

**Memorandum of Agreement
in respect of
one (1)
bulk carrier
with builder's hull number JNS674**

Dated 28 July 2026

- (1) Hai Kuo Shipping 1971T Limited
as Buyers**
- (2) Jinyao Marine Inc.
as Sellers**

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This Agreement is made on 28 July 2026

Between:

- (1) **Jinyao Marine Inc.**, a company incorporated under the laws of Panama with registration number 535876 whose registered address is Floor 19, Banco General Tower, Aquilino de la Guardia Street, Marbella, Panama City, Republic of Panama and a registered non-Hong Kong company under Part 16 of the Companies Ordinance (Cap.622 of the Laws of Hong Kong) with Business Registration Number 37166308 whose principal place of business in Hong Kong is at 26th Floor, Yardley Commercial Building, 1-6 Connaught Road West, Hong Kong (the "**Sellers**"); and
- (2) **Hai Kuo Shipping 1971T Limited**, a company incorporated under the laws of Hong Kong with business registration number 71354353 whose registered address is Room 1915, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong (the "**Buyers**").

Background:

- (A) Pursuant to a shipbuilding contract dated 30 September 2025 and made between the Sellers and the Builder (as may be amended, supplemented, novated or replaced from time to time, the "**Building Contract**"), the Builder has agreed to design, engineer, build, launch, equip, complete, deliver and sell, and the Sellers have agreed to purchase, one (1) new 64,500 DWT bulk carrier as further described in the Building Contract and bearing the Builder's hull number JNS674, along with all her appurtenances, associated equipment, materials, stores, spare parts and documentation (the "**Vessel**"), upon the terms and conditions therein.
- (B) The Sellers have agreed to sell the Vessel to the Buyers upon the terms and conditions set forth in this Agreement.
- (C) The Buyers have agreed to pay the Purchase Price (as defined below) in instalments upon the terms and conditions set forth in this Agreement.
- (D) The Buyers (as owners) have agreed to let the Vessel to the Sellers (as bareboat charterers) and the Sellers have agreed to charter the Vessel from the Buyers immediately upon the acceptance of the Vessel by the Buyers from the Sellers under this Agreement, pursuant to the terms and conditions set forth in a bareboat charter agreement (as amended and or supplemented from time to time) (the "**Charter**") entered into or to be entered into between the Buyers (as owners) and the Sellers (as bareboat charterers) on or about the date of this Agreement.

It is agreed as follows:

1 Definitions and interpretations

1.1 Definitions

Words and expressions having defined meanings in the Charter shall, except where otherwise defined herein, have the same meanings when used in this Agreement, and in this Agreement:

"Actual Delivery Date" means the date on which the Vessel is actually delivered by the Sellers to the Buyers under this Agreement.

"Applicable Rate" means, in relation to any Pre-Delivery Interest Period:

- (a) the applicable Term SOFR on the Quotation Day and for a period equal to the length to the relevant Pre-Delivery Interest Period; or
- (b) as otherwise determined pursuant to Clause 10.3 (*Unavailability of Term SOFR*),

and if, in either case, that rate is less than zero, the Applicable Rate shall be deemed as zero.

"Builder" means Jiangmen Nanyang Ship Engineering Co., Ltd., a corporation organized and existing under the laws of the People's Republic of China, having its registered office at Gujing 529145, Xinhui, Jiangmen City, Guangdong Province, the People's Republic of China.

"Builder's Bank" means China CITIC Bank, Guangzhou Branch or such other first-class bank acceptable to the Buyers and the Sellers.

"Builder's Account" the bank account in the name of the Builder (account number 8110914013601315853) opened with the Builder's Bank.

"Builder's PDA" means the protocol of delivery and acceptance in respect of the Vessel to be executed by the Builder and the Sellers (evidencing the unconditional physical delivery of the Vessel by the Builder to the Sellers pursuant to the Building Contract).

"Cancellation Date" means the date specified as such in the Cancellation Notice.

"Cancellation Notice" has the meaning given to such term in Clause 9 (*Cancellation and refund*).

"Charterers" means the Sellers in their capacity as bareboat charterers under the Charter.

"Contractual Purchase Price" means the price in respect of the Vessel as stipulated in paragraph 1 of article II (*Contract Price & Terms of Payment*) of the Building Contract which, as at the date of this Agreement, is thirty-three million and fifty thousand US Dollars (US\$33,050,000), as the same may be subject to adjustment in accordance with the terms of the Building Contract.

"Default Rate" means two per cent. (2%) per annum above the Interest Rate.

"Deferred Payment" means, in respect of an Instalment and to the extent applicable, the payment of such Instalment by the Buyers to the Earnings Account for the purpose of reimbursing the Sellers after the Sellers have (whether utilising their own funds or from whatever source of funds they may select) settled the corresponding instalment of the Contractual Purchase Price under the Building Contract directly with the Builder.

"Delivery Instalment" means an amount which:

- (a) is payable by the Buyers under this Agreement;
- (b) relates to (and shall be no more than) the "4th Installment" of the Contractual Purchase Price which the Sellers (as buyer) are obliged to pay to the Builder pursuant to paragraph 3(d) of article II (*Contract Price & Terms of Payment*) of the Building Contract; and
- (c) (when aggregated with the First Instalment) is not more than eighteen million US Dollars (US\$18,000,000).

"Delivery Location" means:

- (a) the Builder's shipyard; or
- (b) such other location as the Sellers and the Buyers may mutually agree prior to the Actual Delivery Date following consultation with the Builder and which is in a jurisdiction without any interference to the operation of the Vessel.

"Direct Payment" means, in respect of an Instalment and to the extent applicable, the payment of such Instalment by the Buyers at the request of the Sellers towards direct settlement with the Builder of the corresponding instalment of the Contractual Purchase Price under the Building Contract.

"First Instalment" means an amount which:

- (a) is payable by the Buyers under this Agreement;
- (b) relates to (and shall be no more than) the "1st Installment" of the Contractual Purchase Price which the Sellers (as buyer) are obliged to pay to the Builder pursuant to paragraph 3(a) of article II (*Contract Price & Terms of Payment*) of the Building Contract; and
- (c) is no more than three million three hundred and five thousand US Dollars (US\$3,305,000).

"Flag State" means Hong Kong or such other flag state as may be nominated by the Sellers and acceptable to the Buyers from time to time.

"Historic Term SOFR" means, in relation to any Pre-Delivery Interest Period, the most recent applicable Term SOFR for a period equal in length to the relevant Pre-Delivery Interest Period and which is as of a day which is no more than three (3) US Government Securities Business Days before the Quotation Day.

"Indemnitees" has the meaning given to such term in Clause 30 (*Indemnities*).

"Instalment" means each of the First Instalment and the Delivery Instalment, and **"Instalments"** means both of them.

"Interest Rate" means the percentage rate per annum which is the aggregate of the Margin and the Applicable Rate for the relevant period.

"Interpolated Historic Term SOFR" means in relation to any Pre-Delivery Interest Period, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

- (a) either:
 - (i) the most recent applicable Term SOFR (as of a day which is not more than three (3) US Government Securities Business Days before the Quotation Day) for the longest period (for which Term SOFR is available) which is less than the relevant Pre-Delivery Interest Period; or
 - (ii) if no such Term SOFR is available for a period which is less than the relevant Pre-Delivery Interest Period, the most recent SOFR for a day which is no more than five (5) US Government Securities Business Days (and no less than two (2) US Government Securities Business Days) before the Quotation Day; and
- (b) the most recent applicable Term SOFR (as of a day which is not more than three (3) US Government Securities Business Days before the Quotation Day) for the shortest period (for which Term SOFR is available) which exceeds the relevant Pre-Delivery Interest Period.

"Interpolated Term SOFR" means, in relation to any Pre-Delivery Interest Period, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

- (a) either:
 - (i) the applicable Term SOFR (as of the Quotation Day) for the longest period (for which Term SOFR is available) which is less than the relevant Pre-Delivery Interest Period; or
 - (ii) if no such Term SOFR is available for a period which is less than the relevant Pre-Delivery Interest Period, SOFR for the day which is two (2) US Government Securities Business Days before the Quotation Day; and
- (b) the applicable Term SOFR (as of the Quotation Day for the shortest period (for which Term SOFR is available)) which exceeds the relevant Pre-Delivery Interest Period.

"Long Stop Date" means the earlier of (i) the Actual Delivery Date and (ii) 26 September 2028.

"Margin" means one point four per cent (1.4%) per annum.

"Market Value" means the value of the Vessel ascertained in accordance with Clause 33 (*Determination of Market Value*).

"MOA Purchase Price" means the aggregate of (1) the Purchase Price and (2) the Pre-Delivery Interest accrued up to the Actual Delivery Date.

"MOA Termination Event" means each of the events specified in Clause 15.1 of Clause 15 (*MOA Termination Events*).

"Parties" means the Sellers and the Buyers.

"Payment Date" means, in respect of each Instalment, the date specified as such in the relevant Payment Notice or, if different, on which such Instalment is actually paid by the Buyers.

"Payment Notice" means a notice in substantially the form set out in Schedule 2 (*Form of Payment Notice*) hereto (or such other form as the Buyers may require).

"Port State" means the jurisdiction:

- (a) in which the Delivery Location is located; and/or
- (b) in which delivery of the Vessel will take place; and/or
- (c) which would otherwise have the power under all applicable laws to detain the Vessel before she is delivered by the Builder to the Sellers or by the Sellers to the Buyers (as applicable).

"Potential MOA Termination Event" means an MOA Termination Event or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Transaction Documents or any combination of any of the foregoing) be an MOA Termination Event.

"Pre-Delivery Assignment" means a deed of assignment of the Building Contract, the Refund Guarantee and Related Rights executed or to be executed by the Sellers in favour of the Buyers.

"Pre-Delivery Interest" means each amount of interest accrued on the Instalments payable by the Sellers in accordance with Clause 10 (*Pre-Delivery Interest*).

"Pre-Delivery Interest Period" means each period determined in accordance with Clause 12 (*Pre-Delivery Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 11 (*Default interest*).

"Pre-Delivery Period" means the period commencing from the date of this Agreement up to the Actual Delivery Date and acceptance of the Vessel by the Buyers.

"Pre-Position Date" means, in relation to each of the Delivery Instalment and the relevant Payment Notice, the date specified in such Payment Notice as the date on which the Buyers shall pre-position the relevant amount into the Builder's Bank.

"Purchase Price" means the amount which is the aggregate of the following amounts which the Buyers shall pay or deemed to have paid in accordance with this Agreement:

- (a) the First Instalment; and
- (b) the Delivery Instalment.

"Quotation Day" means, in relation to a Pre-Delivery Interest Period, five (5) US Government Securities Business Days before the first day of that Pre-Delivery Interest Period.

"Refund Guarantee" means the letter of guarantee numbered 749101LG25000032, dated 12 December 2025 and issued by the Refund Guarantor in favour of the Sellers in relation to the Building Contract.

"Refund Guarantor" means China CITIC Bank, Guangzhou Branch.

"Related Rights" means, in relation to the Warranty, all rights and interests of every kind which the Sellers now or at any later time have to, in or in connection with the Warranty or in relation to any matter arising out of or in connection with the Warranty, including, without limitation:

- (a) all rights and interests relating to any amount of any kind payable under the terms of the Warranty;
- (b) all rights to require the remedy of any defect relating to the Vessel pursuant to the Warranty;
- (c) all rights to commence, conduct, defend, compromise or abandon any legal or arbitration proceedings relating to the Warranty or to any matter arising out of or in connection with the Warranty; and
- (d) all rights to any monies, damages, interest, costs or other sums payable under any judgment or order of any court, or any arbitration award, or payable agreed to be paid by or on behalf of the Builder in each case relating to the Warranty or to any matter arising out of or in connection with the Warranty.

"Scheduled Delivery Date" means the date on which the Builder is ready to deliver and the Sellers are ready to accept delivery of the Vessel in accordance with the terms of the Building Contract, and in any event no later than the Long Stop Date, which the Sellers shall notify to the Buyers in the Payment Notice in respect of the Delivery Instalment.

"Sellers' PDA" means the protocol of delivery and acceptance in respect of the Vessel to be executed by the Sellers and the Buyers (evidencing the unconditional physical delivery of the Vessel by the Sellers to the Buyers pursuant to this Agreement).

"Warranty" means all warranties given by the Builder in respect of the Vessel under article IX (*Warranty of Quality*) of the Building Contract, including any renewal of such warranty after making good of any warranty claim.

1.2 Interpretations

1.2.1 In this Agreement, unless the context otherwise requires, any reference to:

- (a) this Agreement includes the Schedules hereto and references to Clauses and Schedules are, unless otherwise specified, references to Clauses of and Schedules to this Agreement and, in the case of a Schedule, to such Schedule as incorporated in this Agreement and as substituted from time to time;

- (b) any statutory or other legislative provision shall be construed as including any statutory or legislative modification or re-enactment thereof, or any substitution therefor;
- (c) the term "**Vessel**" includes any part of the Vessel;
- (d) "**assets**" includes present and future properties, revenues and rights of every description;
- (e) the "**Buyers**", the "**Sellers**", any "**Project Party**" or any other person include any of their respective successors, permitted assignees and permitted transferees;
- (f) a "**Project Document**" or any other agreement, instrument or document include such agreement, instrument or document as the same may from time to time be amended, modified, supplemented, novated or substituted;
- (g) "**control**" over a particular company means the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (i) cast, or control the cast of, more than fifty per cent. (50%), of the maximum number of votes that might be cast at a general meeting of such company;
 - (ii) appoint or remove all, or the majority of the directors or other equivalent officers of such company; or
 - (iii) give directions with respect to the operating and financial policies of such company with which the directors or other equivalent officers of such company are obliged to comply;
- (h) the "**equivalent**" in one currency (the "**first currency**") as at any date of an amount in another currency (the "**second currency**") shall be construed as a reference to the amount of the first currency which could be purchased with such amount of the second currency at the spot rate of exchange quoted by the Buyers at or about 11:00 a.m. two (2) business days (being a day other than a Saturday or Sunday on which banks and foreign exchange markets are generally open for business in Beijing) prior to such date for the purchase of the first currency with the second currency for delivery and value on such date;
- (i) "**hereof**", "**herein**" and "**hereunder**" and other words of similar import means this Agreement as a whole (including the Schedules) and not any particular part hereof;
- (j) "**law**" includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, rule, statute, treaty or other legislative measure in any jurisdiction or any present or future directive, regulation, request or requirement, or

official or judicial interpretation of any of the foregoing, in each case having the force of law and, if not having the force of law, in respect of which compliance is generally customary;

- (k) **"month"** means, save as otherwise provided, a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last day in that calendar month;
- (l) the word **"person"** or **"persons"** or to words importing persons include, without limitation, any state, divisions of a state, government, individuals, partnerships, corporations, ventures, government agencies, committees, departments, authorities and other bodies, corporate or unincorporated, whether having distinct legal personality or not;
- (m) the **"winding-up"**, **"dissolution"**, **"administration"**, **"liquidation"**, **"insolvency"**, **"reorganisation"**, **"readjustment of debt"**, **"suspension of payments"**, **"moratorium"** or **"bankruptcy"** (and their derivatives and cognate expressions) of any person shall each be construed so as to include the others and any equivalent or analogous proceedings or event under the laws of any jurisdiction in which such person is incorporated or any jurisdiction in which such person carries on business;
- (n) the Buyers' **"cost of funds"** in relation to maintaining the funding of the purchase of the Vessel or an Unpaid Sum (as the case may be) is a reference to the average cost (determined either on an actual or a notional basis) which the Owner would incur if it were to fund, from whatever source(s) it may reasonably select, an amount equal to the amount of the funding of the purchase of the Vessel or that Unpaid Sum for a period equal in length to the relevant Pre-Delivery Interest Period;
- (o) a Potential MOA Termination Event or an MOA Termination Event is "continuing" if it has not been remedied or waived; and
- (p) words denoting the plural number include the singular and vice versa.

1.2.2 Headings are for the purpose of reference only, have no legal or other significance, and shall be ignored in the interpretation of this Agreement.

1.2.3 A time of day (unless otherwise specified) is a reference to Beijing time.

2 Sale and purchase

2.1 Agreement for sale and purchase

The Sellers hereby agree to sell and transfer all rights, title and interest in the Vessel, the Warranty and its Related Rights absolutely, with full title guarantee, to the Buyers and the Buyers hereby agree to purchase the Vessel on the terms and conditions of this Agreement.

2.2 Delivery

2.2.1 Not later than 11.00 a.m. three (3) Business Days (or such shorter period as the Buyers and the Sellers may agree) prior to the date on which the Sellers may deliver to the Buyers the Payment Notice in respect of the Delivery Instalment, the Sellers shall give the Buyers an irrevocable notice in writing of delivery which shall specify the Scheduled Delivery Date. At the time of delivery of the Vessel by the Sellers to the Buyers, the Vessel shall be located at the Delivery Location.

2.2.2 On delivery of the Vessel by the Sellers to the Buyers pursuant to this Agreement the Buyers shall accept the Vessel on an "as is where is" basis in exactly the same form, state and condition as the Vessel is delivered by the Builder to the Sellers pursuant to the Building Contract.

2.2.3 Upon delivery of the Vessel, the Sellers and the Buyers shall execute the Sellers' PDA, whereupon the Sellers shall be deemed to have given, and the Buyers to have received and accepted, possession of the Vessel.

3 Purchase Price

3.1 Purchase price of the Vessel

3.1.1 The purchase price of the Vessel payable by the Buyers to the Sellers under this Agreement shall be an amount equal to the Purchase Price.

3.1.2 The purchase price referred to in Clause 3.1.1 shall cover the purchase of the Vessel and, to the extent owned by the Sellers, everything then belonging to her on board, except any remaining bunkers and unused lubricating and hydraulic oils and greases in storage tanks and unopened drums and any unused stores and provisions which shall remain the property of the Sellers and for which no payment by the Buyers shall be required.

4 Currency of payment

4.1 Subject to the remaining provisions of this Clause 4, USD is the currency of account and payment for any sum due from:

4.1.1 the Buyers to the Sellers under this Agreement; and

4.1.2 an Obligor to the Buyers under any Transaction Document.

4.2 Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

4.3 Any amount expressed to be payable in a currency other than USD shall be paid in that currency.

4.4 If a change in any currency occurs, this Agreement will, to the extent the Buyers specify to be necessary, be amended to comply with any generally accepted conventions and market practice in the relevant market and otherwise to reflect the change in currency.

5 Payment Notice

5.1 Delivery of a Payment Notice

5.1.1 The Sellers may request the Buyers to make a payment in respect of an Instalment by delivery to the Buyers of a duly completed Payment Notice no later than five (5) Business Days before the proposed payment date and no later than the Long Stop Date (or such other period as may be agreed by the Sellers and the Buyers).

5.1.2 The Sellers may request the Buyers to make a payment in respect of the Delivery Instalment by delivery to the Buyers of a duly completed Payment Notice:

- (a) for the purpose of effecting a Direct Payment, at least seven Business Days prior to the proposed payment date or the proposed Pre-Position Date; or
- (b) for the purpose of effecting a Deferred Payment, no later than seven Business Days before the proposed payment date.

5.2 Completion of a Payment Notice

Each Payment Notice is irrevocable and will not be regarded as having been duly completed or valid unless:

5.2.1 it is delivered by the Sellers and received by the Buyers before the Long Stop Date;

5.2.2 it clearly:

- (a) identifies (A) the Instalment to which such Payment Notice relates, (B) the proposed date of payment or the proposed Pre-Position Date (as the case may be) and (C) in case of the Delivery Instalment, the Scheduled Delivery Date; and
- (b) sets out the precise amount of the Instalment to which such Payment Notice relates;

5.2.3 it is signed by an authorised signatory of the Sellers;

5.2.4 the currency of the proposed Instalment to be paid is US Dollars;

- 5.2.5 the proposed date of payment, the proposed Pre-Position Date and the Scheduled Delivery Date (as applicable) is a Business Day and is no later than the Long Stop Date; and
- 5.2.6 for a Direct Payment in relation to the First Instalment, the Builder's Account is designated to receive such Direct Payment and for a Deferred Payment in relation to any Instalment, the Earnings Account is designated to receive such Deferred Payment.

6 Direct Payments and Deferred Payments

6.1 Sellers' election to pay Builder directly

Notwithstanding any other provision of this Agreement, the Sellers may elect to settle any instalment of the Contractual Purchase Price that has not been paid as at the date of this Agreement (whether utilising their own funds or from whatever source of funds they may select) directly with the Builder by making the relevant payment to the Builder in accordance with the Building Contract.

6.2 Deemed satisfaction of Buyers' Instalment payment obligations

The obligation of the Buyers to pay the relevant Instalment under this Agreement shall be deemed to have been satisfied to the extent of (and in each case as applicable):

- 6.2.1 the Buyers' settling of the corresponding amount by way of a Deferred Payment; or
- 6.2.2 the Buyers' (acting on the instructions of the Sellers) direct deposit of the corresponding amount to the Builder's Bank by way of a Direct Payment.

7 Pre-position of Delivery Instalment

7.1 Pre-position

Subject always to the conditions in this Clause 7 and the other terms of this Agreement, the Sellers may request the Buyers to pre-position the Delivery Instalment to the Builder's Bank in accordance with the relevant Payment Notice.

7.2 Conditions to pre-position

The Buyers will only be obliged to pre-position the Delivery Instalment in accordance with Clause 7.1 (*Pre-position*) if, on or before the Pre-Position Date, the Buyers have received:

- 7.2.1 in relation to the Delivery Instalment, the additional documents and other evidence listed in Part III (*Pre-position conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) (or evidence satisfactory to the Buyers that they shall, on the Pre-Position Date, receive such documents or evidence);
- 7.2.2 evidence (in such form and subject to such terms and conditions as the Buyers may specify) from the Builder's Bank in writing (electronically or

otherwise) on or before the Pre-Position Date that the Delivery Instalment will:

- (a) be held by the Builder's Bank in suspense to the order of the Buyers; and
- (b) only be released to the Builder upon presentation to the Builder's Bank of a copy (transmitted by fax, email or otherwise) of the duly executed, dated and timed Builder's PDA, which is:
 - (i) signed by a duly authorised officer, signatory, attorney-in-fact or other representative of the Builder and the Sellers (as original buyers under the Building Contract), whose details shall be communicated to the Builder's Bank in writing (electronically by SWIFT message or otherwise) on or before the Pre-Position Date; and
 - (ii) countersigned by a duly authorised officer, signatory, attorney-in-fact or other representative of (1) the Buyers and, (2) if requested by a Finance Party and acceptable to the Builder, such Finance Party, whose details shall (in each case as applicable) be communicated to the Builder's Bank in writing (electronically or otherwise) on or before the Pre-Position Date.

7.3 Deemed payment of Delivery Instalment

7.3.1 A transfer of funds by the Buyers to the Builder's Bank in accordance with Clauses 7.1 (*Pre-position*) and 7.2 (*Conditions to pre-position*) above shall constitute payment of the Delivery Instalment for the purposes of this Agreement and shall, as from the date of such transfer, constitute a valid and binding obligation upon the Sellers in respect of the refund of the Delivery Instalment and any other amount payable in relation thereto, each in accordance with and in the manner contemplated by this Agreement.

7.3.2 Any repayment by the Builder's Bank to the Buyers or their bank of any part of the Delivery Instalment shall constitute (in each case as applicable), to the extent of such repayment, a refund of such part of the Delivery Instalment by the Sellers.

8 Conditions precedent and subsequent

8.1 Initial conditions precedent

8.1.1 The Sellers may not deliver the first Payment Notice unless the Buyers have received all the documents and other evidence listed in Part I (*Initial conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto in form and substance satisfactory to the Buyers.

8.1.2 The Buyers shall only be obliged to make a payment in respect of any Payment Notice if:

- (a) no Potential MOA Termination Event or MOA Termination Event has occurred and is continuing or would result from such payment; and
- (b) the Repeating Representations are true in all material respects on the date of the relevant Payment Notice and the actual date of payment; and
- (c) no event of default (however described) has occurred under the Building Contract, the Refund Guarantee, any Sub-Charter or any other Project Documents entitling the non-defaulting party to terminate the Building Contract, the Refund Guarantee, any Sub-Charter or any other Project Documents.

8.2 **Instalment conditions precedent**

The Buyers will only be obliged to make a payment in respect of the First Instalment if on or before the Sellers' delivery of the relevant Payment Notice, the Buyers have received all the documents and other evidence listed in Part II (*Instalment conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto in form and substance satisfactory to the Buyers (or evidence satisfactory to the Buyers that they shall, on the date of such payment, receive such documents or evidence).

8.3 **Further conditions precedent to a Deferred Payment**

The Buyers will only be obliged to make a payment in respect of an Instalment for the purpose of effecting a Deferred Payment if the Buyers have received evidence of full payment to the Builder's Account of the corresponding instalment of the Contractual Purchase Price under the Building Contract, in form and substance satisfactory to the Buyers.

8.4 **Delivery Instalment conditions precedent**

8.4.1 The Buyers will only be obliged to:

- (a) make a payment in respect of the Delivery Instalment and accept the Vessel under this Agreement on the Actual Delivery Date; or
- (b) (if the Sellers elect for the Delivery Instalment to be pre-positioned under Clause 7 (*Pre-position of Delivery Instalment*)) countersign the Builder's PDA, agree to the release of the pre-positioned Delivery Instalment and accept the Vessel under this Agreement on the Actual Delivery Date;

if, in each applicable case:

- (i) on the Actual Delivery Date, the Buyers have received:
 - (A) all the documents and other evidence listed in Part III (*Pre-position conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto in form and substance satisfactory to the Buyers (to the extent that such documents and other

evidence have not already been provided to the Buyers prior to the Actual Delivery Date); and

(B) all the documents and other evidence listed in Part IV (*Delivery Date conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto in form and substance satisfactory to the Buyers; and

(ii) no Potential MOA Termination Event or MOA Termination Event has occurred and is continuing or would result from the payment or (as applicable) release of the Delivery Instalment; and

(iii) the Repeating Representations are true in all material respects on the Actual Delivery Date.

8.4.2 For the avoidance of doubt, the Sellers must, on the Actual Delivery Date, deliver to the Buyers all the documents and other evidence listed in Part III (*Pre-position conditions precedent*) and Part IV (*Delivery Date conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto in form and substance satisfactory to the Buyers.

8.5 **Conditions subsequent**

The Sellers undertake to deliver or cause to be delivered to the Buyers the documents and evidence listed in Part V (*Conditions subsequent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto within the relevant time periods stipulated therein.

8.6 **No waiver**

8.6.1 The conditions set out in this Clause 8 are for the sole benefit of the Buyers and may be waived or deferred by the Buyers in whole or in part and with or without conditions. The foregoing is without prejudice to the Buyers' rights to require fulfilment of any such conditions by the Sellers in whole or in part at any time after the date of payment or release of the Purchase Price.

8.6.2 If the Buyers in their sole discretion agree to advance all or any part of the Purchase Price to the Sellers before all of the documents and evidence required by this Clause 8 have been delivered to the Buyers, the Sellers undertake to deliver all outstanding documents and evidence to the Buyers no later than the date specified by the Buyers.

8.6.3 The advance of all or any part of the Purchase Price under this Clause 8.6 shall not be taken as a waiver of the Buyers' right to require production of all the documents and evidence required by this Clause 8.

8.7 **Form and content**

All documents and evidence delivered to the Buyers under this Clause 8 shall be in form and substance acceptable to the Buyers.

9 Cancellation and refund

If an MOA Termination Event is continuing, the Buyers may by notice in writing to the Sellers (such notice being the "**Cancellation Notice**") cancel this Agreement, whereupon the Buyers' purchase of the Vessel under this Agreement shall be cancelled on the applicable Cancellation Date, and the Buyers shall forthwith be relieved from any further obligation to pay any part of the Purchase Price (or any other amount) under this Agreement from the Cancellation Date, and the Sellers shall upon demand:

- 9.1 refund to the Buyers the full amount of all the Instalments which the Buyers have already paid up to and including the Cancellation Date; and
 - 9.2 pay the Buyers all accrued but unpaid Pre-Delivery Interests and any other fee and legal costs, and other reasonably incurred and documented out-pocket expenses and liabilities of the Buyers suffered or incurred by the Buyers in connection with the transactions contemplated by this Agreement and the other Transaction Documents,
 - 9.3 pay the Buyers any other sum due and payable but unpaid by any Obligor under any Transaction Document,
- in each case together with Break Costs.

10 Pre-Delivery Interest

10.1 Calculation of Pre-Delivery Interest

The rate of Pre-Delivery Interest to accrue and be payable over each Instalment for each Pre-Delivery Interest Period is the Interest Rate. The total amount of Pre-Delivery Interest over each Instalment that has been paid by the Buyers for each Pre-Delivery Interest Period is calculated in accordance with the following formula:

$$A \times B \times C$$

Where

- A = the amount of the relevant Instalment;
- B = Interest Rate;
- C = a fraction whose denominator is three hundred and sixty (360) and numerator is the number of days which have elapsed from the first day of such Pre-Delivery Interest Period (including that day) to the last day of such Pre-Delivery Interest Period (not including that day).

10.2 Pre-Delivery Interest included as part of the MOA Purchase Price

Subject to Clause 9.2, all accrued Pre-Delivery Interest shall constitute part of the MOA Purchase Price and shall be paid by way of payment of Hire in accordance with the terms of the Charter.

10.3 Unavailability of Term SOFR

- 10.3.1 **Interpolated Term SOFR** If no Term SOFR is available for a Pre-Delivery Interest Period the applicable Applicable Rate shall be Interpolated Term SOFR for a period equal in length to that Pre-Delivery Interest Period.
- 10.3.2 **Historic Term SOFR** If no Term SOFR is available for a Pre-Delivery Interest Period and it is not possible to calculate the Interpolated Term SOFR, the applicable Applicable Rate shall be the Historic Term SOFR for a period equal in length to that Pre-Delivery Interest Period.
- 10.3.3 **Interpolated Historic Term SOFR** If Clause 10.3.2 above applies but no Historic Term SOFR is available for the relevant Pre-Delivery Interest Period, the applicable Applicable Rate shall be the Interpolated Historic Term SOFR for a period equal in length to that Pre-Delivery Interest Period.
- 10.3.4 **Cost of funds** If Clause 10.3.3 above applies but it is not possible to calculate the Interpolated Historic Term SOFR, Clause 10.5 (*Cost of funds*) shall apply for the relevant Pre-Delivery Interest Period.
- 10.4 **Market disruption** If before close of business in Beijing on the Quotation Day for the relevant Pre-Delivery Interest Period, the Buyers notify the Sellers that their cost of funds relating to its funding of the purchase of the Vessel would be in excess of the Applicable Rate then Clause 10.5 (*Cost of funds*) shall apply in relation to the calculation of the relevant Pre-Delivery Interest.
- 10.5 **Cost of funds**
- 10.5.1 If this Clause 10.5 applies, then Interest Rate for the relevant Pre-Delivery Interest Period shall be the percentage rate per annum which is the sum of:
- (a) the Margin; and
 - (b) the rate notified to the Sellers by the Buyers as soon as practicable and in any event within three Business Days of the first day of that Pre-Delivery Interest Period (or, if earlier, on the date falling three Business Days before the date on which interest is due to be paid in respect of that Pre-Delivery Interest Period) to be that which expresses as a percentage rate per annum the cost to the Buyers of maintaining the funding of the purchase of the Vessel or that Unpaid Sum (as the case may be) from whatever source it may reasonably select or, if such rate is less than zero, such rate shall be deemed to be zero.
- 10.5.2 If this Clause 10.5 applies and the Buyers or the Sellers so require, the Buyers and the Sellers shall enter into negotiations (for a period of not more than thirty (30) days) with a view to agreeing a substitute basis for determining the rate for the Pre-Delivery Interest or (as the case may be) an alternative basis for funding.
- 10.8.3 Any alternative basis agreed pursuant to Clause 10.5.2 shall be binding on all Parties.

10.8.4 If an alternative basis is not agreed pursuant to Clause 10.5.2, the Interest Rate shall continue to be determined in accordance with Clause 10.5.1.

11 Default interest

- 11.1 If the Sellers fail to pay any amount payable by them under this Agreement on its due date, interest shall accrue on the Unpaid Sum from the due date to the date of actual payment (both before and after judgment) at the Default Rate, in US Dollars for successive Pre-Delivery Interest Periods (as if the consecutive Pre-Delivery Interest Periods will continue until the Unpaid Sum is paid notwithstanding the end of the Pre-Delivery Period, and as if the Unpaid Sum had, during the period of non-payment, constituted part of the Instalments). Any interest accruing under this Clause 11 shall be immediately payable by the Sellers on demand by the Buyers.
- 11.2 Default interest (if unpaid) arising on an Unpaid Sum will be compounded with the Unpaid Sum at the end of each period applicable to that Unpaid Sum but will remain immediately due and payable.
- 11.3 The Parties agree that, without prejudice to other rights, benefits and remedies of the Buyers under this Agreement, in the event that any other loss, damage, costs or expenses was suffered or incurred by the Buyers wholly or partly as a result of the Sellers' failure to pay any amount payable under this Agreement on its due date, the Sellers shall be responsible for all such loss, damage, costs and expenses in addition to the interests payable under this Clause 11, to the extent not covered by any payable Break Costs.

12 Pre-Delivery Interest Periods

12.1 Duration of Pre-Delivery Interest Periods

- 12.1.1 Subject to the other provisions of this Agreement, each Pre-Delivery Interest Period for each Instalment shall have a duration of three (3) months.
- 12.1.2 No Pre-Delivery Interest Period shall extend beyond the Actual Delivery Date.
- 12.1.3 Each Pre-Delivery Interest Period for each Instalment shall start on the Payment Date in respect of that Instalment or (if that Instalment is already paid) on the last day of the preceding Pre-Delivery Interest Period.

12.2 Subsequent Instalments

If any subsequent Instalment is made otherwise than on the first day of a Pre-Delivery Interest Period in respect of the First Instalment, there shall be a separate initial Pre-Delivery Interest Period for that subsequent Instalment commencing on the Payment Date of that subsequent Instalment and expiring on the final date of the then current Pre-Delivery Interest Period in respect of the First Instalment.

12.3 Non-Business Days

If a Pre-Delivery Interest Period would otherwise end on a day which is not a Business Day, that Pre-Delivery Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

13 intentionally left blank

14 Sellers' undertakings

The Sellers hereby undertake to the Buyers that they will comply in full and procure compliance (where applicable) with the following undertakings throughout the Pre-Delivery Period.

14.1 Compliance with Charter

The Sellers shall comply with all their undertakings of the Sellers (as charterer) set out in the Charter.

14.2 Notification of MOA Termination Event

The Sellers shall promptly, upon becoming aware of the same, inform the Buyers in writing of the occurrence of any Potential MOA Termination Event (and the steps, if any, being taken to remedy this) and, upon receipt of a request from the Buyers, confirm to the Buyers that, save as previously notified to the Buyers or as notified in such confirmation, no Potential MOA Termination Event is continuing or if a Potential MOA Termination Event is continuing specifying the steps, if any, being taken to remedy it.

14.3 Refund of pre-positioned amount

If the Buyers have made a transfer of all or any part of the Delivery Instalment to the Builder's Bank but delivery of the Vessel does not occur on a date within fourteen (14) calendar days after the Pre-Position Date, then the Sellers shall forthwith refund to the Buyers the Delivery Instalment and any other amount so transferred by the Buyers in accordance with the relevant payment instructions (or such other equivalent document), **provided that** the Sellers' obligations under this Clause 14.3 shall be deemed to be complied with by any repayment (but only to the extent and amount of such repayment) by the Builder's Bank to the Buyers or their bank of any part of the Delivery Instalment and any other amount so transferred by the Buyers in connection with Clauses 7.1 (*Pre-position*) and 7.2 (*Conditions to pre-position*).

14.4 Purchase Price

14.4.1 The Sellers may request for a Deferred Payment solely for the purpose of reimbursing the Sellers for their payment made to the Builder in respect of an instalment of the Contractual Purchase Price under the Building Contract.

14.4.2 The Sellers may request for a Direct Payment solely for the purpose of settling an instalment of the Contractual Purchase Price under the Building Contract.

15 MOA Termination Events

15.1 Each of the following events shall constitute an MOA Termination Event.

15.1.1 Conditions precedent and subsequent

- (a) Any of the conditions set out in Clause 8 (*Conditions precedent and subsequent*) is not satisfied by the date specified by the Buyers pursuant to Clause 8.6.2 (*No waiver*).
 - (b) Any of the conditions referred to in Clause 8.5 (*Conditions subsequent*) is not satisfied by the relevant time or such other time period specified by the Buyers in their discretion.
- 15.1.2 **Charter termination events** Any event or circumstance referred to in clause 58.1 (*Termination Events*) of the Charter occurs.
- 15.1.3 **Late delivery of Vessel** The Vessel is not delivered by:
 - (a) the Builder to the Sellers under the Building Contract by the date set out in (ii) of the definition of "Long Stop Date"; or
 - (b) the Sellers to the Buyers under this Agreement by the date set out in (ii) of the definition of "Long Stop Date" (including, without limitation, by reason of failure by the Sellers to satisfy any of their obligations under Clause 8 (*Conditions precedent and subsequent*)).
- 15.1.4 **Illegality** It becomes unlawful or it is prohibited for the Buyers to purchase the Vessel pursuant to this Agreement and, to the extent that the law permits the Buyers to notify the Sellers of the relevant event, the Sellers and the Buyers fail to agree an alternative having negotiated in good faith for a period of thirty (30) days (or such longer period as may be agreed by the Buyers) after the Buyers have given notice to the Sellers of the relevant event.
- 15.1.5 **Building Contract and Refund Guarantee**
 - (a) The Building Contract or a Refund Guarantee is terminated, rescinded, cancelled, repudiated, suspended or otherwise ceases to remain in full force and effect, or is transferred, assigned, novated or otherwise disposed of to any person (other than pursuant to the relevant Security Documents).
 - (b) Any obligation of the Builder under the Building Contract, or of the Refund Guarantor under a Refund Guarantee becomes unlawful or unenforceable.
 - (c) Any of the events or circumstances specified in clauses 58.1.6 (*Insolvency and rescheduling*), 58.1.7 (*Insolvency proceedings*) 58.1.8 (*Creditors' process*) or 58.1.9 (*Execution or distress*) of the Charter occurs in relation to the Refund Guarantor.
- 15.2 Upon the occurrence of an MOA Termination Event which is continuing, and without prejudice to the generality of the powers and remedies vested in the Buyers under this Agreement, the Buyers may exercise their rights and powers referred to under Clauses 9 (*Cancellation and refund*) and 16 (*Buyers' powers following cancellation*).

16 Buyers' powers following an MOA Termination Event

16.1 Powers following an MOA Termination Event

Without prejudice to the generality of the powers and remedies vested in the Buyers under this Agreement and the other Transaction Documents, at any time after the occurrence of an MOA Termination Event which is continuing, the Buyers shall become immediately entitled:

- 16.1.1 to implement the Building Contract or to agree with the Builder to terminate the Building Contract on such terms and conditions as the Buyers and the Builder may mutually agree;
- 16.1.2 subject to the terms of the Building Contract, to assign all rights, title, interest and benefits in and under the Building Contract or to sell the Vessel in her then state of construction or after her delivery under the Building Contract or otherwise and upon such terms as the Buyers shall in their absolute discretion determine;
- 16.1.3 to undertake the further supervision of construction of the Vessel;
- 16.1.4 to collect, recover, compromise and give a good discharge for, all claims then outstanding or arising subsequently under or in respect of all or any part of such claims, and to take over or institute (if necessary using the names of the Sellers) all such proceedings as the Buyers in their sole and absolute discretion think fit;
- 16.1.5 to discharge, compound, release or compromise claims in respect of the Building Contract which have given or may give rise to any charge or lien or other claim on the Building Contract or which are or may be enforceable by proceedings against the Building Contract;
- 16.1.6 where any money under the Refund Guarantee becomes refundable, to make a demand, or to request the Sellers to promptly make a demand for payment under the Refund Guarantee and to direct payment of the funds to an account designated by the Buyers and to the extent that any money so refunded exceeds all amounts owed to the Buyers under the Transaction Documents, the Buyers shall refund an amount equal to such excess to an account designated by the Sellers within seven Business Days of receiving such money under the Refund Guarantee;
- 16.1.7 to recover from the Sellers on demand all properly incurred costs and expenses (including legal fees) incurred or paid by the Buyers in connection with the exercise of the powers (or any of them) referred to in this Clause 16.1;
- 16.1.8 to not make any payment in relation to any Payment Notice; and
- 16.1.9 to exercise any or all of the rights and remedies available to the Buyers under any Security Documents.

16.2 Delegation

The Buyers may delegate in any manner to any person any rights exercisable by the Buyers under this Agreement. Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Buyers think fit.

16.3 Survival of Sellers' obligations

The termination of this Agreement for any cause whatsoever shall not affect the right of the Buyers to recover from the Sellers any money due to the Buyers in consequence thereof and all other rights of the Buyers (including but not limited to any rights, benefits or indemnities which are expressly provided to continue after the termination of this Agreement) are reserved hereunder.

17 Changes to parties

17.1 The Sellers may not assign or transfer any or all of their rights or obligations under this Agreement.

17.2 The Buyers may assign or transfer any or all of their rights or obligations under this Agreement to any party to which they are entitled to assign or transfer their rights under clause 52.2 of the Charter, following which the Sellers shall execute such document and do all such things as required by the Buyers to facilitate or effect such assignment or transfer.

18 Cumulative rights

The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers or remedies at law or in equity unless specifically otherwise stated.

19 No waiver

No delay, failure or forbearance by a party to exercise (in whole or in part) any right, power or remedy under, or in connection with, this Agreement will operate as a waiver. No waiver of any breach of any provision of this Agreement will be effective unless that waiver is in writing and signed by the party against whom that waiver is claimed. No waiver of any breach will be, or be deemed to be, a waiver of any other or subsequent breach.

20 Entire agreement and amendments

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

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

20.3 Any terms implied into this Agreement by the Sale of Goods Act 1979 are hereby excluded to the extent that such exclusion can legally be made. Nothing in this Clause shall limit or exclude any liability for fraud.

20.4 This Agreement may not be amended, altered or modified except by a written instrument executed by each of the parties to this Agreement.

21 Invalidity

If any term or provision of this Agreement or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable the remainder of this Agreement or application of such term or provision to persons or circumstances (other than those as to which it is already invalid or unenforceable) shall (to the extent that such invalidity or unenforceability does not materially affect the operation of this Agreement) not be affected thereby and each term and provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law.

22 English language

All notices, communications and financial statements and reports under or in connection with this Agreement and the other Transaction Documents shall be in English language or, if in any other language, shall be accompanied by a translation into English. In the event of any conflict between the English text and the text in any other language, the English text shall prevail.

23 No partnership

Nothing in this Agreement creates, constitutes or evidences any partnership, joint venture, agency, trust or employer/employee relationship between the parties, and neither party may make, or allow to be made any representation that any such relationship exists between the parties. Neither party shall have the authority to act for, or incur any obligation on behalf of, the other party, except as expressly provided in this Agreement.

24 Notices

24.1 Any notices to be given to the Buyers under this Agreement shall be sent in writing by registered letter, facsimile or email and addressed to:

Hai Kuo Shipping 1971T Limited

Address: c/o ICBC Financial Leasing Co., Ltd.

16-19/F, Building #5, Yuetan Centre

Yard 1, Yuetan South Street

Xicheng District, Beijing 100045

The People's Republic of China

Email: saijianan@leasing.icbc.com.cn

Attention: Simon Sai

or to such other address, facsimile number or email address as the Buyers may notify to the Sellers in accordance with this Clause 24.

- 24.2 Any notices to be given to the Sellers under this Agreement shall be sent in writing by registered letter, facsimile or email and addressed to:

Jinyao Marine Inc.

Address: 26/F Yardley Commercial Building, 1-6 Connaught Road West, Hong Kong

Email: shumyh@jinhuiship.com / teresa@jinhuiship.com

Attention: Shum Yee Hong / Teresa Chau

or to such other address or email address as the Sellers may notify to the Buyers in accordance with this Clause 24.

- 24.3 Any such notice shall be deemed to have reached the party to whom it was addressed, when dispatched and acknowledged received (in case of a facsimile or an email) or when delivered (in case of a registered letter). A notice or other such communication received on a non-working day or after 5:00 pm in the place of receipt shall be deemed to be served on the following day in such place.

25 Counterparts

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

26 Third Parties Act

- 26.1 Any person which is an Indemnitee and is not a party to this Agreement shall be entitled to enforce such terms of this Agreement as provided for in this Agreement in relation to the obligations of the Sellers to such Indemnitee, subject to the provisions of Clause 32 (*Law and jurisdiction*) and the Third Parties Act. The Third Parties Act applies to this Agreement as set out in this Clause 26.
- 26.2 A person who is not a party to this Agreement has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Agreement.

27 Spares, bunkers and other items

- 27.1 To the extent owned by the Sellers, the Sellers shall deliver the Vessel to the Buyers with everything belonging to her on board **provided that** any remaining bunkers and unused lubricating and hydraulic oils and greases in storage tanks and unopened drums and any unused stores and provisions shall remain the property of the Sellers.
- 27.2 All spare parts and spare equipment including spare tail-end shaft(s) and/or spare propeller(s)/propeller blade(s), if any, belonging to the Vessel at the time of delivery used or unused, whether on board or not shall become the Buyers' property.

- 27.3 Concurrent with the delivery of the Vessel under this Agreement, the Buyers shall gain title and ownership to the classification certificate(s) as well as all plans, drawings and manuals, which are on board the Vessel and shall remain on board the Vessel, **provided that** the Buyers agree that the Sellers are only required to provide copies of all plans, drawings and manuals to the Buyers by way of a CD-ROM (or any other portable data storage device) within thirty (30) days from the Actual Delivery Date if requested by the Owners. Other certificates which are on board the Vessel shall also be handed over to the Buyers unless the Sellers (as bareboat charterers under the Charter) are required to retain same, in which case the Buyers have the right to take copies.
- 27.4 Copies of other technical documentation which may be in the Sellers' possession shall promptly after delivery be forwarded to the Buyers at the Sellers' expense, if the Buyers so request.

28 Encumbrances, access to information and inspection

- 28.1 The Sellers warrant that the Vessel, at the time of delivery, is free from all charters (other than the Charter and the Sub-Charter), encumbrances, mortgages and maritime liens or any other debts whatsoever, and is not subject to Port State or other administrative detentions. The Sellers hereby undertake to indemnify the Buyers against all consequences of claims made against the Vessel which have been incurred prior to the time of delivery.
- 28.2 The Sellers hereby acknowledge that with respect of the sale and purchase of the Vessel pursuant to this Agreement, the Buyers are relying on the Sellers in all respects to check all matters concerning the Vessel, including her safety, condition, quality and fitness for purpose.
- 28.3 The Buyers shall be entitled to request:
- 28.3.1 such information that they may reasonably require in relation to the construction of the Vessel and the status of such construction or otherwise in connection with the Building Contract; and
 - 28.3.2 copies of documentation held by the Sellers relating to the construction of the Vessel,
- and such information and documentation shall be delivered promptly to the Buyers by the Sellers.
- 28.4 The Buyers (or their representatives) shall be entitled to inspect the Vessel at any time after giving reasonable notice to the Sellers during the course of her construction and the Sellers shall procure that access shall be granted by the Builder for such inspection subject to provision of prior notice and provided that such inspection does not unreasonably interfere with the construction of the Vessel. The costs and expenses of the first such inspection in each calendar year shall be for the Sellers' account, and the costs and expenses of any additional inspections in that calendar year shall be for

the Buyers' account (unless a Termination Event is continuing in which case the costs and expenses for each such additional inspection shall be for the Sellers' account).

- 28.5 Subject to the Sellers giving the Buyers not less than five (5) Business Days' prior written notice setting out the proposed disclosure content for the Buyers' comments, the Sellers may make disclosures required to be made by Jinhui Shipping and Transportation Limited ("**Jinhui Shipping**") and Jinhui Holdings Company Limited ("**Jinhui Holdings**") pursuant to the rules and regulations of the Oslo Stock Exchange and the Hong Kong Stock Exchange respectively, subject to any comments the Buyers may have.

29 Taxes, costs and expenses

Any Taxes, costs and expenses in connection with the purchase and registration of the Vessel in the Flag State shall be for the Sellers' account.

30 Indemnities

- 30.1 Whether or not any of the transactions contemplated hereby are consummated, the Sellers shall indemnify, protect, defend and hold harmless the Buyers and their respective officers, directors, agents and employees (collectively, the "**Indemnitees**") throughout the Pre-Delivery Period from, against and in respect of, any and all liabilities, obligations, losses, damages, penalties, fines, fees (including but not limited to any vessel registration, tonnage and reasonable legal fees), claims, actions, proceedings, judgement, order or other sanction, lien, salvage, general average, suits, costs, expenses and disbursements, including reasonable legal fees and expenses, of whatsoever kind and nature imposed on, suffered or incurred by or asserted against any Indemnatee, in any way relating to, resulting from or arising out of or in connection with, in each case, directly or indirectly, any one or more of the following:

- 30.1.1 the delivery (including the Vessel not being delivered on the Scheduled Delivery Date after the Sellers have informed the Buyers of the Scheduled Delivery Date), registration and purchase of the Vessel by the Buyers whether prior to, during or after termination of this Agreement and whether or not the Vessel is in the possession or the control of the Sellers or otherwise in relation to any non-delivery to or acceptance by the Sellers (as bareboat charterers) of the Vessel under the Charter;
- 30.1.2 any breach of or failure to perform or observe, or any other non-compliance with, any covenant or agreement or other obligation to be performed by the Sellers under any Transaction Document to which they are a party or the falsity of any representation or warranty of the Sellers in any Transaction Document to which they are a party or the occurrence of any Potential MOA Termination Event;
- 30.1.3 a failure by an Obligor to pay any amount due under a Transaction Document on its due date;
- 30.1.4 funding, or making arrangements to fund, an amount required to be paid by the Buyers pursuant to a Payment Notice but not made by reason of the

operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence of the Buyers).

- 30.2 Notwithstanding anything to the contrary herein, the indemnities provided by the Sellers in favour of the Buyers shall continue in full force and effect notwithstanding any breach of the terms of this Agreement or termination of this Agreement pursuant to the terms hereof.
- 30.3 If the Flag State requires, or if there is any change in the flag state from the Flag State at the date of this Agreement and such new Flag State requires the Buyers to have a physical presence or office in the jurisdiction of the Flag State, all fees, costs and expenses arising out of or in connection with the establishment and maintenance of such physical presence or office by the Buyers shall be borne by the Sellers.

31 Calculations and certificates

- 31.1 In any litigation or arbitration proceedings arising out of or in connection with a Transaction Document, the entries made in the accounts maintained by the Buyers are prima facie evidence of the matters to which they relate.
- 31.2 Any certification or determination by the Buyers of a rate or amount under any Transaction Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.
- 31.3 Any Pre-Delivery Interest, interest, commission or fee accruing under a Transaction Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the relevant market differs, in accordance with that market practice.
- 31.4 Confirmation of Pre-Delivery Interest
- 31.4.1 Without prejudice to Clause 31.2 above, the Buyers (as owners under the Charter) shall notify the Sellers (as bareboat charterers under the Charter) in writing, of the total amount of Pre-Delivery Interest accrued up to the Actual Delivery Date (the "**Total Pre-Delivery Interest**") no later than seven (7) Business Days prior to the first Hire Payment Date (as defined in the Charter).
- 31.4.2 If no written objection to the Total Pre-Delivery Interest as so notified is received by the Buyers from the Sellers by the date falling one (1) Business Day prior to the first Hire Payment Date, the Total Pre-Delivery Interest as determined and notified by the Buyers shall be deemed to have been accepted by the Sellers and shall be conclusive evidence of the amount of Pre-Delivery Interest accrued up to the Actual Delivery Date.

32 Law and jurisdiction

- 32.1 This Agreement and any non-contractual obligations arising from or in connection with it are in all respects governed by and shall be interpreted in accordance with English law.

32.2 Any dispute, controversy, difference or claim arising out of or relating to this contract, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non- contractual obligations arising out of or relating to it shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre (HKIAC) under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted.

32.2.1 The law of this arbitration clause shall be Hong Kong law.

32.2.2 The seat of arbitration shall be Hong Kong.

32.2.3 The number of arbitrators shall be three. The arbitration proceedings shall be conducted in English.

33 Determination of Market Value

33.1 The Market Value of the Vessel shall be the valuation of the Vessel under the Valuation Report which shall be prepared by an Approved Valuer nominated by the Buyers.

33.2 The Sellers shall arrange deliver to the Buyers and bear the cost of the issue of the Valuation Report required under this Clause 33.

33.3 If an Approved Valuer determines that the valuation of the Vessel shall fall within a range, the valuation as determined by such Approved Valuer shall be deemed to be the lower value of such range.

33.4 The valuation shall be provided by an Approved Valuer:

33.4.1 in US Dollars;

33.4.2 on a date no earlier than thirty (30) days prior to the Scheduled Delivery Date;

33.4.3 with or without physical inspection of the Vessel (as the Buyers may require);

33.4.4 on the basis of a sale for prompt delivery for cash on normal arm's length commercial terms as between a willing seller and a willing buyer, free of any existing charter or other contract of employment or such other basis as may be agreed by the Buyers; and

33.4.5 on such other terms and conditions as may be required by the Buyers.

Schedule 1

Conditions precedent and subsequent

Part I – Initial conditions precedent

1 Obligors

- 1.1 **Constitutional documents** Copies of the constitutional documents of each Obligor together with such other evidence as the Buyers may reasonably require that each Obligor is duly incorporated in its country of incorporation and remains in existence with power to enter into, and perform its obligations under, the Transaction Documents to which it is or is to become a party.
- 1.2 **Certificate of good standing** A copy of a certificate of good standing in respect of each Obligor (if such a certificate can be obtained).
- 1.3 **BVI certificate of good standing** A certificate of good standing in respect of the Chargor issued by the Registry of Corporate Affairs in the British Virgin Islands.
- 1.4 **Bermuda certificate of compliance** A certificate of compliance in respect of the Charter Guarantor issued by the Registry of Companies in Bermuda.
- 1.5 **Written resolutions** A copy of a resolution of the board of directors of each Obligor:
 - 1.5.1 approving the terms of, and the transactions contemplated by, the Transaction Documents to which it is a party and resolving that it execute those Transaction Documents; and
 - 1.5.2 authorising a specified person or persons to execute those Transaction Documents (and all documents and notices to be signed and/or dispatched under those documents) on its behalf.
- 1.6 **Copy passport and specimen signatures** A copy of the passport and specimen signatures of each person actually executing any of the Transaction Documents pursuant to the resolution referred to in 1.3 above.
- 1.7 **Shareholder resolutions** If required by any legal advisors to the Buyers, copy of a resolution signed by all the holders of the issued shares in each Obligor, approving the terms of, and the transactions contemplated by, the Transaction Documents to which that Obligor is a party.
- 1.8 **Powers of attorney** If applicable, the original power of attorney of each Obligor under which any document (including the Transaction Documents) are to be executed or transactions undertaken by it.
- 1.9 **Other approvals** If applicable, copies of all governmental and other consents, licences, approvals and authorisations as may be necessary to authorise the performance by each of the Obligors of its obligations under the Transaction Documents to which it is or (as the case may be) will be a

party, and the execution, validity and enforceability of such Transaction Documents.

1.10 **Officer's certificates** An original certificate of a duly authorised representative of each Obligor:

- 1.10.1 certifying that each copy document relating to it specified in this Part I of Schedule 1 is correct, complete and in full force and effect;
- 1.10.2 setting out the names of the directors, officers and shareholders of that Obligor and the proportion of shares held by each shareholder;
- 1.10.3 confirming that guaranteeing or securing, as appropriate, the respective indebtedness or obligations would not cause any guarantee, security or similar limit binding on that Obligor to be exceeded; and
- 1.10.4 confirming that (a) it has not delivered particulars of any UK Establishment to the Registrar of Companies as required under the Overseas Regulations or (b) it has a UK Establishment and specifying the name and registered number under which it is registered with the Registrar of Companies.

2 **Transaction Documents and related documents**

2.1 **Vessel-related documents** Copies, certified as true, accurate and complete by a duly authorised representative of the Sellers, of:

- 2.1.1 the Building Contract;
- 2.1.2 the Refund Guarantee;
- 2.1.3 the other Project Documents (other than the Transaction Documents and any Time Charter);

2.2 **Transaction Documents** A duly executed original of:

- 2.2.1 this Agreement;
- 2.2.2 the Charter;
- 2.2.3 the Account Charge;
- 2.2.4 the Charter Guarantee;
- 2.2.5 the Charterers' Assignment;
- 2.2.6 any Manager's Undertaking;
- 2.2.7 the Pre-Delivery Assignment;
- 2.2.8 the Share Charge; and
- 2.2.9 the other Transaction Documents,

in each case together with all other documents required by any of them according to their terms, including, without limitation, all notices of assignment, charge and/or pledge and acknowledgements of all such notices of assignment, charge and/or pledge (other than (x) the acknowledgement executed by the Account Bank to the notice of charge required under the Account Charge and (y) the notices of assignment of insurances and the letters of undertaking required under the Charterers' Assignment).

2.3 **No disputes** The written confirmation of the Sellers that there is no dispute under any of the Project Documents as between the parties to any such document.

2.4 **Sellers' contribution** Evidence of full payment to the Builder of any part of the Contractual Purchase Price which is due and payable on or before the date of this Agreement.

3 Legal opinions A legal opinion of the legal advisers to the Buyers in each relevant jurisdiction (including England, Bermuda, BVI and Panama), or confirmation satisfactory to the Buyers that such an opinion will be given.

4 Other documents and evidence

4.1 **Other Authorisation** Such other Authorisation or other document, opinion or assurance which the Buyers reasonably consider to be necessary in connection with their entry into and performance of the transactions contemplated by any of the Transaction Documents or for the validity and enforceability thereof which, at the date of this Agreement, the Buyers are not aware of, and the Buyers shall, to the extent any Authorisation becomes necessary after the date of this Agreement, provide reasonable notice to the Sellers of such required Authorisation.

4.2 **Fees** Evidence satisfactory to the Buyers that the fees, costs and expenses due from the Sellers to the Buyers under Clauses 29 (*Taxes, costs and expenses*) and 30 (*Indemnities*) and fees, costs and expenses due from the Sellers (as charterers) to the Buyers (as owners) under clause 64 (*Fees and expenses*) of the Charter have been paid in accordance with the terms of such Clauses.

4.3 **"Know your customer" documents** Such documentation and other evidence as is reasonably requested by the Buyers or the Finance Parties in order for the Buyers or the Finance Parties to comply with all necessary "know your customer" or similar identification procedures in relation to the transactions contemplated in the Transaction Documents.

4.4 **Other documents etc.** Such other documents or evidence as the Buyers may require in relation to the Vessel, the Project Parties and/or the Project Documents.

4.5 **Listco shareholders' approval** Evidence that the approval of the majority shareholders of Jinhui Holdings in respect of the transactions contemplated under this Agreement has been obtained.

Part II – Instalment conditions precedent

- 1 Notice/invoice** The notice and/or invoice issued by the Builder evidencing the obligation of the Sellers to pay the 1st instalment of the Contractual Purchase Price (that corresponds to the relevant Instalment) under the Building Contract on a date no later than the proposed Payment Date as specified in the relevant Payment Notice.
- 2 Sellers' equity contribution** Evidence of full payment to the Builder of any part of the Contractual Purchase Price which is due and payable on or before the relevant Payment Date and which is not being financed by the Buyers.
- 3 Fees** Evidence satisfactory to the Buyers that the fees, costs and expenses due from the Sellers to the Buyers under Clauses 29 (*Taxes, costs and expenses*) and 30 (*Indemnities*) and fees, costs and expenses due from the Sellers (as charterers) to the Buyers (as owners) under clause 64 (*Fees and expenses*) of the Charter have been paid in accordance with the terms of such Clauses.
- 4 Other documents etc.** Such other documents or evidence as the Buyers may require in relation to the Vessel, the Project Parties and/or the Project Documents.

Part III – Pre-position conditions precedent

1 Bringdown certificate A certificate signed by a duly authorised representative of the Sellers confirming that none of the documents and evidence delivered to the Buyers pursuant to Clauses 8.1 (*Initial conditions precedent*) and 8.2 (*Instalment conditions subsequent*) has been amended, modified or revoked in any way since its delivery to the Buyers.

2 Vessel-related documents

2.1 Title transfer documents Agreed forms or drafts of the following:

- 2.1.1 the builder's certificate and/or bill of sale transferring title in the Vessel from the Builder;
- 2.1.2 the legal bill(s) of sale recordable in the Buyers' Flag State, transferring title of the Vessel to the Buyers and stating that the Vessel is free from all mortgages, encumbrances and maritime liens or any other debts whatsoever;
- 2.1.3 the Sellers' PDA;
- 2.1.4 the Builder's PDA;
- 2.1.5 if applicable, the declaration of warranty issued by the Builder evidencing that the Vessel is free from any registered Encumbrance,
- 2.1.6 any additional documents as may be required by the Flag State for the purpose of registering the Vessel.

2.2 Notice/invoice The notice and/or invoice issued by the Builder evidencing the obligation of the Sellers to pay the relevant instalment of the Contractual Purchase Price (that corresponds to the relevant Instalment under the Building Contract) on a date no later than the proposed Payment Date as specified in the relevant Payment Notice.

2.3 Vessel documents Copies of:

- 2.3.1 if applicable, each Management Agreement;
- 2.3.2 the most updated and valid Document of Compliance (as such term is defined pursuant to the ISM Code).

2.4 FME Registration If required in connection with the Buyers' ownership of the Vessel, confirmation from the registry of the Flag State that the Buyers have been registered as a foreign maritime entity.

2.5 Evidence of Buyers' title Evidence satisfactory to the Buyers that:

- 2.5.1 any prior registration of the Vessel in the ownership of the Builder and any Encumbrance registered against that ownership will be cancelled on the Actual Delivery Date (or written confirmation from the Builder that there was no such prior registration); and

2.5.2 the Vessel will be registered in the Flag State in the ownership of the Buyers on the Actual Delivery Date.

- 3 Sellers' equity contribution** Evidence of full payment to the Builder of any part of the Contractual Purchase Price which is due and payable on or before the Payment Date and which is not being financed by the Buyers (including but not limited to any shortfall between the Delivery Instalment and the "4th Installment" (the final instalment) of the Contractual Purchase Price).
- 4 Valuation** A Valuation Report of the Vessel addressed to the Buyers certifying the Market Value for the Vessel, acceptable to the Buyers.
- 5 Fees** Evidence satisfactory to the Buyers that the fees, costs and expenses then due from the Sellers to the Buyers under Clauses 29 (*Taxes, costs and expenses*) and 30 (*Indemnities*) and fees, costs and expense due from the Sellers (as charterers) to the Buyers (as owners) under clause 64 (*Fees and expenses*) under the Charter have been paid in accordance with the terms of such Clauses.
- 6 Other Authorisation** Such other Authorisation or other document, opinion or assurance which the Buyers reasonably consider to be necessary in connection with their entry into and performance of the transactions contemplated by any of the Transaction Documents or for the validity and enforceability thereof (including, without limitation in relation to or for the purposes of any financing by the Buyers).
- 7 Evidence of insurance**
 - 7.1 Evidence that the Vessel will on the Actual Delivery Date be insured in the manner required by the Transaction Documents.
 - 7.2 If required by the Buyers, an insurance report of the Insurances in form and substance acceptable to the Buyers by an insurance adviser appointed by the Buyers.
- 8 Other documents and evidence** Such other documents or evidence relating to the Vessel, the Project Parties and/or the Project Documents as the Buyers may reasonably require.
- 9 Sub-Charter and Time Charter** Copies, certified as true, accurate and complete by a duly authorised representative of the Sellers of any Sub-Charter, Sub-Charter Guarantee, Time Charter and Time Charter Guarantee which are or will be in effect as at the Actual Delivery Date.
- 10 Time Charter Assignment and related documents** If a Time Charter will be in effect as at the Actual Delivery Date:
 - 10.1 **Time Charter Assignment** a duly executed original of the Time Charter Assignment, together with all other documents required by the Time Charter Assignment according to its terms, including, without limitation, the notice of assignment and acknowledgement of such notice of assignment required under the Time Charter Assignment;

- 10.2 **Constitutional documents** copies of the constitutional documents of the Time Charter Assignor together with such other evidence as the Buyers may reasonably require that the Time Charter Assignor is duly incorporated in its country of incorporation and remains in existence with power to enter into, and perform its obligations under, the Transaction Documents to which it is or is to become a party.
- 10.3 **Certificate of good standing** a copy of a certificate of good standing in respect of the Time Charter Assignor (if such a certificate can be obtained).
- 10.4 **Written resolutions** a copy of a resolution of the board of directors of the Time Charter Assignor:
- 10.4.1 approving the terms of, and the transactions contemplated by, the Transaction Documents to which it is a party and resolving that it execute those Transaction Documents; and
- 10.4.2 authorising a specified person or persons to execute those Transaction Documents (and all documents and notices to be signed and/or dispatched under those documents) on its behalf.
- 10.5 **Copy passport and specimen signatures** a copy of the passport and specimen signatures of each person actually executing any of the Transaction Documents pursuant to the resolution referred to in 10.4 above.
- 10.6 **Shareholder resolutions** If required by any legal advisors to the Buyers, a copy of a resolution signed by all the holders of the issued shares the Time Charter Assignor, approving the terms of, and the transactions contemplated by, the Transaction Documents to which the Time Charter Assignor is a party.
- 10.7 **Powers of attorney** if applicable, the original power of attorney of the Time Charter Assignor under which any document (including the Transaction Documents) are to be executed or transactions undertaken by it.
- 10.8 **Other approvals** if applicable, copies of all governmental and other consents, licences, approvals and authorisations as may be necessary to authorise the performance by the Time Charter Assignor of its obligations under the Transaction Documents to which it is or (as the case may be) will be a party, and the execution, validity and enforceability of such Transaction Documents.
- 10.9 **Officer's certificates** an original certificate of a duly authorised representative of the Time Charter Assignor:
- 10.9.1 certifying that each copy document relating to it specified in this Part III of Schedule 1 is correct, complete and in full force and effect;
- 10.9.2 setting out the names of the directors, officers and shareholders of the Time Charter Assignor and the proportion of shares held by each shareholder;

- 10.9.3 confirming that guaranteeing or securing, as appropriate, the respective indebtedness or obligations would not cause any guarantee, security or similar limit binding on the Time Charter Assignor to be exceeded; and
- 10.9.4 confirming that (a) it has not delivered particulars of any UK Establishment to the Registrar of Companies as required under the Overseas Regulations or (b) it has a UK Establishment and specifying the name and registered number under which it is registered with the Registrar of Companies; and
- 10.10 **Legal opinion** a legal opinion of the legal advisers to the Buyers in each relevant jurisdiction (including England and the jurisdiction of incorporation of the Time Charter Assignor) in relation to the Time Charter Assignment, or confirmation satisfactory to the Buyers that such an opinion will be given.

Part IV – Delivery Date conditions precedent

1 Vessel-related documents

1.1 **Title transfer documents** Originals of the following duly executed documents:

- 1.1.1 the builder's certificate and/or bill of sale transferring title in the Vessel from the Builder;
- 1.1.2 the legal bill(s) of sale recordable in the Buyers' Flag State, transferring title of the Vessel to the Buyers and stating that the Vessel is free from all mortgages, encumbrances and maritime liens or any other debts whatsoever, duly notarially attested and legalised or apostilled, as required by the Flag State;
- 1.1.3 the Sellers' PDA;
- 1.1.4 the Builder's PDA; and
- 1.1.5 the declaration of warranty issued by the Builder evidencing that the Vessel is free from any registered Encumbrance; and
- 1.1.6 such other additional documents as may be required by the Flag State for the purpose of registering the Vessel.

1.2 **Technical documents** Copies of the following:

- 1.2.1 the Vessel's current Safety Management Certificate (as such term is defined pursuant to the ISM Code);
- 1.2.2 the Vessel's current ISSC;
- 1.2.3 the Vessel's current IAPPC;
- 1.2.4 the Vessel's current tonnage certificate;
- 1.2.5 the Vessel's classification certificate evidencing that it is free of all recommendations and requirements from the Classification Society,

in each case (A) together with all addenda, amendments or supplements, and (B) in respect of any of the Safety Management Certificate, ISSC, IAPPC and classification certificate, such document may be in provisional form (where applicable) or if such provisional form is not available on or prior to the Actual Delivery Date, in final draft form.

1.3 **Evidence of Buyers' title** Evidence satisfactory to the Buyers that any prior registration of the Vessel in the ownership of the Builder and any Encumbrance registered against that ownership have been cancelled (or written confirmation from the Builder that there was no such prior registration) and evidence that on the Actual Delivery Date the Vessel will be at least provisionally registered under the Flag State in the ownership of the Buyers.

- 2 Other Authorisation** Such other Authorisation or other document, opinion or assurance which the Buyers reasonably consider to be necessary in connection with their entry into and performance of the transactions contemplated by any of the Transaction Documents or for the validity and enforceability thereof (including, without limitation in relation to or for the purposes of any financing by the Buyers).
- 3 Fees** Evidence satisfactory to the Buyers that the fees, costs and expenses then due from the Sellers to the Buyers under Clauses 29 (*Taxes, costs and expenses*) and 30 (*Indemnities*) and fees, costs and expenses due from the Sellers (as charterers) to the Buyers (as owners) under clause 64 (*Fees and expenses*) under the Charter have been paid in accordance with the terms of such Clauses.
- 4 Delivery under Sub-Charter or Time Charter** Evidence that the Vessel has been delivered to and accepted by the relevant Sub-Charterers or Time Charterer pursuant to the relevant Sub-Charter or Time Charter (as the case may be) (such evidence to be demonstrated by a protocol of delivery and acceptance duly executed by the Charterers and the relevant Sub-Charterers or Time Charterer or such other documentary evidence satisfactory to the Buyers).
- 5 Log books etc.** True copies of all log books, classification certificates, plans, drawings, record books, instruction manuals and other requisite certificates as may be requested by the Buyers.

Part V – Conditions subsequent

The Sellers undertake to deliver or cause to be delivered to the Buyers the following documents and evidence within the relevant time period as specified below:

- 1 Technical documents** To the extent that any certificate received by the Buyers and referred to in paragraph 1.2 of Part IV (*Delivery Date conditions precedent*) of this Schedule 1 was:
 - 1.1 in final draft form at the time of the receipt, deliver or cause to be delivered to the Buyers the corresponding provisional certificate within three Business Days of the Actual Delivery Date, with the formal certificate to follow as soon as possible after the Sellers' receipt of the same from the relevant persons, and in any event prior to the expiry of the validity period of such provisional certificate;
 - 1.2 in provisional form at the time of the receipt, deliver or cause to be delivered to the Buyers the corresponding formal certificate as soon as possible after the Sellers' receipt of the same from the relevant persons, and in any event prior to the expiry of the validity period of such provisional certificate.
- 2 Evidence of Buyers' title** Within two days from the Actual Delivery Date, the certificate of registry and/or transcript of register (or other equivalent) issued by the registry of the ships of the Flag State confirming that the Vessel is definitively and permanently registered under that flag in the absolute and unencumbered ownership of the Buyers.
- 3 Letters of undertaking** Within ten Business Days from the Actual Delivery Date:
 - 3.1 letters of undertaking in respect of the Insurances as required by the Transaction Documents, together with copies of the relevant policies or cover notes or entry certificates in respect of the Insurances duly endorsed with the interest of the Buyers;
 - 3.2 if applicable, the original of the insurance report referred to under paragraph 8.2 of Part III (*Pre-position conditions precedent*) of this Schedule 1.
- 4 Registration of charges** Evidence that the prescribed particulars of the relevant Security Documents have been delivered to the relevant registry of companies within the statutory time limit.

Schedule 2

Form of Payment Notice

To: **Hai Kuo Shipping 1971T Limited**
c/o ICBC Financial Leasing Co., Ltd.
16-19/F, Building #5, Yuetan Centre
Yard 1, Yuetan South Street
Xicheng District, Beijing 100045
The People's Republic of China

From: **Jinyao Marine Inc.**

20[•]

Dear Sirs

Hull No. JNS674 – memorandum of agreement dated (the "MOA")

- 1** We refer to the MOA. This is a Payment Notice.
- 2** Terms defined in the MOA shall have the same meaning in this Payment Notice unless given a different meaning in this Payment Notice.
- 3** Pursuant to clause 5.2 (*Completion of a Payment Notice*) of the MOA we irrevocably request that you advance US\$[•], being the [First/Delivery] Instalment in respect of the Vessel, to us on _____ 20[•], which is a Business Day, by paying the advance in accordance with the MOA to the following account:

Beneficiary Bank: [•]

Swift Code: [•]

Account number: [•]

Name on Account: [•]
- 4** [The Scheduled Delivery Date is [•] and the Pre-Position Date is [•].]
- 5** We warrant that each condition specified in Clause 8.1.2 (*Initial and further conditions precedent*) is satisfied on the date of this Payment Notice.

Yours faithfully

For and on behalf of

Jinyao Marine Inc.

.....

Name:

Title:

SELLERS

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ICBCFL/Jinhui – MOA - JNS674

In witness of which the parties to this Agreement have executed this Agreement the day and year first before written.

SELLERS

Signed for and on behalf of)
Jinyao Marine Inc.)
by its lawfully appointed attorney)
_____)
in the presence of:)

Witness signature:
Name:
Address:

BUYERS

Signed for and on behalf of)
Hai Kuo Shipping 1971T Limited)
by its lawfully appointed attorney) *Ironan San*
Ironan San)
in the presence of:)

Witness signature: *[Signature]*
Name: *Yenny See Chew*
Address:

43/F, One Taikoo Place,
979 King's Road,
Quarry Bay, Hong Kong