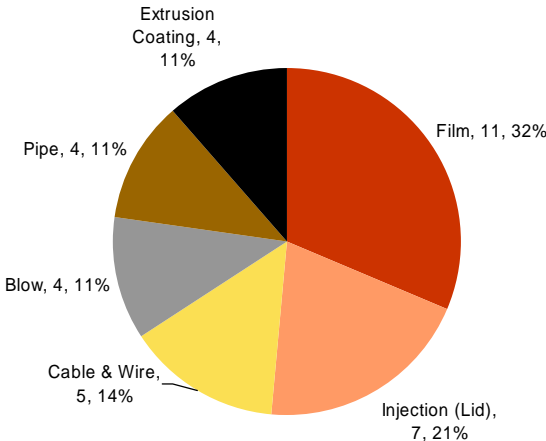


PE : Most of end users in focused group belong to the product fields of film, injection (Lid), and cable & wire.

No.1 Priority	Periodic purchasing	Non-periodic purchasing	Total
Price	17	22	39
Quality	35	26	61
Total	52	48	100

35 Customers by Industry , 2005
Quality is the No.1 Priority



- Note:
1. Price and Quality are the two key purchasing factors (KPFs) considered most frequently by users.
 2. Focused group is the companies who consider quality as priority, and who make periodic purchasing. This group of companies are of greater value for XX to seek opportunities.

Source: Growell Research

Chemease suggestion on potential applications for XX entering: large-diameter pipe, blow molding and extrusion coating

- **Large-diameter pipes:**

Profit rate is over 10%, (i.e. it can reach 13% on XX Company's pipes with 1.6m diameter); consuming volume is large, and price is high; users have high quality requirement, while a little sensitive to price; the dominate suppliers are overseas companies, like XX and XX.

- **Blow molding:**

With a high profit rate of around 10%, the users producing plastic containers with high quality need those speciality PE. Consumption is large. Users are concerned about feedstock quality and keep purchasing cycle stable. Currently, speciality PE of XX, XX, XX and XX are mainly used in the market.

- **Extrusion coating:**

Profit rate is around 10%.The consuming volume is small, and purchasing frequency is high. Currently, XX's 1C7A monopolizes the extrusion coating feedstock market, which results in price volatility and poor supply stability, therefore a new type of feedstock is demanded to meet the need.

Customers' feedbacks (film): Users pay close attention to price, and think XX's goods is high-priced

- **XX Film Factory**

"We commonly use domestic feedstock. Imported feedstock only takes small proportion. Imported goods are acceptable in quality, but high in price. If the price could be lower, we might purchase 30MT/month."

- **XX Film Company**

"With no specific request on feedstock, we choose most suitable material based on our units. Currently, we use Exxon 1002."

- **XX Plastic Packing Co., Ltd.**

"We will continue to use certain grade, if it is suitable in characteristic and price. "

- **XX Plastic Factory**

"We use familiar grades to ensure product quality, in stead of new feedstock."