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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 2024**

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 Jun 2024 (Unaudited)	30 Jun 2023 (Unaudited)	%	30 Jun 2024 (Unaudited)	30 Jun 2023 (Unaudited)	%
		RM'000	RM'000		RM'000	RM'000	
Revenue	A.9	120,907	110,165	9.75	245,129	227,496	7.75
Operating profit		8,800	10,350		17,780	19,370	
Profit before taxation	B.5	9,823	12,252	-19.83	19,782	22,888	-13.57
Income tax expense	B.6	(1,238)	(2,394)	-48.29	(3,570)	(4,732)	-24.56
Profit after taxation, representing total comprehensive income for the period, attributable to the owners of the Company		8,585	9,858	-12.91	16,212	18,156	-10.71
Basic and diluted earnings per share attributable to the owners of the Company (sen):	B.16	3.05	3.50	-12.86	5.76	6.45	-10.70

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 30 Jun 2024	(Audited) As at Preceding Financial Year Ended 31 Dec 2023
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	128,507	125,574
Investment property	909	921
Right-of-use of assets	11,430	11,613
	140,846	138,108
Current assets		
Inventories	60,858	88,540
Trade and other receivables	49,807	51,354
Short-term investments	29,718	33,298
Fixed deposits with a licensed bank	15,000	18,000
Cash and bank balances	38,213	19,396
	193,596	210,588
TOTAL ASSETS	334,442	348,696
Equity		
Share capital	98,773	98,773
Treasury shares	(21)	(21)
Retained earnings	176,845	164,855
	275,597	263,607
Non-current liability		
Deferred tax liabilities	13,482	14,028
Current liabilities		
Trade and other payables	43,178	70,394
Current tax liabilities	2,185	667
	45,363	71,061
TOTAL LIABILITIES	58,845	85,089
TOTAL EQUITY AND LIABILITIES	334,442	348,696
<i>Net assets per share attributable to the owners of the Company (RM)</i>	0.98	0.94

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 30 June 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	-	-	16,212	16,212
At 30 June 2024	98,773	(21)	176,845	275,597
<i>For the period ended 30 June 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	-	-	18,156	18,156
At 30 June 2023	98,773	(21)	160,444	259,196

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 6 months ended 30 Jun 2024 RM'000	Unaudited 6 months ended 30 Jun 2023 RM'000
OPERATING ACTIVITIES		
Profit before taxation	19,782	22,888
<u>Adjustments for :</u>		
Depreciation of property, plant and equipment	7,517	6,680
Depreciation of investment property	11	11
Depreciation of right-of-use assets	183	83
Interest income	(1,383)	(1,257)
Impairment loss on receivables	45	35
Reversal of impairment loss on receivables	(283)	(757)
Gain on foreign exchange - unrealised	(14)	(397)
Operating cash flows before working capital changes	25,858	27,286
Decrease in inventories	27,682	6,896
Decrease/(increase) in receivables	1,477	(597)
Decrease in payables	(22,699)	(11,611)
Cash flows from operations	32,318	21,974
Income taxes paid	(2,598)	(1,922)
Net cash flows from operating activities	29,720	20,052
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(10,448)	(11,382)
Disposal/(purchase) of short-term investments	3,580	(9,491)
Withdrawal/(additional placement) of FD	3,000	(13,106)
Interest received	1,383	1,257
Net cash flows used in investing activities	(2,485)	(32,722)
FINANCING ACTIVITIES		
Dividends paid	(8,444)	(7,037)
Net cash flows used in financing activities	(8,444)	(7,037)
Net increase/(decrease) in cash and cash equivalents	18,791	(19,707)
Cash and cash equivalents at 1 January	19,396	33,418
Effects of exchange differences	26	256
Cash and cash equivalents at 30 June	38,213	13,967
<u>Notes :</u>		
Cash and cash equivalents in the statement of cash flows comprise of :-		
Cash and bank balances	38,213	13,967

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 SECOND QUARTER ENDED 30 JUNE 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 27 August 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:

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

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- Amendments to MFRS 121: Lack of Exchangeability

Amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments

Amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18: Presentation and Disclosure in Financial Statements
- MFRS 19: Subsidiaries without Public Accountability: Disclosures

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 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 6 months period ended 30 June 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

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- Fourth Single Tier interim dividend of 1.5 sen per share, paid on 5 April 2024	4,222
Total dividends paid as at 30 June 2024	<u>8,444</u>

On 24 May 2024, 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 2024 that was paid on 12 July 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		6 months ended					
	30 Jun	30 Jun	30 Jun	30 Jun				
	2024	2023	2024	2023				
	RM'000	RM'000	RM'000	RM'000				
Operating revenue:								
Asia countries	73,926	61%	61,275	56%	145,255	59%	130,754	57%
Malaysia	31,449	26%	32,070	29%	66,125	27%	65,597	29%
Others	15,532	13%	16,820	15%	33,749	14%	31,145	14%
Total operating revenue	<u>120,907</u>	100%	<u>110,165</u>	100%	<u>245,129</u>	100%	<u>227,496</u>	100%

A.10 Material events subsequent to the reporting date

There were no other material events subsequent to the quarter ended 30 June 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 performances for the current quarter ("2Q24") and 6 months period ended 30 June 2024 ("6M FY24") compared with last financial year's corresponding quarter ("2Q23") and 6-month period ("6M FY23") are as follow:

Description	Unaudited 2Q24 RM'000	Unaudited 2Q23 RM'000	Change %	Unaudited 6M FY24 RM'000	Unaudited 6M FY23 RM'000	Change %
Revenue	120,907	110,165	+9.75	245,129	227,496	+7.75
PBT	9,823	12,252	-19.83	19,782	22,888	-13.57
PAT	8,585	9,858	-12.91	16,212	18,156	-10.71

Quarter Review (2Q24 vs 2Q23)

For the current quarter, the Group's unaudited operating revenue of RM120.91 million was higher compared to RM110.17 million in 2Q23 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 RM9.82 million and RM8.59 million respectively, representing a decrease of 19.83% and 12.91% compared to unaudited PBT and PAT of RM12.25 million and RM9.86 million respectively in 2Q23.

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

Year-to-date Review (6M FY24 vs 6M FY23)

For the 6 months ended 30 June 2024, the Group's unaudited operating revenue of RM245.13 million was higher compared to RM227.50 million in 6M FY23 mainly due to higher demand.

The Group recorded a lower unaudited PBT and PAT for the period under review of RM19.78 million and RM16.21 million respectively, representing a decrease of 13.57% and 10.71% compared to the unaudited PBT and PAT of RM22.89 million and RM18.16 million respectively in 6M FY23.

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

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B.2 Variation of results against last quarter

The Group's performance for the current quarter ("2Q24") compared with the preceding quarter ("1Q24") is as follows:

Description	Unaudited 2Q24 RM'000	Unaudited 1Q24 RM'000	Change %
Revenue	120,907	124,222	-2.67
PBT	9,823	9,959	-1.37
PAT	8,585	7,627	+12.56

Unaudited operating revenue for the current quarter of RM120.91 million was lower by 2.67% compared to RM124.22 million in 1Q24 due to lower demand.

The Group recorded a lower unaudited PBT for the quarter under review of RM9.82 million, representing a decrease of 1.37% compared to unaudited PBT of RM9.96 million in 1Q24 due to higher production costs.

The Group recorded a higher unaudited PAT for the quarter under review of RM8.59 million, representing an increase of 12.56% compared to unaudited PAT of RM7.63 million in 1Q24 due to reinvestment allowance claimed by a subsidiary.

B.3 Prospects

Despite a volatile business environment due to supply chain disruptions, inflationary pressures, 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.

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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 2024 RM'000	30 Jun 2023 RM'000	30 Jun 2024 RM'000	30 Jun 2023 RM'000
Interest income	(811)	(681)	(1,383)	(1,257)
Rental income	(13)	(12)	(24)	(23)
Depreciation of property, plant and equipment	3,765	3,342	7,517	6,680
Depreciation of investment property	5	5	11	11
Depreciation of right-of-use assets	92	42	183	83
Impairment loss on receivables	-	12	45	35
Reversal of impairment loss on receivables	(145)	(384)	(283)	(757)
Foreign exchange loss/(gain) – Realised	48	(413)	(56)	(901)
Foreign exchange gain – Unrealised	(14)	(397)	(14)	(397)

B.6 Taxation

	Current Quarter 3 Months ended		Cumulative Quarter 6 Months ended	
	30 Jun 2024 RM'000	30 Jun 2023 RM'000	30 Jun 2024 RM'000	30 Jun 2023 RM'000
Income tax	2,063	2,153	4,116	4,160
Deferred tax:				
Origination and reversal of temporary differences	(825)	241	(689)	572
Under provided in prior year	-	-	143	-
	(825)	241	(546)	572
	1,238	2,394	3,570	4,732

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 6 months period under review was 17.32%, which is lower than the statutory tax rate due mainly to the reinvestment allowance in a 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 disposal of short-term investments of RM3.58 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:

	30 Jun 2024	31 Dec 2023
	RM'000	RM'000
	<i>(Unaudited)</i>	<i>(Audited)</i>
Approved and contracted for	12,978	13,902

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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 2024.

The entitlement date is fixed on 20 September 2024 and payment will be made on 11 October 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		6 months ended	
		30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
Net profit for the period	(RM'000)	8,585	9,858	16,212	18,156
Weighted average number of ordinary shares	('000)	281,479	281,479	281,479	281,479
Basic earnings per share	(sen)	3.05	3.50	5.76	6.45

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 August 2024