



**BPPLAS**

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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Individual Quarter			Cumulative Quarter		
		Current Year	Preceding Year	Change	Current Year	Preceding Year	Change
		Quarter	Corresponding		To Date	Corresponding	
		30 Sep 2023	30 Sep 2022		30 Sep 2023	30 Sep 2022	
		(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
		RM'000	RM'000	%	RM'000	RM'000	%
<b>Revenue</b>	<b>A.9</b>	<b>117,220</b>	<b>120,736</b>	<b>-2.91</b>	<b>344,716</b>	<b>392,181</b>	<b>-12.10</b>
<b>Operating profit</b>		<b>7,832</b>	<b>4,995</b>		<b>27,260</b>	<b>28,822</b>	
<b>Profit before taxation</b>	<b>B.5</b>	<b>8,532</b>	<b>6,025</b>	<b>41.61</b>	<b>31,420</b>	<b>30,462</b>	<b>3.14</b>
Income tax expense	<b>B.6</b>	(1,276)	(672)	89.88	(6,008)	(5,375)	11.78
<b>Profit after taxation, representing total comprehensive income for the period, attributable to the owners of the Company</b>		<b>7,256</b>	<b>5,353</b>	<b>35.55</b>	<b>25,412</b>	<b>25,087</b>	<b>1.30</b>
<b>Basic and diluted earnings per share attributable to the owners of the Company (sen):</b>	<b>B.16</b>	<b>2.58</b>	<b>1.90</b>	<b>35.79</b>	<b>9.03</b>	<b>8.91</b>	<b>1.35</b>

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.*

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	(Unaudited) As at end of Current Quarter 30 Sep 2023	(Audited) As at Preceding Financial Year Ended 31 Dec 2022
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	131,508	120,118
Investment property	926	943
Right-of-use of assets	4,889	5,013
	137,323	126,074
<b>Current assets</b>		
Inventories	65,248	69,333
Trade and other receivables	47,286	47,553
Short-term investments	32,137	29,874
Cash and bank balances	39,853	33,418
Current tax assets	-	322
	184,524	180,500
<b>TOTAL ASSETS</b>	<b>321,847</b>	<b>306,574</b>
<b>Equity</b>		
Share capital	98,773	98,773
Treasury shares	(21)	(21)
Retained earnings	163,478	146,510
	262,230	245,262
<b>Non-current liability</b>		
Deferred tax liabilities	13,309	12,595
<b>Current liabilities</b>		
Trade and other payables	44,306	48,717
Current tax liabilities	2,002	-
	46,308	48,717
<b>TOTAL LIABILITIES</b>	<b>59,617</b>	<b>61,312</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>321,847</b>	<b>306,574</b>
<i>Net assets per share attributable to the owners of the Company (RM)</i>	<i>0.93</i>	<i>0.87</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 2022 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 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 September 2023</i>				
<b>At 1 January 2023</b>	<b>98,773</b>	<b>(21)</b>	<b>146,510</b>	<b>245,262</b>
Dividends to shareholders	-	-	(8,444)	(8,444)
Total comprehensive income for the period	-	-	25,412	25,412
<b>At 30 September 2023</b>	<b>98,773</b>	<b>(21)</b>	<b>163,478</b>	<b>262,230</b>
<i>For the period ended 30 September 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	-	-	25,087	25,087
<b>At 30 September 2022</b>	<b>98,773</b>	<b>(21)</b>	<b>148,097</b>	<b>246,849</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 2022 and the accompanying explanatory notes to the interim financial statements.*

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Unaudited 9 months ended 30 Sep 2023 RM'000	Unaudited 9 months ended 30 Sep 2022 RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	31,420	30,462
<u>Adjustments for :</u>		
Depreciation of property, plant and equipment	10,015	8,382
Depreciation of investment property	17	17
Depreciation of right-of-use assets	124	124
Property, plant and equipment written off	-	2
Gain on disposal of property, plant and equipment	-	(127)
Interest income	(1,818)	(633)
Impairment loss on receivables	303	-
Reversal of impairment loss on receivables	(770)	(6)
Gain on foreign exchange - unrealised	(144)	(357)
Operating cash flows before working capital changes	39,147	37,864
Decrease in inventories	4,086	9,922
Decrease in receivables	765	27,330
Decrease in payables	(1,579)	(33,470)
Cash flows from operations	42,419	41,646
Income taxes paid	(2,970)	(6,415)
<b>Net cash flows from operating activities</b>	<b>39,449</b>	<b>35,231</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(21,407)	(26,708)
Proceeds from disposal of property, plant and equipment	2	127
(Purchase)/disposal of short-term investments	(2,263)	9,386
Interest received	1,818	633
<b>Net cash flows used in investing activities</b>	<b>(21,850)</b>	<b>(16,562)</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid	(11,259)	(15,481)
<b>Net cash flows used in financing activities</b>	<b>(11,259)</b>	<b>(15,481)</b>
Net increase in cash and cash equivalents	6,340	3,188
<b>Cash and cash equivalents at 1 January</b>	<b>33,418</b>	<b>27,457</b>
Effects of exchange differences	95	618
<b>Cash and cash equivalents at 30 September</b>	<b>39,853</b>	<b>31,263</b>
<u>Notes :</u>		
Cash and cash equivalents in the statement of cash flows comprise of :-		
Cash and bank balances	21,630	31,263
Fixed deposits with a licensed bank	18,223	-
	<b>39,853</b>	<b>31,263</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 2022 and the accompanying explanatory notes to the interim financial statements.*

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## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

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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 21 November 2023.

#### 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 2022.

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 2022.

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 101: Disclosure of Accounting Policies
- Amendments to MFRS 108: Definition of Accounting Estimates
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) did not have any material 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 2024*

- Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

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- Amendment to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101: Non-current Liabilities with Covenants
- Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements
- Amendments to MFRS 121: Lack of Exchangeability

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 September 2023, 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 9 months period ended 30 September 2023:

	<b>RM'000</b>
In respect of the financial year ended 31 December 2022:	
- Third Single Tier interim dividend of 1 sen per share, paid on 12 January 2023	2,815
- Fourth Single Tier interim dividend of 1.5 sen per share, paid on 7 April 2023	4,222
In respect of the financial year ending 31 December 2023:	
- First Single Tier interim dividend of 1.5 sen per share, paid on 7 July 2023	4,222
Total dividends paid as at 30 September 2023	<u>11,259</u>

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On 22 August 2023, the Company declared a second single tier interim dividend of 1.5 sen per share amounting to RM4.22 million in respect of the financial year ending 31 December 2023 that was paid on 12 October 2023.

### 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		3 months ended		9 months ended		9 months ended	
	30 Sep 2023		30 Sep 2022		30 Sep 2023		30 Sep 2022	
	RM'000		RM'000		RM'000		RM'000	
Operating revenue:								
Asia countries	62,391	53%	65,018	54%	193,144	56%	223,117	57%
Malaysia	33,638	29%	40,050	33%	99,235	29%	119,626	30%
Others	21,191	18%	15,668	13%	52,337	15%	49,438	13%
Total operating revenue	<u>117,220</u>	100%	<u>120,736</u>	100%	<u>344,716</u>	100%	<u>392,181</u>	100%

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

There were no other material events subsequent to the quarter ended 30 September 2023 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 2022.

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### 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 ("3Q23") and 9 months period ended 30 September 2023 ("9M FY23") compared with last financial year's corresponding quarter ("3Q22") and 9-month period ("9M FY22") are as follow:

Description	Unaudited 3Q23 RM'000	Unaudited 3Q22 RM'000	Change %	Unaudited 9M FY23 RM'000	Unaudited 9M FY22 RM'000	Change %
Revenue	117,220	120,736	-2.91	344,716	392,181	-12.10
PBT	8,532	6,025	+41.61	31,420	30,462	+3.14
PAT	7,256	5,353	+35.55	25,412	25,087	+1.30

#### Quarter Review (3Q23 vs 3Q22)

For the current quarter, the Group's unaudited operating revenue of RM117.22 million was lower compared to RM120.74 million in 3Q22 mainly due to lower selling prices.

The Group recorded a higher unaudited profit before tax (PBT) and unaudited profit after tax (PAT) for the quarter under review of RM8.53 million and RM7.26 million respectively, representing an increase of 41.61% and 35.55% compared to unaudited PBT and PAT of RM6.03 million and RM5.35 million respectively in 3Q22.

The higher unaudited PBT and PAT for the quarter under review were mainly due to better product mix.

#### Year-to-date Review (9M FY23 vs 9M FY22)

For the 9 months ended 30 September 2023, the Group's unaudited operating revenue of RM344.72 million was lower compared to RM392.18 million in 9M FY22 mainly due to lower selling prices.

The Group recorded a higher unaudited PBT and PAT for the period under review of RM31.42 million and RM25.41 million respectively, representing an increase of 3.14% and 1.30% compared to the unaudited PBT and PAT of RM30.46 million and RM25.09 million respectively in 9M FY22.

The higher unaudited PBT and PAT for the period under review were mainly due to better product mix.



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

The Group's performance for the current quarter ("3Q23") compared with the preceding quarter ("2Q23") is as follows:

Description	Unaudited 3Q23 RM'000	Unaudited 2Q23 RM'000	Change %
Revenue	117,220	110,165	+6.40
PBT	8,532	12,252	-30.36
PAT	7,256	9,858	-26.39

Unaudited operating revenue for the current quarter of RM117.22 million was higher by 6.40% compared to RM110.17 million in 2Q23 due to higher demand for the quarter under review.

The Group recorded a lower unaudited PBT and PAT for the quarter under review of RM8.53 million and RM7.26 million respectively, representing a decrease of 30.36% and 26.39% compared to unaudited PBT and PAT of RM12.25 million and RM9.86 million respectively in 2Q23.

The decrease in the unaudited PBT and PAT for the quarter under review were due to higher production costs.

### B.3 Prospects

Outlook remains challenging due to elevated global interest rate environment as well as protracted military conflict in Ukraine and recent Middle East conflict.

Nevertheless, the Group remains optimistic of sustained demand for plastic packaging products. Moving forward, the Group shall continue to focus on supply chain, cost management and new market expansion. The Group remains committed to deliver a profitable performance for the financial year ending 31 December 2023.

### 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 9 Months ended	
	30 Sep 2023 RM'000	30 Sep 2022 RM'000	30 Sep 2023 RM'000	30 Sep 2022 RM'000
Interest income	(561)	(188)	(1,818)	(633)
Rental income	(11)	(12)	(34)	(33)
Depreciation of property, plant and equipment	3,335	2,811	10,015	8,382
Depreciation of investment property	6	6	17	17
Depreciation of right-of-use assets	41	41	124	124
Impairment loss on receivables	268	-	303	-
Reversal of impairment loss on receivables	(13)	-	(770)	(6)
Foreign exchange (gain)/loss – Realised	202	(194)	(1,096)	151
Foreign exchange gain – Unrealised	(144)	(357)	(144)	(357)

#### B.6 Taxation

	Current Quarter 3 Months ended		Cumulative Quarter 9 Months ended	
	30 Sep 2023 RM'000	30 Sep 2022 RM'000	30 Sep 2023 RM'000	30 Sep 2022 RM'000
Income tax	1,147	620	5,307	4,970
Over provided in prior year	(13)	(72)	(13)	(72)
	1,134	548	5,294	4,898
Deferred tax	142	124	714	477
	1,276	672	6,008	5,375

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 9 months period under review was 19.12%, 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 purchases of short-term investments of RM2.26 million in money market funds for the 9 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 Sep 2023</b>	<b>31 Dec 2022</b>
	<b>RM'000</b>	<b>RM'000</b>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Approved and contracted for	4,584	17,620

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

The Board of Directors of the Company proposed a third single tier interim dividend of 1.5 sen per share in respect of the financial year ending 31 December 2023.

The entitlement date is fixed on 15 December 2023 and payment will be made on 11 January 2024.

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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 2022 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		9 months ended	
		30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022
Net profit for the period	(RM'000)	7,256	5,353	25,412	25,087
Weighted average number of ordinary shares	('000)	281,479	281,479	281,479	281,479
Basic earnings per share	(sen)	2.58	1.90	9.03	8.91

#### 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: 21 November 2023