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Dear Valued Customer

8th March 2021

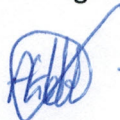
Towards the end of 2020 and into 2021 the EPS Industry has received several price increases in the cost of the raw material, that in most circumstance Polypearl Moulded Products Limited have been able to absorb. However, a series of widely reported events in both Europe and North America have all impacted on the raw material supply chain. This has resulted in a major increase in the price we pay for our raw material and we now find ourselves in an unprecedented situation the like of which we have not seen before. Over the last few days, the world-wide market price for EPS has seen a 40-45% increase.

Although we source our raw materials from Europe, some of the styrene used in the raw material process can also come from America and both these areas have already shown considerable and unprecedented raw material cost increases. These events have most recently cumulated with LyondellBasell based in Houston Texas and multiple other Petrochemical sites and companies within North America declaring "Force Majeure". Also the Arkema Plant in Texas which manufactures peroxide used as an initiator in the polymerisation process of styrene has closed following extreme adverse weather conditions and power outages. Unfortunately, the situation was further compounded due to Lyondell Covestro, who supply the market with 640,000 tons per annum, shutting their factory in the Netherlands on the 11th of February 2021 due to "unpredictable damage", and have now also called FORCE MAJEURE. These incidents combined with increasing demand into the Asia market where prices for raw material styrene are at a premium has cumulated into a world-wide shortage of raw material which inevitably has created this unprecedented level of price increase.

As a responsible supplier and partner to your business, we have and will continue to absorb and mitigate as much of the raw material cost increases as we can, but we trust you can understand that it is impossible for us to absorb this level of increase and therefore it has now become a necessity to pass on a large proportion of this increase to the market. We are therefore very sorry to have to advise you that as from 12th April 2021 the price of the EPS material we supply to you will be increased by 22%. We clearly understand and appreciate that an increase of this magnitude will be very disruptive to your business and you therefore have our assurance that every effort will be made to keep your account as competitive as possible.

We thank you for your continued support and understanding. Should you wish to discuss this further please do not hesitate to contact me, although I have to say we have no room for manoeuvre and must implement an increase to be able to remain in the marketplace.

Kind Regards



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