

SALES CONTRACT (FOB)

Contract Number HJ17120005

Conclusion Date of Contract Dec,21st , 2017

Conclusion Place of Contract: Xiamen, China

The Buyer:

Country of Registration Saudi

Address:

Tel: +353 1 454 4444

Fax: 011 31 20 612 2411

The Seller: Xiamen King Long United Automotive Industry Co., Ltd

Country of Registration: P. R. China

Address: No.9 King Long Road, Jimei District, Xiamen 361023 Fujian P R China

Tel: +86-592-6370929

Fax: +86-592-6370896

The Buyer and the Seller, through friendly negotiation, have decided to sign this Contract on a basis of FOB and agreed on the terms and conditions as follows:

1. Commodity, Specification, Quantity, Unit Price and Total Price

Commodity and Model	Specification & description	QTY (Unit)	Unit Price (USD) (FOB Xiamen)	Total Price (USD) (FOB Xiamen)
XM06127GS	XM06127GS, YUCHAI engine YC6L280-30, 33+2+1 seats, Model Year 2019 Detailed specification as per Annex A: XM06127GS YC6L280-30 engine spec(low entry)	149 Unit		U
Total Amount		US\$		

Total amount: Say US Dollars:

11 In the event the Buyer applies for any modification on the model specification or configuration or other natures of the commodity after the conclusion of this Contract, such an application shall be reviewed and approved by the Seller. Any cost arising from such modification (including but not limited to the seller's costs) shall be borne by the Buyer.

2. Country of Origin and Country of Manufacture P. R. China

3. Shipping Mark: N/M

4. Date ready for Shipment

4.1 Date ready for Shipment:

The estimated date ready for shipment will be Apr. 12th, 2018 in Xiamen Seaport, on the condition that the spec is confirmed and the contract is signed by the Buyer and the Seller dated on Dec 25th, 2017.



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4.2 Port of Shipment: Xiamen Seaport, China

4.3 Port of Destination: Jeddah Seaport, Saudi Arabia

5. Payment Terms

5.1 The buyer shall establish in favor of the Seller an irrevocable Letter of Credit available by 150 days deferred payment after the date of receipt of the documents at the counter of the issuing bank, issued by an international first bank, by swift in the amount of 100% above mentioned Total Amount, and the acceptable Letter of Credit shall arrive to the Seller before Mar, 10th, 2018.

5.2 The Letter of Credit shall remain valid in China until the 21st day after shipment. The contents of the Letter of Credit shall be reviewed and approved by the Seller before issued. The statement of "this credit is subject to the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600" shall be contained in the Letter of Credit.

5.3 Notwithstanding the above, if for any reason whatsoever a payment is not timely made by means of a letter of credit, the Buyer shall still be obligated to make such payment immediately by T/T upon receiving either the copy of B/L or the Commodity. The Buyer hereby agrees to make all payments when due for any and all Commodities purchased by the Buyer under this Contract regardless of any offset or claim which the Buyer might otherwise be entitled to assert. Such agreement will be without prejudice to the Buyer's right to pursue any claim or remedy against the Seller under this Contract.

5.4 Bank Information of the Seller as follows

5.4.1 If opening the Letter of Credit through BANK OF CHINA

Beneficiary Name

XIAMEN KING LONG UNITED AUTOMOTIVE INDUSTRY CO., LTD.

ADD: NO.9 KING LONG ROAD, JIMEI, XIAMEN 361023, FUJIAN, CHINA

Beneficiary Bank : Bank of China, Xiamen Branch

SWIFT CODE: BKCHCNBJ73A

Beneficiary A/C No. 427358385523

5.4.2 If opening the Letter of Credit through CREDIT AGRICOLE CIB (CHINA) LIMITED

Beneficiary Name

XIAMEN KING LONG UNITED AUTOMOTIVE INDUSTRY CO., LTD.

ADD: NO.9 KING LONG ROAD, JIMEI, XIAMEN 361023, FUJIAN, CHINA

Beneficiary Bank : CREDIT AGRICOLE CIB (CHINA) LIMITED

SWIFT CODE: CRLYCNSH

Beneficiary A/C No. 21012926140000

5.5 The Buyer agrees, the receivables with all rights, claims, title, interest and benefit under this Contract shall be transferable for the Seller's consideration.

The Buyer hereby agrees to make all payments when due for any and all Commodities purchased by the Buyer under this Contract regardless of any offset or claim which the Buyer might otherwise be entitled to assert.

The Seller remains the ownership of the commodities here-under until the Buyer has made full and complete payment, including any and all prices, insurance premiums and interests. The retention of title also extends to products that have been processed, combined, or resold (extended retention of title) and that contain the products



subject to retention of title.

6. Documents Required

The following documents shall be prepared by the Seller and submitted to the Buyer:

- 1) Bill of Lading: 3 copies
- 2) Commercial Invoice: 3 copies
- 3) Packing List: 3 copies
- 4) Others documents required as below:
Certificate of origin: 1 original and 2 copies.

7. Package and Shipment Notice

7.1 Packaging: Nude packing

7.2 Notices from the Buyer

The Buyer shall book shipping space in accordance with the shipment time stipulated in this Contract. The Seller shall, at least fifteen (15) days before the date of shipment stipulated in this Contract, advise the buyer by fax or email of the Contract number, the name of the commodity, the quantity, the total amount and the date when the goods will be ready for shipment at the port of shipment. The Buyer shall, at least fifteen (15) before the estimated date of arrival of the vessel at the port of shipment, notify the Seller of the name of the vessel, the estimated date of arrival and the Contract number so that the Seller can make preparations for the shipment. In case of any change to the carrying vessel or the date of arrival, the Buyer shall give a timely notice to the Seller, however, which notice shall be not later than seven (7) days prior to the scheduled date of arrival. Should the vessel fails to arrive at the port of shipment within three (3) days after the arrival date advised by the Buyer, the Buyer shall bear all actual expenses caused, including but not limited to the storage expenses and interest charges, without prejudice to any other claims of the Seller under this Contract and the terms of the Incoterms 2000.

7.3 Notices from the Seller

The Seller shall, within three (3) working days upon the completion of the loading of the goods, provide the Buyer with a notice of shipment by fax or email. The notice shall include the Contract number, name of commodity, quantity, invoiced value, bills of lading number, sailing date and the estimated date of arrival at the port of destination.

8. Insurance

Insurance shall be procured by the Buyer.

9. Guarantee of Quality

9.1 The Seller shall guarantee that the commodity is consistent with the quality, specifications and performance required in this Contract. The quality standard of commodity is subject to the relevant standard at the time taken by the Seller's country.

9.2 Warranty Claim Policy: 3 years or 300,000 KM whichever comes first, the detailed warranty conditions shall be subject to the terms and conditions specified in ANNEX B: KING LONG OVERSEAS WARRANTY POLICY.

The engine warranty period shall be subjected to warranty policy of engine manufacturer.

9.3 In the event there is any mandatory regulation in force on the commodity in the Buyer's country with respect to



quality, technology or other nature of the commodity, the Buyer shall, before signing this Contract, provide such regulations in writing to the Seller and get a final confirmation. Otherwise, it shall be deemed that there are no such mandatory regulations. Any loss or liability caused shall be borne by the Buyer.

10. Intellectual Property Rights

No intellectual property rights are being transferred, licensed, or otherwise given to the Buyer in this Contract. These rights are the exclusive property of the Seller, and the Buyer has no right in the intellectual property rights connected with the commodity. The Buyer covenants not to infringe on the Seller's intellectual property rights.

11. Force Majeure

11.1 Neither party shall be held responsible for failure or delay to perform any or all parts of this Contract due to flood, earthquake, war, hurricane, or any other events that are beyond the control of the affected party and could not reasonably be expected at the time of concluding this Contract or be avoided or overcome by such party. However, the affected party shall immediately give a written notice to the other party of the occurrence of the Force Majeure event, and provide a certificate or document issued by the relative authority certifying the occurrence of such a Force Majeure event. Under such circumstance, the deadline of the parties' obligation performance in this Contract shall be automatically extended for a period that is equal to the delayed time due to the Force Majeure event.

11.2 If the event of Force Majeure continues for more than forty-five (45) days, both parties shall negotiate for an agreement on the performance or termination of this Contract. If such an agreement can not be reached within three (3) months after the Force Majeure occurrence, each party shall have the right to terminate this Contract. Under such circumstance, each party shall bear its own costs, and shall not claim for any compensation due to such a termination.

11.3 Notwithstanding the above, under no circumstance shall the Buyer release its payment obligation due under this Contract.

12. Claims

12.1 Should the quality, quantity, specification or other natures of the commodity be found inconsistent with the requirements in this Contract, except those claims for which the insurance company or the owners of the vessel are liable, the Seller agrees to examine any claim, which shall be supported by a report issued by a reputable surveyor approved by the Seller. The claims concerning quality shall be made in writing within two months after the arrival of the commodity at the destination port. The claims concerning quantity, the specification or other natures of the commodity shall be made in writing within fifteen days after the arrival of the goods at the destination port.

12.2 In the event the claims fail to be made by the Buyer within the said period, it shall be deemed the quality, quantity, specifications, outer appearance, colors or other natures of the commodity is consistent with this Contract, and the commodity is accepted by the Buyer.

12.3 According to the clause 9.2 stipulated in this sales contract or the After-sales Service Agreement signed by both parties, any quality problem of the Commodities under this sales contract should be raised through KING LONG's after-sales service system, and the Seller should settle the problem According to King Long Overseas Warranty Policy. Meanwhile the Buyer couldn't refuse to make the payment when due in the cause of the quality problems.



12.4 In no event shall the Seller be liable for profit loss, injury to goodwill or any other special, indirect, incidental, consequential, and exemplary or punitive damages. The Seller's liability for any and all losses and damages of whatever nature resulting from any cause shall not exceed the contract price of the subject commodity in respect of which the claims are made. The Seller may take other measures to satisfy the Buyer, such as the repair or replacement of the same commodity.

13. Indemnity

13.1 Failure to Timely Open the Letter of Credit

In the event the Buyer due to reasons within its responsibility fails to open the Letter of Credit on time as stipulated in Article 5.1 of this Contract, unless the parties agreed on a grace period, the Buyer shall pay an overdue interest to the Seller. The interest shall be charged at the rate of 1‰ (one per mille) of the amount of the Letter of Credit for every seven (7) days of delay. Any fractional days less than seven (7) days shall be deemed to be seven (7) days for the calculation of penalty. Total interest should not exceed 5% (five percent) of total value of contract.

13.2 Failure to timely ship buses

In the event the Seller due to reasons within its responsibility fails to finish the goods production ready for shipment as stipulated in this Contract, unless the parties agreed on a grace period, the Seller shall pay an overdue interest to the Buyer. The interest shall be charged at the rate of 1‰ (one per mille) of the total value of the contract for every seven (7) days of delay. Any fractional days less than seven (7) days shall be deemed to be seven (7) days for the calculation of penalty. Total interest should not exceed 5% (five percent) of total value of contract. Notwithstanding the foregoing, if the timely shipment failure is caused due to the Buyer's reason, including but not limited to the delay to pay the payment due, the delay to arrange the shipment or any other reason not within the Seller's responsibility, it shall not be deemed as a breach of the Seller and all the related losses and costs herein above shall be borne by the Buyer.

13.3 Delay in payment

If the Buyer fails to pay any amount when due to reasons within its responsibility, the Buyer shall be liable to pay the Seller such unpaid amount plus overdue interest. The interest rate shall be calculated as per 1‰ (one per mille) for seven (7) days from the due to the actual payment date. Total interest should not exceed 5% (five percent) of total value of contract.

13.4 Return or rejection of commodity without due excuse

In case of return or rejection of commodity without due excuse, the Seller will dispose the commodity at its own discretion. The Buyer shall bear any cost occurred therefore, and be liable for all losses and damages caused to the Seller. For the avoidance of doubt, if the Buyer fails to book shipping space or any notice obligations as stipulated in Clause 7.2 and therefore the commodity shipment is delayed for more than 20 days, such failure of the Buyer may be deemed as a rejection of commodity, without any prejudice to the rights of the Seller under this Contract.

14. Termination

14.1 Except as provided otherwise, this Contract may be terminated in either of the following cases:

- (1) Through mutual written agreement by both parties;
- (2) If one party for reasons solely within its responsibility breaches this Contract and fails to eliminate or remedy such breach within fifteen (15) days upon the receipt of written notice thereof from the non-breaching party. In such case



P5(6)

the non-breaching party shall be entitled to terminate this Contract by written notice, and the termination shall be effective upon the receipt of such notice.

14.2 Termination does not affect any right of the terminating party including but not limited to its right to claim compensation for damages.

15. Miscellaneous

15.1 Title retention

The Seller remains the ownership of the commodities hereunder until the Buyer has made full and complete payment, including any and all prices, insurance premiums and interests. The Buyer shall not transfer the ownership of the commodities to any third party or establish any security interests (including but not limited to mortgage, liens) on the commodities, before the Seller receives full and final payment of the Total Contract Amount plus interests herein from the Buyer. Once the Buyer fails to pay any installment hereof when due, the Seller shall be entitled to request the Buyer to return the commodities. The retention of title also extends to products that have been processed, combined, or resold (extended retention of title) and that contain the products subject to retention of title.

15.2 Any annex shall form an integral part of this Contract.

15.3 Any modification of this Contract shall be duly signed by authorized representative of both parties.

15.4 This Contract shall form an integral part of the Exclusive Distributorship Agreement signed by both parties on the 29th day of July, 2013. In case of any discrepancy in terms between both documents, this Contract shall prevail.

15.5 This Contract shall be effective after its being duly signed by authorized representatives of both parties, and remain in force until any and all obligations under this Contract are actually performed. This contract will be signed in two originals, one for each party. The faxed copy should have the same effect with original one.

Annex A XMQ6127GS YC6L280-30 engine spec(low entry)

Annex B KING LONG OVERSEAS WARRANTY POLICY

The Buyer:

Signed by: 

Name: _____ Title: _____

The Seller:

Signed by: 

Name: _____

Title: _____

