

# BP PLASTICS HOLDING BHD

(Company No. 644902-V)  
(Incorporated in Malaysia)

---

## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009

---

### NOTES TO THE INTERIM FINANCIAL REPORT

#### 1. Basis of preparation

The interim financial statements have been prepared under the historical cost convention except for the revaluation of freehold land included within property, plant and equipment.

The interim financial report is unaudited and has been prepared in compliance with FRS 134, Interim Financial Reporting and Paragraph 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2008. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of changes in the financial position and performance of the Group since the year ended 31 December 2008.

#### 2. Changes in Accounting policies

The accounting policies and method of computation adopted by the group in these interim financial statements are consistent with those adopted in the financial statements for the year ended 31 December 2008.

At the date of authorization of these financial statements, the following new FRSs and Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

<b><u>FRS and Interpretations</u></b>	<b><u>Effective for financial periods beginning on or after</u></b>
FRS 4: Insurance Contracts	1 January 2010
FRS 7: Financial Instruments: Disclosures	1 January 2010
FRS 8: Operating Segments	1 July 2009
FRS 101: Presentation of Financial Statements	1 January 2010
FRS 123: Borrowing Costs	1 January 2010
FRS 139: Financial Instruments: Recognition and Measurement	1 January 2010
FRS 1: First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3: Business Combinations	1 July 2010
FRS 127: Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010

## BP PLASTICS HOLDING BHD

(Company No. 644902-V)  
(Incorporated in Malaysia)

---

### INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009

---

#### NOTES TO THE INTERIM FINANCIAL REPORT

Amendments to FRS 2: Share-based Payment - Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 132: Financial Instruments: Presentation	1 January 2010
Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosure and IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
Amendments to FRS 2 Share-based Payment	1 July 2010
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 138 Intangible Assets	1 July 2010
Amendments to FRS 139 Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10: Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13: Customer Loyalty Programmes	1 January 2010
IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 15 Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010

The new FRS and Interpretations above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes in disclosures arising from the adoption of FRS 8.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7 and FRS 139

# **BP PLASTICS HOLDING BHD**

(Company No. 644902-V)  
(Incorporated in Malaysia)

---

## **INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009**

---

### **NOTES TO THE INTERIM FINANCIAL REPORT**

#### **3. Seasonal or cyclical factors**

The Group has traditionally performed better during the second half of the financial year.

#### **4. Unusual items affecting the assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter and financial year-to-date.

#### **5. Changes in estimates**

There were no changes in estimates of amounts reported in the current quarter under review.

#### **6. Debt and equity securities**

Save as disclosed below, there were no issuances of shares, cancellations or repayment of debt and equity securities, shares buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter and financial year to-date.

As at 31 December 2009, the number of treasury shares held were 5,000 BPPLAS shares.

#### **7. Dividend Paid**

No dividend was paid for the current financial period under review.

#### **8. Segment information**

The segmental information is not prepared as the Group is principally involved in manufacturing and trading of plastics products which is predominantly carried out in Malaysia.

#### **9. Valuation of property, plant and equipment**

During the current quarter under review, an independent valuation of the Group's land and buildings was performed by Messrs Colliers, Jordan Lee and Jaafar (JH) Sdn. Bhd. on 31 December 2009 to determine the fair value of the land and buildings. The valuation, which conforms to International Valuation Standards, was determined by

# BP PLASTICS HOLDING BHD

(Company No. 644902-V)  
(Incorporated in Malaysia)

---

## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009

---

### NOTES TO THE INTERIM FINANCIAL REPORT

reference to open market values based on existing use bases.

As at 31 December 2009, the revalued amount of the land and buildings of the Group are as follows:

	<b>RM</b>
Classified under Property, plant and equipment	
Freehold agriculture land	410,000
Factory buildings	14,330,000
	<u>14,740,000</u>
Classified under Prepaid land lease payments:	
Long term leasehold land	780,000
Short term leasehold land	6,380,000
	<u>7,160,000</u>

#### 10. Material events subsequent to the balance sheet date

There were no other material events subsequent to the quarter ended 31 December 2009 that have not been reflected in the financial statements as at the date of this report.

#### 11. Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial quarter.

#### 12. Changes in contingent liabilities or contingent assets

There were no changes in other contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2008.

#### 13. Review of performance

For the financial year ended 31 December 2009, the Group achieved an unaudited operating revenue of RM175.219 million, representing a decrease of 25% compared to RM233.488 million in the preceding corresponding financial period.

The significant revenue reduction was mainly due to lower average material input costs compared to the preceding corresponding financial period.

The Group achieved an unaudited Profit after tax (PAT) of RM15.642 million for the year under review, an increase of 33.4% as compared to PAT of RM11.729 million in the preceding year.

# BP PLASTICS HOLDING BHD

(Company No. 644902-V)  
(Incorporated in Malaysia)

---

## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009

---

### NOTES TO THE INTERIM FINANCIAL REPORT

Higher profit achieved was mainly due to better process efficiency achieved during the period.

#### 14. Variation of results against last quarter

For the current quarter under review, the Group achieved unaudited operating revenue of RM50.391 million and profit after tax of RM3.991 million as compared to operating revenue of RM48.751 million and profit after tax of RM4.524 million in the preceding quarter.

The higher operating revenue was attributable to increase in sales brought on by improving demand. However, net profit achieved during the quarter was lower compared to previous quarter due to declining margins in the current quarter.

#### 15. Current Year Prospects

The Board of Directors is confident of achieving a satisfactory and improved financial performance for the financial year ending 31 December, 2010 in view of the overall improvement in global economy and demand for polyethylene packaging products.

#### 16. Variance of actual profit from profit forecast

This note is inapplicable as the Group did not issue nor publish any profit forecast for the current financial quarter under review.

#### 17. Taxation

	3 Months Ended		12 Months Ended	
	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
	RM'000	RM'000	RM'000	RM'000
Income tax	(125)	969	3,345	3,852
Deferred tax	230	398	515	491
	<u>105</u>	<u>1,367</u>	<u>3,860</u>	<u>4,343</u>

The Group's effective tax rates for the current quarter and cumulative year-to-date are lower than the statutory tax rate due to availability of tax incentives to a subsidiary company.

## BP PLASTICS HOLDING BHD

(Company No. 644902-V)

(Incorporated in Malaysia)

---

### INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009

---

#### NOTES TO THE INTERIM FINANCIAL REPORT

**18. Unquoted investments and/or properties**

There were no purchases or disposal of unquoted investments and/or properties for the current financial quarter.

**19. Quoted investments**

There were no purchases or disposal of quoted securities for the current financial quarter.

**20. Status on corporate proposals**

There was no corporate proposal announced or not completed as at the date of this quarterly report.

**21. Group borrowings**

	31-Dec-09 RM'000	31-Dec-08 RM'000
<b>Current</b>		
<u>Secured</u>		
Term loans	883	1,365
<b>Non-current</b>		
<u>Secured</u>		
Term loans	-	645

The above borrowings are denominated in US Dollar.

**22. Capital Commitments**

	31 Dec 2009 RM'000	31 Dec 2008 RM'000
Approved and Contracted for : - Property, plant and equipments	1,536	-

**23. Material litigation**

There was no material litigation pending as at the date of this quarterly report.

# BP PLASTICS HOLDING BHD

(Company No. 644902-V)  
(Incorporated in Malaysia)

---

## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009

---

### NOTES TO THE INTERIM FINANCIAL REPORT

#### 24. Dividend

The Board of Directors of the Company recommended that subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting, a first and final tax exempt dividend of 6% (3 sen per share) in respect of the financial year ended 31 December 2009 to be declared.

#### 25. Auditors' Report on Preceding Annual Financial Statements

The auditors' report of the Group in respect of the annual financial statements for the year ended 31 December 2008 was not subject to any audit qualification.

#### 26. Earnings per share

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders and weighted average number of shares outstanding as follows:-

		3 months Ended		12 months Ended	
		31-Dec-09	31-Dec-08	31-Dec-09	31-Dec-08
Net Profit for the period	(RM'000)	3,991	1,988	15,642	11,729
Weighted average number of ordinary shares in issue	('000)	180,121	180,121	180,121	180,121
Basic earning per share	(sen)	2.22	1.10	8.68	6.51

**By Order of the Board**

**Company Secretary**

DATED: 8 February 2010