

BP PLASTICS HOLDING BERHAD

[Registration No. 200401006398 (644902-V)]

(Incorporated in Malaysia)

MINUTES OF THE SEVENTEENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON A FULLY VIRTUAL BASIS AT THE BROADCAST VENUE AT MEETING ROOM, SECURITIES SERVICES (HOLDINGS) SDN. BHD., LEVEL 7, MENARA MILENIUM, JALAN DAMANLELA, PUSAT BANDAR DAMANSARA, DAMANSARA HEIGHTS, 50490 KUALA LUMPUR, WILAYAH PERSEKUTUAN ON THURSDAY, 27 MAY 2021 AT 2:30 P.M.

DIRECTORS PRESENT AT THE BROADCAST VENUE	:	Ms. Tan Ming-Li (Chairperson of Meeting) <i>(Senior Independent Non-Executive Director)</i> Mr. Tan Hock Hin <i>(Independent Non-Executive Director)</i>
DIRECTORS IN ATTENDANCE REMOTELY	:	Mr. Lim Kim Hock (Board Chairman) <i>(Independent Non-Executive Director)</i> Mr. Lim Chun Yow <i>(Managing Director)</i> Mr. Hey Shioh Hoe <i>(Executive Director)</i> Mr. Tan See Khim <i>(Executive Director)</i> Ms. Chuah Sue Yin <i>(Independent Non-Executive Director)</i>
IN ATTENDANCE AT BROADCAST VENUE	:	Ms. Tan Ley Theng <i>(Company Secretary)</i> Mr. Bryan Low Yih Chuen <i>(Assisting the Company Secretary)</i>
IN ATTENDANCE REMOTELY	:	Mr. Tan Guan Seng <i>(Representative of Messrs. Crowe Malaysia PLT, External Auditors)</i>
MEMBERS	:	As per Attendance List
PROXY HOLDERS	:	As per Attendance List
INVITEES	:	As per Attendance List

WELCOMING ADDRESS BY THE CHAIRMAN OF THE COMPANY

Mr. Lim Kim Hock, the Chairman of the Board and the Company welcomed all present at the Broadcast Venue and those participating remotely in the Seventeenth Annual General Meeting ("**17th AGM**" or "**Meeting**") of the Company from various locations through live streaming.

Mr. Lim Kim Hock informed the Meeting that amid the situation where the COVID-19 outbreak was still ongoing and as part of the safety measures, the Board of Directors ("**Board**") of the Company continued to exercise prudence and decided that the 17th AGM be held on a fully virtual basis via live streaming and online voting from the Broadcast Venue using the remote participation and voting facilities ("**RPV**").

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

(Minutes of the Seventeenth Annual General Meeting held on 27 May 2021 - cont'd)

Mr. Lim Kim Hock was pleased to report the release of the Company's First Quarter Results for the quarter ended 31 March 2021 to Bursa Malaysia Securities Berhad preceding this Annual General Meeting. For the First Quarter ended 31 March 2021, the Group recorded a new high for its operating revenues, unaudited profit before tax and profit after tax. With a commitment to enhance shareholder value, the Company had declared a first single tier interim dividend of 2 sen per share and a special single tier dividend of 1 sen per share in respect to the financial year ending 31 December 2021.

Mr. Lim Kim Hock then conveyed his apologies for not being physically present at the Broadcast Venue in Kuala Lumpur, taking cognisance of the enforcement of the Movement Control Order by the Malaysian National Security Council.

For purpose of complying with Section 327(2) of the Companies Act 2016 which stipulated that the chairperson shall be present at the main venue of the general meeting, the Board has elected Ms. Tan Ming-Li, the Senior Independent Non-Executive Director of the Company, as Chairperson of this Meeting to chair the proceedings of the 17th AGM in accordance with Clause 102 of the Company's Constitution.

Mr. Lim Kim Hock then handed over the Chair to Ms. Tan Ming-Li.

CHAIRPERSON OF MEETING

Ms. Tan Ming-Li ("**Chairperson**") took over the Chair of the Meeting and welcomed all shareholders, proxies and invitees to the Meeting.

The Chairperson introduced Mr. Tan Hock Hin, the Independent Non-Executive Director and the Company Secretary who were in attendance at the Broadcast Venue. The Chairperson then introduced the remaining Directors, the Financial Controller and representatives of the External Auditors, Messrs. Crowe Malaysia PLT, who participated this Meeting remotely.

QUORUM

The requisite quorum being present pursuant to Clause 99 of the Company's Constitution, the Chairman declared the Meeting duly convened.

The Chairman advised the Meeting that the Company was using 19 May 2021 as the determinant date of the General Meeting Record of Depositors.

NOTICE

The Chairman explained that the 17th AGM was originally scheduled to be conducted as a physical meeting. In view of the nationwide Movement Control Order announced on 10 May 2021, the Company had on 17 May 2021 announced that the 17th AGM would be conducted as a fully virtual meeting.

All other details of the 17th AGM remained unchanged and valid save for the change of the conduct of the 17th AGM on a fully virtual basis through live streaming from the

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

(Minutes of the Seventeenth Annual General Meeting held on 27 May 2021 - cont'd)

Broadcast Venue. Hence, no revised Notice and Proxy Form had been issued by the Company.

With the permission of the Meeting, the Notice convening the Meeting having been circulated within the prescribed period, was taken as read.

POLL VOTING PROCEDURES

The Chairperson informed that voting at the Meeting would be conducted by way of poll, in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and briefed the shareholders, proxies and corporate representatives present virtually at the Meeting of their rights to ask questions and vote at the 17th AGM.

The Meeting was informed that there were shareholders who were unable to participate in the Meeting via RPV, had appointed the Chairperson of the Meeting to vote on their behalf. Accordingly, the Chairperson would be voting in her capacity as proxy in accordance with their instructions, where indicated.

The Chairperson highlighted that as there was no legal requirement for a proposed resolution to be seconded, she would take the Meeting through each item on the Agenda.

The voting session was made available to all shareholders, proxies and corporate representatives from the start of the Meeting and had continued until the closure of the voting session was announced. Shareholders, proxies and corporate representatives could nonetheless proceed to cast and submit their votes, after all the resolutions to be tabled at this AGM were read out.

The Chairperson advised that the Company had taken all efforts and tried their best to ensure a smooth live streaming, however the quality of the broadcast could be affected by the participants' own internet bandwidth connection and stability.

The Chairperson then invited the Company Secretary to give an overview of the polling and voting procedures at this Meeting.

The Company Secretary briefed the Meeting that as explained in the Administrative Guide accompanying the Notice of the 17th AGM, shareholders, proxies and corporate representatives could use the text box facility under the RPV to transmit their questions real time to the Chairperson or the Board during the Meeting. For more efficient running of the proceedings of the Meeting, the question-and-answer session was conducted, upon completion of the deliberations of all items to be transacted at the Meeting, prior to the poll voting session.

The Company Secretary informed that the Company had appointed SS E Solutions Sdn. Bhd. as the Poll Administrator to conduct the online electronic polling process. Commercial Quest Sdn. Bhd. was to act as the Independent Scrutineers to verify the results of the poll.

(Minutes of the Seventeenth Annual General Meeting held on 27 May 2021 - cont'd)

The step-by-step guide together with a pre-recorded short audio clip on the online voting module within the SSeP was played.

PRESENTATION ON THE GROUP'S PERFORMANCE AND KEY HIGHLIGHTS FOR YEAR 2020

The Chairperson then invited Ms. Chua Yi Fon ("**Ms. Yvonne Chua**"), the Financial Controller of the Company, to give a brief presentation on the Group's performance and key highlights for financial year ended 31 December 2020.

Ms. Yvonne Chua made a brief presentation on the financial highlights of the Group's performance for year 2020, business overview and outlook of the Group for the ensuing year.

It was highlighted that the business environment remained challenging due to the resurgence of COVID-19 pandemic, higher freight costs, extreme weather conditions resulting in supply disruption and unresolved trade tensions between China and USA. Optimism remained high in the hope that successful vaccinations programs globally can aid the return to normalcy, and the Group was looking forward to faster global economic recovery and the gradual reopening of borders by governments worldwide. Meanwhile, the Group was ready to undertake new capacities and technology adoption and in position to leverage on suitable opportunities arising from accelerating packaging demands.

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Chairperson informed that the first item on the Agenda was to receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and the Auditors thereon.

The Chairperson explained that the Audited Financial Statements for the financial year ended 31 December 2020 were meant for discussion only and shareholders' approval was not required pursuant to Section 340(1)(a) of the Companies Act 2016. As such, the Audited Financial Statements would not be put forward for voting.

The Chairperson declared that the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and the Auditors thereon be received.

The Chairperson then advised the Meeting that voting was already open and shareholders and proxies could cast their votes at any time until the announcement of the closure of poll voting. The results of the poll voting and declaration of resolutions would be reflected on the screen after the Scrutineers had verified the poll results upon the closure of the voting session.

(Minutes of the Seventeenth Annual General Meeting held on 27 May 2021 - cont'd)

**2. ORDINARY RESOLUTIONS 1 TO 3
RE-ELECTION OF THE RETIRING DIRECTORS PURSUANT TO CLAUSE 122
OF THE COMPANY'S CONSTITUTION**

The Chairperson tabled the next 3 Ordinary Resolutions pertaining to the re-election of Directors who were retiring by rotation pursuant to Clause 122 of the Company's Constitution.

The Meeting was informed that pursuant to Clause 122 of the Company's Constitution, Mr. Lim Kim Hock, Mr. Tan See Khim and Ms. Chuah Sue Yin were retiring as Directors of the Company and being eligible, had offered themselves for re-election. Each re-election of Director would be voted on individually.

**3. ORDINARY RESOLUTION 4
DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2021**

The Chairperson announced that the next item on the Agenda was to approve the Directors' fees of up to RM252,000 in respect of the financial year ending 31 December 2021. In the event the Directors' fees proposed is insufficient due to the enlarged Board size, approval would be sought at the next Annual General Meeting of the Company for additional fees to meet the shortfall.

**4. ORDINARY RESOLUTION 5
DIRECTORS' BENEFITS FROM 28 MAY 2021 UNTIL THE NEXT ANNUAL
GENERAL MEETING OF THE COMPANY IN 2022**

The Chairperson informed the Meeting that the motion as set out in Ordinary Resolution 5 was to approve the payment of Directors' benefits to the Independent Non-Executive Directors up to an amount of RM30,000 from 28 May 2021 until the next Annual General Meeting of the Company in 2022.

The Chairperson explained that the Directors' benefits comprise the meeting allowances which were estimated according to the number of scheduled Board and/or Board Committee meetings to be held from 28 May 2021 until the date of the Eighteenth AGM of the Company in 2022.

**5. ORDINARY RESOLUTION 6
RE-APPOINTMENT OF MESSRS. CROWE MALAYSIA PLT AS AUDITORS OF
THE COMPANY**

The Chairperson proceeded to Ordinary Resolution 6 in respect of the re-appointment of the retiring auditors, Messrs. Crowe Malaysia PLT as auditors of the Company. The retiring auditors, Messrs. Crowe Malaysia PLT had indicated their willingness to continue in office.

(Minutes of the Seventeenth Annual General Meeting held on 27 May 2021 - cont'd)

SPECIAL BUSINESS

6. ORDINARY RESOLUTION 7 AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO THE COMPANIES ACT 2016

The Chairperson advised that the next item on the Agenda was a Special Business to consider and if thought fit, pass an Ordinary Resolution to authorise the Directors to issue an aggregate number of shares up to ten per centum (10%) of the total number of issued shares of the Company pursuant to the Companies Act 2016.

The Meeting was informed that this general mandate would provide flexibility to the Board of Directors to issue and allot shares of up to 10% of the total number of issued shares of the Company at any time at their absolute discretion without convening a general meeting, for any possible fund raising activities and placement of shares. If approved, this authority would be valid, unless revoked or varied by the Company in a general meeting, until the next Annual General Meeting.

7. ORDINARY RESOLUTION 8 PROPOSED RETENTION OF MR. LIM KIM HOCK AS INDEPENDENT NON- EXECUTIVE DIRECTOR OF THE COMPANY

The Chairperson advised the Meeting that the Board Chairman, Mr. Lim Kim Hock was appointed as an Independent Non-Executive Director of the Company on 22 February 2008 and has therefore, served the Board in that capacity for a cumulative term of more than twelve (12) years. The Board through the Nominating and Remuneration Committee, after having conducted an annual performance evaluation and assessment of the independence of Mr. Lim Kim Hock, recommended that Mr. Lim Kim Hock to continue in office as an Independent Non-Executive Director of the Company through a two-tier voting process pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance.

The Meeting noted that Mr. Lim Kim Hock as a member of the Nominating and Remuneration Committee had abstained from deliberations or voting pertaining to his own independence at the Nominating and Remuneration Committee, and Board levels.

8. ANY OTHER BUSINESS

The Meeting was advised that there was no other business to be transacted at this Meeting of which due notice had been given.

9. QUESTION AND ANSWER SESSION

After tabling of all resolutions, the Chairperson announced that the Meeting was opened for question-and-answer session.

(Minutes of the Seventeenth Annual General Meeting held on 27 May 2021 - cont'd)

The Meeting was informed that questions received which were similar in nature would be collated to avoid repetition and may also be summarised for reasons of brevity.

The list of questions raised by the shareholders together with the responses and clarifications from the Managing Director, set out in **Appendix I** attached hereto.

Upon addressing all the questions received, the Chairperson closed the question-and-answer session.

10. POLLING PROCESS

The Chairperson announced that the voting session would continue for another 10 minutes to allow the shareholders, corporate representatives and proxies to complete their voting via the RPV facility.

The step-by-step guide together with a short audio clip on the online e-voting process was played again.

After 10 minutes, the Chairperson announced the closing of the poll and the Meeting was adjourned for the Scrutineers to verify the poll results.

The Scrutineers proceeded to verify the poll results while the Company's corporate video were played for the viewing pleasure of all participants.

11. ANNOUNCEMENT OF POLL RESULTS

The Meeting resumed at 3:45 p.m. for the declaration of the poll results which had been verified by the Independent Scrutineers, Commercial Quest Sdn. Bhd.

Based on the report from the Independent Scrutineer, the Chairperson announced the poll results as follows:-

11.1 Ordinary Resolution 1

Re-election of Mr. Lim Kim Hock in accordance with Clause 122 of the Company's Constitution

Resolution	Voted For		Voted Against	
	No. of shares	%	No. of shares	%
Ordinary Resolution 1	137,769,761	99.9958	5,800	0.0042

The Chairperson declared that Ordinary Resolution 1 was **CARRIED** as follows:-

"THAT Mr. Lim Kim Hock who retired pursuant to Clause 122 of the Company's Constitution, be re-elected to serve on the Board of Directors of the Company."

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

(Minutes of the Seventeenth Annual General Meeting held on 27 May 2021 - cont'd)

11.2 Ordinary Resolution 2
Re-election of Mr. Tan See Khim in accordance with Clause 122 of the Company's Constitution

Resolution	Voted For		Voted Against	
	No. of shares	%	No. of shares	%
Ordinary Resolution 2	137,769,761	99.9958	5,800	0.0042

The Chairperson declared that Ordinary Resolution 2 was **CARRIED** as follows:-

"THAT Mr. Tan See Khim who retired pursuant to Clause 122 of the Company's Constitution, be re-elected to serve on the Board of Directors of the Company."

11.3 Ordinary Resolution 3
Re-election of Ms. Chuah Sue Yin in accordance with Clause 122 of the Company's Constitution

Resolution	Voted For		Voted Against	
	No. of shares	%	No. of shares	%
Ordinary Resolution 3	137,768,061	99.9946	7,500	0.0054

The Chairperson declared that Ordinary Resolution 3 was **CARRIED** as follows:-

"THAT Ms. Chuah Sue Yin who retired pursuant to Clause 122 of the Company's Constitution, be re-elected to serve on the Board of Directors of the Company."

11.4 Ordinary Resolution 4
Payment of Directors' fees of RM252,000 for the financial year ending 31 December 2021

Resolution	Voted For		Voted Against	
	No. of shares	%	No. of shares	%
Ordinary Resolution 4	137,735,659	99.9951	6,802	0.0049

The Chairman declared that Ordinary Resolution 4 was **CARRIED** as follows:-

"THAT the payment of Directors' Fees of RM252,000 for the financial year ending 31 December 2021 be approved."

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

(Minutes of the Seventeenth Annual General Meeting held on 27 May 2021 - cont'd)

11.5 Ordinary Resolution 5
Payment of Directors' benefits up to an amount of RM30,000/- in aggregate to the Non-Executive Directors from 28 May 2021 until the next Annual General Meeting of the Company in 2022

Resolution	Voted For		Voted Against	
	No. of shares	%	No. of shares	%
Ordinary Resolution 5	137,734,159	99.9940	8,302	0.0060

The Chairperson declared that Ordinary Resolution 5 was **CARRIED** as follows:-

"THAT the payment of Directors' benefits up to an amount of RM30,000/- in aggregate to the Non-Executive Directors from 28 May 2021 until the next Annual General Meeting of the Company in 2022 be approved."

11.6 Ordinary Resolution 6
Re-appointment of Messrs. Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration

Resolution	Voted For		Voted Against	
	No. of shares	%	No. of shares	%
Ordinary Resolution 6	137,769,761	99.9951	6,800	0.0049

The Chairperson declared that Ordinary Resolution 6 was **CARRIED** as follows:-

"That the retiring Auditors, Messrs. Crowe Malaysia PLT be re-appointed as Auditors of the Company until the conclusion of the next Annual General Meeting and that authority be hereby given to the Directors to fix their remuneration."

11.7 Ordinary Resolution 7
Authority to Issue and Allot Shares pursuant to the Companies Act 2016

Resolution	Voted For		Voted Against	
	No. of shares	%	No. of shares	%
Ordinary Resolution 7	137,619,961	99.9002	137,500	0.0998

The Chairperson declared that Ordinary Resolution 7 was **CARRIED** as follows:-

"THAT pursuant to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and subject to the approvals of the relevant governmental/regulatory authorities, where such approval is required, the Directors be and are hereby empowered, pursuant to the Companies Act 2016, to issue and allot shares in the Company

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

(Minutes of the Seventeenth Annual General Meeting held on 27 May 2021 - cont'd)

at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being.

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; AND FURTHER THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

**11.8 Ordinary Resolution 8
Retention of Mr. Lim Kim Hock as Independent Non-Executive Director**

Resolution	Voted For		Voted Against	
	No. of shares	%	No. of shares	%
Ordinary Resolution 8 Tier 1 (Large Shareholder)	81,000,000	100.00	0	0.00
Ordinary Resolution 8 Tier 2 (Other Shareholders)	56,720,761	99.9017	55,800	0.0983

The Chairperson declared that Ordinary Resolution 8 was **CARRIED** as follows:-

"THAT approval be and is hereby given to Mr. Lim Kim Hock who has served as an Independent Director of the Company for a cumulative term of more than twelve (12) years, to continue to act as an Independent Non-Executive Director of the Company."

CONCLUSION

There being no other business, the Chairperson concluded the Meeting and thanked all present for their attendance.

The Meeting terminated at 3:50 p.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

-SIGNED-
LIM KIM HOCK
CHAIRMAN OF THE BOARD

Date: 9 July 2021

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

**APPENDIX I – RESPONSES AND CLARIFICATIONS TO QUESTIONS RECEIVED
 DURING THE SEVENTEENTH ANNUAL GENERAL MEETING OF THE COMPANY
 HELD ON THURSDAY, 27 MAY 2021**

No.	Question and Answer (Q&A)
Q1.	<p>Will the Company still be able to fulfil its next quarterly revenue and profit target if the Government were to impose a full lockdown considering the number of positive Covid-19 cases had been going up very high lately?</p> <p><u>Response</u></p> <p>We obtained all the necessary approvals to operate continuously during the Movement Control Order (MCO) period and had at all material times, been following the necessary standard operating procedures (SOP). This is because FFS Food Packaging Film, Stretch Film and customised film products produced by the Group are part of the critically required packaging for food and other essential goods.</p> <p>There was no major disruption in our operations during the various phases of MCO in last year and the Group delivered a satisfactory and profitable performance for the financial year ended 31 December 2020 ("FY2020").</p> <p>Even during the full lockdown, the Group is confident to obtain permission to operate from the relevant regulatory authorities in order to ensure that supply of food and essentials goods will be sufficient for public consumption throughout the lockdown period. Hence, the Group is optimistic to maintain the positive momentum in fulfilling the next quarterly revenue and profit target.</p>
Q2.	<p>The Group's Profit Before Tax (PBT) margin for FY2020 jumped to 12.3% from the average 7-8% in FY2018-2019, due to lower raw material prices, efficiencies, cost and product mix optimisations (page 28 of Annual Report).</p> <p>Will the Group be able to maintain similar PBT margin in FY2021? Based on the first 4 to 5 months of 2021, will the Group be able to improve on the Revenue of RM316.597 million achieved last year?</p> <p><u>Response</u></p> <p>Based on the first quarter results for the period ended 31 March 2021 released earlier to Bursa Malaysia Securities Berhad, the Group achieved higher operating revenue of RM100.1 million compared to RM77.6 million registered in the same corresponding quarter of 2020. The Group continuously strives to innovate and invest in high technology equipment to enable products differentiation from normal commodity products. Investing in the high technology equipment, product innovation, increase in the production efficiency and selling customised packaging items, are some of the initiatives that the Group has undertaken to sustain the performance and yield better returns in a progressive manner.</p>

BP PLASTICS HOLDING BERHAD

[Registration No. 200401006398 (644902-V)]
(Incorporated in Malaysia)

(Appendix I of the Minutes of the Seventeenth Annual General Meeting of the Company held on 27 May 2021 – Cont'd)

Q3.	<p>Referring to your Annual Report page 29 in relation to the RM35.6 million CAPEX, which is expected to be completed by the end of 2021.</p> <ul style="list-style-type: none">a) What is the percentage of completion as of now? Will you expect any delay in your completion?b) What is the expected increase in capacity in FY2022 as compared to capacity in FY2020?c) How much additional sales is expected to generate from this CAPEX and its expected profit margin?d) Who are the targeted customers and target market (local / export)? Are they your existing customers or new potential customers?
	<p><u>Response</u></p> <p>Anticipating demand to pick up from the resumption of global and regional trade activities amid post-COVID business recovery and in view of the sustained and growing global demand for plastic films packaging products, the Group has outlined plans for further capacity expansion.</p> <p>The Group has allocated approximately RM35.6 million of CAPEX investments in FY2021, of which one of the major investment in the pipeline is the new technology stretch film machine by end of 2021. The procurement of the relevant machine was about 30 to 40% completed. Based on the projected delivery schedule of the machine in the third quarter of 2021, the installation and commissioning of the new cast stretch film machine would be completed by end of the year. This new CAPEX investment would contribute positively to the Group's capacity and financial performance in the coming year onward.</p> <p>The Group is able to leverage on the new machine to increase the production capacity and produce sophisticated stretch film for sustainability-packaging. End users are focusing more on strong, good and lower unit cost packaging film that are able to contribute to lower carbon footprint in their commitment to environmental, social and corporate governance.</p> <p>There are local and overseas business segments that would require this high-end packaging film. As climate change and other environmental issues take centre stage and impact all areas of our lives, major industry players would start to commit to reducing their carbon footprint. The focus on environmental impact will augur well with the competitiveness of the Group's products and also to spur the production capacity of the Group. The high-end products are expected to command higher selling price by 20 to 30% than the retail price of the existing products.</p>

BP PLASTICS HOLDING BERHAD

[Registration No. 200401006398 (644902-V)]

(Incorporated in Malaysia)

(Appendix I of the Minutes of the Seventeenth Annual General Meeting of the Company held on 27 May 2021 – Cont'd)

Q4.	<p>News reported that resin price has been on the rise over the past few months, what is the latest resin price trend, is it still on an uptrend? Does our Company able to pass on the rising feedstock costs to customers? Thank you.</p>
	<p><u>Response</u></p> <p>The resin price has gone up since the fourth quarter of 2020 due to the extreme weather condition in the United States of America. This has negatively impacted the plastic resin plants located in that country as they had to deal with repair issues and unplanned downtime. The disruptions had caused the shortages with resins and inevitably, the limited supply of resin has driven resin prices higher.</p> <p>In February 2021, Texas experienced severe winter storms with snow, ice and freezing temperatures. The petrochemical industry of Texas sustained damages to their plants due to extreme cold weather and logistics were further disrupted by the complete shutdown of ports, rail services and resin warehouses. Currently, the resin prices had stabilised in the market.</p>
Q5.	<p>Gross profit margin improved from 12.99% in FY2019 to 17.8% in FY2020. Management attributed this to lower raw materials prices, enhanced production efficiencies, and costs & product mix optimisations.</p> <p>a) Is the higher gross margin sustainable?</p> <p>b) Do most of the margin improvements come from lower raw material prices?</p> <p>c) Considering that commodities price is transparent, and customer will request lower product price, how did we able to achieve this improved margin? Is it due to lagging effect?</p>
	<p><u>Response</u></p> <p>The Group continues to build on its market position and to capture new growth areas both locally and internally for all of its product lines. Over the years, the Group had noticed the increase in the production quantity supplied to domestic and international markets.</p> <p>The Group is moving away from the commodity products and is focusing on more on specialty films, customised products and differentiated products. The Board is hopeful that these actions would help the Group to sustain its performance.</p> <p>Raw materials are not spared from increase in commodity prices which impact the product margin. However, the Group has a wide range of customers and preserve its profit margin despite the increased prices of raw materials, through selling direct to not only distributors but as well as end users, both internationally and locally.</p>

BP PLASTICS HOLDING BERHAD

[Registration No. 200401006398 (644902-V)]
(Incorporated in Malaysia)

(Appendix I of the Minutes of the Seventeenth Annual General Meeting of the Company held on 27 May 2021 – Cont'd)

	<p>With the advent of technology, the market information is easily accessible to the consumers. The pricing for the products would depend on the market conditions and the forces of demand and supply during that particular period. If supply is relatively stable, prices can fluctuate higher and lower as demand increases or decreases.</p>
Q6.	<p>What are the measures the Company has taken to ensure the performance of the share price and the share price reflects the strength of our Company. Does our Company have any dividend policy? Will the company reward the shareholders who attend this AGM with e-vouchers / e-wallet?</p>
	<p><u>Response</u></p> <p>The Company has adopted a dividend policy of distributing minimum 40% of the consolidated profit after tax and non-controlling interests in respect of any financial year to its shareholders. The average dividend payout ratio of the Company over the past 5 years was about 58%, which translated to a projected yield of 5.8%. The Company has continued to deliver on its commitment to shareholders and maintained good dividend payouts throughout the current year despite the challenging headwinds.</p> <p>Our original plan was to convene this AGM as a physical meeting whereby some of the household plastic products produced by the Company will be distributed as door gift to shareholders attending the AGM. However, due to the enforcement of the Movement Control Order, the conduct of this AGM has been changed from a physical meeting to fully virtual basis.</p> <p>The Board appreciated your participation in the AGM and thanked you for your suggestion. The Company will not be providing e-vouchers or e-wallet as a token for shareholders who participate in the virtual AGM. However, we will prioritise all suggestions and will look into them in the future.</p>

BP PLASTICS HOLDING BERHAD

[Registration No. 200401006398 (644902-V)]
(Incorporated in Malaysia)

(Appendix I of the Minutes of the Seventeenth Annual General Meeting of the Company held on 27 May 2021 – Cont'd)

Q7.	<p>a) More than 60% of your revenue are from Asian countries. Which are the top 3 countries made up of this portion of revenue?</p> <p>b) Of the 400 plus employees, how many of them are foreign labour? On ESG concern, may we know if the Company is providing foreign labour with accommodation in accordance with minimum requirements by law?</p> <p>c) With the rising cases of COVID-19, what are the measures taken by the Company to prevent workplace outbreak and avoid disruption to the operation if outbreak?</p>
	<p><u>Response</u></p> <p>a) The major export market would still definitely be in Asia region. The Group's revenue are predominantly contributed by export markets, with the largest contributor coming from Asean and Asia region. Main export markets include United States of America, Japan and Korea. The exports to Australia and New Zealand also contributed about 8% to 9% of the overall sales volume. The other significant export markets are to Singapore and Indonesia.</p> <p>b) 50% of our workers comprise foreign workers and we have housed them in hostel accommodations as approved by the relevant government authorities, in compliance with the Workers' Minimum Standards of Housing and Amenities Act 446.</p> <p>c) With regards to COVID-19 prevention programs, the Group has adopted all possible and necessary standard operating procedures ("SOPs") at its factory premises, as well as dormitories including implementing social distancing measures, temperature checks, proper hygiene, PPE usage, regular sanitisation, restricting visits by outsiders, etc.</p> <p>In line with the directive of Majlis Keselamatan Negara ("MKN"), the Group had conducted full COVID-19 screening of all foreign workers in February 2021, followed by a subsequent surveillance screening and re-testing in March 2021, inclusive of both foreign and local employees for employees who began to show signs of COVID-19 symptoms. The screening exercise had revealed that some of the employees were tested positive for COVID-19 and all employees in the affected premises had been placed under quarantine and isolation.</p> <p>The Group will continue to adhere to KKM's guidelines and COVID-19 preventive SOPs on a stringent basis. Disinfection exercises at all premises and workers' dormitories will continue to be conducted regularly, with all the necessary precautionary measures strictly in place in order to minimise the impact of COVID-19 to its employees and business operations moving forward.</p> <p>As a responsible corporate entity, we are fully supportive of the actions taken by the Government to impose tighter SOPs as part of the Movement Control Order to break the escalating chain of COVID-19 infections nationwide. We are constantly looking for better alternatives to improve the well-being of our foreign workers and to register them for</p>

BP PLASTICS HOLDING BERHAD

[Registration No. 200401006398 (644902-V)]
(Incorporated in Malaysia)

(Appendix I of the Minutes of the Seventeenth Annual General Meeting of the Company held on 27 May 2021 – Cont'd)

	the industrial vaccination programs, if it is made available under the National COVID-19 Immunisation Programme.
Q8.	Will the company exercise share buy-back as our Company's share price remains low or is there any plan to reward shareholders with bonus issue?
	<u>Response</u> The Company has no intention to implement share buy-back exercise and the bonus issue at this moment.
	As informed by the Board Chairman at the commencement of this AGM, the Company had declared a first single tier interim dividend of 2 sen per share and a special single tier dividend of 1 sen per share in respect to the financial year ending 31 December 2021. The Board is committed to the Company's dividend policy and would endeavour to provide stable and sustainable dividends to shareholders, taking into consideration the Group's operating results, capital requirements, growth and expansion strategy, and other factors considered relevant by the Board.