

BP Plastics: Bigger plant capacity will fuel profit

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BP PLASTICS Holding Bhd, a maker of industrial plastic packaging, expects a higher profit in the current financial year, helped by an expansion in capacity.

"We expect a better year in 2008 than last year. I can't say if we can match 2006's performance," chairman and managing director Lim Chun Yow told newsmen yesterday after the company's shareholders meeting in Kuala Lumpur.

BP Plastics, recorded a net profit of RM19 million at the group level in the financial year ended December 31 2006, but its net profit slumped by some 38 per cent in the following year to RM11.84 million.



LIM: Expects to pass on higher cost to customers

Lim attributed the 2007 performance to rising cost, expenses spent to penetrate fresh markets, as well as a RM8 million expenditure for machineries and equipment.

In the first quarter of the current financial year, BP Plastics recorded a 198 per cent expansion in net profit to RM4.2 million, while revenue climbed 66 per cent to RM67.4 million.

Lim also noted, BP Plastics isn't too concerned with the present steep price of crude oil, a feedstock to make plastics, as the company can pass on the higher cost to customers.

BP Plastics has also stocked up inventory that can cushion some of the impact of surging prices, he said.