



南源塑膠控股有限公司  
**BP PLASTICS HOLDING BHD.**  
[Registration No. 200401006398 (644902-V)]



# 2024 ANNUAL REPORT

STRETCHING BEYOND

## CORPORATE REVIEW

Corporate Data	02
Corporate Structure	03
Financial Highlights	04
Board of Directors	05
Key Senior Management	09
Sustainability Statement	10

## CORPORATE GOVERNANCE

Additional Compliance Information	54
Management Discussion & Analysis	55
Corporate Governance Overview Statement	63
Audit Committee Report	74
Nominating and Remuneration Committee Statement	78
Statement on Risk Management and Internal Control and Board Risk Management Committee Report	83
Statement of Directors' Responsibility in Preparing the Financial Statements	90

# CONTENTS

## REPORT AND FINANCIAL STATEMENTS

Financial Statements	91
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## OTHER INFORMATION

Analysis of Shareholdings	141
Statistics of Warrants A Holdings	144
List of Group Properties	147
Notice of Twenty-First Annual General Meeting	150
Statement Accompanying Notice of Annual General Meeting	154

### Proxy Form



**BPPLAS** is a progressive Polyethylene ("PE") flexible plastics packaging manufacturer, deploying the latest state-of-the-art machinery with advanced multi-layer co-extrusion technology that is capable of producing high quality primary, secondary and tertiary packaging solutions for various market needs.

To date, BPPLAS is one of the largest PE film manufacturers in the Asian Region, supplying both domestic and overseas markets. We are strongly committed to continuous improvement in innovating and producing superior high-quality products for our customers. Meanwhile, we seek for opportunities to grow our business presence, expand our capacity and product offerings, and continuously be in the forefront of technology advancement.

Our Cast Stretch Film Division focuses on premium grade stretch film rolls that are primarily used to protect and enhance palletised goods product handling, improves warehousing and logistics efficiency. Our brands include INFINITY® which is a premium brand of thinner and stronger hand and machine stretch films to secure heavy and hard-to-hold loads. Beyond, with our commitment towards on-going development of our premium products, we have commissioned two units of Nano-technology 67-layers stretch film machines, offering ultra-high-performance machine stretch film brands, namely QUANTUM-N® and PRIORITY®.

Our Blown PE Film Division produces customised PE films suitable for use in different industrial packaging applications to improve packaging integrity and/or shelf life. The product offerings include form-fill-seal ("FFS") food packaging films, lamination base film, collation shrink films, air cargo sheets, as well as construction/builder films.

# CORPORATE DATA

## BOARD OF DIRECTORS

**Lim Kim Hock (Chairman)**  
Non-Independent  
Non-Executive Director

**Lim Chun Yow**  
Managing Director

**Tan See Khim**  
Executive Director

**Hey Shiow Hoe**  
Executive Director

**Tan Ming-Li**  
Senior Independent Non-Executive Director

**Tan Hock Hin**  
Independent Non-Executive Director

**Chuah Sue Yin**  
Independent Non-Executive Director

## AUDIT COMMITTEE

Chairperson  
**Chuah Sue Yin**

Members  
**Tan Ming-Li**  
**Tan Hock Hin**

## NOMINATING AND REMUNERATION COMMITTEE

Chairperson  
**Tan Ming-Li**

Members  
**Tan Hock Hin**  
**Chuah Sue Yin**

## RISK MANAGEMENT COMMITTEE

Chairman  
**Tan Hock Hin**

Members  
**Tan Ming-Li**  
**Chuah Sue Yin**

## INVESTOR RELATIONS

**Lim Chun Yow**  
(Managing Director)  
Tel: 07-455 7633  
Fax: 07-455 6799  
Email: ir@bpplas.com

## COMPANY SECRETARIES

**Chua Siew Chuan**  
SSM PC No: 201908002648  
(MAICSA 0777689)  
**Tan Ley Theng**  
SSM PC No: 201908001685  
(MAICSA 7030358)

## SHARE REGISTRAR

**Securities Services (Holdings) Sdn Bhd** 197701005827 (36869-T)  
Level 7, Menara Milenium  
Jalan Damanela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Tel: 03-2084 9000  
Fax: 03-2094 9940  
Email: info@sshsb.com.my

## REGISTERED OFFICE

5A, Jalan Wawasan 2  
Kawasan Perindustrian Sri Gading  
83300 Batu Pahat  
Johor Darul Takzim  
Tel: 07-455 7633  
Fax: 07-455 7699  
Email: enquiry@bpplas.com

## HEAD/MANAGEMENT OFFICE

5A, Jalan Wawasan 2  
Kawasan Perindustrian Sri Gading  
83300 Batu Pahat  
Johor Darul Takzim  
Tel: 07-455 7633  
Fax: 07-455 7699  
Email: enquiry@bpplas.com

## SALES & MARKETING OFFICE (KL)

8-01, Level 8, Menara MBMR  
No. 1, Jalan Syed Putra  
58000 Kuala Lumpur  
Tel: 03-2276 4461  
Email: enquiry@bpplas.com

## WEBSITE

www.bpplas.com

## AUDITORS

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA)  
& AF 1018  
52, Jalan Kota Laksamana 2/15  
Taman Kota Laksamana  
Seksyen 2, 75200 Melaka  
Tel: 06-282 5995  
Fax: 06-283 6449

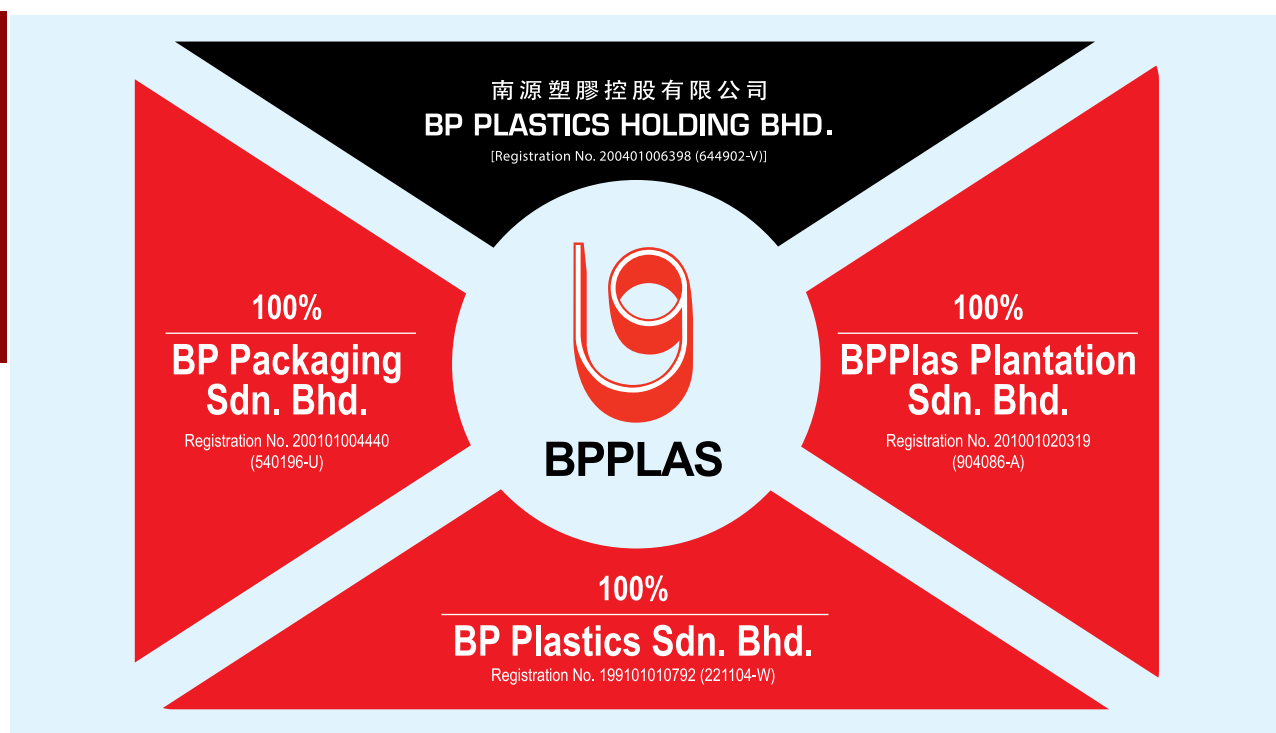
## STOCK EXCHANGE LISTING

**BPPLAS (5100)**  
**BPPLAS-WA (5100WA)**  
Main Market of Bursa Malaysia  
Securities Berhad  
Sector:  
Industrial Products & Services  
Sub-sector:  
Packaging Materials  
(Listed on 23 February 2005)

## PRINCIPAL BANKERS

Malayan Banking Berhad  
OCBC Bank (Malaysia) Berhad

## CORPORATE STRUCTURE



## CORPORATE PROFILE

BP Plastics Holding Bhd., an investment holding company, was incorporated in Malaysia under the Companies Act 2016 on 9 March 2004.

The principal activities of its subsidiaries are as follows:

Company	Date and Country of Incorporation	Equity Interest (%)	Principal Activities
BP Plastics Sdn. Bhd. (Registration No: 199101010792 (221104-W))	18 July 1991/ Malaysia	100	Manufacturing
BP Packaging Sdn. Bhd. (Registration No: 200101004440 (540196-U))	23 February 2001/ Malaysia	100	Manufacturing & Trading
BPPlas Plantation Sdn. Bhd. (Registration No: 201001020319 (904086-A))	10 June 2010/ Malaysia	100	Dormant

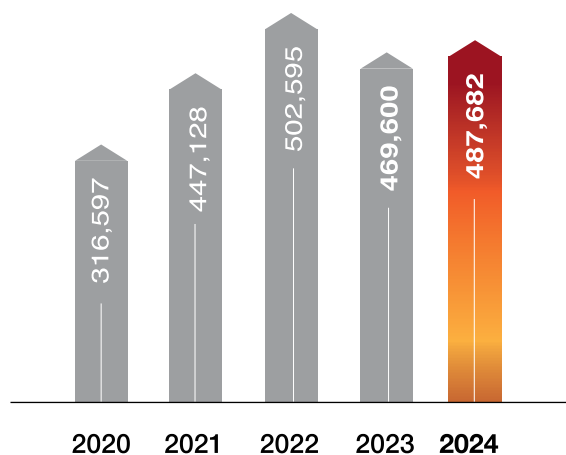
# FINANCIAL HIGHLIGHTS

	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
TURNOVER	316,597	447,128	502,595	469,600	487,682
EBITDA	50,318	67,216	47,577	56,343	41,535
PROFIT BEFORE TAX	38,923	56,771	36,008	42,624	26,004
PROFIT AFTER TAX	29,661	46,466	30,538	35,234	21,596
SHAREHOLDERS' FUNDS	205,789	231,613	245,262	263,607	268,314
ROE	14.95%	21.25%	12.81%	13.85%	8.12%
NON CURRENT ASSET	78,704	95,322	126,073	138,108	145,334
ROA	37.69%	48.75%	24.22%	25.51%	14.86%
EPS *	10.54	16.51	10.85	12.52	7.67
Net Div declared (sen) *	5.33	8.00	5.50	6.00	6.00
NTA per share (RM) *	0.73	0.82	0.87	0.94	0.95

\* The figures are restated to reflect the bonus issue of 1 for every 2 existing ordinary shares completed on 13 December 2021.

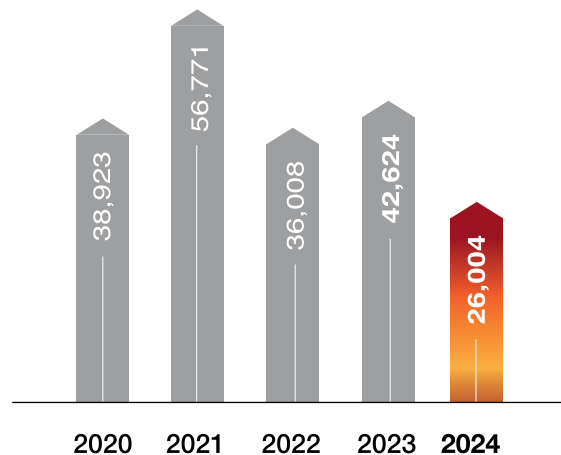
## TURNOVER

(RM'000)



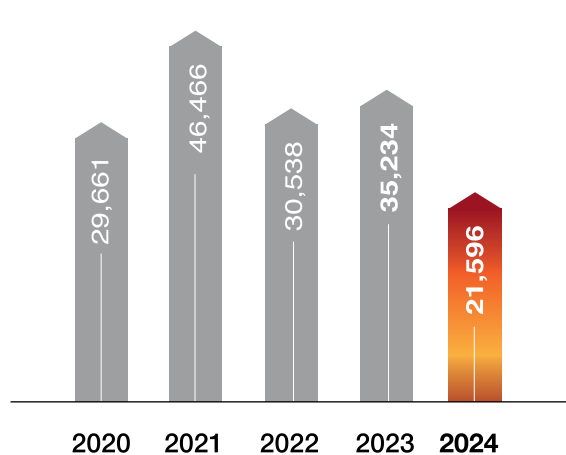
## PROFIT BEFORE TAX

(RM'000)



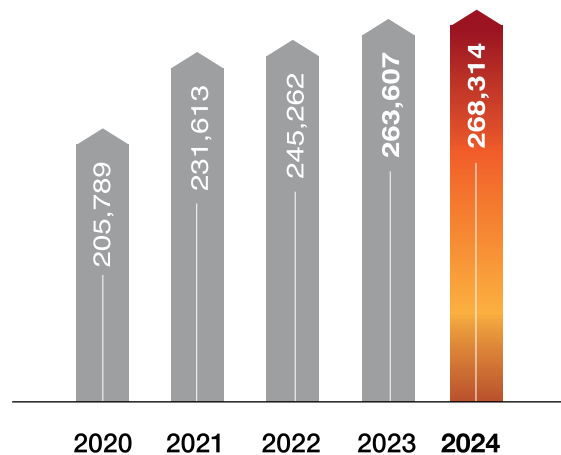
## PROFIT AFTER TAX

(RM'000)



## SHAREHOLDERS' FUND

(RM'000)



## BOARD OF DIRECTORS



**LIM KIM HOCK**

**Chairman,  
Non-Independent  
Non-Executive Director**

Malaysian

Male

Aged 59

**Qualification:** Member of the Malaysian Institute of Accountants, Fellow Member of the Malaysian Institute of Taxation, and Fellow Member of the Institute of Chartered Accountants in England and Wales (ICAEW). He holds a Bachelor Degree in Accountancy in the United Kingdom in 1988 and Chartered Accountancy (Institute of Chartered Accountants in England and Wales) qualification in 1992.

**Working Experience and Occupation:** He started his articleship at Garners, Chartered Accountants, United Kingdom in 1988 until 1992. He joined PriceWaterhouse in 1992 and was promoted to the position of Senior Consultant before he left the firm 3 years later to head the Finance Division of a subsidiary of Arab-Malaysian Development Berhad. Subsequently, he joined the Rashid Hussain Berhad Group and his employment stint with the group included a 2 ½ years overseas posting as the Director and Head of Finance and Administration for the group's subsidiary in Indonesia.

He is currently in public practice as a Chartered Accountant and the Managing Director of Alliance Corporate Taxation Services Sdn. Bhd., a tax advisory and consulting company. He was appointed as the Independent Non-Executive Director of the Company on 22 February 2008. On 29 May 2013, he was appointed concurrently as the Chairman and Senior Independent Non-Executive Director of the Company. He was then re-designated as the Chairman and Independent Non-Executive Director of the Company on 12 August 2016 to be in line with the Malaysian Code on Corporate Governance 2012. On 26 May 2023, he was re-designated as the Chairman and Non-Independent Non-Executive Director of the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. He also sits on the Board of several private limited companies.

**Other Directorship in Public Companies:** None.

**Details of Any Board Committee to which He Belongs:** None.

**Number of Board Meetings attended in the Financial Year:** 5/5



**LIM CHUN YOW**

**Managing Director**

Malaysian

Male

Aged 62

**Qualification:** Holds a degree in Bachelor of Science in Business Administration from The Ohio State University, USA in 1985.

**Working Experience:** He was appointed as the Chairman and Managing Director of the Company on 23 November 2005 and 3 September 2004 respectively. He retired as the Chairman of the company on 29 May 2013. He started his career with a plastic manufacturing company as a Marketing Executive in 1986. He set up BP Plastics Sdn. Bhd. with two other co-founders in 1991 and is currently the Honorary Chairman of Malaysian Plastics Manufacturers Association (MPMA) of Johor Branch. He was elected as the Chairman of MPMA Johor Branch between 2010 to 2016. He currently also sits on the board for several private limited companies.

**Other Directorship in Public Companies:** None.

**Details of Any Board Committee to which He Belongs:** None.

**Number of Board Meetings Attended in the Financial Year:** 5/5

## BOARD OF DIRECTORS (CONT'D)

**TAN SEE KHIM****Executive Director**

Malaysian

Male

Aged 61

**Qualification:** Holds a Certificate in Senior Middle Three from Chung Hwa High School in Muar in 1982.

**Working Experience:** He was appointed as an Executive Director of the Company on 3rd September, 2004. He is a co-founder of BP Plastics Sdn Bhd. He was involved in the sales, trading, marketing, distribution, resource planning and training in consumer products in between 1983 and 1990, prior to the establishment of BP Plastics Sdn Bhd in 1991. His experience and knowledge in sales have been very instrumental towards the growth of the Company. He also sits on the board for several private limited companies.

**Other Directorship in Public Companies:** None.

**Details of Any Board Committee to which He Belongs:** None.

**Number of Board Meetings Attended in the Financial Year:** 5/5

**HEY SHIOH HOE****Executive Director**

Malaysian

Male

Aged 62

**Qualification:** Holds a degree in Bachelor of Science in Industrial and Systems Engineering from the Ohio State University, United States of America in 1986.

**Working Experience:** He was appointed as an Executive Director of the Company on 3 September 2004. He is a co-founder of BP Plastics Sdn. Bhd. He started his career in a plastic manufacturing company upon his graduation in 1986. He is responsible for the strategic planning and total management of the manufacturing operations, infrastructure upgrading and development, technical improvement and support to the production team. He also sits on the Board for several private limited companies.

**Other Directorship in Public Companies:** None.

**Details of Any Board Committee to which He Belongs:** None.

**Number of Board Meetings Attended in the Financial Year:** 5/5

## BOARD OF DIRECTORS (CONT'D)

**TAN MING-LI**

**Senior Independent  
Non-Executive Director**

Malaysian

Female

Aged 56

**Qualification:** Graduate from University of Melbourne, Australia with a double degree in Law (Hons) and Science.

**Working Experience and Occupation:**

Ms. Tan is currently a partner in the legal firm of Cheang & Ariff and has been in active legal practice since 1994. She specialises in corporate and securities law where she is principally involved in advising on capital market transactions, mergers and acquisitions, corporate restructuring as well as corporate finance related work. She was appointed as the Independent Non-Executive Director of the Company on 29 May 2013. Subsequently on 12 August 2016, she was re-designated as Senior Independent Non-Executive Director of the Company.

**Other Directorship in Public Companies:**

Ms. Tan is currently an Independent Non-Executive Director of OM Holdings Limited, Tokio Marine Life Insurance Berhad and Capitaland Malaysia Trust.

**Details of Any Board Committee to which**

**She Belongs:** She is the Chairperson of the Nominating and Remuneration Committee of the Company. She is also a member of the Audit Committee and the Risk Management Committee of the Company.

**Number of Board Meetings Attended in the Financial Year:** 5/5

**TAN HOCK HIN**

**Independent  
Non-Executive Director**

Malaysian

Male

Aged 60

**Qualification:** Graduated from University of Malaya, Kuala Lumpur with Bachelor of Science (Hon.) Degree in Chemistry.

**Working Experience and Occupation:**

Mr. Tan has a wide experience in leading regional commercial team and technical management; previously holding senior positions such as Business Director, Personal Care, Southeast Asia and Korea of H.B. Fuller, heading the Product Development Department at SCA Hygiene Malaysia Sdn. Bhd., Chief Representative Officer for Innovia Films Commercial Ltd. covering Southeast Asia & Indian Sub-Continent, Technical Manager at Great Wall Plastics, QA Manager at CPC/AJI (Malaysia) Sdn. Bhd. and Senior Chemist at Loytape Industries Sdn. Bhd. He has also successfully led start up teams at new investments in Shanghai, Shenyang and Changchun, China for Samanda Holdings, the parent company for Loytape. Mr. Tan Hock Hin was appointed as the Independent Non-Executive Director of the Company on 30 September 2014.

**Other Directorship in Public Companies:** None.

**Details of Any Board Committee to**

**which He Belongs:** He is the Chairman of the Risk Management Committee of the Company. He is also a member of the Audit Committee and the Nominating and Remuneration Committee of the Company.

**Number of Board Meetings Attended in the Financial Year:** 5/5

## BOARD OF DIRECTORS (CONT'D)

**CHUAH SUE YIN**

**Independent  
Non-Executive Director**

Malaysian

Female

Aged 54

**Qualification:** A Graduate from Warwick University, United Kingdom with a Bachelor of Science in Management Science. A Fellow Member of Chartered Accountant from the Institute of Chartered Accountants in England & Wales (ICAEW), a Chartered Accountant from the Malaysian Institute of Accountants, member of Asean Chartered Professional Accountant, member of Institute of Corporate Directors Malaysia and an Associate Member of the Chartered Tax Institute of Malaysia. She is also a holder of several licences in Malaysia including Registered Auditor approved by Ministry of Finance, Registered Auditor of Public Interest Entities under Securities Commission Act 1993, Registered Auditor of Co-operative Societies under Section 61 (1) of the Co Operatives Societies Act 1993 and Licensed tax agent approved by Ministry of Finance. Currently, she is also a GRI Certified Sustainability Professional (CSP).

**Working Experience and Occupation:**

Ms. Chuah is currently the Managing Partner of the PCCO Group. She has over 30 years of working experience. She oversees the finance and operations of the Group. She is involved in providing services such as financial accounting and reporting, internal and external audits, due diligence services as well as providing tax compliance and tax consultancy services for direct and indirect tax, and also human resource related services. She was appointed as the Independent Non-Executive Director of the Company on 1 October 2017.

**Other Directorship in Public Companies:**

Ms. Chuah is also an Independent Non-Executive Director of Tokio Marine Life Insurance Malaysia Bhd.

**Details of Any Board Committee to which**

**She Belongs:** She is the Chairperson of the Audit Committee of the Company. She is also a member of the Nominating and Remuneration Committee and the Risk Management Committee of the Company.

**Number of Board Meetings Attended in the Financial Year:** 5/5

## KEY SENIOR MANAGEMENT



**CHUA YI FON**

**Financial Controller**

Malaysian

Female

Aged 45

**Qualification:** Bachelor of Commerce (Accounting & Finance) from University of Melbourne, Australia.

**Working Experience:** She was attached with Deloitte KassimChan (Melaka) as Audit Assistant in 2002 and subsequently with Ernst & Young (Melaka) as Senior Audit Assistant in 2006. She joined BP Plastics Sdn. Bhd. (BPPLAS) as Accountant in 2009, and was later recruited to join Melaka Straits Medical Centre Sdn. Bhd. (Oriental Hospital) under the Healthcare division of Oriental Holdings Berhad, as Head of Finance in 2014. She rejoined BPPLAS on 3 May 2016 as a Financial Controller.

**Other Directorship in Public Companies:** None

**Family Relationship with Any Director and/or Major Shareholder of the Company:** None

**Note:**

Save as disclosed below, none of the Directors and Key Senior Management has:

1. any conflict of interest or potential conflict of interest with the Company or its subsidiaries other than as disclosed in the notes to the financial statements;
2. any convictions for offences within the past 5 years other than traffic offences, if any;
3. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year; and
4. any family relationship with any Director or substantial shareholder of the Company, except the following:

Mr. Lim Chun Yow and Mr. Tan See Khim are the brothers-in-law of Mr. Hey Shiow Hoe. They are all Directors and substantial shareholders of the Company. Mr. Hey Shiow Hoe, Mr. Lim Chun Yow and Mr. Tan See Khim are also Directors and substantial shareholders of LG Capital Sdn. Bhd. (a substantial shareholder of the Company).

# SUSTAINABILITY STATEMENT

## ABOUT THIS STATEMENT

At BP Plastics Holding Bhd (“BPPLAS”, “the Group”, “we”, “us”, “our”), sustainability is not just a guiding principle, it is integrated in our business operations and strategic planning. As a leading flexible plastics packaging manufacturer, we remain focused on our long-term purpose of delivering enhanced value to our stakeholders. Our unwavering commitment to building a sustainable packaging business is rooted in our dedication to environmental stewardship, social responsibility, and robust governance (“ESG”) practices.

### Scope and Boundaries

This Sustainability Statement (the “Statement”) consolidates and communicates BPPLAS’ commitment, efforts and progress in sustainability. It is prepared for our stakeholders and other interested parties. The disclosure made in this Statement is limited to the principal business activities and operations of BPPLAS and its subsidiaries.

In line with the Group’s annual reporting cycle, this Statement includes information and data from 1 January 2024 to 31 December 2024, and it is confined to the data collected within the organization, unless indicated otherwise.

### Reporting Basis

This Statement is prepared in compliance with the Main Market Listing Requirements (“MMLR”) by Bursa Malaysia Securities Berhad (“Bursa Malaysia”). On 23 December 2024, Bursa Malaysia introduced enhanced sustainability reporting requirements based on the IFRS Sustainability Disclosure Standards. These enhancements align with the National Sustainability Reporting Framework (“NSRF”) and serve as the baseline standards for sustainability reporting in Malaysia.

We are committed to adhering to these requirements and guidelines within the specified timelines. Meanwhile, we continue to work on implementing and enhancing the relevant procedures to improve our sustainability disclosures and best practices.

### Review and Assurance

In preparing this Statement, we follow good governance and internal reporting practices, and shall continue to improve our internal data collection, review and reporting processes. However, no independent external assurance has been conducted. Our team will work on enhancing the assurance process and practice, and consider obtaining external assurance in the future where necessary.

### Feedback

We welcome your feedback in helping us to continuously improve our sustainability practices and disclosures. Should you have any questions or comments, please contact us via email to [ir@bpplas.com](mailto:ir@bpplas.com).

## SUSTAINABILITY FRAMEWORK

The Group’s Sustainability Framework (the “Framework”) is designed to align with our vision to be the plastics packaging specialist of choice in the Asian region. This Framework focuses on addressing ESG aspects across our business and operations, supporting our mission to deliver reliable and high-quality packaging solutions. Our key objectives are:

- Align and empower our people
- Better serve our customers
- Care for the environment
- Deliver and create value
- Engage and collaborate with suppliers

## SUSTAINABILITY STATEMENT (CONT'D)

## SUSTAINABILITY FRAMEWORK (CONT'D)

To ensure long-term business resilience and competitive success, we adopt an integrated approach towards sustainability, focusing on the three main pillars, namely, economic, environmental, and social (“EES”) sustainability. This approach addresses 12 material sustainability matters identified as critical to our business and stakeholders, along with associated risks and opportunities.

As a responsible global citizen, we support the initiatives of the 17 Sustainable Development Goals (“SDGs”) adopted by the United Nations (“UN”). Each of our 12 material sustainability matters is aligned with the relevant SDG(s) reinforcing our commitment to build a more sustainable future.



Our Sustainability Framework is reviewed at least once a year, supported by ongoing stakeholder engagement and materiality assessment to ensure its robustness and competence to meet evolving demands and requirements.

As part of the Framework, the accountability, approach and disclosures related to our sustainability initiatives are covered in the following sections of this Statement.

## SUSTAINABILITY GOVERNANCE

The Board of BPPLAS recognizes the growing importance of addressing Environmental, Social and Governance (“ESG”) related risks and opportunities, as emphasized by our various key stakeholders, particularly the investing community, shareholders, and government regulators worldwide.

Sustainability governance is integrated into the Group’s corporate governance framework. The Board is ultimately responsible for driving and overseeing the Group’s sustainability strategy and direction, with the governance responsibilities delegated to the Board Risk Management Committee (“BRMC”). The BRMC reviews and approves sustainability-related matters/initiatives, and oversees the management, progress, and performance of material sustainability matters.

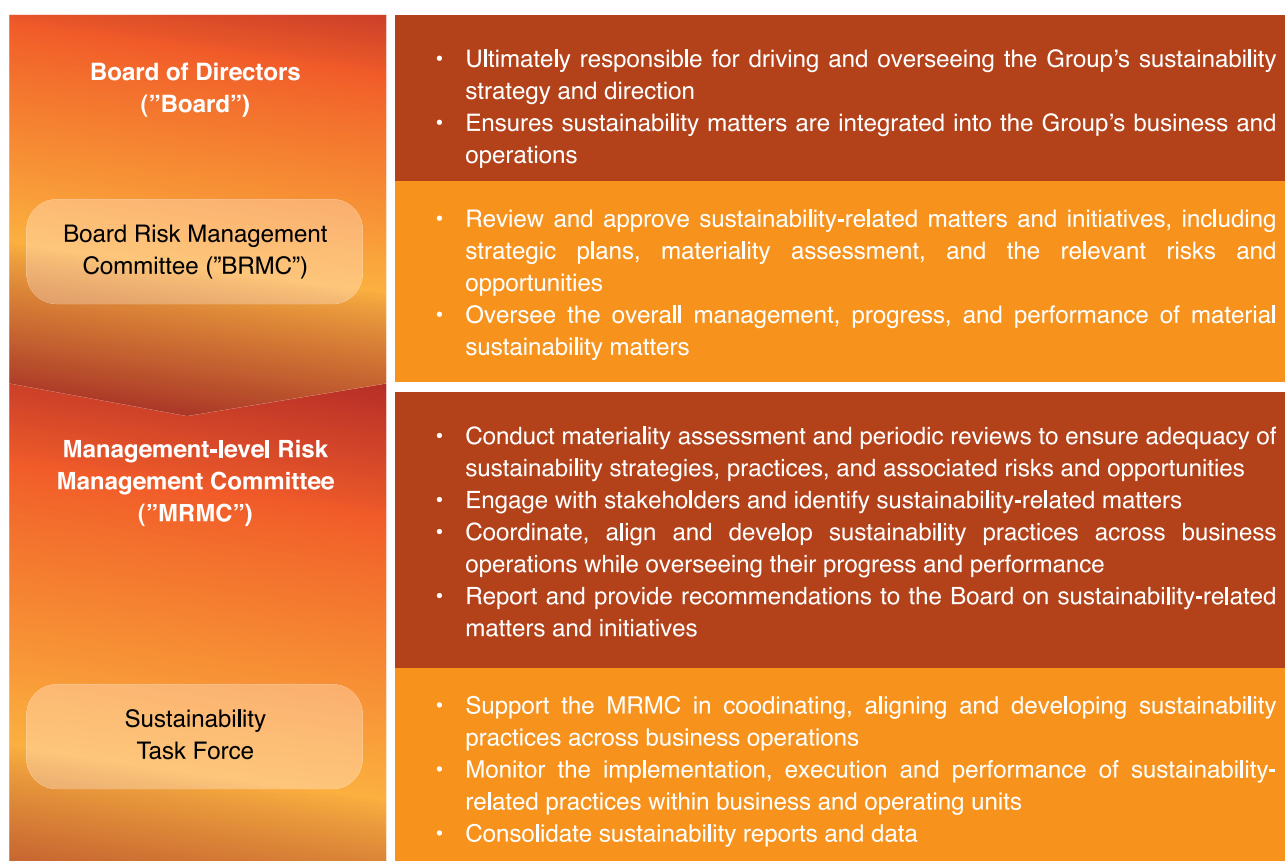
The BRMC is supported by the Management-level Risk Management Committee (“MRMC”), led by the Managing Director and comprising the Executive Directors, Head of Risk Governance, and respective Heads of Department. The MRMC is responsible for guiding, coordinating, reviewing and monitoring the adequacy, development, and implementation of the Group’s risk policies as well as sustainability practices across all business operations.

## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY GOVERNANCE (CONT'D)

To strengthen this structure, a Sustainability Task Force was established under the MRMC, which focuses on developing, implementing, and monitoring the progress of key sustainability initiatives and projects.

The MRMC conducts regular Risk and Sustainability assessments, which are compiled and reported to the BRMC at least twice a year. These reports include the outcomes and recommendations related to existing or potential key business risks and material sustainability matters, along with ongoing action plans.



### STAKEHOLDER ENGAGEMENT

Stakeholders play a crucial role in driving the growth and development of our business. In today's dynamic business environment, we ensure regular interactions and meaningful engagement with our stakeholders through various channels and methods.







We strive to keep our stakeholders updated on the progress of our sustainability journey, gather their feedback, understand their concerns, expectations, and perceptions on various topics, including sustainability-related risks. The insights gained from these engagements are vital for continuous improvement and informed decision-making, particularly in shaping our sustainability strategies.

The key stakeholder groups for BPPLAS include Employees, Customers, Suppliers, Shareholders / Investors & Analysts, Regulators & Government Agencies, as well as Local Communities. We have evaluated their influence and dependence on BPPLAS, which is also used to facilitate the materiality assessment of sustainability matters.

## SUSTAINABILITY STATEMENT (CONT'D)

## STAKEHOLDER ENGAGEMENT (CONT'D)

The table below summarizes the key stakeholder groups for BPPLAS with their respective engagement methods, and areas of concern.

Stakeholder Group	Engagement Methods	Main Areas of Concern
<b>Employees</b> 	Annually • Performance appraisals Ongoing • Team building, employee engagement activities • Training & workshops • Meetings & discussions • Internal communications	• Company strategic plans & growth • Employee welfare & benefits • Workplace health & safety • Human rights, diversity & inclusion • Career development opportunities
<b>Customers</b> 	Annually • Customers satisfaction survey Ongoing • Customer service & support channels • Meetings & visits • Feedback & complaints • Questionnaires & surveys	• Product quality & pricing • Delivery & service / customer experience • Product innovation & sustainability • Sustainable operations
<b>Suppliers</b> 	Ongoing • Participation in events organized by suppliers • Meetings & visits • Questionnaires, evaluations & surveys • Electronic communications	• Contractual obligations and payments • Procurement practices • Sustainable operations • Collaborations
<b>Shareholders / Investors &amp; Analysts</b> 	Annually • Annual General Meeting • Annual reports Quarterly • Quarterly financial results • Investor/Analyst briefings Ongoing • Corporate website • Press release / announcements • Investor relation engagements • Electronic communications	• Overall performance • Business prospects & strategic plans • Returns (e.g. dividend) & value creation • Corporate governance • Sustainable operations
<b>Regulators &amp; Government Agencies</b> 	Annually / Quarterly • Regular reporting & disclosures of information to relevant authorities Ongoing • Participation in events organized by related agencies • Meetings & visits	• Regulatory compliance, including tax payments & other tariffs/fees, environmental and social compliance • Corporate governance • Responsible business conduct & practices
<b>Local communities</b> 	Ongoing • Community engagement programmes • Sponsorships and donations • Corporate website	• Social welfare and contributions • Environmental and social impact

We continue to improve how we engage with stakeholders so we can better meet their needs, develop strategic plans, and maintain our accountability.

## SUSTAINABILITY STATEMENT (CONT'D)

### MATERIAL SUSTAINABILITY MATTERS

Our material sustainability matters are the economic, environmental, and social (“EES”) sustainability issues that are significant to our business and of concern to our stakeholders. These matters guide our business strategy and decision-making, shaping our areas of focus on maintaining responsible and sustainable operations while delivering long-term enhanced value to our stakeholders.

#### Materiality Process

The Sustainability Task Force conducted materiality assessment in the following phases, guided by Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition) and its Toolkits.

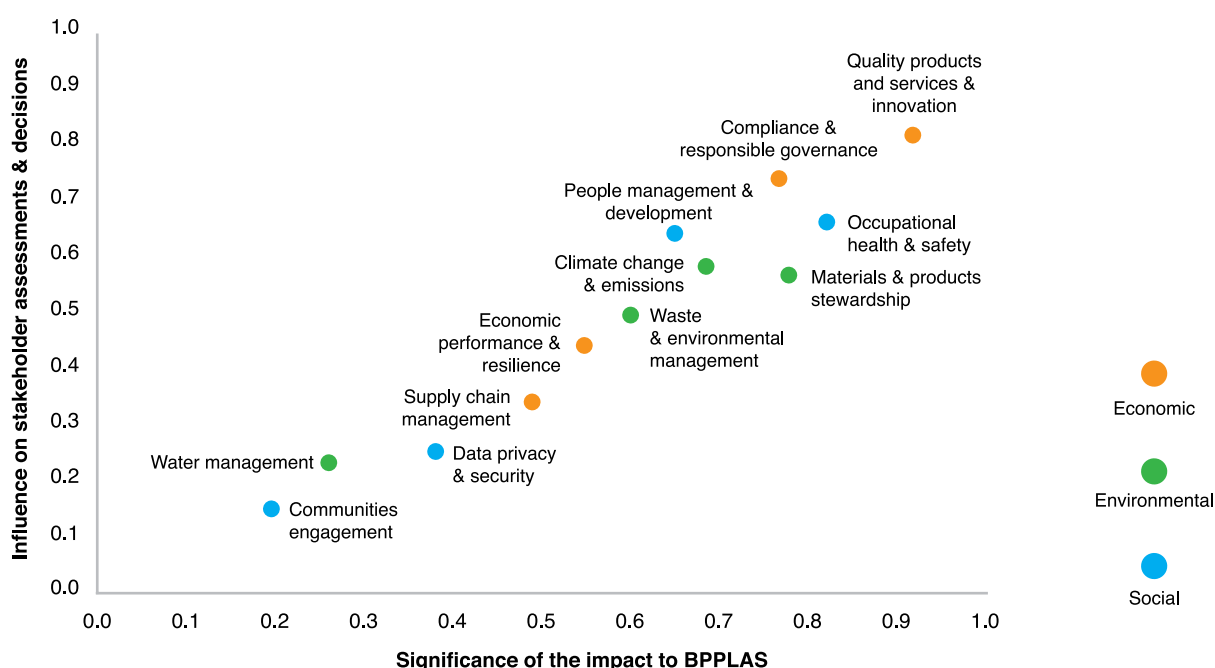
- **IDENTIFY** – We identify a list of relevant sustainability matters, by reviewing BPPLAS existing material sustainability matters, materiality matrix, business strategies and risks. This is also complemented by referencing external reporting guidelines, analyzing market and economic trends, as well as gathering insights from various industries or peers’ reports.
- **PRIORITISE** – The identified sustainability matters are evaluated and prioritized based on stakeholders’ concerns and expectations gathered through various engagements with internal and external stakeholders, supported by data and information analysis.
- **VALIDATE** – The outcomes of the materiality assessment, along with the generated materiality matrix generated are reviewed and validated by the MPMC. Subsequently, the matrix is presented to the BOD for approval and endorsement.

For the phases above, iterations are necessary, ensuring feedback and input from stakeholders, various parties, and organizational levels are incorporated.

Reviews and evaluations of materiality and material matters are conducted at least annually to ensure they maintain relevance with the evolving market dynamics and stakeholders’ expectations.

For FY2024, the materiality assessment identified six key stakeholder groups (as outlined in the previous section) and 12 material sustainability matters.

#### Materiality Matrix



## SUSTAINABILITY STATEMENT (CONT'D)







## MATERIAL SUSTAINABILITY MATTERS (CONT'D)

Based on the materiality matrix, for the 12 material sustainability matters, we have identified 6 high, 3 medium, and 3 low priorities matters respectively.

High priorities	Medium priorities	Low priorities
<ul style="list-style-type: none"> <li>• Quality products and services &amp; innovation</li> <li>• Compliance &amp; responsible governance</li> <li>• Climate change &amp; emissions</li> <li>• Materials &amp; products stewardship</li> <li>• Occupational health &amp; safety</li> <li>• People management &amp; development</li> </ul>	<ul style="list-style-type: none"> <li>• Economic performance &amp; resilience</li> <li>• Supply chain management</li> <li>• Waste &amp; environmental management</li> </ul>	<ul style="list-style-type: none"> <li>• Water management</li> <li>• Data privacy &amp; security</li> <li>• Communities engagement</li> </ul>













ESG and sustainability factors are integrated into our Enterprise Risk Management (“ERM”) framework, demonstrating our commitment to understanding and addressing the risks and opportunities associated with material sustainability matters. We continuously evaluate and enhance our approach and measures to ensure they effectively support the Group’s risk management objectives and strategic development. (Please refer to the section “Statement on Risk Management and Internal Control and Board Risk Management Committee Report” for more information about our ERM framework).

In addition, each of the 12 material sustainability matters is aligned to the relevant SDG(s).

Material Sustainability Matters	Description	Risks	Opportunities	Alignment with SDGs
<b>ECONOMIC</b>				
<b>Quality products and services &amp; innovation</b>	Focusing on continuous innovation in products and processes, delivering high-quality products and services to bring satisfaction and value-added benefits to customers.	Poor quality in products or services, or lack of innovation may lead to loss of customers, reduced sales and productivity, and thus losing competitive edge.	Ensuring quality and innovation drives business expansion, customers’ satisfaction and loyalty, help to strengthen company’s market position and generate growth.	  
<b>Compliance &amp; responsible governance</b>	Complying to regulatory requirements and implementing robust corporate governance frameworks to ensure business integrity and ethical conduct.	Non-compliance with laws and regulations, or poor corporate governance will damage company’s accountability and reputation, and may lead to legal risks.	Responsible corporate governance build positive culture and employee morale, facilitate sustainable growth and improve company’s performance.	 
<b>Economic performance &amp; resilience</b>	Pursuing business growth and delivering sustainable and resilient economic performance to drive long-term value for stakeholders.	Poor financial performance poses risks to business continuity, company competitiveness and success, resulting in loss of shareholders/investors’ confidence.	Good financial performance and resilience indicates company’s fundamentals stability and capability, thus improving competitive edge and stakeholders’ trust.	










## SUSTAINABILITY STATEMENT (CONT'D)

## MATERIAL SUSTAINABILITY MATTERS (CONT'D)

Material Sustainability Matters	Description	Risks	Opportunities	Alignment with SDGs
<b>ECONOMIC (CONT'D)</b>				
<b>Supply chain management</b>	Promoting responsible procurement including considerations for social and environmental aspects, while also ensuring supply chain reliability for cost and operational efficiency.	The consequences of poor supply chain management include disruptions to operations, increased costs, damage to reputation and customers' satisfaction.	Well-managed supply chain and procurement governance ensures credible, and quality supplies, drives better collaboration across value chain, and improves operational and cost efficiency.	 
<b>ENVIRONMENTAL</b>				
<b>Climate change &amp; emissions</b>	Addressing climate change issue via efforts on reducing GHG emissions, particularly through our commitment to managing energy source, consumption, and efficiency.	Lack of adaptation response to climate change will lead to negative impacts on businesses, such as physical damage, business interruptions and financial risks.	Effective strategy and actions on climate change mitigation not only support company's climate resilience and business continuity, but also attract investments and business opportunities.	  
<b>Waste &amp; environmental management</b>	Managing waste and effluents generated from our operations, with focus on reduce, reuse, recycle and responsible handling and disposal; while ensuring good practices and compliance.	Incompetent waste management or breach of environmental regulations will bring negative impact to the environment and surroundings, and also lead to fines/penalties and reputational damage.	Efficient waste and environmental management help to reduce pollution, optimize costs, enhance sustainability, and protect the environment and public health; while converting plastics waste into recycled materials supports circular economy and responsible resource use.	  
<b>Materials &amp; products stewardship</b>	Endeavour for sustainable packaging solutions in supporting plastics circularity initiatives, and promoting responsible, efficient use of resources.	Failure to align with sustainable packaging trends and circular economy initiatives may pose risk to company's competitive edge and long-term growth.	Strategic direction and stewardship on plastics products and materials help company to capture business opportunities and growth, leveraging on increasing demand for sustainable packaging solutions.	  
<b>Water management</b>	Managing water consumption including rainwater harvesting as part of the initiatives towards resource conservation.	Poor water management may lead to higher operational costs and negative impact on the company's environmental footprint.	Efficient water management may reduce operational costs, promote responsible resource consumption and conservation.	

## SUSTAINABILITY STATEMENT (CONT'D)

## MATERIAL SUSTAINABILITY MATTERS (CONT'D)

Material Sustainability Matters	Description	Risks	Opportunities	Alignment with SDGs
SOCIAL				
<b>Occupational health &amp; safety</b>	Maintaining a safe, healthy and conducive working environment.	Workplace injuries or accidents increase operational costs, impacts productivity, and may lead to regulatory and reputational risks.	Maintaining health and safety at workplace improves employee's productivity and wellness, promotes positive culture and company's reliability.	 
<b>People management &amp; development</b>	Maintaining fairness, diversity, and inclusion at workplace; as well as ensuring human rights accountability, providing employees with fair remuneration and support on career development.	Poor employee engagement and development negatively affect staff retention, company's productivity, while breach of human rights will lead to legal and reputational damage.	An effective people development, fair labor practices and positive work culture attract talents, improve company's performance and accountability.	  
<b>Data privacy &amp; security</b>	Protecting and securing data privacy of our stakeholders including customers, suppliers, employees.	Data breach or cyber threats may impair trusts and causes reputational harm or legal issues.	Strengthening practices and system regarding data privacy and cybersecurity help to build stakeholders' trust and confidence.	 
<b>Communities engagement</b>	Supporting the development of the communities in which we operate, upholding our social responsibility.	Breach of social responsibility or actions that adversely impact communities will lead to disharmony and reputational damage.	Upholding social responsibility and community engagement will build trust, create positive culture and goodwill, as well as attract local talents.	 

## PERFORMANCE SCORECARD

MATERIAL SUSTAINABILITY MATTERS	
<b>Quality products and services &amp; innovation</b>	<ul style="list-style-type: none"> <li>Reduced goods returns and quality issues cases in FY2024.</li> <li>Achieved improved customer satisfaction index of 91% in FY2024.</li> <li>Continue to focus on premium, high performance, technical products, with new product range developed and commercialized.</li> <li>Invested a total of RM 20.6 million in FY2024 in facilities, plants and equipment upgrades.</li> </ul>

## SUSTAINABILITY STATEMENT (CONT'D)

## PERFORMANCE SCORECARD (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)	
<b>Compliance &amp; responsible governance</b>	<ul style="list-style-type: none"> <li>535 employees received ABAC training (i.e. 100%) in FY2024.</li> <li>Zero cases reported on bribery and corruption.</li> <li>Zero cases of whistleblowing.</li> <li>Zero fines or penalties regarding unethical business conduct or non-compliance.</li> </ul>
<b>Economic performance &amp; resilience</b>	<ul style="list-style-type: none"> <li>Economic value generated in FY2024 is RM 491.7 million.</li> <li>Economic value distributed in FY2024 is RM 487.0 million.</li> <li>Economic value retained in FY2024 is RM 4.7 million.</li> </ul>
<b>Supply chain management</b>	<ul style="list-style-type: none"> <li>In FY2024, local procurement spending is around 31% of total procurement, higher than previous 2 years.</li> <li>Procurement spending on local suppliers has been increasing in the past 3 years.</li> <li>New Supplier Code of Conduct implemented, highlighting our expectations and requirements for suppliers with regards to ethical business conduct, sustainable operations and ESG practices.</li> </ul>
<b>Climate change &amp; emissions</b>	<ul style="list-style-type: none"> <li>In FY2024, 2.0% of electricity consumption is generated from renewable sources, avoiding 960 metric ton ("MT") of Scope 2 CO<sub>2</sub> emissions.</li> <li>In January 2025, additional solar panels successfully installed, leading to in-house solar energy capacity increased by over 85% from the previous level.</li> <li>Energy intensity increased slightly in FY2024 to 0.86Mwh per MT production output, affected by product mix, and our focus on more premium, value-added product range that supports downgauging, superior performance, promoting sustainability and using less.</li> <li>Undertook initial estimation of Scope 1, 2 and 3 emissions for FY2024, a milestone towards emissions accounting journey.</li> </ul>
<b>Waste &amp; environmental management</b>	<ul style="list-style-type: none"> <li>In FY2024, 85.3% of the total waste generated was retained within our plant for internal recycling and reuse purposes.</li> <li>Waste directed to disposal intensity maintained at around 0.8% of production output.</li> </ul>
<b>Materials &amp; products stewardship</b>	<ul style="list-style-type: none"> <li>Remained dedicated to our products stewardship on mono-material, recycled contents and downgauging.</li> <li>All products are fully recyclable.</li> <li>Support innovation to offer downgauged solutions, helping customers to use less packaging without compromising on quality.</li> <li>Offers various products incorporating recycled contents.</li> <li>Obtained Global Recycled Standard ("GRS") certification in addition to International Sustainability and Carbon Certification ("ISCC") PLUS.</li> <li>In FY2024, recycled materials consumption is around 8.1% of our total resin consumption, slightly increased from previous year.</li> </ul>
<b>Water management</b>	<ul style="list-style-type: none"> <li>In FY2024, 6.8% of water consumption is from rainwater harvested internally at our plants.</li> <li>Regarded as a minor resource in our operations, water intensity in FY2024 at around 1.22m3 per MT production output, a slight increase attributed to new facilities including recycling equipment, which required higher water consumption.</li> </ul>
<b>Occupational health &amp; safety</b>	<ul style="list-style-type: none"> <li>Accident cases, accident rate and lost-man days rate continue to reduce in FY2024.</li> <li>Zero fatalities for the past 3 years.</li> <li>Reduced cases related to hearing disorders.</li> </ul>

## SUSTAINABILITY STATEMENT (CONT'D)

## PERFORMANCE SCORECARD (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)	
<b>People management &amp; development</b>	<ul style="list-style-type: none"> <li>FY2024 concluded with the highest training hours both overall (8,999 hours) and per headcount (17.0 hours per person).</li> <li>RM 50,988 incurred in learning and development programmes in FY2024.</li> <li>Updated the Group's Human Rights and Social Compliance Policy in FY2024.</li> <li>Employees turnover rates remained at a lower level.</li> <li>Overall women participation maintained at a low level of 11% overall due to the nature of jobs and workplace; Women ratio for office workers at a high 59%.</li> <li>Local Malaysian employees ratio increased to 44%; number of foreign workers remained high due to the nature of jobs and workplace.</li> </ul>
<b>Data privacy &amp; security</b>	<ul style="list-style-type: none"> <li>Provided cybersecurity training sessions for 47 employees.</li> <li>Zero substantiated complaints or cyber incidents regarding breaches of privacy or loss of confidential data and information.</li> </ul>
<b>Communities engagement</b>	<ul style="list-style-type: none"> <li>Collected a total of 91 blood packs from blood donation campaign in 2024.</li> <li>Contributed RM 62,330 (monetary and non-monetary) to the local communities in FY2024.</li> <li>Estimated more than 91 individuals and 8 organizations benefited from our social engagement and investments.</li> </ul>

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS

<b>QUALITY PRODUCTS AND SERVICES &amp; INNOVATION</b>	<b>Related UN SDGs</b>	  
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**Why it Matters**

Our business success and growth are driven by continuous innovation in our products and operations, along with consistently delivering high-quality solutions, services, and value to our customers. At the same time, we remain committed to understanding customers' evolving needs and adapting to market trends, including the ongoing advancements in sustainable packaging solutions.

We believe our dedication to quality products and services and innovation generates tangible economic benefits and long-term value. By ensuring customer satisfaction and nurturing long-lasting partnerships, we not only fortify our competitive position in the marketplace, but also unlocking new markets and business opportunities for growth.

**Management Approach**

To consistently meet customer requirements and deliver reliable, high-quality products, we maintain a robust Quality Management System ("QMS") with comprehensive controls and procedures in line with ISO 9001:2015 (Quality Management Systems) across both of our manufacturing plants. Additionally, we are accredited with ISO 22000:2018 (Food Safety Management Systems), highlighting our ability to provide safe and hygienic flexible packaging solutions that meet food safety requirements.

In our day-to-day manufacturing processes, we conduct various Quality Assurance ("QA") and Quality Control ("QC") tasks in accordance with our QMS protocols. These procedures cover all aspects of our operations, encompassing activities from receipt and inspections of incoming raw materials, in-process manufacturing, as well as outgoing and final inspections.

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## QUALITY PRODUCTS AND SERVICES &amp; INNOVATION (CONT'D)

Related UN SDGs

**Management Approach (Cont'd)**

To better serve our customers, we actively seek their feedback, maintain regular communication, respond promptly to requests and complaints, and provide thorough support for delivery, logistics, and technical matters. Each year, we conduct a Customer Satisfaction Survey to assess how well we meet customer needs and expectations, as well as to gather valuable insights to drive continuous improvements. The survey focuses on four key assessment areas:

**Response to Enquiries****Quality of Product****Delivery Capability****Customer Service**

Through these efforts, we aim to strengthen our customer relationships, improve our processes, and maintain our reputation as a trusted provider of flexible packaging solutions.

On the other hand, advancements in raw materials and machinery are key drivers of innovation and improvement in plastic packaging products. Our commitment to progress is evident through our investments in cutting-edge technology and our ongoing research and development efforts focused on pioneering raw materials.

We have been taking a leading role in innovation. Over the years, we have invested in state-of-the-art advanced machinery and equipment, guided by our determination towards the goal of becoming the packaging of choice in the Asia-Pacific region.

In recent years, we commissioned two units of advanced Nano-technology 67-layers Cast stretch film machines - one in 2021 and another in 2022. In late 2023, we further strengthened our portfolio by adding two new Blown Co-extrusion machines, and introduced a new product category - stretch hood. More recently, in late 2024, we successfully commissioned and began production with our new Central Impression Flexo Graphic printing line, and new wicketing lines. This expansion has enabled us to expand our offerings to include printed wicket bags.

Through focused research and development combined with the cutting-edge machines, we have been elevating the properties and quality of our products, introducing innovative offerings and brands, and enhancing operational efficiency while reducing and optimizing resource consumption.

We also collaborate closely with suppliers and customers to drive product innovation. Our focus goes beyond business needs, safety, and functional quality to include sustainability, aligning with the growing demand for a circular economy.

In our pursuit of sustainable packaging solutions and plastics circularity, our innovative efforts focus on several key initiatives:

- Enhancing product design to optimize functional quality and properties
- Developing downgauged products that maintain packaging integrity while reducing material use
- Developing products with recycled materials and optimizing the incorporation of recycled contents
- Improving packaging efficiency and optimizing the use of other packaging accessories

*(Refer to "Materials & Products Stewardship")*

Apart from that, we recognize that process innovation plays a crucial role in ensuring sustainable manufacturing practices. Along with our capacity expansion, we continue to invest in upgrading our plants and facilities, as well as adopting new technology geared towards improving process efficiency, automation, and quality consistency, all while optimizing resource consumption.

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## QUALITY PRODUCTS AND SERVICES &amp; INNOVATION (CONT'D)

Related UN SDGs

**Performance**

In FY2024, we observed a decrease in goods return (measured by weight) and a reduction in the total value of goods return and discounts related to quality issues, followed by an increase in FY2023 compared to FY2022. This marks an improvement following an increase in FY2023 compared to FY2022, as shown in the table below. This reflected our team's effort in revisiting and strengthening our QMS procedures and controls.

	FY2022	FY2023	FY2024
Change in goods return (kgs)	-19.0%	65.2%	-18.8%
Change in total goods return & discount for quality issues (RM)	18.1%	31.9%	-9.3%
Total goods return & discount for quality issues (as % of sales)	0.24%	0.34%	0.29%

With a slightly higher customer satisfaction index of 91% for FY2024, we have observed improved performance in query response and quality of product. Beyond strengthening our QMS, we remain committed to addressing customer feedback promptly, improving delivery lead times, and ensuring consistently positive experiences. Through these efforts, we strive to further enhance customer satisfaction across all touchpoints.

	FY2022	FY2023	FY2024
Customer satisfaction index	94%	89%	91%

Dedicated to product innovation to deliver exceptional packaging solutions, we continued to expand the market reach of our high-performance and premium stretch films range throughout FY2024, leveraging our advanced machinery and manufacturing capabilities. Designed to meet the requirements of high-speed stretch wrapping machines, our products offer superior performance, load stability, and operational efficiency. Additionally, they support downgauging, allowing for reduced material usage without compromising performance. This makes them an ideal solution for customers seeking cost-effective and sustainable packaging options.

Furthermore, our technical and customizable Blown packaging products are designed to deliver consistent quality, enhanced durability and efficiency, catering to the diverse needs of customers across various industries. We have expanded and commercialized a new product category to strengthen our product portfolio, and complement our existing offerings.

In line with our commitment to product sustainability, we also offer a range of products with recycled contents, including collation shrink films, stretch films and industrial packaging incorporating PIR or PCR content, reinforcing our efforts in circular economy practices and helping customers reduce their environmental footprint while maintaining high-performance packaging standards.

We have been consistently investing in upgrades and enhancement of our plants and equipment. For FY2024, we invested RM20.6 million.

Investment / Spending amount (RM'000)	FY2022	FY2023	FY2024
Building and facilities	18,072	2,465	6,777
Machines and equipment	19,707	21,707	13,855

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## COMPLIANCE &amp; RESPONSIBLE GOVERNANCE

Related UN SDGs

**Why it Matters**

Effective corporate governance and regulatory compliance are essential for ensuring responsible and sustainable business practices that foster long-term value and growth.

At BPPLAS, we are committed to maintaining the highest standards of ethics, integrity and legal compliance across all operations. Our commitment ensures that we uphold responsibility, transparency, and accountability to all our stakeholders, reinforcing our reputation as a trustworthy organization.

**Management Approach**

We consistently ensure that our practices and policies comply with relevant legal and regulatory mandates across both the local and international landscapes in which we operate, while also adhering to industry standards. Additionally, we remain committed to fostering a culture of ethics and integrity.

Our commitment to governance is reflected in our adherence to the Malaysian Code on Corporate Governance ("MCCG"). Group-wide policies and frameworks are in place to ensure strong corporate governance. For example, our risk management and internal control framework, the Code of Conduct, and the Anti-Bribery and Anti-Corruption ("ABAC") Policy, highlight our dedication to best practices. These policies apply to all Directors and employees at all levels and are also communicated to new employees during orientation.

BPPLAS has a zero-tolerance stance against bribery and corruption. The ABAC Policy was communicated to all Directors and employees, and is further cascaded to our suppliers, contractors, agents, and other business partners. We conduct annual corruption risk assessments and provide ABAC training to ensure ongoing awareness and compliance.

Through our whistleblowing policy, we provide both internal and external stakeholders with safe and confidential channels to report any misconduct, violations, or breaches of the Group's policies and regulations.

For further information, please refer to the Corporate Governance Overview Statement on pages 63 – 73 of this Annual Report or the Group's Corporate Governance Report. Our codes and policies are also available on our corporate website.

**Performance**

For FY2022 to FY2024, annual corruption risk assessments were conducted by the MRMC, and they covered the entire operations of BPPLAS.

Meanwhile, followed physical ABAC trainings for all employees in FY2023 (with 100% attendance), in FY2024, the training for ABAC awareness was conducted through online quizzes or physical sessions (with 100% attendance).

New employees who joined after the training date, as per our practices, they received briefings on the policies and frameworks during orientation, including the ABAC Policy.

No. employees received ABAC training (by employee category)	FY2022	FY2023	FY2024	% of employees
Direct (plant)	0	336	344	100%
Indirect (plant)	0	121	139	100%
Indirect (office)	2	47	52	100%
<b>TOTAL</b>	<b>2</b>	<b>504</b>	<b>535</b>	<b>100%</b>

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## COMPLIANCE &amp; RESPONSIBLE GOVERNANCE (CONT'D)

Related UN SDGs

**Performance (Cont'd)**

For the past three financial years (FY2022 - FY2024), there was no case reported on bribery or corruption. The Group did not receive any fines or penalties related to unethical business conduct or non-compliance. Also, there were zero whistleblowing cases reported.

## ECONOMIC PERFORMANCE &amp; RESILIENCE

Related UN SDGs

**Why it Matters**

Achieving strong financial performance and resilience through a sustainable business model is vital in creating long-term economic value for all our stakeholders. In today's dynamic economic landscape with its rapid challenges and uncertainties, strengthening business resilience and continuity, nurturing sustainable growth have become imperative for organizations.

**Management Approach**

The demand for flexible packaging has been growing alongside global economic expansion, while also evolving to meet sustainability and circular economy initiatives.

In the long term, we are committed to continuing to pursue profitability and strategic growth. We will continue to take responsible measures in executing expansion and investment plans, capitalizing on opportunities for sustainable solutions, and simultaneously fulfilling our responsibilities to the environment, our workforce, and the communities we serve.

By focusing on enhancing product offerings, meeting the demand for sustainable solution, and improving internal efficiency and cost management, we have consistently delivered strong and resilient financial performance.

As a result, we create value for our stakeholders, build sustainable partnerships with suppliers and customers, invest in employee development, offer competitive compensation, fulfill our tax obligations, and deliver returns to our shareholders.

**Performance**

As shown in our financial highlights, we have generated positive economic value and continued to grow even in times of a challenging business environment amid external headwinds and internal difficulties of raising operating costs, labor challenges etc.

	FY2020 RM'000	FY2021 RM'000	FY2022 RM'000	FY2023 RM'000	FY2024 RM'000	4-YEAR CAGR
Revenue	316,597	447,128	502,595	469,600	487,682	11.4%
EBITA	50,318	67,216	47,577	56,343	41,535	-4.7%
Profit Before Tax	38,923	56,771	36,008	42,624	26,004	-9.6%
Profit After Tax	29,661	46,466	30,538	35,234	21,596	-7.6%
Shareholders' Funds	205,789	231,613	245,262	263,607	268,314	

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## ECONOMIC PERFORMANCE &amp; RESILIENCE (CONT'D)

Related UN SDGs

Performance (Cont'd)

Meanwhile, we have been continuously rewarding and generating wealth for our stakeholders.

RM'000	FY2022	FY2023	FY2024
<b>Economic value generated (i.e., revenue and other income)</b>	<b>504,285</b>	<b>474,441</b>	<b>491,718</b>
<b>Economic value distributed:</b>	<b>490,637</b>	<b>456,096</b>	<b>487,010</b>
– Operating costs	444,070	405,576	438,292
– Employee wages and benefits	24,183	26,194	27,359
– Dividend payment	16,889	16,889	16,889
– Payment to government (i.e., tax)	5,470	7,390	4,408
– Community investment	25	47	62
<b>Economic value retained</b>	<b>13,648</b>	<b>18,345</b>	<b>4,708</b>

For more details about our financial performance, CAPEX, prospects, outlook and other details, please refer to pages 55 – 62 on Management Discussion & Analysis, and pages 91 – 140 on Financial Highlights and the Financial Statements.

## SUPPLY CHAIN MANAGEMENT

Related UN SDGs

Why it Matters

In recent years, the global supply chain has faced persistent disruptions, further intensified by the COVID-19 pandemic and subsequent trade imbalances. These challenges highlight the critical importance of robust supply chain management to minimize risks and maintain smooth operations.

We believe that maintaining a resilient, reliable, and efficient supply chain supports us in maintaining high-quality products and service to customers, while enhancing cost efficiency operational performance, and overall competitiveness.

Integrating sustainability into our supply chain is a key aspect of our sourcing and procurement strategies. As a responsible corporate citizen committed to global sustainable development, we actively advocate for and collaborate with our suppliers to adopt and implement Environmental, Social, and Governance (ESG) initiatives. This approach reinforces our commitment to sustainable growth while supporting our partners in embracing responsible practices.

Management Approach

Our suppliers include providers of materials, machinery, equipment, parts, and components relating to our products and operations, as well as other third-party vendors, consultants, contractors, and services providers.

At BPPLAS, we adopt a diversified procurement approach to manage supply chain resiliency, stability, and cost efficiency. This strategy involves sourcing from multiple suppliers across different countries and regions, complemented by implementing appropriate purchasing and pricing strategies. Such measures are crucial in mitigating the impacts of supply chain disruptions, including fluctuations in raw material availability and pricing.

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## SUPPLY CHAIN MANAGEMENT (CONT'D)

Related UN SDGs

**Management Approach (Cont'd)**

To support the domestic economy and local communities, we prioritize sourcing supplies and services locally whenever feasible. However, due to the specialized nature of the certain required raw materials and niche machinery, engaging with foreign suppliers is often necessary. Nevertheless, we aim to strike a balance between fostering domestic economic growth and ensuring access to critical resources for our operations.

When selecting suppliers, we base our decisions on merit, service quality, and reputation. In line with ISO 9001 standards, we carry out external provider assessment procedures. These include due diligence questionnaires completed by potential suppliers, which help evaluate their compliance and capabilities.

Aligned with our commitment to conducting business in a responsible and sustainable manner, we have implemented a Supplier Code of Conduct that defines our expectations and requirements for suppliers and business partners regarding ethical business conduct and sustainable operations and practices. It covers the areas including:

- Labor and Human Rights – incorporates all principles outlined in our Human Rights and Social Compliance Policy (Refer to “People management & development”).
- Environmental Responsibility – ensures compliance with relevant laws and standards, responsible use of resources, management and disposal of hazardous materials, and waste reduction, pollution control, and sustainable practices.
- Legal compliance – mandates adherence to all applicable laws and regulations in the jurisdictions of operation, including export controls and trade sanctions.
- Ethical Business Practices – emphasizes business integrity and ABAC measures.
- Community Involvement – encourages positive contributions to local communities.
- Supply Chain Management / Responsible Sourcing
- Grievance / Whistleblowing

We ensure that our ABAC Policy and Supplier Code of Conduct are clearly communicated to all suppliers. Additionally, our whistleblowing channel is also accessible to suppliers, providing a secure platform to report misconduct or non-compliance.

We consistently monitor the performance of our suppliers, conducting an annual Supplier Performance Review for critical suppliers, focusing on key areas such as quality, pricing, customer service and technical support. Furthermore, Environmental, Social, and Governance (ESG) factors and sustainability-related criteria are increasingly integrated into our supplier evaluation processes.

Through the above measures, we strive to maintain a robust, ethical and sustainable supply chain, while cultivating strong collaborative partnerships with suppliers that align with our business objectives and sustainability goals.

**Performance**

In FY2024, our local procurement spending accounted for approximately 31% of total procurement, compared to 25% and 27% in FY2022 and FY2023. The amount spent on local suppliers has shown a steady increase over the past 3 years.

	FY2022	FY2023	FY2024
Proportion (%) of procurement on local suppliers	25%	27%	31%
Change of local procurement spending amount	6%	3%	16%

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## CLIMATE CHANGE &amp; EMISSIONS

Related UN SDGs

**Why it Matters**

Climate change is widely recognized as one of the greatest challenges facing humanity today, presenting significant physical and transitional risks to the environment, society, businesses, and the global economy.

Following the Paris Agreement, nations worldwide have committed to the ambitious goal of limiting global warming to well below 2°C, with efforts aimed at achieving a more stringent target of 1.5°C above pre-industrial levels. This global consensus has heightened public awareness and prompted governments and organizations to actively pursue actions and strategies to reduce greenhouse gas (“GHG”) emissions and mitigate potentially devastating impacts on businesses, communities, and the planet.

We support Malaysia's Nationally Determined Contributions (“NDC”) which aim to achieve a 45% reduction in energy intensity by 2030 compared to 2005 levels. The government has set a net-zero GHG emissions target for 2050 under the National Energy Transition Roadmap (“NETR”). The roadmap provides a strategic plan to facilitate transition to more sustainable and environmentally friendly energy sources.

**Management Approach**

At BPPLAS, our manufacturing processes are energy intensive, making them the primary contributor to our emissions. Meanwhile, there has been increasing attention towards assessing emissions across various stages of operations, including the goods transportation and employees commuting. As a responsible corporate entity, we are committed to addressing these challenges by actively supporting global and national initiatives.

Our key strategy to combat climate change and reduce its impact centers on managing energy consumption and emissions while enhancing operational efficiency. At the same time, we advocate for greater transparency in emissions reporting across the supply chain, both within and beyond our plant operations.

Our energy management prioritizes the use of renewable energy sources and improving energy efficiency across our plants and processes. By optimizing energy utilization, we aim to reduce our carbon footprint intensity associated with it. Currently, the majority of our electricity consumption comes from Tenaga Nasional Berhad (“TNB”), complemented by solar energy generated from solar panels installed at our factories.

In January 2025, we successfully installed additional solar panels at one of our plants, leading to current in-house solar energy capacity increased by over 85% from the previous level. Building on this progress, we plan to install more solar panels in the next two years, which will more than double our current solar energy capacity. In addition, we are exploring and looking forward to opportunities to diversify and expand our renewable energy initiatives, reaffirming our dedication to reducing emissions.

To manage energy efficiency, we track our energy consumption data and key metrics, including energy intensity for all machinery and manufacturing processes. Every month, we compile and analyze energy data, then shared with relevant departments or sections to drive awareness and encourage continuous improvement practices in energy conservation and efficiency.

As industries in Malaysia face increasing challenges from rising energy costs, which impact overall operating expenses, we have implemented various measures to enhance energy efficiency and reduce GHG emissions, including:

- Improving and innovating product designs, such as downgauged solutions that reduce material consumption and lower environmental impact

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## CLIMATE CHANGE &amp; EMISSIONS (CONT'D)

Related UN SDGs

**Management Approach (Cont'd)**

As industries in Malaysia face increasing challenges from rising energy costs, which impact overall operating expenses, we have implemented various measures to enhance energy efficiency and reduce GHG emissions, including (Cont'd):

- Adopting new advanced, environment-friendly, energy-efficient machinery or equipment to optimize the use of energy, materials and other resources
- Optimizing machine operations, including start-up and shutdown schedules, order planning and improved protocols
- Upgrading to energy-saving lighting, such as transitioning to LED bulbs
- Transitioning to electric forklifts for lower emissions
- Implementing effective waste management practices, including reducing waste, reusing materials, optimizing recycled content, thus reducing virgin materials usage
- Promoting other simple yet effective practices, such as using natural lights, optimizing or turning off unnecessary lights, air-conditioning and other equipment during breaks or idle periods

These measures are aimed at optimizing energy use, lowering costs, and contributing to a more sustainable operation. Meanwhile, we are continuously exploring, refining and reviewing our strategies related to renewable energy sources, as well as emissions management and climate change response, across our manufacturing and non-manufacturing operations.

On the reporting front, we have taken active steps to enhance the quality and breath of our emissions assessments and climate-related disclosures. This includes enhancing data collection processes, refining calculation methodologies, and addressing key data gaps to ensure more robust and accurate reporting. These efforts are in line with evolving disclosure expectations, including Bursa Malaysia's enhanced sustainability reporting requirements introduced in December 2024. We remain committed to greater transparency and accountability in our sustainability practice.

For FY2024, we undertook an initial estimation of our GHG emissions (measured in tonnes of CO<sub>2</sub>e), covering Scope 1, 2 and 3.

- Scope 1 emissions were derived from the direct consumption of diesel and petrol by our facilities and company-owned vehicle.
- Scope 2 emissions covered indirect emissions from purchased electricity and water consumption.
- Scope 3 emissions included indirect emissions related to employee commuting and business travel.

**Performance**

As shown in the table below, in FY2024, our total electricity consumption is 62,311 MWh, including 61,071 MWh from conventional sources and 1,240 MWh from renewable source (in-house solar panels). Thus, we achieved 2.0% of the renewable energy for our total electricity consumption for the year.

In previous two years, we subscribed to TNB's Green Electricity Tariff ("GET") program. However, in August 2023, as part of cost controls measures, we made the strategic decision to terminate the subscription, due to a substantial increase in the GET tariff. This adjustment allowed us to better manage our operational costs, while we continue to explore alternative method for achieving our sustainability goals.

On managing our energy efficiency, we measure our energy intensity by calculating total energy consumption compared to production output. Our energy intensity is 0.86MWh per MT production output in FY2024, slightly higher than 0.83MWh and 0.82MWh in FY2022 and FY2023, respectively. However, this metric is affected by product mixes including specs, volumes, and thicknesses. In FY2024, we focused more on premium, value-added product ranges that support downgauging, superior performance, promoting sustainability and using less.

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

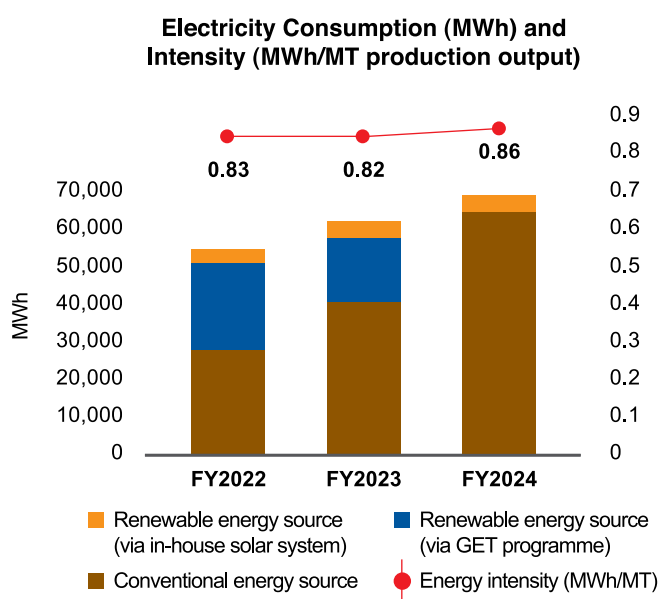
## CLIMATE CHANGE &amp; EMISSIONS (CONT'D)

Related UN SDGs



## Performance (Cont'd)

Electricity consumption (MWh)	FY2022	FY2023	FY2024
Conventional energy source	29,398	38,343	61,071
Renewable energy source (GET subscription)	24,194	17,500	-
Renewable energy source (in-house solar system)	1,285	1,236	1,240
<b>Total electricity consumption</b>	<b>54,877</b>	<b>57,079</b>	<b>62,311</b>
% of renewable energy source	46.4%	32.8%	2.0%
Energy intensity (MWh / MT production output)	0.83	0.82	0.86



The renewable energy source helped us to reduce our GHG (CO<sub>2</sub>) emissions significantly, i.e. we avoided 960 MT GHG emissions in FY2024, calculated based on the grid emission factor of 0.774 MT CO<sub>2</sub> per MWh for Peninsular Malaysia, published by Suruhanjaya Tenaga Malaysia.

The GHG emissions generated from electricity consumption fall into our Scope 2 emissions. For FY2024, these emissions totaled 47,269 MT, equivalent to 0.65 MT GHG emissions (CO<sub>2</sub>e) per MT of production output.

Emissions – electricity consumption	FY2022	FY2023	FY2024
MT of GHG emissions (CO <sub>2</sub> e) generated from conventional energy*	22,754	29,677	47,269
MT of GHG emissions (CO <sub>2</sub> e) avoided from renewable energy*	19,720	14,502	960
GHG emissions intensity (MT of CO <sub>2</sub> e / MT production output) from electricity consumption	0.34	0.43	0.65

\* Calculated based on the grid emission factor of 0.774 MT CO<sub>2</sub> per MWh for Peninsular Malaysia, published by Suruhanjaya Tenaga Malaysia

Total Scope 2 emissions in FY2024 amounted to 47,297MT covering both purchased electricity and water consumption in our plants.

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## WASTE &amp; ENVIRONMENTAL MANAGEMENT

Related UN SDGs

**Performance (Cont'd)**

In addition, for FY2024, Scope 1 emissions covering direct consumption of diesel and petrol by our facilities and company-owned vehicle totalled 418MT CO<sub>2</sub>e, while Scope 3 emissions that included indirect emissions related to employee commuting and business travel is estimated at 234MT CO<sub>2</sub>e.

These figures mark an important milestone in our emissions accounting journey. Ongoingly, we shall ensure our disclosure of GHG emissions further complies with requirements and also implementing decarbonization strategies and reduction targets in the coming years.

**Why It Matters**

At BPPLAS, we are dedicated to promoting responsible resource consumption and implementing best practices in waste management and resource circularity. This effort goes beyond plastic resins and products, it extends to all components, parts, and packaging materials used across our operations.

As we pursue sustainable economic development for our business over the long term, we recognize our responsibility to mitigate adverse environmental impacts, preserve natural resources, and protect public health and the ecosystems.

**Management Approach**

Certified with ISO 14001:2015 Environment Management System at both of our manufacturing plants; we are committed to operating in compliance with the Environmental Quality Act (Scheduled Wastes) Regulations 2005 and Environmental Quality (Industrial Effluent) Regulations 2009, Standard B.

Beyond mere compliance with rules and regulations, we are committed to minimizing environmental impact and reducing pollution. We recognize that effective waste management and practices are important in safeguarding the health and safety of our employees, the surrounding communities and the broader public.

Our waste management approach is comprehensive and proactive, including the following strategies:

- prevent and reduce waste generation,
- promoting recycle, reuse, reduce (3Rs) concept, and
- ensure responsible waste handling and disposal practices.

This approach aligns with the principles of circular economy, aiming to minimize waste and maximize resource efficiency.

**(a) Reduce Waste Generation**

We promote responsible consumption of resources and are committed to preventing and reducing waste generation, scraps, and defects during production processes and daily operational activities.

Key efforts in waste reduction include:

- daily and regular monitoring of waste generation across various machines and sections;
- efficient procurement and inventory management to prevent over-purchasing and unnecessary waste;
- strategic production planning to minimize changeovers, idle time, and overproduction;
- continuous process improvements through maintaining optimal machine conditions, adopting advanced manufacturing techniques and streamlining workflows;
- comprehensive training programs to equip personnel with skills for sustainable practices;
- Effective housekeeping and containment measures to prevent leakages or spills of resins and other materials into the environment;
- Efforts and programs to raise workforce awareness about sustainable waste management and promote circularity concepts.

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## WASTE &amp; ENVIRONMENTAL MANAGEMENT (CONT'D)

Related UN SDGs

**Management Approach (Cont'd)****(b) Recycle, Reuse and Reduce (3Rs) Concept**

The 3Rs concept is deeply embedded in our operations. We continuously monitor and refine our practices and measures to advocate for the 3Rs.

With sufficient waste management expertise and technical capabilities, our initiatives include:

- properly sorting and segregation of internally generated plastic waste, rejects, and scraps, along with other plastic packaging from our suppliers (e.g. resin bags, shrink covers, stretch hoods, and stretch films).
- mechanical recycling of segregated wastes, converting them into recycled materials classified as Post-Industrial Recycled Resin ("PIR") and Post-Consumer Recycled Resin ("PCR") depending on their origin and intended purposes.
- reuse of recycled materials for suitable product applications, integrating recycled content into our manufacturing processes. Noting that one of our sustainable solutions revolves around access and use of recycled contents (Refer to "Materials & Products Stewardship").
- Extending the 3Rs concept to other materials, including
  - o purchasing accessories made with recycled paper (e.g. paper rolls and boards)
  - o reusing used paper cores purchased from customers
  - o replacing wooden pallets, paper cores with durable plastic pallets and plastic cores that can be reused and recycled.

These efforts help reduce our consumption of virgin raw materials, minimize waste generation, and lower our carbon footprint.

**(c) Waste Handling Practices**

In compliance with ISO standards and regulatory requirements, we manage effluent and waste handling responsibly. Where waste disposal is unavoidable, we engage only approved and licensed contractors for collection and disposal.

To further mitigate environmental impacts, we:

- Collaborate with strategic partners and suppliers to source non-hazardous materials.
- Continuously seek innovative solutions to minimize environmental contamination and reduce our carbon footprint.

By adopting a holistic perspective, we manage and aim to minimize waste at every stage of the product lifecycle, from sourcing and manufacturing to distribution and disposal. Our commitment drives us to invest in innovative recycling technologies, collaborate with stakeholders to develop closed-loop systems, and educate our workforce and partners on sustainable practices.

**Performance**

As presented in the table below, in FY2024, plastic scraps and waste generated from operations increased to 5,948MT compared to 5,725MT in FY2023, mainly attributable to an overall production growth, maintaining an intensity of 6.0% of production output. These plastic scraps and wastes arise from the internal manufacturing processes, including set-up waste, changeover waste, rejected products scraps that cannot be reused, as well as other plastic packaging from our suppliers (e.g. resin bags, shrink covers, stretch hoods, and stretch films).

All our plastic production scraps and waste are not directed to disposal. Instead, they are segregated and processed into recycled resins using our in-house recycling machines. These recycled materials are categorized as PIR and PCR.

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## WASTE &amp; ENVIRONMENTAL MANAGEMENT (CONT'D)

Related UN SDGs



## Performance (Cont'd)

Currently, we have 3 units of recycling machines, after commissioning a new unit in Dec 2023 to increase our recycling capacity, along with expansion of our plastics production capacity. Hence, in FY2024, 7,277MT of waste was recycled internally and turned into recycled resins, compared to 5,456MT and 5,432MT in FY2022 and FY2023, respectively.

These recycled materials produced are used for certain product applications. In FY2024, recycled resins consumption made up 8.1% of our total resins consumption.

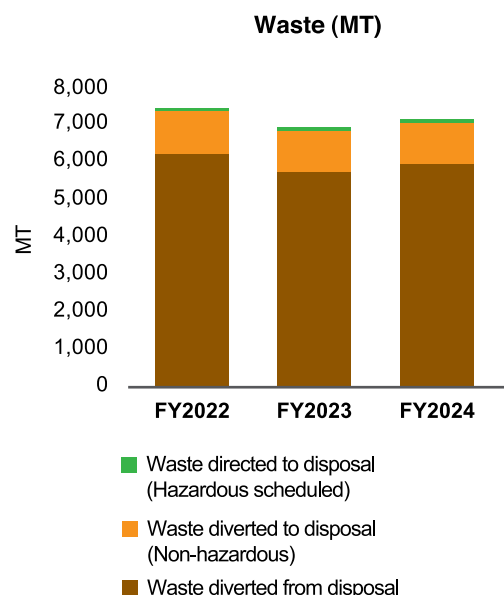
Our waste directed to disposal are categorized into non-hazardous waste and hazardous waste.

- Non-hazardous waste includes paper core, cartons, other paper accessories, wooden pallets, damaged plastic pallets, and general rubbish etc. These are mostly collected by external parties that have their respective recycling and recovery facilities.
- Hazardous waste includes ink and solvent waste, and the emptied tongs and drums, etc.

In FY2024, our waste directed to disposal increased slightly to 1,024MT, compared to 992MT in the previous year, in line with increased production, maintaining around 0.8% of production output.

Moreover, for FY2024, 85.3% of the total waste generated was retained within our plant for internal recycling and reuse purposes.

Waste (MT)	FY2022	FY2023	FY2024
Scraps and waste from operations (recyclable internally)	6,143.4	5,725.0	5,948.1
<b>Waste diverted from disposal</b>	<b>6,143.4</b>	<b>5,725.0</b>	<b>5,948.1</b>
Non-Hazardous waste	1,123.1	920.1	948.2
Hazardous waste (Scheduled waste)	62.1	71.2	75.7
<b>Waste directed to disposal</b>	<b>1,185.2</b>	<b>991.3</b>	<b>1,023.9</b>
<b>Total waste</b>	<b>7,328.6</b>	<b>6,716.2</b>	<b>6,972.0</b>
% of waste diverted from disposal	83.8%	85.2%	85.3%



During FY2022 to FY2024, there were no cases of complaints / non-compliance / fines / penalties regarding our waste or environmental management practices.

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

**Why it Matters**

Flexible plastic packaging holds a pivotal role in the world of product packaging, emerging as the preferred choice for diverse industrial and consumer applications. Its unique advantages, including versatility, durability, lightweight properties, and cost efficiency, make it an essential solution for modern packaging needs. Beyond these benefits, its exceptional barrier properties and sealing capabilities are integral to ensuring food safety and extending the shelf life of perishable goods, addressing critical concerns in food preservation and waste reduction.

Plastic, as a material, offers a range of advantages that extend beyond its functional attributes. It is increasingly used to replace traditional materials such as paperboard, metals, and glass, driven by its performance in specific applications and its environmental benefits when assessed from a full life-cycle perspective. Studies reveal that plastics typically exhibit lower carbon footprint than many conventional materials, thus being designated as a more environmentally favorable option when responsibly managed.

However, it is vital to recognize that the environmental impact of plastic packaging is influenced by how it is managed at the end of its life. Improper disposal, such as littering or failing to recycle, can lead to environmental consequences, including pollution and harm to ecosystems. This highlights the need for robust systems to promote responsible disposal and recycling.

Besides continuous innovation within the plastics industry, there has been a growing emphasis on adopting a circular economy for plastics. This initiative seeks to minimize waste and pollution by promoting recycling, reuse, and resource efficiency. However, the transition towards circular economy requires collaboration across a broad spectrum of stakeholders, including industries, governments, non-governmental organizations, policymakers, and local communities.

Despite the challenges, the increasing focus on plastics circularity and low-carbon initiatives is driving more companies, manufacturers, brand owners and consumers to explore and transition towards sustainable packaging solutions, while consumers are becoming more conscious of their choices and demanding eco-friendly alternatives. This collective effort is crucial in driving positive change and promoting a more environmentally responsible approach to packaging.

**Management Approach**

As a plastic packaging manufacturer, we embrace our role in supporting the transition to a circular economy and advancing low-carbon initiatives. Recognizing the significance of our position within the value chain, we collaborate with our raw material suppliers and customers, and other stakeholders to drive innovation and develop sustainable solutions. Our efforts focus on plastics circularity and life cycle impact, particularly in the three areas stated below.

**(a) Design for Recyclability & Circularity**

Traditionally, flexible plastic packaging relied on laminated structures or multi-material, multi-layered structures, with each layer serving different functional requirements, such as printing compatibility, oxygen and moisture barrier, strength and puncture resistance, and sealing. However, these complex structures present challenges in material separation, making recycling difficult.

In recent years, with increasing emphasis on the circular economy, there has been a growing demand for mono-material plastic packaging, recognized as an important sustainable packaging due to its recyclability. According to Circular Economy for Flexible Packaging ("CEFLEX"), packaging qualifies as mono-material if it comprises more than 90% of a single polymer type.

At BPPLAS, all our manufactured products are mono-material, composed of more than 90% Polyethylene ("PE"), ensuring that our products are fully recyclable.

Concurrently, we are exploring advancements in sustainable packaging solutions, including investment opportunities in innovative technologies that enhance products recyclability, thereby contributing towards the circular economy.

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## MATERIALS &amp; PRODUCTS STEWARDSHIP (CONT'D)

Related UN SDGs

**Management Approach (Cont'd)****(b) Access and Use of Recycled Contents**

As part of our waste management efforts, we utilize in-house recycling facilities to process internal production waste, scraps, and supplier's plastics packaging, transforming them into recycled resins known as Post-Industrial Recycled Resin ("PIR") and Post-Consumer Recycled Resin ("PCR"). These recycled resins are then reintegrated into products for suitable applications.

Our ongoing innovation efforts focus on increasing and optimizing the use of recycled materials without compromising the functional quality and integrity of our packaging solutions. Meanwhile, we are exploring the availability of suitable recycled materials from external sources, evaluating other renewable raw materials, and pursuing improvements including certification systems.

Our main plant has been certified with the International Sustainability and Carbon Certification ("ISCC") PLUS and Global Recycled Standard ("GRS"). They are certifications aimed at promoting sustainability and ensuring the responsible use of resources, which ensures traceability of circular or recycled materials.

Despite progress, the industry is facing persistent challenges, including limited supply of recycled materials due to difficulties in waste collection, segregation (thus a lack of feasible segregated waste as feedstock), as well as inconsistencies in material quality, limitations in infrastructure and recycling technology, and high costs.

**(c) Less Consumption and More Efficient Use of Materials**

Over recent years, the innovation focus for flexible plastics packaging has been towards downgauged solutions. Downgauging reduces the thickness of plastic films, lowering material usage while maintaining performance and cost efficiency. At BPPLAS, we have successfully developed and improved downgauged plastic films, supported by investments in product R&D, advancements in machinery, and the use of innovative raw materials.

Beyond downgauging, our innovation efforts extend to product reformulation, blending of recycled materials, and the optimizing machinery technologies. These initiatives enable us to reduce raw material consumption and improve resource efficiency, contributing to preserving resources, reducing negative environmental impact and GHG emissions from raw materials extraction and processing.

While the journey toward sustainable solutions continues to present challenges, including low public awareness about waste segregation, significant investments and lengthy timelines required for new technologies (e.g., chemical recycling), high costs, technical hurdles, and quality concerns, we remain steadfast in our commitment to innovation and sustainability in our materials and products stewardship. We aim to stay relevant in evolving markets and play a leading role in advancing plastics circularity while reducing our carbon footprint.

**Performance**

In FY2024, we continue to advocate sustainable solutions in the three areas:

Mono-Material




Recycled Content

Downgauging

Dedicated to our products' stewardship and continuous innovation efforts, we remain focused on delivering thin-gauge, high-performance premium stretch films to the market, which are particularly well received by customers looking to fulfill their ESG goals through downgauging. Meanwhile, we continue to advocate for right gauging, emphasizing that product performance and functional quality remain top priorities to ensure safety and effectiveness in end-use applications.

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

MATERIALS & PRODUCTS STEWARDSHIP (CONT'D)	Related UN SDGs
	  

**Performance (Cont'd)**

Additionally, we continue to develop products incorporating recycled content, reinforcing our commitment to circular economy practices.

In addition to ISCC PLUS certification, our main plant obtained GRS certification in 2024. These certifications demonstrate our commitment to ensuring traceability of circular materials, meeting market demands and expanding opportunities.

Our premium and sustainable solutions offerings have propelled our expansion into the American and European markets which is a more attractive marketplace for innovative, sustainable, and environmental-friendly solutions. It is driven by heightened awareness of environmental sustainability, as well as the restrictions, levies/taxes imposed on plastics packaging.

In FY2024, our recycled materials consumption was around 8.1% of our total resin consumption.

	FY2022	FY2023	FY2024
Recycled resins consumption (% of total resins consumption)	8.8%	7.8%	8.1%

WATER MANAGEMENT	Related UN SDGs
	

**Why it Matters**

For our business, reliable supply of clean water is essential in daily operational activities such as machine cooling and cleaning. However, water is not a major resource or material in our manufacturing processes. Water discharge from our operations is also minimal.

Despite its limited role in our production, we recognize the importance of sustainable water management in preserving and protecting our precious water resources.

**Management Approach**

Our approach to water management emphasizes conservation and efficiency. We continuously monitor our water usage, implement practices towards water saving, and ensure proper and efficient utilization.

Our water supply is mainly from Ranhill SAJ. Complementing this, we have installed rainwater harvesting systems. Since 2019, water tanks have been installed to collect and store rainwater, which is then used for various purposes such as chillers, cooling towers, and basic cleaning or toilet use. In 2024, additional water tanks were installed to further enhance our water-saving capacity.

As a measure to enhance water usage efficiency, monthly water consumption, rainwater harvesting data and metrics are compiled and analytical information is provided to the relevant departments and personnel to improve management and efficiency on water consumption.

In addition, for the water effluents, we conduct quality assessment periodically and the discharge is managed in compliance with the Environmental Quality (Industrial Effluent) Regulations 2009, Standard B.

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

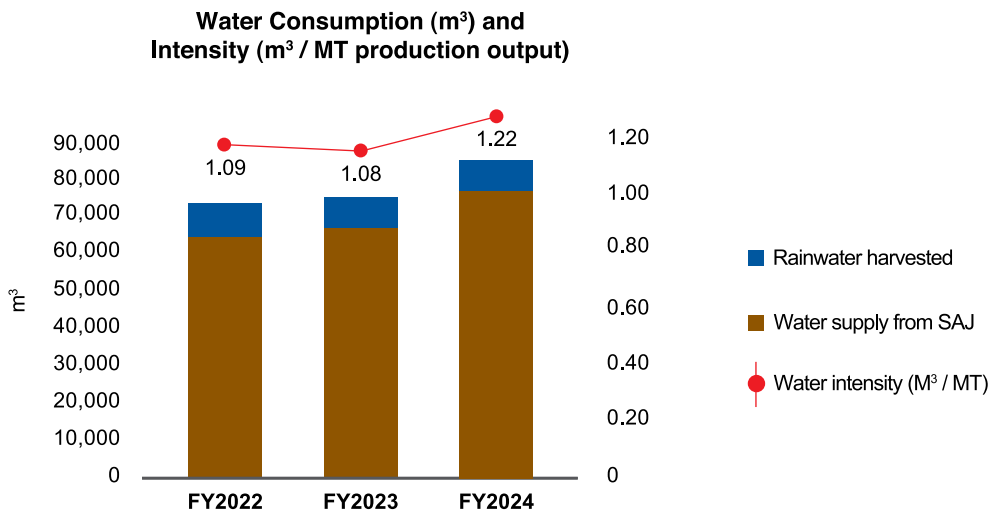
WATER MANAGEMENT (CONT'D)	Related UN SDGs
	

**Performance**

Water consumption remains a minor aspect of our operations and processes. In FY2024, our total water consumption increased to 88,497m<sup>3</sup>, from 74,771m<sup>3</sup>.

Measuring water intensity by using total water consumption compared to production output, our water intensity for FY2024 is 1.22 m<sup>3</sup> per MT of production output, higher than in previous years. The increase in water intensity was attributed to new facilities including recycling equipment which required higher water consumption.

Water consumption (m <sup>3</sup> )	FY2022	FY2023	FY2024
Water supply from SAJ	65,229	68,457	82,446
Rainwater harvested	6,512	6,314	6,051
<b>Total water consumption</b>	<b>71,741</b>	<b>74,771</b>	<b>88,497</b>
% from rainwater harvested	9.1%	8.4%	6.8%
Water intensity (m <sup>3</sup> / MT production output)	1.09	1.08	1.22



During FY2022 to FY2024, there were no cases of complaints or non-compliance regarding our water quality, usage or discharge.

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## OCCUPATIONAL HEALTH &amp; SAFETY

Related UN SDGs

**Why It Matters**

Environment, Health and Safety (“EHS”) management has always been a core priority within our daily operations and organizational culture. Meanwhile, the COVID-19 pandemic further underscored the importance of occupational health and safety.

Adopting stringent EHS management practices, adhering to compliance standards and regular monitoring are fundamental to ensuring business sustainability. Effective EHS management not only reduces the risk of workplace injuries or accidents, but also fosters a healthier, more productive workforce, thus enhancing employee retention, while lowering costs associated with compensation, legal matters, and remediation.

We recognize our obligation to provide a safe, healthy and conducive working environment for all our employees, as well as any external parties we engage with, including contractors, suppliers, and visitors.

**Management Approach**

We are committed to maintaining a safe and healthy working environment throughout our businesses. With that, we ensure compliance with applicable laws and regulations, implement risk management systems, undertaking appropriate measures according to our EHS policy and objectives, and pursue continuous improvement. Our dedication is reinforced by our ISO 45001:2018 (Occupational Health & Safety) certification, which demonstrates that our processes and practices meet global standards for health and safety management.

It is important to ensure that every employee understands and takes responsibility for fulfilling EHS objectives. We provide safety training and operational procedures on topics such as fire drills, fire evacuation training, first aid, Personal Protective Equipment (“PPE”), chemical handling, and equipment handling. Training is offered for employees both upon joining the company, and reinforced with regular sessions thereafter.

The Occupational Safety and Health (“OHS”) Committee plays a pivotal role in effective management of EHS matters at the workplace. This committee is tasked with identifying, reviewing, and implementing health and safety measures. Annually, the committee members participate in relevant EHS training, regulatory updates and safety briefings held by various government agencies. This ongoing training ensures that their EHS knowledge remains current and relevant, enhancing awareness of critical safety aspects and equipping them with the necessary competencies, knowledge and resources to work safely.

Beyond the workplace, we are mindful of ensuring appropriate living conditions for foreign workers. We provide accommodations that comply with the requirements of the Workers’ Minimum Standards of Housing and Amenities Act, 1990 (Act 446). Currently, the Group’s foreign workers’ rented hostels hold a Certificate for Accommodation approved by the Ministry of Human Resources (“MOHR”).

Further, the Human Resources (“HR”) Department conducts bi-weekly inspections on the living conditions of the hostels, assessing cleanliness, safety, and any potential damage to the buildings.

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

OCCUPATIONAL HEALTH & SAFETY (CONT'D)	Related UN SDGs	
		

**Performance**

In FY2024, 434 employees received trainings on health and safety. These trainings are arranged and required for the necessary employees who focus on the manufacturing operations and/or at factory and production shopfloor.

	FY2022	FY2023	FY2024
No. of employees received health and safety training	321	428	434

The external and internal workplace health and safety training conducted in FY2024 included topics related to safety awareness, radiation / radioactive controls, fire safety, noise awareness, chemical and equipment safety, forklift training etc.

The Group is conscious of the need to manage workplace safety and employees' security in tandem with business growth. As shown in the table below, in FY2023 and FY2024, the rates of accident and lost man-days remained at 7 cases a year, down from 12 cases in FY2022; while the number of fatalities has remained at zero. Additionally, the number of hearing disorder cases reduced to 4 cases in FY2024, noting that these cases were reported from existing cases since FY2023. In addition to ensuring effective protective equipment are provided to workers, we continuously monitor, guide and train workers to follow the safety practices to minimize their exposure to excessive noise.

Accident rate, hearing disorder rate, lost man-days rate and Lost Time Incident Rate ("LTIR") all decreased in FY2024 compared to the previous year.

For incidents that occurred, investigations and improvements were carried out accordingly as part of our prevention initiatives. We continue to identify, monitor, prevent, react and take corrective actions diligently to reduce work-related accidents and ill-health cases, and work towards goals of zero accidents, zero fatalities, as well as lost man-days rate below 80 days.

	FY2022	FY2023	FY2024
No. of accident cases	12	7	7
No. of hearing disorders	2	7	4
No. of fatalities	0	0	0
Lost man days (no. of days)	110	144	85
Total no. of hours worked	933,738	1,263,961	1,382,486
Accident rate <sup>1</sup>	12.9	5.5	5.1
Hearing disorder rate <sup>2</sup>	2.1	5.5	2.9
Fatality rate <sup>3</sup>	0	0	0
Lost man-days rate <sup>4</sup>	117.8	113.9	61.5
Lost Time Incident Rate <sup>5</sup>	2.6	1.1	1.0

<sup>1</sup> Accident rate = No. of accident cases / Total no. of hours worked \* 1,000,000

<sup>2</sup> Hearing disorder rate = No. of hearing disorder cases / Total no. of hours worked \* 1,000,000

<sup>3</sup> Fatality rate = No. of fatalities / Total no. of hours worked \* 1,000,000

<sup>4</sup> Lost man-days rate = Lost man-days / Total no. of hours worked \* 1,000,000

<sup>5</sup> Lost Time Incident Rate = No. of accident cases \* 200,000 / Total no. of hours worked

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## OCCUPATIONAL HEALTH &amp; SAFETY (CONT'D)

Related UN SDGs



## Performance (Cont'd)



1. Training on The OSHA (Amendment) Act 2022 held on 17 September 2024
2. Kursus Asas Keselamatan Kebakaran (ERT Training) held on 8-10 July 2024



## PEOPLE MANAGEMENT &amp; DEVELOPMENT

Related UN SDGs

**Why It Matters**

Our employees are the heart of our organization, driving innovation, growth, and expansion. To achieve that, we focus on enhancing our ability to recruit, retain and develop employees with the necessary skills, growth mindset and competitive capabilities.

As we progressively expand our business and embrace industrial digital transformation which focuses on interconnectivity, automation, machine learning and real-time data, we recognize the need to prioritize employee upskilling. This is integral to their career development while building a more productive, highly skilled and agile workforce for the future, especially essential to adapt to technological advancements.

Beyond professional development, we are committed to nurturing a workplace culture that values our employees' contributions, focuses on employees' welfare and wellbeing, and embraces diversity, equality, and human rights.

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## PEOPLE MANAGEMENT &amp; DEVELOPMENT (CONT'D)

Related UN SDGs

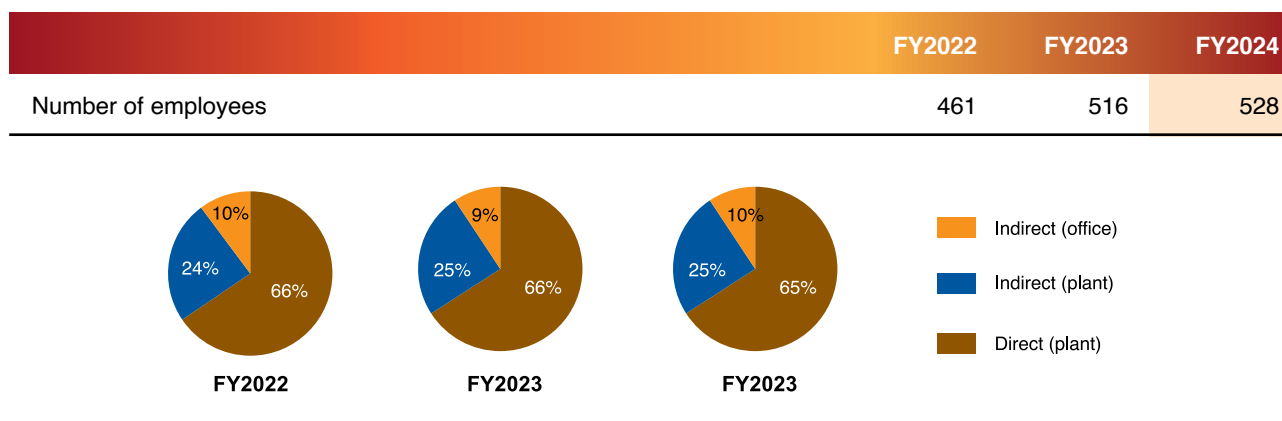
**Management Approach**

At BPPLAS, our people management and development approach centers around four main areas:

- Talent development and career growth
- Employee welfare and engagement
- Ethical practices and human rights
- Workplace culture and inclusion

Through these initiatives, we are committed to nurturing a passionate and productive workforce, while fostering a positive workplace culture that is diverse, inclusive and supportive, where our people feel valued, respected, and empowered.

Our employees are categorized into three groups based on work nature, namely indirect employees in office, indirect employees in manufacturing plant, and direct employees in manufacturing plant. As at the end of FY2024, we have 528 employees in total, where 10%, 25%, 65% are indirect office employees, indirect plant employees, and direct plant employees, respectively.

**(a) Talent Development and Career Growth**

Upskilling and empowering our employees are important to our business growth and success. We are committed to supporting our employees' career progression and leadership development by providing comprehensive training, learning and development opportunities. By continuously enhancing their skill sets, we enable them to achieve their personal aspirations while contributing effectively to departmental and organizational goals.

Internal and external training programmes are organized and tailored to employees cater for various objectives and learning needs. These programmes focus on areas including technical and functional knowledge, industry knowledge, as well as soft skills development. Training is conducted through a variety of methods such as workshops, conferences, coaching, mentoring and on-the-job training, among others, ensuring a well-rounded approach.

As part of annual Performance Appraisals, Training Needs Analysis ("TNA") is conducted by people managers and HR department to identify training needs, skills gaps, or address other required competencies. Moreover, exit interviews are carried out to gain insights into employee experiences, workplace culture, and areas for improvement.

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## PEOPLE MANAGEMENT &amp; DEVELOPMENT (CONT'D)

Related UN SDGs

**Management Approach (Cont'd)****(b) Employee Welfare and Engagement**

Taking care of our employees' welfare is essential to ensure we are meeting their needs, enhancing job satisfaction and loyalty. We appreciate and value their contributions to the company's success. To this end, we offer packages of compensation and benefits that are fair and competitive to attract, motivate and retain the right talent while driving productivity.

Our standard benefits include long service rewards, insurance coverage, medical benefits, annual and special leaves entitlements. Additionally, we provide workplace facilities such as pantries/canteens, lockers and prayer rooms to cater to the diverse needs of our workforce. Depending on job roles or individual requirements, additional benefits such as accommodation and personal protective equipment, including safety boots and earplugs, are also provided.

To foster a motivating and supportive work environment, we recognize and reward exceptional performance and merit. Annual performance assessments, conducted by Heads of Department ("HODs"), evaluate employees based on various criteria aligned with our organizational values and objectives.

The Group adheres to Malaysian labour laws, ensuring compliance with statutory minimum wage and overtime pay requirements. This is crucial in providing employees with fair earnings that support decent living standards.

Beyond financial compensation, we continually connect with our employees to strengthen their engagement and sense of belonging to the organization. Regular meetings and sessions across different teams and job levels help foster discussions and communications to keep employees engaged and motivated, and to enable us to address their concerns promptly. We believe an engaged workforce leads to improving workers' retention, performance and productivity, driving us towards achieving collective goals and success.

**(c) Ethical Practices and Human Rights**

We are committed to upholding responsible and ethical labor practices across the organization. Our approach is guided by our Group's Human Rights and Social Compliance Policy, which was updated in 2024, as well as other guidelines within our corporate governance framework.

A range of measures are implemented not only for compliance with relevant national law and legal requirements, but also to fulfill the Group's objective of ethical practices, fostering fair and respectful treatment and protecting human rights. The principles outlined in our Human Rights and Social Compliance Policy include:

- adhering to official and legally recognized processes for recruiting and employing foreign workers.
- promote freely chosen employment, prohibit any form of forced, bonded, or involuntary labor.
- not retaining workers' passports and other identification or personal documents, nor require them to lodge deposits as a condition of employment.
- respect employees' right to freely associate, form, and join trade unions or other employee organizations of their choice, in accordance with local laws, and to bargain collectively.
- not employing child labor below the legal minimum age for employment as defined by national law.
- ensure employees are treated fairly with dignity and respect, and prohibit harassment or abuse.
- ensure wages paid to employees meet or exceed the minimum wage required or industry benchmarks, and that overtime is voluntary with overtime payment as per Malaysian Laws.
- ensure that working hours, rest periods and day offs comply with national laws and industry standards and shall not be excessive.
- not imposing or deducting recruitment fee or other related costs from foreign workers' salaries for their employment.

We regularly assess compliance with our Human Rights and Social Compliance Policy through internal audits, site inspections, or feedback from employees and stakeholders.

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## PEOPLE MANAGEMENT &amp; DEVELOPMENT (CONT'D)

Related UN SDGs

**Management Approach (Cont'd)****(c) Ethical Practices and Human Rights (Cont'd)**

Additionally, to support our foreign workers, we arrange briefings upon their arrival and assist them in settling in. This includes ensuring access to essential needs including proper accommodation, transportation, and medical care. We provide hostels that comply with guidelines on Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 (Act 446).

**(d) Workplace Culture and Inclusion**

BPPLAS is an employer that values equality, diversity, and inclusion. As per our Human Rights and Social Compliance Policy, hiring and employment practices are based on ability, qualifications that follow a merit-based and competency-driven approach, without discrimination of race, color, religion, gender, age, disability, nationality, sexual orientation, marital status, or any other characteristic protected by law.

Every candidate is given fair and equal opportunities to showcase their skills and potential. We are committed to fostering an inclusive and supportive workplace where all employees feel valued and empowered to contribute, driving innovation and sustained success for our organization.

**Performance**

In FY2024, we remained focused on strengthening and expanding our employees' skillsets. We achieved a significant increase in total training hours, reaching 9,000 hours compared to 6,101 hours in FY2023. Training hours per employee also rose to 17.0 hours per person, up from 11.8 hours in the previous year. To support these initiatives, in FY2024, RM 50,988 was invested in learning and development programs.

Our training sessions covered a wide range of topics, including technical knowledge, operational procedures, ESG practices, sustainability, health and safety protocols, governance standards, and leadership development. These programs were designed to address the evolving needs of our workforce and equip them with the essential skills to excel in their roles. In FY2024, we also conducted several training sessions on the new e-invoicing requirements to ensure a seamless transition and compliance with the updated standards. Through our ongoing investment in employee development, we reinforce our commitment to fostering a culture of continuous learning and improvement throughout the organization.

	FY2022	FY2023	FY2024
<b>All employees</b>			
Total training hours	4,124	6,101	9,000
Training hours per person	8.9	11.8	17.0
<b>Direct (plant) employees</b>			
Total training hours	1,648	3,011	4,716
Training hours per person	5.5	8.9	13.8
<b>Indirect (plant) employees</b>			
Total training hours	1,702	1,672	2,958
Training hours per person	15.2	13.1	21.7
<b>Indirect (office) employees</b>			
Total training hours	774	1,418	1,326
Training hours per person	16.5	29.5	26.0

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## PEOPLE MANAGEMENT &amp; DEVELOPMENT (CONT'D)

Related UN SDGs



## Performance (Cont'd)

The following are a list of some key external seminars and training courses, including virtual and online seminar sessions attended by the BPPLAS Management and employees during the year.

Date(s) of Training	Training Topics / Programmes
21-22 February 2024	Effective Warehouse & Inventory Management
5-7 March 2024	RSH 100 Keselamatan Sinaran dan Kesihatan (Radiation Safety and Health)
9 March 2024	Managing Discipline at the Workplace
24 April 2024	Forklift Operators' & Safety Training
8 May 2024	E-Invoicing Implementation
13-17 May 2024	TaxPOD Masterclass 3.1
14 May 2024	E-Invoice Implementation in Malaysia
20 May 2024	Invoicing - Practical Training on E-Invoice Application
6-7 June 2024	Leadership Skills and Management Guide for First Time Managers
10 June 2024	Microsoft 365 Admin Training
13-14 June 2024	ISO 9001:2015 & ISO 22000:2018 Awareness Training
26 June 2024	Conference on Government Facilitation and Incentives for Circular and Low Carbon Economy
8-10 July 2024	Kursus Asas Keselamatan Kebakaran OKK (ERT)
12 July 2024	Free Trade Agreements (FTA) Workshop : Do The Right Way & Tips The Fast Track Application on Cost Analysis (CA) and Certificate of Origin (COO)
12 July 2024	SEDEX Awareness and Implementation Training
18-19 July 2024	Internal Auditor Training for ISO 9001:2015 and ISO 22000:2018
3-4 August 2024	Getting Started As A Leader
12-13 August 2024	Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
13-14 August 2024	Global Recycled Standard (GRS) Awareness & Coaching Program
14-15 August 2024	Seminar Pengurusan Salahlaku Pekerja dan Siasatan Dalaman
17 September 2024	Understanding The OSHA 2022
24 September 2024	Dell Technologies Forum Malaysia 2024 AI Tech Conference
15-16 October 2024	10th MPMA International Plastics Conference 2024
21 October 2024	CSI Solution: GHG Emissions Workshop
24 October 2024	CSI Solution: ISSB S2 Seminar
28-29 October 2024	Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
7 November 2024	Bursa Malaysia Workshop on IFRS Sustainability Standards
19-21 November 2024	Forklift Train The Trainer Course & Reach Truck Train The Trainer Course
26 November 2024	Global Recycled Standard (GRS) Internal Audit
4 December 2024	Mastering Image Generation in the Workplace Using Midjourney

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## PEOPLE MANAGEMENT &amp; DEVELOPMENT (CONT'D)

Related UN SDGs

**Performance (Cont'd)**

At the end of each financial year, we implement salary adjustments to support improved living standards for our employees, along with bonus distributions as recognition and rewards to our employees' contributions, which are based on both company and individual performance.

Ongoingly, we have also been working to reduce overtime work and promote a healthier work-life balance. To achieve this, we focus on optimizing workload delegation, improving operational efficiency, implementing automation and digitization, ensuring proper resource allocation, and arranging shifts effectively. These efforts help streamline processes, enhance productivity, and create a more balanced and sustainable work environment for our employees.

For the past three years, there have been no complaints regarding violence, harassment, human rights violations or unethical labor practices.

The table below presents employee turnover data for different employee categories for the past 3 years, noting that we only consider local employees (who are all full-time permanent staff). All turnovers are voluntary. In FY2024, the total number of employees turnover was 48, resulting in an overall turnover rate of 9%, which is slightly higher than the previous year.

	FY2022	FY2023	FY2024
All employees	77	36	48
Direct (plant) employees	51	9	29
Indirect (plant) employees	21	24	15
Indirect (office) employees	5	3	4
Overall turnover rates (%)	17%	7%	9%

Our manufacturing operations run 24/7 to optimize machine utilization, streamline processes, and enhance cost efficiency while ensuring timely deliveries to meet the needs of our global customers. Given the nature of work on the manufacturing shop floor, the Group employs a significant number of male workers, particularly for night shifts, with the majority being non-Malaysian (foreign) workers.

In FY2024, female participation in the organization stood at 11%. However, when excluding the direct workforce at the manufacturing plant, female representation increased to 32%. Among office workers, female made up the majority, accounting for 59% of the workforce. Despite a relatively low overall female representation, we are committed to promoting equal opportunities, safeguarding everyone's rights, and fostering an inclusive environment where all employees can contribute meaningfully at all levels of decision-making and leadership.

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

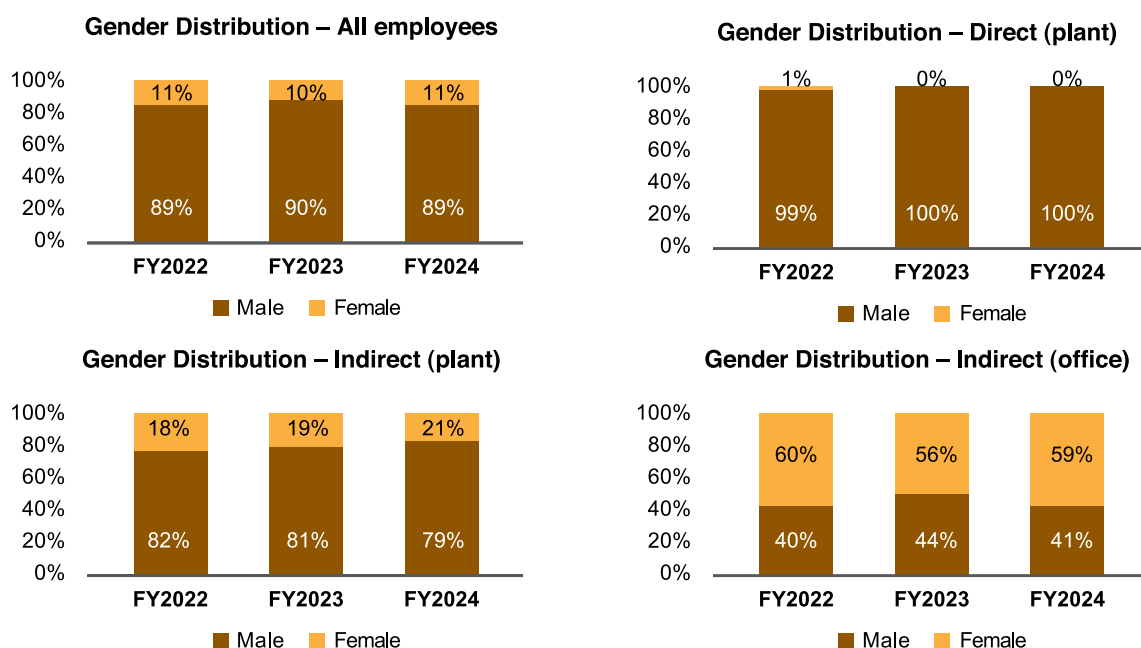
## PEOPLE MANAGEMENT &amp; DEVELOPMENT (CONT'D)

Related UN SDGs

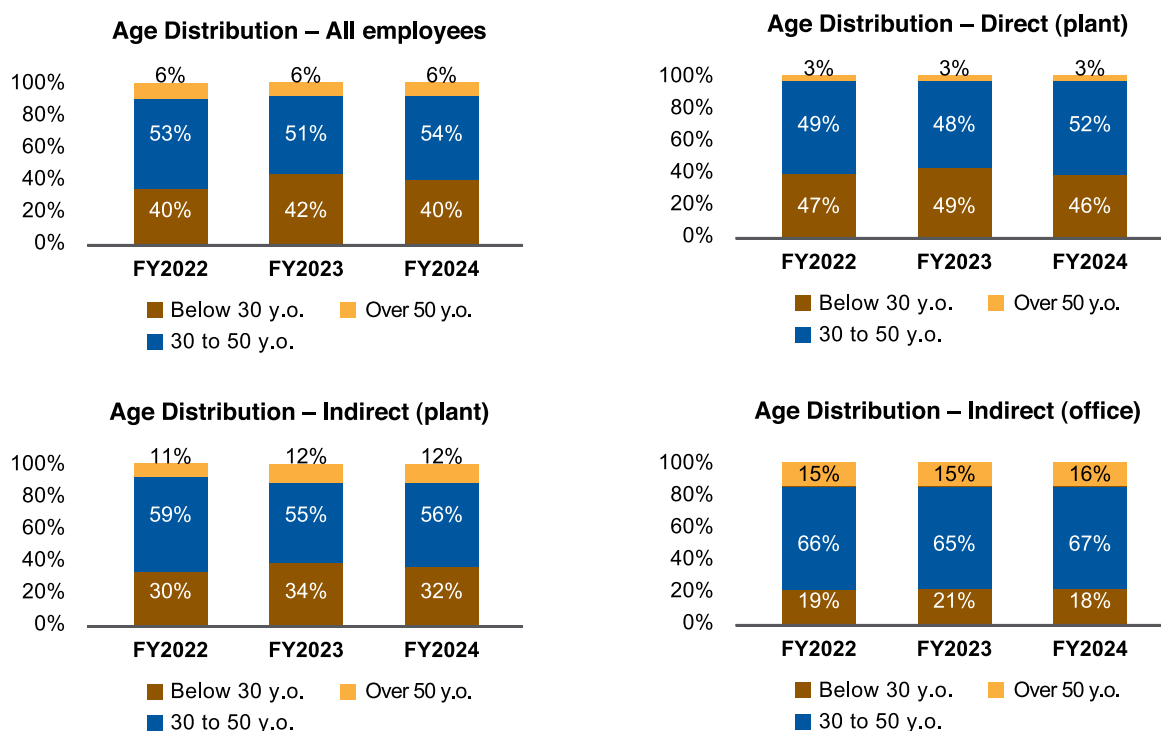


## Performance (Cont'd)

The gender distribution of our workforce demographics is as set out below:



The age distribution of our workforce demographics is as set out below:



## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

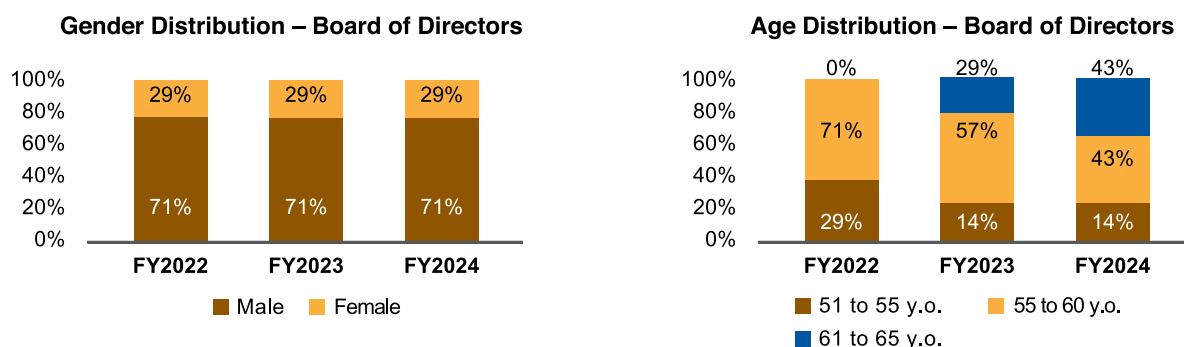
## PEOPLE MANAGEMENT &amp; DEVELOPMENT (CONT'D)

Related UN SDGs

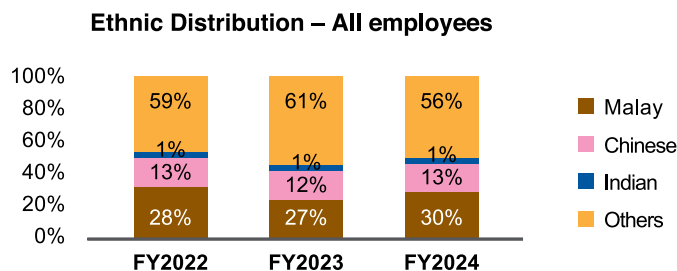


## Performance (Cont'd)

The gender and age distribution of our Board of Directors is as set out below:



The ethnic distribution of our workforce demographics is as set out below:



As shown in the table below, the proportion of local Malaysian employees increased to 44% in FY2024 compared to the past two years. Meanwhile, in absolute terms, the number of local employees has also been increasing. In fact, due to the nature of our 24/7 manufacturing operations presents challenges in recruiting local talent for production shopfloor roles, requiring us to engage foreign workers.

All local employees are hired on a permanent basis, while foreign workers are employed on a temporary or contract basis. As a result, in FY2024, foreign workers (temporary/contract employees) accounted for 56% of our workforce.

	FY2022	FY2023	FY2024
Number of local employees	190	203	233
Local employees ratio	41%	39%	44%
Number of foreign workers	271	313	295
Foreign workers (Temporary/Contract employees) ratio	59%	61%	56%

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## DATA PRIVACY &amp; SECURITY

Related UN SDGs

**Why It Matters**

To be a trusted organization, we are committed to protecting the privacy and security of data belonging to our customers, suppliers, employees and other stakeholders who share their information with us. Safeguarding sensitive data is not only a legal requirement, but also essential for maintaining trust and business integrity, and long-term relationships.

With rapid advancements in technology and the rise of e-commerce, automation, and remote work, information has become more accessible and interconnected than ever before. While these developments bring greater efficiency and convenience, they also heighten the risk of data breaches, cyber threats, and unauthorized access. As a result, data privacy and cybersecurity have become more important than ever.

**Management Approach**

Since 2016, we have adopted a Personal Data Protection Policy in compliance with relevant laws and regulations, including the Personal Data Protection Act 2010. This policy reflects our commitment to handling data and information lawfully and responsibly.

The policy is communicated to all our existing employees, and new employees upon orientation. It sets out principles for the collection, storage, access, and processing of personal data related to employees, customers, suppliers, and other stakeholders. Further information about the policy is available on our corporate website.

With the increasing use of systems, technology, and digitalization of processes, we have strengthened our cybersecurity measures to safeguard sensitive information. Our security framework includes firewalls, antivirus protection, and comprehensive information systems covering both software and infrastructure. Additionally, we have established internal practices for data backups, retention, and disaster recovery to mitigate risks such as cyber threats, data breaches, and the loss of confidential information or intellectual property.

We continuously assess and refine our security initiatives, including system enhancements, process optimizations, and awareness trainings, ensuring that they are consistently updated and implemented, reinforcing our commitment to data privacy and security, protecting both our organization and the trust of our stakeholders.

**Performance**

For the past 3 years, there were zero substantiated complaints or cyber incidents regarding breaches of privacy or loss of confidential data and information.

Cybersecurity training sessions were conducted back in August 2023 for relevant employees who were required to attend the training.

We have adopted a new Enterprise Resource Planning ("ERP") system in FY2024, the implementation and upgrades of hardware and software, cybersecurity measures have also been carried out in tandem. This was done to ensure smooth integration of the ERP system, enhance cyber resilience and safeguard our data and digital assets.

## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## COMMUNITIES ENGAGEMENT

Related UN SDGs

**Why It Matters**

BPPLAS has always been committed to fulfilling our social responsibilities by contributing to the development of the communities where we operate. We believe that the well-being of local communities is important to the sustainability and continued success of our business.

**Management Approach**

Through employment and other social engagements, we seek to make a positive impact on the social well-being of the local communities and the surrounding environment.

BPPLAS' priority on community support is providing job opportunities, which drive economic growth and improve livelihoods. We have been continuously putting efforts into increasing the employment of the local workforce. Meanwhile, we also prioritize local procurement whenever possible to support local businesses.

Since 2010, we have organized annual Blood Donation Campaigns to support the local Blood Bank and raise awareness about the importance of blood donation. In addition, we continue to contribute to local communities through various social initiatives, including donations, contributions, and sponsorships.

By fostering trust and demonstrating our responsibility to both the communities and our local employees, we aim to cultivate relationships built on mutual respect and shared prosperity.

**Performance**

As at end of FY2024, local employees make up 44% of our total workforce, reflecting an increase from the past two years (FY2023: 39%, FY2022: 41%). In addition, the total number of local employees grew to 233 compared to 203 in FY2023 and 190 in FY2022, demonstrating our ongoing efforts to enhance local employment opportunities. (Refer to "People management & development")

In FY2024, our local procurement spending accounted for around 31% of total procurement, an increase from the previous two years (FY2023: 27%, FY2022: 25%). Moreover, over the past three years, our procurement spending on local suppliers has steadily grown. (Refer to "Supply chain management")

Our 2024 Blood Donation Campaign event was held on 14th July 2024 at Batu Pahat Mall. With the support from the caring community, we successfully collected a total of 91 blood packs at the event.



## SUSTAINABILITY STATEMENT (CONT'D)

## MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

## COMMUNITIES ENGAGEMENT (CONT'D)

Related UN SDGs

**Performance**

In FY2024, we made approximately RM 62,330 of contributions to the local communities.

	FY2022	FY2023	FY2024
Blood donation contribution (packs)	136	105	91
Contributions to the local communities (RM)	25,236	46,618	62,330

It is estimated that more than 91 individuals and 8 organizations benefited from our social engagement and investments in FY2024.

## PERFORMANCE DATA TABLE

Material Sustainability Matters	Indicator	Unit	FY2022	FY2023	FY2024
<b>ECONOMIC</b>					
Quality products and services & innovation	Customer satisfaction index	Rate	94%	89%	91%
	Total goods return & discount for quality issues (as % of sales)	Percentage	0.24	0.34%	0.29%
Compliance & responsible governance	Investment in building, facilities, machines and equipment	RM'000	37,779	24,172	20,632
	Bursa C1 (a) Percentage of employees who have received training on anti-corruption by employee category				
	– All employees	Percentage	0.4%	100.0%	100.0%
	– Direct (plant)	Percentage	0.0%	100.0%	100.0%
	– Indirect (plant)	Percentage	0.0%	100.0%	100.0%
	– Indirect (office)	Percentage	4.3%	100.0%	100.0%
Economic performance & resilience	Bursa C1 (b) Percentage of operations assessed for corruption-related risks	Percentage	100%	100%	100%
	Bursa C1 (c) Confirmed incidents of corruption and action taken	Percentage	-	-	-
	Economic value generated	RM'000	504,285	474,441	491,718
Supply chain management	Economic value distributed	RM'000	490,637	456,096	487,010
	Economic value retained	RM'000	13,648	18,345	4,708
Supply chain management	Bursa C7 (a) Proportion of spending on local suppliers	Percentage	25%	27%	31%

## SUSTAINABILITY STATEMENT (CONT'D)

## PERFORMANCE DATA TABLE (CONT'D)

Material Sustainability Matters	Indicator	Unit	FY2022	FY2023	FY2024
ENVIRONMENTAL					
Climate change & emissions	Bursa C4 (a) Total energy consumption	MWh	54,877	57,079	62,311
	Energy intensity	MWh / Metric Tons	0.83	0.82	0.86
	% of renewable energy source	Percentage	46.4%	32.8%	2.0%
	Bursa C11 (a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric Tons	n/a	n/a	418
	Bursa C11 (b) Scope 2 emissions in tonnes of CO <sub>2</sub> e (i.e. electricity consumption)	Metric Tons	22,776	29,701	47,297
	Bursa C11 (c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (i.e. business travel and employee commuting)	Metric Tons	n/a	n/a	234
Waste & environmental management	Bursa C10 (a) Total waste generated	Metric Tons	7,328.6	6,716.2	6,972.0
	Bursa C10 (i) Total waste diverted from disposal	Metric Tons	6,143.4	5,725.0	5,948.1
	Bursa C10 (ii) Total waste directed to disposal	Metric Tons	1,185.2	991.3	1,023.9
Materials & products stewardship	% of recycled resins consumption	Percentage	8.8%	7.8%	8.1%
Water management	Bursa C9 (a) Total volume of water used	m <sup>3</sup>	71,741	74,771	88,497
	% from rainwater harvested	Percentage	9.1%	8.4%	6.8%
	Water intensity	m <sup>3</sup> / Metric Tons	1.09	1.08	1.22
SOCIAL					
Occupational health & safety	Bursa C5 (a) Number of work-related fatalities	Number	-	-	-
	Bursa C5 (b) Lost time incident rate	Rate	2.6	1.1	1.0
	Bursa C5 (c) Number of employees trained on health and safety standards	Number	321	428	434
	Accident rate	Rate	12.9	5.5	5.1
	Hearing disorder rate	Rate	2.1	5.5	2.9
	Fatality rate	Rate	-	-	-
	Lost man-days rate	Rate	117.8	113.9	61.5
People management & development	Bursa C6 (a) Total hours of training by employee category				
	– All employees	Number	4,124	6,101	9,000
	– Direct (plant)	Number	1,648	3,011	4,716
	– Indirect (plant)	Number	1,702	1,672	2,958
	– Indirect (office)	Number	774	1,418	1,326
	Training hours per person by employee category				
	– All employees	Number	8.9	11.8	17.0
	– Direct (plant)	Number	5.5	8.9	13.8
	– Indirect (plant)	Number	15.2	13.1	21.7
	– Indirect (office)	Number	16.5	29.5	26.0

## SUSTAINABILITY STATEMENT (CONT'D)

## PERFORMANCE DATA TABLE (CONT'D)

Material Sustainability Matters	Indicator	Unit	FY2022	FY2023	FY2024
SOCIAL (CONT'D)					
People management & development (Cont'd)	Bursa C6 (b) Percentage of employees that are contractors or temporary staff (i.e. foreign workers)	Percentage	59%	61%	56%
	Bursa C6 (c) Total number of employee turnover by employee category (local employees only)				
	– All employees, local employees only	Number	77	36	48
	– Direct (plant), local employees only	Number	51	9	29
	– Indirect (plant), local employees only	Number	21	24	15
	– Indirect (office), local employees only	Number	5	3	4
	Bursa C6 (d) Number of substantiated complaints concerning human rights violations	Number	-	-	-
	Bursa C3 (a) Percentage of employees by gender, for each employee category				
	– All employees, Male	Percentage	89%	90%	89%
	– All employees, Female	Percentage	11%	10%	11%
	– Direct (plant), Male	Percentage	99%	100%	100%
	– Direct (plant), Female	Percentage	1%	0%	0%
	– Indirect (plant), Male	Percentage	82%	81%	79%
	– Indirect (plant), Female	Percentage	18%	19%	21%
	– Indirect (office), Male	Percentage	40%	44%	41%
	– Indirect (office), Female	Percentage	60%	56%	59%
	Bursa C3 (a) Percentage of employees by age group, for each employee category				
	– All employees, Below 30 y.o.	Percentage	40%	42%	40%
	– All employees, 30 to 50 y.o.	Percentage	53%	51%	54%
	– All employees, Over 50 y.o.	Percentage	6%	6%	6%
	– Direct (plant), Below 30 y.o.	Percentage	47%	49%	46%
	– Direct (plant), 30 to 50 y.o.	Percentage	49%	48%	52%
	– Direct (plant), Over 50 y.o.	Percentage	3%	3%	3%
	– Indirect (plant), Below 30 y.o.	Percentage	30%	34%	32%
	– Indirect (plant), 30 to 50 y.o.	Percentage	59%	55%	56%
	– Indirect (plant), Over 50 y.o.	Percentage	11%	12%	12%
	– Indirect (office), Below 30 y.o.	Percentage	19%	21%	18%
	– Indirect (office), 30 to 50 y.o.	Percentage	66%	65%	67%
	– Indirect (office), Over 50 y.o.	Percentage	15%	15%	16%
	Percentage of employees by ethnic				
	– Malay	Percentage	28%	27%	30%
	– Chinese	Percentage	13%	12%	13%
	– Indian	Percentage	1%	1%	1%
	– Others (non-Malaysian)	Percentage	59%	61%	56%
	Bursa C3 (b) Percentage of directors by gender				
	– Male	Percentage	71%	71%	71%
	– Female	Percentage	29%	29%	29%
	Bursa C3 (b) Percentage of directors by age group				
	– 51 to 55 y.o.	Percentage	29%	14%	14%
	– 55 to 60 y.o.	Percentage	71%	57%	43%
	– 61 to 65 y.o.	Percentage	0%	29%	43%

## SUSTAINABILITY STATEMENT (CONT'D)

## PERFORMANCE DATA TABLE (CONT'D)

Material Sustainability Matters	Indicator	Unit	FY2022	FY2023	FY2024
SOCIAL (CONT'D)					
Data privacy & security	Bursa C8 (a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	-	-	-
Communities engagement	Bursa C2 (a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	25,236	46,618	62,330
	Bursa C2 (b) Total number of beneficiaries of the investment in communities	Number	136 individuals and 3 organizations	105 individuals and 8 organizations	91 individuals and 8 organizations

## CONCLUSION

As a responsible organization, we aim to manage the issues, risks, and opportunities in all aspects of economic, environmental and social matters conscientiously in order to continue achieving a resilient and sustainable business model in the long run.

The Group will continue to drive ongoing initiatives and efforts to elevate sustainability awareness throughout the value chain, from procurement, production, people, workplace and ultimately to our end products. We believe it is important to ensure all our stakeholders are on board as part of the collective collaboration on ESG matters.

Our products are essential components of critical packaging for food and other essential goods, and also support various industries. Therefore, we are committed to ensuring our contributions and collaboration with the value chain, building a sustainable packaging business, and safeguarding the long-term benefits of our stakeholders.

Moving forward, we are dedicated to further enhancing our sustainability practices. We extend our gratitude to our stakeholders, particularly our employees, for their ongoing support, contribution and determination. Together, we will continue to drive positive change and create a more sustainable future.

## SUSTAINABILITY STATEMENT (CONT'D)

**PERFORMANCE DATA TABLE  
(BURSA MANDATORY ESG REPORTING)**

Indicator	Measurement Unit	2023	2024
<b>Bursa (Anti-corruption)</b>			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by			
Indirect (Office)	Percentage	97.92	100.00
Indirect (plant)	Percentage	94.53	100.00
Direct (plant)	Percentage	98.82	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
<b>Bursa (Community/Society)</b>			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	46,618.00	62,330.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	113	99
<b>Bursa (Diversity)</b>			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Indirect (office) Under 30	Percentage	20.83	17.65
Indirect (office) Between 30-50	Percentage	64.58	66.67
Indirect (office) Above 50	Percentage	14.58	15.69
Indirect (plant) Under 30	Percentage	33.59	32.35
Indirect (plant) Between 30-50	Percentage	54.69	55.88
Indirect (plant) Above 50	Percentage	11.72	11.76
Direct (plant) Under 30	Percentage	48.82	45.75
Direct (plant) Between 30-50	Percentage	48.24	51.61
Direct (plant) Above 50	Percentage	2.94	2.64
Gender Group by Employee Category			
Indirect (office) Male	Percentage	43.75	41.18
Indirect (office) Female	Percentage	56.25	58.82
Indirect (plant) Male	Percentage	81.25	78.68
Indirect (plant) Female	Percentage	18.75	21.32
Direct (plant) Male	Percentage	99.71	99.71
Direct (plant) Female	Percentage	0.29	0.29
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	71.43	71.43
Female	Percentage	28.57	28.57
51 to 55	Percentage	14.29	14.29
55 to 60	Percentage	57.14	42.86
61 to 65	Percentage	28.57	42.86
<b>Bursa (Energy management)</b>			
Bursa C4(a) Total energy consumption	Megawatt	57,079.00	62,311.00
<b>Bursa (Health and safety)</b>			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.11	1.01
Bursa C5(c) Number of employees trained on health and safety standards	Number	428	434

Internal assurance

External assurance

No assurance

(\*)Restated

## SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA TABLE (CONT'D)  
(BURSA MANDATORY ESG REPORTING)

Indicator	Measurement Unit	2023	2024
<b>Bursa (Labour practices and standards)</b>			
Bursa C6(a) Total hours of training by employee category			
Indirect (office)		1,418	1,326
Indirect (plant)	Hours	1,672	2,958
Direct (plant)	Hours	3,011	4,716
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	60.66	55.87
Bursa C6(c) Total number of employee turnover by employee category			
Indirect (office)	Number	3	4
Indirect (plant)	Number	24	15
Direct (plant)	Number	9	29
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
<b>Bursa (Supply chain management)</b>			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	27.22	30.62
<b>Bursa (Data privacy and security)</b>			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
<b>Bursa (Water)</b>			
Bursa C9(a) Total volume of water used	Megalitres	74.771000	88.497000
<b>Bursa (Waste management)</b>			
Bursa C10(a) Total waste generated	Metric tonnes	-	6,972.05
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	5,948.11
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	1,023.94
<b>Bursa (Emissions management)</b>			
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	-	417.68
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	-	47,297.34
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	234.1†

Internal assurance External assurance No assurance

(\*)Restated

## ADDITIONAL COMPLIANCE INFORMATION

### AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid and payable by the Company and the Group to the External Auditors and their affiliates for the financial year ended 31 December 2024 are as below:

	Group RM	Company RM
<b>Audit services rendered</b>	105,000	35,000
<b>Non-audit services rendered</b>		
Review of the Statement on Risk Management and Internal Control	5,000	5,000
Tax Services	40,700	5,000

### MATERIAL CONTRACTS INVOLVING DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and substantial shareholders' interests, during the financial year ended 31 December 2024.

### RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

There were no material recurrent related party transactions of a revenue or trading nature during the financial year other than those disclosed in Note 27 to the financial statements. Those recurrent related party transactions did not exceed the threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

### UTILISATION OF PROCEEDS

The Company did not undertake any corporate proposals during the financial year.

# MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (“FY2024”)

On behalf of the Board of Directors of BPPLAS, we are pleased to present the MD&A for FY2024, outlining the Group’s business operations, financial performance, the broader economic and industry landscape, and growth plans.

Despite a year marked by evolving market dynamics, geopolitical tensions, and macroeconomic uncertainties, BPPLAS remained resilient, leveraging its core strengths to ensure operational efficiency and uphold financial stability. Despite modest sales growth, profitability was impacted by foreign exchange fluctuations, rising operational costs and market challenges. Nevertheless, our commitment to innovation, efficiency, customer-centricity, and adaptability has enabled us to navigate these headwinds while positioning the company for long-term sustainability and future growth.

### GROUP BUSINESS OVERVIEW

Operating since 1990, BPPLAS is a Polyethylene (“PE”) flexible plastic packaging film products manufacturer based in Batu Pahat, Johor, Malaysia. We supply high-quality primary, secondary, and tertiary packaging solutions to a wide range of industries. Our operations are structured into two key divisions: the Cast Stretch Film division, which accounts for around 75% of our business, and the Blown PE Film division, cater for both industrial and consumer goods packaging.

Today, BPPLAS is one of the largest and leading stretch films and PE flexible plastics packaging manufacturers in Asia. With a strong export focus, we are committed to expanding our market reach, increasing sales, and acquiring new customers while delivering durable, efficient, and sustainable packaging solutions. Our products help to improve warehouse and logistics operational efficiency, ensuring food safety and extending shelf life, and enabling easy handling of goods. Additionally, they can be customized and printed for branding and instructions.

With the growing emphasis on environmental sustainability, the plastics value chain is increasingly shifting towards sustainable packaging solutions that focus on plastic circularity and life cycle impacts. At BPPLAS, we uphold responsible product stewardship with initiatives such as downgauging to reduce raw material consumption, designing products for recyclability, and incorporating recycled content. (For details, please refer to the “materials & products stewardship” section in the Sustainability Statement of this report).

Our strategic investments in advanced machinery have strengthened our production capacity and capabilities, enhancing efficiency and enabling us to capture emerging opportunities. At the same time, we drive innovation and quality excellence through continuous research and development, technology adoption, and employee upskilling, supporting the Group’s mission to deliver reliable, high-quality packaging products that cater to evolving industry demands.

We specialize in premium Cast stretch films and value-added, technical Blown films. In recent years, our targeted products including high-performance stretch films, printed food and beverage packaging, as well as other commercial and industrial packaging, have continued to be well received in the markets. Reinforcing our commitment to sustainable packaging, all BPPLAS products are mono-material and fully recyclable, with ongoing efforts to promote downgauged products and products with recycled content, supporting both environmental responsibility and resource efficiency.

Within our operations, we actively monitor resource consumption, reduce waste, and optimize production efficiency while adhering to our Quality Management System (“QMS”).

In an evolving economic landscape, adaptability, innovation, and resilience are crucial for sustained growth. BPPLAS remains focused on strengthening risk management, advancing sustainability initiatives, and exploring new market opportunities to drive long-term value creation. Our commitment to sustainability is reflected in our ongoing initiatives, which are detailed in the Sustainability Statement of this report.

Through these efforts, we strive to foster long-term value creation and promote sustainable growth in an increasingly complex and interconnected world.

## MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”) (CONT’D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (“FY2024”)

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### 2024 ECONOMIC AND OPERATING ENVIRONMENT

The year 2024 began amid global uncertainties, shaped by unresolved geopolitical tensions, volatile economic conditions, and ongoing supply chain disruptions. While the world showed some resilience and avoided full-scale recessions, lingering inflation, the Red Sea crisis and prolonged conflicts continued to create uncertainty for global trade and economic growth.

Throughout the year, businesses worldwide struggled with weak consumer sentiment. China, as a major driver of global manufacturing and consumption, faced weak domestic demand and trade tensions with the U.S., limiting its ability to sustain strong economic momentum. The threat of new trade barriers and tariffs further heightened risks, disrupting supply chains and trade flows.

Against this backdrop, the plastics industry also experienced headwinds, particularly from raw material markets volatility, subdued economic growth, and heightened competition. Fluctuating oil prices and supply chain disruptions affected resin producers and converters, putting additional pressure on costs, profitability, and overall industry stability.

Currency movements further influenced business conditions. In 2024, the Ringgit appreciated by 2.7% against the United States Dollar (“USD”) and strengthened against other major currencies, reflecting a favourable external trade balance. While a stronger Ringgit benefits imports, it posed challenges for exporters and businesses with earnings in foreign currencies. The sharp appreciation of the Ringgit in the third quarter of 2024 led to foreign exchange translation losses, adversely impacting top-line revenue, bottom line earnings and margins, putting further pressure on businesses that rely on exports.

Despite external challenges, Malaysia’s economy demonstrated resilience, achieving a growth rate of 5.1% in 2024 (2023: 3.6%), according to Bank Negara Malaysia (“BNM”). This growth was driven by robust domestic demand and a rebound in exports, particularly in sectors such as electrical and electronics, palm oil, and commodities. However, on the global front, sluggish growth, U.S. trade policy shifts, the Red Sea crisis, and ongoing supply chain disruptions intensified competition in international markets, making it more challenging for exporters to sustain momentum.

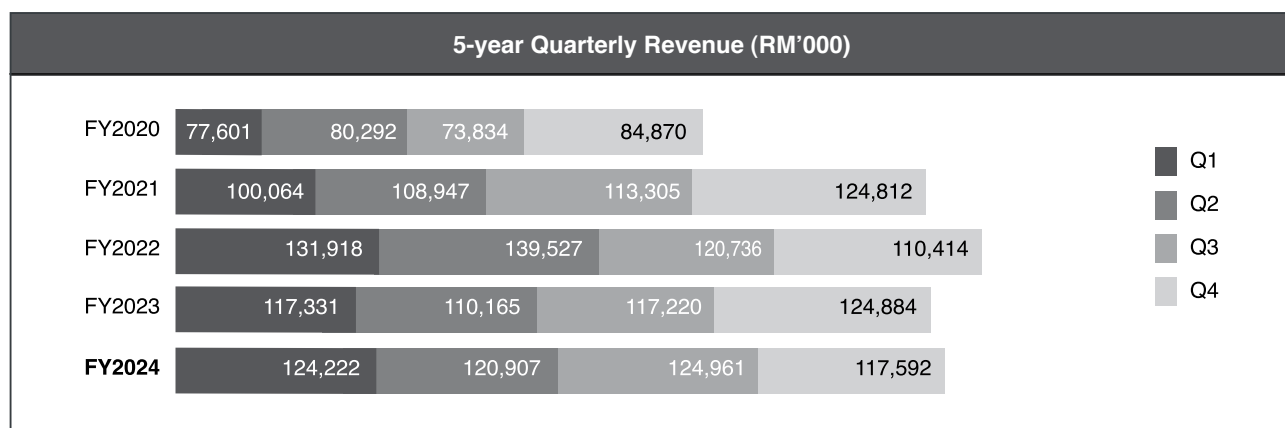
Despite uncertainty and challenges, we navigated the evolving landscape with resilience. The Group delivered a solid operational and financial performance in FY2024, underpinned by our strategic agility through the dedication of our Management and employees, and support from our customers, suppliers, and stakeholders.

## MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”) (CONT’D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (“FY2024”)

### FINANCIAL PERFORMANCE

In FY2024, the Group experienced an increase in top-line revenue driven by increase in demand. However, bottom-line earnings and profit margins decreased compared to the previous year.

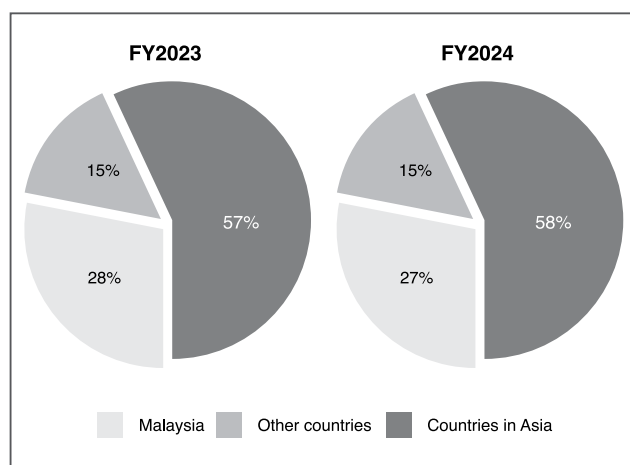
RM'000	FY2020	FY2021	FY2022	FY2023	FY2024
Total Operating Revenue	316,597	447,128	502,595	469,600	487,682
FY2020 – FY2024 CAGR: 11.4%					



The Group recorded total operating revenue of RM487.68 million in FY2024, representing a growth of 3.9% compared to RM469.60 million in the previous financial year. During the year, we achieved a growth in sales quantity and a marginal decrease in average selling prices.

Overall, across the four quarters, we experienced flat demand with minor fluctuations in quantity.

#### Revenue by Geographical



The Group's performance continued to be supported by key strategic partnerships with businesses spanning across Asia, ASEAN, and Australasia.

Export market sales increased by 5.0% from RM339.20 million in FY2023 to RM356.10 million in FY2024, which contributed to the revenue growth amid better demand. The export sales ratio increased marginally to 73% (of total operating revenue) compared to that of 72% in the previous year.

In contrast, domestic sales ratio dropped to 27% (of total operating revenue) from 28%. Domestic sales revenue increased marginally by 0.9%, from RM130.40 million in FY2023 to RM131.58 million in FY2024, amid a soft yet resilient demand within the domestic sectors.

Our sales expansion in FY2024 was driven by our premium products, especially in export markets, supported by our Nano machine stretch films, and high performance thin-gauge products.

## MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”) (CONT’D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (“FY2024”)

### FINANCIAL PERFORMANCE (CONT’D)

#### Profitability

Description	2023 RM'000	2024 RM'000	Change %
Revenue	469,600	487,682	3.9%
Earnings before interest, taxes, depreciation and amortization (“EBITDA”)	56,343	41,535	-26.3%
Profit before tax (“PBT”)	42,624	26,004	-39.0%
Profit after tax (“PAT”)	35,234	21,596	-38.7%
EBITDA margin (%)	12.00%	8.52%	-29.0%
PBT margin (%)	9.08%	5.33%	-41.3%
PAT margin (%)	7.50%	4.43%	-40.9%

For FY2024, despite a growth in operating revenues, the Group recorded lower PBT, PAT and EBITDA, alongside compressed margins compared to the previous financial year.

PBT decreased by 39.0% to RM26.00 million in FY2024 from RM42.62 million in FY2023. Similarly, PAT decreased by 38.7% to RM21.60 million from RM35.23 million. Over the past two financial years, the Group’s subsidiaries benefited from reinvestment allowances (“RA”) tax incentives, which contributed to an effective tax rate of 16.95% in FY2024 and 17.34% in FY2023.

The decline in earnings and margins was primarily due to intensified competition and volatile market conditions, exacerbated by weakened global demand, persistent geopolitical tensions, political uncertainties, and ongoing supply chain disruptions. In addition, raw material supply constraints and fluctuating prices, together with rising operational costs, placed further pressure on profitability.

Adding to these challenges, the Group also faced unfavorable foreign exchange movements, impacting top-line revenue and bottom-line earnings. This was particularly evident in Q3 2024, when the USD weakened sharply against the Ringgit, moving from 4.721 on 30 June 2024 to 4.107 on 30 September 2024.

Despite these headwinds, the Group continues to remain vigilant in its cost pass-through mechanism and internal cost management, while enhancing our supply chain management and implementing coordinated pricing strategies. Simultaneously, we are consistently driving product innovation, expanding higher value-added product lines and advancing sustainable packaging solutions to reinforce our competitive edge and long-term resilience.

### FINANCIAL POSITION

As at 31 December 2024, the financial position and liquidity of the Group remained solid and healthy, with a cash balance of RM50.45 million (FY2023: RM70.69 million) after an internal funding of Capital Expenditure of RM 25.49 mil.

Throughout FY2024, we continued to reward shareholders with consistent and favorable dividend payouts. Furthermore, our balance sheet remains leverage-free, with zero borrowings, reflecting our prudent financial management.

Total shareholders’ funds recorded a marginal increase to RM268.31 million (FY2023: RM263.61 million). Meanwhile, Net Tangible Assets (“NTA”) per share as at the end of this financial year end stood at RM0.95 (FY2023: RM0.94), demonstrating our ability to sustain long-term value.

### SHARE PERFORMANCE IN FY2024

Year High:	RM1.63
Year Low:	RM1.17
Year Close:	RM1.30
Year End Market Capitalisation:	RM365.92 million

## MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”) (CONT’D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (“FY2024”)

### CAPITAL EXPENDITURE (“CAPEX”) INVESTMENT

During FY2024, we deployed a total amount of RM25.49 million of internally generated funds for CAPEX investments in plants, machinery, equipment, infrastructure, and facilities. The major CAPEX incurred during the year included our new Centre Impression Flexo printing machine and wicketing machines, the first phase of solar panels expansion, and the ongoing 33KV sub-station electricity power upgrade project, as well as plant renovations and facility upgrades.

For FY2025, we have allocated approximately RM22.86 million for CAPEX, focusing on further plant, equipment, and facility improvements, including additional solar panel installations.

These investments align with our strategic growth plans, reinforcing our commitment to business expansion, continuous reinvestment, and integration of new technologies to drive long-term sustainability and competitiveness.

### DIVIDEND DISTRIBUTION

The Group upholds a dividend policy ensuring a minimum 40% payout of net profits annually. Since the dividend policy’s introduction in 2016, the Group has been consistently rewarding shareholders, maintaining strong dividend payout ratios. More importantly, this has been achieved without compromising the available Cash and Cash Equivalents, planned CAPEX, or other investment plans.

With a commitment to enhancing shareholder value, the Group continues to strike a balance between rewarding shareholders and strategically managing its financial resources. Total dividends declared and paid by the Group for FY2024 amounted to RM16.89 million, representing a 78.2% dividend payout ratio (FY2023: RM16.89 million; 47.9%).

	RM’000
In respect of FY2024:	
– First Single-tier interim dividend of 1.5 sen per share, paid on 12 July 2024	4,222
– Second Single-tier interim dividend of 1.5 sen per share, paid on 11 October 2024	4,222
– Third Single-tier interim dividend of 1.5 sen per share, paid on 27 December 2024	4,222
– Fourth Single-tier interim dividend of 1.5 sen per share, paid on 28 March 2025	4,223
<b>Total dividends declared and paid for FY2024</b>	<b>16,889</b>

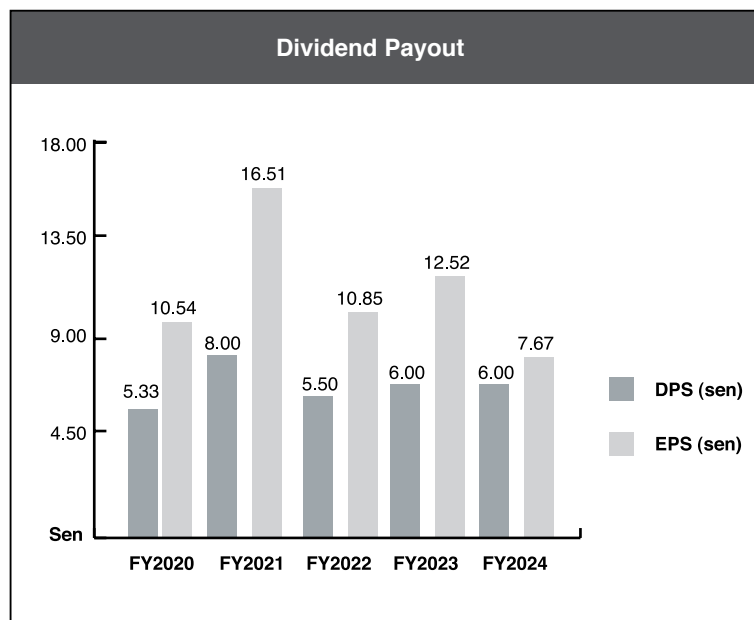
### DIVIDEND PAYOUT

Year	Dividend per share “DPS” (Sen)	Earnings per share “EPS” (Sen)	Dividend RM’000	PAT RM’000	Dividend Ratio
FY2020	5.33	10.54	15,012	29,661	50.6%
FY2021	8.00	16.51	22,519	46,466	48.5%
FY2022	5.50	10.85	15,481	30,538	50.7%
FY2023	6.00	12.52	16,889	35,234	47.9%
FY2024	6.00	7.67	16,889	21,596	78.2%
				5-year Average	55.2%

\* The figures for FY2021 and before are restated to reflect the bonus issue of 1 for every 2 existing ordinary shares completed on 13 December 2021.

## MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”) (CONT’D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (“FY2024”)

### DIVIDEND PAYOUT (CONT’D)



On 15<sup>th</sup> February 2016, BPPLAS announced a dividend policy to distribute minimum 40% of net profits to shareholders.

*\* The figures for FY2021 and before are restated to reflect the bonus issue of 1 for every 2 existing ordinary shares completed on 13 December 2021.*

### ANTICIPATED OR KNOWN RISKS

The Group remains vigilant in navigating an evolving business landscape that may impact its operations, long-term strategy, and overall profitability. By proactively monitoring external and internal developments, we continuously assess and mitigate risks to ensure business resilience and sustainable growth.

Management has identified several key risk factors that could affect the Group’s financial and operational performance:

#### Increasing Operating Cost

Businesses continue to face higher costs due to inflation, supply chain disruptions and broader economic challenges. Additionally, several regulatory and policy changes introduced or proposed in 2024 have added further pressure. These include an increase in the minimum wage, mandatory Employees Provident Fund (“EPF”) contributions for foreign workers, a potential multi-tier levy system for foreign workers, rationalization of diesel and petrol subsidies, and a potential hike in electricity tariffs.

To manage these challenges, the Group remains proactive in managing costs. We are focusing on enhancing our inventory, supply chain and production efficiency, optimizing pricing, diversifying into new markets, and working closely with suppliers to ensure stable and sufficient materials supply.

#### Foreign Currency Risk

A significant portion of the Group’s revenue and purchases are transacted in different foreign currencies, primarily in USD. As a result, exchange rate fluctuations may impact our financial performance. While adverse currency movements pose a risk, our exposure remains manageable due to a degree of natural hedging, where foreign currency inflows and outflows help offset each other. Additionally, we actively monitor foreign exchange trends and adopt a balanced approach to currency management.

## MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”) (CONT’D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (“FY2024”)

### ANTICIPATED OR KNOWN RISKS (CONT’D)

Management has identified several key risk factors that could affect the Group’s financial and operational performance (Cont’d):

#### **Economic Volatility amid Geopolitical Tensions, Trade / Tariff Policies and Supply Chain Disruptions**

The global economic outlook remains uncertain due to the ongoing geopolitical tensions, persistent inflation, and supply chain issues. Additionally, rising trade restrictions, new tariffs, and policy shifts in major economies could lead to fluctuations in commodity prices, currency, and unstable international trade.

To navigate these risks, the Group remains vigilant and monitors developments closely. We are proactively managing risks by strengthening our resilience, optimizing cost structures, and diversifying to ensure long-term stability and growth.

The demand for plastic packaging is closely tied to overall consumption, economic, and trade activities. We are closely monitoring market conditions to ensure we remain agile and responsive to changes. At the same time, we stay committed to cost pass-through mechanisms and internal cost management, recognizing that balance sheet resilience is essential for seizing market opportunities and navigating economic uncertainties.

To thrive in a volatile business environment, the Group prioritizes effective risk management and continues to develop sustainable, adaptive strategies that respond swiftly to shifting market demands and evolving economic conditions.

### ECONOMIC OUTLOOK AND PROSPECT

As per forecasts released by the International Monetary Fund (“IMF”) in January 2025, global growth is projected to hold steady at 3.3% in both 2024 and 2025, in line with weakened potential growth experienced since the pandemic. The U.S. economy is surpassing expectations with strong domestic demand, while Europe faces sluggish growth and high energy prices. Meanwhile, emerging markets remain resilient, with China set for a modest recovery. However, uncertainties persist due to widening economic disparities across regions, which could impact overall global stability.

On the home front, according to Bank Negara Malaysia (“BNM”), the Malaysian economy is expected to remain resilient in 2025, supported by robust investment activity, resilient domestic demand and continued expansion in exports. The economy will benefit from continued progress of multi-year investment projects in both the private and public sectors, along with the implementation of key national master plans and roadmaps, aimed at driving transformative developments across industries.

However, global risks remain elevated, particularly with the rise in trade restrictions, tariff adjustments, and policy shifts in major economies following a politically eventful 2024, including the re-election of President Trump for a second term in the U.S. Meanwhile, geopolitical tensions, commodity market volatility and shifting economic alliances are expected to continue to weigh on economies and businesses.

Despite these challenges, changes also present opportunities. Cautious optimism remains for 2025, supported by resilient investment activity, advancements in technology and artificial intelligence, and emerging market opportunities.

## MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”) (CONT’D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (“FY2024”)

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### PROGRESSIVE AND FORWARD LOOKING

Plastic packaging demand is driven by population and economic growth, playing a crucial role for essential sectors and goods, including logistics, electrical and electronics, food and beverages.

Moving forward, we remain cautiously optimistic of a sustained and growing demand for flexible plastic packaging product, particularly with major opportunities in sustainable packaging solutions amid increasing environmental concerns, regulations and circular economy initiatives.

To expand our market presence, we actively engage with customers, participate in trade fairs and marketing events to promote our brands and products and keep pace with market trends.

Our continued investments in advanced machinery and technology enable product and market expansion while fostering innovation and brand development. In addition, we are committed to aligning with the trends of sustainable packaging solutions. By the end of 2024, our new Flexo Graphic printing line, and new wicketing lines will commenced operations, expanded our capabilities and product offerings for printed wicket bags particularly for food and produce packaging.

Committed to our ESG and sustainability objectives, we strive to create long-term stakeholder value while conducting business in an environmentally and socially responsible manner. In January 2025, we successfully installed additional solar panels, increasing capacity by more than 80% compared to previous levels. Progressive project installation will be completed in 2025 to enhance our renewable energy efforts.

Operationally, we remain focused on product and service quality, driving efficiency and productivity, and staying vigilant in supply chain, pricing, and cost management. Meanwhile, investments in digitalization, technology, and workforce upskilling are also key to strengthening our competitive edge.

In order to sustain long-term growth, we believe agility is important in addressing market dynamics and adverse challenges, as well as ensuring preparedness to capitalise on emerging opportunities, including capacity and capability expansion.

Despite the prevailing headwinds and potential challenges, the Group is confident in delivering a profitable performance for the financial year ending 31 December 2025, building on our strong fundamentals, adaptability and prudent planning. Furthermore, the support of our various stakeholders, including employees, customers, suppliers, and investors, continues to serve as a strong foundation for our sustained success.

#### LIM CHUN YOW

Managing Director  
11 April 2025

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (“FY2024”)

Year 2024 was a year marked by uncertainties and challenging conditions for most businesses worldwide which had to cope with protracted unresolved geopolitical conflicts, volatile economic conditions, and ongoing supply chain disruptions. BP Plasics Holding Bhd. (“**BPPLAS**” or the “**Company**”) and its subsidiaries (“**BPPLAS Group**” or the “**Group**”) through strong and resilient partnership with our key stakeholders (i.e., employees, suppliers and customers), was able to stay the course and overcome the various challenges along the way. The emergence of such challenges once again highlighted the value and importance of embedding good corporate governance practices, promoting concepts of sustainability, building supply chain resilience, business processes improvements, as well as putting in place the necessary business contingency and continuity plans which will always remain our high priority agendas.

Backed by a deeply rooted commitment and pledge to uphold good corporate governance (“**CG**”) in addition to the ongoing implementation of continuous business operational improvement in this year FY2025 and beyond, the Management and Board of Directors (“**Board**”) of BPPLAS is pleased to present the Corporate Governance Overview Statement (“**CG Overview Statement**”) to share and present to all our stakeholders, including our shareholders and investing community, an overview of the CG practices of the Company that was in place during FY2024.

This overview summarises the application by the Company of the key Principles and Practices as set out in the Malaysian Code on Corporate Governance (“**MCCG**”), with detailed explanation on the application of each Practices reported under the Group’s Corporate Governance Report (“**CG Report**”) which is available on the Company’s website at [www.bpplas.com](http://www.bpplas.com).

This CG Overview Statement and the CG Report should also be read in tandem with the other information below which is available on the Company’s website at [www.bpplas.com](http://www.bpplas.com).

- Board Charter
- Group’s Code of Conduct
- Audit Committee (“**AC**”) Terms of Reference
- Nominating and Remuneration Committee (“**NRC**”) Terms of Reference
- Risk Management Committee (“**RM**”) Terms of Reference
- Corporate Disclosure Policy
- Anti-Bribery and Anti-Corruption (“**ABAC**”) Framework and Policy
- Directors’ Fit and Proper Policy
- External Auditor Policy – adopted on 24 May 2024

This Statement was approved by the Board on 11 April 2025.

### Corporate Governance Approach

The Board is committed to ensure that the principles and recommendations of the MCCG and good governance standards are practised throughout BPPLAS in directing and managing the Group’s businesses and affairs, to promote corporate accountability and to ensure a sustainable value creation framework is in place to support the continuous growth of the Group as a long-term commitment to its shareholders and other stakeholders.

Pursuant to the Comprehend, Apply and Report (CARE) approach advocated under the MCCG, the Board has undertaken necessary review and revisions to the Group’s policies to ensure that it is aligned to the three (3) key principles and recommendations of the MCCG as outlined below:-

- (a) Principle A: Board leadership and effectiveness;
- (b) Principle B: Effective audit and risk management; and
- (c) Principle C: Integrity in corporate reporting and meaningful relationship stakeholders

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 ("FY2024")

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### Board Responsibilities

The Board is responsible for the corporate governance practices of the Group. The Board has delegated certain responsibilities to the Committees of the Board which operate within clearly defined terms of reference ("**TORs**"). The TORs of the Board AC, NRC and RMC are available on the Company's website at [www.bpplas.com](http://www.bpplas.com). The table below summarises the key responsibilities and oversight areas of the respective Board Committees:

Board led by the Chairman		
Primarily responsible for the leadership, orderly conduct and effectiveness of the Board		
Audit Committee	Nominating and Remuneration Committee	Risk Management Committee
Review of financial reporting, internal controls, related party transactions and conflict of interest situations, as well as evaluation of external and internal audit function	Review of Board composition, nomination of new nominees, appointment and re-appointment to the Board, establishing competitive remuneration policies and packages for Directors and Senior Management	Oversight and review of the risk management framework and policies of the Group, including oversight of environmental, social and governance (" <b>ESG</b> ") matters, related risks and opportunities over the short, medium and long-term
Managing Director		
Oversees the operations of the Group and implementation of the Board's policies, decisions and business strategies		
Management Committee ("MANCO")	Executive Committee ("EXCO")	Management-level RMC

The Board is guided by the Board Charter, which clearly sets out the composition, roles, responsibilities, structure and processes of the Board, as well as list of matters reserved for the Board's attention. The Board Charter of the Company is in place, and a copy is available on the Company's website at [www.bpplas.com](http://www.bpplas.com).

The Board will continue to perform periodic review on the Board Charter to ensure they remain consistent with the Board's objectives, current laws/regulations and good governance practices.

BPPLAS has a zero-tolerance stance against bribery and corruption, and the Group is committed to setting, promoting and ensuring a corruption-free culture within BPPLAS. In line with the Anti-Corruption Amendments, as well as the regulatory compliance with the Malaysian Anti-Corruption Commission Act 2009 ("**MACC Act**") Section 17A Corporate Liability provisions which came into effect on 1 June 2020, the Board had adopted the Anti-Bribery and Anti-Corruption ("**ABAC**") Framework and Policy as well as conducted the necessary review to ensure that BPPLAS has the adequate procedures, policies and controls for the prevention of corrupt acts and practices. The Group also conducts annual ABAC awareness training and ABAC Risk Assessment to ensure that any potential internal and external corruption risks facing the Group are properly addressed. A copy of the ABAC Framework and Policy is available on the Company's website at [www.bpplas.com](http://www.bpplas.com).

The Group has also in place a Group's Code of Conduct that is applicable to all Directors and employees. The Group's Code of Conduct sets out the standards of good conduct and ethical practices, and aims to maintain confidence in the integrity of the Group's business practices.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 ("FY2024")

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### Board Responsibilities (Cont'd)

The Group's Code of Conduct is premised on the following four (4) main principles:

- A. Show respect in the workplace
- B. Act with integrity in our marketplace
- C. Ensure ethics in our business relationships
- D. Ensure effective communication (which also covers corporate disclosure and whistle blowing)

All Directors and employees of the Group must endeavour to observe the Group's Code of Conduct which provides guidance as to the ethical conduct to be complied to uphold the principles of honesty and integrity, to ensure a high standard of ethical and professional conduct is upheld in the performance of their duties and responsibilities.

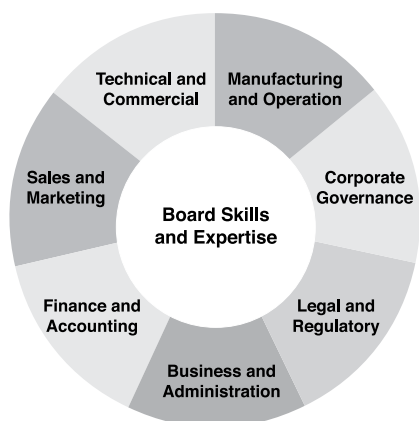
The Group's Code of Conduct is accessible on the Company's website at [www.bpplas.com](http://www.bpplas.com).

#### Board Composition

The Board consists of seven (7) Directors, three (3) of whom are Independent Non-Executive Directors, one (1) is Non-Independent Non-Executive Director, and three (3) are Executive Directors. Although the Board will depart from Practice 5.2 of the MCCG which prescribes that at least half of the Board comprises independent directors, the Board still fulfils the requirements of Paragraph 15.02 of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Malaysia**"), where at least one-third of its members are Independent Non-Executive Directors. Furthermore, recommended practices of MCCG are not mandatorily to be complied with by listed companies, unless the practices have been incorporated into the MMLR of Bursa Malaysia.

For the appointment and re-election of directors of the Company and its subsidiaries, the Board had on 30 June 2022 approved and adopted the Directors' Fit and Proper Policy. A copy of the Directors' Fit and Proper Policy is available on the Company's website at [www.bpplas.com](http://www.bpplas.com). This was in line with the Enhanced Director Amendments to the MMLR of Bursa Malaysia issued on 19 January 2022, aimed at further strengthening board independence, quality and diversity.

The nomination and assessment by the NRC are guided by a set of criteria and expectations (as set out in Section 2.0 of the Director's Fit and Proper Policy) based upon the integrity, experience, competencies and commitment of the candidates to secure the best Board composition and to meet the diverse objectives of the Company.



In the selection process, the NRC does not set any target on gender, ethnicity or age diversity but endeavour to include any member who will improve the Board's overall compositional balance. In identifying suitable candidates for appointment to the Board, the NRC will consider candidates based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Company and with due regard for the benefits of diversity on the Board.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 ("FY2024")

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### Board Composition (Cont'd)

The Board acknowledges that each of the Directors of the Company with their multi varied experiences, backgrounds and qualifications provide effective contribution and support to the functions of the Board. All newly appointed Directors will undergo the Mandatory Accreditation Programme as required by Bursa Malaysia.

Board Diversity	Headcount	%
<b>Composition</b>		
Independent Non-Executive Directors	3	43%
Non-Independent Non-Executive Director	1	14%
Non-independent Executive Directors	3	43%
<b>Ethnicity</b>		
Chinese	7	100%
Others	0	0%
<b>Gender</b>		
Male	5	71%
Female	2	29%
<b>Age</b>		
50 – 55	1	14%
> 55	6	86%

Though the Board does not have in place a formal Diversity policy and has not set specific targets, the Board is of the view that currently there is still a good level of women representation on Board at 29%. The Board and NRC will endeavour to ensure sufficient number of women candidates are included in the pool of candidates evaluated for new future appointments to the Board.

Presently, under Paragraph 15.02(1)(b) of the enhanced director amendments to the MMLR of Bursa Malaysia issued on 19 January 2022, the Company is compliant on the requirement to have at least 1 woman director on its Board.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 ("FY2024")

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### Board Meetings

The Board meets at least quarterly with additional meetings convened as and when necessary. The Board meetings are conducted with a structured formal agenda. Board meeting's agenda includes reviews on various aspects of the Group's operations, financial performance, strategic business plans, major investments, findings from both the External and Internal Auditors, and any other proposals or significant matters requiring direction of the Board. The Board members deliberate, assess the viability of business propositions and corporate proposals, looking particularly at the principal risks that may have significant impact on the Group's business or its financial position, and the mitigating factors. Special Board meetings are convened when warranted by situations that require the expeditious direction of the Board. All the proceedings of Board meetings are duly recorded in the minutes of each meeting.

The Board meetings are chaired by the Chairman who has the responsibility of ensuring that each of the items of the agenda is adequately reviewed and thoroughly deliberated within a reasonable timeframe. While online meeting platforms (i.e., virtual conference) served their purpose during the pandemic as well as endemic, we have shifted back to the conventional face-to-face meetings in the second half of FY2024 to enhance engagement and interaction among the Directors.

During the financial year under review, attendances of Directors at the meeting during FY2024 are as follows:

Name of Directors	Board of Directors	General Meeting	AC	NRC	RMC
Lim Chun Yow	5/5	1/1			
Tan See Khim	5/5	1/1			
Hey Shioh Hoe	5/5	1/1			
Lim Kim Hock	5/5	1/1			
Tan Ming-Li	5/5	1/1	5/5	1/1	2/2
Tan Hock Hin	5/5	1/1	5/5	1/1	2/2
Chuah Sue Yin	5/5	1/1	5/5	1/1	2/2

The Directors remain fully committed in discharging their statutory duties and responsibilities, as reflected by their full attendance at Board meetings held during the FY2024. All Directors complied with the minimum attendance requirement of at least 50% of Board meetings held during the financial year pursuant to the MMLR of Bursa Malaysia.

All the Directors have attended and completed the Mandatory Accreditation Programme Part II (MAP II) as required under the MMLR of Bursa Malaysia. The Board has empowered the Directors of the Company to determine their own training requirements as they consider necessary or deem fit to enhance their knowledge in new rules and regulations as well as understanding of the Group's business and operations, and to keep abreast with current developments in the market place. Nevertheless, the Board will also review the training needs of its Directors on an ongoing basis to assist them to discharge their responsibilities instead of the NRC.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 ("FY2024")

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### Board Meetings (Cont'd)

In line with Paragraph 15.08 of MMLR of Bursa Malaysia, the following are the conferences, training programmes and seminars in various capacities attended by the Directors of the Company in FY2024:-

Name	Training/Seminar/Forum/Conference Attended	Date
<b>Non-Independent Executive Directors:</b>		
Lim Chun Yow	• E-Invoice Implementation in Malaysia	14 May 2024
	• Conference on Government Facilitation and Incentives for Circular and Low Carbon Economy	26 June 2024
	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	12 - 13 August 2024
	• ABAC Awareness Briefing 2024	3 October 2024
	• 10 <sup>th</sup> MPMA International Plastics Conference 2024	15 – 16 October 2024
	• Microsoft 365 Email Training	7 November 2024
Tan See Khim	• E-Invoice Implementation in Malaysia	14 May 2024
	• SEDEX Awareness and Implementation Training	12 July 2024
	• ABAC Awareness Briefing 2024	3 October 2024
	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	28 – 29 October 2024
Hey Shiow Hoe	• SEDEX Awareness and Implementation Training	12 July 2024
	• ABAC Awareness Briefing 2024	3 October 2024
	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	28 – 29 October 2024
	• Microsoft 365 Email Training	7 November 2024
<b>Non-Independent Non-Executive Director:</b>		
Lim Kim Hock	• National Tax Conference 2024	22 – 23 July 2024
	• Budget Seminar 2025	23 October 2024
	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	28 – 29 October 2024
	• Assertions and Obtaining Audit Evidence	20 - 21 November 2024
	• ICAEW Ethics Training	11 December 2024
<b>Independent Non-Executive Directors:</b>		
Tan Ming-Li	• Conflict of Interest by Messrs Skrine	24 April 2024
	• Malaysian REIT Forum 2024 by Malaysian REIT Managers Association	10 September 2024
	• ISSB: Applying the IFRS Sustainability Disclosure Standards by International Finance Corporation	11 November 2024

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 ("FY2024")

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### Board Meetings (Cont'd)

In line with Paragraph 15.08 of MMLR of Bursa Malaysia, the following are the conferences, training programmes and seminars in various capacities attended by the Directors of the Company in FY2024 (Cont'd):-

Name	Training/Seminar/Forum/Conference Attended	Date
<b>Independent Non-Executive Directors:</b>		
Tan Hock Hin	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	12 - 13 August 2024
	• Anti-Bribery and Anti-Corruption	13 September 2024
	• Cyber Security Awareness	13 September 2024
	• Professional Conduct, Accountability and Responsibilities	13 September 2024
Chuah Sue Yin	• Simplifying e-Invoicing	24 January 2024
	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	4 – 5 March 2024
	• The AI Effect on Accountants: For Better or Worse?	30 April 2024
	• Being Sued as an INED – A Personal Journey	10 May 2024
	• Latest Income Tax Updates & Recent Tax Cases 2024	5 June 2024
	• Audit Oversight Board: Conversation with Audit Firms	25 July 2024
	• EY FSO Insurance Forum 2024	31 July 2024
	• Latest Developments in Malaysian Tax Scene: Capital Gains Tax, Foreign Source Income and Reinvestment Allowance	1 August 2024
	• ACCA Technical Symposium 2024	24 September 2024
	• AI Series: Generative AI and Tools	25 September 2024
	• Induction: Developments in Sustainability Practices and Reporting – Disclosures and Assessment	16 October 2024
	• GRI Module 1 & 2: Reporting with the GRI Standards 2021 Update	17 – 18 October 2024
	• GRI Module 3: Reporting on Human Rights with GRI Standards 2021 Update	21 October 2024
	• GRI Module 4: Integrating the SDGs into Sustainability Reporting	21 October 2024
	• Workshop on ISA600 (Revised) Special Consideration – Audits of Group Financial Statement	22 October 2024
	• Seminar Percukaian Kebangsaan 2024	23 October 2024
	• Addressing The Audit Oversight Board's (AOB) Common Inspection Findings – Valuation & Accounting Estimate	29 October 2024
	• ICAEW Ethics CPD Course From Theory to Practice – Module 1	30 October 2024
	• AI Series: Risks with AI and Generative AI	13 November 2024
	• AIM Podcast episode 1: Tackling Cyber Risk	19 November 2024
	• Accelerate your Financial Reporting Excellence	22 November 2024
	• Budget Talk 2025	25 November 2024
	• Climate Risk	4 December 2024

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 ("FY2024")

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### Remuneration

The Board has in place a remuneration policy framework which is clear and transparent, designed to support and drive business strategy and long-term objectives of BPPLAS. In this regard, the NRC strives to reward the Executive Directors and Senior Management based on accountability, fairness, and competitiveness within the market and industry, so as to ensure the remuneration packages of Executive Directors and Senior Management are sufficiently attractive to draw in and to retain persons of high calibre.

The composition, authority, duties and responsibilities of NRC and its activities during FY2024 are set out in the NRC Statement of this Annual Report.

The Remuneration Policy of Directors and Senior Management is accessible on the Company's website at [www.bpplas.com](http://www.bpplas.com).

Details of the remuneration for each of the Directors on a named basis are set out under Practice 8.1 of the CG Report uploaded on the Company's website at [www.bpplas.com](http://www.bpplas.com).

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### Audit Committee

The AC of the Company comprises of three (3) Independent Non-Executive Directors. The AC is chaired by an Independent Non-Executive Director, Ms. Chuah Sue Yin. As such, the Chairman of the AC is distinct from the Chairman of the Board. The composition of the AC is in compliance with Paragraphs 15.09 and 15.10 of the MMLR of Bursa Malaysia and Practice 9.4 under Principle B of the MCCG where all the three (3) AC members are Independent Non-Executive Directors. None of them is an alternate director.

The principal objective of the AC is to assist the Board in discharging its statutory duties and responsibilities relating to financial reporting process and internal controls of the Group.

No former partner of the present and previous external audit firm(s) of the Group and Company have been appointed to the Board or employed by the Group. And in line with MCCG Practice 9.2, the TORs of the AC has been updated to reflect the requirement that any former partner of the external audit firm (and/or its affiliate firm) of the Group/Company shall observe a cooling-off period of at least three (3) years, before being appointed as a member of the Audit Committee.

The TORs of the AC is available for reference on the Company's website at [www.bpplas.com](http://www.bpplas.com).

Guided by the factors prescribed under Paragraph 15.21 of the MMLR of Bursa Malaysia, the AC has the policies and procedures in place, to assess the suitability, objectivity and independence of the External Auditors, which is also in line with Practice 9.3 of the MCCG. The assessment is conducted on yearly basis by the AC, using the prescribed External Auditors Evaluation Form, with emphasis of evaluation based on the competence, adequacy of experience and resources, quality of the audit performances, independence and objectivity of the External Auditors, reasonableness of audit fees and comparison of audit and non-audit fees.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 ("FY2024")

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

#### **Audit Committee (Cont'd)**

As promulgated by the MCCG, collectively the AC should possess a wide range of necessary skills to discharge its duties, and that all members should be financially literate and are able to understand matters under the purview of the AC including the financial reporting process. The Board regards the members of AC collectively possess the accounting and related financial management expertise and experience required for AC to discharge its responsibilities and assist the Board in its oversight over the financial reporting process.

#### **Risk Management and Internal Control Framework**

The Board has direct oversight and accountability to ensure that each business unit of the Group and its key management, is responsible for putting in place a robust risk management framework as well as maintaining a sound and reliable system of internal controls within the Group, covering the financial, operational and compliance controls. The risk management framework and internal control system is designed to meet the Group's evolving needs and to manage key areas of risks to be within an acceptable risk profile, rather than eliminate the risk of failure to achieve the Group's policies and business objectives. This is a continuing process which includes risk assessments, internal controls reviews, and internal audit checks on all business units within the Group. The purpose is to ensure that the Group's assets are safeguarded in the interest of preserving the investment of shareholders.

The Group's and the Company's system of internal controls, by its nature are designed to provide reasonable but not absolute assurance against risk of material errors, misstatement, fraud, or losses occurring. The Group has an Enterprise Risk Management (ERM) framework that outlines the risk governance and structure, risk policies, risk assessment process and integration of risk management into significant activities and functions. The Management-level RMC through their meetings ensures that the accountability for managing the significant risks identified is clearly assigned and that the identified risks affecting the Group is being satisfactorily addressed on timely basis.

The risk identification process, which is done at least once per annum, entails reviewing and assessing all key factors within the Group's business context from an external perspective, i.e. from macro-environment, sustainability, cybersecurity, to industry and internal operating risks. Risks are categorised as strategic or operational risk and further classified into distinct categories, i.e. financials, operations, industry, compliance and people. In addition, the MRMC also conducted updates on the progress of sustainability efforts and ESG matters.

The AC is tasked with the duty to assess the Group's and Company's internal control environment to determine the adequacy and effectiveness of the system of internal controls put in place by Management. On the other hand, the Board RMC supports the Board by having oversight of the Group's risk management framework and to set up and monitor the risk policy implementation by the Group, regularly assessing such risk management processes to ascertain their adequacy and effectiveness.

The Board has through the AC and Board RMC, has reviewed and is satisfied on the adequacy and integrity of the Group's system of risk management and internal controls.

The information on the Group's risk management and internal controls is represented in the Statement on Risk Management and Internal Control in this Annual Report.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 ("FY2024")

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### Communication between the Company and its Stakeholders

A key element of good corporate governance is being transparent and accountable to all stakeholders. Underlying the transparency and accountability objectives are the provision of clear, relevant, timely, comprehensive and readily assessable information to all stakeholders.

The Group values its dialogues and engagements with all stakeholders. Shareholders and stakeholders of the Company are kept informed of the Group's performance, major corporate developments and other matters affecting stakeholders' interests through the Annual Report, the various disclosures and announcements made to Bursa Malaysia and the Company's website updates. Apart from this, financial results and other corporate information as contained in the Annual Reports and/or circulars to shareholders are available to enable shareholders and investors to have better understanding of the Group's business activities and performance.

The Company disseminates its Annual Report to its shareholders in electronic format in the form of PDF file that can be downloaded from its website. The Company leverages on technology to enhance the quality of engagement with the shareholders, and to broaden the channels of information dissemination. Shareholders who are eligible to vote at general meetings but are unable to attend the same in person, may appoint proxies to vote on their behalf.

The Company actively updates its website, [www.bpplas.com](http://www.bpplas.com) with the latest information on the corporate and business aspects of the Group. Press releases, announcements to Bursa Malaysia, dividend distribution and quarterly results of the Group are also made available on the website and this helps to promote accessibility of information to the Company's shareholders and all other market participants. Communication and feedback from investors can also be directed to the email address, [ir@bpplas.com](mailto:ir@bpplas.com) or alternatively, it can be addressed to:

Contact Person:

**Mr. Lim Chun Yow** – Managing Director

5A Jalan Wawasan 2,

Kawasan Perindustrian Sri Gading,

83300 Batu Pahat,

Johor Darul Takzim.

#### Conduct of General Meetings

The main forum of dialogue with shareholders of the Company is the Company's annual general meeting ("**AGM**"). The AGM represents the primary platform for direct two-way interactions between shareholders, Directors and Senior Management of the Company. The Company provides information in the Notice of AGM, which are sent to shareholders at least 28 days prior to the AGM, on the details of General Meetings, resolutions to be tabled for approval and shareholders' entitlement to attend General Meetings, and their right to appoint proxy(ies) to encourage shareholders' participation at General Meetings.

All Directors, Senior Management and the External Auditors attend the AGM. During the AGM, shareholders who attend the AGM are encouraged and given sufficient opportunity as well as time by the Board to raise questions pertaining to the Annual Report, resolutions being proposed and the business of the Company or the Group in general prior to seeking approval from members and proxies on the resolutions. All Directors and the Chair of every Board Committee, as well as Senior Management, where appropriate, will provide feedbacks, answers and clarifications to the questions raised from the shareholders during the AGM.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 ("FY2024")

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

#### **Conduct of General Meetings (Cont'd)**

Pursuant to Paragraphs 8.29A(1) and 8.29A(2) of the MMLR of Bursa Malaysia, it is mandatory for any resolution set out in the notice of any general meeting to be voted by poll, and to appoint at least one (1) scrutineer to validate the votes cast at the general meeting. In adherence with the MMLR of Bursa Malaysia, BPPLAS will conduct a semi-manual poll voting in its AGM and ensure that the polling would be carried out in a transparent and efficient manner. The results of voting for each of the resolution would be made known in the meeting and announcement made via the Bursa LINK after the conclusion of the AGM.

At the AGM of the Company, the Management of the Company will also present an executive summary highlighting key financial highlights, latest corporate information, financial performance and achievement of the Group.

In line with the MCGG's Practice 13.3 to facilitate shareholders' voting in absentia and remote participation at AGMs, the Company had leveraged on technology by conducting the Company's Twentieth AGM held on 24 May 2024 on a Fully Virtual Basis through live streaming and online remote voting using the Remote Participation and Voting facilities ("**RPV Facilities**") provided by the Poll Administrator of the Company, Securities Services (Holdings) Sdn. Bhd. via <https://sshsb.net.my/login.aspx>.

This allows shareholders or proxies or attorneys or authorised representatives to attend, participate, and pose questions prior to the meeting via email or through the real-time submission of typed text through a text box within the online meeting platform at the meeting.

Shareholders or proxies or attorneys or authorised representatives who joined the live streaming of proceedings of meeting were given sufficient time to cast their votes remotely at the meeting of the Company via RPV Facilities.

### **KEY FOCUS AREAS AND FUTURE PRIORITIES**

The Board is fully committed to compliance with regulatory requirements under MCGG, MMLR of Bursa Malaysia and the other applicable rules and regulations.

The Board has identified (i) ESG matters which includes sustainability, circular economy and climate change issues, (ii) product innovation, (iii) supply chain enhancement, (iv) business process re-design and automation, as the key focus areas for the near-and long-term business strategies of the Group.

In view of the challenging business environment arising from unresolved geopolitical tensions, volatile economic conditions, and ongoing supply chain disruptions, the Board will continue to focus on business recovery, cost management, new product development, and market expansion to ensure long term sustainability of the Group and value creation for stakeholders.

The Board will provide the appropriate guidance and oversight to the Senior Management team as they work towards developing a more resilient and robust sustainability agenda for the Group, at the same implementing initiatives in enhancing the Group's supporting business infrastructures and facilities (including those related to renewable energy, energy conservation and efficiency), investing into new technology machine and/or process automation, IoT sensors, implementing new Enterprise Resource Management (ERP) information systems platforms and putting in place essential cybersecurity risk strategies, as con-current priority as we move into more climate conscious, digitally inclined and online based working environment whereby online business-to-business (B2B) and business-to-consumer (B2C) e-commerce platforms and virtual meetings or networking are the new norm.

# AUDIT COMMITTEE REPORT

## 1. COMPOSITION

The Audit Committee (“**AC**”) comprises the following members:

Chuah Sue Yin ( <i>Chairperson</i> )	Independent Non-Executive Director
Tan Ming-Li ( <i>Member</i> )	Senior Independent Non-Executive Director
Tan Hock Hin ( <i>Member</i> )	Independent Non-Executive Director

The Chairperson of the AC, Ms. Chuah Sue Yin, is a member of Malaysian Institute of Accountants fulfilling the requisite qualifications under Paragraph 15.09(1)(c)(i) of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”).

The composition of the AC meets the requirements of Paragraph 15.09 and 15.10 of MMLR of Bursa Malaysia and Practice 9.4 under Principle B of the Malaysian Code on Corporate Governance (“**MCCG**”) where all three (3) AC members are Independent Non-Executive Directors. None of them is an alternate director.

## 2. THE TERMS OF REFERENCE

The principal objective of the AC is to assist the Board of Directors (“**Board**”) in discharging its fiduciary responsibilities relating to financial reporting process and internal controls of the Group.

The terms of reference (“**TOR**”) of the AC sets out the authorities, roles and responsibilities of the AC which are consistent with the requirements of the MMLR of Bursa Malaysia and the MCCG. The TOR of the AC is available on the Company’s website at [www.bpplas.com](http://www.bpplas.com).

## 3. MEETINGS AND ATTENDANCE

The AC held five (5) meetings during the financial year ended 31 December 2024 (“FY2024”). The Managing Director, Executive Directors, Financial Controller, department heads and representatives of the External and Internal Auditors attend AC meetings as and when invited, in order to facilitate direct communications in respect on matters of significant concern or interest. The Minutes of the AC meetings were circulated to all members of the Board for their notation.

The details of the attendance of the AC members are as follows:

AC Member	Attendance
Ms. Chuah Sue Yin	5/5
Ms. Tan Ming-Li	5/5
Mr. Tan Hock Hin	5/5

## AUDIT COMMITTEE REPORT (CONT'D)

**4. SUMMARY OF WORK OF AC**

The AC's main scope of works for the financial year ended 31 December 2024 are summarised as follows:

**Financial Reporting**

The AC reviewed the unaudited financial statements of the Group prior to making the recommendations to the Board for approval as follows:

Date of Meeting	Review of Unaudited Quarterly Financial Statements / Audited Financial Statements
18 April 2024	Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2023
24 May 2024	First Quarter ended 31 March 2024
27 August 2024	Second Quarter ended 30 June 2024
26 November 2024	Third Quarter ended 30 September 2024
25 February 2025	Fourth Quarter ended 31 December 2024

The review is to ensure that the Group's financial reporting and disclosures present a true and fair view of the Group's financial position and performance and are in compliance with the Malaysian Financial Reporting Standard, International Accounting Standard and Companies Act 2016 in Malaysia as well as applicable disclosure provisions of the MMLR of Bursa Malaysia.

Subsequent to the reporting period, the AC had on 11 April 2025 reviewed the Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2024 at its meeting, and recommended the same to the Board for approval.

**External Audit**

On 26 November 2024, the AC reviewed the Audit Planning Memorandum for financial year ended 31 December 2024 with Messrs. Crowe Malaysia PLT ("**Crowe Malaysia**") outlining the responsibilities of the Directors and Management, audit scope and approach, audit timeline, areas of audit emphasis, fraud considerations, audit and non-audit fees and development in accounting standards.

On 25 February 2025, the AC reviewed the Audit Review Memorandum, which had summarised the key audit findings and summary of audit adjustments arising from the statutory audit of the Group and the Company for the financial year ended 31 December 2024, with the External Auditors, Crowe Malaysia.

The audit engagement partner of Crowe Malaysia had affirmed their independence and compliance with the relevant ethical requirements regarding independence throughout the audit of the Group and the Company, in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants. Crowe Malaysia also confirmed that they have not noted any fraud related incidents that rendered reporting to the AC.

The AC also conducted annual assessment of the performance, suitability, objectivity and independence of the External Auditors with emphasis of evaluation based on the competence, adequacy of experience and resources, quality of the audit performances, independence and objectivity of the External Auditors, reasonableness of audit fees and comparison of audit and non-audit fees rendered. The AC is satisfied with the suitability and independence of the External Auditors and the Board have accepted the recommendation for the re-appointment of Crowe Malaysia as External Auditors of the Group for the ensuing financial year in the upcoming 21st Annual General Meeting of the Company.

## AUDIT COMMITTEE REPORT (CONT'D)

### 4. SUMMARY OF WORK OF AC (CONT'D)

#### External Audit (Cont'd)

The AC had two (2) private sessions with Crowe Malaysia without the presence of the Executive Directors and Management of the Company to discuss issues of concern that the External Auditors may have, arising from the statutory audit for the financial year ended 31 December 2024. There were no areas of concern that were brought to the attention of AC.

#### Internal Audit ("IA") – Summary of the work of IA Function

The AC acknowledges that an independent and adequately resourced internal audit function is essential in obtaining the assurance it requires regarding the effectiveness and adequacy of the Company's and the Group's internal control systems. The AC is supported by the outsourced Internal Auditors in the discharge of its duties and responsibilities.

The Company engaged the external consultant, Axcelasia Sdn. Bhd. (formerly known as Tricor Axcelasia Sdn. Bhd.) ("**Axcelasia**") to carry out the internal audit function of the Group. The primary function of the internal audit is to independently carry out a review of the existing systems, controls and procedures, and thereafter provide such recommendations that would further enhance the existing internal control. Based on the audits, the outsourced Internal Auditors provide the AC with independent and objective reports on the state of internal control of the various operating units within the Group, and the extent of compliance by the units with the Group's established policies and procedures.

The AC approves the biennial risk based audit plan of the Group presented by Axcelasia to ensure adequate scope and coverage of key risks areas of the Group.

All audit reports on the results of work undertaken together with the recommended action plans and their implementation status were presented to the AC and the AC appraised the adequacy and effectiveness of Management's response in resolving the audit issues reported.

Upon completion of the audits, the Internal Auditors closely monitored the implementation progress of their audit recommendations in order to obtain assurance that all major risk and control concerns have been duly addressed by the Management. In addition, the AC reviewed the follow-up Internal Audit reports and ascertained if the responsible operating units have rectified the findings noted in the audit reports.

During the financial year ended 31 December 2024, Axcelasia carried out two (2) cycles of internal audit review on the operations of the Group, covering areas as below, focusing on the key risks associated with the operating process therein:

- Research & Development (R&D) Function; and
- Human Resources Management & Payroll Management.

The AC had evaluated and reviewed the internal audit function in terms of scope, competency, resources and independence. The AC was also satisfied that the internal audit function were carried out in accordance with an internationally recognised framework, which is the International Professional Practices Framework ('IPPF') issued by the Internal Auditors ("IIA") Inc.

The AC also received assurance from Axcelasia that all assigned IA engagement team personnel remain independent, objective and free from any relationships or conflicts of interest in carrying out their internal audit duties throughout the engagement.

The total costs excluding out-of-pocket expenses and applicable service tax incurred for the outsourced internal audit function of the Group for FY2024 amounted to RM47,000 (FY2023: RM46,000).

## AUDIT COMMITTEE REPORT (CONT'D)

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### 4. SUMMARY OF WORK OF AC (CONT'D)

#### **Related Party Transactions**

The AC reviewed the quarterly and annual financial statements on the disclosures relating to related party transactions or conflict of interest situations that arose within the Group and ensure compliance with the provisions of Bursa Malaysia's MMLR.

#### **Other Matters**

- Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control and recommended for the Board's approval prior to their inclusion in the Annual Report of the Company.

# NOMINATING AND REMUNERATION COMMITTEE STATEMENT

## NOMINATING AND REMUNERATION COMMITTEE

The Nominating and Remuneration Committee (“**NRC**”) comprises solely Independent Non-Executive Directors (“**INEDs**”) as follows:-

Tan Ming-Li ( <i>Chairperson</i> )	Senior Independent Non-Executive Director
Tan Hock Hin ( <i>Member</i> )	Independent Non-Executive Director
Chuah Sue Yin ( <i>Member</i> )	Independent Non-Executive Director

The NRC has dual roles in nomination and remuneration, whereby both roles have been combined for the purpose of expediency and practicality, with the same members entrusted with both functions.

The terms of reference of the NRC are clearly defined by the Board to its members, and a copy of it is accessible on the Company’s website at [www.bpplas.com](http://www.bpplas.com).

During the financial year, the NRC met one (1) time on 27 February 2024 with full attendance of all members of NRC.

The roles and responsibilities, as well as activities of the NRC, are broadly categorised into the following:-

### Nomination Matters

The NRC will review and assess the proposed appointment of Directors, and thereupon recommends to the Board for approval. The NRC would also ensure that the Board has an appropriate balance of expertise and ability. Another objective of this Committee is to assess the composition and effectiveness of the Board and Board Committees, as well as the performance and contribution of each individual Director on an ongoing basis. The NRC will review annually the required mix of skills, experience and other qualities including core competencies that the Directors should bring to the Board, identify areas for improvement, and review the succession plan for the Board and Senior Management in the Group.

In discharging its responsibilities, the NRC performed the following activities during the financial year ended 31 December 2024:-

- Reviewed the composition and effectiveness of the Board and Board Committees;
- Evaluated the performance of the Board and Board Committees and each of its members;
- Assessed the independence of the Independent Non-Executive Directors;
- Recommended the re-election of Mr. Tan See Khim, Mr. Lim Kim Hock and Ms. Chuah Sue Yin who retired pursuant to Clause 122 of the Company’s Constitution, at the Company’s Twentieth (20th) Annual General Meeting (“AGM”) held on 24 May 2024; and
- Recommended to the Board on the retention of Ms. Tan Ming-Li and Mr. Tan Hock Hin, both who have respectively served the Company for a cumulative term of more than nine (9) years, to be retained as Independent Non-Executive Directors of the Company pursuant to the Malaysian Code on Corporate Governance (“MCCG”), at the Company’s 20th AGM held on 24 May 2024.

In line with Practice 4.4 of the MCCG and enhanced sustainability reporting requirements by Bursa Securities, the Group and Company is proactively looking towards having a formalised environmental, social and governance (“**ESG**”) framework which incorporates the new ESG related goals and targets, as part of the performance evaluations for Board and Senior Management, as well as to include a review of the performance of the Board and Senior Management in addressing the company’s material sustainability risks and opportunities.

## NOMINATING AND REMUNERATION COMMITTEE STATEMENT (CONT'D)

### Nomination Matters (Cont'd)

Subsequent to the financial year, the Board and the NRC had on their meeting on 25 February 2025, conducted their annual Board evaluation with newly incorporated rating in respect of ESG issues, so as to increase the focus on ESG stewardship. Where necessary, Directors will enrol in more ESG-related training programmes in order to increase their knowledge and awareness on the climate change risk and developments in ESG.

The NRC conducted an annual assessment of the composition and effectiveness of the respective Board Committees and the Board as a whole, including the contribution of each individual Director, using a set of customised self-assessment questionnaires to be completed by the Directors. The annual evaluation and review of eligibility of the directors seeking re-election by the NRC is premised on the following:

- (i) the directors' performance evaluation (self and peer),
- (ii) evaluation on the effectiveness of Board and Board Committees,
- (iii) level of independence demonstrated (for INEDs only), as well as
- (iv) declaration on fitness and propriety to continue acting as Directors of the Company in accordance with the Directors' Fit and Proper Policy of the Company.

The results of the self-assessment by the Directors as compiled by the Company Secretary were tabled to the Board for review and deliberation.

The Board is satisfied with the results of the annual assessment and evaluation of the Board, Board Committees, Independent Directors and individual directors. The Board views that the current size and the existing composition of the Board are sufficient and well balanced, cater effectively to the scope of the Group's operations and there is appropriate mix of knowledge, skills, attributes and core competencies in the Board. As presently constituted, the Board has the stability, continuity and commitment as well as capacity to discharge its responsibilities effectively.

The Board is also satisfied with the assessment conducted by the NRC on the composition and effectiveness of the Board Committees.

The Directors' Fit and Proper Policy sets out the approach, guidelines and procedures to ensure a formal, rigorous and transparent process is being adhered to for the appointment and re-election of the Directors of the Group, among others, covering the following 3 main areas of:

- i) Character and integrity – probity, personal integrity, financial integrity, reputation
- ii) Experience and competence – qualification, training & skills; relevant experience and expertise; relevant past performance or track record
- iii) Time and commitment – ability to discharge role having regard to other commitments; participation and contribution in board discussions

In addition to the annual Board evaluation exercise, each of the Directors standing for re-election have also completed declarations in relation to his/her fitness and propriety to continue acting as Directors of the Company, as enumerated in Directors' Fit and Proper Policy.

Both the NRC and the Board were satisfied that the Directors seeking re-election were fit and proper to be re-elected as Directors of the Company and have recommended that re-election of the said Directors be tabled at the forthcoming 21st AGM for the shareholders' approval.

## NOMINATING AND REMUNERATION COMMITTEE STATEMENT (CONT'D)

### Nomination Matters (Cont'd)

The NRC had recommended that, the re-election of the retiring Directors to be based on the following:-

- (i) satisfactory performance and have met Board's expectation in discharging their duties and responsibilities;
- (ii) met the fit and proper criteria in discharging their roles as directors of the Company;
- (iii) level of independence demonstrated by the independent director; and
- (iv) their ability to act in the best interest of the Company in decision-making.

The Board endorsed the NRC's recommendation on the re-election of the retiring Directors. The retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant NRC and Board meetings, where applicable.

### Retention of Independent Non-Executive Directors

The Board is mindful that Practice 5.3 of Malaysian Code on Corporate Governance ("**MCCG**") recommends that the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board subject to his re-designation as a non-independent director. In the event such director is to be retained as an independent director, the Board must first justify and seek annual shareholders' approval through a two-tier voting process as described in the Guidance to Practice 5.3 of MCCG.

Ms. Tan Ming-Li was appointed as an Independent Non-Executive Director of the Company on 29 May 2013 and Mr. Tan Hock Hin was appointed as an Independent Non-Executive Director of the Company on 30 September 2014. Therefore, both Ms. Tan Ming-Li and Mr. Tan Hock Hin have served the Board in that capacity for a cumulative term of more than nine (9) years.

Both Ms. Tan Ming-Li and Mr. Tan Hock Hin had obtained shareholders' approval at the 20th AGM held on 24 May 2024 and were retained through a two-tier voting process to continue to serve as an Independent Non-Executive Directors of the Company until the conclusion of the forthcoming 21st AGM.

Pursuant to the Main Market Listing Requirements ("**Main LR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), Ms. Tan Ming-Li who has been serving the Board as an Independent Non-Executive Director of the Company since 29 May 2013, must resign or be re-designated as a Non-Independent Non-Executive Director by 29 May 2025.

The Board was informed that Ms. Tan Ming-Li has indicated her intention to step down and retire from office as an Independent Non-Executive Director of the Company upon reaching the tenure of 12 years serving the Board. Accordingly, Ms. Tan Ming-Li shall hold office as an Independent Non-Executive Director until the conclusion of the 21st AGM.

Separately, the Board proposes to retain Mr. Tan Hock Hin as Independent Non-Executive Director, and seek annual shareholders' approval at the forthcoming 21st AGM of the Company, through a two-tier voting process as described in the Guidance to Practice 5.3 of the MCCG, until the twelfth (12th) year, subject to the 12-year tenure limit for independent director pursuant to the Main LR of Bursa Securities.

The NRC and the Board have determined at the annual assessment carried out that Mr. Tan Hock Hin remains objective and independent in expressing his views and in participating in deliberations and decision making of the Board and the Board Committees he serves. Mr. Tan Hock Hin continues to discharge his duties professionally and impartially, coupled with his thorough understanding of the business and operations of the Group makes him a valuable, fit and objective director on the Board. The length of his tenure on the Board does not in any way interfere with the exercise of his independent judgement and ability to act in the best interests of the Company.

## NOMINATING AND REMUNERATION COMMITTEE STATEMENT (CONT'D)

### Remuneration Matters

The NRC is also responsible to develop a formal, independent and transparent remuneration policy and framework of the Directors and Senior Management, and to recommend the appropriate remuneration package to attract and retain talents within the Company, for the approval of the Board.

During the financial year ended 31 December 2024, the NRC met and discharged the following duties on remuneration matters:

- Recommended the payment of Directors' fees for the financial year ended 31 December 2024; and
- Recommended the payment of Directors' benefits to the Non-Executive Directors with effect from 25 May 2024 until the next Annual General Meeting of the Company in year 2025.

A copy of the Remuneration Policy of Directors and Senior Management is accessible on the Company's website at [www.bpplas.com](http://www.bpplas.com).

The NRC will meet at least once a year to carry out the annual review of the overall remuneration policy for Directors and Senior Management whereupon recommendations are submitted to the Board for approval. The NRC and the Board ensure that the Company's remuneration policy remains supportive of the Company's corporate objectives and is aligned with the interest of shareholders. The NRC and the Board strive to reward the Directors and Senior Management based on accountability, fairness, and competitiveness, so as to ensure the remuneration packages of Directors and Senior Management are sufficiently attractive to draw in and to retain persons of high calibre. Thus, there is a formal and transparent procedure for rewarding and fixing the remuneration packages of Directors and Senior Management.

The component parts of Directors' remuneration are structured so as to link rewards to corporate and individual performance in the case of Executive Directors. The fees for the Executive Directors are restructured into salary component for each Executive Director. The objective is to better reflect the competitiveness as well as prevalent market rate and market conditions, taking into consideration the fiduciary duties expected from the Managing Director and Executive Directors. In the case of Non-Executive Directors, the levels of remuneration are reflected by the experience, level of responsibilities and the remuneration package for similar positions in the market and time commitment required from the Directors. The determination of the remuneration of Directors is a matter for the Board as a whole. The individual concerned will abstain from discussion and decision on his own remuneration. The remuneration of Non-Executive Directors comprises fees and meeting allowances while the remuneration package of Executive Directors comprises basic salary, fees and bonus.

## NOMINATING AND REMUNERATION COMMITTEE STATEMENT (CONT'D)

### Remuneration Matters (Cont'd)

The details of remuneration for the Directors of the Group and the Company for the financial year ended 31 December 2024 are set out below:-

#### Group

In RM	Fees	Meeting Allowances	Salary, Bonus and EPF	Total
<b>Executive Directors</b>				
Lim Chun Yow	-	-	952,930	952,930
Tan See Khim	-	-	860,501	860,501
Hey Shioh Hoe	-	-	748,930	748,930
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>2,562,361</b>	<b>2,562,361</b>
<b>Non-Executive Directors</b>				
Lim Kim Hock	130,000	5,000	-	135,000
Tan Ming-Li	65,000	5,000	-	70,000
Tan Hock Hin	65,000	5,000	-	70,000
Chuah Sue Yin	65,000	5,000	-	70,000
<b>Subtotal</b>	<b>325,000</b>	<b>20,000</b>	<b>-</b>	<b>345,000</b>
<b>Total</b>	<b>325,000</b>	<b>20,000</b>	<b>2,562,361</b>	<b>2,907,361</b>

#### Company

In RM	Fees	Meeting Allowances	Salary, Bonus and EPF	Total
<b>Non-Executive Directors</b>				
Lim Kim Hock	130,000	5,000	-	135,000
Tan Ming-Li	65,000	5,000	-	70,000
Tan Hock Hin	65,000	5,000	-	70,000
Chuah Sue Yin	65,000	5,000	-	70,000
<b>Total</b>	<b>325,000</b>	<b>20,000</b>	<b>-</b>	<b>345,000</b>

The Non-Executive Directors only received Directors' fees and meeting allowances from the Company and did not receive other form of remuneration from the Group for the financial year ended 31 December 2024.

The remuneration of the Senior Management (Group basis) in bands of RM50,000 for the financial year ended 31 December 2024 is as follows:-

Name of Senior Management	Remuneration Band(s) (in RM)
Chua Yi Fon – Financial Controller	200,000 – 250,000

The Board is of the opinion that the disclosure of the detailed remuneration component(s) of Senior Management would not be in the best interest of the Company due to privacy and confidentiality concerns. The Board will ensure that the remuneration of the Senior Management commensurate with their duties and responsibilities, the performance of the Company and is on par with market payouts.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL AND BOARD RISK MANAGEMENT COMMITTEE REPORT

## INTRODUCTION

Practice 10.1 of the Malaysian Code on Corporate Governance (“MCCG”) stipulates that the Board of Directors (the “Board”) of listed companies is to maintain a sound and effective risk management framework and internal control system to safeguard shareholders’ investments and the Group’s assets.

The Board is pleased to set out below the Board Risk Management Committee Report in line with the Board’s Statement on Risk Management and Internal Control which has been prepared in compliance with Paragraph 15.26(b) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”)’s Main Market Listing Requirements (“MMLR”) and in accordance with the guidance in the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

## BOARD RESPONSIBILITY

The Board is responsible for the adequacy and effectiveness of BP Plastics Holding Bhd. and its subsidiaries (the “Group”, “BPPLAS”) system of risk management and internal controls. The system is designed to manage the Group’s key areas of risk within an acceptable risk profile, rather than eliminate the risk of failure to achieve the policies and business objectives. Accordingly, the system of risk management and internal controls of the Group provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Board has established an ongoing process for identifying, evaluating, managing and monitoring the significant risks faced by the Group, and this process includes enhancing the system of risk management and internal controls as and when there are changes to the business environment or regulatory guidelines.

## THE GROUP’S SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL

### Monitoring Mechanisms and Management Style

The Board entrusts the daily running of the business to the Managing Director (“MD”) and his Management team. The MD and his Management team receive timely information pertaining to the performance and profitability of the Group through timely reports which include quantitative and qualitative trends, and analysis through its computerised information system.

The MD plays a pivotal role in communicating the Board’s expectations on the system of risk management and internal controls to Management. This is achieved, through his active participation in the day-to-day operations of the business as well as his attendance at various scheduled meetings of the Executive Committee and Management Committee, which are duly minuted. The Executive Committee and Management Committee, which comprise Heads of Department, meets on weekly and monthly basis respectively, to discuss on Manufacturing, Technical, Maintenance & Facilities, Store, Delivery & Logistics, Sales & Marketing, Finance & Information Technology (“IT”), Human Resource and Procurement issues. These meetings represent the platform by which the Group’s operational activities are monitored to ensure timely identification and resolution of any critical issues. The MD closely monitors the progress of these issues through follow-up on the status updates in the minutes, as well as regular interaction with the various Heads of Department.

The Group practises an “open door” policy whereby Executive Directors, Management team and Executives are encouraged to raise any matters to the MD for prompt response. This culture provides opportunity for the quick and efficient resolution of issues by drawing on the ideas, knowledge and skillsets of employees from all levels within the Group.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL AND BOARD RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

### THE GROUP'S SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

#### Risk Management Report

The Board Risk Management Committee ("**BRMC**") was formed on 1 October 2017 comprising entirely of Independent Non-Executive Directors, with the purpose of setting and overseeing the risk management framework and activities of the Group, in line with the step-up Practice 10.3 as set out in the MCCG.

The Composition of the BRMC is as follows:-

##### **Chairman**

Tan Hock Hin  
Independent Non-Executive Director

##### **Members**

Tan Ming-Li  
Senior Independent Non-Executive Director

Chuah Sue Yin  
Independent Non-Executive Director

The terms of reference of the BRMC are accessible on the Company's website at [www.bpplas.com](http://www.bpplas.com).

During the financial year ended 31 December 2024, the BRMC met two (2) times with full attendance of all members of BRMC.

The BRMC reviews the Group's risk management processes to ascertain their adequacy and effectiveness. The BRMC is also responsible to ensure that the Group's Enterprise Risk Management ("**ERM**") Framework is established based on internationally recognised risk framework.

The BRMC is assisted by a Management-level Risk Management Committee ("**MRMC**") which consists of the MD, Executive Directors, Head of Risk Governance and respective Heads of Department. The MRMC is established to monitor the risk policy implementation, provide risk awareness and training to all staff, ensure accountability of risks identified and facilitate the risk reporting to the Board. Periodic MRMC meetings were held in which the risk profiles of respective Operations and Supporting Functions are updated, significant risks identified and the implementation of appropriate mitigating controls and action plans discussed. Timely Enterprise-Wide Risk Management ("**EWRM**") reports are also submitted to BRMC outlining the Group-wide risk profile and top risks highlighted for the attention of Board members at their scheduled meetings.

#### Risk Management Framework

BPPLAS has an ERM framework that outlines the risk governance and structure, risk policies, risk assessment process and integration of risk management into significant activities and functions.

The risk assessment process which is in line with ISO 31000:2018 Risk Management, provides an integrated and structured approach in identifying, evaluating and managing significant risks that may affect the achievement of the Group's business objectives. It promotes risk ownership and continuous monitoring of significant risks identified by way of assigning accountabilities to the respective Heads of Department and/or identified risk owners.

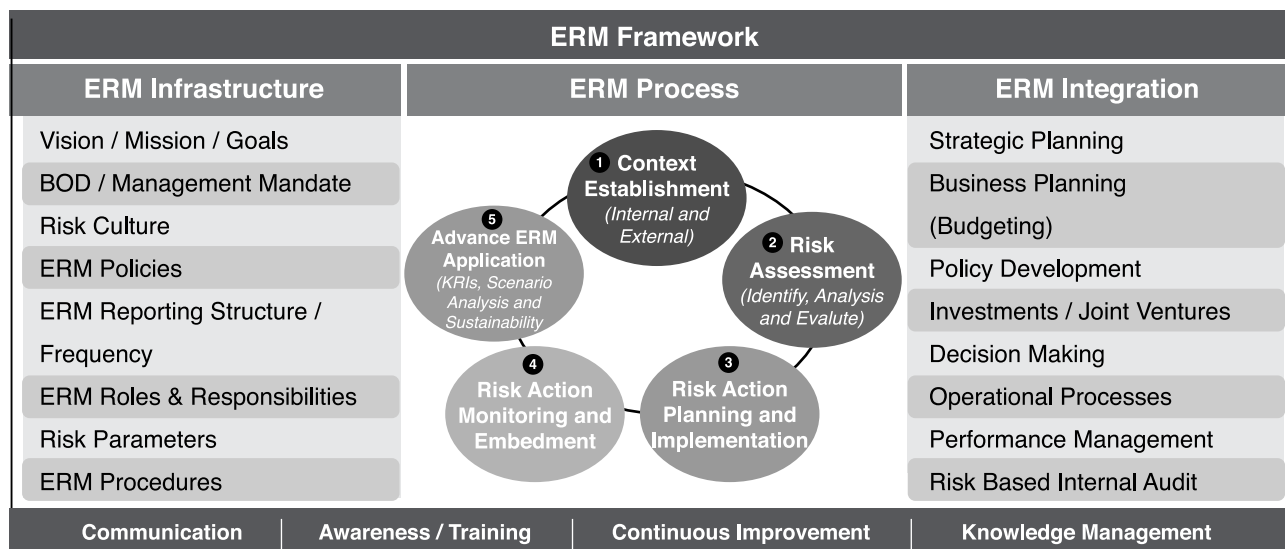
Significant risks identified are maintained in a formal database of risks and controls information i.e., risk registers, which captures the possible root causes, existing key controls and impact. The risks are then categorised by the likelihood of occurrence and criticality of impact i.e., Low, Medium, High and Extreme. Risk profiles established for both the Operations and Supporting Functions provides Management with a holistic view of the risks considerations in its formulation of strategies and decision-making process. BPPLAS will continuously assess, update and monitor the implementation of key action plans identified for the Group's top risks and ensure embedment into the internal controls system when required.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL AND BOARD RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

### THE GROUP'S SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

#### Risk Management Framework (Cont'd)

BPPLAS ERM Framework Overview:-



The Policies of the ERM framework are:

- To integrate risk management into the management culture, business activities and decision-making processes;
- To anticipate and respond to the changing operational, social, environmental and regulatory requirements proactively;
- To manage risks pragmatically, to acceptable levels given the particular circumstances of each situation;
- To require that relevant project/proposal papers submitted to the Board of Directors by Management on strategic key projects or investments above the prescribed threshold amount, must include a risk impact or assessment report; and
- To continuously strive towards strengthening risk management practices through continuous learning and improvement.

#### Summary of Activities of BRMC

During the financial year under review, the BRMC reviewed and deliberated the salient matters in the executive summary reported by the MRMC. Some of the key activities and areas of risks as highlighted and discussed in the MRMC meetings in the financial year ended 31 December 2024 include the following:

- Review of the Enterprise-Wide Risk Management Report;
- Review of the Anti-Bribery and Anti-Corruption ("ABAC") Risk Assessment; and
- Conducted updates on the progress of sustainability efforts and Environmental, Social and Governance matters.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL AND BOARD RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

### THE GROUP'S SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

#### Internal Audit Function

Internal audit function was carried out by Axcelasia Sdn. Bhd. (formerly known as Tricor Axcelasia Sdn. Bhd.) ("**Axcelasia**") and headed by Mr. David Low Tak Wei, who is the Executive Director. The Audit Committee ("**AC**") and the Board evaluated the experience, professional qualifications and credentials of the external professional firm before engaging them to conduct internal audit of the Group. After completion of the internal audit, the AC and the Board would assess the findings and evaluation of the internal audit, quality of their advices and suggestions, adequacy of their resources and compare that against the professional fee paid.

The internal audit personnel assigned by Axcelasia to the Group were free from any relationships or conflicts of interest, which could impair their objectivity and independence pursuant to written declarations made by them.

Mr. David Low has over 18 years of experience in internal & external audit, transformation and business process consultancy services. He holds the credentials of the following:

- Certified Internal Auditor;
- Certified Lead Assessor of Anti-Bribery Management System;
- Fellow member of the Association of Chartered Certified Accountants;
- Chartered Accountant of the Malaysian Institute of Accountants; and
- Member of the Association of Certified Fraud Examiners.

The internal audit team composition consists of the Engagement Director, an Engagement Manager and two professional staffs. The staffs involved in the internal audit possess professional qualifications and/or university degree. Also, Axcelasia is a corporate member of the Institute of Internal Auditors Malaysia. The work of the internal auditors is guided by, in all material respect, the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors.

During the financial year under review, the internal auditor carried out two (2) cycles of internal audit review on the operations of the Group, covering Research and Development (R&D) Function as well as Human Resource Management and Payroll Management, focusing on the key risks associated with the operating processes therein. The scope of internal audit was determined after discussion with management and taking into consideration of input from AC (if any). The approved IA scope has considered the relevant aspects and level of governance, risk management and internal control practices at the Group and operating processes that subject to internal audit. Root cause of audit findings, where applicable, has been reported in the IA report.

During the respective quarterly AC meetings, the AC deliberated on the findings and recommendations for improvement highlighted by the internal auditors and is satisfied on the adequacy and operating effectiveness of the Group's system of risk management and internal controls, as well as the recommendation action plans to remediate the internal audit findings for each IA cycle completed during the year. The minutes of the AC meetings are subsequently tabled to the Board for notation and further action, where necessary.

#### Other Internal Control Processes

Apart from risk management and internal audit, the Group's system of internal controls also comprises the following key elements:-

- Group Organisation Structure and Authorisation Procedures

The Group maintains well-defined lines of responsibility, delegation of authority, segregation of duties and flow of information in the organisation structure. Limits of authorities are imposed for various levels of Management and all operating units in making operational and commercial business decisions to keep potential exposure under control. Major investments, acquisitions and disposals above prescribed thresholds are reserved for decision and approval from the Board.

There is an organisation chart with clear hierarchy structure of monitoring and reporting lines. Operational reporting process covering periodic reporting from the Heads of Department to Executive Directors are continuously streamlined to assure that business operations progress in accordance with the desired objectives and targets.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL AND BOARD RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

### THE GROUP'S SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

#### Other Internal Control Processes (Cont'd)

Apart from risk management and internal audit, the Group's system of internal controls also comprises the following key elements (Cont'd):-

- Executive and Management Committees

The Executive and Management Committees comprising Heads of Department meet on weekly and monthly basis respectively, to review the reports, monitor the business development and resolve key operational and management issues.

Scheduled periodic meetings of the Executive and Management Committees represent the fundamental platform by which the Group's operations, sales achievements, financial performance, IT, human resource and procurement matters are monitored. Under the purview of the MD and Executive Directors, the heads of the respective operational units of the Group are empowered with the responsibilities of managing their respective operations and business.

- Board Committees

Board Committees, namely Audit Committee, Nominating and Remuneration Committee and Risk Management Committee are established with formal terms of references clearly outlining their functions and duties delegated by the Board. The Board Committees assist the Board to review the effectiveness of the ongoing monitoring processes on risk and control matters for areas within their scope of work.

- Annual Budget

A rigorous budgetary process is in place where major operating units' budgets are prepared and consolidated for the ensuing year to be approved by the Board. Monthly monitoring of results against budget with major variances are being followed up and actions taken by Management, where necessary.

The Board reviews regular reports from the Management on the key operating statistics and performance, significant changes in the business and external environment, which affect the operations of the Group at large.

- Policies and Procedures

Operational policies and procedures form an integral part of the internal control system to safeguard the Group's assets against material losses. These include manuals and handbooks which are updated, reviewed and revised periodically to meet changing business and operational requirements, and statutory reporting needs.

- Code of Conduct, Whistle Blowing and Anti-Bribery and Anti-Corruption ("ABAC") Policy

A Code of Conduct is established for all Directors and employees of the Group, which outlines the acceptable business behaviour and conduct and to provide guidance on how the Directors and employees should behave to demonstrate a culture of excellence while performing their duties. It also set out the standard on ethical practices, and aims to maintain confidence in the integrity of the Group's business practices.

The Group also has embedded within the Code of Conduct, a whistle blowing policy providing an avenue for employees and external parties to report actual or suspected malpractice, misconduct or violations of the Group's policies and regulations in a safe and confidential manner.

The Group's Code of Conduct is published on the website of the Company at [www.bpplas.com](http://www.bpplas.com).

In line with the Anti-Corruption Amendments in MMLR of Bursa Malaysia, as well as the regulatory compliance with the Malaysian Anti-Corruption Commission Act 2009 ("**MACC Act**") Section 17A Corporate Liability provisions, the Board had adopted the Anti-Bribery and Anti-Corruption ("**ABAC**") Framework and Policy after conducting the necessary review to ensure that BPPLAS has the adequate procedures, policies and controls for the prevention of corrupt acts and practices.

A copy of the ABAC Framework and ABAC Policy is available at the Company's website at [www.bpplas.com](http://www.bpplas.com).

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL AND BOARD RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

### THE GROUP'S SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

#### Other Internal Control Processes (Cont'd)

Apart from risk management and internal audit, the Group's system of internal controls also comprises the following key elements (Cont'd):-

- Employees' Competency

Emphasis is placed on empowering and supporting employee's career growth and development through a wide variety of training, learning and development opportunities. Relevant trainings programmes are provided and tailored to personnel across different functions to maintain a high level of competency and capability, focusing on enhancing their technical and functional knowledge, industry knowledge, as well as soft skills development. There is also a systematic process for Performance Appraisals to assess employees' performance in difference criteria, to identify skills gaps, training needs as well as ongoing growth and succession planning.

- Quality Management System

The Group has implemented a comprehensive Quality Management System which fully complies with ISO 9001:2015 Quality Management System – Requirements. As part of the requirements of the ISO 9001:2015 certification accredited to the Group, a scheduled internal quality audit is conducted each year by personnel independent of the processes being audited. Results of the audit are reported to the MD and Management, where prompt actions are taken on areas requiring further improvement.

The Group is also accredited with the certification of ISO 22000:2018 Food Safety Management Systems – Requirements for any organisation in the Food Chain. With the commitment to comply with ISO 22000 and to continually improve the relevant internal operating processes, the Group is able to produce flexible packaging that complies with the applicable food safety regulations. The Management has in place a Food Safety Policy and established food safety objectives to ensure safe manufacturing environment and conditions to produce products. The Food Safety policies and objectives shall be reviewed periodically for its continuing relevance.

- Health, Safety and Environment

The Group is accredited with certifications for ISO 14001:2015 Environmental Management System – Requirements with guidance for use, ISO 45001:2018 Occupational Health and Safety Management Systems – Requirements with guidance for use. With these certifications, the Group will ensure that all environmental aspect and impact as well as safety and health issues are appropriately addressed. Each year, there will be a surveillance audit being carried out and the results of the audit are reported to the MD and Management team, where issues highlighted for further improvement are duly acted upon.

#### Physical Safeguard and Insurance Coverage

The Group maintained physical control measures across its sites to safeguard assets. These include the deployment of security personnel at all entry and exit points, CCTV surveillance on production floors and throughout the Group's premises, as well as a mandatory registration process for all visitors and external parties. In parallel, insurance policies are reviewed annually to ensure adequate protection against unforeseen events and operational risks.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL AND BOARD RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

### THE BOARD'S COMMITMENT

The Board is committed towards maintaining an effective risk management framework and robust internal control environment, through the implementation by Management of appropriate risk policies, review and monitoring apart from also proactively keeping abreast with the ever-changing business environment, which include addressing issues on cybersecurity and sustainability. This is done to ensure the Group's business operational fundamentals are well supported, in compliance with applicable regulatory laws and remain relevant in terms of size and scale of the Group's operations. The Board, in striving for continuous improvement, will put in place supporting measures, when necessary, to further enhance the Group's system of risk management and internal controls.

The Board has received assurance from the MD and Financial Controller that the Group's risk management and internal controls are operating adequately and effectively, in all material aspects, based on the risk management framework and internal control system of the Group.

For the financial year under review, the Board confirms that it has reviewed the effectiveness of the system of risk management and internal controls, and there is no occurrence of fundamental deficiency or material losses incurred during the financial year under review as a result of weaknesses in the risk management framework or internal control system.

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR of Bursa Malaysia and pursuant to the scope set out in Audit and Assurance Practice Guide ("**AAPG**") 3: *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report of the Group for the financial year ended 31 December 2024.

AAPG 3 does not require the external auditors to consider whether this Statement covers all risk and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal controls of the Group.

# STATEMENT OF DIRECTORS' RESPONSIBILITY

## IN PREPARING THE FINANCIAL STATEMENTS

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The Directors are responsible for ensuring that the annual financial statements of the Group and of the Company are drawn up in accordance with the applicable Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS), the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The annual financial statements are prepared with reasonable accuracy from the accounting records of the Group and Company so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of the financial performance and cash flows of the Group and of the Company for the financial year ended on that date.

In preparing the annual financial statements, the Directors have also ensured that Management has:-

- Adopted the appropriate and relevant accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent; and
- Assessed the Group's and the Company's ability to continue as going concern, and confirmed that the annual financial statements are prepared using the going concern basis of accounting.

The Directors are also responsible for:

- Ensuring that the Group and the Company keep proper accounting and other records to enable the explanation of transactions and preparation of financial statements; and
- Taking the necessary steps to ensure appropriate systems and internal controls are in place to safeguard the assets of the Group and of the Company, as well as to prevent and detect fraud and any other irregularities.

The Directors confirmed that they have complied with the above requirements for the annual financial statements for year ended 31 December 2024.



# FINANCIAL STATEMENTS

<b>92</b>	Directors' Report	<b>104</b>	Statements of Profit or Loss and Other Comprehensive Income
<b>99</b>	Statement by Directors	<b>105</b>	Statements of Financial Position
<b>99</b>	Statutory Declaration	<b>106</b>	Statements of Changes in Equity
<b>100</b>	Independent Auditors' Report	<b>108</b>	Statements of Cash Flows
		<b>110</b>	Notes to the Financial Statements

# DIRECTORS' REPORT

## DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the holding company in each subsidiary company are set out in the "Subsidiaries" of this report.

There have been no significant changes in the nature of these principal activities during the financial year.

## RESULTS

	Group RM	Company RM
Profit net of tax, attributable to owners of the Company	21,596,220	12,924,586

## DIVIDENDS

Dividends paid by the Company since 31 December 2023 were as follows:

	RM
<u>In respect of the financial year ended 31 December 2023</u>	
– Fourth single tier interim dividend of 1.5 sen per share, on 281,479,492 ordinary shares paid on 5 April 2024	4,222,192
<u>In respect of the financial year ended 31 December 2024</u>	
– First single tier interim dividend of 1.5 sen per share, on 281,479,492 ordinary shares paid on 12 July 2024	4,222,192
– Second single tier interim dividend of 1.5 sen per share, on 281,479,492 ordinary shares paid on 11 October 2024	4,222,192
– Third single tier interim dividend of 1.5 sen per share, on 281,479,492 ordinary shares paid on 27 December 2024	4,222,192
	<u>16,888,768</u>

On 25 February 2025, the Company declared a fourth single tier interim dividend of 1.5 sen per ordinary share amounting to RM4,222,192 in respect of the current financial year, paid on 28 March 2025, to shareholders whose names appeared in the record of depositors on 14 March 2025. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2025.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

## DIRECTORS' REPORT (CONT'D)

### ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

### OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

### WARRANTS

The Warrants are constituted by the Deed Poll dated 25 November 2021 ("Deed Poll").

On 15 December 2021, 37,530,591 Warrants ("Warrants") were issued free by the Company pursuant to the bonus issue on the basis of one (1) Warrant for every five (5) existing shares held.

The salient features of the Warrants are as follows:-

Terms	Details
Form	The Warrants were issued in registered form and constituted by the Deed Poll.
Board lot	For the purposes of trading on Bursa Securities, a board lot of Warrants shall comprise one hundred (100) warrants carrying right to subscribe for 100 new shares at any time during the exercise period, or such denomination as determined by Bursa Securities.
Listing	Approval has been obtained from Bursa Securities on 3 November 2021 for the admission of the Warrants to the Official List of Bursa Securities, and for the listing of and quotation for the new shares arising from the exercise of the Warrants.
Expiry date	Five (5) years from the date of issuance of the Warrants.
Exercise period	The Warrants may be exercised at any time within the period commencing from the date of issue of the Warrants and will be expiring on 14 December 2026. Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid.
Exercise price	RM2.45 payable in full upon exercise of each Warrant.
Exercise rights	Each Warrant carries the entitlement, at any time during the Exercise Period, to subscribe for one (1) new ordinary share in the Company at the Exercise Price.
Participating rights	The Warrant holders are not entitled to vote in any general meetings of the Company or participation in any form of distribution other than on winding-up, compromise or arrangement of Company and/or in any offer of further securities in the Company until and unless the Warrant holder becomes a shareholder of Company by exercising his/her Warrants into new Company's Shares or unless otherwise resolved by Company in a general meeting.

## DIRECTORS' REPORT (CONT'D)

## WARRANTS (CONT'D)

The salient features of the Warrants are as follows (Cont'd):-

Terms	Details
Ranking of new Company's shares	The new Company's shares to be issued arising from the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respects with the existing Company's shares, save and except that the new Company's shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions, that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new Company's shares.
Governing law	Laws and regulations of Malaysia.

The movements in the Warrants are as follows:-

	Entitlement for Ordinary Shares		
	At 1.1.2024	Bonus Issue	At 31.12.2024
Number of unexercised Warrants	37,530,591	-	- 37,530,591

## DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Lim Chun Yow\*  
 Tan See Khim\*  
 Chuah Sue Yin  
 Hey Shiow Hoe\*  
 Lim Kim Hock  
 Tan Hock Hin  
 Tan Ming-Li

\* Directors of the Company and its subsidiaries

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## DIRECTORS' REPORT (CONT'D)

## DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares and warrants over shares of the Company during the financial year are as follows:-

	At 1.1.2024	Number of ordinary shares		At 31.12.2024
		Bought	Sold	
<b>Direct interests</b>				
Lim Chun Yow	26,184,604	-	-	26,184,604
Tan See Khim	26,746,498	-	-	26,746,498
Hey Shiow Hoe	21,914,997	-	-	21,914,997
Tan Hock Hin	22,500	-	-	22,500
<b>Indirect interests *</b>				
Lim Chun Yow	121,747,500	-	-	121,747,500
Tan See Khim	121,747,500	-	-	121,747,500
Hey Shiow Hoe	121,747,500	-	-	121,747,500

\* 121,500,000 shares were deemed interest by virtue of his substantial shareholdings in LG Capital Sdn Bhd pursuant to Section 8 of the Companies Act 2016, and 247,500 shares were deemed interest by virtue of his spouse's shareholdings pursuant to Section 59(11)(c) of the Companies Act 2016.

	At 1.1.2024	Number of warrants		At 31.12.2024
		Bonus Issue	Converted	
<b>Direct interests</b>				
Lim Chun Yow	3,491,280	-	-	3,491,280
Tan See Khim	3,566,199	-	-	3,566,199
Hey Shiow Hoe	2,921,999	-	-	2,921,999
Tan Hock Hin	3,000	-	-	3,000
<b>Indirect interests #</b>				
Lim Chun Yow	16,233,000	-	-	16,233,000
Tan See Khim	16,233,000	-	-	16,233,000
Hey Shiow Hoe	16,233,000	-	-	16,233,000

# 16,200,000 warrants were deemed interest by virtue of his substantial shareholdings in LG Capital Sdn Bhd pursuant to Section 8 of the Companies Act 2016, and 33,000 warrants were deemed interest by virtue of his spouse's warrants shareholdings pursuant to Section 59(11)(c) of the Companies Act 2016.

Lim Chun Yow, Tan See Khim and Hey Shiow Hoe by virtue of their interest in shares in the Company are also deemed to have interests in shares of all the Company's subsidiaries during the financial year to the extent of the Company has an interest, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares of the Company during the financial year.

## DIRECTORS' REPORT (CONT'D)

### DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	Group RM	Company RM
Fees	325,000	325,000
Salaries, allowance and other emoluments	2,118,798	20,000
Defined contribution plan	398,288	-
	<b>2,842,086</b>	<b>345,000</b>

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company were RM65,275.

### INDEMNITY AND INSURANCE COST

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and officers of the Company were RM10,000,000 and RM12,000 respectively. No indemnity was given to or insurance effected for auditors of the Company.

### TREASURY SHARES

As at 31 December 2024, the Company held as treasury shares a total of 52,500 (2023 - 52,500) of its 281,531,992 (2023 - 281,531,992) issued and fully paid up ordinary shares. The treasury shares are held at a carrying amount of RM20,740 (2023 - RM20,740).

### BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

### CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

## DIRECTORS' REPORT (CONT'D)

### VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

### CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

### CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

### ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

### SUBSIDIARIES

The details of the Company's subsidiaries are as follows:-

Name of subsidiaries	Country of incorporation	Percentage of issued share capital held by parent	Principal activities
<i>Subsidiaries of the Company</i>			
BP Plastics Sdn. Bhd.	Malaysia	100%	Manufacturing of plastic products
BP Packaging Sdn. Bhd.	Malaysia	100%	Manufacturing and trading of plastic products
BPPlas Plantation Sdn. Bhd.	Malaysia	100%	Dormant

**DIRECTORS' REPORT (CONT'D)****AUDITORS**

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	<b>Group RM</b>	<b>Company RM</b>
Audit fees	105,000	35,000
Non-audit fee	5,000	5,000
	<b>110,000</b>	<b>40,000</b>

Signed in accordance with a resolution of the directors dated 11 April 2025.

**Lim Chun Yow**

**Tan See Khim**

# STATEMENT BY DIRECTORS

## PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Lim Chun Yow and Tan See Khim, being two of the directors of BP Plastics Holding Bhd., state that, in the opinion of the directors, the financial statements set out on pages 104 to 140 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of their financial performance and cash flows for the financial year end on that date.

Signed in accordance with a resolution of the directors dated 11 April 2025.

**Lim Chun Yow**

**Tan See Khim**

# STATUTORY DECLARATION

## PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Chua Yi Fon, being the officer primarily responsible for the financial management of BP Plastics Holding Bhd., do solemnly and sincerely declare that the financial statements set out on pages 104 to 140 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned

Chua Yi Fon  
at Batu Pahat in the State of Johor  
on this 11 April 2025.

**Chua Yi Fon**

Before me,

**Ei Chai Ong (J405)**  
Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BP PLASTICS HOLDING BHD.

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## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of BP Plastics Holding Bhd., which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 104 to 140.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## INDEPENDENT AUDITORS' REPORT (CONT'D) TO THE MEMBERS OF BP PLASTICS HOLDING BHD.

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

#### Key Audit Matters (Cont'd)

We have determined the matter described below to be the key audit matter to be communicated in our report.

#### Revenue Recognition

Refer to Note 4 in the financial statements

Key Audit Matter	How our Audit Addressed the Key Audit Matter
Consolidated revenue recorded by the Group during the year amounted to RM487.7 million. In view of the Group's large volume of transactions, we considered revenue recognition for sale of goods to be a potential cause for higher risk of material misstatement from the perspective of timing of recognition and the amount of revenue recognised. Accordingly, we regarded revenue recognition to be a key audit matter.	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>• Testing the operating effectiveness of internal controls over the completeness, accuracy and timing of revenue recognised in the financial statements.</li> <li>• Reviewing the terms of sales contracts to determine the point of transfer of risk and rewards on a sample basis.</li> <li>• Testing the recording of sales transactions, revenue cut-off and review of credit notes after year end.</li> <li>• Obtaining confirmations and reviewing collections relating to material trade receivables as at financial year end.</li> </ul>

#### Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

## **INDEPENDENT AUDITORS' REPORT (CONT'D) TO THE MEMBERS OF BP PLASTICS HOLDING BHD.**

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### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

## INDEPENDENT AUDITORS' REPORT (CONT'D) TO THE MEMBERS OF BP PLASTICS HOLDING BHD.

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

#### Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

**Tan Guan Seng**  
03387/08/2026 J  
Chartered Accountant

11 April 2025  
Melaka

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
<b>Revenue</b>	4	487,681,756	469,600,291	13,160,000	30,710,000
Cost of sales		(446,011,077)	(416,943,558)	-	-
<b>Gross profit</b>		41,670,679	52,656,733	13,160,000	30,710,000
<b>Other items of income</b>					
Other income	5	3,747,721	4,539,912	413,354	488,630
<b>Other items of expenses</b>					
Administrative and general expenses		(18,112,305)	(12,989,875)	(645,307)	(679,874)
Selling expenses		(1,590,023)	(1,883,477)	-	-
Net impairment gains on financial assets	6	288,218	300,496	-	-
<b>Profit before taxation</b>	7	26,004,290	42,623,789	12,928,047	30,518,756
Income tax expense	10	(4,408,070)	(7,390,314)	(3,461)	(16,656)
<b>Profit net of tax, representing total comprehensive income for the year, attributable to owners of the Company</b>		21,596,220	35,233,475	12,924,586	30,502,100
<b>Earnings per share attributable to owners of the Company (sen per share):</b>					
Basic	11	7.67	12.52		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	13	133,187,743	125,574,515	-	-
Investment property	14	898,130	920,583	-	-
Right-of-use assets	15	11,247,849	11,613,007	-	-
Investment in subsidiaries	16	-	-	103,040,592	103,040,592
		145,333,722	138,108,105	103,040,592	103,040,592
<b>Current assets</b>					
Inventories	17	98,595,117	88,540,244	-	-
Trade and other receivables	18	51,574,477	51,353,042	6,421	71,531
Short-term investments	19	25,940,648	33,298,415	10,288,573	18,489,794
Fixed deposits with licensed banks	20	12,000,000	18,000,000	-	-
Cash and bank balances		12,510,346	19,396,164	70,470	25,804
Tax recoverable		19,841	-	-	-
		200,640,429	210,587,865	10,365,464	18,587,129
<b>Total assets</b>		345,974,151	348,695,970	113,406,056	121,627,721
<b>Equity and liabilities</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital	22	98,772,817	98,772,817	98,772,817	98,772,817
Treasury shares	23	(20,740)	(20,740)	(20,740)	(20,740)
Retained earnings		169,562,039	164,854,587	14,607,356	18,571,538
<b>Total equity</b>		268,314,116	263,606,664	113,359,433	117,323,615
<b>Non-current liability</b>					
Deferred tax liabilities	24	14,626,000	14,028,000	-	-
<b>Current liabilities</b>					
Trade and other payables	25	63,034,035	70,394,049	45,000	4,267,316
Current tax liabilities		-	667,257	1,623	36,790
		63,034,035	71,061,306	46,623	4,304,106
<b>Total liabilities</b>		77,660,035	85,089,306	46,623	4,304,106
<b>Total equity and liabilities</b>		345,974,151	348,695,970	113,406,056	121,627,721

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Share capital RM	Non- distributable treasury shares RM	Distributable retained earnings RM	Total equity RM
<b>Group 2024</b>					
<b>Balance at 1 January 2024</b>		98,772,817	(20,740)	164,854,587	263,606,664
<b>Profit after taxation/ Total comprehensive income for the financial year</b>		-	-	21,596,220	21,596,220
<b>Transactions with owners</b>					
Dividends on ordinary shares	12	-	-	(16,888,768)	(16,888,768)
<b>Balance at 31 December 2024</b>		98,772,817	(20,740)	169,562,039	268,314,116
<b>2023</b>					
<b>Balance at 1 January 2023</b>		98,772,817	(20,740)	146,509,880	245,261,957
<b>Profit after taxation/ Total comprehensive income for the financial year</b>		-	-	35,233,475	35,233,475
<b>Transactions with owners</b>					
Dividends on ordinary shares	12	-	-	(16,888,768)	(16,888,768)
<b>Balance at 31 December 2023</b>		98,772,817	(20,740)	164,854,587	263,606,664

*The accompanying accounting policies and explanatory information form an integral part of the financial statements.*

## STATEMENTS OF CHANGES IN EQUITY (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Share capital RM	Non- distributable treasury shares RM	Distributable retained earnings RM	Total equity RM
<b>Company 2024</b>					
<b>Balance at 1 January 2024</b>		98,772,817	(20,740)	18,571,538	117,323,615
<b>Profit after taxation/ Total comprehensive income for the financial year</b>		-	-	12,924,586	12,924,586
<b>Transactions with owners</b>					
Dividends on ordinary shares	12	-	-	(16,888,768)	(16,888,768)
<b>Balance at 31 December 2024</b>		98,772,817	(20,740)	14,607,356	113,359,433
<b>2023</b>					
<b>Balance at 1 January 2023</b>		98,772,817	(20,740)	4,958,206	103,710,283
<b>Profit after taxation/ Total comprehensive income for the financial year</b>		-	-	30,502,100	30,502,100
<b>Transactions with owners</b>					
Dividends on ordinary shares	12	-	-	(16,888,768)	(16,888,768)
<b>Balance at 31 December 2023</b>		98,772,817	(20,740)	18,571,538	117,323,615

*The accompanying accounting policies and explanatory information form an integral part of the financial statements.*

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Operating activities</b>				
Profit before taxation	26,004,290	42,623,789	12,928,047	30,518,756
Adjustments for:				
Depreciation of property, plant and equipment	15,142,967	13,498,310	-	-
Depreciation of investment property	22,453	22,453	-	-
Depreciation of right-of-use assets	365,158	198,519	-	-
Gain on disposal of property, plant and equipment	(25,500)	(123,197)	-	-
Fair value gain on short term investments	(560,640)	(663,331)	(339,722)	(354,242)
Allowance for impairment losses on trade receivables	91,183	557,916	-	-
Reversal of allowance for impairment losses on trade receivables	(379,401)	(858,412)	-	-
Interest income	(2,213,584)	(1,823,655)	(73,632)	(134,388)
Unrealised gain on foreign exchange	(79,759)	(113,505)	-	-
Operating cash flows before changes in working capital	38,367,167	53,318,887	12,514,693	30,030,126
Increase in inventories	(10,054,873)	(19,206,877)	-	-
Decrease/(Increase) in trade and other receivables	487,611	(1,844,512)	-	-
(Decrease)/Increase in trade and other payables	(3,413,273)	20,730,075	(124)	(2,007)
Cash flows from operations	25,386,632	52,997,573	12,514,569	30,028,119
Income taxes paid	(4,497,168)	(4,971,007)	(38,628)	(35,383)
Income taxes refunded	-	3,581	-	2,405
<b>Net cash flows from operating activities</b>	<b>20,889,464</b>	<b>48,030,147</b>	<b>12,475,941</b>	<b>29,995,141</b>

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

## STATEMENTS OF CASH FLOWS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group 2024 RM	2023 RM	Company 2024 RM	2023 RM
<b>Investing activities</b>					
Deposit paid for purchase of property, plant and equipment		(65,618)	(2,002,200)	-	-
Interest received		1,885,729	1,424,365	69,211	64,858
Additional investments in an existing subsidiary		-	-	-	(4,100,000)
Withdrawal of/(Addition to) fixed deposits with tenure more than 3 months		6,000,000	(18,000,000)	-	-
Repayment from subsidiaries		-	-	69,531	55,154
Proceeds from disposal of property, plant and equipment		25,500	125,149	-	-
Purchase of property, plant and equipment		(22,756,195)	(25,755,919)	-	-
Disposal/(Purchase) of short-term investments		8,246,262	(2,361,557)	8,540,943	(13,364,857)
<b>Net cash flows (used in)/from investing activities</b>		(6,664,322)	(46,570,162)	8,679,685	(17,344,845)
<b>Financing activity</b>					
Dividends paid		(21,110,960)	(15,481,371)	(21,110,960)	(15,481,371)
<b>Net cash flows used in financing activity</b>		(21,110,960)	(15,481,371)	(21,110,960)	(15,481,371)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(6,885,818)	(14,021,386)	44,666	(2,831,075)
<b>Cash and cash equivalents at 1 January</b>		19,396,164	33,417,550	25,804	2,856,879
<b>Cash and cash equivalents at 31 December</b>	21	12,510,346	19,396,164	70,470	25,804
<b>Cash outflows for leases as a lessee</b>					
				<b>Group</b>	
				<b>2024</b>	<b>2023</b>
				<b>RM</b>	<b>RM</b>
<b>Included in net cash from operating activities:-</b>					
Payment relating to short-term leases				586,310	591,630
<b>Total cash outflows for leases</b>				586,310	591,630

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 1. CORPORATE INFORMATION

BP Plastics Holding Bhd. ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at 5A, Jalan Wawasan 2, Kawasan Perindustrian Sri Gading, 83300 Batu Pahat, Johor Darul Takzim.

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 16 to the financial statements.

### 2. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

#### **MFRSs and IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendments 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 impact on the financial statements of the Group and of the Company.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 2. BASIS OF PREPARATION (CONT'D)

- 2.2 The Group and the Company have not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

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
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 accounting standards and interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application, except for MFRS 18: Presentation and Disclosure in Financial Statements and MFRS 19: Subsidiaries without Public Accountability: Disclosures, in which the Group and the Company are currently assessing the impact of implementing these new standards.

### 2.3 Critical Accounting Estimates and Judgements

#### *Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

#### **(a) Depreciation of Property, Plant and Equipment**

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

#### **(b) Income Taxes**

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 2. BASIS OF PREPARATION (CONT'D)

#### 2.3 Critical Accounting Estimates and Judgements (Cont'd)

##### *Key Sources of Estimation Uncertainty (Cont'd)*

##### **(c) Impairment of Trade Receivables**

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables.

##### *Critical judgements made in applying accounting policies*

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

#### 3.1 Financial Instruments

##### **(a) Financial Assets**

##### Financial assets through profit or loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss.

##### Financial assets at amortised cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

##### **(b) Financial Liabilities**

##### Financial liabilities at amortised cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

##### **(c) Equity**

##### Ordinary shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.1 Financial Instruments (Cont'd)

##### (c) Equity (Cont'd)

##### Treasury shares

Treasury shares are recorded on initial recognition at the consideration paid less directly attributable transaction costs incurred. The treasury shares are not remeasured subsequently.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the treasury shares. If such shares are issued by resale, any difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity. Where treasury shares are cancelled, their carrying amounts are shown as a movement in retained profits.

#### 3.2 Investment in Subsidiaries

Investments in subsidiaries are stated in the separate financial statements of the Company at cost less impairment losses, if any.

#### 3.3 Property, Plant and Equipment

All items of property, plant and equipment are initially measured at cost.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any impairment losses.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Factory buildings	33 to 50 years
Office buildings	50 years
Plant and machinery	5 to 15 years
Tools and equipment	10 years
Office equipment, furniture and fittings	2 to 10 years
Motor vehicles	5 years

Capital work-in-progress represent factory buildings under construction and production machinery under installation. They are not depreciated until such time when the asset is available for use.

#### 3.4 Investment Properties

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The principal annual depreciation rates are 50 years.

#### 3.5 Right-of-use Assets

##### (a) Short-term Leases

The Group apply the "short-term lease" recognition exemption. For these leases, the Group recognise the lease payments as an operating expense on a straight-line method over the term of the lease.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.5 Right-of-use Assets (Cont'd)

##### *(b) Right-of-use Assets*

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

#### 3.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out method and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress includes cost of materials, labour and appropriate proportion of production overheads.

#### 3.7 Revenue from Contracts with Customers

Sale of goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group provides delivery services for customer. The Group determined that both the goods and delivery services are capable of being distinct. The identification of delivery services as a separate deliverable service does not have any material impact on the amount and timing of revenue recognised and hence, these services are bundled together with the sale of goods to a customer and the Group accounted for revenue at a point in time.

There are no variable elements in consideration. There is no obligation for returns or refunds under the contracts with customers.

#### 3.8 Revenue from Other Sources and Other Operating Income

##### *(a) Dividend Income*

Dividend income from investment is recognised when the right to receive dividend payment is established.

##### *(b) Interest Income*

Interest income is recognised on an accrual basis using the effective interest method.

##### *(c) Rental Income*

Rental income is accounted for on a straight-line method over the lease term.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 4. REVENUE

Revenue of the Group and of the Company consists of the following:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Revenue from Contracts with Customers</b>				
<u>Recognised at a point in time</u>				
Sales of goods	487,681,756	469,600,291	-	-
<b>Revenue from Other Source</b>				
Dividend income from subsidiary	-	-	13,160,000	30,710,000
	487,681,756	469,600,291	13,160,000	30,710,000

The information on the disaggregation of revenue based on geographical market is summarised below:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Represented by geographical markets:-				
Asia countries	282,223,402	269,365,028	-	-
Malaysia	131,579,239	130,407,028	13,160,000	30,710,000
Others	73,879,115	69,828,235	-	-
	487,681,756	469,600,291	13,160,000	30,710,000

### 5. OTHER INCOME

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest income from the following financial assets:				
– fair value through profit or loss	396,912	464,148	69,057	64,858
– amortised cost	1,816,672	1,359,507	4,575	69,530
Fair value gain on short-term investments	560,640	663,331	339,722	354,242
Gain on foreign exchange:				
– unrealised	79,759	113,505	-	-
– realised	-	1,255,846	-	-
Gain on disposal of property, plant and equipment	25,500	123,197	-	-
Rental income from investment property	50,902	45,738	-	-
Miscellaneous	817,336	514,640	-	-
	3,747,721	4,539,912	413,354	488,630

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 6. NET IMPAIRMENT GAINS ON FINANCIAL ASSETS

	Group	
	2024 RM	2023 RM
Impairment losses:		
– trade receivables (Note 18)	91,183	557,916
Reversal of impairment losses:		
– trade receivables (Note 18)	(379,401)	(858,412)
	<u>(288,218)</u>	<u>(300,496)</u>

### 7. PROFIT BEFORE TAXATION

The following items have been included in arriving at profit before taxation:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration:				
– audit fees:				
– current financial year	105,000	100,000	35,000	35,000
– overprovision in the previous financial year	-	(15,000)	-	(6,000)
– non-audit fees:				
– current financial year	5,000	5,000	5,000	5,000
Depreciation:				
– property, plant and equipment (Note 13)	15,142,967	13,498,310	-	-
– investment property (Note 14)	22,453	22,453	-	-
– right-of-use assets (Note 15)	365,158	198,519	-	-
Direct operating expenses on investment property	3,259	3,259	-	-
Loss on foreign exchange:				
– realised	4,807,159	-	-	-
Lease expenses:				
– short-term leases	586,310	591,630	-	-

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 8. EMPLOYEE BENEFITS EXPENSE

	Group	
	2024 RM	2023 RM
Wages and salaries	24,336,249	23,201,103
Social security contribution	306,796	256,013
Defined contribution plan	1,548,394	1,655,735
Lease expenses:		
– short-term leases	334,310	339,630
Other staff related expenses	833,704	741,587
	27,359,453	26,194,068

Included in the employee benefits expense of the Group is executive directors' remuneration amounting to RM2,497,086 (2023 – RM2,689,580) as further disclosed in Note 9.

### 9. DIRECTORS' REMUNERATION

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Executive directors' remuneration:</u>				
Salaries and other emoluments	2,098,798	2,260,649	-	-
Defined contribution plan	398,288	428,931	-	-
Estimated money value of benefits-in-kind	65,275	60,468	-	-
	2,562,361	2,750,048	-	-
<u>Non-executive directors' remuneration:</u>				
Fees	325,000	325,000	325,000	325,000
Allowances	20,000	20,000	20,000	20,000
	345,000	345,000	345,000	345,000
<u>Analysis excluding benefits-in-kind:</u>				
Total executive directors' remuneration (Note 8)	2,497,086	2,689,580	-	-
Total non-executive directors' remuneration	345,000	345,000	345,000	345,000
Total directors' remuneration	2,842,086	3,034,580	345,000	345,000

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 10. INCOME TAX EXPENSE

#### Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2024 and 2023 are:

	<b>Group</b>		<b>Company</b>	
	<b>2024 RM</b>	<b>2023 RM</b>	<b>2024 RM</b>	<b>2023 RM</b>
Current income tax:				
Tax expense for the year	3,868,000	5,970,000	3,000	16,000
(Over)/Underprovision in the previous financial year	(57,930)	(12,686)	461	656
	3,810,070	5,957,314	3,461	16,656
Deferred tax (Note 24):				
Origination and reversal of temporary differences	445,000	1,428,000	-	-
Underprovision in the previous financial year	153,000	5,000	-	-
	598,000	1,433,000	-	-
Income tax expense recognised in profit or loss	4,408,070	7,390,314	3,461	16,656

#### Reconciliation between tax expense and accounting profit

The reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2024 RM</b>	<b>2023 RM</b>	<b>2024 RM</b>	<b>2023 RM</b>
Profit before taxation	26,004,290	42,623,789	12,928,047	30,518,756
Taxation at Malaysian statutory tax rate of 24%	6,241,030	10,229,709	3,102,731	7,324,501
Effect of:				
– income not subject to tax	(208,147)	(196,332)	(3,255,276)	(7,470,984)
– expenses not deductible for tax purposes	250,128	318,950	155,545	162,483
– utilisation of tax incentives	(1,970,011)	(2,985,735)	-	-
– deferred tax assets not recognised during the financial year	-	31,408	-	-
(Over)/Underprovision of current tax in the previous financial year	(57,930)	(12,686)	461	656
Underprovision of deferred taxation in the previous financial year	153,000	5,000	-	-
Income tax expense recognised in profit or loss	4,408,070	7,390,314	3,461	16,656

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 10. INCOME TAX EXPENSE (CONT'D)

#### Reconciliation between tax expense and accounting profit (Cont'd)

Subject to agreement with the tax authorities, the Group has unabsorbed tax losses and unutilised capital allowances as follows:

	Group 2024 RM	2023 RM
Unabsorbed tax losses:		
– expires at the end of year of assessment 2030	7,000	7,000
– expires at the end of year of assessment 2033	38,000	38,000
	45,000	45,000
Unutilised capital allowances	130,000	153,000
	175,000	198,000

### 11. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing consolidated profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares in issue after adjusting for treasury shares during the financial year.

The following tables reflect the profit and share data used in the computation of basic earnings per share for the years ended 31 December:

	Group 2024 RM	2023 RM
Profit net of tax attributable to owners of the Company used in the computation of basic earnings per share	21,596,220	35,233,475
	Number of Shares	Number of Shares
Weighted average number of ordinary shares for basic earnings per share computation	281,479,492	281,479,492
Basic earnings per share (sen)	7.67	12.52

The effects of potential ordinary shares arising from the conversion of the warrants were anti-dilutive and accordingly, it has been ignored in the calculation of dilutive earnings per share. As a result, the diluted earnings per ordinary share is the same as basic earnings per share.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 12. DIVIDENDS

	Group/Company	
	2024	2023
	RM	RM
<u>In respect of the financial year ended 31 December 2022:</u>		
– Fourth single tier interim dividend of 1.5 sen per share	-	4,222,192
<u>In respect of the financial year ended 31 December 2023:</u>		
– First single tier interim dividend of 1.5 sen per share	-	4,222,192
– Second single tier interim dividend of 1.5 sen per share	-	4,222,192
– Third single tier interim dividend of 1.5 sen per share	-	4,222,192
– Fourth single tier interim dividend of 1.5 sen per share	4,222,192	-
<u>In respect of the financial year ended 31 December 2024:</u>		
– First single tier interim dividend of 1.5 sen per share	4,222,192	-
– Second single tier interim dividend of 1.5 sen per share	4,222,192	-
– Third single tier interim dividend of 1.5 sen per share	4,222,192	-
	<b>16,888,768</b>	<b>16,888,768</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 13. PROPERTY, PLANT AND EQUIPMENT

	* Land and buildings RM	Plant and machinery, tools and equipment RM	Office equipment, furniture fittings and motor vehicles RM	Capital work-in- progress RM	Total RM
<b>Group</b>					
<b>Cost:-</b>					
<b>At 1 January 2023</b>	35,661,964	204,465,823	8,676,019	18,488,762	267,292,568
Additions	-	918,054	1,302,355	23,535,510	25,755,919
Disposals and write off	-	(999,777)	(1,579,410)	-	(2,579,187)
Transfer to right-of-use assets (Note 15)	-	-	-	(6,799,010)	(6,799,010)
Reclassification	10,106,013	21,063,776	26,015	(31,195,804)	-
<b>At 31 December 2023 and 1 January 2024</b>	45,767,977	225,447,876	8,424,979	4,029,458	283,670,290
Additions	-	763,535	187,234	21,805,426	22,756,195
Disposals and write off	-	-	(186,552)	-	(186,552)
Reclassification	2,537,200	14,806,645	-	(17,343,845)	-
<b>At 31 December 2024</b>	48,305,177	241,018,056	8,425,661	8,491,039	306,239,933
<b>Accumulated depreciation:-</b>					
<b>At 1 January 2023</b>	8,273,608	131,435,764	7,465,328	-	147,174,700
Depreciation charge for the year (Note 7)	842,218	12,045,717	610,375	-	13,498,310
Disposals and write off	-	(999,777)	(1,577,458)	-	(2,577,235)
<b>At 31 December 2023 and 1 January 2024</b>	9,115,826	142,481,704	6,498,245	-	158,095,775
Depreciation charge for the year (Note 7)	1,097,803	13,484,911	560,253	-	15,142,967
Disposals and write off	-	-	(186,552)	-	(186,552)
<b>At 31 December 2024</b>	10,213,629	155,966,615	6,871,946	-	173,052,190
<b>Net carrying amount</b>					
At 31 December 2023	36,652,151	82,966,172	1,926,734	4,029,458	125,574,515
At 31 December 2024	38,091,548	85,051,441	1,553,715	8,491,039	133,187,743

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

\* Land and buildings

	Freehold land RM	Factory buildings RM	Office buildings RM	Total RM
<b>Cost:-</b>				
<b>At 1 January 2023</b>	1,826,460	32,445,141	1,390,363	35,661,964
Reclassification	-	10,106,013	-	10,106,013
<b>At 31 December 2023 and 1 January 2024</b>	1,826,460	42,551,154	1,390,363	45,767,977
Reclassification	-	2,537,200	-	2,537,200
<b>At 31 December 2024</b>	1,826,460	45,088,354	1,390,363	48,305,177
<b>Accumulated depreciation:-</b>				
<b>At 1 January 2023</b>	-	8,051,642	221,966	8,273,608
Depreciation charge for the year	-	814,411	27,807	842,218
<b>At 31 December 2023 and 1 January 2024</b>	-	8,866,053	249,773	9,115,826
Depreciation charge for the year	-	1,069,996	27,807	1,097,803
<b>At 31 December 2024</b>	-	9,936,049	277,580	10,213,629
<b>Net carrying amount</b>				
At 31 December 2023	1,826,460	33,685,101	1,140,590	36,652,151
At 31 December 2024	1,826,460	35,152,305	1,112,783	38,091,548

All the assets of the Group have been bound under a negative pledge to banks for banking facilities granted to the Group.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 14. INVESTMENT PROPERTY

	Group 2024 RM	2023 RM
<b>Cost:-</b>		
At 1 January/31 December	1,122,660	1,122,660
<b>Accumulated depreciation:-</b>		
At 1 January	202,077	179,624
Depreciation during the financial year (Note 7)	22,453	22,453
At 31 December	224,530	202,077
<b>Net carrying amount at 31 December</b>	898,130	920,583
Represented by:-		
Office building	898,130	920,583
Fair value	1,025,640	1,072,995

- (a) The investment properties of the Group are leased to tenants under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods of 2 (2023 – 2) years and an option that is exercisable by the tenants to extend their leases for 2 (2023 – 2) years.

The Group requires 2 (2023 – 2) months of advanced rental payments from the tenants. The leases do not include residual value guarantee and variable lease payments that depend on an index or rate.

As at the reporting date, the future minimum rentals receivable under the non-cancelable operating lease are as follows:-

	Group 2024 RM	2023 RM
Within 1 year	54,000	17,152
Between 1 and 2 years	20,250	-
	74,250	17,152

- (b) The investment property of the Group has been bound under a negative pledge to banks for banking facilities granted to the Group.
- (c) The fair values of the investment properties are within level 3 of the fair value hierarchy and are arrived at by management by reference to market evidence of transaction prices for similar properties. The most significant input into this valuation approach is the price per square foot of comparable properties.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 15. RIGHT-OF-USE ASSETS

	Leasehold land RM
<b>Group</b>	
<b>Cost:-</b>	
<b>At 1 January 2023</b>	8,017,903
Transfer from property, plant and equipment (Note 13)	6,799,010
<b>At 31 December 2023 and 1 January 2024</b>	14,816,913
<b>At 31 December 2024</b>	14,816,913
<b>Accumulated depreciation:-</b>	
<b>At 1 January 2023</b>	3,005,387
Depreciation charge for the year (Note 7)	198,519
<b>At 31 December 2023 and 1 January 2024</b>	3,203,906
Depreciation charge for the year (Note 7)	365,158
<b>At 31 December 2024</b>	3,569,064
<b>Net carrying amount</b>	
At 31 December 2023	11,613,007
At 31 December 2024	11,247,849

- (a) The Group leases certain pieces of leasehold land of which the leasing activities are summarised below:-

The Group has entered into 7 (2023 – 7) agreements for the use of land. The leases are for a period of 34 to 50 (2023 – 34 to 50) years with no renewal or purchase option included in the agreements.

- (b) The right-of-use assets of the Group has been bound under a negative pledge to banks for banking facilities granted to the Group.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 16. INVESTMENT IN SUBSIDIARIES

	Company	
	2024 RM	2023 RM
Unquoted shares, at cost	103,407,738	103,407,738
Accumulated impairment losses	(367,146)	(367,146)
	<u>103,040,592</u>	<u>103,040,592</u>

The details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business and country of incorporation	Percentage of issued share capital held by parent		Principal activities
		2024 %	2023 %	
Subsidiaries of the Company:				
BP Plastics Sdn. Bhd.	Malaysia	100	100	Manufacturing of plastic products
BP Packaging Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading of plastic products
BPPlas Plantation Sdn. Bhd.	Malaysia	100	100	Dormant

### 17. INVENTORIES

	Group	
	2024 RM	2023 RM
Raw materials	78,624,580	70,950,844
Work-in-progress	5,069,483	5,871,345
Spare parts	2,834,758	2,543,639
Finished goods	12,066,296	9,174,416
	<u>98,595,117</u>	<u>88,540,244</u>
Recognised in profit or loss:-		
Inventories recognised as cost of sales	<u>446,011,077</u>	<u>416,943,558</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 18. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>Trade receivables</b>					
Third parties		50,375,553	47,844,978	-	-
Less: Allowance for impairment losses	(a)	(189,175)	(524,592)	-	-
		50,186,378	47,320,386	-	-
<b>Other receivables</b>					
Sundry receivables		1,322,481	2,030,456	2,000	2,000
Deposit paid for purchase of property, plant and equipment		65,618	2,002,200	-	-
Amount due from subsidiaries	(b)	-	-	4,421	69,531
		1,388,099	4,032,656	6,421	71,531
		51,574,477	51,353,042	6,421	71,531

#### (a) Trade Receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 (2023 – 30 to 90) days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movement in allowance accounts:

	Group	
	2024 RM	2023 RM
At 1 January	524,592	933,634
Addition during the financial year (Note 6)	91,183	557,916
Reversal during the financial year (Note 6)	(379,401)	(858,412)
Written off during the financial year	(47,199)	(108,546)
At 31 December	189,175	524,592

#### (b) Amount due from Subsidiaries

Amount due from subsidiaries represent payment made on behalf which bear an interest of 5.28% (2023 – 5.32%) per annum. The amount due are repayable on demand and are to be settled in cash.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 19. SHORT-TERM INVESTMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fair value through profit or loss on financial assets				
– Money market funds	25,940,648	33,298,415	10,288,573	18,489,794

The funds invest mainly into deposits and money market instruments and thus have minimum exposure to changes in market value.

The weighted average effective interest rates for the money market funds of the Group and of the Company at the reporting date were 3.58% (2023 – 3.52%) and 3.60% (2023 – 3.50%) per annum respectively. There is no maturity period for money market funds as these money are callable on demand.

### 20. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 3.75% to 3.90% (2023 – 3.75% to 4.00%) per annum. The fixed deposits have maturity periods ranging from 92 to 182 (2023 – 153 to 184) days for the Group.

### 21. CASH AND BANK BALANCES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	12,510,346	19,396,164	70,470	25,804
Fixed deposits with licensed banks	12,000,000	18,000,000	-	-
	24,510,346	37,396,164	70,470	25,804
Less: Fixed deposits with tenure of more than 3 months (Note 20)	(12,000,000)	(18,000,000)	-	-
Cash and cash equivalents	12,510,346	19,396,164	70,470	25,804

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 22. SHARE CAPITAL

	Group/Company		
	2024	2023	
	Number of shares		
		2024	2023
		RM	RM
<b>Issued and fully paid up</b>			
At 1 January/31 December	281,531,992	281,531,992	98,772,817

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company.

### 23. TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are held by the Company in accordance with Section 127(6) of the Companies Act 2016. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance. There were no shares repurchased, resold or cancelled by the Company during the current financial year (2023 – Nil).

Of the total 281,531,992 (2023 – 281,531,992) issued and fully paid-up ordinary shares at the end of the reporting period, 52,500 (2023 – 52,500) ordinary shares are held as treasury shares by the Company. None (2023 – Nil) of the treasury shares were resold during the financial year.

### 24. DEFERRED TAX LIABILITIES

	At 1 January RM	Recognised in Profit or Loss (Note 10) RM	At 31 December RM
<b>Group</b>			
<b>2024</b>			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	13,834,000	909,000	14,743,000
Right-of-use assets	289,000	(9,000)	280,000
Unrealised gain on foreign exchange	27,000	(8,000)	19,000
	14,150,000	892,000	15,042,000
<i>Deferred Tax Assets</i>			
Other temporary differences	(122,000)	(294,000)	(416,000)
	14,028,000	598,000	14,626,000

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 24. DEFERRED TAX LIABILITIES (CONT'D)

	At 1 January RM	Recognised in Profit or Loss (Note 10) RM	At 31 December RM
<b>Group</b>			
<b>2023</b>			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	12,484,000	1,350,000	13,834,000
Right-of-use assets	299,000	(10,000)	289,000
Unrealised gain on foreign exchange	35,000	(8,000)	27,000
	12,818,000	1,332,000	14,150,000
<i>Deferred Tax Assets</i>			
Other temporary differences	(223,000)	101,000	(122,000)
	12,595,000	1,433,000	14,028,000

### 25. TRADE AND OTHER PAYABLES

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
<u>Trade payables</u>					
Third parties	(a)	49,143,221	50,036,595	-	-
<u>Other payables</u>					
Sundry payables	(b)	10,164,698	10,709,430	-	124
Deposit received		107,623	107,623	-	-
Sales tax payables		156,812	127,397	-	-
Accrued operating expenses	(b)	3,461,681	5,190,812	45,000	45,000
Dividends payable		-	4,222,192	-	4,222,192
		13,890,814	20,357,454	45,000	4,267,316
		63,034,035	70,394,049	45,000	4,267,316

#### (a) Trade Payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 60 (2023 – 30 to 60) days terms.

#### (b) Sundry Payables and Accrued Operating Expenses

These amounts are non-interest bearing and normally settled within twelve months.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 26. COMMITMENTS

	2024 RM	Group 2023 RM
Purchase of property, plant and equipment	11,285,227	13,901,959

### 27. RELATED PARTY DISCLOSURES

#### (a) *Subsidiaries and Person Connected to Director of the Group*

The subsidiaries are disclosed in Note 16 to the financial statements.

Person connected to director is a person or a close members of the family of a director of the reporting entity.

#### (b) *Significant Related Party Transactions and Balances*

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Subsidiaries</b>				
Dividend income	-	-	13,160,000	30,710,000
Interest income	-	-	4,421	69,530
<b>Person connected to director of the Group</b>				
Lease expenses	24,000	24,000	-	-

#### (c) *Key Management Personnel Compensation*

The key management personnel of the Group include executive directors as disclosed in Note 9 to the financial statements.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 28. FAIR VALUE OF FINANCIAL INSTRUMENTS

- A. Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

	Note
Trade and other receivables (current)	18
Trade and other payables (current)	25

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or repayable on demand term.

- B. Fair value hierarchy

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried At Fair Value Level 2 RM	Carrying Amount RM
<b>Group</b>		
<b>2024</b>		
<b>Financial asset</b>		
Short-term investments	25,940,648	25,940,648
<b>2023</b>		
<b>Financial asset</b>		
Short-term investments	33,298,415	33,298,415
<b>Company</b>		
<b>2024</b>		
<b>Financial asset</b>		
Short-term investments	10,288,573	10,288,573
<b>2023</b>		
<b>Financial asset</b>		
Short-term investments	18,489,794	18,489,794

The fair value of short-term investments is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 29. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

#### 29.1 Financial Risk Management Policies

The policies in respect of the major areas of treasury activity are as follows:-

##### (a) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

##### (i) Credit Risk Concentration Profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

In addition, the Group also determines the concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables at the end of the reporting period is as follows:-

	Group	
	2024 RM	2023 RM
Asia countries	18,099,871	20,644,596
Malaysia	23,397,554	22,145,767
Others	8,688,953	4,530,023
	<u>50,186,378</u>	<u>47,320,386</u>

##### (ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group after deducting any allowance for impairment losses (where applicable).

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 29. FINANCIAL INSTRUMENTS (CONT'D)

#### 29.1 Financial Risk Management Policies (Cont'd)

##### (a) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group closely monitors the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group evaluates whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 120 days past due.

##### *Trade Receivables*

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

##### (i) Inputs, assumptions and techniques used for estimating impairment losses

To measure the expected credit losses, trade receivables (including related companies) have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 36 (2023 - 36) months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the unemployment and inflation rate as the key macroeconomic factors of the forward-looking information.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 29. FINANCIAL INSTRUMENTS (CONT'D)

#### 29.1 Financial Risk Management Policies (Cont'd)

##### (a) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### Trade Receivables (Cont'd)

##### Allowance for impairment losses

	Gross amount RM	Lifetime individual allowance RM	Lifetime collective allowance RM	Carrying amount RM
<b>Group 2024</b>				
Current (not past due)	38,314,013	-	(19,854)	38,294,159
1 to 30 days past due	8,898,216	-	(28,507)	8,869,709
31 to 60 days past due	2,293,070	-	(36,811)	2,256,259
61 to 90 days past due	794,953	-	(53,552)	741,401
91 to 120 days past due	23,634	-	(4,106)	19,528
More than 120 days past due	11,971	-	(6,649)	5,322
Credit impaired	39,696	(39,696)	-	-
	50,375,553	(39,696)	(149,479)	50,186,378
<b>2023</b>				
Current (not past due)	38,787,895	-	(34,017)	38,753,878
1 to 30 days past due	7,181,737	-	(37,284)	7,144,453
31 to 60 days past due	1,193,765	-	(29,424)	1,164,341
61 to 90 days past due	227,048	-	(17,829)	209,219
91 to 120 days past due	75,132	-	(26,637)	48,495
Credit impaired	379,401	(379,401)	-	-
	47,844,978	(379,401)	(145,191)	47,320,386

The movement in the loss allowances in respect of trade receivables are disclosed in Note 18 to the financial statements.

##### *Other receivables and amount due from subsidiaries*

There is no expected credit losses for other receivables and amount due from subsidiaries, thus no impairment is required.

##### *Fixed deposits with licensed banks, cash and bank balances*

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 29. FINANCIAL INSTRUMENTS (CONT'D)

#### 29.1 Financial Risk Management Policies (Cont'd)

##### (b) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The Group and the Company manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of their overall liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet their working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities at a reasonable level to their overall debt position. As far as possible, the Group and the Company raise committed funding from financial institutions and balances their portfolio with some short term funding so as to achieve overall cost effectiveness.

All financial liabilities are due either on demand or within one year.

##### (c) Market Risk

###### (i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD") and Euro ("EUR"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

###### Foreign Currency Exposure

	Group	
	2024 RM	2023 RM
<b>Financial Assets</b>		
<u>Trade and other receivables</u>		
United States Dollar	21,729,497	19,558,103
Singapore Dollar	5,103,018	5,588,794
Euro	143,603	342,912
	26,976,118	25,489,809
 <u>Cash and bank balances</u>		
United States Dollar	4,304,606	9,309,006
Singapore Dollar	1,747,483	1,998,389
Euro	1,099,575	313,247
	7,151,664	11,620,642

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 29. FINANCIAL INSTRUMENTS (CONT'D)

#### 29.1 Financial Risk Management Policies (Cont'd)

##### (c) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

##### Foreign Currency Exposure (Cont'd)

	Group	
	2024 RM	2023 RM
<b>Financial liabilities</b>		
<u>Trade and other payables</u>		
United States Dollar	(42,416,168)	(43,161,371)
Singapore Dollar	(1)	(164,528)
Euro	(740,169)	(177,982)
	<u>(43,156,338)</u>	<u>(43,503,881)</u>
 <u>Net currency exposure</u>		
United States Dollar	(16,382,065)	(14,294,262)
 Singapore Dollar	<u>6,850,500</u>	<u>7,422,655</u>
 Euro	<u>503,009</u>	<u>478,177</u>

##### Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	Group	
	2024 RM	2023 RM
<b>Effect on profit after taxation</b>		
USD/RM – strengthened by 14% (2023 – 11%)	-1,743,000	-1,195,000
– weakened by 14% (2023 – 11%)	+1,743,000	+1,195,000
SGD/RM – strengthened by 9% (2023 – 7%)	+469,000	+395,000
– weakened by 9% (2023 – 7%)	-469,000	-395,000
EUR/RM – strengthened by 10% (2023 – 10%)	+38,000	+36,000
– weakened by 10% (2023 – 10%)	-38,000	-36,000

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 29. FINANCIAL INSTRUMENTS (CONT'D)

#### 29.1 Financial Risk Management Policies (Cont'd)

##### (c) *Market Risk (Cont'd)*

##### (ii) *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group and the Company do not have any interest-bearing borrowings and the fixed deposits with licensed banks are at fixed rates, hence are not exposed to interest rate risks.

##### (iii) *Equity Price Risk*

The exposure to equity price risk arises mainly from changes in prices of short-term investments of the Group.

Any reasonably possible change in the prices of the short-term investments classified as fair value through profit or loss at the end of the reporting period does not have a material impact on the profit after taxation of the Group and hence, no sensitivity analysis is presented.

#### 29.2 Capital Risk Management

The Group and the Company manage their capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total equity. The Group and the Company include within net debt less cash and bank balances.

The gearing ratio of the Group and the Company at the end of the reporting period are not presented as the Group and the Company are in net cash position.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 29. FINANCIAL INSTRUMENTS (CONT'D)

#### 29.3 Classification of Financial Instruments

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Financial assets</b>		
<u>Fair value through profit or loss</u>		
Short-term investments (Note 19)	25,940,648	33,298,415
<u>Amortised cost</u>		
Trade and other receivables (Note 18)	51,574,477	51,353,042
Fixed deposits with licensed banks (Note 20)	12,000,000	18,000,000
Cash and bank balances (Note 21)	12,510,346	19,396,164
	<b>76,084,823</b>	<b>88,749,206</b>
<b>Financial liabilities</b>		
<u>Amortised cost</u>		
Trade and other payables (Note 25)	62,877,223	70,266,652
	<b>62,877,223</b>	<b>70,266,652</b>
	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Financial assets</b>		
<u>Fair value through profit or loss</u>		
Short-term investments (Note 19)	10,288,573	18,489,794
<u>Amortised cost</u>		
Trade and other receivables (Note 18)	6,421	71,531
Cash and bank balances (Note 21)	70,470	25,804
	<b>76,891</b>	<b>97,335</b>
<b>Financial liabilities</b>		
<u>Amortised cost</u>		
Trade and other payables (Note 25)	45,000	4,267,316
	<b>45,000</b>	<b>4,267,316</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 29. FINANCIAL INSTRUMENTS (CONT'D)

#### 29.4 Gains or Losses Arising from Financial Instruments

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Financial assets</b>		
<u>Fair value through profit or loss</u>		
Net gains recognised in profit or loss	957,552	1,127,479
<u>Amortised cost</u>		
Net (losses)/gains recognised in profit or loss	(2,355,204)	3,030,449
<b>Financial liabilities</b>		
<u>Amortised cost</u>		
Net losses recognised in profit or loss	(267,306)	(1,095)
	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Financial assets</b>		
<u>Fair value through profit or loss</u>		
Net gains recognised in profit or loss	408,779	419,100
<u>Amortised cost</u>		
Net gains recognised in profit or loss	4,575	69,530

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 30. SEGMENT INFORMATION

#### (a) *Geographical Location*

	2024 RM	2024 %	Group 2023 RM	2023 %
Operating revenue:				
Asia countries	282,223,402	58%	269,365,028	57%
Malaysia	131,579,239	27%	130,407,028	28%
Others	73,879,115	15%	69,828,235	15%
	487,681,756	100%	469,600,291	100%

In determining the geographical segments of the Group, revenue are based on the country or region in which the customer is located.

No other segmental information such as segment assets, liabilities and results are presented as the Group is principally engaged in manufacturing of plastics packaging products which are carried out in Malaysia.

#### (b) *Major Customers*

There is no single customer that contributed 10% or more to the Group revenue.

### 31. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 11 April 2025.

# ANALYSIS OF SHAREHOLDINGS

AS AT 2 APRIL 2025

## SHARE CAPITAL

Number of issued shares	: 281,531,992 Ordinary Shares (including 52,500 treasury shares)
Voting rights	: One vote per Ordinary Share
Number of shareholders	: 3,298

## DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares Issued	%
1 – 99	190	5.76	9,155	0.00
100 – 1,000	396	12.01	200,428	0.07
1,001 - 10,000	1,737	52.67	7,777,263	2.76
10,001 – 100,000	856	25.95	24,826,697	8.82
100,001 – 14,073,973*	115	3.49	58,000,950	20.61
14,073,974 and above **	4	0.12	190,664,999	67.74
<b>Total</b>	<b>3,298</b>	<b>100.00</b>	<b>281,479,492</b>	<b>100.00</b>

**Note:**

(\*) means less than 5% of issued shares

(\*\*) means 5% and above of issued shares

## CATEGORY OF SHAREHOLDINGS

Category of Shareholders	No. of Shareholders		No. of Issued Shares		% of Issued Shares	
	Malaysian	Foreigner	Malaysian	Foreigner	Malaysian	Foreigner
Individual	2,467	25	131,049,921	440,175	46.56	0.15
Body Corporate						
a) Bank/Finance Companies	3	-	92,400	-	0.03	-
b) Investment Trusts/ Foundation/Charities	-	-	-	-	-	-
c) Industrial and Commercial Companies	34	1	123,699,075	1	43.95	-
Government Agencies/Institutions	-	-	-	-	-	-
Nominees	739	29	20,859,807	5,338,113	7.41	1.90
Others	-	-	-	-	-	-
<b>Total</b>	<b>3,243</b>	<b>55</b>	<b>275,701,203</b>	<b>5,778,289</b>	<b>97.95</b>	<b>2.05</b>

## ANALYSIS OF SHAREHOLDINGS (CONT'D)

### AS AT 2 APRIL 2025

#### SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of BP Plastics Holding Bhd. (holding 5% or more of the issued shares) based on the Register of Substantial Shareholders of the Company and their respective shareholdings are as follows:-

Name of Substantial Shareholder	Direct Interest		Indirect Interest	
	No. of Issued Shares Held	% <sup>1</sup>	No. of Issued Shares Held	% <sup>1</sup>
LG Capital Sdn. Bhd.	121,500,000	43.16	-	-
Lim Chun Yow	26,184,604	9.30	121,500,000 *	43.16
Tan See Khim	26,746,498	9.50	121,500,000 *	43.16
Hey Shiow Hoe	21,914,997	7.79	121,500,000 *	43.16

**Note:**

<sup>(\*)</sup> Deemed interest by virtue of his substantial shareholdings in LG Capital Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

<sup>(1)</sup> Excluding a total of 52,500 ordinary shares bought-back by the Company and retained as treasury shares as at 2 April 2025.

#### DIRECTORS' SHAREHOLDINGS

The respective shareholdings of the Directors of BP Plastics Holding Bhd. based on the Register of Directors' Shareholdings are as follows:-

Name of Directors	Direct Interest		Indirect Interest	
	No. of Issued Shares Held	% <sup>1</sup>	No. of Issued Shares Held	% <sup>1</sup>
Lim Chun Yow	26,184,604	9.30	121,747,500 *	43.25
Tan See Khim	26,746,498	9.50	121,747,500 *	43.25
Hey Shiow Hoe	21,914,997	7.79	121,747,500 *	43.25
Lim Kim Hock	-	-	-	-
Tan Ming-Li	-	-	-	-
Tan Hock Hin	22,500	0.01	-	-
Chuah Sue Yin	-	-	-	-

**Note:**

<sup>(\*)</sup> 121,500,000 shares were deemed interest by virtue of his substantial shareholdings in LG Capital Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016, and 247,500 shares were deemed interest by virtue of his spouse shareholdings pursuant to Section 59(11)(c) of the Companies Act 2016.

<sup>(1)</sup> Excluding a total of 52,500 ordinary shares bought-back by the Company and retained as treasury shares as at 2 April 2025.

## ANALYSIS OF SHAREHOLDINGS (CONT'D) AS AT 2 APRIL 2025

### THIRTY (30) LARGEST SECURITIES HOLDERS

No.	Shareholders	No. of Shares	% <sup>1</sup>
1	LG Capital Sdn. Bhd.	121,500,000	43.16
2	Tan See Khim	25,814,998	9.17
3	Lim Chun Yow	23,625,004	8.39
4	Hey Shiow Hoe	19,724,997	7.01
5	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Eastspring Investmentssmall-Cap Fund	6,190,900	2.20
6	Tay Khiang Puang	3,884,100	1.38
7	Citigroup Nominees (Asing) Sdn. Bhd. Exempt An For Citibank New York (Norges Bank 22)	3,483,600	1.24
8	Lim Chun Yow	2,559,600	0.91
9	Gan Hong Liang	2,501,950	0.89
10	Hey Shiow Hoe	2,190,000	0.78
11	Gan Hong Liang	1,794,375	0.64
12	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Kumpulan Wang Persaraan (Diperbadankan) (Espring ABSR EQ)</i>	1,748,400	0.62
13	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Tan Gian Hock</i>	1,704,750	0.61
14	Citigroup Nominees (Tempatan) Sdn. Bhd. Lembaga Tabung Haji (Eastspring)	1,677,500	0.60
15	Lim Chin Siong	1,582,500	0.56
16	Ang Siew Peng	1,200,000	0.43
17	Tang Chin Hong	1,000,000	0.36
18	Tan See Khim	931,500	0.33
19	Soh Yong Beng	931,050	0.33
20	Siow Kin Leong	916,750	0.33
21	Lim Boon Kheng	811,050	0.29
22	Lim Khuan Eng	750,000	0.27
23	Lim Siau Mei	743,100	0.26
24	Tan Suan Chin	728,000	0.26
25	Tay Khiang Puang	725,400	0.26
26	Chong Kok Fah	651,500	0.23
27	Lim Kian	558,850	0.20
28	Lim Ying Ying	557,425	0.20
29	Federlite Holdings Sdn. Bhd.	533,100	0.19
30	Tan Soon Lan	475,175	0.17
<b>Total</b>		<b>231,495,574</b>	<b>82.27</b>

<sup>(1)</sup> Excluding a total of 52,500 ordinary shares bought-back by the Company and retained as treasury shares as at 2 April 2025.

# STATISTICS OF WARRANTS A HOLDINGS

## AS AT 2 APRIL 2025

Number of Warrants A Issued	: 37,530,591
Exercise price per warrant	: RM2.45
Expiry date	: 14 December 2026

### DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Warrants A Holders	%	No. of Warrants A	%
1 – 99	360	16.19	13,668	0.03
100 – 1,000	1,130	50.83	518,175	1.38
1,001 – 10,000	571	25.69	1,857,150	4.95
10,001 – 100,000	136	6.12	4,274,150	11.39
100,001 – 1,876,528*	22	0.99	5,445,450	14.51
1,876,529 and above **	4	0.18	25,421,998	67.74
<b>Total</b>	<b>2,223</b>	<b>100.00</b>	<b>37,530,591</b>	<b>100.00</b>

**Note:**

(\*) means less than 5% of issued Warrants A

(\*\*) means 5% and above of issued Warrants A

### CATEGORY OF WARRANTS A HOLDINGS

Category of Shareholders	No. of Warrants A		No. of Warrants A		% of Warrants A	
	Malaysian	Foreigner	Malaysian	Foreigner	Malaysian	Foreigner
Individual	1,709	16	18,684,801	142,221	49.79	0.38
Body Corporate						
a) Bank/Finance Companies	-	-	-	-	-	-
b) Investment Trusts/ Foundation/Charities	-	-	-	-	-	-
c) Industrial and Commercial Companies	20	-	16,347,010	-	43.56	-
Government Agencies/Institutions	-	-	-	-	-	-
Nominees	465	13	2,317,846	38,713	6.17	0.10
Others	-	-	-	-	-	-
<b>Total</b>	<b>2,194</b>	<b>29</b>	<b>37,349,657</b>	<b>180,934</b>	<b>99.52</b>	<b>0.48</b>

## STATISTICS OF WARRANTS A HOLDINGS (CONT'D) AS AT 2 APRIL 2025

### DIRECTORS' WARRANTS A HOLDINGS

The respective Directors' Warrants A holdings of BP Plastics Holding Bhd. based on the Register of Directors' Warrantholdings are as follows:

Name of Directors	Direct Interest		Indirect Interest	
	No. of Warrants A Held	%	No. of Warrants A Held	%
Lim Chun Yow	3,491,280	9.30	16,233,000 *	43.25
Tan See Khim	3,566,199	9.50	16,233,000 *	43.25
Hey Shiow Hoe	2,921,999	7.79	16,233,000 *	43.25
Lim Kim Hock	-	-	-	-
Tan Ming-Li	-	-	-	-
Tan Hock Hin	3,000	0.01	-	-
Chuah Sue Yin	-	-	-	-

**Note:**

<sup>(\*)</sup> 16,200,000 warrants were deemed interest by virtue of his interest in LG Capital Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016, and 33,000 warrants were deemed interest by virtue of his spouse's warrants pursuant to Section 59(11)(c) of the Companies Act 2016.

## STATISTICS OF WARRANTS A HOLDINGS (CONT'D)

### AS AT 2 APRIL 2025

#### THIRTY (30) LARGEST WARRANTS A HOLDERS

No.	Shareholders	No. of Shares	%
1	LG Capital Sdn. Bhd.	16,200,000	43.16
2	Tan See Khim	3,441,999	9.17
3	Lim Chun Yow	3,150,000	8.39
4	Hey Shiow Hoe	2,629,999	7.01
5	Wong Bung Kee	601,100	1.60
6	Lim Chiao Beng	544,410	1.45
7	Tay Khiang Puang	517,880	1.38
8	Ng Siew Bee	371,900	0.99
9	Lim Chun Yow	341,280	0.91
10	Mahalingam A/L Velupillai	334,400	0.89
11	Khong Swee Aun	330,000	0.88
12	Hey Shiow Hoe	292,000	0.78
13	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Choo Maw Kuan (E-Tmr/Akh)</i>	260,000	0.69
14	Lee Mei Ling	242,500	0.65
15	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Gian Hock (7015772)</i>	227,300	0.61
16	Lim Chin Siong	211,000	0.56
17	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Chuah Tong Yee (My1331)</i>	138,800	0.37
18	Tan See Khim	124,200	0.33
19	Soh Yong Beng	124,140	0.33
20	Ea Siow Hiong	118,500	0.32
21	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Yaw Mui Chin @ Florence (MI00076)</i>	117,600	0.31
22	Leow Ho Keng	113,500	0.30
23	Tay Peng Yih	109,600	0.29
24	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ng Boon Hwa (E-BPT)</i>	109,100	0.29
25	Lim Boon Kheng	108,140	0.29
26	Ng Sock Men	108,100	0.29
27	Leong How Luan	100,000	0.27
28	Lim Khuan Eng	100,000	0.27
29	Tan Kah Boon	100,000	0.27
30	Tan Kok Chuan	100,000	0.27
<b>Total</b>		<b>31,267,448</b>	<b>83.32</b>

## LIST OF GROUP PROPERTIES

Title/Location	Tenure/Date of Expiry of Lease	Land/ Built Up Area	Description/ (Existing Use)	Estimated Age of Buildings (Years)	Date of Issuance of Certificate of Fitness	Net Book Value (RM'000)	The date of last Revaluation/ (Acquisition)
1. No P.T.D. : 30911 No H.S.(D) : 32035 Daerah : Batu Pahat Mukim : Simpang Kanan Negeri : Johor  10, Jalan Wawasan 2, Kawasan Perindustrian Sri Gading, 83300 Batu Pahat, Johor.	Leasehold 60 years/ 20.09.2054	1.0 Acres/ 21,600 sq ft	A parcel of industrial land improved upon with a Single-Storey Detached Factory (Warehouse)	21	19.11.2003	1,368	31-Dec-09
2. No P.T.D. : 31030 No H.S.(D) : 32034 Daerah : Batu Pahat Mukim : Simpang Kanan Negeri : Johor  5A, Jalan Wawasan 2, Kawasan Perindustrian Sri Gading, 83300 Batu Pahat, Johor.	Leasehold 60 years/ 20.09.2054	1.0 Acres/ 26,120 sq ft	A parcel of industrial land improved upon with: – 1 unit Single-Storey Detached Factory (Factory) – 1 unit Double-Storey Office Building (Office)	30 28	08.06.1994 28.08.1996	1,726	31-Dec-09
3. No P.T.D. : 31039 No H.S.(D) : 32031 Daerah : Batu Pahat Mukim : Simpang Kanan Negeri : Johor  5, Jalan Wawasan 2, Kawasan Perindustrian Sri Gading, 83300 Batu Pahat, Johor.	Leasehold 60 years/ 20.09.2054	1.0 Acres/ 15,000 sq ft	A parcel of industrial land improved upon with a Single-Storey Detached Factory an-annex with Double-Storey Office and Single-Storey Detached Factory (Factory)	27	29.04.1997	1,639	31-Dec-09

## LIST OF GROUP PROPERTIES (CONT'D)

Title/Location	Tenure/Date of Expiry of Lease	Land/ Built Up Area	Description/ (Existing Use)	Estimated Age of Buildings (Years)	Date of Issuance of Certificate of Fitness	Net Book Value (RM'000)	The date of last Revaluation/ (Acquisition)
4. No P.T.D. : 31031 No H.S.(D) : 32033 Daerah : Batu Pahat Mukim : Simpang Kanan Negeri : Johor  5B, Jalan Wawasan 2, Kawasan Perindustrian Sri Gading, 83300 Batu Pahat, Johor.	Leasehold 60 years/ 20.09.2054	1.0 Acres/ 23,100 sq ft	A parcel of industrial land improved upon with a Single-Storey Detached Factory (Factory)	21	28.05.2003	1,687	31-Dec-09
5. No P.T.D. : 35099 No H.S.(D) : 38296 Daerah : Batu Pahat Mukim : Simpang Kanan Negeri : Johor  8, Jalan Wawasan 4, Kawasan Perindustrian Sri Gading, 83300 Batu Pahat, Johor.	Leasehold 60 years/ 05.10.2057	1.5 Acres/ 39,600 sq ft	A parcel of industrial land improved upon with a Single-Storey Detached Factory (Factory)	23	07.11.2001	3,420	31-Dec-09
6. No Hakmilik : GM 1359 Lot No.: 2408 Daerah : Batu Pahat Mukim : Linau Negeri : Johor	Freehold	3.2687 Acres	A parcel of Agricultural Land (Vacant)	NA	NA	410	31-Dec-09
7. No P.T.D. : 29032 No H.S.(D) : 28431 Daerah : Batu Pahat Mukim : Simpang Kanan Negeri : Johor  1, Jln Wawasan 3, Kawasan Perindustrian Sri Gading, 83300 Batu Pahat, Johor.	Leasehold 60 years/ 21.09.2052	10 Acres/ 231,830 sq ft	A parcel of industrial land improved upon with: – 1 unit Single-Storey Detached Factory (Factory) – 1 unit Single-Storey Detached Factory & Warehouse (Factory & Warehouse) – 1 unit Single-Storey Detached Factory & Warehouse (Warehouse)	19 12 7	07.04.2006 07.04.2006 02.09.2019	19,910	31-Dec-09

## LIST OF GROUP PROPERTIES (CONT'D)

Title/Location	Tenure/Date of Expiry of Lease	Land/ Built Up Area	Description/ (Existing Use)	Estimated Age of Buildings (Years)	Date of Issuance of Certificate of Fitness	Net Book Value (RM'000)	The date of last Revaluation/ (Acquisition)
8. No P.T.D.: 57435 No H.S.(D): 62579 Daerah : Batu Pahat Mukim : Simpang Kanan Negeri : Johor	Freehold	2 Acres/ 87,120 sq ft	A parcel of Building Land (Vacant)	NA	NA	680	(15-Sep-10)
9. Unit No.8-01, Mukim 842, Lot 15, Tempat Sungei Puteh Mukim : Kuala Lumpur	Freehold	1,370 sq ft	Office Suites (Office)	11	01.11.2014	1,113	(06-Oct-11)
10. Unit No.8-03, Mukim 842, Lot 15, Tempat Sungei Puteh Mukim : Kuala Lumpur	Freehold	1,155 sq ft	Office Suites (Rented Out)	11	01.11.2014	898	(06-Oct-11)
11. No Hakmilik : GM 3050 Lot No.: 238 Daerah: Batu Pahat Mukim: Simpang Kanan Negeri: Johor	Freehold	1.4374 Acres/ 62,614 sq ft	A parcel of Agricultural Land (Vacant)	NA	NA	737	(17-Sep-20)
12. No Hakmilik : PN 36047 Lot No.: 36918 Daerah : Batu Pahat Mukim : Simpang Kanan Negeri : Johor	Leasehold 60 years/ 04.02.2058	4.012 Acres/ 101,712 sq ft	A parcel of industrial land improved upon with: – 1 unit Double-Storey Office Building Annexed Single-Storey Factory (Factory) – 1 unit Single-Storey Detached Factory (Warehouse)	24 24	04.04.2000 04.04.2000	16,650	(20-Jan-23)

# NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the TWENTY-FIRST ANNUAL GENERAL MEETING of BP Plastics Holding Bhd. ("**Company**") will be held at Diamond Room, Level 2, The Katerina Hotel, 8 Jalan Zabedah, 83000 Batu Pahat, Johor Darul Takzim on Thursday, 29 May 2025 at 10:00 a.m. for the following purposes:-

## AGENDA

- |   |   |
|---|---|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and the Auditors thereon.                                       | <b>Please refer to<br/>Explanatory Note A</b> |
| 2. To re-elect the following Directors who retire by rotation pursuant to Clause 122 of the Company's Constitution and being eligible, offered themselves for re-election:                              |   |
| (i) Mr. Hey Shiew Hoe   | <b>Ordinary Resolution 1</b>                  |
| (ii) Mr. Tan Hock Hin   | <b>Ordinary Resolution 2</b>                  |
| 3. To approve the payment of Directors' fees of RM325,000 to the Non-Executive Directors of the Company for the financial year ending 31 December 2025.   | <b>Ordinary Resolution 3</b>                  |
| 4. To approve the payment of Directors' benefits up to an amount of RM30,000 in aggregate to the Non-Executive Directors from 30 May 2025 until the next Annual General Meeting of the Company in 2026. | <b>Ordinary Resolution 4</b>                  |
| 5. To re-appoint Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.   | <b>Ordinary Resolution 5</b>                  |

## As Special Business

To consider and if thought fit, to pass the following Ordinary Resolutions, with or without any modifications:-

- |  |                              |
|--|------------------------------|
| 6. <b>ORDINARY RESOLUTION<br/>AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016</b> | <b>Ordinary Resolution 6</b> |
|--|------------------------------|

"**THAT** subject always to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Companies Act 2016, to issue and allot shares in the capital of the Company from time to time at such price and to such persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being;

**AND THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company;

## NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING (CONT'D)

6. **AND THAT** the Directors of the Company, whether solely or jointly, be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Main Market of Bursa Malaysia Securities Berhad; **AND** be hereby authorised to do all such acts and things including executing all relevant documents as he/they may consider expedient or necessary to complete and give full effect to the abovesaid mandate."

### 7. ORDINARY RESOLUTION

#### RETENTION OF MR. TAN HOCK HIN AS INDEPENDENT NON-EXECUTIVE DIRECTOR Ordinary Resolution 7

"**THAT** subject to the passing of Ordinary Resolution 2, Mr. Tan Hock Hin who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance."

8. To transact any other business for which due notice has been given.

### BY ORDER OF THE BOARD

**CHUA SIEW CHUAN** (MAICSA 0777689) (SSM PC NO. 201908002648)

**TAN LEY THENG** (MAICSA 7030358) (SSM PC NO. 201908001685)

Company Secretaries

Kuala Lumpur

30 April 2025

### Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 23 May 2025 ("General Meeting Record of Depositors") shall be eligible to participate, speak and vote at the Meeting.
2. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
3. A member of the Company who is entitled to attend and vote at the Meeting is entitled to appoint more than one (1) proxy to attend and vote in his stead. Where a member appoints more than one (1) proxy to attend and vote at the same Meeting, such appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, shall either be executed under its common seal or under the hand of an authorised officer or its attorney duly authorised in writing. Any alteration to the instrument appointing a proxy must be initialled.
7. The instrument appointing a proxy shall be deposited at the Company's Registered Office at 5A, Jalan Wawasan 2, Kawasan Perindustrian Sri Gading, 83300 Batu Pahat, Johor Darul Takzim not less than forty-eight (48) hours before the time appointed of holding the above Meeting or at any adjournment thereof.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the ordinary resolutions set out in the Notice of Meeting will be put to vote by way of poll.

## NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING (CONT'D)

### EXPLANATORY NOTE A

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this agenda is not put forward to the shareholders for voting.

### EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS

#### 1. Re-election of Directors

Mr. Hey Shiew Hoe and Mr. Tan Hock Hin, who retire by rotation in accordance with Clause 122 of the Company's Constitution, are eligible for re-election and hence, they have offered themselves for re-election at the Twenty-First Annual General Meeting ("21st AGM").

For the purpose of determining the eligibility of the Directors to stand for re-election at this 21st AGM, and in line with Practice 5.1 of the Malaysian Code on Corporate Governance ("MCCG"), the Nominating and Remuneration Committee ("NRC") had reviewed and assessed each of the retiring Directors from the annual assessment and evaluation of the Board, Board Committees, Independent Directors and individual Directors for the financial year ended 31 December 2024.

Each of the Directors standing for re-election had undergone a performance evaluation and had provided his declaration on his fitness and propriety to continue acting as Directors of the Company in accordance with the Directors' Fit and Proper Policy of the Company.

The NRC had recommended that, the re-election of the retiring Directors to be based on the following:-

- (i) satisfactory performance and have met Board's expectation in discharging their duties and responsibilities;
- (ii) met the fit and proper criteria in discharging their roles as directors of the Company;
- (iii) level of independence demonstrated by the independent director; and
- (iv) their ability to act in the best interest of the Company in decision-making.

The Board endorsed the NRC's recommendation on the re-election of the retiring Directors. The retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant NRC and Board meetings, where applicable.

#### 2. Payment of Directors' Fees and Benefits

Section 230(1) of the Companies Act 2016 ("Act") provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The Board recommends that shareholders' approval shall be sought for the fees and benefits payable to the Directors at the 21st AGM of the Company in Ordinary Resolutions 3 and 4.

##### 2.1 Payment of Directors' fees for the financial year ending 31 December 2025

Ordinary Resolution 3 is to facilitate payment of Directors' fees on current financial year basis. In the event the Directors' fees proposed is insufficient due to enlarged Board size, approval will be sought at the next AGM for additional fees to meet the shortfall.

##### 2.2 Payment of Directors' benefits to the Non-Executive Directors

The proposed Ordinary Resolution 4, if passed, will authorise the payment of benefits to the Non-Executive Directors up to an amount of RM30,000 from 30 May 2025 until the next AGM of the Company in year 2026 ("Period"). The Directors' benefits payable for the Period comprises the meeting attendance allowance payable to the Non-Executive Directors for attendance of Board and/or Board Committee meetings, whenever meetings are called during the Period.

#### 3. Re-appointment of Auditors

The Audit Committee ("AC") had assessed the suitability and independence of the External Auditors from the annual assessment and was satisfied with their independence and performance. The AC had recommended the re-appointment of Crowe Malaysia PLT as External Auditors to the Board for their recommendation to the shareholders for re-appointment at the 21st AGM until the conclusion of the next AGM.

The Board at the recommendation of the AC, endorsed the re-appointment of Crowe Malaysia PLT as External Auditors of the Company for the financial year ending 31 December 2025, to be presented to the shareholders for approval.

#### 4. Authority to issue shares pursuant to the Companies Act 2016

The Company wishes to renew the mandate on the authority to issue and allot shares pursuant to the Companies Act 2016 at the 21st AGM of the Company (hereinafter referred to as the "General Mandate").

The Company had been granted a general mandate by its shareholders at the Twentieth Annual General Meeting of the Company ("Previous Mandate"). As at the date of this Notice, no new shares were issued pursuant to the Previous Mandate and hence, no proceeds were raised therefrom.

The General Mandate, if approved, will empower the Directors of the Company pursuant to the Act, from the date of the 21st AGM of the Company, to issue and allot shares in the Company at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being. The general mandate, unless revoked or varied at general meeting, will expire at the next AGM of the Company.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares for the purpose of funding future investment(s), project(s), working capital and/or acquisition(s).

## NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING (CONT'D)

### EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS (CONT'D)

#### 5. Retention of Independent Non-Executive Director

##### 5.1 Ordinary Resolution 7 – Retention of Mr. Tan Hock Hin as Independent Non-Executive Director

Mr. Tan Hock Hin (“**Mr. Tan**”) was appointed as an Independent Non-Executive Director of the Company on 30 September 2014. Therefore, Mr. Tan has served the Board in that capacity for a cumulative term of more than nine (9) years.

In accordance with the MCCG, prior approval should be obtained from the shareholders at the 21st AGM, to enable Mr. Tan to continue in office as Independent Non-Executive Director.

The Board, through the NRC, recommends that approval of the shareholders be sought through a two-tier voting process as described in the Guidance to Practice 5.3 of the MCCG to retain Mr. Tan as Independent Non-Executive Director, based on the following justifications:

- He has fulfilled the criteria under the definition of Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- He is able to exercise independent judgement and act in the best interests of the Company;
- He has vast experience in a diverse range of businesses and is able to provide constructive opinions and exercise independent judgement in the best interests of the Company, and actively express his views and participate in Board deliberations and decision making in an objective manner; and
- There are significant advantages to be gained from a long-serving Independent Director who has many years of experience with incumbent knowledge of the Company and the Group's activities and corporate history, he is able to provide invaluable contributions with independence in his role as Independent Non-Executive Director.

##### 5.2 Retention of Ms. Tan Ming-Li as Independent Non-Executive Director

Ms. Tan Ming-Li (“**Ms. Tan**”) was appointed as an Independent Non-Executive Director of the Company on 29 May 2013. Therefore, Ms. Tan would have served the Board in that capacity for a cumulative of more than twelve (12) years on 29 May 2025.

At the Twentieth AGM (“20th AGM”) of the Company held on 25 May 2024, Ms. Tan was retained to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the forthcoming 21st AGM.

Ms. Tan has indicated her intention to retire as an Independent Non-Executive Director of the Company at the conclusion of 21st AGM in accordance with the MCCG and the amended Main Market Listing Requirements of Bursa Malaysia Securities Berhad, where all long serving independent directors must resign or be redesignated as non-independent directors which took effect from 1 June 2023.

Hence, Ms. Tan shall hold office as an Independent Non-Executive Director until the conclusion of the 21st AGM.

# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

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**(a) Details of individuals who are standing for election as Directors**

There is no individual standing for election as a Director at the 21st AGM of the Company.

**(b) Statement relating to General Mandate for Issue of Securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

Details on the authority to issue and allot shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note (4) of the Notice of the 21st AGM.



南源塑膠控股有限公司  
**BP PLASTICS HOLDING BHD.**  
[Registration No. 200401006398 (644902-V)]

# PROXY FORM

Number of Shares Held

CDS Account No.

\*I/We, (Name in full and block letters) \_\_\_\_\_

NRIC/Passport/Registration No. \_\_\_\_\_ Contact No. \_\_\_\_\_

of (Full address) \_\_\_\_\_

being a \*member/members of **BP PLASTICS HOLDING BHD.** ("**the Company**"), hereby appoint:

Full Name and Address (in Block Letters) (First Proxy)		NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%
Email:	Contact No:			

*\* and / or \* delete if inapplicable*

Full Name and Address (in Block Letters) (Second Proxy)		NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%
Email:	Contact No:			

or failing \*him / her, the \*CHAIRMAN OF THE MEETING as \*my / our proxy to participate, speak and vote for \*me/us and on \*my/our behalf at the Twenty-First Annual General Meeting of the Company to be held at Diamond Room, Level 2, The Katerina Hotel, 8 Jalan Zabadah, 83000 Batu Pahat, Johor Darul Takzim on Thursday, 29 May 2025 at 10:00 a.m. and at any adjournment thereof.

My / our proxy is to vote as indicated below:

ORDINARY RESOLUTIONS		FOR	AGAINST
1.	To re-elect Mr. Hey Shioh Hoe who retires by rotation pursuant to Clause 122 of the Company's Constitution.		
2.	To re-elect Mr. Tan Hock Hin who retires by rotation pursuant to Clause 122 of the Company's Constitution.		
3.	To approve the payment of Directors' fees of RM325,000 to the Non-Executive Directors of the Company for the financial year ending 31 December 2025.		
4.	To approve the payment of Directors' benefits up to an amount of RM30,000 in aggregate to the Non-Executive Directors from 30 May 2025 until the next Annual General Meeting of the Company in 2026.		
5.	To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
6.	Authority to issue and allot shares pursuant to the Companies Act 2016.		
7.	Retention of Mr. Tan Hock Hin as an Independent Non-Executive Director.		

Please indicate with an "X" in the appropriate spaces how you wish your proxy to vote. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit or, at his/her discretion.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

*\* Strike out whichever not applicable*

\_\_\_\_\_  
\* Signature of Member / Common Seal

AFFIX  
STAMP

**BP PLASTICS HOLDING BHD.**

[Registration No. 200401006398 (644902-V)]

c/o SS E Solutions Sdn. Bhd.

Level 7, Menara Milenium

Jalan Damanlela

Pusat Bandar Damansara, Damansara Heights

50490 Kuala Lumpur, Wilayah Persekutuan

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**Notes:**

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 23 May 2025 ("General Meeting Record of Depositors") shall be eligible to participate, speak and vote at the Meeting.
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4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
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7. The instrument appointing a proxy shall be deposited at the Company's Registered Office at 5A, Jalan Wawasan 2, Kawasan Perindustrian Sri Gading, 83300 Batu Pahat, Johor Darul Takzim not less than forty-eight (48) hours before the time appointed of holding the above Meeting or at any adjournment thereof.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the ordinary resolutions set out in the Notice of Meeting will be put to vote by way of poll.

*Please glue and seal along this edge*



# **BP PLASTICS HOLDING BHD.**

[Registration No. 200401006398(644902-V)]

5A, Jalan Wawasan 2, Kawasan Perindustrian Sri Gading, 83300  
Batu Pahat, Johor Darul Ta'zim, Malaysia.

☎ Tel: 607 455 7633

✉ Fax: 607 455 7699

🌐 [www.bpplas.com](http://www.bpplas.com)