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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
 FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

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 Mar 2024 (Unaudited)	31 Mar 2023 (Unaudited)		31 Mar 2024 (Unaudited)	31 Mar 2023 (Unaudited)	
		RM'000	RM'000	%	RM'000	RM'000	%
Revenue	A.9	124,222	117,331	5.87	124,222	117,331	5.87
Operating profit		8,946	9,447		8,946	9,447	
Profit before taxation	B.5	9,959	10,636	-6.37	9,959	10,636	-6.37
Income tax expense	B.6	(2,332)	(2,338)	-0.26	(2,332)	(2,338)	-0.26
Profit after taxation, representing total comprehensive income for the period, attributable to the owners of the Company		7,627	8,298	-8.09	7,627	8,298	-8.09
Basic and diluted earnings per share attributable to the owners of the Company (sen):	B.16	2.71	2.95	-8.14	2.71	2.95	-8.14

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 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 Mar 2024	(Audited) As at Preceding Financial Year Ended 31 Dec 2023
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	124,855	125,574
Investment property	915	921
Right-of-use of assets	11,522	11,613
	137,292	138,108
Current assets		
Inventories	73,275	88,540
Trade and other receivables	54,491	51,354
Short-term investments	33,821	33,298
Fixed deposits with a licensed bank	15,000	18,000
Cash and bank balances	18,746	19,396
	195,333	210,588
TOTAL ASSETS	332,625	348,696
Equity		
Share capital	98,773	98,773
Treasury shares	(21)	(21)
Retained earnings	168,260	164,855
	267,012	263,607
Non-current liability		
Deferred tax liabilities	14,307	14,028
Current liabilities		
Trade and other payables	50,025	70,394
Current tax liabilities	1,281	667
	51,306	71,061
TOTAL LIABILITIES	65,613	85,089
TOTAL EQUITY AND LIABILITIES	332,625	348,696
<i>Net assets per share attributable to the owners of the Company (RM)</i>	<i>0.95</i>	<i>0.94</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 2023 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 March 2024</i>				
At 1 January 2024	98,773	(21)	164,855	263,607
Dividends to shareholders	-	-	(4,222)	(4,222)
Total comprehensive income for the period	-	-	7,627	7,627
At 31 March 2024	98,773	(21)	168,260	267,012
<i>For the period ended 31 March 2023</i>				
At 1 January 2023	98,773	(21)	146,510	245,262
Dividends to shareholders	-	-	(4,222)	(4,222)
Total comprehensive income for the period	-	-	8,298	8,298
At 31 March 2023	98,773	(21)	150,586	249,338

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 2023 and the accompanying explanatory notes to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 3 months ended 31 Mar 2024 RM'000	Unaudited 3 months ended 31 Mar 2023 RM'000
OPERATING ACTIVITIES		
Profit before taxation	9,959	10,636
<u>Adjustments for :</u>		
Depreciation of property, plant and equipment	3,752	3,338
Depreciation of investment property	6	6
Depreciation of right-of-use assets	91	41
Interest income	(572)	(576)
Impairment loss on receivables	45	23
Reversal of impairment loss on receivables	(138)	(373)
Loss on foreign exchange - unrealised	117	333
Operating cash flows before working capital changes	13,260	13,428
Decrease in inventories	15,265	12,620
(Increase)/decrease in receivables	(3,239)	2,387
(Decrease)/increase in payables	(20,168)	9,271
Cash flows from operations	5,118	37,706
Income taxes paid	(1,439)	(875)
Net cash flows from operating activities	3,679	36,831
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,033)	(3,500)
Purchase of short-term investments	(523)	(9,682)
Withdrawal of FD	3,000	-
Interest received	572	576
Net cash flows from/(used in) investing activities	16	(12,606)
FINANCING ACTIVITIES		
Dividends paid	(4,222)	(2,815)
Net cash flows used in financing activities	(4,222)	(2,815)
Net (decrease)/increase in cash and cash equivalents	(527)	21,410
Cash and cash equivalents at 1 January	19,396	33,418
Effects of exchange differences	(123)	(323)
Cash and cash equivalents at 31 March	18,746	54,505
<u>Notes :</u>		
Cash and cash equivalents in the statement of cash flows comprise of :-		
Cash and bank balances	18,746	54,505

Remark

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and the accompanying explanatory notes to the interim financial statements.

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INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

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 24 May 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 2023.

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 2023.

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 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

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 2025

- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- 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 March 2024, 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 3 months period ended 31 March 2024:

	RM'000
In respect of the financial year ended 31 December 2023:	
- Third Single Tier interim dividend of 1.5 sen per share, paid on 11 January 2024	4,222
Total dividends paid as at 31 March 2024	<u>4,222</u>

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On 27 February 2024, the Company declared a fourth 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 5 April 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		3 months ended		3 months ended		3 months ended	
	31 Mar		31 Mar		31 Mar		31 Mar	
	2024		2023		2024		2023	
	RM'000		RM'000		RM'000		RM'000	
Operating revenue:								
Asia countries	71,329	57%	69,479	59%	71,329	57%	69,479	59%
Malaysia	34,676	28%	33,527	29%	34,676	28%	33,527	29%
Others	18,217	15%	14,325	12%	18,217	15%	14,325	12%
Total operating revenue	<u>124,222</u>	100%	<u>117,331</u>	100%	<u>124,222</u>	100%	<u>117,331</u>	100%

A.10 Material events subsequent to the reporting date

There were no other material events subsequent to the quarter ended 31 March 2024 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 2023.

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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 performance for the current quarter ("1Q24") compared with last financial year's corresponding quarter ("1Q23") is as follows:

Description	Unaudited 1Q24 RM'000	Unaudited 1Q23 RM'000	Change %
Revenue	124,222	117,331	+5.87
PBT	9,959	10,636	-6.37
PAT	7,627	8,298	-8.09

Quarter Review (1Q24 vs 1Q23)

For the current quarter, the Group's unaudited operating revenue of RM124.22 million was higher compared to RM117.33 million in 1Q23 mainly due to higher demand.

The Group recorded a lower unaudited profit before tax (PBT) and unaudited profit after tax (PAT) for the quarter under review of RM9.96 million and RM7.63 million respectively, representing a decrease of 6.37% and 8.09% compared to unaudited PBT and PAT of RM10.64 million and RM8.30 million respectively in 1Q23.

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

B.2 Variation of results against last quarter

The Group's performance for the current quarter ("1Q24") compared with the preceding quarter ("4Q23") is as follows:

Description	Unaudited 1Q24 RM'000	Unaudited 4Q23 RM'000	Change %
Revenue	124,222	124,884	-0.53
PBT	9,959	11,204	-11.11
PAT	7,627	9,822	-22.35

Unaudited operating revenue for the current quarter of RM124.22 million was lower by 0.53% compared to RM124.88 million in 4Q23 due to lower selling prices.

The Group recorded a lower unaudited PBT and PAT for the quarter under review of RM9.96 million and RM7.63 million respectively, representing a decrease of 11.11% and 22.35% compared to unaudited PBT and PAT of RM11.20 million and RM9.82 million respectively in 4Q23.

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The lower unaudited PBT for the quarter under review was mainly due to higher production costs, while the lower unaudited PAT for the quarter under review was due to higher reinvestment allowance claimed by one of the subsidiaries in 4Q23.

B.3 Prospects

Despite a volatile business environment due to elevated interest rates, inflationary pressures, weakening of currencies against the USD, geopolitical tensions, coupled with increasing operating costs, the Group remains optimistic of sustained and growing demand of packaging products as global economy activities continue to improve.

The Group shall continue to focus on business expansion, pursue innovation, product quality and differentiation, enhance operational efficiency and cost management, and emphasize its commitment towards ESG and sustainability objectives.

The Group remains committed to delivering a profitable performance for the financial year ending 31 December 2024, building on its strong fundamentals and adaptability.

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.

B.5 Profit before tax

Included in the profit before tax are the following items:

	Current quarter 3 Months ended		Cumulative quarter 3 Months ended	
	31 Mar 2024 RM'000	31 Mar 2023 RM'000	31 Mar 2024 RM'000	31 Mar 2023 RM'000
Interest income	(572)	(576)	(572)	(576)
Rental income	(11)	(11)	(11)	(11)
Depreciation of property, plant and equipment	3,752	3,338	3,752	3,338
Depreciation of investment property	6	6	6	6
Depreciation of right-of-use assets	91	41	91	41
Impairment loss on receivables	45	23	45	23
Reversal of impairment loss on receivables	(138)	(373)	(138)	(373)
Foreign exchange (gain)/loss – Realised	(220)	(821)	(220)	(821)
Foreign exchange loss – Unrealised	117	333	117	333

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B.6 Taxation

	Current Quarter 3 Months ended		Cumulative Quarter 3 Months ended	
	31 Mar 2024 RM'000	31 Mar 2023 RM'000	31 Mar 2024 RM'000	31 Mar 2023 RM'000
Income tax	2,053	2,007	2,053	2,007
Deferred tax:				
Origination and reversal of temporary differences	136	331	136	331
Under provided in prior year	143	-	143	-
	279	331	279	331
	<u>2,332</u>	<u>2,338</u>	<u>2,332</u>	<u>2,338</u>

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 3 months period under review was 21.98%, 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 RM0.52 million in money market funds for the 3 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.

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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 Mar 2024	31 Dec 2023
	RM'000	RM'000
	<i>(Unaudited)</i>	<i>(Audited)</i>
Approved and contracted for	13,717	13,902

B.14 Proposed dividend

The Board of Directors of the Company proposed a first single tier interim dividend of 1.5 sen per share in respect of the financial year ending 31 December 2024.

The entitlement date is fixed on 24 June 2024 and payment will be made on 12 July 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 2023 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	
		31 Mar	31 Mar
		2024	2023
Net profit for the period	(RM'000)	7,627	8,298
Weighted average number of ordinary shares	('000)	281,479	281,479
Basic earnings per share	(sen)	2.71	2.95

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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: 24 May 2024