

SHENG YUAN PETROCHEMICAL PTE. LTD.

DATE : 25TH NOVEMBER 2022

TO : SHANDONG WONFULL PETROCHEMICAL GROUP CO., LTD

FROM : SHENG YUAN PETROCHEMICAL PTE. LTD.

REF NO. : SYHF20221125

RE : OUR SALE/YOUR PURCHASE OF 45,000 METRIC TONS +/- 10% OF FUEL OIL DDU LONGKOU, CHINA DURING 10-20 DECEMBER 2022

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WE ARE PLEASED TO CONFIRM THE FOLLOWING AGREEMENT, THE TERMS OF WHICH ARE AS FOLLOWS:

1. SELLER

SHENG YUAN PETROCHEMICAL PTE. LTD.

150 BEACH ROAD,

#28-05/06 GATEWAY WEST,

SINGAPORE 189720("SELLER" OR "SHENG YUAN")

2. BUYER

SHANDONG WONFULL PETROCHEMICAL GROUP CO., LTD

ECONOMIC DEVELOPMENT ZONE HUANTAI SHANDONG CHINA

("BUYER")

(HEREINAFTER EACH REFERRED TO AS THE "PARTY" AND MUTUALLY REFERRED TO AS THE "PARTIES") HAVE ENTERED INTO THE CONTRACT (HEREINAFTER THE "CONTRACT") ON THE TERMS AND CONDITIONS AS PROVIDED BELOW

3. PRODUCT

FUEL OIL

4. QUANTITY

45'000MTS, +/-10% AT SELLER'S OPTION

5. QUALITY

THE QUALITY SHALL MEET THE FOLLOWING REQUIREMENTS ACCORDING TO THE SAMPLING AND TEST RESULTS OF BOTH BUYER AND SELLER:

DENSITY: $\leq 940\text{KG/M}^3$, SULPHUR: $\leq 2.5\%$, MICRO CARBON: $\leq 4.0\%$, ORGANIC CHLORIDE: $\leq 1.0\text{MG/KG}$, ACID NUMBER: $\leq 0.15\text{MG KOH/G}$, RECOVERED AT 0 °C -500 °C : $\geq 60\%$, THE DELIVERY TEMPERATURE $\geq 45^\circ\text{C}$.

IF THE ACTUAL QUALITY EXCEEDS THE AGREED RANGE, THE BUYER AND THE SELLER CAN NEGOTIATE A PRICE REDUCTION; IF THE QUALITY EXCEEDS THE STANDARD SERIOUSLY, THE BUYER HAS THE RIGHT TO RETURN THE GOODS, AND THE SELLER SHALL BEAR ALL THE LOSSES.

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6. DELIVERY

DDU ONE SAFE PORT/ONE SAFE BERTH AT **LONGKOU, CHINA** WITH DELIVERY PERIOD RANGE SCHEDULED FOR **10 DECEMBER TO 20 DECEMBER 2022** (BOTH DATES INCLUSIVE), SUBJECT TO THE LOADPORT REVISION AND THE WEATHER PERMITTING. BUYER SHOULD COMPLETE LIFTING BY **10 JANUARY 2023**.

7. PRICE

THE DDU **LONGKOU CHINA** UNIT PRICE IN US DOLLARS PER METRIC TON, SHALL BE THE ARITHMETIC AVERAGE OF THE MEAN OF PLATT'S QUOTATIONS (LOW AND HIGH) FOR "HSFO 380CST 3.5%" AS PUBLISHED IN PLATTS ASIA PACIFIC/ARAB GULF MARKETSCAN UNDER THE HEADING OF "FOB SINGAPORE" FOR THE PERIOD FROM **01 JANUARY 2023 TO 31 JANUARY 2023** (BOTH DATES INCLUSIVE), PLUS **USD 194.00** PER METRIC TON.

BUYER HAS THE OPTION TO TRIGGER OR ROLL-OVER THE PHYSICAL PRICING, PRICE ROLLING OPTION MAX ONE TIME.

IF THERE IS ANY PUBLISHED CORRECTION TO ANY OF THE RELEVANT QUOTATIONS, THESE SHALL BE TAKEN INTO ACCOUNT.

THE FINAL UNIT PRICE SHALL BE CALCULATED TO THREE DECIMAL PLACES AND THE FOLLOWING ARITHMETIC RULES SHALL BE APPLIED TO DO THIS:

- 1) IF THE FOURTH DECIMAL PLACE IS FIVE (5) OR GREATER THAN FIVE (5), THEN THE THIRD DECIMAL PLACE SHALL BE ROUNDED UP TO THE NEXT DIGIT.
- 2) IF THE FOURTH DECIMAL PLACE IS LESS THAN FIVE (5), THEN THE THIRD DECIMAL PLACE SHALL REMAIN UNCHANGED.

THE TOTAL INVOICE AMOUNT SHALL BE ROUNDED TO TWO (2) DECIMAL PLACES.

ANY PUBLISHED CORRECTION TO ANY OF THE RELEVANT QUOTATIONS SHALL BE APPLIED AUTOMATICALLY FOR PRICING, INVOICING AND PAYMENT PURPOSES. IF THERE IS NO QUOTATION ON ANY OF THE DAYS DURING THE PRICING PERIOD, THOSE DATES SHALL BE EXCLUDED FROM THE AVERAGE PRICE CALCULATION.

8. QUANTITY DETERMINATION

DELIVER BY TRUCKS, THE QUANTITY FOR SETTLEMENT SHALL BE SUBJECT TO THE QUANTITY WEIGHED AT PORT.

DELIVER BY TRAIN, THE QUANTITY FOR SETTLEMENT SHALL BE SUBJECT TO OUTTURN OF SHORE TANK INSPECTION REPORT.

ANY BSW AND FREE WATER SHALL BE DEDUCTED, BSW AND FREE WATER BASIS:

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DELIVER BY TRUCKS, BSW AND FREE WATER SHALL BE SUBJECT TO ON-SITE SAMPLING AND TEST RESULTS AFTER LOADING, AND SHALL BE SUPERVISED AND CONFIRMED BY BOTH PARTIES.

9. TITLE AND RISK

THE RISK SHALL PASS TO BUYER AS THE PRODUCT PASSES THE OUTLET FLANGE OF THE STORAGE TANK.

THE TITLE TO THE PRODUCT SHALL PASS TO THE BUYER AFTER THE PAYMENT IN FULL IS CREDITED TO THE SELLER'S BANK ACCOUNT.

10. PAYMENT

IN ORDER TO KEEP SMOOTH LIFT ON TIME, SELLER SHOULD RELEASE 20% OF WHOLE CARGO TO BUYER IN ADVANCE. THE BUYER SHALL PAY THE VALUE OF THE 20% OF WHOLE CARGO HEREINBEFORE IN USD TO SELLER'S ACCOUNT WITHIN 2 WORKING DAYS AFTER RECEIVED THE WHOLE CARGO BY BUYER.

THE REMAININ PAYMENT SHALL BE PAID BY THE BUYER BEFORE TAKING DELIVERY BY TELEGRAPH TRANSFER(T/T) IN US DOLLARS, WITHOUT ANY WITHHOLDING, OFFSET, COUNTERCLAIM OR DEDUCTION WHATSOEVER INTO THE SELLER'S NOMINATED BANK ACCOUNT WITH 100% VALUE AGAINST PRESENTATION OF SELLER'S COMMERCIAL INVOICE/PROVISIONAL INVOICE.

THE BUYER NEED TO PAY A DEPOSIT OF 10% OF THE TOTAL VALUE, IF TRIGGER THE PRICE BEFORE DELIVERY.

ALL BANK CHARGES AT SELLER'S BANK FOR SELLER'S ACCOUNT. ALL BANK CHARGES AT BUYER'S BANK FOR BUYER'S ACCOUNT.

11. WARRANTIES

SELLER WARRANTS THAT IT HAS FULL LEGAL TITLE TO THE PRODUCT FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND THAT IT HAS FULL RIGHT TO CONVEY SUCH TITLE TO BUYER.

12. TAXES, DUTIES AND FEES

THE PRICE SPECIFIED IN THIS AGREEMENT IS EXCLUSIVE OF ANY AND ALL TAXES.

IN ADDITION TO THE SALES PRICE, THE BUYER SHALL PAY AND BE RESPONSIBLE FOR VAT, SALES TAX, BUSINESS TAX, EXCISE TAX AND ANY OTHER TAXES OF SIMILAR NATURE (INCLUDING PENALTY AND/OR SURCHARGE) WHICH ARE DIRECTLY IMPOSED ON THE SALE OF PRODUCT UNDER THIS CONTRACT.

13. FORCE MAJEURE

SELLER SHALL NOT BE LIABLE FOR FAILURE TO PERFORM OR COMPLY WITH THE TERMS OF THIS CONTRACT TO THE EXTENT THAT SUCH FAILURE TO PERFORM OR COMPLY IS PREVENTED OR HINDERED OR OTHERWISE AFFECTED DIRECTLY OR INDIRECTLY BY