

## Major Transactions

### **Jinhui Holdings Company Limited (00137)**

- ▶ [\(1\) the Agreement](#)
- ▶ [\(2\) the Shipbuilding Contract](#)
- ▶ [\(3\) Unaudited pro forma financial information of the Group](#)
- ▶ [\(4\) Letter on unaudited pro forma financial information of the Group](#)
- ▶ [\(5\) the valuation certificate prepared by Arrow Valuations in relation to the Vessel A](#)
- ▶ [\(6\) Consent letter from Experts](#)
- ▶ [\(7\) the written approval dated 20 November 2025 from Fairline Consultants Limited and Timberfield Limited in relation to the Disposal of Vessel A](#)
- ▶ [\(8\) the written approval dated 8 December 2025 from Fairline Consultants Limited and Timberfield Limited in relation to the Acquisition of Vessel B](#)

## MEMORANDUM OF AGREEMENT

- 1 Dated: 2 December 2025
- 2 **JINBI MARINE INC. of Panama**, hereinafter called the "Sellers", have agreed to sell, and
- 3 **Xing Le Investments Limited, a company incorporated in Hong Kong, whose registered office is at Room 414, 4/F, Wing On Plaza, 62 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong SAR** or its nominee, hereinafter called the "Buyers", have agreed to buy:
- 4 Name of vessel: **JIN BI**
- 5 IMO Number: **9626948**
- 6 Classification Society: **KOREAN REGISTER**
- 7 Class Notation: **+KRS1 - BULK CARRIER 'ESP'(CSR)**  
**BC-A (Hold Nos. 2 & 4 may be empty) GRAB [20]**  
**SeaTrust(HCM) CLEAN1 IWS CDG IHM PSPC LG LI**  
**+KRM1 - UMA BWT STCM**
- 8 Year of Build: **2012** Builder/Yard: **JIANGSU HANTONG SHIP HEAVY INDUSTRY CO., LTD., CHINA**
- 9 Flag: **Hong Kong, China** Place of Registration: **Hong Kong** GT/NT: **33,057 / 19,229**
- 10 hereinafter called the "Vessel", on the following terms and conditions:
- 11 **Definitions**
- 12 "Banking Days" are days on which banks are open both in the country of the currency stipulated for
- 13 the Purchase Price in Clause 1 (Purchase Price) and in the place of closing stipulated in Clause 8
- 14 (Documentation) and **Singapore, P.R. China (including Hong Kong)**, (add additional jurisdictions as appropriate).
- 15 "Buyers' Nominated Flag State" means **Hong Kong** ~~(state flag state)~~.
- 16 "Class" means the class notation referred to above.
- 17 "Classification Society" means the Society referred to above.
- 18 "Deposit" shall have the meaning given in Clause 2 (Deposit).
- 19 "Deposit Holder/Escrow Agent" means **Hill Dickinson Hong Kong**  
~~(state name and location of Deposit Holder) or, if left blank, the~~
- 20 ~~Sellers' Bank~~, which shall hold and release the Deposit and the balance price in the Escrow Account in accordance with this Agreement and the terms and conditions of the Escrow Agreement.
- Escrow Account means the United States dollars account designated as the Escrow Account in the Escrow Agreement.*
- Escrow Agreement means the escrow agreement dated on or about the date hereof and entered into between the Sellers, the Buyers and the Deposit Holder.*
- 21 "In writing" or "written" means a letter handed over from the Sellers to the Buyers or vice versa, a
- 22 registered letter, e-mail or telefax.
- 23 "Parties" means the Sellers and the Buyers.
- 24 "Purchase Price" means the price for the Vessel as stated in Clause 1 (Purchase Price).
- 25 "Sellers' Account" means
- Bank Account Name: JINBI MARINE INC.*
- Bank Account Number: 741-448856-838*
- SWIFT: HSBCHKHKKH*
- 26 "Sellers' Bank" means **The HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED**
- 27 *Bank Address: 1, QUEEN'S ROAD CENTRAL, HONG KONG*

28 **1. Purchase Price**

29 The Purchase Price is *USD14,400,000 (United States Dollars Fourteen Million and Four*  
30 *Hundred Thousand (state currency and amount both in words and figures).*

30 **2. Deposit**

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

35 (i) this Agreement has been signed by the Parties and exchanged in original or by e-mail or  
36 telexfax; and

(ii) *Escrow Agreement has been signed by the Sellers, Buyers and Deposit Holder/Escrow*  
*Agent, and*

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

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

43 **3. Payment (See Clause 22)**

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

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

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

51 **4. Inspection**

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

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

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

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

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

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

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

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

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

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

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

78 Notice of Readiness shall not be tendered before: *15 December 2025 (date)*

79 Cancelling Date (see Clauses 5(c), 6(a)(i), 6(a)(iii) and 14): *30 January 2026*

*After finished discharging in Indonesia, the Vessel will load cargo from Indonesia or Philippines  
and discharge in P.R. China for delivery to Buyers, no more laden voyage permitted.*

80 (b) The Sellers shall keep the Buyers well informed of the Vessel's itinerary and shall  
81 provide the Buyers with twenty (20), fifteen (15), ten (10), seven (7), five (5) and three (3) days'  
82 approximate notice of the date the Sellers intend to tender Notice of Readiness and of the  
intended place of delivery.

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

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

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

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

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

104 **6. Divers Inspection / Drydocking**

105 (a)\*

106 (i) The Buyers shall have the option at their cost and expense to arrange for an underwater  
107 inspection by a diver approved by the Classification Society prior to the delivery of the  
108 Vessel. Such option shall be declared latest nine (9) days prior to the Vessel's intended  
109 date of readiness for delivery as notified by the Sellers pursuant to Clause 5(b) of this  
110 Agreement. The Sellers shall at their cost and expense make the Vessel available for  
111 such inspection. This inspection shall be carried out without undue delay and in the  
112 presence of a Classification Society surveyor arranged for by the Sellers and paid for by  
113 the Buyers. The Buyers' representative(s) shall have the right to be present at the diver's  
114 inspection as observer(s) only without interfering with the work or decisions of the  
115 Classification Society surveyor. The extent of the inspection and the conditions under  
116 which it is performed shall be to the satisfaction of the Classification Society. If the  
117 conditions at the place of delivery are unsuitable for such inspection, the Sellers shall at  
118 their cost and expense make the Vessel available at a suitable alternative place near to  
119 the delivery port, in which event the Cancelling Date shall be extended by the additional  
120 time required for such positioning and the subsequent re-positioning. The Sellers may  
121 not tender Notice of Readiness prior to completion of the underwater inspection.

122 (ii) If the rudder, propeller, bottom or other underwater parts below the deepest load line are  
123 found broken, damaged or defective so as to affect the Vessel's class, then (1) unless  
124 repairs can be carried out afloat to the satisfaction of the Classification Society, the  
125 Sellers shall arrange for the Vessel to be drydocked at their expense for inspection by  
126 the Classification Society of the Vessel's underwater parts below the deepest load line,  
127 the extent of the inspection being in accordance with the Classification Society's rules (2)  
128 such defects shall be made good by the Sellers at their cost and expense to the



satisfaction of the Classification Society without condition/recommendation\*\* and (3) the Sellers shall pay for the underwater inspection and the Classification Society's attendance.

Notwithstanding anything to the contrary in this Agreement, if the Classification Society do not require the aforementioned defects to be rectified before the next class drydocking survey, the Sellers shall be entitled to deliver the Vessel with these defects against a deduction from the Purchase Price of the estimated direct cost (of labour and materials) of carrying out the repairs to the satisfaction of the Classification Society, whereafter the Buyers shall have no further rights whatsoever in respect of the defects and/or repairs. The estimated direct cost of the repairs shall be the average of quotes for the repair work obtained from two reputable independent shipyards at or in the vicinity of the port of delivery, one to be obtained by each of the Parties within two (2) Banking Days from the date of the imposition of the condition/recommendation, unless the Parties agree otherwise. Should either of the Parties fail to obtain such a quote within the stipulated time then the quote duly obtained by the other Party shall be sole basis for the estimate of the direct repair costs. The Sellers may not tender Notice of Readiness prior to such estimate having been established.

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

~~(b) \*The Sellers shall place the Vessel in drydock at the port of delivery for inspection by the Classification Society of the Vessel's underwater parts below the deepest load line, the extent of the inspection being in accordance with the Classification Society's rules. If the rudder, propeller, bottom or other underwater parts below the deepest load line are found broken, damaged or defective so as to affect the Vessel's class, such defects shall be made good at the Sellers' cost and expense to the satisfaction of the Classification Society without condition/recommendation\*\*. In such event the Sellers are also to pay for the costs and expenses in connection with putting the Vessel in and taking her out of drydock, including the drydock dues and the Classification Society's fees. The Sellers shall also pay for these costs and expenses if parts of the tailshaft system are condemned or found defective or broken so as to affect the Vessel's class. In all other cases, the Buyers shall pay the aforesaid costs and expenses, dues and fees.~~

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

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

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

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

- (iv) The Buyers shall have the right to have the underwater parts of the Vessel cleaned and painted at their risk, cost and expense without interfering with the Sellers' or the Classification Society surveyor's work, if any, and without affecting the Vessel's timely delivery. If, however, the Buyers' work in drydock is still in progress when the

190 Sellers have completed the work which the Sellers are required to do, the additional  
191 docking time needed to complete the Buyers' work shall be for the Buyers' risk, cost and  
192 expense. In the event that the Buyers' work requires such additional time, the Sellers may  
193 upon completion of the Sellers' work tender Notice of Readiness for delivery whilst the  
194 Vessel is still in drydock and, notwithstanding Clause 5(a), the Buyers shall be obliged  
195 to take delivery in accordance with Clause 3 (Payment), whether the Vessel is in drydock  
196 or not.

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

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

201 **7. Spares, bunkers and other items**

202 The Sellers shall deliver the Vessel to the Buyers with everything belonging to her on board  
203 and on shore. All spare parts and spare equipment including spare tail-end shaft(s) and/or  
204 spare propeller(s)/propeller blade(s), if any, belonging to the Vessel at the time of inspection  
205 used or unused, whether on board or not shall become the Buyers' property, but spares on  
206 order are excluded. Forwarding charges, if any, shall be for the Buyers' account. The Sellers  
207 are not required to replace spare parts including spare tail-end shaft(s) and spare  
208 propeller(s)/propeller blade(s) which are taken out of spare and used as replacement prior to  
209 delivery, but the replaced items shall be the property of the Buyers. Unused stores and  
210 provisions shall be included in the sale and be taken over by the Buyers without extra payment.

211 Library and forms exclusively for use in the Sellers' vessel(s) and captain's, officers' and crew's  
212 personal belongings including the slop chest are excluded from the sale without compensation,  
213 as well as the following additional items *list as below: ~~(include list)~~*

- *One computer desktop for Plan Maintenance System and one Notebook.*
- *Sellers' company forms, Safety Management Manuals and all control documents/forms/checklists, posters and documents on file, Training Video (OLP), Internal Audit reports.*
- *DOC, SMC, ISPS, MLC, Radio Station License, Shore Base Maintenance Certs, Declaration of DPA, SEEMP I/II/III, Registry Certificate, P&I Certificate, H&M Certificate, Ship Security Plan, Cyber Security Response Plan, SOPEP (except the part with drawings), Deck and Engine logbooks.*
- *Buyers can take copy of MLC, Radio Station License, SEEMP I/II/III, Registry Certificate, SOPEP (Owners details to be removed), Deck and Engine log books.*

214 Items on board which are on hire or owned by third parties, listed as follows, are excluded from  
215 the sale without compensation *but buyers have option to continue the rent: (include list)*

*VSAT & Cabinet, Inmarsat FBB250 and accessories, Life Rafts, Oxygen Cylinders, Acetylene Cylinders, Refrigerant Cylinders.*

216 Items on board at the time of inspection which are on hire or owned by third parties, not listed  
217 above, shall be replaced or procured by the Sellers prior to delivery at their cost and expense.

218 The Buyers shall take over remaining bunkers and unused lubricating and hydraulic oils and  
219 greases in storage tanks and unopened drums and pay ~~either:~~

220 ~~(a) \*the actual net price (excluding barging expenses) as evidenced by invoices or vouchers; or~~

*For remaining bunkers (i.e. LSFO/LSMGO) on board as per Platts Singapore price (excluding barging expenses) two (2) Banking Days prior to the day of delivery. If no such price published on that date, the last previous available Platts Singapore price (excluding barging expenses) shall be used for calculating the prices of bunkers on delivery.*

221 ~~(b) \*the current net market price (excluding barging expenses) at the port and date of delivery~~  
222 ~~of the Vessel or, if unavailable, at the nearest bunkering port;~~

*For unused lubricating, hydraulic oils and greases, in unopened drums, unopened tins and in storage tanks which never pass through any system, to be as per net purchase price (excluding delivery/barging expenses) as evidenced by Suppliers' invoices (not issued by agent).*



223 ~~for the quantities taken over.~~  
Exact quantities of remaining bunkers and unused lubricating, hydraulic oils and greases  
quantities to be agreed by and between the Sellers' and the Buyers' representatives after joint  
survey latest two days (2) before delivery of the Vessel and then eventually adjusted for an  
agreed allowance for consumption up to physical delivery of the Vessel.

224 Payment under this Clause shall be made at the same time and place and in the same  
225 currency as the Purchase Price.

226 "inspection" in this Clause 7, shall mean the Buyers' inspection according to Clause 4(a) or 4(b)  
227 (Inspection), if applicable. If the Vessel is taken over without inspection, the date of this  
228 Agreement shall be the relevant date.

229 *\*(a) and (b) are alternatives, delete whichever is not applicable. In the absence of deletions*  
230 *alternative (a) shall apply.*

231 **8. Documentation**  
232 The place of closing: *In the office of Hill Dickinson Hong Kong or a remote closing, but both*  
*Buyers and Sellers executed documents have to be at the Escrow Agent office to be exchanged.*  
*In exchange for the payment of the Deposit and the Balance, Sellers to provide all delivery*  
*documentation that Buyers reasonably require to support the legal transfer of ownership and to*  
*register the Vessel under the flag of Buyers' Nominated Flag State. Such documentation to be*  
*specified in an addendum to the Agreement (Addendum) subsequent to agreement/signature of*  
*this Agreement.*

*Any closing fees, if any to be shared equally between Sellers and Buyers.*

*The Parties shall mutually agree on Addendum No. 1 to this Agreement detailing the delivery*  
*documentation required by each Party which shall form an integral part of this Agreement.*

233 ~~(a) In exchange for payment of the Purchase Price the Sellers shall provide the Buyers with the~~  
234 ~~following delivery documents:~~

235 ~~(i) Legal Bill(s) of Sale in a form recordable in the Buyers' Nominated Flag State,~~  
236 ~~transferring title of the Vessel and stating that the Vessel is free from all mortgages,~~  
237 ~~encumbrances and maritime liens or any other debts whatsoever, duly notarially attested~~  
238 ~~and legalised or apostilled, as required by the Buyers' Nominated Flag State;~~

239 ~~(ii) Evidence that all necessary corporate, shareholder and other action has been taken by~~  
240 ~~the Sellers to authorise the execution, delivery and performance of this Agreement;~~

241 ~~(iii) Power of Attorney of the Sellers appointing one or more representatives to act on behalf~~  
242 ~~of the Sellers in the performance of this Agreement, duly notarially attested and legalised~~  
243 ~~or apostilled (as appropriate);~~

244 ~~(iv) Certificate or Transcript of Registry issued by the competent authorities of the flag state~~  
245 ~~on the date of delivery evidencing the Sellers' ownership of the Vessel and that the~~  
246 ~~Vessel is free from registered encumbrances and mortgages, to be faxed or e mailed by~~  
247 ~~such authority to the closing meeting with the original to be sent to the Buyers as soon as~~  
248 ~~possible after delivery of the Vessel;~~

249 ~~(v) Declaration of Class or (depending on the Classification Society) a Class Maintenance~~  
250 ~~Certificate issued within three (3) Banking Days prior to delivery confirming that the~~  
251 ~~Vessel is in Class free of condition/recommendation;~~

252 ~~(vi) Certificate of Deletion of the Vessel from the Vessel's registry or other official evidence of~~  
253 ~~deletion appropriate to the Vessel's registry at the time of delivery, or, in the event that~~  
254 ~~the registry does not as a matter of practice issue such documentation immediately, a~~  
255 ~~written undertaking by the Sellers to effect deletion from the Vessel's registry forthwith~~  
256 ~~and provide a certificate or other official evidence of deletion to the Buyers promptly and~~  
257 ~~latest within four (4) weeks after the Purchase Price has been paid and the Vessel has~~  
258 ~~been delivered;~~

259 ~~(vii) A copy of the Vessel's Continuous Synopsis Record certifying the date on which the~~  
260 ~~Vessel ceased to be registered with the Vessel's registry, or, in the event that the registry~~  
261 ~~does not as a matter of practice issue such certificate immediately, a written undertaking~~  
262 ~~from the Sellers to provide the copy of this certificate promptly upon it being issued~~  
263 ~~together with evidence of submission by the Sellers of a duly executed Form 2 stating~~  
264 ~~the date on which the Vessel shall cease to be registered with the Vessel's registry;~~

- 265 ~~(viii) Commercial Invoice for the Vessel;~~
- 266 ~~(ix) Commercial Invoice(s) for bunkers, lubricating and hydraulic oils and greases;~~
- 267 ~~(x) A copy of the Sellers' letter to their satellite communication provider cancelling the~~  
268 ~~Vessel's communications contract which is to be sent immediately after delivery of the~~  
269 ~~Vessel;~~
- 270 ~~(xi) Any additional documents as may reasonably be required by the competent authorities of~~  
271 ~~the Buyers' Nominated Flag State for the purpose of registering the Vessel, provided the~~  
272 ~~Buyers notify the Sellers of any such documents as soon as possible after the date of~~  
273 ~~this Agreement; and~~
- 274 ~~(xii) The Sellers' letter of confirmation that to the best of their knowledge, the Vessel is not~~  
275 ~~blacklisted by any nation or international organisation.~~
- 276 ~~(b) At the time of delivery, the Buyers shall provide the Sellers with:~~
- 277 ~~(i) Evidence that all necessary corporate, shareholder and other action has been taken by~~  
278 ~~the Buyers to authorise the execution, delivery and performance of this Agreement; and~~
- 279 ~~(ii) Power of Attorney of the Buyers appointing one or more representatives to act on behalf~~  
280 ~~of the Buyers in the performance of this Agreement, duly notarially attested and legalised~~  
281 ~~or apostilled (as appropriate).~~
- 282 (c) If any of the documents listed in *Addendum No. 1* Sub-clauses (a) and (b) above are not in  
283 the English  
284 language they shall be accompanied by an English translation by an authorised translator or  
certified by a lawyer qualified to practice in the country of the translated language.
- 285 (d) The Parties shall to the extent possible exchange copies, drafts or samples of the  
286 documents listed in *Addendum No. 1* Sub-clause (a) and Sub-clause (b) above for review  
and comment by the  
287 other party not later than ~~(state number of days)~~, or if left blank, nine (9) days prior to the  
288 Vessel's intended date of readiness for delivery as notified by the Sellers pursuant to  
289 Clause 5(b) of this Agreement.
- 290 (e) Concurrent with the exchange of documents in *Addendum No. 1* Sub-clause (a) and Sub-  
291 clause (b) above,  
292 the Sellers shall also hand to the Buyers the classification certificate(s) as well as all plans,  
293 drawings and manuals, (excluding ISM/ISPS manuals), which are on board the Vessel. Other  
294 certificates which are on board the Vessel shall also be handed over to the Buyers unless  
the Sellers are required to retain same, in which case the Buyers have the right to take copies.
- 295 (f) Other technical documentation which may be in the Sellers' possession shall promptly after  
296 delivery be forwarded to the Buyers at their expense, if they so request. The Sellers may  
297 keep the Vessel's log books but the Buyers have the right to take copies of same.
1. *Copy of Deck/Engine log book for a period of six (6) months prior to delivery;*  
2. *Copy of Oil record book (part 1) and Garbage record book for a period of twelve (12)  
months prior to delivery;*  
3. *BDN at least for the last twelve (12) months;*  
4. *IMO DCS from 1st January 2025 till the date of delivery will be provided to the Buyers  
within 60 days after the Vessel's delivery.*
- 298 (g) The Parties shall sign and deliver to each other a Protocol of Delivery and Acceptance  
299 confirming the date and time of delivery of the Vessel from the Sellers to the Buyers.

300 **9. Encumbrances**

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

306 **10. Taxes, fees and expenses**

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



310 **11. Condition on delivery**  
311 The Vessel with everything belonging to her shall be at the Sellers' risk and expense until she is  
312 delivered to the Buyers, but subject to the terms and conditions of this Agreement she shall be  
313 delivered and taken over as she ~~was~~ *is* at the time of ~~inspection~~ *delivery*, fair wear and tear  
excepted.  
314 However, the Vessel shall be delivered free of cargo *with clean swept holds or Sellers to pay*  
315 *lumpsum US\$ 3000 in lieu of sweeping holds* and free of stowaways with her Class maintained  
316 without condition/~~recommendation~~<sup>\*</sup>, free of average damage affecting the Vessel's class, and  
317 with her classification certificates and national trading certificates, as well as all other certificates  
318 the Vessel had at the time of inspection, valid and unextended without  
319 condition/~~recommendation~~<sup>\*</sup> by the Classification Society or the relevant authorities at the time  
of delivery.  
320 "inspection" in this Clause 11, shall mean the Buyers' inspection according to Clause 4(a) or  
321 4(b) (Inspections), if applicable. If the Vessel is taken over without inspection, the date of this  
322 Agreement shall be the relevant date.  
323 *\*Notes and memoranda, if any, in the surveyor's report which are accepted by the Classification*  
324 *Society without condition/~~recommendation~~ are not to be taken into account.*

325 **12. Name/markings**  
326 Upon delivery the Buyers undertake to change the name of the Vessel and alter funnel  
327 markings.

328 **13. Buyers' default**  
329 Should the Deposit not be lodged in accordance with Clause 2 (Deposit), the Sellers have the  
330 right to cancel this Agreement, and they shall be entitled to claim compensation for their losses  
331 and for all expenses incurred together with interest.  
332 Should the Purchase Price not be paid in accordance with Clause 3 (Payment), the Sellers  
333 have the right to cancel this Agreement, in which case the Deposit together with interest  
334 earned, if any, shall be released to the Sellers. If the Deposit does not cover their loss, the  
335 Sellers shall be entitled to claim further compensation for their losses and for all expenses  
336 incurred together with interest.

337 **14. Sellers' default**  
338 Should the Sellers fail to give Notice of Readiness in accordance with Clause 5(b) or fail to be  
339 ready to validly complete a legal transfer by the Cancelling Date the Buyers shall have the  
340 option of cancelling this Agreement. If after Notice of Readiness has been given but before  
341 the Buyers have taken delivery, the Vessel ceases to be physically ready for delivery and is not  
342 made physically ready again by the Cancelling Date and new Notice of Readiness given, the  
343 Buyers shall retain their option to cancel. In the event that the Buyers elect to cancel this  
344 Agreement, the Deposit together with interest earned, if any, shall be released to them  
345 immediately.  
346 Should the Sellers fail to give Notice of Readiness by the Cancelling Date or fail to be ready to  
347 validly complete a legal transfer as aforesaid they shall make due compensation to the Buyers for  
348 their loss and for all expenses together with interest if their failure is due to proven negligence and  
349 whether or not the Buyers cancel this Agreement.

350 **15. Buyers' representatives**  
351 After this Agreement has been signed by the Parties and the Deposit has been lodged, the  
352 Buyers have the right to place two (2) representatives on board the Vessel at their sole risk and  
353 expense *during vessel's last trip prior to delivery for familiarization purpose only. The Buyers*  
*should pay USD10 per person per day for meals charges.*  
354 These representatives are on board for the purpose of familiarisation and in the capacity of  
355 observers only, and they shall not interfere in any respect with the operation of the Vessel. The  
356 Buyers and the Buyers' representatives shall sign the Sellers' P&I Club's standard letter of  
357 indemnity prior to their embarkation.

358 **16. Law and Arbitration**  
359 (a) *\*This Agreement shall be governed by and construed in accordance with English law and*  
360 *any dispute arising out of or in connection with this Agreement shall be referred to arbitration in*  
361 *London in accordance with the Arbitration Act 1996 or any statutory modification or re-*  
362 *enactment thereof save to the extent necessary to give effect to the provisions of this Clause.*  
363 The arbitration shall be conducted in accordance with the London Maritime Arbitrators  
364 Association (LMAA) Terms current at the time when the arbitration proceedings are  
365 commenced.

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

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

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

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

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

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

**17. Notices**

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

Contact details for recipients of notices are as follows:

For the Buyers: *via brokers' channel*

For the Sellers: *via brokers' channel*

**18. Entire Agreement**

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 relation thereto.

Each of the Parties 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 of warranty (whether or not made negligently) other than as is expressly set out in this Agreement.

Any terms implied into this Agreement by any applicable statute or law 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.

**Clause 19. COVID Epidemic**

*Notwithstanding any other provisions of this MOA should the Vessel's arrival at or later tendering of a valid NOR or delivery of the Vessel become prevented, restricted or delayed due to any prohibition or restriction imposed by a national or local government or other relevant authorities in the intended place of delivery in regard to:*

- (i) Coronavirus quarantine/free pratique restriction on Vessel or crew preventing Vessel's arrival;*
- (ii) Coronavirus quarantining the Vessel and/or their crew after arrival;*

- (iii) *Coronavirus travel ban for the crew(s) in force for more than seven (7) consecutive days;*
- (iv) *prohibition on crew change; and/or;*
- (v) *any other measures preventing the Sellers' crew from disembarking or Buyers' intended crew embarking the Vessel, then the Parties agree that the Sellers shall have their option of:*
  - (a) *nominating within 72 hours an alternative delivery place within the contractual delivery range (which shall be as close as reasonably possible to the original intended place of delivery and as far as can be reasonably ascertained by the Sellers not affected by the above prohibitions/restrictions) and proposing a new Cancelling Date. The Sellers shall be obliged to pay for the cost of the ballast voyage where the Vessel has not already arrived at or off the intended place of delivery. Where the Vessel has already arrived at or off the place of delivery the cost of the ballast voyage shall be shared 50/50. The Buyers shall be obliged to accept the new nomination; or*
  - (b) *nominating within 72 hours an alternative delivery place outside the contract delivery range (which shall be as close as reasonably possible to the original range and as far as can be reasonably ascertained by the Sellers not affected by the above prohibitions/restrictions) and proposing a new Cancelling Date which, if both accepted by the Buyers, shall be deemed written into the MOA with the ballast voyage shall be shared 50/50. The Buyers shall be obliged to accept the new nomination; or*
  - (c) *maintaining delivery at the intended place of delivery and extending the Cancellation Date to allow for the effect of the above prohibitions/restrictions until such date as the Parties mutually agree or absent agreement until 7 days after the relevant restrictions are lifted (The Sellers shall provide written notice of the New Cancelling Date where there is no agreement).*

*For avoidance of doubt, the cost of the ballast voyage includes bunkers and port charges only.*

**Clause 20. Sanctions**

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

**Clause 21. Confidentiality**

*The terms and conditions of this Agreement shall be kept strictly private and confidential among the Parties provided that the Parties may disclose as much as may be necessary of the terms of this Agreement:*

- (a) *In case and to the extent required by law or requested by court or by the Sellers' creditors in connection with the Sellers' insolvency proceedings;*
- (b) *To auditors, third party managers, external counsel or accountants;*
- (c) *To their Owners, affiliates or subsidiaries; or*
- (d) *In connection with any financing of the Vessel.*

*Provided that the recipients of confidential information under (b), (c), (d) above agree or are required to keep the terms of this Agreement confidential in accordance with the terms of this clause. Should despite the efforts of all Parties, the details of this Agreement become public in the market, neither the Sellers nor Buyers have the right to withdraw from the sale or fail to fulfil their obligations under this Agreement.*

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

*This Sale is conditional upon approval by the majority shareholders of Jinhui Holdings, who hold more than 50% of the Interests in Jinhui Holdings. The Sellers hereby confirm that such approval has already been obtained from the majority shareholders of Jinhui Holdings.*



## **Clause 22      Payment**

The Buyers shall remit United States Dollars Five Million Nine Hundred Sixty Thousand (USD5,960,000) (the "**First Instalment**") together with the value of the estimated bunkers and lubricating oils remaining onboard at the time of delivery and any cost whatsoever to be paid by the Buyers to the Sellers in accordance with the Agreement by telegraphic transfer free of bank charges to the Deposit Holder/Escrow Agent which is to be held to the order of the Buyers and remitted at least two (2) Banking Days prior to the expected date of delivery.

The Deposit and the First Instalment and the bunkers and luboils money and any cost whatsoever to be paid by the Buyers to be released to the Sellers on delivery of the Vessel within three (3) Banking days after Sellers tendering to the Buyers the Notice of Readiness for delivery against presentation of the Protocol of Delivery and Acceptance duly signed by the Sellers' and Buyers' representatives and timed and other delivery documents as per the Addendum in which the delivery documents shall be mutually agreed between the Buyers and the Sellers.

The Buyers shall remit United States Dollars Seven Million (USD7,000,000), being part of the Purchase Price, by telegraph transfer into the account as designated by the Sellers in sixteen (16) consecutive quarterly instalments payments (the "**Instalment Payments**", each an "**Instalment Payment**") commencing on the date of expiry of three (3) months after the Delivery Date and on each of the dates falling at intervals of 3 months thereafter (each an "**Instalment Payment Date**"). Each of the first fifteen (15) instalments shall be in an amount of United States Dollars Four Hundred Thirty Seven Thousand and Five Hundred (USD437,500), and the last instalment shall be in an amount of United States Dollars Four Hundred Thirty Seven Thousand and Five Hundred (USD437,500) or such other balance sum as may be outstanding on the last Instalment Payment Date as may be agreed by the Sellers and the Buyers.

## **Clause 23      Interest**

The period for which the Purchase Price is outstanding shall be divided into successive interest periods (the "**Interest Periods**" and each an "**Interest Period**"), each shall start forthwith upon the expiry of the immediately preceding Interest Period; provided that the first Interest Period shall start on the Delivery Date and the duration of each Interest Period shall be three (3) months.

Save as otherwise provided herein, the Buyers shall pay interest accrued on the Outstanding Amount for each Interest Period on the relevant Instalment Payment Date.

The rate of interest applicable to the Outstanding Amount during an Interest Period shall be 6.90% per annum. Interest on the Outstanding Amount and other payments of an annual nature under this Agreement or the Security Documents shall accrue from day to day and be computed on the basis of a year of 365 days and for the days actually elapsed (including the first day but excluding the last day).

If the Buyers fail to make an Instalment Payment and/or the interest thereon within 15 days from the relevant Instalment Payment Date, the Buyers shall pay interest on such sum on demand of the Sellers from the due date up to the date of payment in full at a rate of ten (10%) percent per annum.

## **Clause 24      Prepayment**

To the extent that the Buyers are not in default in the performance of any of their obligations under this Agreement or any other Security Documents, the Buyers may, after the Delivery Date and upon not less than 10 Banking Days' prior written notice to the Sellers of their intention to do so, prepay the whole or any part of the Outstanding Amount but if in part, being a minimum amount of United States Dollars Four Hundred Thirty Seven Thousand and Five Hundred (USD437,500) or in an amount which is an integral multiple of United States Dollars Four Hundred Thirty Seven Thousand and Five Hundred (USD437,500), on the next Instalment Payment Date, together with interest accrued to the date of prepayment and any other sum then payable under this Agreement.

In addition to any amount prepaid pursuant to this Clause 24, if any prepayment is made within three (3) years from the Delivery Date, the Buyers shall pay a prepayment fee of one percent (1%) of such prepaid amount. The Buyers irrevocably accept that this sum is neither exorbitant nor unconscionable when regard is had to the Sellers' interest in the performance of this Agreement.



A notice of prepayment, once given, shall be irrevocable and oblige the Buyers to make such prepayment on such date. A notice of prepayment shall specify the date upon which the prepayment is to be made and the amount thereof and shall be effective only upon actual receipt by the Sellers. Any amount so prepaid shall be applied against outstanding installments of the Outstanding Amount in the inverse order of their maturities. The Buyers may not prepay the Outstanding Amount or any part thereof save as expressly provided in this Agreement.

Within ninety (90) days of the Vessel becoming a Total Loss, the Buyers shall prepay the Outstanding Amount, together with interest accrued thereon and all other sums payable by the Buyers pursuant to this Agreement and the Security Documents.

For the purpose of this Clause 24:

- (a) an actual total loss of the Vessel shall be conclusively deemed to have occurred at the actual date and time the Vessel was lost but in the event of the date of the loss being unknown then the actual total loss shall be conclusively deemed to have occurred on the date on which the Vessel was last reported;
- (b) in the case of a constructive total loss of the Vessel, upon the date and at the time notice of abandonment of the Vessel is given to the insurers of the Vessel (provided a claim for total loss is admitted by such insurers) or, if such insurers do not immediately admit such a claim, at the date and at the time at which either a total loss is subsequently admitted by such insurers or a total loss is subsequently adjudged by a competent court of law or arbitration tribunal to have occurred;
- (c) in the case of a compromised or arranged total loss of the vessel on the date upon which a binding agreement as to such compromised or arranged total loss has been entered into by the insurers of the Vessel;
- (d) in the case of Requisition, on the date upon which the relevant requisition of title or other compulsory acquisition occurs; and
- (e) in the case of hijacking, theft, condemnation, capture, seizure, arrest, detention or confiscation of the Vessel (other than where the same amounts to Requisition of the Vessel) which (or as a direct or indirect result of which) the Buyers are deprived of the use of the Vessel for more than 30 days from the date upon which the relevant incident occurred, upon the expiry of the period of 30 days after the date upon which the relevant incident occurred.

If it becomes unlawful in any applicable jurisdiction for the Sellers to perform any of their obligations as contemplated by this Agreement or the Security Documents:

- (i) the Sellers shall promptly notify the Buyers upon becoming aware of that event; and
- (ii) if the Vessel has not yet been delivered to the Buyers under this Agreement, this Agreement shall terminate immediately, and the Buyers shall pay to the Sellers any amount payable to the Sellers under this Agreement; or
- (iii) if the Vessel has been delivered by the Sellers to the Buyers under this Agreement, the Buyers shall prepay the Outstanding Amount, together with accrued interest and any other amount payable to the Sellers under this Agreement, on the last day of the Interest Period occurring after the Sellers have notified the Buyers or, if earlier, the date specified by that Sellers in the notice delivered to the Buyers (being no earlier than the last day of any applicable grace period permitted by law).



## Clause 25      Security

To secure the Buyers' performance and observance of and compliance with all of the covenants, terms and conditions hereunder and under the Security Documents, including, without limitation, the due payments of the Outstanding Amount, interest thereon and other sums owing by the Buyers, the Buyers shall:

- (a) create a first priority Hong Kong ship mortgage of the Vessel in favour of the Sellers, in the form and substance satisfactory to the Sellers (the "**Mortgage**");
- (b) enter into a deed of covenants collateral to the Mortgage in favour of the Sellers, in the form and substance satisfactory to the Sellers (the "**Deed of Covenants**");
- (c) enter into a general assignment by and between the Buyers, as owners and the Sellers, as assignee, providing for the first priority assignment of the Insurances and Requisition Compensation of the Vessel, in the form and substance satisfactory to the Sellers (the "**General Assignment**");
- (d) enter into a share charge over the shares of the Buyers, executed by the Chargor in favour of the Sellers, in the form and substance satisfactory to the Sellers (the "**Share Charge**"); and
- (e) enter into, provide or execute such other securities as may be reasonably required by the Sellers.

The Sellers' obligations to sell and deliver the Vessel to the Buyers under this Agreement are subject to the Sellers receiving, on or before the Delivery Date, the executed originals of the documents listed above in this Clause 25.

Upon payment and discharge in full to the satisfaction of the Sellers of the Outstanding Amount, interest thereon and any other sums owing by the Buyers under this Agreement and the Security Documents, the Sellers shall, at the cost of the Buyers, reassign the Vessel to the Buyers or as it may direct and discharge and release the Mortgage which shall be irrevocable and unconditionally as soon as practicable but no more than seven (7) Banking Days from the day of full payment and discharge to the satisfaction of the Sellers.

## Clause 26      Representations and Warranties

The Buyers hereby represent and warrant to the Sellers as follows:

- (a) The Buyers (i) are a company duly incorporated and validly existing under the laws of Hong Kong, (ii) are duly qualified and authorized to do business in Hong Kong and other jurisdictions in which they conduct or will conduct business, (iii) have the corporate power and authority to own and lease their properties, to carry on their business as presently conducted and to execute and deliver this Agreement and the Security Documents to which they are a party and perform their obligations hereunder and thereunder, (iv) hold all necessary licenses, permits, qualifications and certificates required under applicable laws necessary for the conduct of their business as now conducted, (v) have established a registered office in Hong Kong in accordance with the laws of Hong Kong; and (vi) will continue to own the Vessel until repayment of all the Purchase Price and other sum payable by the Buyers hereunder and under the Security Documents;
- (b) The execution, delivery and performance by the Buyers of this Agreement and the Security Documents (to which they are a party) have been duly authorized by all necessary actions (corporate or otherwise) on the part of the Buyers; this Agreement has been duly executed and delivered by the Buyers and constitute, and the Security Documents (to which they are a party), when executed and delivered by the Buyers, as well as each of the other agreements, documents and instruments to be executed by the Buyers in connection herewith and therewith,

will constitute, valid, legal and binding obligations of the Buyers, enforceable against the Buyers in accordance with their respective terms;

- (c) The execution and delivery of this Agreement or any Security Document to which the Buyers are a party, the consummation and performance by the Buyers of the transactions contemplated herein or therein or compliance by the Buyers with any of the terms or provisions hereof or thereof, will not (i) violate any of the provisions or memorandum and articles of association or other constitutional documents of the Buyers, (ii) contravene any laws or government approval applicable to the Buyers, this Agreement or any Security Document or binding upon the Buyers or their property, or (iii) conflict with or result in the breach of any of the terms or provisions of, or constitute a default under, or result in or require the creation of any lien upon any property of the Buyers under any indenture, mortgage, deed of trust, conditional sales contract, note, loan, credit agreement or other agreement or instrument to which the Buyers are a party or by which the Buyers or their properties or assets may be bound or affected;
- (d) The Buyers have and shall have received and complied with every mandatory government approval applicable to or binding on the Buyers or their property necessary for the conduct by the Buyers of their business, the valid authorization, execution, delivery and performance of this Agreement and the Security Documents (to which the Buyers are a party) by the Buyers, the validity and enforceability (in accordance with their respective terms) hereof and thereof and the satisfaction or performance by the Buyers of all monetary and other obligations hereunder and thereunder, and all such government approvals are valid and in full force and effect;
- (e) Except as otherwise disclosed in writing by the Buyers prior to the date of this Agreement, there are no actions, suits or proceedings pending or, to the Buyers' knowledge (after due and careful enquiry), threatened against or affecting the Buyers or their property which, if adversely determined, would have a material adverse effect on the Buyers or their ability to perform or comply with any of their obligations under this Agreement or any Security Document to which they are a party;
- (f) The Buyers have filed or caused to be filed all tax returns which are required to be filed by the Buyers, and have paid or caused to be paid all taxes shown to be due or payable on said returns or on any assessment received by the Buyers, to the extent that such taxes have become due and payable;
- (g) As of the date hereof, no withholdings or other tax is required to be paid either (i) on or by virtue of the execution, delivery or performance by the Buyers of this Agreement, any Security Document to which they are a party or any other document, agreement or act contemplated herein or therein, or (ii) on or with respect to any payment to the Sellers pursuant to this Agreement, any Security Document or any other document or agreement contemplated herein or therein. The Buyers hereby represent and undertake to pay such withholding or other tax referred to in Subparagraph (i) or (ii) above as soon as payment of such tax shall be required;
- (h) The obligations of the Buyers under this Agreement are direct, general and unconditional obligations of the Buyers; to the extent that any part of the Buyers' obligations hereunder and under the Security Documents to which they are a party shall not at any time be fully secured by the Mortgage and the Deed of Covenants and the General Assignment, such obligations shall at all times rank and will rank at least pari passu in the right of payment with all other present and future unsecured and unsubordinated obligations (including contingent obligations) of the Buyers, with the exception of such obligations are mandatorily preferred by law and not by reason of any encumbrance; none of the Vessel, her Insurances or Requisition Compensation, nor any part of any thereof is or will be subject to any Security save for Permitted Security;



- (i) Except as previously notified in writing to the Sellers before the date of this Agreement, the Buyers are not in default in any material respect under any indenture, mortgage, deed of trust, conditional sales contract, note, loan, credit agreement or other agreement or instrument to which the Buyers they are party or by which the Buyers or their properties or assets may be bound or affected;
- (j) The Chargor is not insolvent or in bankruptcy or subject to any other insolvency procedure; and no receiver, trustee, or analogous officer has been appointed in respect of the Chargor or all or any part of his asset; and
- (k) Each of the representatives and warranties set forth in this Clause 26 shall be deemed to be repeated by the Buyers on the date hereof, as well as on each date on which an Instalment Payment of the Purchase Price or any sum payable under this Agreement or any Security Document is made by the Buyers until the date on which the Outstanding Amount is irrevocably paid in full, updated with respect to the circumstances then existing.

## **Clause 27      Covenants**

27.1 The Buyers covenant and agree with the Sellers that from date of this Agreement and until the irrevocable repayment of the Outstanding amount in full, unless the Sellers shall otherwise consent in writing, the Buyers shall:

- (a) Maintain ownership of the Vessel in their own name; keep perfected the Mortgage; cause the Vessel to be managed by the Manager; observe and comply with all representations and warranties and perform all covenants, undertakings and agreements of the Buyers under and pursuant to the General Assignment, the Deed of Covenants and the Mortgage strictly in accordance with their respective terms and provisions, including, without limitation, to insure and keep the Vessel insured free of any cost or expense to the Sellers and in the name of the Buyers (as the owner), naming, if so required by the Sellers, as additionally insured, the Sellers (but without liability on the part of the Sellers for premiums or calls) and such other parties as approved by the Sellers in writing:
  - (i) against fire and usual marine risks (including hull and machinery, blocking and trapping, hull interest, freight interest, disbursement and/or increased value, other Total Loss interest and excess risks) and war risks, in such amounts as shall be not less than one hundred and twenty percent (120%) of the Outstanding Amount, and with such insurers and insurance brokers and upon such other terms as shall from time to time be approved by the Sellers;
  - (ii) against protection and indemnity risks (including pollution and oil pollution risks for the highest amount in respect of which cover is or may be available for ships similar to the Vessel, freight, demurrage and defence cover and excess war risk P&I cover) for the full value and tonnage of the Vessel (as approved in writing by the Sellers), upon such terms and with such protection and indemnity association (to be a member of the International Group of P&I Clubs) as shall from time to time be approved by the Sellers;
  - (iii) against risks in respect of pollution from spills of bunker oil; and
  - (iv) such other matters of any nature arising in respect of which insurance would be maintained by a prudent owner of the Vessel;
- (b) If and when so required by the Sellers, to pay the Sellers the cost (as conclusively certified by the Sellers) of (A) a mortgagee's interest insurance on the Vessel and (B) when the Vessel enters into U.S. waters, a mortgagee's interest insurance - additional perils (pollution) on the Vessel, upon such terms as shall from time to time be approved in writing by the Sellers. The aggregate insured amount of any mortgagee's interest insurance or any mortgagee's interest



insurance - additional perils (pollution) in respect of the Vessel shall be in an amount not less than 120% of the Outstanding Amount.

- (c) Timely pay or cause to be paid all amounts due under this Agreement and the Security Documents at the times, on the dates and in the places specified therein, including, without limitation, the Outstanding Amount and all interest thereon, and perform or cause to be performed all other obligations in accordance with this Agreement and the Security Documents;
- (d) Maintain and preserve their corporate existence, conduct their business in an orderly, efficient, lawful and customary manner; promptly effect, obtain and maintain in full force and effect all government approvals pertaining to their business, operations, the Vessel, this Agreement and the Security Documents, and to take all such additional actions as may be proper or required by the Sellers in connection therewith, and to obtain any new or additional governmental approvals as may be necessary or as may be required by the Sellers for the performance of this Agreement and any Security Documents, so as to ensure that the Buyers' obligations thereunder will at all times be legal, valid, binding and enforceable in accordance with the terms and provisions thereof; comply with all laws, government approval, decisions of any tribunal and judgments applicable to them, except for any thereof the application of which is being contested in good faith by appropriate proceedings;
- (e) File or cause to be filed all tax return required to be filed in all jurisdictions in which they are situated or carries on business or is otherwise subject to Tax; duly pay and discharge all taxes levied upon them or against them or the Vessel, their other properties or business, as well as withholding taxes payable by them;
- (f) Maintain the Vessel and cause it to be operated in a seaworthy manner in compliance with applicable laws pertaining to environmental protection.
- (g) Take appropriate actions to ensure that, (i) the Mortgage is duly registered at the Hong Kong Shipping Registry; (ii) notice of the assignment of the Insurance under the General Assignment has been given to the relevant insurance brokers and protection and indemnity associations required thereunder and letters of undertaking have been delivered by the relevant insurance broker and protection and indemnity associations to the Sellers within 2 days after the Delivery Date; and (iii) a Transcript of Registry shall be delivered to the Sellers in respect of the actions described in Subparagraph (i) of this Paragraph (g) within 2 days after the Delivery Date;
- (h) Promptly give written notice to the Sellers of (i) any and all litigation or administrative or other proceedings before or investigation by any government entity affecting the Buyers, the Vessel or any of the Buyers' other assets that may materially and adversely affect their ability to pay any amount or perform any obligation under this Agreement or any Security Document to which they are a party, (ii) any default under this Agreement or any Security Document with respect to them, specifying the details and the steps which they are taking or proposes to take for the purpose of curing or preventing the occurrence of such a default, (iii) any proposal by any government entity to acquire an Obligor's assets or business or a substantial portion thereof, including any proposal to acquire or take control of the Vessel; (iv) any other matter which has resulted or might result in a material adverse change in their financial condition, (v) any substantial labour dispute threatening the continued normal business operations of the Buyers, and (vi) any loss or damages to their property or assets (including the Vessel), resulting from any casualty (actual or constructive) if the initial estimated costs of repair or replacement in excess of insurance proceeds is greater than US\$500,000 or the equivalent in any other currency at such time;
- (i) The Buyers undertake that their obligations under this Agreement and the Security Documents shall, both at the date of execution and delivery thereof and so long as any moneys are owing under this Agreement or any Security Document, be valid and binding obligations of the respective parties thereto, enforceable in accordance with their respective terms, and that each of such parties (other than the Sellers) will, at their own expense, execute, sign, deliver, register, perfect and do and perform any and every such further mortgage, charge, pledge, lien, hypothecation, assignment, security interest, assurance, document, deed, instrument, act or thing as in the reasonable opinion of the Sellers may be necessary or desirable for perfecting the security contemplated or constituted by this Agreement or the Security Documents;

- (j) Cause any and all notarizations, registrations, filings, recordations and enrollments to be effected and documentary stamp taxes to be paid, at the Buyers' cost. if and when any such notarizations, registration, filings, recordations or enrollments are necessary or documentary stamp taxes are required for the legality, validity, enforceability and/or admissibility in evidence of this Agreement or any Security Document by any public office or court in England, Hong Kong or in any other jurisdiction in which the Sellers shall elect to enforce this Agreement or any Security Document;
- (k) Furnish the Sellers, at the expense of the Buyers (in the case of the first request of each year or if an Event of Default has occurred), promptly on the Sellers' request the following:
  - (i) documentary evidence of the Vessel's permanent registration in the name of the Buyers under the laws and flag of Hong Kong;
  - (ii) all such information as the Sellers shall require regarding the Vessel, her compliance with the ISM Code, the ISPS Code, MARPOL, any Environmental Law, employment, position and engagements, particulars of all towage and salvages, and copies of all charters and other contracts of her employment or otherwise howsoever concerning her; and
  - (iii) all such information as the Sellers shall require regarding all insurances on or in respect of the Vessel and copies of all policies, cover notes and all other contracts of insurance which are taken out or entered into in respect of the Vessel or otherwise howsoever in connection with the Vessel so that the Sellers are at all times able to determine whether the Vessel has been adequately insured as provided for herein and in the General Assignment and the Deed of Covenants;
- (l) Promptly notify the Sellers of:
  - (i) any actual or threatened withdrawal of the Vessel's Safety Management Certificate or the manager's Document of Compliance (as such terms are defined in the Guidelines on application of the ISM Code issued by the International Chamber of Shipping and the International Shipping Federation) for the Vessel;
  - (ii) the occurrence of any accident or major non-conformity involving or relating to the Vessel (as such terms are defined in the Guidelines on application of the ISM Code issued by the International Chamber of Shipping and the International Shipping Federation);
  - (iii) any issue to the Buyers or any Manager of a Document of Compliance and to the Vessel of a Safety Management Certificate, or the receipt by the Buyers or any manager notification their application for the same has been refused;
  - (iv) any requirement or recommendation made by any insurer or the Classification Society or by any competent authority which is not, or cannot be, complied with in accordance with its terms;
  - (v) the suspension, revocation or material modification of any Environmental Approval.
  - (vi) any Environmental Claim against them which is current, pending or threatened;
  - (vii) any facts or circumstances which are reasonably likely to result in any Environmental Claim being commenced or threatened against them; and
  - (viii) any occurrence in consequence of which the Vessel has or is likely to become a Total Loss.
- (m) Cause the Vessel to be:
  - (i) in the absolute and unencumbered ownership of the Buyers as the sole, legal and beneficial owner of the Vessel, except for Permitted Security.
  - (ii) registered in the name of the Buyers under the laws and flag of Hong Kong;

- (iii) operationally seaworthy, in a good and efficient state of repair (fair wear and tear excepted), all repairs and replacements of parts being made in such manner as not to reduce the value of the Vessel and in every way fit for service and under the management of the Manager;
  - (iv) classed with the Classification Society, free of all requirements and recommendations;
  - (v) submitted to continuous surveys and such periodical or other surveys as may be required for classification purposes and the Buyers undertake to provide the Sellers, upon request, with copies of all survey reports issued in respect of such surveys;
  - (vi) in compliance with the ISM Code, the ISPS Code, MARPOL and with the provisions of all relevant legislation and all regulations and requirements (statutory or otherwise) from time to time applicable to the Vessel;
  - (vii) subject to a Safety Management System which complies with the ISM Code and a Ship Security Plan which complies with the ISPS Code and in possession of a valid Safety Management Certificate and Document of Compliance and a valid International Ship Security Certificate under the ISPS Code; and
  - (viii) insured in accordance with the terms of the Deed of Covenants and the General Assignment.
- (n) Comply with all Environmental Laws and implement procedures to monitor compliance with and to prevent liability under any Environmental Law;
- (o) Not allow any person to:
- (i) make any modification to the Vessel in consequence of which her structure, type or performance characteristics could or might be materially altered or her value materially reduced; or
  - (ii) remove any material part of the Vessel or any equipment the value of which is such that its removal from the Vessel would materially reduce her value without replacing the same with equivalent parts or equipment which are owned by the Buyers free from Security (save for Permitted Security); or
  - (iii) install on the Vessel any equipment owned by a third party which cannot be removed without causing damage to the structure or fabric or the Vessel;
- (p) Ensure that the Sellers, by surveyors or other persons appointed by the Sellers for such purpose, may by prior appointment board the Vessel at all reasonable times for the purpose of inspecting her and to afford all proper facilities for such inspection, provided that, unless an Event of Default has occurred or the Sellers have reasonable grounds to believe that the Buyers are in breach of their obligations under this Agreement and the other Security Documents, the Sellers shall restrict such inspection to one (1) time in any twelve (12) months period at times when the Vessel is being dry-docked or at times when the Vessel's sailing schedule would not be unreasonably interfered or affected and for this purpose the Buyers agree to give the Sellers reasonable advance notice of any intended dry-docking of the Vessel. The inspections shall be carried out at the cost of the Buyers;
- 27.2 The Buyers covenant and agree with the Sellers that from date of this Agreement and until the date of irrevocable repayment of the Outstanding Amount in full, unless the Sellers shall otherwise consent in writing, the Buyers shall not, save with the consent of the Sellers:
- (a) create, assume or incur, or permit or suffer to exist or to be created, assumed or incurred, any Security (other than Permitted Security) upon or with respect to any of their properties or assets, whether now owned or hereafter acquired;
  - (b) sell, transfer, assign or otherwise dispose of or create or permit or suffer to exist any Security (other than Permitted Security) on the Vessel, the Insurances or any other property subject of any of the Security Documents;





- (c) change the name, flag, registry or classification of the Vessel without the prior written consent of the Sellers;
- (d) employ the Vessel or permit her employment:
  - (i) in any manner, trade or business which is forbidden by international law, or which is unlawful or illicit under the law of any relevant jurisdiction or in breach of any of the Insurances; and
  - (ii) in the event of hostilities in any part of the world (whether war be declared or not), not to employ the Vessel or permit her employment in carrying any contraband goods, or enter or trade to or to continue to trade in any zone which has been declared a war zone by any Government Entity or by the Vessel's war risks insurers unless such special insurance cover as the Sellers may require shall have been effected by the Buyers at their expense; the Buyers shall give the Sellers as much notice as practicable of the Vessel trading to such a zone and shall inform and consult with the Sellers in relation thereto and in relation to the special insurances;
- (e) employ or suffer the Vessel's employment:
  - (i) in breach of any embargo or sanction or prohibition order (or any similar order or directive) of:
    - (A) the United Nations Security Council;
    - (B) the European Union;
    - (C) the United Kingdom;
    - (D) the United States of America;

as if the Buyers were a member or national of any of the above; or
  - (ii) in any trade, carriage of goods or business which is forbidden by, United Kingdom or United States of America law as they apply to their members or nationals, or any law applicable to the Buyers, the Manager and/or any operator of the Vessel, or any charterer of the Vessel or the Vessel, or any country which the Vessel may visit; or
  - (iii) in carrying illicit or prohibited goods; or
  - (iv) in a way which may make them liable to be condemned by a prize court or destroyed, seized or confiscated; or
  - (v) by or for the benefit of a Prohibited Person; and
  - (vi) (without prejudice to the rest of this paragraph (e)) to enter or dock at any ports of the Republic of Sudan or the Islamic Republic of Iran.

## **Clause 28      Events of Default**

- 28.1 Each of the following events shall constitute an Event or Default, whatever the reason for such event and whether it shall be voluntary or involuntary, within or without the control of the Buyers, or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation or any government entity;
- (a) An Obligor fails to pay an Instalment Payment under this Agreement, unless this is remedied within forty five (45) days of the Sellers giving written notice to the Buyers or fails to pay any other sum payable by any of them under this Agreement and/or any of the Security Documents at the time stipulated in this Agreement or the relevant Security Document (or, in the case of any sum payable on demand, within three (3) days of demand) or in the currency or in the manner stipulated in this Agreement or the relevant Security Document;
  - (b) At any time, any of the Insurances in respect of the Vessel ceases to be in full force and effect in accordance with the provisions of this Agreement and the other Security Documents for any reason whatsoever;



- (c) An Obligor commits any breach of or omits to observe any of their obligations or undertakings under this Agreement and/or any of the Security Documents to which they are a party (other than as referred to in Paragraphs (a) and (b) above) and, in respect of any such breach or omission which in the opinion of the Sellers is capable of remedy, such breach or omission has not been remedied for a period of twenty (20) days following written notice thereof from the Sellers;
- (d) Any representation or warranty made or deemed to be made by the Buyers in this Agreement or in any Security Document or otherwise in connection herewith or therewith, or in any certificate, statement or opinion delivered to the Sellers by or on behalf or for the benefit of the Buyers hereunder or thereunder or in connection herewith or therewith, or any representation or warranty made or deemed to be made by the Chargor in the Security Documents to which it is a party or in any certificate, statement, or opinion delivered to the Sellers by or on behalf or for the benefit of the Chargor thereunder or in connection therewith, shall prove to have been materially untrue, incorrect or misleading as of the time it was made or deemed to have been made; provided, and where any such untrue, incorrect or misleading representation or warranty is in the opinion of the Sellers capable of being cured, has not been remedied for a period of ten (10) days following written notice thereof from the Sellers;
- (e) Any mandatory government approval, received, granted or made in connection with the Buyers, or the Vessel or the Buyers business or other property is terminated revoked, modified, varied, amended or supplemented, which shall be determined by the Sellers as would or might have materially adverse effect on the ability of the Buyers to perform or comply with the Buyers' obligations hereunder or under an Security Documents to which they are a party;
- (f) An Obligor becomes insolvent or unable to pay their debts when due, or an Obligor commits or permits any act of bankruptcy, which term shall include (i) the filing by that Obligor any petition in any suspension of payment, composition or adjustment of debt, bankruptcy, or any other proceeding analogous in purpose and effect under any law for the relief of debtors generally, or by that Obligor of a petition in any insolvency, reorganization, winding up or liquidation proceedings, or the failure by that Obligor to have such petition filed by a third party discharged within twenty (20) days from filing thereof or such longer period as may be granted by the Sellers in writing; (ii) the admission in writing by that Obligor of their inability to pay their debt (other than those that are the subject of bona fide disputes); (iii) the entry of any order or judgment of any competent court, tribunal or administrative agency or body confirming the bankruptcy of that Obligor or the insolvency of that Obligor, or approving the reorganization, winding-up or liquidation of that Obligor, or the involuntary reorganization, winding up or liquidation of that Obligor; (iv) the appointment of a receiver or trustee to take possession of the properties (or a substantial part thereof) of that Obligor; or (v) any event occurs with respect to that Obligor which under the laws of any jurisdiction has an effect similar or analogous to any of those events mentioned in this paragraph (f);
- (g) [NOT USED];
- (h) Any litigation, arbitration or administrative proceedings is taking against any Obligor, or any arbitration award, judgment, or decree for a sum of money or for damages, fine or penalty or an order of attachment or seizure is entered against any Obligor or any related company of the Buyers or the Vessel by a court of competent jurisdiction, which shall be determined by the Sellers as would or might have a materially adverse effect on the ability of the Buyers to perform or comply with their obligations hereunder or the Chargor to perform or comply with its obligations under the Share Charge;
- (i) Anything shall be done or suffered or omitted to be done by the Buyers which (in the reasonable opinion of the Sellers) materially and adversely puts in jeopardy the Sellers' interest in the proceeds of the Insurance under the General Assignment or the Deed or Covenants, and, if capable of rectification in either case, shall not be rectified within ten (10) days after the date of the Seller's notice requiring rectification;
- (j) Any act, deed or judicial or administrative proceedings in the nature of an expropriation, sequestration, confiscation, nationalization, intervention, acquisition, seizure, or condemnation of or with respect to the Vessel or the substantial parts of the business of any Obligor;



- (k) Any of the concessions, permits, rights, franchises or privileges required for the conduct of the business or operations of the Buyers shall be revoked, cancelled or otherwise terminated, or the free and continued use and exercise thereof shall be curtailed or prevented in any manner, and any such event shall be determined by the Sellers as would or might have a materially adverse effect on the ability of the Buyers to perform or comply with the Buyers' obligations hereunder or under the Security Documents to which they are a party;
  - (l) The Buyers shall suspend or discontinue or threaten to suspend or discontinue all or a substantial portion of their respective business or operations, whether voluntarily or involuntarily;
  - (m) There shall occur a material adverse change in the business, assets or financial condition of an Obligor, which shall be determined by the Sellers as would or might materially adversely affect the ability of the that Obligor's obligations hereunder or under the Security Documents to which they are respectively a party;
  - (n) An Obligor fails to maintain or perfect the Security created (or intended to be created) by the Security Documents or the Security constituted by a Security Document is in any way imperilled or in jeopardy the effect of which is likely in the sole discretion of the Sellers be to deprive the Sellers of the benefit of any such Security;
  - (o) It is or becomes illegal or unlawful for an Obligor to perform any of its obligations under this Agreement or the Security Documents to which it is a party;
  - (p) An Obligor rescinds or purports to rescind or repudiates or purports to repudiate this Agreement or any Security Document to which they are a party or evidences an intention to rescind or repudiate this Agreement or any Security Document to which it is a party;
  - (q) Any of the Buyers or the Manager or operator of the Vessel, or any other relevant parties fails to comply with, or is involved in any incident involving the non-compliance with, any national and international conventions, laws, and the rules and regulations promulgated thereunder, applicable to them, including without limitation, the International Convention on Civil Liability for Oil Pollution Damage, the United States Oil Pollution Act of 1990 (including, without limitation, the manning requirements and the requirements relating to the establishment of financial responsibility), the United States Comprehensive Environmental Responses Compensation and Liability Act, other United States federal and state laws, and any Environmental Laws if such failure or incident, in the opinion of the Sellers, could reasonably be expected to have a material adverse effect on the business, assets, operations, property or financial condition of the Buyers or on the security created by the Mortgage or the General Assignment, and in respect of any such non-compliance which in the opinion of the Sellers is capable of remedy, such non-compliance has not been remedied for a period of ten (10) days after the Sellers' notice thereof;
  - (r) Any of the Buyers or the Manager or operator of the Vessel, or any other relevant party fails or omits to comply with any requirements of the Vessel's protection & indemnity association to the effect that any cover (including, without limitation, U.S. Oil Pollution liability) is or may be liable to cancellation or exclusion at any time; or
  - (s) Any of the Buyers or the Manager or operator of the Vessel, or any relevant party fails or omits to comply with the requirements of the ISM Code and/or fails to obtain and maintain a Document of Compliance thereunder for itself and a Safety Management Certificate in respect of the Vessel.
- 28.2 So long as any part or the Outstanding Amount or any interest payment or other amount is payable by the Buyers hereunder or under any Security Documents (to which they are a party), if an Event of Default shall have occurred and is continuing hereunder and has not been waived by the Sellers in writing, the Sellers may:
- (i) by written notice to the Buyers, declare the Outstanding Amount to be immediately payable, whereupon the Outstanding Amount shall be so payable together with all interest thereon and all other amounts then owed by the Buyers hereunder and under the Security Documents to which they are a party; and
  - (ii) exercise any or all of the rights, remedies, powers or discretions under the Security Documents.

- 28.3 Any notice to the Buyers given by the Sellers under this Clause 28 upon the occurrence of any Event or Default, requiring the Buyers to pay the Outstanding Amount, all interest thereon and all other amounts payable by the Buyers hereunder and under the Security Documents, shall not be subject to any requirements of and shall be without presentment, demand, protest or notice of any kind (other than the notice specifically required by this Clause 28) or any consent, decree or authorization of any court or any other government entity, all of which are hereby expressly waived by the Buyers.

#### **Clause 29 Fees, Costs and Expenses**

- 29.1 The Buyers shall pay to the Sellers, in addition to the Purchase Price, a non-refundable fee of USD70,000, being 1.00% of the aggregate of all the Instalment Payments (that is, USD7,000,000) on the Delivery Date together with the First Instalment.
- 29.2 The Buyers agree to pay or reimburse the Sellers for all (i) out-of-pocket costs and expenses (including, without limitation, the fees and expenses of the Sellers' counsel, surveyors and other consultants) in connection with (A) the negotiation, preparation, execution and delivery of this Agreement and the other Transaction Documents, and (B) any amendment, modification or waiver of any of the terms of this Agreement or any Transaction Document; (ii) costs and expenses of the Sellers (including without limitation legal fees) in connection with (A) any Event of Default and enforcement of this Agreement and the other Transaction Documents (whether through negotiations, legal proceedings or otherwise) following an Event of Default under this Agreement or any Security Document, or (B) the enforcement of this Clause 29; (iii) transfer, stamp, documentary or other similar Taxes, assessments or charges levied by any government entity in respect of this Agreement, any Transaction Document, or any other document referred to herein or therein; and (iv) other actions required to be done by or at the expense of the Buyers hereunder or under any Transaction Document. The obligation of the Buyers under this paragraph shall survive the termination or cancellation of this Agreement.
- 29.3 The Buyers hereby agree to indemnify and hold the Sellers harmless from and against any all losses, liabilities, claims, damages or expenses incurred by the Sellers (including any and all losses, liabilities, claims, damages or expenses incurred by the Seller) arising out of or by reason of (i) any actual or threatened investigation, litigation or other proceedings relating to the making or maintaining of the Outstanding Amount hereunder or (ii) the actual or proposed use of the proceeds of the Purchase Price or any part thereof by the Buyers or (iii) the Vessel not being delivered by the Sellers to the Buyers under this Agreement for any reason whatsoever (save in the event of gross negligence or wilful misconduct of the Sellers).

#### **Clause 30 Tax Gross-up and Indemnity**

- 30.1 All amounts to be paid to the Sellers by the Obligors hereunder and under any Transaction Document shall be paid free and clear or and without deduction for or on account of Tax (not being a Tax imposed by any government entity on the net income of the Sellers, but including a withholding tax imposed by any government entity), unless the Buyers are required to make such a payment subject to the deduction or withholding of a Tax, in which case the sum payable by the Buyers in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Sellers indefensibly receive and retain (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which they would have received and so retained had no such deduction or withholding been made or required to be made.
- 30.2 All amounts payable under this Agreement to the Sellers shall be deemed to be exclusive of any indirect tax. If any indirect tax is chargeable on any supply made by the Sellers to the Buyers in connection with this Agreement, the Buyers shall pay to the Sellers (in addition to and at the same time as paying the consideration) an amount equal to the amount of the indirect tax. Where this Agreement requires the Buyers to reimburse the Sellers for any costs or expenses, the Buyers shall also at the same time pay and indemnify the Sellers against all indirect tax incurred by the Sellers in respect of such costs or expenses to the extent that the Sellers reasonably determine that they are not entitled to credit or repayment of the indirect tax.





- 30.3 The Buyers shall indemnify the Sellers on demand and hold them harmless from and against all costs, claims, expenses, charges, losses, demands, liabilities, actions, proceedings (civil or criminal), penalties, fines, damages, judgments, orders or sanctions which may be incurred or made or asserted against the Sellers at any time, whether before or after the repayment in full or the Purchase Price under this Agreement, arising howsoever out of an Environmental Claim made or asserted against the Sellers which would not have been, or been capable of being, made or asserted against the Sellers had it not entered into this Agreement or been involved in any of the resulting or associated transactions, save for those costs, claims, expenses, payments, charges, losses, demands, liabilities, actions, proceedings (civil or criminal), penalties, fines, damages, judgments, orders or sanctions which are caused solely by a wilful default or gross negligence of the Sellers. The obligation of the Buyers under this paragraph shall survive the termination or cancellation of this Agreement.

### **Clause 31 Definitions**

In this Agreement, unless the context otherwise requires, the following expressions shall have the following meanings:

**"Chargor"** means the holder of all of the issued shares of the Buyers.

**"Deed of Covenants"** has the meaning given to it in Clause 25.

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

**"Environmental Approvals"** means in relation to the Vessel, all authorisations, consents, licences, permits, exemptions or other approvals whatsoever required by the Buyers and/or the Manager under applicable Environmental Laws.

**"Environmental Claim"** means (i) any claim by, or directive from any applicable Government Entity alleging breach of or non-compliance with, any Environmental Laws or Environmental Approvals or otherwise howsoever relating to or arising out of an Environmental Incident or (ii) any claim by any other third party howsoever relating to or arising out of an Environmental Incident (and, in each such case, "claim" shall include a claim for damages and/or direction for and/or enforcement relating to clean-up costs, removal, compliance, remedial action or otherwise) or (iii) any proceedings arising from any of the foregoing.

**"Environmental Incident"** means in relation to the Vessel, regardless of cause, (i) any actual or threatened discharge or release of Environmentally Sensitive Material from the Vessel; (ii) any incident in which Environmentally Sensitive Material is discharged or released from a vessel other than the Vessel which involves collision between the Vessel and such other vessel or some other incident of navigation or operation, in either case, where the Vessel and/or the Buyers and/or the Manager are actually, contingently or allegedly at fault or otherwise howsoever liable (in whole or in part) or (iii) any incident in which Environmentally Sensitive Material is discharged or released from a vessel other than the Vessel and where the Vessel is actually or potentially liable to be arrested as a result and/or where the Buyers and/or the Manager are actually, contingently or allegedly at fault or otherwise howsoever liable.

**"Environmental Laws"** means in relation to the Vessel, all laws, regulations, conventions and agreements whatsoever having the force of law applicable to the Buyers, the Manager or the Vessel and relating to pollution or protection of the environment (including, without limitation, the United States Oil Pollution Act of 1990 and any comparable laws of the individual States of the United States of America).

**"General Assignment"** has the meaning given to it in Clause 25.

**"Government Entity"** means any national or local government body, tribunal, court or regulatory or other agency and any organisation of which such body, tribunal, court or agency is a part or to which it is subject.

**"Insurances"** means all policies and contracts of insurance (which expression includes all entries of the Vessel in a protection and indemnity or war risks association) which are from time to time in place or taken out or entered into by or for the benefit of the Buyers (whether in the name of the Buyers or in the

joint names of the Buyers and the Sellers or otherwise) in respect of the Vessel or otherwise howsoever in connection with the Vessel and all benefits thereof (including claims of whatsoever nature and return of premiums).

**"Interest Periods"** and **"Interest Period"** each has the meaning given to it in Clause 23.

**"ISM Code"** means the International Safety Management Code (including the guidelines on its implementation), adopted by the International Maritime Organisation Assembly as Resolutions A.741 (18) and A.788 (19), as the same may be amended or supplemented from time to time.

**"ISM Code Documentation"** means in relation to the Vessel:

- (a) the Document of Compliance (DOC) issued pursuant to the ISM Code in relation to the Buyers and the Safety Management Certificate (SMC) issued pursuant to the ISM Code in relation to the Vessel within the periods specified in the ISM Regulations;
- (b) all other documents and data which are relevant to the ISM/SMS required under the ISM Regulations, and its implementation and verification which the Sellers may require or request; and
- (c) any other documents which are prepared or which are relevant to establish and maintain the compliance by the Buyers and the Vessel with the ISM Regulations.

**"ISPS Code"** means the International Ship and Port Facility Security Code constituted pursuant to resolution A.924 (22) of the International Maritime Organisation adopted by a Diplomatic Conference of the International Maritime Organisation on Maritime Security on 12 December 2002 and now set out in Chapter XI-2 of the Safety of Life at Sea Convention (SOLAS) 1974, as amended and/or supplemented from time to time.

**"Manager"** means the commercial and technical managers of the Vessel as the Buyers may appoint subject to the Sellers approval or as the Sellers may appoint following the occurrence of an Event of Default which is continuing.

**"MARPOL"** means the International Convention for Prevention of Pollution from Ships 1973 (as modified in 1978 and 1997) and includes any amendments or extension of it and any regulation issued pursuant to it.

**"Mortgage"** has the meaning given to it in Clause 25.

**"Obligors"** means collectively, the Buyers and the Chargor and **"Obligor"** means any one of them.

**"Outstanding Amount"** means at any time, the outstanding amount of the Purchase Price payable by the Buyers to the Sellers under this Agreement.

**"Permitted Security"** means:

- (a) Security created by any of the Security Documents;
- (b) any ship repairer's or outfitter's possessory lien in respect of the Vessel, subject to the provisions of the Deed of Covenants;
- (c) liens for unpaid master's, officer's and crew's wages in accordance with the ordinary course of operation of the Vessel or in accordance with usual reputable maritime practice;
- (d) liens for salvage;
- (e) liens for master's disbursements incurred in the ordinary course of trading;
- (f) any other liens arising by operation of law or otherwise in the ordinary course of the operation, repair or maintenance of the Vessel provided such liens do not secure amounts more than 30 days overdue (unless the overdue amount is being contested by the Owner in good faith by appropriate steps) and subject, in the case of liens for repairs or maintenance, in an amount not exceeding US\$500,000 (or the equivalent in any other currency);
- (g) any Security created with the prior written consent of the Sellers;

**"Prohibited Person"** means any person with whom transactions are currently prohibited or restricted under the United States of America sanctions administered by the United States of America Department of Treasury's Office of Foreign Assets Control, any other United States of America government sanction, export or procurement laws or any other sanctions or other such restrictions on business dealings imposed by a member state of the European Union, including a person on any list of restricted entities, persons or organisations published by the United States of America government, the United Nations or the European Union or any member state thereof.

**"Requisition"** means the requisition for title or other compulsory acquisition, requisition, appropriation, expropriation, deprivation, forfeiture or confiscation howsoever for any reason of the Vessel by any Government Entity or other competent authority, whether de jure or de facto, with or without consideration, but shall exclude requisition for use or hire not involving requisition of title.

**"Requisition Compensation"** means all sums of money or other compensation from time to time payable during the Security Period by reason of Requisition of the Vessel.

**"Security"** means a mortgage, charge, pledge, lien, assignment, trust, hypothecation or other security interest of any kind securing any obligation of any person or any other agreement or arrangement having a similar effect.

**"Security Documents"** means the Mortgage, the Deed of Covenants, the General Assignment, the Share Charge and any other documents as may have been or shall from time to time after the date of this Agreement be executed to guarantee and/or to govern and/or secure all or any part of the Outstanding Amount, interest thereon and other moneys from time to time owing by the Buyers pursuant to this Agreement (whether or not any such document also secures moneys from time to time owing pursuant to any other document or agreement).

**"Security Period"** means the period commencing on the date of this Agreement and continuing for so long as any moneys are owing actually or contingently under this Agreement and the other Security Documents.

**"Share Charge"** has the meaning given to it in Clause 25.

**"Tax"** means any tax, levy, import, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) and "Taxes" shall be construed accordingly.

**"Total Loss"** means:


- (a) actual, constructive, compromised, agreed or arranged total loss of the Vessel; or
- (b) any Requisition; or
- (c) any arrest, capture, seizure or detention of the Vessel (including any hijacking or theft but excluding any event specified in paragraph (b) of this definition) unless it is re-delivered within 30 days to the full control of the Buyers.

**"Transaction Documents"** means this Agreement and the Security Documents and all other documents executed or to be executed under or in connection with this Agreement and the Security Documents.

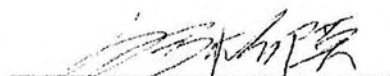
**"US\$", "USD" or "United States Dollar"** means available and freely transferable and convertible funds in lawful currency of the United States of America.

For and on behalf of the Sellers

For and on behalf of the Buyers



Name: Shum Yee Hong  
Title: Director



Name: He Liuying  
Title: Attorney-in-fact



SHIPBUILDING CONTRACT  
(Contract No.:JNS25C676)

FOR

CONSTRUCTION OF ONE 64,500 DWT BULK CARRIER

(HULL NO. JNS676)

BETWEEN

JINFENG MARINE INC.

as BUYER

and

JIANGMEN NANYANG SHIP ENGINEERING CO., LTD.

as SELLER

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SHIPBUILDING CONTRACT  
FOR  
CONSTRUCTION OF ONE 64,500 DEADWEIGHT  
BULK CARRIER (HULL NO. JNS676)

This CONTRACT, entered on this 9<sup>th</sup> day of December 2025 by and between JINFENG MARINE INC., a corporation organized and existing under the Laws of Panama, having its registered office at Banco General Tower, 19/F, Aquilino de la Guardia Street, Marbella, Panama City, Republic of Panama and the business address is at 26/F., Yardley Commercial Building, 1-6 Connaught Road West, Hong Kong as Buyer (hereinafter called the "BUYER") on one part; and 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 (hereinafter called the "SELLER") on the other part.

WITNESSETH

In consideration of the mutual covenants contained herein, the SELLER agrees to build, launch, equip and complete at the SELLER's Shipyard and to sell and deliver to the BUYER after completion and successful trial one (1) about 64,500 deadweight bulk carrier as more fully described in Article I hereof, to be registered under the flag of HONG KONG and the BUYER agrees to purchase and take delivery of the aforesaid VESSEL from the SELLER and to pay for the same in accordance with the terms and conditions hereinafter set forth.

Seller's Shipyard means JIANGMEN NANYANG SHIP ENGINEERING CO., LTD. located at Gujing 529145, Xinhui, Jiangmen City, Guangdong Province and / or GUANGDONG NANYANG HEAVY INDUSTRY CO., LTD. located at Shadui 529147, Xinhui, Jiangmen City, Guangdong Province.

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## ARTICLE I DESCRIPTION AND CLASS

### 1. DESCRIPTION

The VESSEL is a 64,500 metric tons deadweight Bulk Carrier, at Scantling draught, moulded of 13.50 meters (hereinafter called the "VESSEL") of the Class described below. The VESSEL shall have the SELLER's Hull No.

JNS676 and shall be constructed, equipped and completed in accordance with the Specifications attached hereto as "Exhibit C" and signed by each of the parties to this Contract (hereinafter collectively called the "Specifications"), making an integral part hereof.

### 2. CLASS AND RULES

The VESSEL, including its machinery and equipment, shall be constructed in accordance with the rules and regulations issued and having become effective as at the date of signing this Contract of Bureau Veritas (hereinafter called the "Classification Society") and shall be distinguished in the record by the symbol of I ✕HULL ✕MACH, Bulk Carrier, CSR, CPS(WBT), ESP, GRAB[20], BC-A(Holds 2,4 May be empty), BWT, LI-HG-S2, GREEN PASSPORT Unrestricted navigation, VeriSTAR-HULL CM, AUT-UMS, MON-SHAFT, INWATERSURVEY, or equivalent and shall also comply with the rules and regulations as fully described in the Specifications.

The requirements of the authorities as fully described in the Specifications including that of the Classification Society are to include any additional rules or circulars thereof issued and become effective as at the date of signing this Contract.

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

All fees and charges incidental to Classification and to comply with the rules, regulations and requirements of this Contract as described in the Specifications issued up to the date of signing 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 shall be final and binding upon the parties hereto.

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

#### (a) Hull:

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

#### (b) Propelling Machinery:

The VESSEL shall be equipped, in accordance with the Specifications, with MAN B&W 6S50ME-C9.7-HPSCR EEC type Main Engine.

### 4. GUARANTEED SPEED

The SELLER guarantees that the sea trial speed, after correction, is to be not less than 13.5 nautical miles per hour on the trial condition stipulated in the Specification.

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

### 5. GUARANTEED FUEL CONSUMPTION

The SELLER guarantees that the fuel oil consumption of the Main Engine is not to exceed 157.8g/kW·h (HPSCR EEC) at NCR rating of main engine on the basis of fuel net calorific value of 42,700kJ/kg (10,200 kcal/kg) and ISO Standard Reference Conditions.

## 6. GUARANTEED DEADWEIGHT

The SELLER guarantees that the VESSEL is to have a deadweight of not less than 64,500 metric tons at the Scantling loaded draft moulded of 13.50 meters in sea water of 1.025 specific gravity.

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

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

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

## 7. SUBCONTRACTING

The SELLER may, at its sole discretion and responsibility, subcontract any portion of the construction work of the VESSEL to experienced subcontractors, but delivery and final assembly into the VESSEL of any such work subcontracted shall be at the SELLER's Shipyard. The SELLER shall remain responsible for such subcontracted work. BUYER shall be advised of the schedule of subcontracted works.

## 8. REGISTRATION

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



## ARTICLE II CONTRACT PRICE & TERMS OF PAYMENT

### 1. CONTRACT PRICE

The purchase price of the VESSEL is Thirty Three Million Four Hundred and Fifty Thousand only (US\$ 33,450,000), net receivable by the SELLER (hereinafter called the "Contract Price"), which include the extra cost USD 1,150,000 of technical memo and maker's list listed in Exhibit "C", but exclusive of the cost for the BUYER's Supplies as provided in Article V hereof, and shall be subject to upward or downward adjustment, if any, as hereinafter set forth in this Contract.

### 2. CURRENCY

Any and all payments by the BUYER to the SELLER under this Contract shall be made in United States Dollars. Any extras and / or deductions made between BUYER and SELLER shall also be settled in United States Dollars.

### 3. TERMS OF PAYMENT

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

Business Days or Banking Days mean the days (other than Saturday and Sunday) on which banks are open in People's Republic of China, Hong Kong and New York.

#### (a) 1st Installment

The sum of United States Dollars Six Million Six Hundred and Ninety Thousand only (USD 6,690,000) representing twenty percent (20%) of the Contract Price, shall become due and payable and be paid by the BUYER within five (5) Banking Days after the signing of this Contract and the SELLER shall have submitted to the BUYER the Refund Guarantee for the 1st, 2nd and 3rd installments in the form annexed hereto as "Exhibit A" issued by SELLER'S BANK.

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(b) 2nd Installment

The sum of United States Dollars Three Million Three Hundred and Forty Five Thousand only (USD 3,345,000) representing ten percent (10%) of the Contract Price, shall become due and payable and be paid by the BUYER within five (5) Banking Days after the cutting of the first steel plate of the VESSEL in the SELLER's workshop. The SELLER shall notify with an E-mail notice to the BUYER, accompanied by a statement or certificate signed by the Class Society, stating that the first steel plate has been cut in its workshop and demand for payment of this installment.

(c) 3rd Installment

The sum of United States Dollars Three Million Three Hundred and Forty Five Thousand only (USD 3,345,000) representing ten percent (10%) of the Contract Price, shall become due and payable and be paid by the BUYER within five (5) Banking Days after the keel-laying of the VESSEL. The SELLER shall notify with an E-mail notice to the BUYER, accompanied by a statement of certificate signed by the Class Society, stating that the keel-laying has been carried out and demand for payment of this installment.

(d) 4th Installment (Payment upon Delivery of the VESSEL)

The sum of United States Dollars Twenty Million and Seventy Thousand only (USD 20,070,000) representing sixty percent (60%) of the Contract Price, plus any extras and/or minus any deductions due to modifications and/or adjustments of the Contract Price in accordance with provisions of the relevant Articles hereof, shall become due and payable and be paid by the BUYER to the SELLER concurrently with delivery of the VESSEL. The SELLER shall send to the BUYER an E-mail demand for this installment fourteen (14) days prior to the scheduled date of delivery of the VESSEL.

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#### 4. METHOD OF PAYMENT

(a) 1st Installment:

The BUYER shall remit the amount of this installment in accordance with Article II, Paragraph 3 (a) by telegraphic transfer to SELLER's account with the BANK nominated by the SELLER.

(b) 2nd Installment:

The BUYER shall remit the amount of this installment in accordance with Article II, Paragraph 3(b) by telegraphic transfer to SELLER's account with the BANK nominated by the SELLER.

(c) 3rd Installment:

The BUYER shall remit the amount of this installment in accordance with Article II, Paragraph 3(c) by telegraphic transfer to SELLER's account with the BANK nominated by the SELLER.

(d) 4th Installment (Payable upon delivery of the VESSEL):

The BUYER shall, at least three (3) Business Days prior to the scheduled date of delivery of the VESSEL, request BUYER's bank to make cash deposit via conditional payment (MT199) in the Bank which is nominated by the SELLER within the People's Republic of China and acceptable by the BUYER, for a period of fourteen (14) days and covering the amount of this installment (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 Bank nominated by the SELLER of a copy of the Protocol of Delivery and Acceptance signed by the BUYER's authorized representative and the SELLER's authorized representative. Interest, if any, accrued from such deposit, shall be for the benefit of the BUYER.

If the delivery of the VESSEL is not effected on or before the expiry of the aforesaid 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.

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## 5. PREPAYMENT

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

## 6. SECURITY FOR PAYMENT OF INSTALLMENTS BEFORE DELIVERY

The BUYER shall, upon signing of this Contract deliver to the SELLER a Performance Guarantee substantially in the form annexed hereto as Exhibit "B" in favour of the SELLER issued by the BUYER's intermediate holding company "Jinhui Shipping and Transportation Limited" (hereinafter called the "Payment Guarantor"). This guarantee shall secure the BUYER's obligation for the payments of all the installments as per the Contract.

Should the BUYER fail to deliver to the SELLER such Payment Guarantee within the time specified in this Paragraph, the delivery of the Vessel shall automatically be extended for a period of such delay.

## 7. REFUNDS

All payments made by the BUYER prior to delivery of the VESSEL shall be in the nature of advance to the SELLER, and in the event this Contract is rescinded or cancelled by the BUYER in accordance with the specific terms of this Contract permitting such rescission or cancellation, 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 provisions hereof) from the respective payment date(s) to the date of remittance by telegraphic transfer of such refund to the account specified by the BUYER.

As security to the BUYER, the SELLER shall deliver to the BUYER, before the payment date of the 1<sup>st</sup> installment a Refund Guarantee to be issued by a first class Chinese Bank acceptable by the BUYER for the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> installments (hereinafter called "SELLER's BANK) acceptable to the BUYER and the BUYER's Bank and substantially in the form as per Exhibit "A" annexed hereto.

However, in the event of any dispute between the SELLER and the BUYER with regard to the SELLER's obligation to repay the installment or installments





paid by the BUYER and to the BUYER'S right to demand payment from the SELLER, under its guarantee, and such dispute is submitted either by the SELLER or by the BUYER for arbitration in accordance with Article XIII hereof, or for appeal or appeals in accordance with the laws of England, the SELLER's bank shall withhold and defer payment until the arbitration award between the SELLER and the BUYER is published. The SELLER's bank shall not be obligated to make any payment unless the arbitration award orders the SELLER to make repayment and any right of appeal available to the SELLER under laws of England is waived or is not exercised by the SELLER in accordance with laws of England. If the SELLER fails to honour the award or judgment, then the SELLER's bank shall refund to the extent the arbitration award or any court judgment orders.

The SELLER undertakes that, in the event that any refund guarantee(s) issued pursuant to the terms of this Contract involves foreign exchange obligations, such refund guarantee(s) shall be duly registered with the State Administration of Foreign Exchange ("SAFE") and shall otherwise comply with all applicable laws and regulations of the People's Republic of China ("PRC"). The SELLER further undertakes to ensure and shall procure that the refund guarantor bank duly completes and obtains as appropriate all necessary documentation, approvals, and filings promptly and in any event within 60 days after the date of issuance of the relevant refund guarantee(s), and produces written evidence of such completion within the same 60 days period, and the SELLER further undertakes to bear any and all costs, expenses, damages or liabilities incurred or suffered by the BUYER arising out of or in connection with any failure of the SELLER to comply with SAFE requirements and any other applicable laws and regulations of the PRC.



### 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 Six Thousand (US\$ 6000) per day.

Unless the parties hereto agree otherwise, the total reduction in the Contract Price shall be deducted from the final installment of the Contract Price and in any event (including the event that the BUYER consents to take the VESSEL at the later delivery date after the expiration of Two Hundred and Ten (210) days delay of delivery as described in Paragraph 1(c) of this Article) shall not be more than One Hundred and Eighty (180) days at the above specified rate of reduction after the Thirty (30) days allowance, that is United States Dollars One Million and Eighty Thousand (US\$ 1,080,000) being the maximum.

(c) 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, rescind or cancel this Contract in accordance with the provisions of Article X of this Contract. The SELLER may at any time after the expiration of the aforementioned Two Hundred and Ten (210) days, if the BUYER has not served notice of cancellation pursuant to Article X, notify the BUYER of the date upon which the SELLER estimates the VESSEL will be ready for delivery and demand in writing that the BUYER make an election, in which case the BUYER shall, within thirty (30) days after such demand is received by the BUYER, either notify the SELLER of its decision to cancel this Contract, or consent to take delivery of the VESSEL at an agreed future date, it being understood and agreed by the parties hereto that, if the VESSEL is not delivered by such future

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date, the BUYER shall have the same right of cancellation upon the same terms, as hereinabove provided.

(d) For the purpose of this Article, the delivery of the VESSEL shall not be deemed delayed and the Contract Price shall not be reduced when and if the Delivery Date of the VESSEL is extended by reason of causes and provisions of Articles V, VI, XI, XII and XIII hereof. The Contract Price shall not be adjusted or reduced if the delivery of the VESSEL is delayed by reason of permissible delays as defined in Article VIII hereof.

(e) In the event that the SELLER is unable to deliver the VESSEL on the newly planned delivery date as declared, the VESSEL can, nevertheless, be delivered by the SELLER subject to BUYER'S confirmation 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 original 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 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

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

In case of deficiency of less than 0.30 knot US\$ 0.00

In case of deficiency

at or above 0.30 but below 0.40 knot US\$ 62,000

at or above 0.40 but below 0.50 knot US\$ 124,000

at or above 0.50 but below 0.60 knot US\$ 186,000

at or above 0.60 but below 0.70 knot US\$ 248,000

at or above 0.70 but below 0.80 knot US\$ 310,000

(c) If the deficiency in actual speed (as determined by the Trial Run after correction according to the Specifications) of the VESSEL upon the Trial Run, is more than 0.80 knot below the guaranteed speed of 13.5 knots, then the BUYER may at its option reject the VESSEL and rescind this Contract in accordance with provisions of Article X of this Contract, or may accept the VESSEL at a reduction in the Contract Price as above provided, by United States Dollars Three Hundred Ten Thousand only (US\$ 310,000) being the maximum.

### 3. EXCESSIVE FUEL CONSUMPTION

(a) The Contract Price of the VESSEL shall not be affected nor changed if the actual fuel consumption of the Main Engine, as determined by shop trial in manufacturer's works, as per the Specifications, is greater than the guaranteed fuel consumption as specified and required under the provisions of this Contract and the Specifications if such actual excess is equal to or less than Six percent (6%).

(b) However, if the actual fuel consumption as determined by shop trial is greater than Six percent (6%) above the guaranteed fuel consumption then, the Contract Price shall be reduced by the sum of United States Dollars Seventy Thousand (US\$ 70,000) for each full one percent (1%) increase in fuel consumption in excess of the above said Six percent (6%) (fractions of one percent to be prorated).

(c) If as determined by shop trial such actual fuel consumption of the Main Engine is more than ten percent (10%) in excess of the guaranteed fuel consumption, the BUYER may, subject to the SELLER's right to effect alterations of corrections as specified in the following sub-paragraph of Article III 3 (c) hereof, at its option, rescind this Contract, in accordance with the

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provisions of Article X of this Contract or may accept the VESSEL at a reduction in the Contract Price by United States Dollars Two Hundred Eighty Thousand (US\$ 280,000) being the maximum.

If as determined by shop trial such actual fuel consumption of the Main Engine is more than ten percent (10%) in excess of the guaranteed fuel consumption, the 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 non-conformity, 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 by E-mail confirmed in writing of such correction and as appropriate, successful completion accompanied by copies of such results, and the BUYER shall, within six (6) business days after receipt of such notice, notify the SELLER by E-mail confirmed in writing of its acceptance or reject the re-shop trial together with the reasons and details therefor. If the BUYER fails to notify the SELLER by E-mail confirmed in writing of its acceptance or rejection of the re-shop trial together with the reasons and details therefor within six (6) Business Days period as provided herein, the BUYER shall be deemed to have accepted the shop trial.

#### 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 Five Hundred (500) metric tons or less below the guaranteed deadweight of 64,500 metric tons at assigned scantling draft.

(b) However, the Contract Price shall be decreased by the sum of United States Dollars Five Hundred (US\$ 500) for each full metric ton of such deficiency being more than Five Hundred (500) metric tons.

(c) In the event that there should be a deficiency in the VESSEL's actual deadweight which exceeds One Thousand (1,000) metric tons below the guaranteed deadweight, the BUYER may, at its option, reject the VESSEL and rescind this Contract in accordance with the provisions of Article X of this Contract, or may accept the VESSEL with reduction in the Contract Price in

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Shipbuilding Contract No. JNS25C676

Hull No. JNS676

the maximum amount of United States Dollars Two Hundred and Fifty Thousand (US\$ 250,000).

## 5. EFFECT OF RESCISSION

It is expressly understood and agreed by the parties hereto that in any case as stated herein, if the BUYER rescinds this Contract pursuant to any provision under this Article, the BUYER, save its rights and remedy set out in Article X hereof, shall not be entitled to any liquidated damage or compensation whether described above or otherwise.

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## ARTICLE IV SUPERVISION AND INSPECTION

## 1. APPOINTMENT OF THE BUYER'S SUPERVISOR

The BUYER shall send in good time to and maintain at the SELLER's Shipyard, at the BUYER's own cost and expense, one or more representative(s) who shall be duly accredited in writing by the BUYER (such representative(s) being hereinafter collectively and individually called the "Supervisor") to supervise and survey the construction by the SELLER of the VESSEL, her engines and accessories, attendance at the tests and inspections relating to the VESSEL, its machinery, equipment and outfitting and any other matter in respect of which he is specifically authorized to act on BUYER's behalf. The SELLER hereby warrants that, the necessary visa for the Supervisor to enter China will be issued in order on demand and without delay 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

The parties hereto shall, within Thirty (30) days after signing of this Contract, mutually agree a list of all the plans and drawings, which are to be sent to the BUYER (hereinbelow called "the LIST"). Before arrival of the Supervisor at the SELLER's Shipyard, the plans and drawings specified in the LIST shall be sent to the BUYER, and the BUYER shall, within Twenty One (21) days after receipt thereof (excluding mailing time), return such plans and drawings submitted by the SELLER with comments, if any. Notwithstanding the above, the BUYER shall nevertheless waive its right to comment on the plans and drawings if such plans and drawings have, without amendment, been previously applied to build other vessels for the BUYER or its affiliates with the same specification as that of the VESSEL.

Concurrently with the arrival of the Supervisor at the SELLER's Shipyard, the BUYER shall notify the SELLER in writing, stating the authority which the said Supervisor shall have on behalf of the BUYER.

Unless notification is given to the SELLER by the BUYER of the comments to any plans and drawings within the above designated period of time for each case, the said plans and drawings shall be implemented for construction by the SELLER.

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### 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 SELLER 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 until delivery 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 SELLER's Shipyard, its subcontractors or any other place where work is done or materials stored in connection with the VESSEL. In the event that the Supervisor discovers any construction or material or workmanship which does not or will not conform to the requirements of this Contract and the Specifications, the Supervisor shall promptly give the SELLER a notice in writing as to such nonconformity, upon receipt of which the SELLER shall correct such nonconformity if the SELLER agrees with the BUYER. In any circumstances, the SELLER shall be entitled to proceed with the construction of the VESSEL even if there exists 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 inspection procedure and schedule and usual shipbuilding practice and in a way as to minimize any increase in building costs and delays in the construction of the VESSEL. Once a test has been witnessed and approved by the BUYER's Representatives, the same test should not have to be repeated, provided it has been carried out in compliance with the requirements of the Classification Society and specifications.

The SELLER agrees to furnish free of charge the Supervisor with office space, and other reasonable facilities according to SELLER's practice at, or in the immediate vicinity of the SELLER's Shipyard. But the fees for the communication like telephone, telefax and telex, etc. shall be borne by the BUYER. At all times, during the construction of the VESSEL until delivery thereof, the Supervisor shall be given free and ready access to the VESSEL, her engines and accessories, and to any other place where the work is being done, or the materials are being processed or stored, in connection with the construction of the VESSEL, including the yards, workshops, stores of the SELLER, and the premises of subcontractors of the SELLER, who are doing work, or storing materials in connection with the VESSEL's construction. The travel expenses for the said access to SELLER's subcontractors outside of

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Jiangmen, Guangzhou, and Zhuhai shall be at BUYER's account. The transportation in connection with VESSEL's construction within Jiangmen, Guangzhou, and Zhuhai shall be provided to the Supervisor by the SELLER.

#### 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. REPORT OF PROGRESS

The BUYER is entitled to require the SELLER to report the condition of progress as to the construction of the VESSEL whenever the BUYER requires during the construction of the VESSEL.

#### 7. 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 SELLER's yard, if necessary, and if the BUYER considers that such SELLER's request is justified, the BUYER shall effect the replacement as soon as conveniently arrangeable.



## ARTICLE V MODIFICATION, CHANGES AND EXTRAS

## 1. HOW EFFECTED

The Specifications and Plans in accordance with which the VESSEL is constructed, may be modified and/or changed at any time hereafter by written agreement of the parties hereto, provided that such modifications and/or changes or an accumulation thereof will not, in the SELLER's reasonable judgment, adversely affect the SELLER's other commitments and provided further that the BUYER shall assent to adjustment of the Contract Price, time of delivery of the VESSEL and other terms of this Contract, if any, as hereinafter provided. Subject to the above, the SELLER hereby agree to exert their best efforts to accommodate such reasonable requests by the BUYER so that the said changes and/or modifications may be made at a reasonable cost and within the shortest period of time which is reasonable and possible. Any such agreement for modifications and/or changes shall include an agreement as to the increase or decrease, if any, in the Contract Price of the VESSEL together with an agreement as to any extension or reduction in the time of delivery, 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 may be effected by an exchange of duly authenticated letters, or E-mail manifesting such agreement. The letters, and E-mail exchanged by the parties hereto pursuant to the foregoing shall constitute an amendment of the Specifications under which the VESSEL shall be built, and such letters, and E-mail 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.

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## 2. CHANGES IN RULES AND REGULATIONS, ETC.

(1) If, after the date of signing this Contract, any requirements as to the rules and regulations as specified in this Contract and the Specifications to which the construction of the VESSEL is required to conform, are altered or changed by the Classification Society or the other regulatory bodies authorized to make such alterations or changes, the SELLER and/or the BUYER, upon receipt of the notice thereof, shall transmit such information in full to each other in writing, whereupon within twenty one (21) days after receipt of the said notice by the BUYER from the SELLER or vice versa, the BUYER shall instruct the SELLER in writing as to the alterations or changes, if any, to be made in the VESSEL which the BUYER, in its sole discretion, shall decide. The SELLER shall promptly comply with such alterations or changes, if any in the construction of the VESSEL, provided that the BUYER shall first agree:

(a) As to any increase or decrease in the Contract Price of the VESSEL that is occasioned by the cost for such compliance; and/or

(b) As to any extension in the time for delivery of the VESSEL that is necessary due to such compliance; and/or

(c) As to any increase or decrease in the guaranteed deadweight and speed of the VESSEL, if such compliance results in increased or reduced deadweight 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.

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, due to whatever reasons, the parties shall fail to agree on the adjustment of the Contract Price or extension of the time for delivery or increase or decrease of the guaranteed speed 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.

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### 3. SUBSTITUTION OF MATERIALS AND/OR EQUIPMENT

In the event that any of the materials and/or equipment required by the Specifications or otherwise under this Contract for the construction of the VESSEL cannot be procured in time to effect delivery of the VESSEL, the 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. Any such substitution of materials and / or equipment shall be effected at the SELLER's sale cost and expense.

### 4. BUYER'S SUPPLIED ITEMS

The BUYER shall deliver to the SELLER at its shipyard the items as specified in the Specifications which the BUYER shall supply on BUYER's account by the time designated by the SELLER.

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

Furthermore, if the delay in delivery of the BUYER's 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 SELLER shall be responsible for storing and handling of the BUYER's supplies as specified in the Specifications after delivery to the SELLER and shall install them on board the VESSEL at the SELLER's expenses.

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

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## ARTICLE VI TRIALS

## 1. NOTICE

The BUYER and the Supervisor shall receive from the SELLER at least thirty (30) days notice in advance and seven (7) days definite notice in advance in writing or by E-mail confirmed in writing, 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 and the Supervisor shall promptly acknowledge receipt of such notice. The BUYER's representatives and/or the Supervisor shall be on board the VESSEL to witness such Trial Run, and to check upon the performance of the VESSEL during the same. Failure of the BUYER's representatives to be present at the Trial Run of the VESSEL, after due notice to the BUYER and the Supervisor as provided above, shall have the effect to extend the date for delivery of the VESSEL by the period of delay caused by such failure to be present. However, if the Trial Run is delayed more than seven (7) days by reason of the failure of the BUYER's representatives to be present after receipt of due notice as provided above, then in such event, the BUYER shall be deemed to have waived its right to have its representatives on board the VESSEL during the Trial Run, and the SELLER may conduct such Trial Run without the BUYER's representatives being present, and in such case the BUYER shall be obliged to accept the VESSEL on the basis of a certificate jointly signed by the SELLER and the Classification Society certifying that the VESSEL, after Trial Run subject to minor alterations and corrections as provided in this Article, if any, is found to conform to the Contract and Specifications. The SELLER hereby warrants that the necessary visa for the BUYER's representatives to enter China will be issued in order on demand and without delay otherwise the Trial Run shall be postponed until after the BUYER's representatives have arrived at the SELLER's Shipyard and any delays as a result thereof shall not count as a permissible delay under Article VIII thereof. However, should the nationalities and other personal particulars of the BUYER's representatives be not acceptable in accordance with the relevant rules, regulations and/or Laws of the People's Republic of China then prevailing, then the BUYER shall, on the SELLER's E-mail advice and evidence, 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

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precluded the continuance of the Trial Run, the Trial Run of the VESSEL shall be discontinued and postponed until the first favorable day next following, unless the BUYER shall assent by E-mail and confirm in writing of its acceptance of the VESSEL on the basis of the Trial Run made prior to such sudden change in weather conditions. In the event that the Trial Run is postponed because of unfavorable weather conditions, such delay shall be regarded as a permissible delay, as specified in Article VIII hereof.

## 2. HOW CONDUCTED

(a) All expenses in connection with Trial Run of the VESSEL are to be for the account of the SELLER, who, during the Trial Run and when subjecting the VESSEL to Trial Run, is to provide, at its own expense, the necessary crew to comply with conditions of safe navigation. The Trial Run shall be conducted in the manner prescribed in the Specifications and shall prove fulfillment of the performance required for the Trial Run as set forth in the Specifications.

The course of Trial Run shall be determined by the SELLER and shall be conducted using certified speed measuring facilities.

(b) The SELLER 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 Trial Runs 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 Trial Runs shall be for the account of the SELLER.

## 3. TRIAL LOAD DRAFT

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

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#### 4. METHOD OF ACCEPTANCE OR REJECTION

(a) Upon notification of the SELLER 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 SELLER by E-mail confirmed in writing of its acceptance of the VESSEL or of its rejection of the VESSEL together with the reasons therefor.

(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 SELLER 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 or Runs as may be necessary without extra cost to the BUYER, and upon notification by the SELLER of completion of such alterations or corrections and/or re-trial or re-trials, the BUYER shall, within six (6) days thereafter, notify the SELLER by E-mail confirmed in writing 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 or re-trials by the SELLER.

(c) In the event that the BUYER fails to notify the SELLER by E-mail confirmed in writing of its acceptance or rejection of the VESSEL together with the reason therefor within six (6) days period 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.

(e) Nothing herein shall preclude the BUYER from accepting the VESSEL with its qualifications and/or remarks following the Trial Run and/or further tests or trials as aforesaid and the SELLER shall be obliged to comply with and/or remove such qualifications and/or remarks (if such qualifications and/or remarks are acceptable to the SELLER) at the time before effecting delivery of the VESSEL to the BUYER under this Contract.

#### 5. DISPOSITION OF SURPLUS CONSUMABLE STORES

Should any amount of fuel oil, fresh water, or other unbroached consumable stores furnished by the SELLER for the Trial Run or Trial Runs remain on

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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 price incurred by the SELLER, 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 Runs 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 Trial Runs at the original price incurred by the BUYER and payment by the SELLER shall be effected as provided in Article II 3(d) and 4(d) of this Contract.

## 6. EFFECT OF ACCEPTANCE

The BUYER's acceptance of the VESSEL by written or E-mail notification sent to the SELLER, in accordance with the provisions set out above, shall be final and binding so far as conformity of the VESSEL to this Contract and the Specifications is concerned, and shall preclude the BUYER from refusing formal delivery by the SELLER of the VESSEL, as hereinafter provided, if the SELLER complies with all other procedural requirements for delivery as hereinafter set forth.

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

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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 SELLER's Shipyard or other public wharf in Jiangmen city or Zhuhai city area, in accordance with the Specifications and with all Classification and Statutory Certificates and after completion of Trial Run (or, as the case may be, re-Trial or re-Trials) and acceptance by the BUYER in accordance with the provisions of Article VI hereof on or before **31st October 2028** provided that, in the event of delays in the construction of the VESSEL or any performance required under this Contract due to causes which under the terms of the Contract permit extension of the time for delivery, the aforementioned time for delivery of the VESSEL shall be extended accordingly.

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

### 2. WHEN AND HOW EFFECTED

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

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

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

(a) PROTOCOL OF TRIALS of the VESSEL made by the SELLER pursuant to the Specifications.

(b) PROTOCOL OF INVENTORY of the equipment of the VESSEL

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including spare part and the like, all as specified in the Specifications, made by the SELLER.

(c) PROTOCOL OF STORES OF CONSUMABLE NATURE made by the SELLER referred to under Paragraph 5 of Article VI hereof.

(d) FINISHED DRAWINGS AND PLANS and INSTRUCTION MANUALS pertaining to the VESSEL as stipulated in the Specifications, made by the SELLER.

(e) PROTOCOL OF DEADWEIGHT AND INCLINING EXPERIMENT, made by the SELLER.

(f) ALL CERTIFICATES required to be furnished upon delivery of the VESSEL pursuant to the Specifications.

Certificates shall be issued by relevant Authorities or Classification Society. The VESSEL shall comply with the above rules and regulations which are in force at the time of signing this Contract. All the certificates shall be delivered in one (1) original to the VESSEL and two (2) copies to the BUYER.

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

(g) Non-registration Certificate & Non-mortgage Certificate issued by the SELLER stating that the VESSEL is delivered to the BUYER free and clear of any liens, charges, claims, mortgages, or other encumbrances upon the BUYER's title thereto, and in particular, that the VESSEL is absolutely free of all burdens in the nature of imposts, taxes or charges imposed by the province or country of the port of delivery, as well as of all liabilities of the SELLER to its sub-contractors, employees and crews and/or all liabilities arising from the operation of the VESSEL in Trial Run or Trial Runs, or otherwise, prior to delivery.

(h) COMMERCIAL INVOICE issued by SELLER.

(i) BILL OF SALE issued by the SELLER with notarized and apostilled.

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(j) Builder's Certificate issued by the SELLER with notarized and apostilled (Original shall be provided to the BUYER required due to registration purposes.)

#### 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 unencumbered 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 SELLER or other public wharf in Jiangmen city or Zhuhai city area within seven (7) days after delivery and acceptance thereof is effected. If the BUYER shall not remove the VESSEL from the premises of the SELLER or other public wharf in Jiangmen city or Zhuhai city area within the aforesaid seven (7) days, then, in such event, without prejudice to the SELLER's right to require the BUYER to remove the VESSEL immediately at any time thereafter, the BUYER shall pay to the SELLER the reasonable mooring charge of the VESSEL.

#### 6. TENDER OF THE VESSEL

If the BUYER fails to take delivery of the VESSEL after completion thereof according to this Contract and the Specifications without justified reason, the SELLER shall have the right to tender the VESSEL for delivery after compliance with all procedural requirements as above provided.



## ARTICLE VIII DELAYS & EXTENSION OF TIME FOR DELIVERY

### 1. CAUSE OF DELAY

If, at any time before actual delivery, either the construction of the VESSEL, or any performance required hereunder as a prerequisite of delivery of the VESSEL, is delayed due to war, blockade, revolution, insurrection, mobilization, civil commotions, riots, strikes (not including strikes at the SELLER's or subcontractor's Shipyard), sabotage, lockouts (not including lockouts at the SELLER's or subcontractor's Shipyard), local temperature higher than 35 degree centigrade, Acts of God or the public enemy, terrorism, plague or other epidemics, quarantines, prolonged failure or restriction of electric current from an outside source, freight embargoes, if any, earthquakes, tidal waves, typhoons, hurricanes, storms or other causes beyond the control of the SELLER or of its sub-contractors, as the case may be, or by force majeure of any description, whether of the nature indicated by the forgoing or not, or by destruction of the SELLER or works of the SELLER or its sub-contractors, or of the VESSEL or any part thereof, by fire, flood, or other causes beyond the control of the SELLER or its sub-contractors as the case may be, or due to the bankruptcy of the equipment and/or material supplier or suppliers, or due to the delay caused by acts of God in the supply of parts essential to the construction of the VESSEL, provided that:

(a) such delay or event has not been caused by any negligence or intentional act of the SELLER or its subcontractors; and

(b) the SELLER shall use all reasonable efforts to prevent or minimize any delay in the construction of the VESSEL resulting from such events (including but without limitation) : the obtaining of items from alternative sources and the introduction of overtime; and

(c) the delay caused by aforementioned local temperature higher than 35 degree centigrade and prolonged failure or restriction of electric current from an outside source shall be limited to maximum 10 days in total for the two events.

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

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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 delay on account of which the SELLER claims that it is entitled under this Contract to an extension of the time for delivery of the VESSEL, the SELLER shall advise the BUYER by E-mail confirmed in writing, of the date such delay commenced, and the reasons therefor.

Likewise within seven (7) days after such delay ends, the SELLER shall advise the BUYER in writing or by E-mail confirmed in writing, of the date such delay ended, and also shall specify the maximum period of the time by which the date for delivery of the VESSEL is extended by reason of such delay. Failure of the BUYER to acknowledge the SELLER's notification of any claim for extension of the Delivery Date within thirty (30) 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. Failure by the SELLER to provide such advice shall be deemed to be a waiver of SELLER's right to claim such extension.

## 3. RIGHT TO CANCEL FOR EXCESSIVE DELAY

If the total accumulated time of all permissible delays and non-permissible delays aggregate to two hundred and ten (210) days or more, excluding delays due to arbitration as provided for in Article XIII hereof or due to default in performance by the BUYER, or due to delays in delivery of the BUYER's supplied items, and excluding delays due to causes which, under Article II, V, VI, XI and XII hereof, permit extension or postponement of the time for delivery of the VESSEL, then in such event, the BUYER may in accordance with the provisions set out herein cancel this Contract by serving upon the SELLER an Email notice of cancellation which shall be confirmed in writing and the provisions of Article X of this Contract shall apply. The SELLER may, at any time, after the accumulated time of the aforementioned delays justifying cancellation by the BUYER as above provided for, demand in writing that the BUYER shall make an election, in which case the BUYER shall, within thirty (30) days after such demand is received by the BUYER either notify the SELLER of its intention to cancel, or consent to an extension of the time for delivery to an agreed future date, it being understood and agreed by the parties

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hereto that, if any further delay occurs on account of causes justifying cancellation as specified in this Contract, the BUYER shall have the same right of cancellation upon the same terms as hereinabove provided.

#### 4. DEFINITION OF PERMISSIBLE DELAY

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

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## ARTICLE IX WARRANTY OF QUALITY

### 1. GUARANTEE OF MATERIAL AND WORKMANSHIP

The SELLER, for a period of twelve (12) months from the date of delivery to the BUYER of the VESSEL, or as for repaired or replacement parts, twelve (12) months from the date of repair or replacement but in any case not exceeding maximum fifteen (15) months from the date of delivery to the BUYER of the VESSEL, guarantees the VESSEL, her hull and machinery and all parts and equipment thereof that are manufactured or furnished or supplied by the SELLER and/or its subcontractors under this Contract including material, equipment (however excluding any parts for the VESSEL which have been supplied by or on behalf of the BUYER) against all defects which are due to defective design, materials, or equipment, errors, construction, miscalculation and/or poor workmanship. However, the guarantee period for the paint shall be as per the Specification.

To the extent that any warranty or guarantee provided by any subcontractor or supplier is of wider scope or remains in effect after the expiry of the twelve (12) month period laid down in this paragraph, such warranty or guarantee shall, on such expiry, be assigned to the BUYER.

### 2. NOTICE OF DEFECTS

The BUYER shall notify the SELLER in writing, or by E-mail confirmed in writing, as promptly as possible, after discovery of any defect or deviations for which a claim is made under this guarantee. The BUYER's written notice shall describe the nature of the defect and the extent of the damage caused thereby. The SELLER shall have no obligation under this guarantee for any defects discovered prior to the expiry date of the guarantee, unless notice of such defects, is received by the SELLER not later than seven (7) days after such expiry date. Telefaxed or telexed or E-mail advice with brief details explaining the nature of such defect and extent of damage within seven (7) days after such expiry date and that a claim is forthcoming will be sufficient compliance with the requirements as to time.

### 3. REMEDY OF DEFECTS

The SELLER shall remedy at its expense any defects, against which the VESSEL or any part of the equipment thereof is guaranteed under this Article



by making all necessary repairs and/or replacement. Such repairs and/or replacement will be made by the SELLER.

However, if it is impractical to make the repair by the SELLER, and if forwarding by the SELLER of replacement parts, and materials cannot be accomplished without impairing or delaying the operation or working of the VESSEL, then, in any such event, the BUYER shall, cause the necessary repairs or replacements to be made elsewhere at the discretion of the BUYER provided that the BUYER shall first and in all events, will, as soon as possible, give the SELLER notice in writing, or by E-mail confirmed 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 is not thereby delayed, or her operation or working is not thereby impaired, the SELLER shall have the right to verify by its own representative(s) or that of Classification Society the nature and extent of the defects complained of. The SELLER shall, in such cases, promptly advise the BUYER, by E-mail, after such examination has been completed, of its acceptance or rejection of the defects as ones that are subject to the guarantee herein provided.

In any circumstances as set out below, the SELLER shall immediately pay to the BUYER in United States Dollars by telegraphic transfer the actual cost for such repairs or replacements including forwarding charges, or at 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, whichever is lower:

- (a) Upon the SELLER's acceptance of the defects as justifying remedy under this Article, or
- (b) If the SELLER neither accepts nor rejects the defects as above provided, nor request arbitration within thirty (30) days after its receipt of the BUYER's notice of defects.

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

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

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

The SELLER shall be liable to the BUYER for defects and damages caused by

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any of the defects specified in Paragraph 1 of this Article provided that such liability of the SELLER shall be limited to damage occasioned within the guarantee period specified in Paragraph 1 above. The SELLER shall not be obligated to repair, or to be liable for, damages to the VESSEL, or to any part of the equipment thereof, due to ordinary wear and tear or caused by the defects other than those specified in Paragraph 1 above, nor shall there be any 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 sub-contractors. 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 sub-contractors.

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

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

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ARTICLE X CANCELLATION, REJECTION AND RESCISSION BY THE  
BUYER

1. All payments made by the BUYER prior to the delivery of the VESSEL shall be in the nature of advance to the SELLER. In the event the BUYER shall exercise its right of cancellation and/or rescission of this Contract under and pursuant to any of the provisions of this Contract specifically permitting the BUYER to do so, then the BUYER shall notify the SELLER in writing or by E-mail confirmed in writing, and such cancellation and/or rescission shall be effective as of the date the notice thereof is received by the SELLER.
2. Thereupon the SELLER shall refund in United States dollars immediately to the BUYER the full amount of all sums paid by the BUYER to the SELLER on account of the VESSEL, unless the SELLER disputes the BUYER's cancellation and/or rescission by instituting arbitration in accordance with Article XIII. If the BUYER's cancellation or rescission of this Contract is disputed by the SELLER by instituting arbitration as aforesaid, then no refund shall be made by the SELLER, and the BUYER shall not be entitled to demand repayment from SELLER under its guarantee, until the arbitration award between the BUYER and the SELLER or, in case of appeal or appeals by the SELLER on the arbitration award or any court orders, by the final court order, which shall be in favor of the BUYER, declaring the BUYER's cancellation and/or rescission justified, is made and delivered to the SELLER by the arbitration tribunal or final competent London Court having jurisdiction on the dispute. 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 six percent (6%) 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) or 4(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 Bank 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 rescission by the BUYER is made under the provisions of Paragraph 3 of Article VIII or the VESSEL is determined to be an actual or constructive total loss, 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 each of the parties hereto to the other under this Contract shall be forthwith completely discharged.

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## ARTICLE XI BUYER'S DEFAULT

### 1. DEFINITION OF BUYER'S 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 any of the 2<sup>nd</sup> or 3<sup>rd</sup> installment to the SELLER when any such installment 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 pay the 4<sup>th</sup> installment 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.

### 2. NOTICE OF BUYER'S 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 E-mail after the date of occurrence of the default as per Paragraph 1 of this Article and the BUYER shall forthwith acknowledge by E-mail to the SELLER that such notification has been received. In case the BUYER does not give the aforesaid E-mail acknowledgment to the SELLER within three (3) calendar days it shall be deemed that such notification has been duly received by the BUYER.

### 3. INTEREST AND CHARGE

(a) If the BUYER is in default of payment as to any installment as provided in Paragraph 1 (a) and/or 1 (b) of this Article, the BUYER shall pay interest on such installment at the rate of six percent (6 %) per annum until the date of the payment of the full amount, including all aforesaid interest. In case the BUYER shall fail to take delivery of the VESSEL when required to as

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provided in Paragraph 1 (c) of this Article, the BUYER shall be deemed in default of payment of the 4th installment and shall pay interest thereon at the same rate as aforesaid from and including the day on which the VESSEL is tendered for delivery by the SELLER, as provided in Article VII Paragraph 6 hereof.

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

#### 4. BUYER'S DEFAULT BEFORE DELIVERY OF THE VESSEL

(a) If any default by the BUYER occurs as defined in Paragraph 1 (a) or 1 (b) or 1 (c) of this Article, the Delivery Date shall, at the SELLER's option, be postponed for a period of continuance of such default by the BUYER.

(b) If any such default as defined in Paragraph 1 (a) or 1 (b) or 1 (c) 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, provided the SELLER has notified the BUYER of such default pursuant to Paragraph 2 of this Article, by giving notice of such effect to the BUYER by E-mail confirmed in writing. Upon receipt by the BUYER of such E-mail notice of cancellation or rescission, all of the BUYER's Supplies shall forthwith become the sole property of the SELLER, and the VESSEL and all its equipment and machinery shall be at the sole disposal of the SELLER for sale or otherwise; and

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

(iii) (Applicable to any BUYER's default defined in 1(a) of this Article) The SELLER shall, without prejudice to the SELLER's right to recover from the BUYER the 4th installment, 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 2nd and 3rd installments 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 2nd and 3rd installments

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from the Payment Guarantor in accordance with the terms and conditions of the guarantee issued by the Guarantor.

## 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.

In the case of sale of the VESSEL, the SELLER shall give telefax, or telex, or E-mail or written notice to the BUYER.

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

(c) In the event of the sale of the VESSEL in its incomplete state, the proceeds of sale received by the SELLER shall be applied firstly to all expenses attending such sale and otherwise incurred by the SELLER as a result of the BUYER's default, and then to payment of all costs of construction of the VESSEL (such costs of construction, as herein mentioned, shall include but are not limited to all costs of labour and/or prices paid or to be paid by the SELLER for the equipment and/or technical design and/or materials purchased or to be purchased, installed and/or to be installed on the VESSEL) and/or any fees, charges, expenses and/or royalties incurred and/or to be incurred for the VESSEL less the installments so retained by the SELLER, and compensation to the SELLER for a reasonable sum of loss of profit due to the cancellation or rescission of this Contract.

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

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Shipbuilding Contract No. JNS25C676

Hull No. JNS676

(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.

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## ARTICLE XII INSURANCE

### 1. EXTENT OF INSURANCE COVERAGE

From the time of keel-laying of the first section of the VESSEL until the same is completed, delivered to and accepted by the BUYER, the SELLER hereby undertakes, at its own cost and expense, to keep the VESSEL and all machinery, materials, equipment, appurtenances and outfit, delivered to the SELLER for the VESSEL or built into, or installed in or upon the VESSEL, including the BUYER's Supplies, fully insured with first class Chinese insurance companies for SELLER's Risks.

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

### 2. APPLICATION OF RECOVERED AMOUNT

#### (a) Partial Loss:

In the event the VESSEL shall be damaged by any insured cause whatsoever prior to acceptance and delivery thereof by the BUYER and in the further event that such damage shall not constitute an actual or a constructive total loss of the VESSEL, the SELLER shall apply the amount recovered under the insurance policy referred to in 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.

#### (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

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repair of the VESSEL's damages and/or reinstallation of BUYER's supplies, provided the parties hereto shall have first agreed in writing as to such reasonable extension of the Delivery Date and adjustment of other terms of this Contract including the Contract Price as may be necessary for the completion of such reconstruction; or

(ii) If due to whatever reasons the parties fail to agree on the above, then refund immediately to the BUYER the amount of all installments paid to the SELLER under this Contract without interest and insurance cover for the BUYER'S supply items, 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 forthwith.

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

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

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



## ARTICLE XIII DISPUTES AND ARBITRATION

## 1. PROCEEDINGS

In the event of any dispute between the parties hereto as to any matter arising out of or relating to this Contract or any stipulation herein or with respect thereto which cannot be settled by the parties themselves, such dispute shall be resolved by arbitration in London, England in accordance with the Laws of England and in accordance with the rules of the London Maritime Arbitrators Association. 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 any court in England or other official organization in England having jurisdiction in such matter 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, unless appealed by either party, 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

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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

The award shall immediately be given to the SELLER and the BUYER in writing or by E-mail confirmed in writing.

### 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, unless appealed by either party, shall be final and binding upon the parties concerned. The right of appeal shall be in accordance with the laws of England.

### 6. ENTRY IN COURT

Judgment upon the award may be entered in any court having jurisdiction thereof.

### 7. ALTERATION OF DELIVERY TIME

In the event of reference to arbitration of any dispute arising out of matters occurring prior to delivery of the VESSEL, the SELLER shall not be entitled to extend the Delivery Date as defined in Article VII hereof and the BUYER shall not be entitled to postpone its acceptance of the VESSEL on the Delivery Date or on such newly planned time of delivery of the VESSEL as declared by the SELLER. However, if the construction of the VESSEL is affected by any arbitration or court proceeding, 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.

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#### ARTICLE XIV RIGHT OF ASSIGNMENT

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

A prior consent to the assignment of the rights under this contract to the financing bank of the BUYER for security purposes is herewith given. However, the BUYER shall guarantee that the Shipbuilding Contract Assignment between the BUYER and its financing bank must in any way not impair the SELLER'S rights.

The assigning party remains fully liable for its obligations 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.

### 2. DUTIES

The SELLER shall indemnify the BUYER for, and hold it harmless against, any duties imposed in the People's Republic of China upon materials and equipment which under the terms of this Contract and/or the Specifications will, or may be, supplied by the BUYER from the abroad for installation in the VESSEL as well as any duties imposed in the People's Republic of China upon running stores, provisions and supplies furnished by the BUYER from abroad to be stocked on board the VESSEL and also from the payment of export duties, if any, to be imposed upon the VESSEL as a whole or upon any of its parts or equipment.

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 SELLER if any.

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## ARTICLE XVII NOTICE

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

**To the BUYER:**

JINFENG MARINE INC.

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

Tel No. : +852-25450951

E-mail: newbuilding@jinhuiship.com

**To the SELLER:**

JIANGMEN NANYANG SHIP ENGINEERING CO., LTD.

Address: Gujing 529145, Xinhui, Jiangmen City, Guangdong Province, the People's Republic of China

Tel No.: +86-750-2631711

E-mail: marketing@jns.net.cn

Any notices and communications sent by SELLER alone to the BUYER shall be deemed as having been sent by the SELLER.

Any change of address shall be communicated in writing by registered mail by the party making such change to the other party and in the event of failure to give such notice of change, communications addressed to the party at their last known address shall be deemed sufficient.

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 E-mail acknowledged by the answerbacks shall be deemed to be delivered upon dispatch.

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



### ARTICLE XVIII EFFECTIVE DATE OF CONTRACT

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

- (1) Due execution of this Contract; and
- (2) Receipt by the SELLER of a Performance Guarantee in the form annexed hereto as Exhibit B issued by BUYER in accordance with Article II Paragraph 6 hereof; and
- (3) Receipt by the BUYER of a Refund Guarantee in the form annexed hereto as Exhibit A issued by SELLER'S BANK acceptable to the BUYER for 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> installment of the contract price in accordance with Article II Paragraph 7 hereof; and
- (4) Receipt by the SELLER of the 1<sup>st</sup> installment in accordance with Paragraph 3(a) and 4(a) of Article II 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 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 of 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 prevail and govern.

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

### 3. DEFINITION

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

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Shipbuilding Contract No. JNS25C676

Hull No. JNS676

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

THE BUYER: JINFENG MARINE INC.

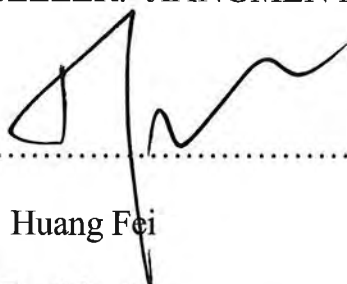


By: .....

Name: Ng Siu Fai

Title: Attorney-in-Fact

THE SELLER: JIANGMEN NANYANG SHIP ENGINEERING CO., LTD.



By: .....

Name: Huang Fei

Title: President& Executive Director



Exhibit "A" : IRREVOCABLE LETTER OF GUARANTEE

REFUND GUARANTEE NO [X]

Date: [X]

To: [X]

Add: [X]

Dear Sirs,

1. At the request of **[Builder]**, a corporation organized and existing under the laws of the **[Jurisdiction]**, having its registered office at **[Address]** (hereinafter called the "Builder"), and in consideration of you, **[Buyer]**, as the buyer of the Vessel (hereinafter defined) and the beneficiary of this Letter of Guarantee agreeing to pay the pre-delivery installments of the contract price amounting to United States Dollars **[Contract Price]** only (USD **[X]**) (hereinafter called the "Contract Price") to the Builder in accordance with the shipbuilding contract No. **[X]** dated **[Date]** (hereinafter as the same way may have been or may be amended, modified and/or supplemented from time to time called the "Contract") concluded by and between you and the Builder, for the construction and delivery to you of one (1) **[X]** DWT **[Vessel Type]** to be designated as **[X]** (hereinafter called the "Vessel"), we, the undersigned, **[Bank Branch]**, having our registered office at **[Address]**, do hereby irrevocably, absolutely and unconditionally guarantee as primary obligor and not merely as surety to repay to you as the beneficiary on demand, the amount up to United States Dollars **[Contract Price]** only (USD **[X]**), representing:
  - (1) the first instalment being United States Dollars **[X]** (say USD Dollars **[X]** only);
  - (2) the second instalment being United States Dollars **[X]** (say USD Dollars **[X]** only);
  - (3) the third instalment being United States Dollars **[X]** (say USD Dollars **[X]** only); and
  - (4) the fourth instalment being United States Dollars **[X]** (say USD Dollars **[X]** only) of the Contract Price of the Vessel, together with interest as provided below.
2. Should the Builder fail to make such repayment in accordance with the terms of the Contract after you cancel, terminate or rescind the Contract and demand the refund of installments pursuant to Article **[X]** of the Contract, or in the event of total loss of the Vessel as described in Article **[X]** under the Contract, we shall pay you the amount payable by the Builder together with interest at the rate of **[X]** percent (**[X]**PCT) per annum from the date of receipt of the said respective instalment or instalments by the Builder into the account nominated by the Builder to the date of remittance by

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telegraphic transfer of such repayment to you by us (save that no interest shall be payable if (1) you cancel, terminate or rescind the Contract for the total loss of the Vessel in accordance with Article [X] of the Contract, or (2) for any period of permissible delay). We shall pay the sum demanded by you within [X] ([X]) Banking Days (as defined herein) after receipt of a written demand from you or your bank together with your confirmation stating that you are entitled to claim repayment under the Contract and that the Builder has failed to make such repayment pursuant to the Contract. Such demand shall be made by means described in paragraph 13 (an "Authenticated Demand").

3. However, in the event we receive before your Authenticated Demand or within [X] ([X]) Banking Days after your Authenticated Demand has been received by us, a notice made by you or the Builder in writing, stating that there is a dispute between you and the Builder in relation to whether the Builder shall be liable to repay the first, second, third and/or fourth installment paid by you and such dispute is or will be submitted by the Builder or by you for arbitration in accordance with Article [X] of the Contract, we shall be entitled to withhold and defer payment until the earlier of (a) a final and unappealable arbitration award or a final and unappealable court judgment is published or (b) a binding settlement agreement has been executed between the parties in relation to such dispute. Without limiting the foregoing we shall not be obliged to make any payment to you unless such final and unappealable arbitration award or final and unappealable court judgment or binding settlement agreement requires the Builder to make repayment. If the Builder fails to honor the final and unappealable arbitration award or the final and unappealable judgment or the binding settlement agreement within [X] ([X]) Banking Days from the date when the final and unappealable award or the final and unappealable court judgement was rendered or the binding settlement agreement was executed or if longer, within such period as may be stipulated in the said award, judgement or binding settlement agreement, then we shall make payment to you to the extent the final and unappealable arbitration award or final and unappealable judgment or binding settlement agreement requires but not exceeding the aggregate amount of this Letter of Guarantee plus interest (if applicable) as described above within [X] ([X]) Banking Days upon our receipt of your further demand, in substitution for the demand previously submitted, accompanied by a true copy of such final and unappealable arbitration award or final and unappealable court judgement or binding settlement agreement certified as a true copy of the original by an English solicitor in London.
4. Such further demand shall be received by us through the means as aforesaid within [X] Banking Days after the publication of the final and unappealable arbitration award or the date of a final and unappealable court judgment or the date on which the parties execute a binding settlement agreement (as the case may be), specifying:
  - (1) the final and unappealable arbitration award or the final and unappealable court



judgment or the binding settlement agreement has been awarded or executed (as the case may be), and

- (2) the amount the Builder is obliged to repay to you pursuant to such final and unappealable arbitration award or the final and unappealable court judgment or the binding settlement agreement, and
  - (3) that you have not received from the Builder the amount payable by the Builder to you in satisfaction of such final and unappealable award or the final and unappealable court judgment or the binding settlement agreement, and accordingly,
  - (4) the amount demanded by you under this Letter of Guarantee.
5. The said repayment shall be made by us in United States Dollars.
  6. This Letter of Guarantee shall become effective from the time of the actual receipt of the first installment amounting to United States Dollars [X] (say USD Dollars [X] only) by the Builder from you in the Builder's Bank Account No. [X] held with [Bank Branch] and the total guaranteed amount under this Letter of Guarantee shall not exceed the amount of the guaranteed first, second, third and fourth instalments actually received by the Builder together with interest (if applicable) calculated as described above.
  7. This Letter of Guarantee shall remain in force until the earliest of delivery of the Vessel to and acceptance by you, or full refund to you made by the Builder or ourselves, or the Contract is duly terminated by the Builder under Article [X] of the Contract, or [[X]hours Beijing time on [X] which should allow for all permissible and non-permissible delays under the main shipbuilding contract plus an additional 60 days in addition (the "Expiration Date").

Notwithstanding the foregoing, in case either you or the Builder gives notice of an intention to commence arbitration proceedings with respect to the Contract for such matters as are described above then this Letter of Guarantee shall remain in full force and effect until the date falling [[X] ([X])] Banking Days after the date of the publication of the final and unappealable arbitration award or the date of a final and unappealable court judgment or the date on which the parties execute a binding settlement agreement.

8. 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

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net amount received by you after any such deduction or withholding shall equal the amount which would have been received had no such deduction or withholding been required to be made.

9. Neither our liability nor our obligations under this Letter of Guarantee shall be affected or discharged by any amendment, modification, supplement or variation of the Contract or any invalidity, irregularity or unenforceability or otherwise of the Contract or any time or indulgence granted to the Builder under the terms of the Contract and/or any insolvency, bankruptcy, liquidation, dissolution or reorganization (or analogous procedure) of the Builder. However, notwithstanding the foregoing our liability under this Letter of Guarantee shall in no event be greater than the aforesaid guaranteed amount plus interest (as the case may be).
10. This Letter of Guarantee may be assigned to the beneficiary's financiers but is otherwise assignable with our prior written consent which consent shall not be unreasonably withheld or delayed by us. No assignment shall be made to an entity that is sanctioned by the UN, US, EU, HMT or SWISS authorities. But in any case, the right of making demand under this guarantee shall remain only with yourselves. In the case of any assignment made in accordance with this provision, a notice of assignment shall be sent to us and we shall acknowledge any notice of assignment, within [X] ([X]) Banking Days from the date of receipt of such notice. Our obligation under this Letter of Guarantee shall not be increased or otherwise affected by any such assignment. Any request, consent, notice and acknowledgement thereof in connection with an assignment of rights under this Letter of Guarantee should be communicated in writing and shall be conveyed by Authenticated SWIFT.
11. We hereby confirm that we are permitted by the law of the People's Republic of China to issue guarantees with the wording of this Letter of Guarantee and especially to designate English law and London as place of arbitration/jurisdiction as provided in paragraph 12 below. We hereby confirm that this Guarantee shall be duly filed with the relevant SAFE authority if such is required by applicable laws and regulations and further confirm that we have obtained all necessary approvals and authorizations to issue this Letter of Guarantee and that we are authorized to effect payment hereunder in United States Dollars.
12. All the banking charges outside of the People's Republic of China are for your account and all the banking charges inside the People's Republic of China are for the account of the Builder.
13. This Letter of Guarantee shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Letter of Guarantee shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent





necessary to give effect to the provisions of this Clause. The seat of the arbitration shall be England, even where the hearing takes place outside England. The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced. The reference shall be to three arbitrators, one to be appointed by each party and the third, subject to the provisions of the LMAA Terms, by the two so appointed. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified in the notice, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if the arbitrator had been appointed by agreement. Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator. The language of arbitration shall be English. The law governing this arbitration provision shall be English law.

14. All demands and notices in connection with this Letter of Guarantee shall be sent to us by your bank on your behalf on or before the Expiration Date of this Letter of Guarantee by Authenticated SWIFT message at the following SWIFT code: [X]  
Address [X]  
SWIFT code: [X]
15. In this Letter of Guarantee, "Banking Day" means a day (other than Saturday or Sunday) on which banks are open for general business in Beijing.

YOURS FAITHFULLY,

[Name; position]

[Department]

FOR AND BEHALF OF [Bank's name, branch, address]

1.



Exhibit "B" : PERFORMANCE GUARANTEE

For the 2nd, 3rd, and 4th instalments

From: JINHUI SHIPPING AND TRANSPORTATION LIMITED

Date:

To: JIANGMEN NANYANG SHIP ENGINEERING CO., LTD.

ADD: GUJING 529145, XINHUI, JIANGMEN, GUANGDONG PROVINCE, CHINA

Dear Sirs,

- (1) In consideration of you (the "SELLER") entering into a shipbuilding contract dated ..... (the "Shipbuilding Contract") with JINFENG MARINE INC. as the buyer (the "BUYER") for the construction of one (1) 64,500 Metric Tons Deadweight bulk carrier known as JIANGMEN NANYANG SHIP ENGINEERING CO., LTD.'s Hull No. JNS676 (the "VESSEL"), we, JINHUI SHIPPING AND TRANSPORTATION LIMITED, 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 each and all of the 2<sup>nd</sup> and 3<sup>rd</sup> and 4<sup>th</sup> instalments of the Contract Price amounting to a total sum of United States Dollars Twenty Six Million Seven Hundred Sixty Thousand only (USD 26,760,000) as specified in (2) below.
- (2) The instalments guaranteed hereunder, pursuant to the terms of the Shipbuilding Contract, comprise the 2<sup>nd</sup> instalment in the amount of United States Dollars Three Million Three Hundred and Forty Five Thousand only (USD 3,345,000) payable by the BUYER within Five (5) Banking Days after cutting of the first steel plate of the VESSEL, the 3<sup>rd</sup> instalment in the amount of United States Dollars Three Million Three Hundred and Forty Five Thousand only (USD 3,345,000) payable by the BUYER within Five (5) Banking Days after keel laying of the first section of the VESSEL, the 4<sup>th</sup> installment in the amount of United States Dollars Twenty Million and Seventy Thousand only (USD 20,070,000) payable by the BUYER upon delivery 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 here under at the rate of six percent (6%) 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, within Seven (7) Banking Days after receipt by us of your first written demand, we shall immediately pay to you or your assignee the unpaid 2<sup>nd</sup> and 3<sup>rd</sup> and 4<sup>th</sup> instalments, 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) Any payment by us under this Letter of Guarantee shall be made in the United States Dollars by telegraphic transfer to receiving bank nominated by you for credit to the account of you or through other receiving bank to be nominated by you from time to time, in favour of you or your assignee.
- (6) 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.
- (7) 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 26/F., Yardley Commercial Building, 1-6 Connaught Road West, Hong Kong. (or such other address as we may notify to you in writing), or by SWIFT.
- (8) 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 VESSEL is delivered to and accepted by the BUYER and the BUYER shall have performed all its obligations for taking delivery thereof or until the full payment of all the 2<sup>nd</sup> and 3<sup>rd</sup> and 4<sup>th</sup> instalments together with the aforesaid interests by the BUYER or us, whichever occurs later.
- (9) 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 State Dollars Twenty Seven Million Twenty Seven Thousand Six Hundred only (USD 27,027,600), being an amount equal to:

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- (i) all the 2<sup>nd</sup> and 3<sup>rd</sup> and 4<sup>th</sup> instalment guaranteed hereunder in the total amount of United States Dollars Twenty Six Million Seven Hundred Sixty Thousand only (USD 26,760,000); and
  - (ii) the interest at the rate of Six percent (6%) per annum on the respective instalment each for a period of Sixty (60) days in the amount of United State Dollars Two Hunred Sixty Seven Thousand Six Hundred only (USD 267,600).
- (10) All payments by us under this Letter of Guarantee shall be made without any setoff 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.
- (11) 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.
- (12) This Letter of Guarantee shall have expired as aforesaid, you will return the same to us without any request or demand from us.
- (13) 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.
- (14) We hereby represent and confirm to you that we are permitted by the law of Hong Kong, 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 Hong Kong, 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) The "Business Day(s)", "Banking Day(s)" and "Day(s)" defined in the Shipbuilding Contact shall have the same meaning when used in this Letter of Guarantee.

IN WITNESS WHEREOF, we have caused this Letter of Guarantee to be signed and delivered by our duly authorized representative the day and year above written.

8 .





Shipbuilding Contract No. JNS25C676

Hull No. JNS676

For and on behalf of JINHUI SHIPPING AND TRANSPORTATION LIMITED

By: .....

Name: NG KAM WAH

Title: Managing Director

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Exhibit "C" : SPECIFICATIONS

For

one (1) 64,500 Deadweight Bulk Carrier Vessel (Hull No.: JNS676)

It is confirmed by the BUYER and the SELLER that the VESSEL having the Hull No. JNS676 shall be constructed, equipped and completed in accordance with this Specifications, which shall consist of following files attached herein:

- 1) Specification (SC41024(JNS)-010-02SM)
- 2) General Arrangement (SC41024(JNS)-010-03)
- 3) Midship Section (SC41024(JNS)-00-03)
- 4) Capacity Plan (SC41024(JNS)-00-10)
- 5) Maker list (JNS645-00-04) dated 30th September 2025
- 6) Technical memo dated 8th December 2025

THE BUYER: JINFENG MARINE INC.

By:  .....

Name: Ng Siu Fai

Title: Attorney-in-Fact

THE SELLER: JIANGMEN NANYANG SHIP ENGINEERING CO., LTD.

By:  .....

Name: Huang Fei

Title: President& Executive Director

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

The following is the unaudited pro forma consolidated statement of financial position (the “Unaudited Pro Forma Financial Information”) as at 30 June 2025 of Jinhui Holdings Company Limited (the “Company”) and its subsidiaries (collectively the “Group”) in connection with the transactions contemplated under the Disposal of Vessel A and the Acquisition of Vessel B. In addition, apart from the Disposal of Vessel A and the Acquisition of Vessel B, the Group also entered into the following sale and leaseback arrangements, acquisition and disposal of vessels and acquisition of property on or after 30 June 2025 (the “Previous Disposals and Acquisitions”):

1. Sale and leaseback arrangements as per announcement dated 30 June 2025;
2. Disposal of vessel as per announcement dated 4 July 2025;
3. Disposal of vessel as per announcement dated 23 July 2025;
4. Disposal of vessel as per announcement dated 6 August 2025;
5. Disposal of vessel as per announcement dated 4 September 2025;
6. Acquisition of property as per announcement dated 29 September 2025;
7. Acquisition of three vessels as per announcement dated 30 September 2025;
8. Disposal of vessel as per announcement dated 28 October 2025; and
9. Disposal of vessel as per announcement dated 24 November 2025.

The Enlarged Group represents the Group upon the completion of the Disposal of Vessel A and the Acquisition of Vessel B and the Previous Disposals and Acquisitions (collectively referred to as the “Enlarged Group”).



The Unaudited Pro Forma Financial Information, comprising the unaudited pro forma consolidated statement of financial position of the Group and related notes, has been prepared in accordance with Rule 4.29 of the Listing Rules for the purposes of illustrating the effect of the Disposal of Vessel A and the Acquisition of Vessel B and the Previous Disposals and Acquisitions as if the transactions had been completed on 30 June 2025.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated statement of financial position of the Group as at 30 June 2025, which has been extracted from the published interim report of the Group for the six months ended 30 June 2025, after making proforma adjustments relating to the Disposal of Vessel A and the Acquisition of Vessel B and Previous Disposals and Acquisitions, as if they had been completed on 30 June 2025.

The Unaudited Pro Forma Financial Information of the Enlarged Group is prepared based on a number of assumptions, estimates, uncertainties and currently available information to provide information of the Enlarged Group upon completion of the Disposal of Vessel A and the Acquisition of Vessel B and the Previous Disposals and Acquisitions. It has been prepared for illustrative purpose only and because of its nature, it may not give a true picture of the Enlarged Group's financial position following the completion of the Disposal of Vessel A and the Acquisition of Vessel B and the Previous Disposals and Acquisitions. Further, the Unaudited Pro Forma Financial Information of the Enlarged Group does not purport to predict the future financial position of the Enlarged Group after the completion of the Disposal of Vessel A and the Acquisition of Vessel B and the Previous Disposals and Acquisitions.

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



## APPENDIX II

## UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

### Unaudited Pro Forma Consolidated Statement of Financial Position

	As at 30 June 2025	Pro forma adjustments											Pro forma total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Note (1)	Note (2)	Note (3)	Note (4)	Note (5)	Note (6)	Note (7)	Note (8)	Note (9)	Note (10)	Note (11)	Note (12)	
<b>ASSETS AND LIABILITIES</b>													
<b>Non-current assets</b>													
Property, plant and equipment	3,144,823		(91,617)	(93,913)	(100,133)	(95,340)	67,380	773,370	(104,441)	(84,688)	(103,098)	260,910	3,573,253
Right-of-use assets	347,875												347,875
Investment properties	261,670												261,670
Financial assets at fair value through OCI	57,261												57,261
Loan receivables	12,304					31,200				26,208	40,950		110,662
Intangible assets	733												733
	<u>3,824,666</u>												<u>4,351,454</u>
<b>Current assets</b>													
Inventories	22,243												22,243
Loan receivables	—					15,600				12,792	13,650		42,042
Trade and other receivables	134,089												134,089
Financial assets at fair value through profit or loss	181,913												181,913
Pledged deposits	1,268												1,268
Bank balances and cash	<u>200,246</u>	222,488	84,162	85,722	81,822	46,176	(67,380)	(232,011)	102,882	41,262	57,642	(78,273)	<u>544,738</u>
	539,759												926,293
Assets held for sale	<u>79,677</u>												<u>79,677</u>
	<u>619,436</u>												<u>1,005,970</u>

## APPENDIX II

## UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

	As at 30 June 2025	Pro forma adjustments										Pro forma total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Note (1)	Note (2)	Note (3)	Note (4)	Note (5)	Note (6)	Note (7)	Note (8)	Note (9)	Note (10)	Note (11)	Note (12)
<b>Current liabilities</b>												
Trade and other payables	144,306											144,306
Secured bank loans	168,102							23,873			8,066	200,041
Other borrowings	—	22,249										22,249
Lease liabilities	176,241											176,241
	<u>488,649</u>											<u>542,837</u>
<b>Non-current liabilities</b>												
Secured bank loans	730,392							517,486			174,571	1,422,449
Other borrowings	—	200,239										200,239
Lease liabilities	195,037											195,037
	<u>925,429</u>											<u>1,817,725</u>
<b>Net assets</b>	<u>3,030,024</u>											<u>2,996,862</u>
<b>EQUITY</b>												
<b>Equity attributable to shareholders of the Company</b>												
Issued capital	381,639											381,639
Reserves	1,311,802		(7,455)	(8,191)	(18,311)	(2,364)			(1,559)	(4,426)	9,144	1,278,640
	1,693,441											1,660,279
<b>Non-controlling interests</b>	<u>1,336,583</u>											<u>1,336,583</u>
<b>Total equity</b>	<u>3,030,024</u>											<u>2,996,862</u>

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

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*Notes to the Unaudited Pro Forma Financial Information:*

- (1) The amounts are extracted from the unaudited consolidated statement of financial position of the Group as at 30 June 2025 as set out in the published interim report of the Group for the six months ended 30 June 2025.
- (2) The adjustment reflects the sale and leaseback arrangements on two vessels as announced by the Company on 30 June 2025. The increase in cash represents the proceeds received from the disposal of two vessels in amount of CNH203 million (approximately HK\$222.49 million) and the total liabilities increase to reflect the repayment obligations to pay charter hires under the each of charter agreement. Accordingly, the Group's current liabilities will be increased by CNH20.30 million (approximately HK\$22.25 million) and non-current liabilities will be increased by CNH182.70 million (approximately HK\$200.24 million).
- (3) The adjustment reflects the disposal of a vessel at a consideration of US\$10.8 million (approximately HK\$84.24 million) as announced by the Company on 4 July 2025. The decrease in property, plant and equipment represents the unaudited net book value of the vessel of US\$11.75 million (approximately HK\$91.62 million) as of 31 May 2025. Upon delivery of the vessel, the Group would realize an estimated book loss of approximately HK\$7 million.
- (4) The adjustment reflects the disposal of a vessel at a consideration of US\$11 million (approximately HK\$85.8 million) as announced by the Company on 23 July 2025. The decrease in property, plant and equipment represents the unaudited net book value of the vessel of US\$12.04 million (approximately HK\$93.91 million) as of 31 May 2025. Upon delivery of the vessel, the Group would realize an estimated book loss of approximately HK\$8 million.
- (5) The adjustment reflects the disposal of a vessel at a consideration of US\$10.5 million (approximately HK\$81.9 million) as announced by the Company on 6 August 2025. The decrease in property, plant and equipment represents the unaudited net book value of the vessel of US\$12.84 million (approximately HK\$100.13 million) as of 31 May 2025. Upon delivery of the vessel, the Group would realize an estimated book loss of approximately HK\$19 million.
- (6) The adjustment reflects the disposal of a vessel at a consideration of US\$11.93 million (approximately HK\$93.05 million) as announced by the Company on 4 September 2025. Part of the consideration in amount of US\$6 million (approximately HK\$46.80 million) will be payable by the buyer through twelve equal quarterly installments. Accordingly, the Group will recognize loan receivables comprising a non-current portion of US\$4 million (approximately HK\$31.20 million) and a current portion of US\$2 million (approximately HK\$15.60 million). The decrease in property, plant and equipment reflects the vessel's unaudited net book value of US\$12.22 million (approximately HK\$95.34 million) as of 30 June 2025. Upon delivery of the vessel, the Group is expected to record an estimated book loss of approximately HK\$2.4 million.
- (7) The adjustment reflects the acquisition of property as announced by the Company on 29 September 2025. The increase in property, plant and equipment represents the consideration for the property of HK\$67.38 million. The consideration will be financed by internal resources of the Group.
- (8) The adjustment reflects the acquisition of the three vessels as announced by the Company on 30 September 2025. The increase in property, plant and equipment represents the total contract price of the three vessels of US\$99.15 million (approximately HK\$773.37 million). Approximately 70% of the total contract price of the three vessels of US\$69.41 million (approximately HK\$541.36 million) will be paid from a three-year term loan, thus the Group's current liabilities will be increased by US\$3.06 million (approximately HK\$23.87 million) and non-current liabilities will be increased by US\$66.35 million (approximately HK\$517.49 million). The remaining amount of US\$29.74 million (approximately HK\$232.01 million) will be paid from the internal resources of the Group.

- (9) The adjustment reflects the disposal of a vessel at a consideration of US\$13.2 million (approximately HK\$102.96 million) as announced by the Company on 28 October 2025. The decrease in property, plant and equipment represents the unaudited net book value of the vessel of US\$13.39 million (approximately HK\$104.44 million) as of 30 September 2025. Upon delivery of the vessel, the Group would realize an estimated book loss of approximately HK\$1.56 million.
- (10) The adjustment reflects the disposal of a vessel at a consideration of US\$10.3 million (approximately HK\$80.34 million) as announced by the Company on 24 November 2025. Part of the consideration in amount of US\$5 million (approximately HK\$39 million) will be payable by the buyer through twelve quarterly installments. Accordingly, the Group will recognize loan receivables comprising a non-current portion of US\$3.36 million (approximately HK\$26.21 million) and a current portion of US\$1.64 million (approximately HK\$12.79 million). The decrease in property, plant and equipment reflects the vessel's unaudited net book value of US\$10.86 million (approximately HK\$84.69 million) as of 30 September 2025. Upon delivery of the vessel, the Group is expected to record an estimated book loss of approximately HK\$4.4 million.
- (11) The adjustment reflects the disposal of Vessel A at a consideration of US\$14.4 million (approximately HK\$112.32 million) as announced by the Company on 2 December 2025. Part of the consideration in amount of US\$7 million (approximately HK\$54.60 million) will be payable by the buyer through sixteen equal quarterly installments. Accordingly, the Group will recognize loan receivables comprising a non-current portion of US\$5.25 million (approximately HK\$40.95 million) and a current portion of US\$1.75 million (approximately HK\$13.65 million). The decrease in property, plant and equipment reflects the vessel's unaudited net book value of US\$13.22 million (approximately HK\$103.10 million) as of 31 October 2025. Upon delivery of the vessel, the Group is expected to record an estimated book gain of approximately HK\$9.1 million.
- (12) The increase in property, plant and equipment represents the contract price of the Vessel B of US\$33.45 million (approximately HK\$260.91 million). Approximately 70% of the contract price of the Vessel B of US\$23.41 million (approximately HK\$182.64 million) will be paid from a three-year term loan, thus the Group's current liabilities will be increased by US\$1.03 million (approximately HK\$8.07 million) and non-current liabilities will be increased by US\$22.38 million (approximately HK\$174.57 million). The remaining amount of US\$10.04 million (approximately HK\$78.27 million) will be paid from the internal resources of the Group.
- (13) As at 31 October 2025, the Group had unutilized banking facilities of about HK\$562 million. Together with net cash inflows from operating activities, the Group does not require additional loan financing other than those disclosed.
- (14) No adjustment has been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2025 apart from those adjustments as disclosed in notes (2) – (12).



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

**TO THE DIRECTORS OF JINHUI HOLDINGS COMPANY LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Jinhui Holdings Company Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated financial statement of position as at 30 June 2025 and related notes as set out on pages 18 to 23 of the Company's circular dated 23 December 2025 (the "Circular"). The applicable criteria on the basis of which the directors have compiled the unaudited pro forma financial information are described on pages 18 to 23 of the Circular.

The unaudited pro forma financial information has been compiled by the directors to illustrate the impact of the acquisition of a vessel and disposal of a vessel (the "Transactions") and previous sale and leaseback arrangements, acquisition and disposal of vessels and acquisition of a property after 30 June 2025 (the "Previous Transactions") on the Group's financial position as at 30 June 2025 as if the Transactions and Previous Transactions had taken place at 30 June 2025. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's unaudited consolidated interim financial statements for the six months ended 30 June 2025 on which no review report has been published.

**Directors' Responsibilities for the Unaudited Pro Forma Financial Information**

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

**Our Independence and Quality Management**

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

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



**Reporting Accountants' Responsibilities**

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

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

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

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2025 would have been as presented.

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

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

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

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

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

**Opinion**

In our opinion:

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



**Grant Thornton Hong Kong Limited**  
Certified Public Accountants  
11th Floor  
Lee Garden Two  
28 Yun Ping Road  
Causeway Bay  
Hong Kong SAR

23 DEC 2025



**ARROW**

**ARROW ASIA SHIPBROKERS LIMITED**

**箭亞船舶經紀有限公司**

Suite 2007, 20/F, Worldwide House, 19 Des Voeux Road, Central, HK  
Chartering Tel: (852) 2520 0168 SNP Tel: (852) 2520 0701 Facsimile: (852) 2865 9711  
E-mail: [cape@arrowship.com](mailto:cape@arrowship.com) [sandp.hk@arrowship.com](mailto:sandp.hk@arrowship.com) [capeops.asia@arrowship.com](mailto:capeops.asia@arrowship.com)

**PRIVATE & CONFIDENTIAL**

JINHUI HOLDINGS COMPANY LIMITED

**Valuation**

As requested, Arrow Valuations has made an assessment of the key particulars of the vessel stated below (the "**Vessel**") (and other relevant works of reference in its possession) and is able to state that in its opinion the approximate value of the Vessel on 19<sup>th</sup> November 2025 the assumptions set out below and as between a "willing buyer and a willing seller", is:-

<u>Vessel Name</u>	<u>IMO</u>	<u>Key Particulars</u>	<u>Value - US\$</u>
MV JIN BI	9626948	56,361 / Bulk Carrier / 2012 Built by Jiangsu Hantong Ship Heavy Industry Co Ltd (CHINA)	\$14,200,000

**Assumptions**

This valuation is provided on the following assumptions and bases: the Vessel would be in a position to give early delivery, within an acceptable area, free of charter or any contract of employment, for cash payment on normal commercial terms; (ii) the sellers of the Vessel could give delivery of the Vessel free from all registered encumbrances, maritime liens and all debts; (iii) the Vessel has been maintained to standards expected for a ship of her age and type; (iv) the Vessel fully complies with latest IMO/MARPOL/SOLAS requirements, is in a sound trading condition, being fully classed to the requirements of her Classification Society, is free of recommendations and has clean and valid trading certificates, conforming in all respects with the requirements of the appropriate Registry; (v) the 'key particulars' set out in the table above are correct; and (vi) Arrow Valuations has not made a physical inspection of any Vessel nor has it inspected any classification records. Arrow Valuations does not accept responsibility for the accuracy of the assumptions.

### **Use and Sharing**

This valuation is a statement of opinion only and is based on the above assumptions, and is our opinion of the market as of 19<sup>th</sup> November 2025 and should not be taken to apply to any other date. Prior to entering into any transaction in respect of the Vessel you should satisfy yourself (by inspection or otherwise) that the assumptions are appropriate and the 'key particulars' set out above are correct. Arrow Valuations gives no assurance that any above stated value can be sustained or is realizable in an actual transaction. This valuation is given solely for the private internal use of the addressee and is not for publication or circulation other than as permitted by Arrow Valuations' Terms of Business and with prior written consent.

### **Terms of Business**

The Valuation is provided in accordance with, and subject to, Arrow Valuations' Terms of Business. These are available at: <https://arrowship.com/ValuationsTermsofBusiness.pdf>

For and on behalf of  
ARROW VALUATIONS



Benny Wu  
Managing Director  
Date: Hong Kong, 19<sup>th</sup> November 2025





ARROW

ARROW ASIA SHIPBROKERS LIMITED

箭亞船舶經紀有限公司

Suite 2007, 20/F, Worldwide House, 19 Des Voeux Road, Central, HK  
Chartering Tel: (852) 2520 0168 SNP Tel: (852) 2520 0701 Facsimile: (852) 2865 9711  
E-mail: [cape@arrowship.com](mailto:cape@arrowship.com) [sandp.hk@arrowship.com](mailto:sandp.hk@arrowship.com) [capeops.asia@arrowship.com](mailto:capeops.asia@arrowship.com)

Jinhui Holdings Company Limited  
26<sup>th</sup> Floor Yardley Commercial Building  
1-6 Connaught Road West  
Hong Kong

Dear Sir or Madam,

Re: Valuation Report of MV "JIN BI" for inclusion in the circular of  
Jinhui Holdings Company Limited regarding the disposal of the vessel

We refer to the circular to be dated 23<sup>rd</sup> December 2025 (the "Circular") in connection with the major transaction in relation to the disposal of the vessel of MV "JIN BI", registered in Hong Kong.

We, ARROW VALUATIONS, a professional valuer, has been appointed by Jinhui Holdings Company Limited to conduct the valuation of bulk carrier, MV "JIN BI" to prepare and issue valuation report of respective vessel (the "Valuation Report") for inclusion in the Circular to be published by Jinhui Holdings Company Limited.

We hereby confirm that we do not have any shareholding in Jinhui Holdings Company Limited, a company listed on The Stock Exchange of Hong Kong Limited, or any member of the Group, including Jinhui Shipping and Transportation Limited or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and had no direct or indirect interest in any assets acquired or disposed of by or leased to any members of the Group or was proposed to be acquired or



disposed of by or leased to any member of the Group since 31 December 2024, being the date to which the latest published audited accounts of the Company was made up.

We hereby consent to the issue of this circular which is expected to be dated 23<sup>rd</sup> December 2025, with the inclusion of the Valuation Report and its expert's statement included in the form and context in which they respectively appear.

For and on behalf of  
ARROW VALUATIONS

A handwritten signature in black ink, appearing to be 'Benny Wu', with a stylized, cursive script.

Benny Wu  
Managing Director  
Date: 18 December 2025



Grant Thornton  
致同

Our ref: CS/JLCW/100029/M102952

**PRIVATE AND CONFIDENTIAL**

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

23 DEC 2025

**Grant Thornton  
Hong Kong Limited**

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中國香港銅鑼灣  
恩平道28號利園二期11樓  
電話 +852 3987 1200  
傳真 +852 2895 6500

Dear Sirs,

**Jinhui Holdings Company Limited (the "Company") and its subsidiaries  
(the "Group")  
Major Transactions in relation to acquisition of a vessel and disposal of a vessel**

**Consent Letter**

We refer to the circular dated 23 DEC 2025 in connection with the major transactions in relation to acquisition of a deadweight 64,500 metric tonnes type bulk carrier to be delivered on or before 31 October 2028 and disposal of a deadweight 56,361 metric tonnes type bulk carrier to be delivered between 15 December 2025 and 30 January 2026 (the "Circular") and a copy of which is attached and initialled by us on its front cover for identification purposes.

We hereby consent to the issue of the Circular with the inclusion of our independent reporting accountant's assurance report on the compilation of unaudited pro forma financial information of the Group dated 23 DEC 2025, and the references to our name in the form and context in which they are included.

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

Yours faithfully,

**Grant Thornton Hong Kong Limited**

**Certified Public Accountants**

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[www.grantthornton.cn](http://www.grantthornton.cn)



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

Date: 20 November 2025

Dear Sirs,

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

FAIRLINE CONSULTANTS LIMITED, incorporated in the British Virgin Islands, being the shareholder of the Company who holds 205,325,568 issued shares (approximately 38.72% of the total issued shares of the Company) and 409,099 issued shares of Jinhui Shipping and Transportation Limited (“Jinhui Shipping”) (approximately 0.37% of the total issued shares of Jinhui Shipping) as at date of this letter. Mr. Ng Siu Fai, Chairman and executive director of the Company, is the beneficial owner holding 51% of FAIRLINE CONSULTANTS LIMITED.

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

Mr. Ng Siu Fai and Mr. Ng Kam Wah are brothers and the two founders of the Group. FAIRLINE CONSULTANTS LIMITED and TIMBERFIELD LIMITED, being a closely allied group of shareholders, together hold 342,209,280 shares which represent a controlling interests of approximately 64.53% of the total issued shares of the Company and voting rights in general meetings of the Company and 669,099 issued shares of Jinhui Shipping (approximately 0.61% of the total issued shares of Jinhui Shipping) as at date of this letter.

Under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as one or more of the applicable percentage ratios defined under the Listing Rules in respect of the Disposal of the Vessel, in aggregate, exceed 25% but less than 75%, the Disposal of the Vessel constitute a major transaction of the Company under Chapter 14 of the Listing Rules

FAIRLINE CONSULTANTS LIMITED and TIMBERFIELD LIMITED are not interested in the Disposal of the Vessel, other than through its shareholding interest in the Company and Jinhui Shipping as aforesaid.

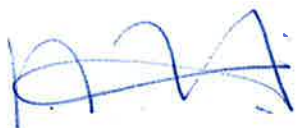
FAIRLINE CONSULTANTS LIMITED and TIMBERFIELD LIMITED, hereby irrevocably and unconditionally approve the Disposal of the Vessel on the respective terms of the agreement, copy of which is attached thereto.

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

Yours faithfully

For and on behalf of

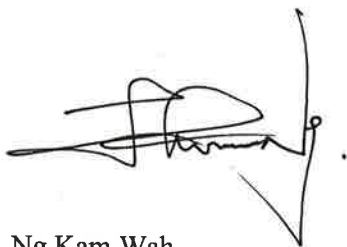
**Fairline Consultants Limited**



Ng Siu Fai  
Authorized Signature

For and on behalf of

**Timberfield Limited**



Ng Kam Wah  
Authorized Signature

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

Date: 8 December 2025

Dear Sirs,

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

FAIRLINE CONSULTANTS LIMITED, incorporated in the British Virgin Islands, being the shareholder of the Company who holds 205,325,568 issued shares (approximately 38.72% of the total issued shares of the Company) and 409,099 issued shares of Jinhui Shipping and Transportation Limited (“Jinhui Shipping”) (approximately 0.37% of the total issued shares of Jinhui Shipping) as at date of this letter. Mr. Ng Siu Fai, Chairman and executive director of the Company, is the beneficial owner holding 51% of FAIRLINE CONSULTANTS LIMITED.

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

Mr. Ng Siu Fai and Mr. Ng Kam Wah are brothers and the two founders of the Group. FAIRLINE CONSULTANTS LIMITED and TIMBERFIELD LIMITED, being a closely allied group of shareholders, together hold 342,209,280 shares which represent a controlling interests of approximately 64.53% of the total issued shares of the Company and voting rights in general meetings of the Company and 669,099 issued shares of Jinhui Shipping (approximately 0.61% of the total issued shares of Jinhui Shipping) as at date of this letter.

Under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as one or more of the applicable percentage ratios defined under the Listing Rules in respect of the Acquisition of the Vessel, in aggregate, exceed 25% but less than 75%, the Acquisition of the Vessel constitute a major transaction of the Company under Chapter 14 of the Listing Rules

FAIRLINE CONSULTANTS LIMITED and TIMBERFIELD LIMITED are not interested in the Acquisition of the Vessel under the Shipbuilding Contract, other than through its shareholding interest in the Company and Jinhui Shipping as aforesaid.



FAIRLINE CONSULTANTS LIMITED and TIMBERFIELD LIMITED, hereby irrevocably and unconditionally approve Acquisition of the Vessel on the respective terms of the Shipbuilding Contract, copy of which are attached thereto.

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

Yours faithfully

For and on behalf of


**Fairline Consultants Limited**



Ng Siu Fai  
Authorized Signature

For and on behalf of

**Timberfield Limited**



Ng Kam Wah  
Authorized Signature