

PRESS RELEASE

For immediate release



BPPLAS - Obtains shareholders' approval on proposed bonus issue and warrants; Recorded 54% growth in 9-month net profits of FY2021

Batu Pahat, 22 November 2021 – BP Plastics Holding Bhd. (“BPPLAS”, 5100, Main Board, Industrial Products & Services) recorded cumulative profit after tax (“PAT”) of RM 34.6 million for its nine-month period ended 30 September 2021, representing a 54.0% growth from RM 22.4 million of the same period in previous year.

For the current quarter ended 30 September 2021 (“3Q21”), the Group recorded a new high for its operating revenues of RM 113.3 million, representing a 53.5% increase compared to 3Q20 RM 73.8 million. The growth is contributed by stronger demand and higher selling price, in spite of tight measures over different phases of movement control orders (“MCOs”) in 3Q21.

Meanwhile, 3Q21 unaudited profit before tax (“PBT”) and profit after tax (“PAT”) achieved were RM12.1 million and RM10.1 million respectively, which grew by 15.7% and 30.5% from RM10.5 million and RM7.8 million in 3Q20. The growth were in line with better revenue growth and also better product mix. In addition, the Group’s effective tax rate is projected to be lower in FY2021, due to the availability of Reinvestment Allowance (“RA”).

The Board of Directors proposed a third single tier interim dividend of 2 sen per share in respect to the financial year ending 31 December 2021. In addition, the Board of Directors also declared a special single tier dividend of 1 sen per share. The entitlement date for both dividends is fixed on 7 December 2021 and payment will be made on 6 January 2022. This brings the nine-month period total dividend declared to 9 sen per share and represents 48.9% payout from its earnings, which is above BPPLAS minimum 40% dividend policy.

Earlier on 30th September 2021, the Group announced the proposal to undertake a bonus issue of up to 93,844,000 new shares on the basis of one bonus share for every two existing shares, and issue of up to 37,530,600 warrants on the basis of one bonus share for every five existing shares.

The corporate exercises are to reward shareholders, improve the stock liquidity, and also provide shareholders the opportunity to increase equity participation in the company through exercising the free warrants at a pre-determined exercise price, with a tenure of five years. The warrants would potentially provide additional funds to BPPLAS when exercised into BPPLAS shares, which the Group intends to use for future business expansion, capital expenditure, and working capital.

At the fully virtual Extraordinary General Meeting (“EGM”) conducted earlier today, the Group has received its shareholders approval on the proposal, while the entitlement dates will be determined and announced later.

Amid stringent lockdown measures in Malaysia, rising raw material costs, and global supply chain disruptions, the Group’s quarterly performance in 3Q21 moderated compared to the previous quarter (2Q21). However, backed by strong fundamentals, the Management remains committed to continuously focus on product innovation, supply chain management, selling more value-added products, improving production and process efficiencies, as well as continue to be vigilant and promulgate necessary risk management measures. The Group is working on the commissioning of a new technology 9th Cast Stretch Film machine, thus increasing its production capacity to ride on the positive market demand. The Group is embarking on an additional investment in a new 10th Cast Stretch Film machine in 2022.

Despite the challenges and uncertainties in the external environment, the Group remains cautiously optimistic of sustained and growing demand for plastic packaging products along with the reopening of the economy from the pandemic amidst positive market sentiment.



For more information, please visit www.bpplas.com

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