

BP PLASTICS HOLDING BERHAD

[Registration No. 200401006398 (644902-V)]

(Incorporated in Malaysia)

APPENDIX I – RESPONSES AND CLARIFICATIONS TO QUESTIONS RECEIVED DURING THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD ON MONDAY, 22 NOVEMBER 2021

No.	Name of Shareholder	Questions
1	LAU CHUAN HOOI	Will the Board consider giving door gift such as e-voucher or e-wallets for those participated in this Extraordinary General Meeting?
		<p><u>Response</u></p> <p>The Board of Directors thanks all shareholders and proxies for participating in the Company’s virtual Extraordinary General Meeting (“EGM”). As stated in the Administrative Guide that accompanied the Notice of EGM, the Company will not be providing e-vouchers or e-wallet or door gifts for shareholders or proxies who participate in the virtual EGM. This is also in line with the Group’s measures to contain operating expenses, given the challenging and uncertain economic outlook caused by the COVID-19 pandemic.</p> <p>Nonetheless, the goodies that the Company has prepared for the shareholders are the free warrants which are given out without any cost.</p> <p>We hope that shareholders would continue to support the Company and to participate in the deliberations at our general meetings. We will continue to strive for better outcomes in our operations and that will benefit all shareholders even more.</p>
2	FONG KAH KUEN	Would you be able to clarify what is the purpose of the warrant issuance? Seeing as the company balance sheet and cash balance is strong. Would you be able to share your expansion plans with regards to utilisation of the future warrant conversion?
		<p><u>Response</u></p> <p>The Company has achieved excellent performance and hence, the Board has decided to reward the loyal shareholders with the issuance of free warrants. In addition, the Board has adopted a generous dividend policy which reflects the Board’s commitment to ensure stable and sustainable returns to shareholders.</p> <p>The strong balance sheet will ensure the Company not missing out opportunities on mergers or acquisitions in the future.</p> <p>In regards to the expansion plan, it is in the interest of the Company to look at it as and when the opportunity is made available. The Company will focus on organic growth at the moment.</p>

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3	OOI WEI CHANG	Any updates on the Company's businesses and operations that can be shared by the management?
	<u>Response</u>	<p>The demand for packaging is gaining momentum as COVID-19 pandemic restrictions are slowly easing up. The increase in demand is not only improving in Malaysia but also in the overseas markets. We are optimistic that the demand for sustainable packaging will stay strong for this year and next year.</p>
4	TEH KIAN LANG	Any share buy-back plans?
	<u>Response</u>	<p>At the moment, the Company does not have any intention to implement share buy-back plan. Should the Company proceed with the implementation of share buy-back plan, the Company would be required to seek approval from shareholders.</p>
5	GUNALAN JAYABALAN	What is the business outlook for next one (1) year and what is the percentage growth projection for the next three (3) years?
	<u>Response</u>	<p>The growth potential of packaging film business is closely related to the gross domestic product ("GDP") growth of the country and the business environment of manufacturing sector.</p> <p>Although domestic demand is expected to remain soft throughout 2021, there are signs of recovery in the second half of the year, particularly in private consumption. With the rebound of the business expansion, most of the countries have re-initiated the operations and plastics demands are growing along with the GDP of the country. The manufacturing sector is forecast to rebound by 7% in 2021, driven by steady improvement in both the export and domestic oriented industries.</p>

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6	CHAN CHEE WAI	Would BPPLAS be making their products available online (E-Commerce) for buyers?
<p><u>Response</u></p> <p>The packaging products of the Company are mainly being used for industry and commercial purposes and are not suitable for household consumption because the products consist of mainly industrial bags, food and beverage flexible packaging film and stretch film.</p> <p>We do have e-commerce platform accounts but they are used to cater for bulk quantity purchases instead of household consumers.</p>		
7	FONG KAH KUEN	Would the Board be able to share views on the outlook regarding freight rates as well as raw material prices and your current experience regarding foreign labour shortage faced by other manufacturers?
<p><u>Response</u></p> <p>Suppliers and customers are facing the cost pressures from the freight price increase and outlook on the freight constraints. Freight transportation plays an important role in our global economy. Billions of tons of cargo are transported around the world each year by trucks, planes, ships, and trains. At current growth rates, shipping could be one of the largest contributors to global greenhouse gas emissions by 2050.</p> <p>The global pandemic has caused port congestion due to a lot of products are being shipped from Asia. The worldwide container shortage crisis happened in the second half of this year. The shortage in containers and high freight cost are expected to prolong until the first half of 2022 before gradually improving.</p> <p>The raw materials prices are affected by the high crude prices and high freight cost. In the United States, the prices of resin are relatively higher than Asia and are mostly being sold in the United States, this has caused supply shortages and supply disruption. This trend has been ongoing since last year.</p> <p>Malaysia is facing a labour crunch in key economic sectors like factories and construction as Malaysia has not opened up the borders for foreign labours due to measures to curb the spread of the pandemic in Malaysia. The Company does not face severe shortage of foreign workers as it still has adequate number of foreign workers. However, the Board acknowledges the demand for more foreign workers is necessary to support the expansion of the production lines of the Group.</p>		