

SECOND SCHEDULE

PAYMENT AND RETENTION MONEY

PART A

PAYMENT OF THE PURCHASE PRICE

1. The purchase price which is the total contract value at time of signing contract agreement shall be paid to the contractor by instalment in accordance with the General Conditions.
2. Each instalment shall be of the percentage of the purchase price set out below.
3. Invoice for instalment payment shall be sent to Marine Department of the Hong Kong Special Administrative Region of the People's Republic of China by Contractor after Marine Department officers have inspected the work completion to their satisfaction. **Payment will be made in accordance with the terms and conditions stipulated in General Conditions (Clause 14 (3)(a)).**
4. If, at the Contractor's request, payment is to be made to the Contractor's overseas bank account, the overseas bank charges would be borne by the Contractor.

Instalment	Percentage of Purchase Price
First instalment shall be payable within 30 days after the signing of the agreement; and upon receipt of invoice and the irrevocable guarantee.	10
Second instalment shall be payable on completion of the Vessel before the Delivery, and upon receipt of invoice and the irrevocable guarantee.	40
Third instalment shall be payable on delivery of the Vessel and documents to the Government in accordance with Clause 10 of the General Conditions, and upon receipt of invoice.	50

PART B

RETENTION OF MONEY WITHHELD BY GOVERNMENT

The total retention money withheld by the Government shall be 5% of the purchase price. In accordance with Clause 14(6) of the General Conditions, the Government shall retain and withhold from each instalment the sum of money specified in the table below.

Instalment	Money retained by Government (% of total retention money)
First	10
Second	40
Third	50

THIRD SCHEDULE

IRREVOCABLE GUARANTEE

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The irrevocable guarantee should be of an amount matching the instalment paid by the Government of the Hong Kong Special Administrative Region of the People's Republic of China and issued by a licensed bank in Hong Kong under Clause 15 of the General Conditions of Contract.

These Irrevocable Guarantees must be provided to each instalment (i.e. first and second instalments) to be made by the Government of the Hong Kong Special Administrative Region of the People's Republic of China.

Alternatively, the irrevocable guarantee might not be required if no payment has been made by the Government of the Hong Kong Special Administrative Region of the People's Republic of China before the delivery of the Vessel.

FOURTH SCHEDULE

LIQUIDATED DAMAGES FOR BREACH OF CONTRACT

PART A

The Contractor shall pay to the Government of the Hong Kong Special Administrative Region of the People's Republic of China **Hong Kong Dollars One Thousand (HK\$1,000)** for each day or part thereof if the Contractor fails to deliver the Vessel on or before the delivery date specified in the Agreement to the Government under Clause 12 of the General Conditions.

If the delay is more than 120 calendar days and without any valid reason which is acceptable to the Director, the Government of the Hong Kong Special Administrative Region of the People's Republic of China shall be entitled to terminate the contract in accordance with the terms of the General Conditions.

PART B

The Contractor shall pay to the Government of the Hong Kong Special Administrative Region of the People's Republic of China **Hong Kong Dollars One Hundred (HK\$100)** for each day or part thereof if the Contractor fails to deliver the documents on or before the delivery date specified in the Agreement to the Government under Clause 12A of the General Conditions.