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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 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 Sep 2024 (Unaudited)	30 Sep 2023 (Unaudited)	%	30 Sep 2024 (Unaudited)	30 Sep 2023 (Unaudited)	%
		RM'000	RM'000		RM'000	RM'000	
Revenue	A.9	124,961	117,220	6.60	370,090	344,716	7.36
Operating (loss)/profit		(439)	7,832		17,411	27,260	
Profit before taxation	B.5	548	8,532	-93.58	20,330	31,420	-35.30
Income tax expense	B.6	180	(1,276)	-114.11	(3,390)	(6,008)	-43.58
Profit after taxation, representing total comprehensive income for the period, attributable to the owners of the Company		728	7,256	-89.97	16,940	25,412	-33.34
Basic and diluted earnings per share attributable to the owners of the Company (sen):	B.16	0.26	2.58	-89.92	6.02	9.03	-33.33

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 Sep 2024	(Audited) As at Preceding Financial Year Ended 31 Dec 2023
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	133,999	125,574
Investment property	904	921
Right-of-use of assets	11,339	11,613
	146,242	138,108
Current assets		
Inventories	69,344	88,540
Trade and other receivables	47,043	51,354
Short-term investments	23,513	33,298
Fixed deposits with a licensed bank	10,000	18,000
Cash and bank balances	39,694	19,396
	189,594	210,588
TOTAL ASSETS	335,836	348,696
Equity		
Share capital	98,773	98,773
Treasury shares	(21)	(21)
Retained earnings	169,128	164,855
	267,880	263,607
Non-current liability		
Deferred tax liabilities	13,035	14,028
Current liabilities		
Trade and other payables	54,100	70,394
Current tax liabilities	821	667
	54,921	71,061
TOTAL LIABILITIES	67,956	85,089
TOTAL EQUITY AND LIABILITIES	335,836	348,696
<i>Net assets per share attributable to the owners of the Company (RM)</i>	0.95	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 September 2024</i>				
At 1 January 2024	98,773	(21)	164,855	263,607
Dividends to shareholders	-	-	(12,667)	(12,667)
Total comprehensive income for the period	-	-	16,940	16,940
At 30 September 2024	98,773	(21)	169,128	267,880
<i>For the period ended 30 September 2023</i>				
At 1 January 2023	98,773	(21)	146,510	245,262
Dividends to shareholders	-	-	(8,444)	(8,444)
Total comprehensive income for the period	-	-	25,412	25,412
At 30 September 2023	98,773	(21)	163,478	262,230

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 9 months ended 30 Sep 2024 RM'000	Unaudited 9 months ended 30 Sep 2023 RM'000
OPERATING ACTIVITIES		
Profit before taxation	20,330	31,420
<u>Adjustments for :</u>		
Depreciation of property, plant and equipment	11,284	10,015
Depreciation of investment property	17	17
Depreciation of right-of-use assets	274	124
Interest income	(2,182)	(1,818)
Impairment loss on receivables	45	303
Reversal of impairment loss on receivables	(424)	(770)
Loss/(gain) on foreign exchange - unrealised	1,347	(144)
Operating cash flows before working capital changes	30,691	39,147
Decrease in inventories	19,196	4,086
Decrease in receivables	2,394	765
Decrease in payables	(13,810)	(1,579)
Cash flows from operations	38,471	42,419
Income taxes paid	(4,230)	(2,970)
Net cash flows from operating activities	34,241	39,449
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(19,709)	(21,407)
Proceeds from disposal of property, plant and equipment	-	2
Disposal/(purchase) of short-term investments	9,786	(2,263)
Withdrawal/(additional placement) of FD	8,000	(18,223)
Interest received	2,182	1,818
Net cash flows from/(used in) investing activities	259	(40,073)
FINANCING ACTIVITIES		
Dividends paid	(12,667)	(11,259)
Net cash flows used in financing activities	(12,667)	(11,259)
Net increase/(decrease) in cash and cash equivalents	21,833	(11,883)
Cash and cash equivalents at 1 January	19,396	33,418
Effects of exchange differences	(1,535)	95
Cash and cash equivalents at 30 September	39,694	21,630
<u>Notes :</u>		
Cash and cash equivalents in the statement of cash flows comprise of :-		
Cash and bank balances	39,694	21,630

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 26 November 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:

MFRSs and IC Interpretations (Including the consequential amendments)	Effective Date
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027

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 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 9 months period ended 30 September 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
- Fourth Single Tier interim dividend of 1.5 sen per share, paid on 5 April 2024	4,222

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In respect of the financial year ending 31 December 2024:

- First Single Tier interim dividend of 1.5 sen per share, paid on 12 July 2024 4,223

Total dividends paid as at 30 September 2024 12,667

On 27 August 2024, 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 2024 that was paid on 11 October 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		9 months ended		9 months ended	
	30 Sep 2024		30 Sep 2023		30 Sep 2024		30 Sep 2023	
	RM'000		RM'000		RM'000		RM'000	
Operating revenue:								
Asia countries	72,412	58%	62,391	53%	217,667	59%	193,144	56%
Malaysia	31,967	26%	33,638	29%	98,092	27%	99,235	29%
Others	20,582	16%	21,191	18%	54,331	14%	52,337	15%
Total operating revenue	<u>124,961</u>	100%	<u>117,220</u>	100%	<u>370,090</u>	100%	<u>344,716</u>	100%

A.10 Material events subsequent to the reporting date

There were no other material events subsequent to the quarter ended 30 September 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 ("3Q24") and 9 months period ended 30 September 2024 ("9M FY24") compared with last financial year's corresponding quarter ("3Q23") and 9-month period ("9M FY23") are as follow:

Description	Unaudited 3Q24 RM'000	Unaudited 3Q23 RM'000	Change %	Unaudited 9M FY24 RM'000	Unaudited 9M FY23 RM'000	Change %
Revenue	124,961	117,220	+6.60	370,090	344,716	+7.36
PBT	548	8,532	-93.58	20,330	31,420	-35.30
PAT	728	7,256	-89.97	16,940	25,412	-33.34

Quarter Review (3Q24 vs 3Q23)

For the current quarter, the Group's unaudited operating revenue of RM124.96 million was higher compared to RM117.22 million in 3Q23 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 RM548K and RM728K respectively, representing a decrease of 93.58% and 89.97% compared to unaudited PBT and PAT of RM8.53 million and RM7.26 million respectively in 3Q23.

The lower unaudited PBT and PAT for the quarter under review were mainly due to unfavourable foreign exchange position arising from the significant strengthening of Ringgit Malaysia.

Year-to-date Review (9M FY24 vs 9M FY23)

For the 9 months ended 30 September 2024, the Group's unaudited operating revenue of RM370.09 million was higher compared to RM344.72 million in 9M FY23 mainly due to higher demand.

The Group recorded a lower unaudited PBT and PAT for the period under review of RM20.33 million and RM16.94 million respectively, representing a decrease of 35.30% and 33.34% compared to the unaudited PBT and PAT of RM31.42 million and RM25.41 million respectively in 9M FY23.

The lower unaudited PBT and PAT for the period under review were mainly due to higher production costs as well as unfavourable foreign exchange position arising from the significant strengthening of Ringgit Malaysia in the third quarter.

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B.2 Variation of results against last quarter

The Group's performance for the current quarter ("3Q24") compared with the preceding quarter ("2Q24") is as follows:

Description	Unaudited 3Q24 RM'000	Unaudited 2Q24 RM'000	Change %
Revenue	124,961	120,907	+3.35
PBT	548	9,823	-94.42
PAT	728	8,585	-91.52

Unaudited operating revenue for the current quarter of RM124.96 million was higher by 3.35% compared to RM120.91 million in 2Q24 mainly due to higher demand.

The Group recorded a lower unaudited PBT and PAT for the quarter under review of RM548K and RM728K respectively, representing a decrease of 94.42% and 91.52% compared to unaudited PBT and PAT of RM9.82 million and RM8.59 million respectively in 2Q24.

The lower unaudited PBT and PAT for the quarter under review were mainly due to unfavourable foreign exchange position arising from the significant strengthening of Ringgit Malaysia.

B.3 Prospects

Outlook remains challenging from increasing operating costs and forex volatility. Nevertheless, the Group remains optimistic of sustained and growing demand of packaging products as global economy activities continue to improve.

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 9 Months ended	
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023
	RM'000	RM'000	RM'000	RM'000
Interest income	(799)	(561)	(2,182)	(1,818)
Rental income	(13)	(11)	(37)	(34)
Depreciation of property, plant and equipment	3,767	3,335	11,284	10,015
Depreciation of investment property	6	6	17	17
Depreciation of right-of-use assets	91	41	274	124
Impairment loss on receivables	-	268	45	303
Reversal of impairment loss on receivables	(141)	(13)	(424)	(770)
Foreign exchange loss/(gain) – Realised	4,128	202	4,058	(1,096)
Foreign exchange loss/(gain) – Unrealised	1,347	(144)	1,347	(144)

B.6 Taxation

	Current Quarter 3 Months ended		Cumulative Quarter 9 Months ended	
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023
	RM'000	RM'000	RM'000	RM'000
Income tax	326	1,147	4,442	5,307
Over provided in prior year	(58)	(13)	(58)	(13)
	268	1,134	4,384	5,294
Deferred tax:				
Origination and reversal of temporary differences	(448)	142	(1,137)	714
Under provided in prior year	-	-	143	-
	(448)	142	(994)	714
	(180)	1,276	3,390	6,008

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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 16.26%, 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 RM9.79 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:

	30 Sep 2024	31 Dec 2023
	RM'000	RM'000
	<i>(Unaudited)</i>	<i>(Audited)</i>
Approved and contracted for	7,710	13,902

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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 2024.

The entitlement date is fixed on 13 December 2024 and payment will be made on 27 December 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		9 months ended	
		30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023
Net profit for the period	(RM'000)	728	7,256	16,940	25,412
Weighted average number of ordinary shares	('000)	281,479	281,479	281,479	281,479
Basic earnings per share	(sen)	0.26	2.58	6.02	9.03

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: 26 November 2024