

QUESTIONS AND ANSWERS – EXTRAORDINARY GENERAL MEETING

Q1 : Shareholders asked about the Company's objective of acquiring Alpha Aim (M) Sdn Bhd. In addition, does the Company have better strategic incentives in terms of market competition, economies of scale or economic model etc.?

A1 : *Dato' Eddie Ong replied that both Alpha Aim (M) Sdn Bhd ("AASB") and Chempro Technology (M) Sdn Bhd ("CTSB") are the expertise of the cleaning chemicals business.*

He explained that CTSB is a specialty cleaning chemicals trading and distribution company whereas AASB is a manufacturer of most of CTSB's products. In acquiring both AASB and CTSB, the Company is expected to gain ownership of manufacturing capabilities and proprietary chemical formulations which complements CTSB's marketing capabilities.

He added that the acquisition enables the Company to secure supply chains and formulations for its chemicals business. Therefore, the acquisition not only brings synergy to the Hextar Group but also allows it to diversify from its reliance on agrochemical business.

With the profit guarantee and the consolidation of the acquiree companies' earnings, the Company expects that the proposed acquisition will contribute positively to the Company's revenue and earnings.

Q2 : Shareholder enquired the direct advantages and potential benefits of the acquisition of AASB as it recorded a negative sales revenue of 7% and a net loss of up to 26% in 2019.

A2 : *Dato' Eddie Ong replied that the significant advantages and the potential benefits of the proposed acquisitions had been answered in the first question.*

He clarified that AASB did not record a negative sales revenue nor a net loss in 2019. The decrease in revenue and profit of AASB in 2019 compared to 2018 was due to the decrease in purchases by its sole customer, CTSB.

Nevertheless, as disclosed in the Circular, AASB's financial performance had improved significantly in 2020 and that the Management believes that the prospects of AASB will remain strong moving forward.

Q3 : Shareholder raised his concern on the potential risk of acquiring AASB as a stand-alone company and the significant benefits and advantages that AASB will contribute to the group after the acquisition.

A3 : *Dato' Eddie Ong replied that the details of the risk factors have been stated on pages 22 to 25 of the Circular. He stated that the questions in regard to the benefits and advantages had been addressed.*