Unofficial Translation

Application for the Recognition and Enforcement of the Foreign Arbitral Award between Gibraltar ▪ White Bear Limited and China ▪ Jiangdu Yahai Shipbuilding Company Limited

Civil Ruling by the Wuhan Maritime Court of the People's Republic of China (2006) Wu Hai Fa Ta Zi No. 3

Applicant: Gibraltar ▪ White Bear Limited
Legal Representative: Jean-Pierre Wyss
Attorney: Hu Zhengliang, lawyer of Shanghai Sloma & Co Law Firm
Attorney: Liang Wenhui, lawyer of Shanghai Sloma & Co Law Firm

Respondent: China ▪ Jiangdu Yahai Shipbuilding Company Limited (known as Jiangdu Yuehai Shipbuilding Company Limited)

An application for the recognition and enforcement of the foreign arbitral award between Applicant White Bear Limited ("White Bear") and Respondent Jiangdu Yahai Shipbuilding Company Limited ("Yahai") was filed by Applicant White Bear to this court on 6 April 2006. We accepted the case on 18 April and formed a collegial panel consisting of Judges Zhang Jiangshun and Du Xinglin and Acting Judge Zhang Sihua. We issued a Notice of Appearance to the Respondent by mail on 24 April 2006 and the Respondent signed the notice after receiving it. The Respondent did not file any written reply within the designated period. This case has been closed.

On 12 January 2001, the Applicant and the Respondent entered into a ship building agreement (the "Agreement") which is numbered JD46000-1. According to the Agreement, the Applicant commissioned the Respondent to build a tanker. Afterwards, the Applicant made a partial payment for the ship building to the Respondent; however, the Respondent did not deliver the ship in accordance with the Agreement. As such, the Applicant filed for an arbitration in London, United Kingdom and the arbitration was presided by a sole arbitrator, Timothy Marshall. The outcome of the final arbitral award was as follows:

I. The Buyer has the right to terminate the Agreement in accordance with Article 3 (1)(C) of the Agreement.

II. The Buyer may terminate the Agreement on 15 February 2005.

III. The Seller shall pay the Buyer US$7,350,000 plus the interest as stipulated in the Agreement. Through this calculation, as of the effective date of the arbitral award, the interest amounted to US$968,168.43. Until the payment is effected, the interest shall be calculated at the rate of US$1000.81 per day.

IV. The Seller shall bear and pay the fees it is responsible for and pay the recoverable expenses in accordance with customary practice. The sole arbitrator reserves the right to adjudge these fees, if necessary. In addition, the Seller shall bear the arbitration fee of £2750. If the Buyer had prepaid such arbitration fees and accepts this award, then it may require the Seller to immediately compensate it for the prepaid fees. From the payment date of arbitration fees to the date of compensation, compound interests shall also be applied at a rate of 6.5% per annum, which will be calculated every three months.

Through examination by this court, disputes in relation to the ship building agreement between the Applicant and the Respondent arise under a contractual commercial legal relationship according to Chinese law. Since the arbitral award was rendered in the United Kingdom and the United Kingdom and China are Contracting States to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, then the Convention should thus apply to this case. Furthermore, this case does not give rise to any grounds for refusing recognition as prescribed under Article V of the Convention and the Respondent did not present any challenges and so the arbitral award should be recognized. According to Articles 269 and Article 140(1)(11) of Civil Procedure Law of the People's Republic of China, we hereby rule as follows:

Recognize the effectiveness of the arbitral award numbered JD46000-1 regarding the ship building agreement dispute between the Applicant White Bear and the Respondent Yahai, which was rendered by the sole arbitrator Timothy Marshall.

Chief Judge: Zhang Jiangshun
Judge: Du Xinglin
Acting Judge: Zhang Sihua
16 June 2006
Clerk: Yu Jin