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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**

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
		31 Dec 2023 (Unaudited)	31 Dec 2022 (Unaudited)		31 Dec 2023 (Unaudited)	31 Dec 2022 (Audited)	
RM'000	RM'000	%	RM'000	RM'000	%		
Revenue	A.9	124,884	110,414	13.11	469,600	502,595	-6.56
Operating profit		10,139	4,811		38,085	33,694	
Profit before taxation	B.5	11,204	5,545	102.06	42,624	36,007	18.38
Income tax expense	B.6	(1,382)	(94)	1370.21	(7,390)	(5,469)	35.13
Profit after taxation, representing total comprehensive income for the period, attributable to the owners of the Company		9,822	5,451	80.19	35,234	30,538	15.38
Basic and diluted earnings per share attributable to the owners of the Company (sen):	B.16	3.49	1.94	79.90	12.52	10.85	15.39

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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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at end of Current Quarter 31 Dec 2023	(Audited) As at Preceding Financial Year Ended 31 Dec 2022
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	125,574	120,118
Investment property	921	943
Right-of-use of assets	11,613	5,012
	138,108	126,073
Current assets		
Inventories	88,540	69,333
Trade and other receivables	48,412	47,553
Short-term investments	33,298	29,874
Fixed deposits with a licensed bank	18,190	-
Cash and bank balances	16,821	33,418
Current tax assets	-	323
	205,261	180,501
TOTAL ASSETS	343,369	306,574
Equity		
Share capital	98,773	98,773
Treasury shares	(21)	(21)
Retained earnings	164,855	146,510
	263,607	245,262
Non-current liability		
Deferred tax liabilities	14,028	12,595
Current liabilities		
Trade and other payables	65,067	48,717
Current tax liabilities	667	-
	65,734	48,717
TOTAL LIABILITIES	79,762	61,312
TOTAL EQUITY AND LIABILITIES	343,369	306,574
<i>Net assets per share attributable to the owners of the Company (RM)</i>	<i>0.94</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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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 31 December 2023</i>				
At 1 January 2023	98,773	(21)	146,510	245,262
Dividends to shareholders	-	-	(16,889)	(16,889)
Total comprehensive income for the period	-	-	35,234	35,234
At 31 December 2023	98,773	(21)	164,855	263,607
<i>For the period ended 31 December 2022</i>				
At 1 January 2022	98,773	(21)	132,861	231,613
Dividends to shareholders	-	-	(16,889)	(16,889)
Total comprehensive income for the period	-	-	30,538	30,538
At 31 December 2022	98,773	(21)	146,510	245,262

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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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 12 months ended 31 Dec 2023 RM'000	Audited 12 months ended 31 Dec 2022 RM'000
OPERATING ACTIVITIES		
Profit before taxation	42,624	36,007
<u>Adjustments for :</u>		
Depreciation of property, plant and equipment	13,497	11,382
Depreciation of investment property	23	23
Depreciation of right-of-use assets	199	165
Gain on disposal of property, plant and equipment	-	(146)
Interest income	(2,487)	(856)
Impairment loss on receivables	555	629
Reversal of impairment loss on receivables	(910)	(6)
Fair value gain on short term investments	-	(180)
Gain on foreign exchange - unrealised	(22)	(146)
Operating cash flows before working capital changes	53,479	46,872
(Increase)/decrease in inventories	(19,206)	19,907
Decrease in receivables	650	24,772
Increase/(decrease) in payables	15,714	(24,737)
Cash flows from operations	50,637	66,814
Income taxes paid	(4,971)	(6,953)
Income taxes refunded	3	9
Net cash flows from operating activities	45,669	59,870
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(25,756)	(42,323)
Deposit paid for purchase of property, plant and equipment	(2,002)	(2,284)
Proceeds from disposal of property, plant and equipment	2	148
(Purchase)/disposal of short-term investments	(3,424)	3,768
Additional placement of FD	(18,000)	-
Interest received	2,487	856
Net cash flows used in investing activities	(46,693)	(39,835)
FINANCING ACTIVITIES		
Dividends paid	(15,481)	(14,074)
Net cash flows used in financing activities	(15,481)	(14,074)
Net (decrease)/increase in cash and cash equivalents	(16,505)	5,961
Cash and cash equivalents at 1 January	33,418	27,457
Effects of exchange differences	(92)	-
Cash and cash equivalents at 31 December	16,821	33,418
<u>Notes :</u>		
Cash and cash equivalents in the statement of cash flows comprise of :-		
Cash and bank balances	16,821	33,418

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 FOURTH QUARTER ENDED 31 DECEMBER 2023

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 27 February 2024.

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:

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Amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
- 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 31 December 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 12 months period ended 31 December 2023:

	RM'000
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

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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
- Second Single Tier interim dividend of 1.5 sen per share, paid on 12 October 2023	4,222

Total dividends paid as at 31 December 2023	<u>15,481</u>
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On 21 November 2023, the Company declared a third single tier interim dividend of 1.5 sen per share amounting to RM4.22 million in respect of the financial year ended 31 December 2023 that was paid on 11 January 2024.

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		12 months ended		3 months ended		12 months ended	
	31 Dec		31 Dec		31 Dec		31 Dec	
	2023		2022		2023		2022	
	RM'000		RM'000		RM'000		RM'000	
Operating revenue:								
Asia countries	76,221	61%	64,021	58%	269,365	57%	287,138	57%
Malaysia	31,172	25%	30,169	27%	130,407	28%	149,795	30%
Others	17,491	14%	16,224	15%	69,828	15%	65,662	13%
Total operating revenue	<u>124,884</u>	100%	<u>110,414</u>	100%	<u>469,600</u>	100%	<u>502,595</u>	100%

A.10 Material events subsequent to the reporting date

There were no other material events subsequent to the quarter ended 31 December 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 ("4Q23") and 12 months period ended 31 December 2023 ("12M FY23") compared with last financial year's corresponding quarter ("4Q22") and 12-month period ("12M FY22") are as follow:

Description	Unaudited 4Q23 RM'000	Unaudited 4Q22 RM'000	Change %	Unaudited 12M FY23 RM'000	Audited 12M FY22 RM'000	Change %
Revenue	124,884	110,414	+13.11	469,600	502,595	-6.56
PBT	11,204	5,545	+102.06	42,624	36,007	+18.38
PAT	9,822	5,451	+80.19	35,234	30,538	+15.38

Quarter Review (4Q23 vs 4Q22)

For the current quarter, the Group's unaudited operating revenue of RM124.88 million was higher compared to RM110.41 million in 4Q22 mainly due to higher demand.

The Group recorded a higher unaudited profit before tax (PBT) and unaudited profit after tax (PAT) for the quarter under review of RM11.20 million and RM9.82 million respectively, representing an increase of 102.06% and 80.19% compared to unaudited PBT and PAT of RM5.55 million and RM5.45 million respectively in 4Q22.

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

Year-to-date Review (12M FY23 vs 12M FY22)

For the 12 months ended 31 December 2023, the Group's unaudited operating revenue of RM469.60 million was lower compared to RM502.60 million in 12M FY22 mainly due to lower selling prices.

The Group recorded a higher unaudited PBT and PAT for the period under review of RM42.62 million and RM35.23 million respectively, representing an increase of 18.38% and 15.38% compared to the audited PBT and PAT of RM36.01 million and RM30.54 million respectively in 12M FY22.

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

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B.2 Variation of results against last quarter

The Group's performance for the current quarter ("4Q23") compared with the preceding quarter ("3Q23") is as follows:

Description	Unaudited 4Q23 RM'000	Unaudited 3Q23 RM'000	Change %
Revenue	124,884	117,220	+6.54
PBT	11,204	8,532	+31.32
PAT	9,822	7,256	+35.36

Unaudited operating revenue for the current quarter of RM124.88 million was higher by 6.54% compared to RM117.22 million in 3Q23 due to higher demand for the quarter under review.

The Group recorded a higher unaudited PBT and PAT for the quarter under review of RM11.20 million and RM9.82 million respectively, representing an increase of 31.32% and 35.36% compared to unaudited PBT and PAT of RM8.53 million and RM7.26 million respectively in 3Q23.

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

B.3 Prospects

As we progress into the new year, outlook remains challenging due to elevated global interest rate environment, and geopolitical risks arising from protracted military conflict in Ukraine and Middle East. 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 2024.

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 12 Months ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Interest income	(669)	(403)	(2,487)	(856)
Rental income	(12)	(11)	(46)	(44)
Depreciation of property, plant and equipment	3,482	3,001	13,497	11,382
Depreciation of investment property	6	5	23	23
Depreciation of right-of-use assets	75	41	199	165
Impairment loss on receivables	252	629	555	629
Reversal of impairment loss on receivables	(140)	-	(910)	(6)
Foreign exchange (gain)/loss – Realised	(108)	593	(1,347)	409
Foreign exchange gain – Unrealised	(22)	(124)	(22)	(146)

B.6 Taxation

	Current Quarter 3 Months ended		Cumulative Quarter 12 Months ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Income tax	663	(583)	5,970	4,387
Under/(over) provided in prior year	-	1	(13)	(71)
	663	(582)	5,957	4,316
Deferred tax	714	906	1,428	1,383
Under/(over) provided in prior year	5	(230)	5	(230)
	719	676	1,433	1,153
	1,382	94	7,390	5,469

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.

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The Group's effective tax rate for the 12 months period under review was 17.36%, which is lower than the statutory tax rate due mainly to the reinvestment allowance in one of the subsidiary company.

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 RM3.42 million in money market funds for the 12 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:

	31 Dec 2023	31 Dec 2022
	RM'000	RM'000
	<i>(Unaudited)</i>	<i>(Audited)</i>
Approved and contracted for	13,902	17,620

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B.14 Proposed dividend

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

The entitlement date is fixed on 15 March 2024 and payment will be made on 5 April 2024.

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		12 months ended	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Net profit for the period	(RM'000)	9,822	5,451	35,234	30,538
Weighted average number of ordinary shares	('000)	281,479	281,479	281,479	281,479
Basic earnings per share	(sen)	3.49	1.94	12.52	10.85

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: 27 February 2024