

## **BP Plastics Holding to Offer Consistent Dividends Up to 40%**

*Annual General Meeting for Financial Year 2008*

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**Batu Pahat, Johor, 26 May 2009** – BP Plastics Holding Bhd (BPPLAS) is planning to reward shareholders with consistent dividends amounting from 20% to 40% of its net profits following successive years of respectable earnings.

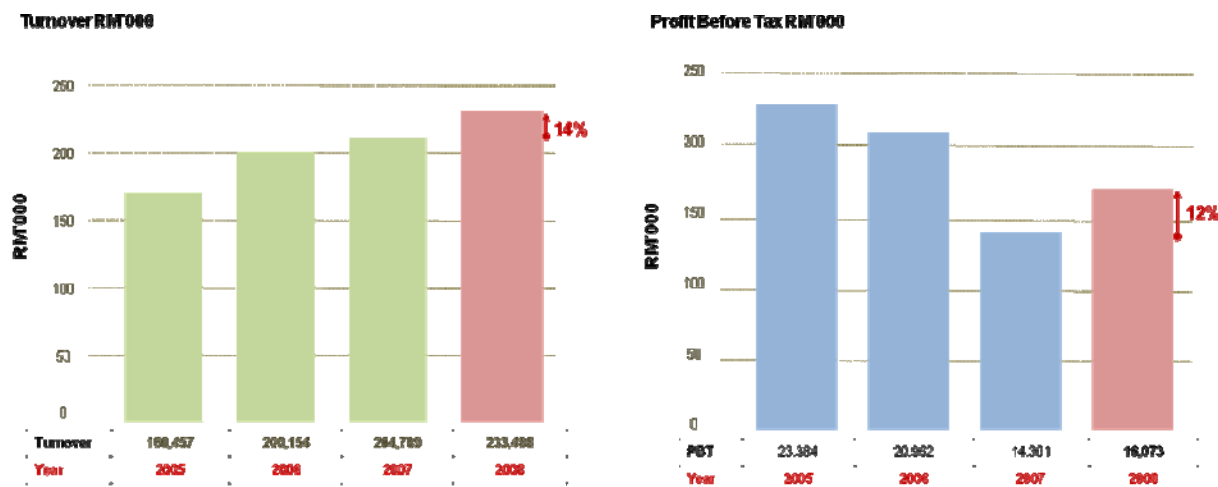
While BPPLAS does not have a formal dividend policy now, the company has consistently been rewarding its shareholders approximately within 30% to 40% of profit after tax since the company listed on Bursa Malaysia in 2005 depending on cash flow requirement, results of our operations, business prospects going forward, capital expenditure and other investment plans.

At the company's Fifth Annual General Meeting today, BPPLAS' shareholders have approved the first and final tax exempt dividend of 4% or 2 sen per share, which represent approximately 31% of its 2008 profit after tax.

Mr. Lim Chun Yow, Chairman and Managing Director of BPPLAS said the company was very pleased to achieve a double digit growth in both revenue and pre-tax profit in financial year ended Dec 31, 2008 given the extremely tough and challenging economic and business environment, which he witnessed the peak and very low commodity prices happening on 2<sup>nd</sup> half of 2008, which dampen the global demand consumption, affecting Asian exports and send many Organization for Economic Co-operation and Development (OECD) and newly industrialized countries into recession.

BPPLAS revenue grew to RM233.49 million in FY08 from RM204.8 million in the previous year while its pre-tax profit increased to RM16.07 million from RM14.03 million.

"The turnover for the year under review has increased by 14% and profit before tax improved by 14.5%. This effectively means our financial performance has improved compared with FY07 after taking into account the factors affecting the industry," Mr Lim said.



“Despite uncertainties in the global markets, we are pleased to say that we are one of the leaders in the plastic manufacturing industry today,” he added.

Although the market is very competitive, Mr Lim said BPPLAS was able to improve its performance by employing state of the art latest technology equipment and use the wide selection of available raw materials to make consistent cost effective high quality products while maintaining higher profit margin for the company.

In the first quarter ended March 31, 2009, BPPLAS achieved a pre-tax profit of RM4 million on the back of RM34.5 million revenue compared with a pre-tax profit of RM5.3 million and revenue of RM67.4 million in the previous corresponding period.

“Although BPPLAS recorded a lower profit before tax in 1Q09, we are able to achieve a significantly higher profit margin due to lower cost of raw materials and improved operating rate compared to 4<sup>th</sup> quarter 2008” Mr Lim said.

Lim further explained that the recession economies in OECD countries did affect our business on 1<sup>st</sup> quarter of 2008 due to destocking activity but we are upbeat about the medium and long term prospect for PE film business in Asia due to the lower total production and transportation costs as compared to OECD countries. Further, the imminent implementation of Asean free trade agreement by 2010 and the recent signing of Australia New Zealand Asian Free Trade Agreement should provide additional free trade business opportunity.

He also revealed that BPPLAS is expected to make continue significant progress towards achieving their strategic objectives through new market expansion into Asean countries through stronger marketing efforts this year.

In closing, Mr Lim also stressed that the company will continue to develop its workforce through comprehensive training on every aspect of the company, which will increase both their level of productivity and confidence. “We are gearing up for long term gain by focus on people development”, he added.

For further information, please log on to [www.bursamalaysia.com](http://www.bursamalaysia.com).

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#### **ABOUT BP Plastics Holding Bhd**

Established in 1990, BP Plastics Holding Bhd (BPPLAS) is today one of the leading producers of polyethylene film, specialising on stretch film and meticulous made-to-order lamination film, shrink film and general purpose plastic bags, which cater for industrial, commercial, logistic and warehousing usage.

BPPLAS was listed on the Main Board of Bursa Malaysia Securities Berhad on Feb 23, 2005 and currently operates more than 80 units of manufacturing machineries with a combined workforce of approximately 350 staff.

The company has two production plants are located in Sri Gading Industrial Estate, Batu Pahat, Johor, Malaysia, which has a combined annual capacity of 60,000 metric tonnes.

The company has evolved from a cottage plastic bag manufacturer back in 1990 to be a high-tech polyethylene film manufacturer by investing in the latest technology from Europe and the United States.

For more information, please visit <http://www.bpplas.com>.

#### **IMPORTANT NOTICE**

The past performance of BPPLAS is not indicative of the future performance of BPPLAS. This document may contain forward-looking statements that involve risk and uncertainties.

Actual future results may vary materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the company’s current view of future events.

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