

Question and Answer during the AGM 2023

Q1. The reasons for lower performance in year 2022?

The reason for low performance was mainly due to the **Russian and Ukrainian war** and the **COVID-19 pandemic**. These factors disrupted the supply chain and reduced the demand for products in the market.

Q2. Noted the new Polypropylene plant commenced its operation at 1Q2021, if the plant is underperforming or outperforming?

The plant has not reached its maximum potential that can produce a variety of high-end Polypropylene products. The product range is still under development and we are working hard to improve it when the demand market recover.

Q3. If Polypropylene production plant profitable for year 2022.

Because Qianhai supplies raw material (Propylene) to Dongming Hengchang for further production, we do not have any issue of making losses. However, the whole industry is facing a challenging situation due to low selling prices and high production costs.

Q4. CFO resigned in January, when will be the replacement taking place?

We have identified a suitable candidate for the CFO position and we will announce it in due course. We appreciate your patience and understanding during this transition period.

Q5. Is the Company Cash flow sustainable amid the challenging environment?

Management is very concerned about cash flow and we have taken various measures to ensure it. So far, we do not face any cash flow issue and we are confident that we can maintain our financial stability.

Q6. The Company profit dropped in year 2022, is there any retrenchment?

No, there is no retrenchment plan at the moment. We value our employees and we are committed to retaining them as much as possible. We believe that our staff are our most important asset and we will continue to invest in their training and development.

Q7. What are our Premium Polypropylene product application?

Our premium Polypropylene products have various applications in different industries, such as aerospace materials, medical devices, automotive parts, packaging materials, and textiles.