



CHINA RE

华泰保险经纪有限公司

HUATAI INSURANCE AGENCY & CONSULTANT SERVICE LTD.

Circular Ref No.: PNI1305

Date: 13 Dec 2013

Dear Sir/Madam,

Subject: Update on Expanding of Local Fishery Farms Which Brings Danger to Safe Navigation of Vessels at Lanshan port, China ---- Follow-up Advice

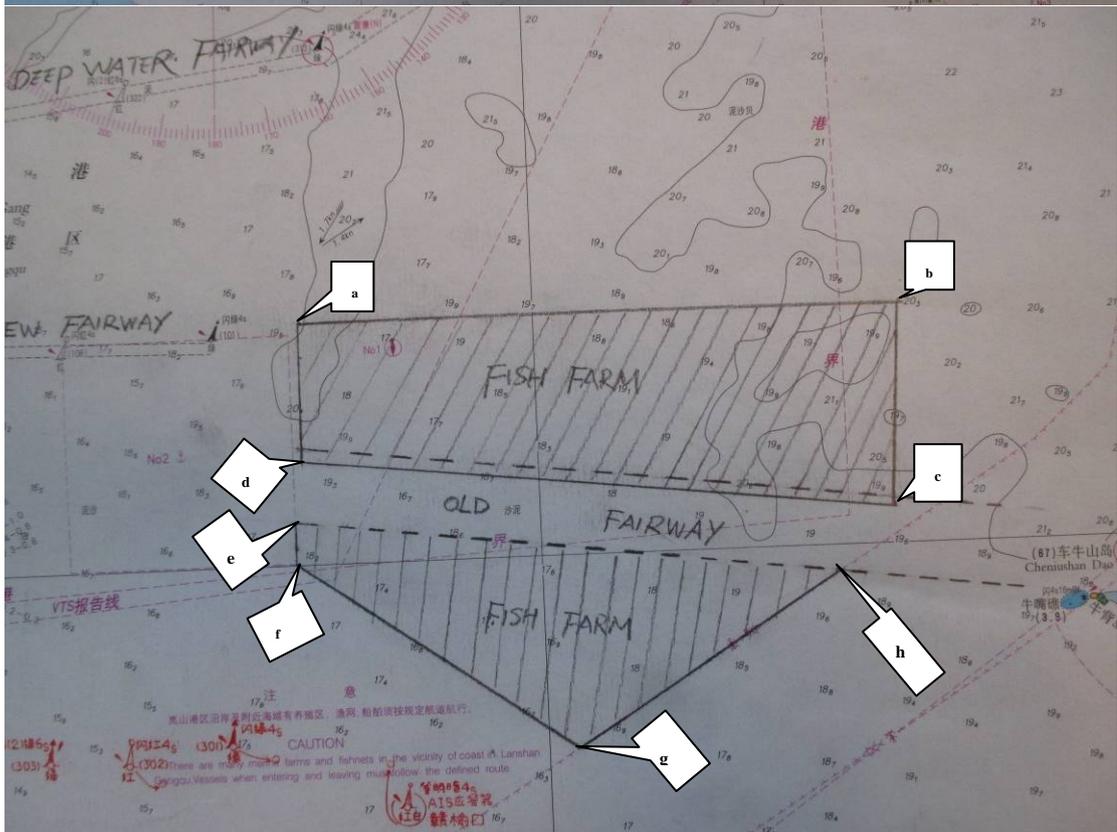
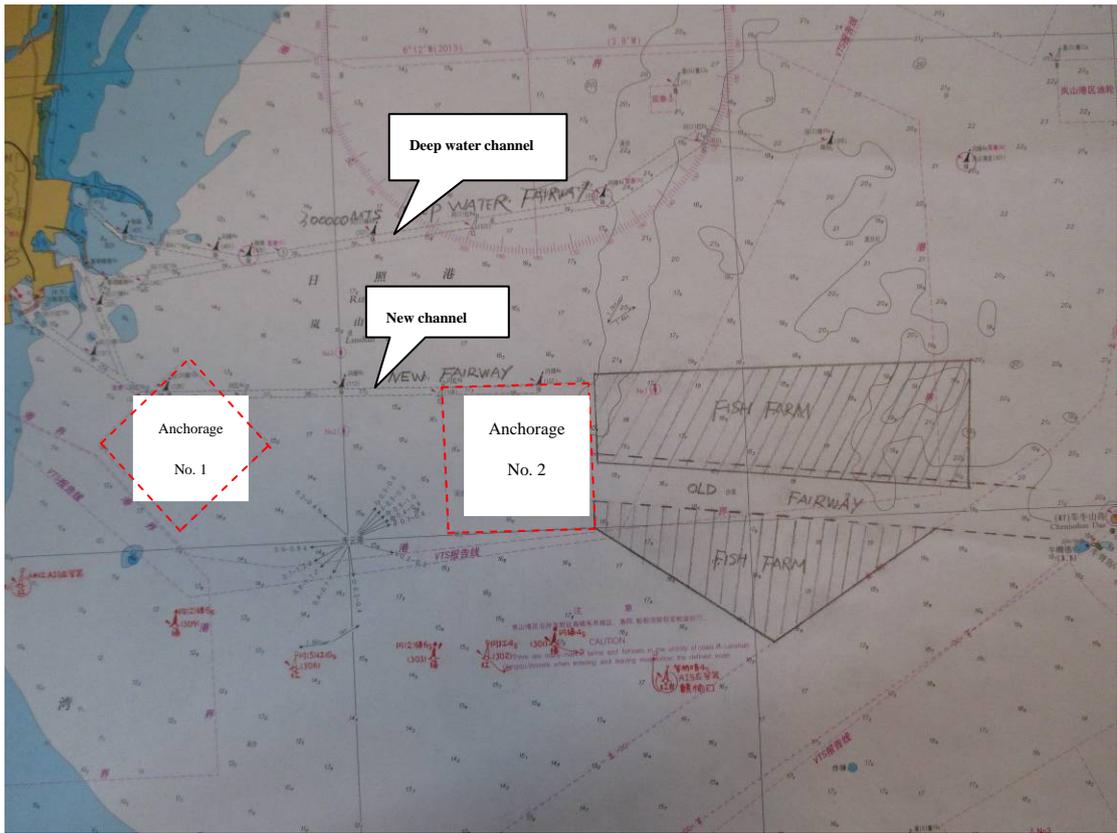
We refer to our circular (Ref No.: PNI1304) dated 29 Nov 2013, following which we have received quite a few queries regarding more accurate positions of the fishing farms. In the meantime, we are also given to understand that since early Dec local VTS also started to become inclined to guide vessels calling Lanshan port to sail through a new navigation route. In order to keep our readers abreast of the most recent development, we produce this follow-up circular for your kind reference.

1. The Current Boundary of the Fishing Farms around Lanshan

Although the official exact boundary of fishery farms is unavailable to us, according to our experiences of handling fishery farm damages cases during the past several months (Jun ~ Nov 2013) and our recent enquires with the local fishery farmers, the current boundary of the fishery farms is prudently estimated to have expanded as per below sketch for your reference only:

Position list:

- a. Lat. 35-03.2N / Long. 119-36.3E
- b. Lat. 35-03.2N / Long. 119-45.8E
- c. Lat. 35-00.5N / Long. 119-45.6E
- d. Lat. 35-01.3N / Long. 119-36.3E
- e. Lat. 35-00.0N / Long. 119-36.0E
- f. Lat. 34-59.2N / Long. 119-36.0E
- g. Lat. 34-57.4N / Long. 119-40.6E
- h. Lat. 34-59.6N / Long. 119-44.6E

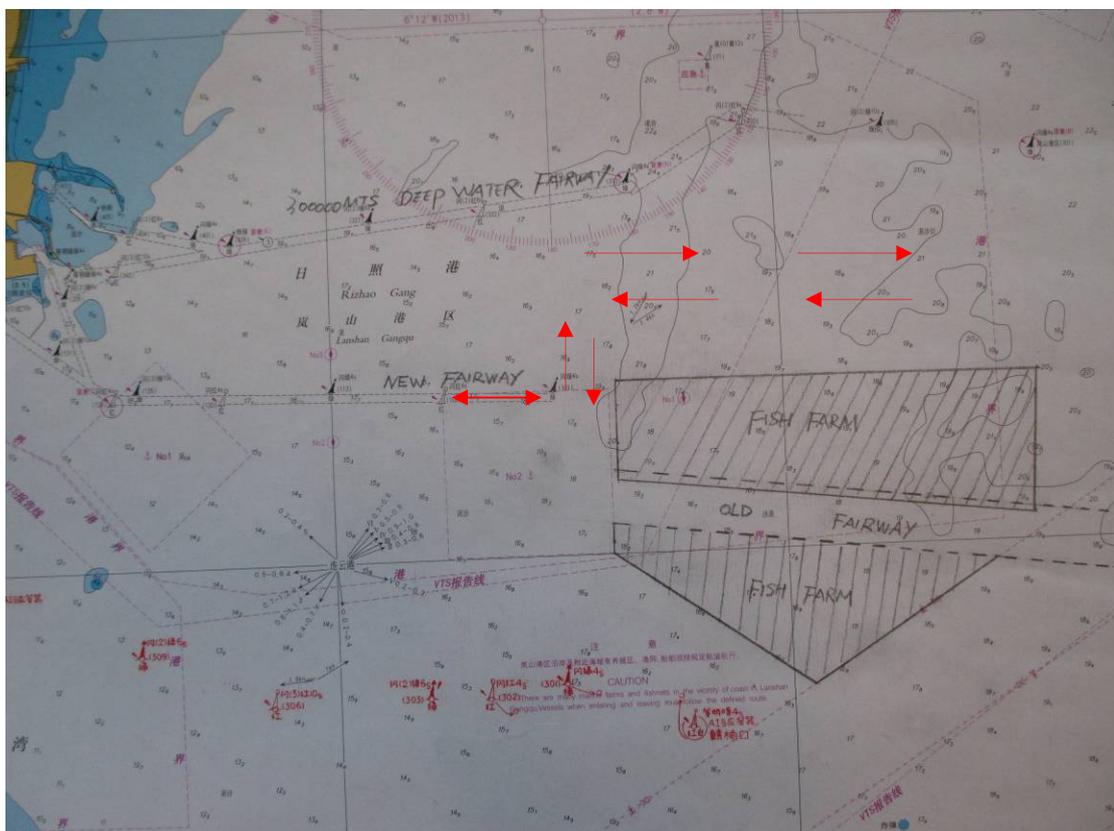


Fishery Farm Areas

2. The Latest Development Related to Navigation Routes

In light that the old recommended fairway is to the east of Anchorage No.2 and there are large quantity of fishery farms on both sides of the old fairway, MSA recently started to become inclined to recommend that, instead of entering into Lanshan port through the old fairway, vessels had better sail to anchorage No. 2 through the waters northern to the fishery farms area, in addition, MSA strongly suggests vessels calling Lanshan port keep close communication with VTS and proceed as per VTS's guidance.

For your easy understanding, we have drafted a sketch as follows to illustrate the situation:

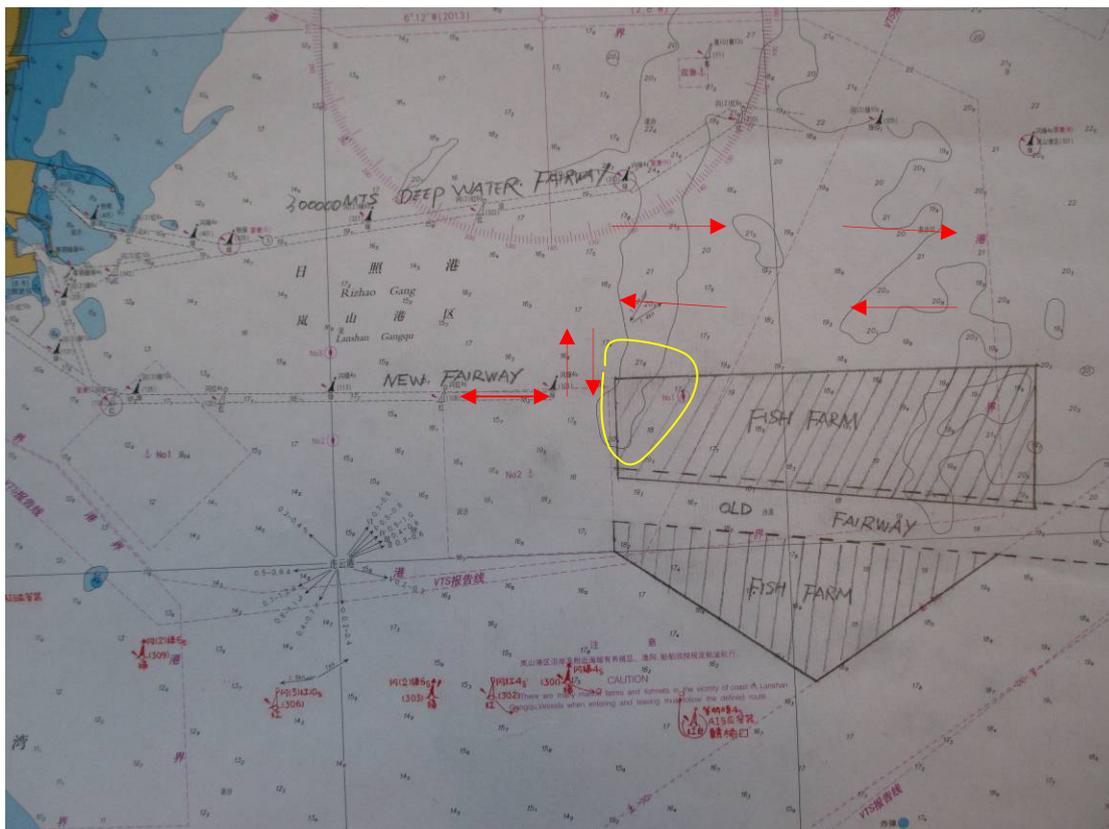


3. Revised Recommendations on Safe Navigation

In view of the aforementioned most recent development, we hereby provide our updated recommendations as follows for your reference:

- 1) The fish farms on both sides of the old fairway and east of the anchorage No.2 are the most frequent locations where fishery farm claims occur according to our observations in the past months, which vessels should pay special attention to when sailing in the nearby area.

- 2) It is suggested that the vessels calling Lanshan port report to VTS several miles before her arrival at the east end of the new channel and strictly follow the guide of Lanshan VTS.
- 3) Since MSA recently adopted the new fairway and suggested new navigation route, the North-West part (marked with yellow line in below sketch) of the fishery farms now became the most dangerous place for ships calling Lanshan port, hence, it is recommended that the ships should pay particular attention when the inbound ships enter anchorage No.2 from the north of fishing farms or the outbound ships leave the new fairway.



- 4) Generally speaking, the navigational waters north of Lat.35-03.2N and west of Long.119-36.04E is relatively safe, hence, it is recommended that this ships had better navigate in the above waters.
- 5) Assistance can always be sought by contacting our Qingdao office at the following details:

Huatai Insurance Agency & Consultant Service Ltd., Qingdao Branch
Tel: 86 532 8502 1883
Fax: 86 532 8502 3828
Duty Mobile: 86 186 5328 9883
Email: qingdao@huatai-serv.com

We hope the above is of assistance. Should you have any query, please do not hesitate to contact us.

Sincerely yours,

A handwritten signature in black ink that reads "Shan Hong". The signature is written in a cursive style with a long, sweeping horizontal stroke at the bottom.

Shan Hong
Vice President