



**BPPLAS**

**BP PLASTICS HOLDING BHD**  
 [Registration No. 200401006398 (644902-V)]  
 (Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
 FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Individual Quarter			Cumulative Quarter		
		Current Year Quarter	Preceding Year Corresponding Quarter	Change	Current Year To Date	Preceding Year Corresponding Period	Change
		30 Jun 2022 (Unaudited)	30 Jun 2021 (Unaudited)		30 Jun 2022 (Unaudited)	30 Jun 2021 (Unaudited)	
		RM'000	RM'000	%	RM'000	RM'000	%
Revenue	A.9	139,527	108,947	28.07	271,445	209,011	29.87
Operating profit		14,690	18,092		23,441	29,661	
Profit before taxation	B.5	15,263	18,710	-18.42	24,437	30,630	-20.22
Income tax expense	B.6	(3,071)	(3,941)	-22.08	(4,703)	(6,186)	-23.97
<b>Profit after taxation, representing total comprehensive income for the period, attributable to the owners of the Company</b>		<b>12,192</b>	<b>14,769</b>	<b>-17.45</b>	<b>19,734</b>	<b>24,444</b>	<b>-19.27</b>
<b>Basic and diluted earnings per share attributable to the owners of the Company (sen):</b>	<b>B.17</b>	<b>4.33</b>	<b>5.25</b>	<b>-17.52</b>	<b>7.01</b>	<b>8.68</b>	<b>-19.24</b>

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.*

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	(Unaudited) As at end of Current Quarter 30 Jun 2022	(Audited) As at Preceding Financial Year Ended 31 Dec 2021
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	96,201	89,179
Investment property	954	965
Right-of-use of assets	5,095	5,178
	102,250	95,322
<b>Current assets</b>		
Inventories	97,214	89,240
Trade and other receivables	61,378	70,913
Short-term investments	21,417	33,462
Cash and bank balances	18,221	27,457
	198,230	221,072
<b>TOTAL ASSETS</b>	<b>300,480</b>	<b>316,394</b>
<b>Equity</b>		
Share capital	98,773	98,773
Treasury shares	(21)	(21)
Retained earnings	142,744	132,861
	241,496	231,613
<b>Non-current liability</b>		
Deferred tax liabilities	11,795	11,442
<b>Current liabilities</b>		
Trade and other payables	43,944	71,035
Current tax liabilities	3,245	2,304
	47,189	73,339
<b>TOTAL LIABILITIES</b>	<b>58,984</b>	<b>84,781</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>300,480</b>	<b>316,394</b>
<i>Net assets per share attributable to the owners of the Company (RM)</i>	<i>0.86</i>	<i>0.82</i>

**Remark**

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.*

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share Capital RM'000	Non distributable Treasury Shares RM'000	Distributable Retained Earnings RM'000	Total RM'000
<i>For the period ended 30 June 2022</i>				
<b>At 1 January 2022</b>	<b>98,773</b>	<b>(21)</b>	<b>132,861</b>	<b>231,613</b>
Dividends to shareholders	-	-	(9,851)	(9,851)
Total comprehensive income for the period	-	-	19,734	19,734
<b>At 30 June 2022</b>	<b>98,773</b>	<b>(21)</b>	<b>142,744</b>	<b>241,496</b>
<i>For the period ended 30 June 2021</i>				
<b>At 1 January 2021</b>	<b>98,773</b>	<b>(21)</b>	<b>107,037</b>	<b>205,789</b>
Dividends to shareholders	-	-	(9,383)	(9,383)
Total comprehensive income for the period	-	-	24,444	24,444
<b>At 30 June 2021</b>	<b>98,773</b>	<b>(21)</b>	<b>122,098</b>	<b>220,850</b>

**Remark**

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes to the interim financial statements.*

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Unaudited 6 months ended 30 Jun 2022 RM'000	Unaudited 6 months ended 30 Jun 2021 RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	24,437	30,630
<u>Adjustments for :</u>		
Depreciation of property, plant and equipment	5,571	5,104
Depreciation of investment property	11	11
Depreciation of right-of-use assets	83	83
Property, plant and equipment written off	-	1
Gain on disposal of property, plant and equipment	(127)	-
Interest income	(445)	(631)
Impairment loss on receivables	-	233
Reversal of impairment loss on receivables	(6)	-
(Gain)/loss on foreign exchange - unrealised	(87)	15
Operating cash flows before working capital changes	29,437	35,446
(Increase)/decrease in inventories	(7,974)	13,224
Decrease/(increase) in receivables	9,752	(3,604)
Decrease in payables	(25,746)	(36,242)
Cash flows from operations	5,469	8,824
Income taxes paid	(3,409)	(3,908)
<b>Net cash flows from operating activities</b>	<b>2,060</b>	<b>4,916</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(12,592)	(6,972)
Proceeds from disposal of property, plant and equipment	127	-
Disposal/(purchase) of short-term investments	12,045	(1,171)
Interest received	445	631
<b>Net cash flows from/(used in) investing activities</b>	<b>25</b>	<b>(7,512)</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid	(11,259)	(3,753)
<b>Net cash flows used in financing activities</b>	<b>(11,259)</b>	<b>(3,753)</b>
Net decrease in cash and cash equivalents	(9,174)	(6,349)
<b>Cash and cash equivalents at 1 January</b>	<b>27,457</b>	<b>27,240</b>
Effects of exchange differences	(62)	(19)
<b>Cash and cash equivalents at 30 June</b>	<b>18,221</b>	<b>20,872</b>
<u>Notes :</u>		
Cash and cash equivalents in the statement of cash flows comprise of :-		
Cash and bank balances	18,221	20,872
Fixed deposits with a licensed bank	-	-
	<b>18,221</b>	<b>20,872</b>

**Remark**

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes to the interim financial statements.*

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## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022

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### PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

#### A.1 Corporate information

BP Plastics Holding Bhd is a public limited liability company incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”).

These condensed consolidated interim financial statements were approved by the Board of Directors on 15 August 2022.

#### A.2 Basis of preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134- *Interim Financial Reporting* and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Securities. The interim financial statements also comply with International Accounting Standard (“IAS”) 34- *Interim Financial Reporting* issued by the International Accounting Standards Board (“IASB”).

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 2021.

The accounting policies and method of computation adopted by the Group in the interim financial statements are consistent with those adopted in the financial statements for the year ended 31 December 2021.

During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):

- Amendments to MFRS 3: Reference to the Conceptual Framework
- Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018 – 2020

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) did not have any effect on the Group’s accounting policies and no financial impact on the financial performance of the Group.

#### A.3 Standards and interpretations issued but not yet effective

As at date of authorisation of issuance of these interim financial statements, the following new amendments to MFRSs which are applicable to the Group, were issued but not yet effective, and have not been applied by the Group:

##### *Amendments effective for annual periods beginning on or after 1 January 2023*

- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101: Disclosure of Accounting Policies

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- Amendments to MFRS 108: Definition of Accounting Estimates
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the above amendments is expected to have no material impact on the financial statements of the Group in the period of initial application.

### A.4 Seasonal or cyclical factors

The operations and performance of the Group during the current quarter under review have not been materially affected by any seasonal or cyclical factors.

### A.5 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 under review.

### A.6 Changes in estimates

There were no changes in estimates that have a material effect on the current quarter results.

### A.7 Debt and equity securities

There was no issuance or repayment of debt and equity securities, share buy-backs and share cancellations, for the current quarter under review.

As at 30 June 2022, the number of treasury shares held by the Company amounted to 52,500 shares. None of the treasury shares held were resold or cancelled during the current quarter under review.

### A.8 Dividend paid

The following dividend payments were made during the current quarter and 6 months period ended 30 June 2022:

	<b>RM'000</b>
In respect of the financial year ended 31 December 2021:	
- Third Single Tier interim dividend of 2 sen per share, paid on 6 January 2022	3,753
- Special Single Tier interim dividend of 1 sen per share, paid on 6 January 2022	1,877
- Fourth Single Tier interim dividend of 2 sen per share, paid on 8 April 2022	5,629
Total dividends paid as at 30 June 2022	<u>11,259</u>

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On 23 May 2022, the Company declared a first single tier interim dividend of 1.5 sen per share amounting to RM4.22 million in respect of the financial year ending 31 December 2022 that was paid on 7 July 2022.

### A.9 Segment information

The Group is principally involved in manufacturing of plastics packaging products which are carried out in Malaysia.

Revenue of the Group is derived from the geographical segments as follows:

	Current quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30 Jun	30 Jun	30 Jun	30 Jun
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Operating revenue:				
Asia countries	81,137	71,107	158,099	136,288
	58%	65%	58%	65%
Malaysia	40,887	28,127	79,576	52,580
	29%	26%	29%	25%
Others	17,503	9,713	33,770	20,143
	13%	9%	13%	10%
Total operating revenue	<u>139,527</u>	<u>108,947</u>	<u>271,445</u>	<u>209,011</u>
	100%	100%	100%	100%

### A.10 Material events subsequent to the reporting date

There were no other material events subsequent to the quarter ended 30 June 2022 that have not been reflected in the interim financial statements as at the date of this report.

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

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

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

There were no changes in contingent liabilities or contingent assets since the last annual statements of financial position as at 31 December 2021.

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## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022

### PART B: ADDITIONAL NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

#### B.1 Review of performance

The Group's performances for the current quarter ("2Q22") and 6 months period ended 30 June 2022 ("6M FY22") compared with last financial year's corresponding quarter ("2Q21") and 6-month period ("6M FY21") are as follows:

Description	Unaudited 2Q22 RM'000	Unaudited 2Q21 RM'000	Change %	Unaudited 6M FY22 RM'000	Audited 6M FY21 RM'000	Change %
Revenue	139,527	108,947	+28.07	271,445	209,011	+29.87
PBT	15,263	18,710	-18.42	24,437	30,630	-20.22
PAT	12,192	14,769	-17.45	19,734	24,444	-19.27

#### Quarter Review (2Q22 vs 2Q21)

For the current quarter, the Group's unaudited operating revenue of RM139.53 million was higher compared to RM108.95 million in 2Q21. The increase was attributable to higher demand for the quarter under review.

The Group recorded a lower unaudited profit before tax (PBT) and unaudited profit after tax (PAT) for the quarter under review of RM15.26 million and RM12.19 million respectively, representing a decrease of 18.42% and 17.45% compared to unaudited PBT and PAT of RM18.71 million and RM14.77 million respectively in 2Q21.

The lower unaudited PBT and PAT for the quarter under review were mainly due to elevated freight charges and higher production costs.

#### Year-to-date Review (6M FY22 vs 6M FY21)

For the 6 months ended 30 June 2022, the Group's unaudited operating revenue of RM271.45 million was higher compared to RM209.01 million in 6M FY21 mainly due to higher demand for the period under review.

The Group recorded a lower unaudited PBT and PAT for the period under review of RM24.44 million and RM19.73 million respectively, representing a decrease of 20.22% and 19.27% compared to the unaudited PBT and PAT of RM30.63 million and RM24.44 million respectively in 6M FY21.

The lower unaudited PBT and PAT for the period under review were mainly due to elevated freight charges and higher production costs.



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#### B.2 Variation of results against last quarter

The Group's performance for the current quarter ("2Q22") compared with the preceding quarter ("1Q22") is as follows:

Description	Unaudited 2Q22 RM'000	Unaudited 1Q22 RM'000	Change %
Revenue	139,527	131,918	+5.77
PBT	15,263	9,174	+66.37
PAT	12,192	7,542	+61.65

Unaudited operating revenue for the current quarter of RM139.53 million was higher by 5.77% compared to RM131.92 million in 1Q22 due to better product mix for the quarter under review.

The Group recorded a higher unaudited PBT and PAT for the quarter under review of RM15.26 million and RM12.19 million respectively, representing an increase of 66.37% and 61.65% compared to unaudited PBT and PAT of RM9.17 million and RM7.54 million respectively in 1Q22.

The increase in the unaudited PBT and PAT for the quarter under review were in line with better revenue growth.

#### B.3 Prospects

Outlook on global economic conditions and growth remains uncertain for the second half of the year due to elevated global inflation especially in the United States and major European countries, protracted military conflict in Ukraine that continue straining supply chains, and economy slowdown in China from stricter Covid-19 containment measures. In view of the global economic uncertainty and elevated cost pressures amid higher commodity prices, electricity tariff and minimum wages, the business and economic conditions will remain challenging for this year.

Nonetheless, the Group remains cautiously optimistic of sustained demand for plastic packaging products despite challenging economic recovery. Moving forward, the Group's management and staff at all levels shall continue to undertake measures to protect the health and safety of employees, focus on supply chain and cost management as well as preparedness in undertaking suitable expansion, capacity or technology adoption.

Despite the challenges ahead, the Group remains committed to deliver a profitable performance for the financial year ending 31 December 2022.

#### B.4 Variance of actual profit from profit forecast

This note is not applicable as the Group did not issue nor publish any profit forecast for the current year under review.

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#### B.5 Profit before tax

Included in the profit before tax are the following items:

	Current quarter 3 Months ended		Cumulative quarter 6 Months ended	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	RM'000	RM'000	RM'000	RM'000
Interest income	(191)	(320)	(445)	(631)
Rental income	(11)	(11)	(21)	(21)
Depreciation of property, plant and equipment	2,792	2,548	5,571	5,104
Depreciation of investment property	5	5	11	11
Depreciation of right-of-use assets	42	42	83	83
Impairment loss on receivables	-	233	-	233
Reversal of impairment loss on receivables	-	-	(6)	-
Foreign exchange loss/(gain) – Realised	571	(196)	432	(138)
Foreign exchange (gain)/loss – Unrealised	(87)	15	(87)	15

#### B.6 Taxation

	Current Quarter 3 Months ended		Cumulative Quarter 6 Months ended	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	RM'000	RM'000	RM'000	RM'000
Income tax	2,880	3,710	4,350	5,770
Deferred tax	191	231	353	416
	3,071	3,941	4,703	6,186

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

The Group's effective tax rate for the 6 months period under review was 19.25%, which is lower than the statutory tax rate due mainly to the reinvestment allowance in one of the subsidiary company.

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### **B.7 Unquoted investments and/or properties**

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

### **B.8 Quoted investments**

There were disposals of short-term investments of RM12.05 million in money market funds for the 6 months period under review.

### **B.9 Status on corporate proposals**

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

### **B.10 Group borrowings**

The Group has no borrowing as at end of the current quarter under review.

### **B.11 Financial derivatives**

There were no outstanding derivatives as at the end of the reporting period.

### **B.12 Material litigation**

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

### **B.13 Capital commitment**

Capital commitment of the Group as at end of the current quarter is as follows:

	<b>30 Jun 2022</b>	<b>31 Dec 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Approved and contracted for	32,668	22,222

### **B.14 Proposed dividend**

The Board of Directors of the Company proposed a second single tier interim dividend of 1.5 sen per share in respect of the financial year ending 31 December 2022.

The entitlement date is fixed on 20 September 2022 and payment will be made on 7 October 2022.

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### B.15 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 2021 was not subject to any audit qualification.

### B.16 Earnings per share

#### i) Basic 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		6 months ended	
		30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
Net profit for the period	(RM'000)	12,192	14,769	19,734	24,444
Weighted average number of ordinary shares	('000)	281,479	281,479	281,479	281,479
Basic earnings per share	(sen)	4.33	5.25	7.01	8.68

#### ii) Diluted earnings per share

Diluted earnings per ordinary share is not presented as the warrants are anti-dilutive where the average market price of ordinary shares during the current financial period does not exceed the exercise price of the warrants.

**By Order of the Board**

**Company Secretary**

DATED: 15 August 2022