

NOVATION AGREEMENT
(Hull No. AA007M)

THIS NOVATION AGREEMENT (hereinafter called the "**AGREEMENT**") is made and is effective as of the 27th day of May, 2022 by and among:

- (1) **ASL Shipping, Limited**, a company duly organized and existing under the laws of Hong Kong, having its registered office at 15F, FOO HOO Centre 3 Austin Avenue Tsim Sha TSui Kowloon, Hong Kong, the People's Republic of China(hereinafter called the "**ORIGINAL BUYER**");
- (2) **CA Shipping Company Limited**, a company duly organized and existing under the laws of Hong Kong with company number 3152717, having its registered office at 1801, 18/F, Worldwide House, 19 Des Voeux Road Central, Hong Kong, or its nominee (hereinafter called the "**NEW BUYER**"); and
- (3) **Wuchang Shipbuilding Industry Group Co., Ltd.**, a corporation organized and existing under the Laws of the People's Republic of China, having its registered office at 138 Yangda Road, Xinzhou District, Wuhan, Hubei Province, the People's Republic of China (hereinafter called the "**SELLER**").

WHEREAS:

- A. By a Shipbuilding Contract dated 31st March, 2022, entered into by the SELLER and the ORIGINAL BUYER for the construction of One (1) 1100TEU Container Vessel having the BUILDER's Hull No. AA007M (hereinafter called the "**VESSEL**") and by the Specifications and plans for the VESSEL that have been agreed upon between the SELLER and the ORIGINAL BUYER up to the date of this AGREEMENT (hereinafter collectively called the "**SHIPBUILDING CONTRACT**"), the SELLER agreed to design, build, launch, equip and complete the VESSEL and to deliver and sell the VESSEL to the ORIGINAL BUYER, and the ORIGINAL BUYER agreed to accept delivery of and purchase the VESSEL pursuant to the terms and conditions set out in the SHIPBUILDING CONTRACT; and
- B. The ORIGINAL BUYER and the NEW BUYER have agreed that the NEW BUYER shall assume all the rights, title, benefit and all obligations of the ORIGINAL BUYER under the SHIPBUILDING CONTRACT and the SELLER is willing to agree to the substitution of the NEW BUYER in the place of the ORIGINAL BUYER in relation to said rights, title, benefit and obligations and to the release of the ORIGINAL BUYER in respect thereof subject to and upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, for various considerations, receipt and sufficiency thereof being hereby expressly acknowledged by each of the Parties hereto, the parties hereto have agreed as follows:

1. Novation

1.1 Subject to all terms and conditions set out herein and with effect from the Effective Date hereof and in consideration of the premises:

- (a) The SELLER, the ORIGINAL BUYER and the NEW BUYER hereby agree that the NEW BUYER shall be substituted in the place of the ORIGINAL BUYER as party to the SHIPBUILDING CONTRACT and as the buyer of the VESSEL under the SHIPBUILDING CONTRACT and the SHIPBUILDING CONTRACT shall henceforth be construed and treated in all respects as if the NEW BUYER had been named therein as the buyer instead of the ORIGINAL BUYER;
- (b) The NEW BUYER hereby agrees with the SELLER that the NEW BUYER shall duly and punctually perform and discharge all liabilities and obligations whatsoever from time to time to be performed or discharged by it under or by the SHIPBUILDING CONTRACT in all respects as if the NEW BUYER had been named therein as the buyer instead of the ORIGINAL BUYER. In addition, the NEW BUYER agrees to perform and discharge all uncompleted liabilities and obligations of the ORIGINAL BUYER that may still be outstanding on the date of this AGREEMENT;
- (c) The SELLER hereby agrees with the NEW BUYER that the SELLER shall be bound by the terms of the SHIPBUILDING CONTRACT in all respects as if the NEW BUYER had been named therein as the buyer instead of the ORIGINAL BUYER. The NEW BUYER and the ORIGINAL BUYER jointly assure the SELLER that no further or additional obligations or liabilities shall be imposed on the SELLER by virtue of this AGREEMENT other than those previously and expressly assumed by the SELLER under the SHIPBUILDING CONTRACT and those assumed herein;
- (d) In consideration of the covenant of the NEW BUYER contained in Clause 1.1 (b) above, the SELLER hereby releases and discharges the ORIGINAL BUYER from further performance of the SHIPBUILDING CONTRACT and from all liabilities and obligations to the SELLER under the SHIPBUILDING CONTRACT;
- (e) The SELLER is hereby released and discharged from all liabilities and obligations to the ORIGINAL BUYER under the SHIPBUILDING CONTRACT;
- (f) All payments made by the ORIGINAL BUYER to the SELLER under the SHIPBUILDING CONTRACT prior to this AGREEMENT shall be considered to have been made by the NEW BUYER;
- (g) Property in all the BUYER's supplies delivered by the ORIGINAL BUYER to the SELLER under the SHIPBUILDING CONTRACT prior to this AGREEMENT, if any, shall pass to the NEW BUYER;

2. By reason of and pursuant to the above novation of the SHIPBUILDING CONTRACT to the NEW BUYER, the SELLER and the NEW BUYER hereby agree to amend, as of this



AGREEMENT, the name and address of the Buyer described in Article XVII of the SHIPBUILDING CONTRACT as follows:

To the BUYER: CA Shipping Company Limited, or its nominee

Address: 1801, 18/F, Worldwide House, 19 Des Voeux Road Central, Hong Kong

Fax No. : 00 852-2796 5268

Email: yangjn@csscshipping.com; daisy.wang@logistics-asl.com

3. Representations and Warranties

3.1 Each of the parties hereto hereby represents and warrants that (i) it has full power, authority and legal rights to enter into, and has taken all corporate and other action necessary to execute and deliver this AGREEMENT and to perform and observe the terms and conditions hereof and of the SHIPBUILDING CONTRACT as novated hereby and (ii) its obligations hereunder, or those which it is contemplated herein it will assume, constitute or, as the case may be, will constitute its legal, valid and binding obligations.

3.2 The NEW BUYER hereby accepts all terms and conditions, agreements, alterations and modifications of the SHIPBUILDING CONTRACT and the Specifications and plans for the Vessel that have been agreed between the ORIGINAL BUYER and the SELLER up to the date hereof, if any.

3.3 The SELLER and the ORIGINAL BUYER hereby represent and warrant to the NEW BUYER that there exist no other agreements between the SELLER and the ORIGINAL BUYER which relate to the SHIPBUILDING CONTRACT prior to the signing of this AGREEMENT.

4. Governing Law and Dispute Resolution

This AGREEMENT shall be governed by and construed in accordance with the laws of England. Any disputes arising out of or by virtue of this AGREEMENT shall be referred to arbitration as provided for in Article XIII (DISPUTES AND ARBITRATION) of the SHIPBUILDING CONTRACT.

5. Counterparts

This AGREEMENT may be signed in any number of counterparts. Any single counterpart or set of counterparts signed by all the parties hereto shall constitute a full and original agreement for all purposes.



6. OTHER TERMS AND CONDITIONS UNCHANGED AND SAME CONTRACT

Save as expressly varied by this AGREEMENT, all other terms and conditions of the SHIPBUILDING CONTRACT shall remain unchanged and in full force and effect in accordance with the terms and conditions thereof.

The Parties agree that the NEW BUYER may nominate a fully owned subsidiary to perform the SHIPBUILDING CONTRACT without the prior written consent of the SELLER provided that a further novation agreement shall be entered into by the relevant parties.

[Signature page to follow]



IN WITNESS WHEREOF, the parties have caused this AGREEMENT to be executed and delivered by their respective duly authorized representatives on the day and year first above written.

ORIGINAL BUYER:

ASL SHIPPING, LIMITED

By: 

Name: Yang Xiangdong
Title: Attorney-in-fact

NEW BUYER:

CA Shipping Company Limited

By: 

Name: Yang Xiangdong
Title: Attorney-in-fact


Hong Changbao
Director

THE SELLER:

Wuchang Shipbuilding Industry Group Co., Ltd.

By: 

Name: Tian Jun
Title: Attorney-in-fact