSEL. In the event that the BUYER proposes to cause the necessary repairs or replacements to be made to the VESSEL elsewhere, the BUYER shall first, but in all events as soon as possible, give the SELLER notice in writing of the time and place such repairs will be made, and if the VESSEL is not thereby delayed, or her operation or working schedule is not thereby impaired, the SELLER shall have the right to verify by its own representative(s) or representative(s) of Classification Society the nature and extent of the defects complained of. The SELLER shall, in such cases, promptly advise the BUYER in writing, after such examination has been completed, of its acceptance or rejection of the defects as ones that are covered by the guarantee herein provided. Upon the SELLER's acceptance of the defects as justifying remedy under this Article, the SELLER shall immediately pay to the BUYER for such repairs or replacements a sum equal to the lower figure of (i) the actual cost for such repairs or replacements including forwarding charges; and (ii) the average cost for making similar repairs or replacements including forwarding charges as quoted by a leading shipyard each in China, South Korea and Singapore.
- (c) Any dispute under this Article shall be referred to arbitration in accordance with the provisions of Article XIII hereof.

4. EXTENT OF SELLER'S RESPONSIBILITY

The SELLER shall have no responsibility or liability for any other defects whatsoever in the VESSEL other than the defects specified in Paragraph 1 of this Article.

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

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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 and/or any applicable laws (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. In any circumstances whatsoever, whether under or in connection with this CONTRACT or any applicable laws, the SELLER's liability shall be limited to the repairs and replacement as set forth in Paragraph 1 of this Article, excluding any other responsibility, obligation and/or liability such as but not limited to those for (i) consequential loss or special loss; or (ii) any damages, losses, costs and/or expenses arising from any cause whatsoever (including but not limited to the loss of management fees, pilot charges or costs, fuel or lubrication oils consumed, damage to the VESSEL or any part thereof or any third party caused by the defects specified in Paragraph 1 of this Article etc.) regardless of whether the aforesaid damages, losses, costs and/or expenses are directly or indirectly occasioned to the BUYER by reason of the defects specified in Paragraph 1 of this Article; (iii) loss of time, loss of use, loss of hire, loss of profit or earnings or demurrage arising from any cause whatsoever.

The guarantee provided in this Article and the obligations and the liabilities of the SELLER (limited to the repairs or replacements as expressly set forth in Paragraph 1 of this Article) hereunder are exclusive and in lieu of and the BUYER hereby waives all other remedies, warranties, conditions, guarantees or liabilities, express or implied, arising by any applicable law (i.e. laws of England) or out of the CONTRACT 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 by telefax or email, and such cancellation and/or rescission shall be effective as of the date the notice thereof is received by the SELLER.

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

2. Thereupon the SELLER shall refund in United States Dollars 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 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 the Refund Guarantor under its guarantee, until the Final Award between the BUYER and the SELLER, which shall be in favour of the BUYER, declaring the BUYER's cancellation or rescission justified, is made and delivered to the SELLER. In the event of the SELLER is obligated to make refundment, the SELLER shall pay the BUYER interest in United States Dollars at the rate of Four percent (4%) per annum, 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), 4(c) or 5(c) hereof, on the amount required herein to be refunded to the BUYER computed from the respective dates when such sums were received by the China Merchants Bank Co., Ltd. Beijing Branch or any such other bank account as nominated by the SELLER pursuant to Article II. 4(a), 4(b) or 4(c) from the BUYER to the date of remittance by telegraphic transfer of such refund to the BUYER by the SELLER, provided, however, that if the said cancellation or rescission by the BUYER is made under the provisions of Paragraph 3 of Article VIII or Paragraph 2(b) of Article XII, then in such event the SELLER shall not be required to pay any interest.
3. Upon such refund by the SELLER to the BUYER, all obligations, duties and liabilities of the SELLER towards the BUYER and all rights and claims

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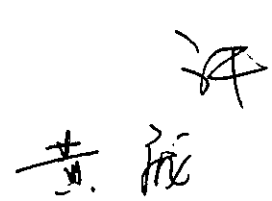
against the SELLER by the BUYER under this CONTRACT and any applicable laws shall be forthwith completely discharged and waived. The SELLER's refund to the BUYER of the instalment(s) and interests (if any) thereon pursuant to the foregoing provisions constitute the sole liabilities of the SELLER towards the BUYER which is in lieu of any other remedies under and/or in connection with this CONTRACT and any applicable laws.

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 instalment to the SELLER when any such instalment becomes due and payable under the provisions of Article II hereof and provided the BUYER shall have received the SELLER's demand for payment in accordance with Article II hereof; or
- (b) The BUYER fails to deposit or pay the 4th instalment to the SELLER in accordance with Paragraph 3(d) and 4(d) 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; or
- (d) The BUYER or its holding company or ultimate holding company enters into bankruptcy protection in any form or is adjudicated bankrupt or insolvent or as a result a court order is made for the dissolution or reorganization of the BUYER; or
- (e) A liquidator, receiver or trustee is appointed over, the whole or a material part of the assets of the BUYER or its holding company or ultimate holding company or a court order is granted in favour of a creditor to freeze the whole or a material part of the assets of the BUYER or its holding company or ultimate listed holding company; or
- (f) The BUYER or its holding company or ultimate listed holding company is dissolved, liquidated or ceases to be registered as a company in its place of incorporation, or the BUYER ceases to carry on its business as a whole, or declares its intention that such event will take place, except due to group internal restructuring, requirement of IPO and/or restructuring for financing purpose; or
- (g) The BUYER fails to provide the Payment Guarantee to the SELLER under the Paragraph 6 of Article II hereof; or



- (h) Any of the events described in Paragraph (d), (e) and/or (f) hereinabove occurs to the Payment Guarantor, and in such event, the BUYER fails to procure a new payment guarantee from a new payment guarantor acceptable to the SELLER within Thirty (30) days from the SELLER's notice.

2. NOTICE OF DEFAULT

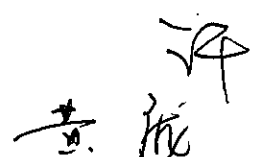
If the BUYER is in default of payment or in performance of its obligations as provided hereinabove, the SELLER shall notify the BUYER to that effect by telefax or email after the date of occurrence of the default as per Paragraph 1 of this Article.

3. INTEREST AND CHARGE

- (a) If the BUYER is in default of payment as to any instalment as provided in Paragraph 1(a) and/or 1(b) of this Article, the BUYER shall pay interest on such instalment at the rate of Four percent (4%) per annum from the due date thereof to the date of the receipt by the SELLER of the full amount, including all aforesaid interest. In case the BUYER shall fail to take delivery of the VESSEL when required to as provided in Paragraph 1(c) of this Article, the BUYER shall be deemed in default of payment of the 4th instalment and shall pay interest thereon at the same rate as aforesaid from and including the day on which the VESSEL is tendered for delivery by the SELLER, as provided in Article VII hereof.
- (b) In any event of default by the BUYER under Paragraph 1 above, the BUYER shall also pay all costs, charges and expenses incurred by the SELLER in consequence of such default together with the interest on it running on and from the date the costs, charges, losses, and expenses were incurred or paid by the SELLER up to the date the SELLER receives the full amounts due together with interest.

4. DEFAULT BEFORE DELIVERY OF THE VESSEL

- (a) If any default by the BUYER occurs as defined in Paragraph 1 of this Article, the Delivery Date shall be automatically postponed for a period of continuance of such default by the BUYER.
- (b) If any such default as defined in Paragraph 1 of this Article committed by the BUYER continues for a period of Fifteen (15) days, then, the SELLER shall have all following rights and remedies:
- (i) The SELLER may, at its option, cancel or rescind this CONTRACT, by giving notice of such effect to the BUYER by telefax or email. Upon receipt by the BUYER of such telefax or email notice of cancellation or rescission, all of the BUYER Supplied Items 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 be entitled to retain any instalment(s) of the Contract Price paid by the BUYER to the SELLER on account of this CONTRACT; and
- (iii) (Applicable to any BUYER's default defined in Paragraph 1(a), 1(d), 1(e), 1(f), 1(g) or 1(h) of this Article) The SELLER shall, without prejudice to the SELLER's right to recover from the BUYER the 4th Instalment, interest, costs and/or expenses by applying the proceeds to be obtained by sale of the VESSEL in accordance with the provisions set out in this CONTRACT, have the right to declare all unpaid 1st, 2nd and 3rd Instalments to be forthwith due and payable, and upon such declaration, the SELLER shall have the right to immediately demand the payment of the aggregate amount of all unpaid 1st, 2nd and 3rd Instalments from the Payment Guarantor under the Payment Guarantee.

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.
- (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 instalment(s) and/or unpaid balance of the Contract Price and interest on such instalment(s) 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 instalment(s) 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 instalment(s) already paid by the BUYER and the cost of the BUYER Supplied Items, 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 keel-laying of the first section of the VESSEL 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 BUILDER for the VESSEL or built into, or installed in or upon the VESSEL, including the BUYER Supplied Items, fully insured with first class Chinese insurance companies 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 US\$ 500,000.00 of the BUYER Supplied Items. 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.

2. APPLICATION OF RECOVERED AMOUNT

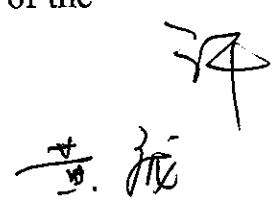
(a) Partial Loss:

In the event the VESSEL shall be damaged by any insured cause whatsoever prior to acceptance and delivery thereof by the BUYER and the SELLER 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 Paragraph 1 of this Article to the repair of such damage satisfactory to the Classification Society and other institutions or authorities as described in the Specifications 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 damage, 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 BUYER Supplied Items, 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, then refund immediately to the BUYER the amount of all instalments paid to the SELLER under this CONTRACT without interest, whereupon this CONTRACT shall be deemed to be canceled and all rights, duties, liabilities and obligations of each of the parties to the other shall terminate and be discharged forthwith.

Within Thirty (30) days after receiving telefax or email notice of any damage to the VESSEL constituting an actual or a constructive total loss, the BUYER shall notify the SELLER by telefax or email of its agreement or disagreement under Paragraph 2(b) of this Article. 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 canceled or rescinded and Paragraph 2 (b) (ii) of this Article 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.

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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, England in London Maritime Arbitrators Association ("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 Twenty (20) 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 Twenty (20) 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 Twenty (20) 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.

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3. NOTICE OF AWARD

Notice of any award shall immediately be given by telefax or email 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

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

7. ALTERATION OF DELIVERY TIME

In the event of reference to arbitration of any dispute arising out of matters occurring prior to delivery of the VESSEL, the 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. 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 RIGHT OF ASSIGNMENT

Neither of the parties hereto shall assign this CONTRACT to any other individual, firm, company or corporation unless prior written consent of the other party is given in writing.

Notwithstanding the foregoing, the BUYER shall have the right, by giving notice in writing to the SELLER, to assign or novate this CONTRACT and the REFUND GUARANTEE subjected to SELLER's approval which shall not be unreasonably withheld:

- (i) to any subsidiary or affiliate company of the BUYER; and/or
- (ii) by way of security for any loan provided to the BUYER by one or more banks or other financial institutions to finance BUYER's purchase of the VESSEL hereunder.

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ARTICLE XV TAXES AND DUTIES

1. TAXES

All costs for taxes including stamp duties, if any, incurred in connection with this CONTRACT in the People's Republic of China shall be borne by the SELLER. Any taxes and/or duties imposed upon those items or services procured by the SELLER in the People's Republic of China or elsewhere for the construction of the VESSEL shall be borne by the SELLER.

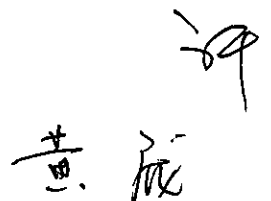
The BUYER shall be responsible for the personal income tax for any person it employs, including Supervisor or other BUYER's staff, agent and representatives who work at the BUILDER's shipyard and premise.

All taxes, duties, stamps, dues, levies and fees of whatsoever nature incurred or imposed in China in respect of the BUYER Supplied Items, if any, shall be borne by the BUYER.

2. DUTIES

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.

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

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ARTICLE XVI PATENTS, TRADEMARKS AND COPYRIGHTS

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

Nothing contained herein shall be construed as transferring any patent or trademark rights or copyright in equipment covered by this CONTRACT, and all such rights are hereby expressly reserved to the true and lawful owners thereof. Notwithstanding any provisions contained herein to the contrary, the 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.

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, except where it is necessary for usual operation, repair and maintenance, sale or charter 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:
LECANG FANTASY LIMITED or its nominee

Address: Start Chambers, Wickham's Cay II, P.O.Box 2221, Road Town, Tortola,
British Virgin Islands
Telephone No.: +86 532 8666 3666
Email: tim@bal.cn; xueqiang.wang@bal.cn; april.ding@bal.cn

To the SELLER:
CHINA SHIPBUILDING TRADING CO., LTD.

C/O Address: 22nd FL., Marine Tower, No. 1 Pudongdadao, Shanghai 200120,
the People's Republic of China
Telephone No.: +86 (0) 21 68821975
Telefax No.: +86 (0) 21 68860801
Email: wangqf@mail.chinaships.com; xiongkc@mail.chinaships.com;
yangy@mail.chinaships.com

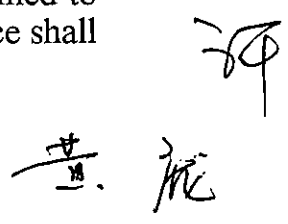
JIANGNAN SHIPYARD (GROUP) CO., Ltd.

Address: 988 Changxing Jiangnan Ave., Changxing Island, Shanghai 201913, the
People's Republic of China
Telephone No.: +86 (0) 21 66994648
Telefax No.: +86 (0) 21 66994658
Email: qiqing@jnshipyard.com.cn; zhangjiadong@jnshipyard.com.cn;
huangzhiyan@jnshipyard.com.cn

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

Any change of address shall be communicated in writing by registered mail or telefax 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 telefax acknowledged by the answerbacks shall be deemed to be delivered upon dispatch and email transmission shall be deemed as delivered upon the subject email has been moved to the "Sent" box on the sending computer.

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.

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ARTICLE XVIII EFFECTIVE DATE OF CONTRACT

This CONTRACT shall become effective upon due execution of this CONTRACT.

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ARTICLE XIX INTERPRETATION

1. LAW APPLICABLE

The parties hereto agree that the validity and interpretation of this CONTRACT and of each Article and part hereof shall 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.

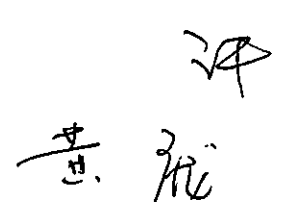
3. DEFINITION

“Banking Day(s)” are days on which banks are open both in Beijing, P. R. China.

“Business Day(s)” are days on which the working day(s) in P. R. China.

In absence of stipulation of “Banking Day(s)” or “Business Day(s)”, the “Day(s)” or “day(s)” shall be taken as “calendar day(s)”.

“Final Award” means a published arbitration award in respect of any disputes arising out of or in connection with this CONTRACT where any right of appeal available in respect of such arbitration award under the applicable law is waived/excluded or is not exercised by the BUYER and the SELLER within the time limit under such applicable law and in case of such arbitration award is appealed, the final judgement from any court of competent jurisdiction on such award upon appeal by either the BUYER or the SELLER where any right of appeal available in respect of such judgement under the applicable law is waived/excluded or is not exercised by the BUYER and the SELLER within the time limit under such applicable law.

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4. ENTIRE AGREEMENT

This CONTRACT sets forth the entire understanding of the parties with respect to the subject matter discussed herein. It supersedes all prior discussions, negotiations and agreements, (including but not limited to the Letter of Intent/Option Agreement) whether oral or written, expressed or implied.

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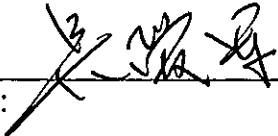
In WITNESS WHEREOF, the parties hereto have caused this CONTRACT to be duly signed on the day and year first above written.

THE BUYER:
LECANG FANTASY LIMITED

By: 
Name: _____
Title: _____

THE SELLER:

CSTC:
CHINA SHIPBUILDING TRADING CO., LTD.

By: 
Name: _____
Title: _____

THE BUILDER:
JIANGNAN SHIPYARD (GROUP) CO., Ltd.

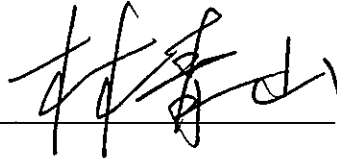
By: 
Name: _____
Title: _____

Exhibit "A1": IRREVOCABLE LETTER OF GUARANTEE
(1st Refund Guarantee)

To: BAL CONTAINER LINE CO., LIMITED

Date: _____

Dear Sirs,

Irrevocable Letter of Guarantee No. _____

At the request of CHINA SHIPBUILDING TRADING CO., LTD. and in consideration of your agreeing to pay CHINA SHIPBUILDING TRADING CO., LTD. and JIANGNAN SHIPYARD (GROUP) CO., Ltd. (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 6th June 2024 for the construction of one (1) 14,000 TEU Container Vessel to be designated as Hull No. H2872(hereinafter called "the CONTRACT"), we, China Merchants Bank Co., Ltd. Beijing Branch, do hereby guarantee repayment to you by the SELLER of an amount up to but not exceeding a total amount of US\$ 28,960,000.00 say United States Dollars Twenty Eight Million Nine Hundred and Sixty Thousand Only representing the 1st instalment of the Contract Price of the VESSEL in the amount of US\$ 28,960,000.00 say United States Dollars Twenty Eight Million Nine Hundred and Sixty Thousand Only, 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 the Permissible Delays in accordance with the provisions of Article VIII.3 or total loss in accordance with the provisions of Article XII.2(b), or together with an interest at the rate of Four percent (4%) 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), 4(c) or 5(c) of the CONTRACT within Forty-Five (45) Banking Days 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 paid by you; and
- (2) consequently whether you shall have the right to demand payment from us,

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 Final Award is published. We shall not be obligated to

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make any payment to you unless the Final Award orders the SELLER to make repayment. If the SELLER fails to honour the Final Award then we shall refund to you to the extent the Final Award orders but not exceeding the aggregate amount of this guarantee plus the interest described above. The payment shall be made by us to the bank account specified in the relevant demand within Forty-Five (45) Banking Days after the date of receipt by us of (i) a written demand stating that demand has been made upon the SELLER for amounts due pursuant to Article X of the CONTRACT, and that the SELLER has within Sixty (60) Banking days failed to comply with the same, and (ii) the Final Award described hereof.

“Final Award” means a published arbitration award in respect of any disputes arising out of or in connection with the CONTRACT where any right of appeal available in respect of such arbitration award under the applicable law is waived/excluded or is not exercised by the BUYER and the SELLER within the time limit under such applicable law and in case of such arbitration award is appealed, the final judgement from any court of competent jurisdiction on such award upon appeal by either the BUYER or the SELLER where any right of appeal available in respect of such judgement under the applicable law is waived/excluded or is not exercised by the BUYER and the SELLER within the time limit under such applicable law.

The said repayment shall be made by us in United States Dollars. This Letter of Guarantee shall become effective from the time of the actual receipt of the 1st instalment being United States Dollars Twenty Eight Million Nine Hundred and Sixty Thousand Only (US\$28,960,000.00) by the SELLER from you to the SELLER's account (a/c name: CHINA SHIPBUILDING TRADING CO., LTD., a/c No.: 021900001232001 held with China Merchants Bank Co., Ltd. Beijing Branch) or through other receiving bank as may be nominated by the SELLER in accordance with Article II Paragraph 4 of the CONTRACT and the amount effective under this Letter of Guarantee shall correspond to the payment of the instalment(s) actually made by you and received by the SELLER to the SELLER's account above under the CONTRACT prior to the delivery of the VESSEL. However, the available amount under this Letter of Guarantee shall in no event exceed the above-mentioned total aggregate amount of the instalment(s) actually received by the SELLER, together with interest calculated, as described above without interest or, at Four percent (4%) per annum, as the case may be for the period commencing from the date of receipt by the SELLER of the respective instalment to the date of repayments by us thereof.

All demands, claims and notices in connection with this Letter of Guarantee shall be validly given if sent to us by authenticated SWIFT (SWIFTCODE. _____) to be sent through _____.

For the avoidance of doubt, in circumstances where arbitration between SELLER and you concerning cancellation and/or rescission of the CONTRACT, your written demand for repayment of the proceeds available hereunder shall not be issued until the Final Award between the SELLER and you is published, which

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shall be made in favour of you, declaring your right to cancel and/or rescind justified.

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 February 23, 2028, whichever occurs the earliest. Upon expiry of this Letter of Guarantee for the aforesaid reasons, this Letter of Guarantee shall automatically become null and void, regardless of whether returned to us for cancellation or not, and any demand received after expiry shall be ineffective.

Unless otherwise defined herein, the terms used herein shall have the meaning assigned in the CONTRACT.

This Letter of Guarantee shall be construed in accordance with and governed by the laws of England. We hereby submit to arbitration by Three (3) arbitrators in London in accordance with the then prevailing rules of London Maritime Arbitrators Association ("LMAA") for the purposes of any legal action or proceedings in connection with this Letter of Guarantee.

For China Merchants Bank Co., Ltd. Beijing Branch

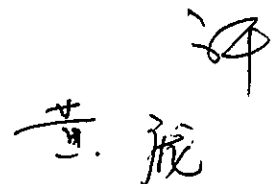
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Exhibit "A2": IRREVOCABLE LETTER OF GUARANTEE
(2nd Refund Guarantee)

To: BAL CONTAINER LINE CO., LIMITED

Date: _____

Dear Sirs,

Irrevocable Letter of Guarantee No. _____

At the request of CHINA SHIPBUILDING TRADING CO., LTD. and in consideration of your agreeing to pay CHINA SHIPBUILDING TRADING CO., LTD. and JIANGNAN SHIPYARD (GROUP) CO., Ltd. (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 6th June 2024 for the construction of one (1) 14,000 TEU Container Vessel to be designated as Hull No. H2872 (hereinafter called "the CONTRACT"), we, China Merchants Bank Co., Ltd. Beijing Branch, do hereby guarantee repayment to you by the SELLER of an amount up to but not exceeding a total amount of US\$ 28,960,000.00 say United States Dollars Twenty Eight Million Nine Hundred and Sixty Thousand Only representing the aggregate of the the 2nd instalment of the Contract Price of the VESSEL in the amount of US\$ 14,480,000.00 say United States Dollars Fourteen Million Four Hundred and Eighty Thousand Only, the 3rd instalment of the Contract Price of the VESSEL in the amount of US\$ 14,480,000.00 say United States Dollars Fourteen Million Four Hundred and Eighty Thousand Only, 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 the Permissible Delays in accordance with the provisions of Article VIII.3 or total loss in accordance with the provisions of Article XII.2(b), or together with an interest at the rate of Four percent (4%) 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), 4(c) or 5(c) of the CONTRACT within Forty-Five (45) Banking Days 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 paid by you; and
- (2) consequently whether you shall have the right to demand payment from us,

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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 Final Award is published. We shall not be obligated to make any payment to you unless the Final Award orders the SELLER to make repayment. If the SELLER fails to honour the Final Award then we shall refund to you to the extent the Final Award orders but not exceeding the aggregate amount of this guarantee plus the interest described above. The payment shall be made by us to the bank account specified in the relevant demand within Forty-Five (45) Banking Days after the date of receipt by us of (i) a written demand stating that demand has been made upon the SELLER for amounts due pursuant to Article X of the CONTRACT, and that the SELLER has within Sixty (60) Banking days failed to comply with the same, and (ii) the Final Award described hereof.

“Final Award” means a published arbitration award in respect of any disputes arising out of or in connection with the CONTRACT where any right of appeal available in respect of such arbitration award under the applicable law is waived/excluded or is not exercised by the BUYER and the SELLER within the time limit under such applicable law and in case of such arbitration award is appealed, the final judgement from any court of competent jurisdiction on such award upon appeal by either the BUYER or the SELLER where any right of appeal available in respect of such judgement under the applicable law is waived/excluded or is not exercised by the BUYER and the SELLER within the time limit under such applicable law.

The said repayment shall be made by us in United States Dollars. This Letter of Guarantee shall become effective from the time of the actual receipt of the 2nd instalment being United States Dollars Twenty Eight Million Nine Hundred and Sixty Thousand Only (US\$28,960,000.00) by the SELLER from you to the SELLER's account (a/c name: CHINA SHIPBUILDING TRADING CO., LTD., a/c No.: 021900001232001 held with China Merchants Bank Co., Ltd. Beijing Branch) or through other receiving bank as may be nominated by the SELLER in accordance with Article II Paragraph 4 of the CONTRACT and the amount effective under this Letter of Guarantee shall correspond to the payment of the instalment(s) actually made by you and received by the SELLER to the SELLER's account above under the CONTRACT prior to the delivery of the VESSEL. However, the available amount under this Letter of Guarantee shall in no event exceed the above-mentioned total aggregate amount of the instalment(s) actually received by the SELLER, together with interest calculated, as described above without interest or, at Four percent (4%) per annum, as the case may be for the period commencing from the date of receipt by the SELLER of the respective instalment to the date of repayments by us thereof.

All demands, claims and notices in connection with this Letter of Guarantee shall be validly given if sent to us by authenticated SWIFT (SWIFTCODE. _____) to be sent through _____.

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For the avoidance of doubt, in circumstances where arbitration between SELLER and you concerning cancellation and/or rescission of the CONTRACT, your written demand for repayment of the proceeds available hereunder shall not be issued until the Final Award between the SELLER and you is published, which shall be made in favour of you, declaring your right to cancel and/or rescind justified.

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 February 23, 2028, whichever occurs the earliest. Upon expiry of this Letter of Guarantee for the aforesaid reasons, this Letter of Guarantee shall automatically become null and void, regardless of whether returned to us for cancellation or not, and any demand received after expiry shall be ineffective.

Unless otherwise defined herein, the terms used herein shall have the meaning assigned in the CONTRACT.

This Letter of Guarantee shall be construed in accordance with and governed by the laws of England. We hereby submit to arbitration by Three (3) arbitrators in London in accordance with the then prevailing rules of London Maritime Arbitrators Association ("LMAA") for the purposes of any legal action or proceedings in connection with this Letter of Guarantee.

For China Merchants Bank Co., Ltd. Beijing Branch

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**Exhibit "B": IRREVOCABLE LETTER OF GUARANTEE FOR THE
SECOND AND THIRD INSTALMENTS**

From: _____ Bank

Date: _____

To: CHINA SHIPBUILDING TRADING CO., LTD.
56(Yi) Zhongguancun Nan Da Jie, Beijing
100044, the People's Republic of China

Dear Sirs,

- (1) In consideration of your entering into a shipbuilding contract dated 6th June 2024 (the "Shipbuilding Contract") with BAL CONTAINER LINE CO., LIMITED as the buyer (the "BUYER") for the construction of one (1) 14,000 TEU Container Vessel with the BUILDER's Hull No. H2872 (the "VESSEL"), we, _____, hereby IRREVOCABLY, ABSOLUTELY and UNCONDITIONALLY guarantee, as the primary obligor and not merely as the surety, the due and punctual payment by the BUYER of the 2nd and 3rd instalments of the Contract Price amounting to a total sum of United States Dollars US\$ 28,960,000.00 say United States Dollars Twenty Eight Million Nine Hundred and Sixty Thousand Only as specified in (2) below.
- (2) The instalments guaranteed hereunder, pursuant to the terms of the Shipbuilding Contract, comprise the 2nd instalment in the amount of United States Dollars US\$ 14,480,000.00 say United States Dollars Fourteen Million Four Hundred and Eighty Thousand Only payable by the BUYER within Three (3) Banking Days after Steel Cutting of the first steel plate of the VESSEL and the 3rd instalment in the amount of United States Dollars US\$ 14,480,000.00 say United States Dollars Fourteen Million Four Hundred and Eighty Thousand Only payable by the BUYER within Three (3) Banking Days after keel laying of the first section of the VESSEL.
- (3) We also IRREVOCABLY, ABSOLUTELY and UNCONDITIONALLY guarantee, as primary obligor and not merely as surety, the due and punctual payment by the BUYER of interest on each instalment guaranteed hereunder at the rate of Four percent (4%) per annum from and including the first day after the date of instalment in default until the date of full payment by us of such amount guaranteed hereunder.
- (4) In the event that you have notified us that the BUYER has failed to punctually pay any instalment guaranteed hereunder or the BUYER has

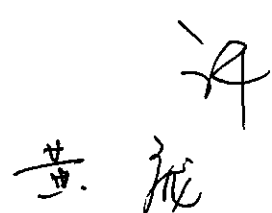
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failed to pay any interest thereon, then, upon receipt by us of your first written demand, we shall immediately pay to you or your assignee the unpaid 2nd and/or 3rd instalment(s), together with the interest as specified in Paragraph (3) hereof, without inquiring the justification or entitlement of your demand or requesting you to take any or further action, procedure or step against the BUYER or with respect to any other security which you may hold. For the avoidance of any doubt and even if it is called the "Guarantee" throughout and notwithstanding other stipulations herein, it is hereby confirmed that this Letter of Guarantee shall be regard as an "On Demand" Performance Bond.

- (5) We hereby agree that at your option this Letter of Guarantee and the undertaking hereunder shall be assignable to and if so assigned shall inure to the benefit of any 3rd party designated by you or JIANGNAN SHIPYARD (GROUP) CO., Ltd. as your assignee as if any such third party or JIANGNAN SHIPYARD (GROUP) CO., Ltd. were originally named herein.
- (6) Any payment by us under this Letter of Guarantee shall be made in the United States Dollars by telegraphic transfer to China Merchants Bank Co., Ltd. Beijing Branch, as receiving bank nominated by you for credit to the account of you with 021900001232001 or through other receiving bank to be nominated by you from time to time, in favour of you or your assignee.
- (7) This Letter of Guarantee and our obligations under this Letter of Guarantee shall not be affected or prejudiced and we shall not withhold and/or delay our payment by the reason of any dispute between you as the SELLER and the BUYER under or in connection with the Shipbuilding Contract or by the BUILDER's delay in the construction and/or delivery of the VESSEL due to whatever causes or by any variation or extension of their terms thereof (whether or not made with our knowledge), or by any security or other indemnity now or hereafter held by you in respect thereof, or by any time or indulgence granted by you or any other person in connection therewith, or by any invalidity or unenforceability of the terms thereof, or by any act, omission, fact or circumstances whatsoever, which could or might, but for the foregoing, diminish in any way our obligations under this Letter of Guarantee.
- (8) Any claim or demand shall be in writing signed by one of your officers and may be served on us either by hand or by post and if sent by post to _____ (or such other address as we may notify to you in writing), or by SWIFT (SWIFT CODE: CMBCCNBS201) via China Merchants Bank Co., Ltd. Beijing Branch.
- (9) This Letter of Guarantee shall come into full force and effect upon delivery to you of this Letter Guarantee and shall continue in force and effect until the full payment of all the 2nd and/or 3rd instalment(s) together with the aforesaid interests by the BUYER or us.

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- (10) The maximum amount, however, that we are obliged to pay to you under this Letter of Guarantee shall not exceed the aggregate amount of United States Dollars Twenty Nine Million One Hundred and Fifty Three Thousand Sixty Six and Cent Sixty Seven Only (US\$ 29,153,066.67), being an amount equal to:
- (i) the 2nd and 3rd instalments guaranteed hereunder in the total amount of United States Dollars US\$28,960,000.00 say United States Dollars Twenty Eight Million Nine Hundred and Sixty Thousand Only; and
 - (ii) the interest at the rate of Four percent (4%) per annum on the respective instalments each for a period of Sixty (60) days in the total amount of United States Dollars One Hundred and Ninety Three Thousand Sixty Six and Cents Sixty Seven Only (US\$ 193,066.67).
- (11) All payments by us under this Letter of Guarantee shall be made without any set-off or counterclaim and without deduction or withholding for or on account of any taxes, duties, or charges whatsoever unless we are compelled by law to deduct or withhold the same. In the latter event we shall make the minimum deduction or withholding permitted and will pay such additional amounts as may be necessary in order that the net amount received by you after such deductions or withholdings shall equal the amount which would have been received had no such deduction or withholding been required to be made.
- (12) This Letter of Guarantee shall be construed in accordance with and governed by the laws of England. We hereby submit to arbitration by Three (3) arbitrators in London in accordance with the then prevailing rules of London Maritime Arbitrators Association ("LMAA") for the purposes of any legal action or proceedings in connection with this Letter of Guarantee.
- (13) This Letter of Guarantee shall have expired as aforesaid, you will return the same to us without any request or demand from us.
- (14) We hereby represent and confirm to you that we are permitted by the law of _____, and have the corporate power and authority, to issue this Letter of Guarantee with its precise wording and to perform our obligations hereunder and in particular to designate the laws of England as the governing law hereof. With regard to the rules, regulations and requirements of the laws and regulations of _____, we hereby confirm that this guarantee is valid and enforceable and confirm further that we have obtained all necessary approvals and authorizations to issue and perform this Letter of Guarantee in United States Dollars.

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- (15) We further waive and disclaim all rights whatsoever to claim sovereign immunity for ourselves or our assets in respect of any claim or proceedings brought against us under or in respect of this Letter of Guarantee.
- (16) The "Business Day(s)", "Banking Day(s)" and "Day(s)" defined in the Shipbuilding Contract shall have the same meaning when used in this Letter of Guarantee.

Very Truly Yours,

By: [_____]

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**Addendum No. 1 to Shipbuilding Contracts
(Hull No. H2871 & H2872)**

This Addendum No. 1 to Shipbuilding Contracts for CONSTRUCTION OF ONE 14,000 TEU CONTAINER VESSEL (HULL NO. H2871) & CONSTRUCTION OF ONE 14,000 TEU CONTAINER VESSEL (HULL NO. H2872) (hereinafter called the "Addendum No.1") is made and entered into this 6th day of June, 2024 by and between:

1. LECANG FANTASY LIMITED or its nominee, a corporation organized and existing under the laws of the British Virgin Islands, having its registered office at Start Chambers, Wickham's Cay II, P.O.Box 2221, Road Town, Tortola, British Virgin Islands (hereinafter called the "BUYER"),

and

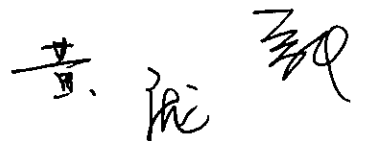
CHINA SHIPBUILDING TRADING CO., LTD., a corporation organized and existing under the Laws of the People's Republic of China, having its registered office at 56(Yi) Zhongguancun Nan Da Jie, Beijing 100044, the People's Republic of China (hereinafter called "CSTC"), and

JIANGNAN SHIPYARD (GROUP) CO., Ltd., a corporation organized and existing under the Laws of the People's Republic of China, having its registered office at 988 Changxing Jiangnan Ave., Changxing Island, Shanghai 201913, the People's Republic of China (hereinafter called the "BUILDER").

(CSTC and the BUILDER are hereinafter collectively called the "SELLER".)

WHEREAS

The Shipbuilding Contracts are entered into on the 6th day of June, 2024 (together with all amendments and addenda thereto from time to time, the "CONTRACTS") for vessels with HULL NO. H2871 & H2872 (the "VESSELS") between the BUYER and SELLER (as both terms are defined in the CONTRACTS), for the construction of the VESSELS.

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It is hereby mutually agreed by the BUYER and SELLER as follows:

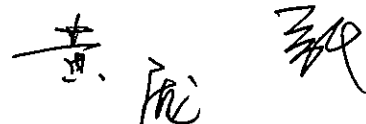
For the BUYER's payment of the first instalment:

1. The first instalment under each of the CONTRACTS shall be split into Two (2) Parts, the first part of the first instalment in the amount of United State Dollars Two Million and Five Hundred Thousand Only (USD 2,500,000.00) for each of the CONTRACTS, hereinafter called the "Down Payment"; and
2. The Down Payment shall be paid by the BUYER to the SELLER on or before 28th June 2024 whether the BUYER has received the SELLER's Refund Guarantee under the Paragraph 7 Article II of the CONTRACTS or not; and
3. The remaining amount of United State Dollars Twenty Six Million Four Hundred and Sixty Thousand Only (USD 26,460,000.00) (hereinafter called the "Remaining Part") for each of the CONTRACTS shall be paid by the BUYER to the SELLER under the Article II 3(a) and 4(a) of the CONTRACTS; and
4. If the BUYER fails to pay the Down Payment of the first instalment for any of the CONTRACTS under the terms of this Addendum No.1, the SELLER shall have the right to cancel or terminate the CONTRACTS immediately without any notice to the BUYER and the BUYER shall be deemed as default under the Article XI of the CONTRACTS; and
5. If the BUYER fails to pay Remaining Part for any CONTRACT under the terms of this Addendum No.1 and the CONTRACTS, the Article XI 1(a) of the CONTRACT shall be applied; and
6. If any conflicts between this Addendum No.1 and the CONTRACTS, this Addendum No.1 shall be prevailed; and

For the "The final makers selected for the Prototype Vessel in maker list will be applied to the VESSEL for free" under the Paragraph 1 Article I of the CONTRACTS:

1. The items 1 to 18 of the Extra Cost Item List of H2789-90 mutually agreed by BUYER and SELLER by email dated 4th June 2024 (i.e. "FW: BAL 14000TEU - Extra Cost Item List for H2789-90") will be applied to the VESSELS for free.

For the "Modifications previously mutually agreed between the Parties on the Prototype Vessel before April 18, 2024 will be applied to the VESSEL for free" under the Paragraph 1 Article I of the CONTRACTS:

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1. The items 19 of the Extra Cost Item List of H2789-90 mutually agreed by BUYER and SELLER by email dated 4th June 2024 (i.e. "FW: BAL 14000TEU -Extra Cost Item List for H2789-90") will be applied to the VESSELS for free.
2.
 - (1) One (1) unit air conditioning at wheel house;
 - (2) Thirty (30) sets muster& slave clocks (2-hands type);
 - (3) CCTV (Seven (7) sets gun type cameras (Four (4) sets for engine room and Three (3) sets for steering gear room) and Two (2) sets hemisphere type cameras for wheelhouse.);
 - (4) Five (5) sets water dispensers;
 - (5) One (1) set Panama P3 navigation unit;Above (1) to (5) of this term 2 will be applied to the VESSELS for free.

Any disputes under this Addendum No.1 shall be subject to the same dispute resolution provisions as set out in Article XIII of the CONTRACTS.

This Addendum No.1 shall become effectiveness after the duly execution by the BUYER and the SELLER.



IN WITNESS WHEREOF the Parties hereto have caused this Addendum No.1 duly executed by their duly authorized officers or attorneys-in-fact on the day and year first above written.

The BUYER:

For and on behalf of

LECANG FANTASY LIMITED

By: 

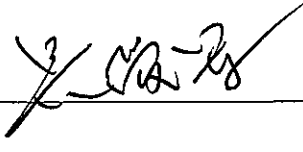
Name:

Title:

The SELLER:

For and on behalf of

CHINA SHIPBUILDING TRADING CO., LTD.

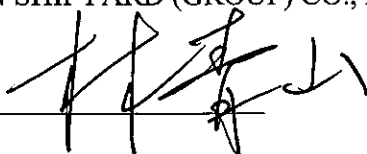
By: 

Name:

Title: Attorney-in-fact

For and on behalf of

JIANGNAN SHIPYARD (GROUP) CO., Ltd.

By: 

Name:

Title: Attorney-in-fact

Memorandum of Understanding
on
Classification of 14,000 TEU Container Vessels
with

Hull Nos. H2871&H2872

This Memorandum of Understanding (hereinafter referred to as the "MOU") is made on Jun 6th, 2024, by and among Bureau Veritas (hereinafter referred to as "BV"), LECANG FANTASY LIMITED or its nominee (hereinafter referred to as the "Buyer") and Jiangnan Shipyard (Group) Co., Ltd. (hereinafter referred to as "Builder") with respect to entering two (2) sets of the 14,000 TEU Container Vessels with Hull Nos. H2871&H2872 (hereinafter called the "Vessel[s]) into BV with the class notations of:

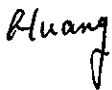


I +HULL, +MACH, Container ship, Tier III, Unrestricted navigation, +VeriSTAR-HULL CM FLM FAT 25 years, Spectral Fatigue (worldwide), WhiSp1, CPS(WBT), +AUT-UMS, +SYS-NEQ-1, INWATERSURVEY, GREEN PASSPORT, BWT, LASHING-RSSA(all routes), LI-LASHING, LI-HG-S2, MON-SHAFT, CLEANSHIP, ERS-S, EGCS-SCRUBBER, LNGFUEL-PREPARED, METHANOLFUEL-PREPARED

This MOU is also made based on the acknowledgement that the Vessels are principally identical with the vessel bearing Builder Hull No. H2789 (hereinafter referred to as "the Reference Vessel") under the supervision of Lloyd's Register (hereinafter referred to as "LR"), with class notation of:

**+100A1, Container Ship, ShipRight (SDA, FDA plus(25, WW), FDA SPR, WDA2, CM, ACS(B)), BoxMax(V, W, L), CSA, *IWS, LI, ECO, +LMC, UMS, NAV1, BWTS, EGCS(Hybrid, Partial), EGCN(SCR),
With descriptive notes "ShipRight (BWMP(T), IHM, SERS, SCM), GR(NG, A), GR(ML, A) Main Engine capable for conversion to operate with methanol fuel in future retrofitting"**

The Vessels including their hull, machinery and equipment, will be built to LR's Rules under the survey of BV. BV is fully aware that the design of the Vessels is identical with the design of the Reference Vessel.

If any discrepancy is found between BV notation and LR notation, the LR notation technical requirements shall prevail.

A. ACCEPTANCE OF THE DESIGN

1. Builder will submit e-drawings of the Vessels to BV for stamp and simultaneously provide one (1) copy of LR approved drawings in PDF format or 3D Model of the Reference Vessel together with the approval letters for BV's reference.

Builder agrees to submit such drawings and documents in several batches upon BV's request. Builder shall provide BV an Approval Drawing List of LR prior to submission. BV shall not require additional drawings and documents, which are only required by BV but not required by LR. BV shall return final stamped drawings and documents within five (5) working days for each batch after receiving Builder's submission. BV promises that the returning schedule should not affect Builder's subsequent schedule of design and construction. If the approval drawings are same as LR approval drawings, BV shall return final stamped drawings and documents WITHOUT any comments including equipment documents.

2. BV shall give a clear notice in written to their all staffs, who will involve any activities of the Vessels, to follow the terms described in this MOU. Any comments raised by BV during site construction shall be discussed with Builder in view of previous practice on the Reference Vessel.
3. Should Builder change any part of the design in order to comply with the Buyer's requirement or to adapt the design for improvement and/or the relevant new Rules & Regulation effected on and before the date of shipbuilding contract signing, such alterations within partial drawings and documents are to be submitted and should be reviewed by BV according to relevant BV Rules and the Statutory Regulation.

Should any other technical modification between the Vessels and the Reference Vessel, which is requested by Buyer and on account of the maker selection deviation after the date of shipbuilding contract signing, such alterations within partial drawings and documents are to be submitted and should be reviewed by BV according to relevant BV Rules, and all relevant works and calculations will be undertaken by BV.

Upon receipt of all partial drawings and documents, BV shall accept and return final stamped drawings and documents within 1 weeks in principle in any case should not exceed 2weeks, which should not affect Builder's subsequent schedule of design and construction.

4. A full Class BV design appraisal of all essential equipment and components is mandatory. Class BV may, however, consider accepting the previous Classification Society's approvals if the standards and rules applied are generally considered equivalent to those

required by the Class BV Rules. Especially some important equipment related to vessel's Performance such as propeller and rudder.

B.ACCEPTANCE & CERTIFICATION OF MATERIALS, EQUIPMENT AND INSPECTION

1. The scope of certification by BV for the materials and equipment which are fitted onboard of the Vessels should not exceed those required by LR for the Reference Vessel.
2. The BV survey fee for certification of materials and each equipment which are fitted onboard of the Vessels should not exceed the LR survey fee for the Reference Vessel.
3. The review of technical documents for the materials and equipment should take into account of those approved by LR for the Reference Vessel.
4. In exceptional case confirmed by BV in advance, BV will accept certificates already issued by LR to avoid delaying the shipbuilding progress.
5. The technical and procedure requirement, the method of approval/certification, inspection scope and practice, as applied and accepted by LR for the Reference Vessel should be accepted by BV for the Vessels.
6. When BV carry out surveys, inspections, witnesses and tests in Builder's yard or in the premises of Builder's subcontractor, suppliers and vendors, it will be taken into account that the Vessels are identical vessels of the Reference Vessel, and the design, construction, materials, machinery and equipment shall follow LR rules.
7. BV shall cooperate to their utmost with Builder and relevant subcontractor, suppliers and vendors in surveys and inspections in the manner not to delay shipbuilding progress as well as manufacturing progress owing to the differences in the rules between BV and LR.
8. The inclining test shall not be performed for sister vessel H2871 according to H2789 'SPEC.
9. Hull local vibration shall not be carried out for sister vessel H2871-H2872 except that the measured vibration for the first vessel H2789 exceeds the defined criteria of ISO 6954-2000 (E) according to H2789 'SPEC.

C. CLASSIFICATION FEES AND RELATED EXPENSES

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1. The Classification fees including expenses for the Vessels shall be agreed upon by making a separate Agreement incorporating the terms and conditions described both in this MOU and Request for Classification for the Vessels which will be officially applied by Builder to BV.
2. For the sake of good cooperation, BV promises offering most favour classification fees including related expenses for the certification of materials and equipment from Suppliers or Vendors, and it should not exceed the LR classification and certification fees for the Reference Vessel defrayed from the Builder and Suppliers.

D. CONDITION

1. The MOU shall become effective upon signing date and shall be valid until the delivery of the Vessels, all formal certificates issued and all as built documents approved, whichever later.
2. IN WITNESS THEREOF, the parties hereby sign this MOU executed in triplicate by their duly authorized representatives.

For and on behalf of

Jiangnan Shipyard (Group)
Co., Ltd.

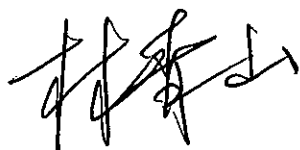
For and on behalf of

Bureau Veritas

Acknowledged by

LECANG FANTASY
LIMITED

By: Name:

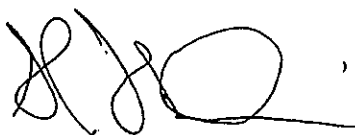


Title:

Date:

By: Name:

Alex GREGG-SMITH



Title: Senior Vice President

Date: 6th, June, 2024

By: Name:



Title:

Date:

*** END OF MOU ***