






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

ANNUAL REPORT

2025

INNOVATING PACKAGING 
PROTECTING TOMORROW 
EMPOWERING PEOPLE 

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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 printed wicket bags, form-fill-seal (“FFS”) food packaging films, lamination base film, collation shrink films, stretch hoods, shrink hoods, air cargo sheets, construction/builder films, etc.

CORPORATE DATA

BOARD OF DIRECTORS

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

Managing Director
Lim Chun Yow

Executive Directors
Tan See Khim
Hey Shiew Hoe

*Senior Independent
Non-Executive Director*
Tan Hock Hin

*Independent
Non-Executive Directors*
Chuah Sue Yin
Goh Joo Seong
(Appointed on 29 May 2025)

● AUDIT COMMITTEE

Chairperson
Chuah Sue Yin

Members
Tan Hock Hin
Goh Joo Seong

● NOMINATING AND
REMUNERATION COMMITTEE

Chairperson
Chuah Sue Yin

Members
Tan Hock Hin
Goh Joo Seong

● RISK MANAGEMENT
COMMITTEE

Chairman
Tan Hock Hin

Members
Chuah Sue Yin
Goh Joo Seong

● 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)

● 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

● AUDITORS

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA)
& AF 1018
8, Jalan Pesta 1/1
Taman Tun Dr. Ismail 1
Jalan Bakri, 84000 Muar
Johor Darul Takzim
Tel: 06-952 4328
Fax: 06-952 7328

● SHARE REGISTRAR

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

● 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

● 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)

● WEBSITE

www.bpplas.com

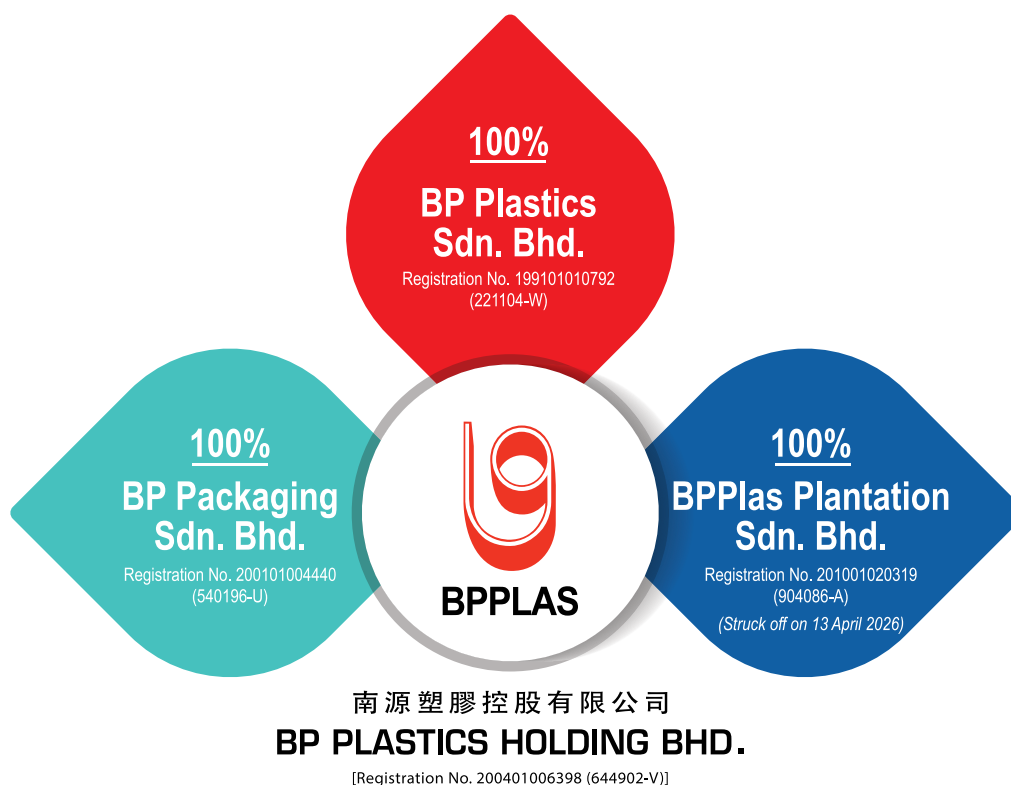
● SALES & MARKETING OFFICE (KL)

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

● 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

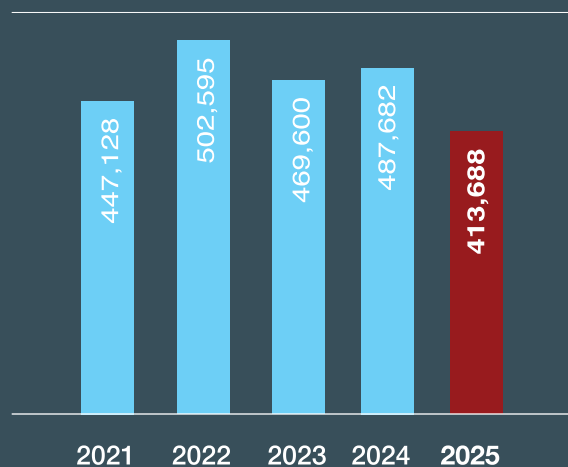
Struck off from the Register of Companies on 13 April 2026 pursuant to Section 551(3) of the Companies Act 2016

FINANCIAL HIGHLIGHTS

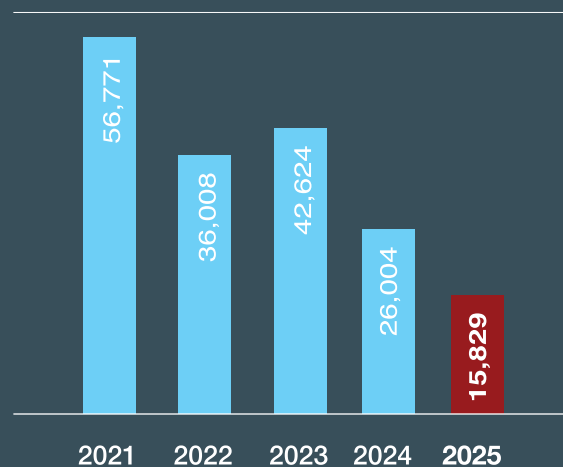
	2021	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	447,128	502,595	469,600	487,682	413,688
Earnings before interest, taxes, depreciation, and amortization	67,216	47,577	56,343	41,535	30,141
Profit before tax	56,771	36,008	42,624	26,004	15,829
Profit after tax	46,466	30,538	35,234	21,596	11,517
Shareholders' funds	231,613	245,262	263,607	268,314	272,794
Return on equity	21.25%	12.81%	13.85%	8.12%	4.26%
Non current assets	95,322	126,073	138,108	145,334	142,779
Return on assets	48.75%	24.22%	25.51%	14.86%	8.07%
Earnings per share *	16.51	10.85	12.52	7.67	4.09
Net dividend declared (sen) *	8.00	5.50	6.00	6.00	2.50
Net tangible assets per share (RM) *	0.82	0.87	0.94	0.95	0.97

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

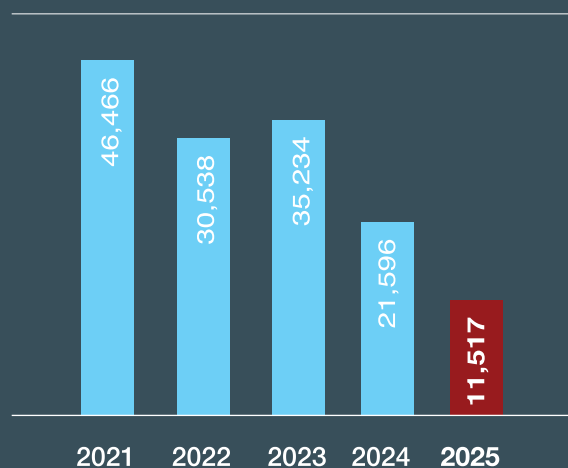
REVENUE
(RM'000)



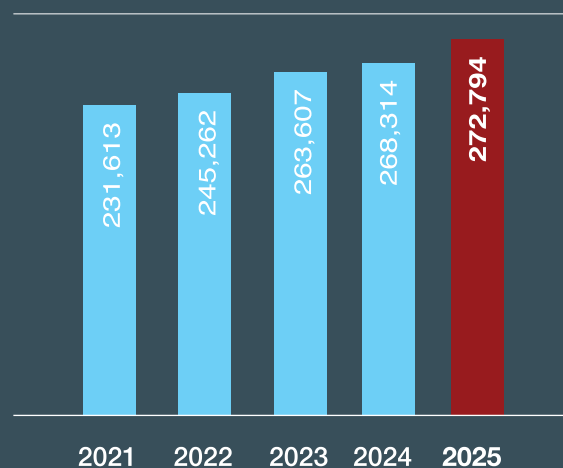
PROFIT BEFORE TAX
(RM'000)



PROFIT AFTER TAX
(RM'000)



SHAREHOLDERS' FUND
(RM'000)



BOARD OF DIRECTORS

**LIM KIM HOCK**

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

Malaysian

Male

Aged 60

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 63

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)



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



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 HOCK HIN****Senior Independent
Non-Executive Director**

Malaysian

Male

Aged 61

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.

He was appointed as the Independent Non-Executive Director of the Company on 30 September 2014. Subsequently on 29 May 2025, he was re-designated as Senior Independent Non-Executive Director of the Company.

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

**CHUAH SUE YIN****Independent
Non-Executive Director**

Malaysian

Female

Aged 55

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 31 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 a Chairman and Non-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, and Nominating and Remuneration Committee of the Company. She is also a member of the Risk Management Committee of the Company.

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

BOARD OF DIRECTORS (CONT'D)

**GOH JOO SEONG**

Independent Non-Executive Director
(Appointed on 29 May 2025)

Malaysian

Female

Aged 50

Qualification: Graduated from the International Islamic University Malaysia with a Bachelor of Laws degree.

Working Experience and Occupation: Ms. Goh is the Head of the Intellectual Property & Technology Department and a Litigation Partner in the legal firm, Cheang & Ariff and has been in active legal practice since 2001. She was made a Partner of Cheang & Ariff since 2005. She is also a registered trademark, patent and industrial design agent in Malaysia.

For more than 25 years, Ms. Goh has been involved in a number of high-profile cases involving various areas of law including intellectual property law (IP), company law, commercial disputes, tax disputes, land disputes, banking, etc.

Ms. Goh is currently appointed as the Chairperson of the Malaysian Bar Intellectual Property Committee and sits as a Council member and a board member of the Asian Patent Attorneys' Association Malaysia. She has been consistently named as a leading lawyer in Malaysia by numerous independent publications and had won several other awards.

Other Directorship in Public Companies: Ms. Goh is currently an Independent Non-Executive Director of Oriental Interest Berhad, and A1 A.K. Koh Group Berhad.

Details of Any Board Committee to which She Belongs: She is the member of the Audit Committee, Nominating and Remuneration Committee, and Risk Management Committee of the Company.

Number of Board Meetings Attended During Her Tenure: 3/3

KEY SENIOR **MANAGEMENT****TEY YENG YENG**

Head of Finance

Malaysian

Female

Aged 33

Qualification: Member of the Malaysian Institute of Accountants, Fellow Member of the Association of Chartered Certified Accountants

Working Experience: She commenced her career in 2015 after completing the ACCA qualification, joining Messrs. Baker Tilly Malaysia as an audit professional. In 2019, she moved to Messrs. Ernst & Young PLT, where she advanced to the position of Audit Manager in 2021. In 2022, she made a career shift from the audit profession to the corporate sector, taking on the role of Finance Manager at a public listed company.

She joined BP Plastics Sdn. Bhd. as Finance Manager on 23 September 2024 and was subsequently redesignated as Head of Finance on 30 April 2025. With effect from the same date, she was also appointed as the Principal Officer of the Group and is primarily responsible for the management of the financial affairs of the Group.

Other Directorship in Public Companies: None

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

Notes:

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

1. any conflict of interest or potential conflict of interest, including interest in any competing business with BP Plastics Holding Bhd. and/or its subsidiaries;
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 an integral part of how we operate and create long-term value. As a manufacturer of flexible plastics packaging, we recognize the growing environmental, social and regulatory expectations associated with our industry, and the importance of managing these responsibly.

Our sustainability approach is integrated into the Group’s business operations and strategic planning, taking into consideration the needs of our stakeholders, industry developments and emerging sustainability-related risks and opportunities. Through this approach, we seek to strengthen business resilience, support sustainable growth and deliver long-term value to our stakeholders.

Scope and Boundaries

This Sustainability Statement (the “Statement”) outlines BPPLAS’ sustainability commitments, initiatives and progress for the reporting period and is prepared for the benefit of our stakeholders and other interested parties. The disclosures in this Statement cover the principal business activities and operations of BPPLAS and its subsidiaries where the Group has operational and management control.

This Statement includes information and data for the period from 1 January 2025 to 31 December 2025. The disclosures are based on data collected internally within the organization, unless indicated otherwise. Certain sustainability data may be subject to estimation due to the maturity of data collection systems.

Reporting Basis

This Statement is prepared in accordance with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and with reference to the Bursa Malaysia Sustainability Reporting Guide.

The Group is committed to progressively enhancing its sustainability disclosures in line with Bursa Malaysia’s enhanced reporting requirements and prescribed timelines. Ongoing efforts are focused on strengthening internal processes, data collection systems and governance practices to support more robust and meaningful sustainability reporting.

Review and Assurance

The Group has applied sound governance and internal reporting practices to support the accuracy and reliability of the information disclosed. This statement has been reviewed by the Management and approved by the Board of Directors (“BOD”).

No independent external assurance was undertaken for this reporting period. The Group will continue to enhance its reporting and review processes and will consider obtaining external assurance in future reporting cycles, where appropriate.

Feedback

We value stakeholder engagement and welcome feedback to help improve our sustainability practices and disclosures. For any questions, comments or suggestions, please contact us at ir@bpplas.com.

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY FRAMEWORK

BPPLAS' Sustainability Framework (the "Framework") provides a structured approach to integrating sustainability considerations into our business strategy and operations and decision-making processes. The Framework is guided by our vision to be the plastics packaging specialist of choice in the Asian region and supports our mission to deliver reliable and high-quality packaging solutions.

The Framework is underpinned by the following sustainability objectives:

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

To support long-term business resilience and growth, the Group adopts an integrated approach based on three key sustainability pillars, namely, Economic, Environmental and Social ("EES"). These pillars guide the identification, prioritization and management of sustainability-related risks and opportunities.

Through the application of the Framework, the Group identified 12 material sustainability matters that are most relevant to our business and stakeholders. These material matters form the basis of our sustainability priorities, initiatives and performance monitoring.

We support the United Nations Sustainable Development Goals ("SDGs"). Each material sustainability matter is aligned with the relevant SDG(s), reflecting our contribution towards broader global sustainability priorities.

Our Sustainability Framework is reviewed at least annually, supported by ongoing stakeholder engagement and materiality assessment to ensure its continued relevance and effectiveness in meeting evolving business, regulatory and stakeholder expectations.



As part of the Framework, further details on the accountability, materiality assessment, management approach and disclosures related to our sustainability initiatives are covered in the following sections of this Statement.



SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY GOVERNANCE

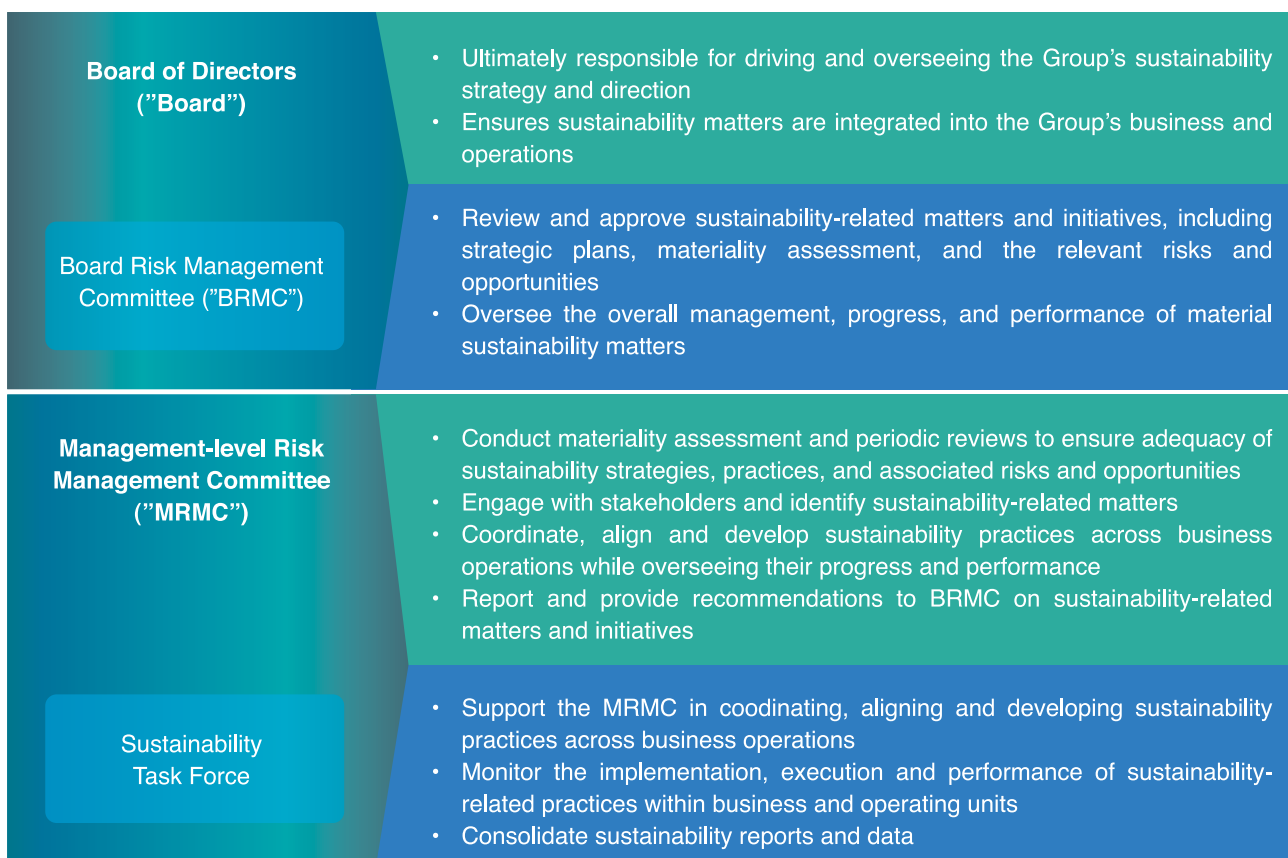
The Board of BPPLAS recognizes the growing importance of effectively managing Environmental, Social and Governance (“ESG”) related risks and opportunities, as emphasized by our key stakeholders, including investors, shareholders and regulators.

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

The BRMC is supported by the Management-level Risk Management Committee (“MRMC”), which is led by the Managing Director and comprises the Executive Directors, Risk Governance Lead, and respective Heads of Department. The MRMC is responsible for guiding, coordinating, reviewing and monitoring sustainability practices and risk management across the Group’s operations, as well as engaging stakeholders and identifying sustainability-related risks and opportunities.

To strengthen this structure, a Sustainability Task Force operates under the MRMC, which focuses on implementing sustainability initiatives, monitoring performance and consolidating sustainability-related data and reports across business units.

The MRMC conducts regular risk and sustainability assessments, with key findings, progress updates and recommendations reported to the BRMC at least twice a year. These reports cover material sustainability matters, key business risks, related action plans, outcomes and recommendations, enabling effective oversight and informed decision-making by the Board.



SUSTAINABILITY STATEMENT (CONT'D)





STAKEHOLDER ENGAGEMENT

Stakeholders play an important role in driving the growth and long-term sustainability of our business. In a dynamic business environment, we engage regularly with our stakeholders through various channels to foster open communication, understand their expectations and address relevant concerns.

Through these engagements, we keep our stakeholders informed of our sustainability journey, gather feedback, gain insights and perceptions on various topics, including sustainability-related risks, opportunities and priorities. The feedback and insights obtained are considered in our decision-making process and contribute to the development and enhancement of our sustainability strategies.

The key stakeholder groups for BPPLAS include Employees, Customers, Suppliers, Shareholders / Investors & Analysts, Regulators & Government Agencies, as well as Local Communities. The relative influence and dependence of each stakeholder group on the Group have been assessed and are used as part of the materiality assessment process.



The table below summarizes the Group's key stakeholder groups, engagement methods, and their main areas of concern.

Stakeholder Group	Engagement Methods	Main Areas of Concern
Employees 	Annually <ul style="list-style-type: none"> • Performance appraisals Ongoing <ul style="list-style-type: none"> • Team building, employee engagement activities • Training & workshops • Meetings & discussions • Internal communications 	<ul style="list-style-type: none"> • Company strategic plans & growth • Employee welfare & benefits • Workplace health & safety • Human rights, diversity & inclusion • Career development opportunities
Customers 	Annually <ul style="list-style-type: none"> • Customers satisfaction survey Ongoing <ul style="list-style-type: none"> • Customer service & support channels • Meetings & visits • Feedback & complaints • Questionnaires & surveys 	<ul style="list-style-type: none"> • Product quality & pricing • Delivery & service / customer experience • Product innovation & sustainability • Sustainable operations
Suppliers 	Ongoing <ul style="list-style-type: none"> • Participation in events organized by suppliers • Meetings & visits • Questionnaires, evaluations & surveys • Electronic communications 	<ul style="list-style-type: none"> • Contractual obligations and payments • Procurement practices • Sustainable operations • Collaborations
Shareholders / Investors & Analysts 	Annually <ul style="list-style-type: none"> • Annual General Meeting • Annual reports Quarterly <ul style="list-style-type: none"> • Quarterly financial results • Investor/Analyst briefings Ongoing <ul style="list-style-type: none"> • Corporate website • Press release / announcements • Investor relation engagements • Electronic communications 	<ul style="list-style-type: none"> • Overall performance • Business prospects & strategic plans • Returns (e.g. dividend) & value creation • Corporate governance • Sustainable operations

SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT (CONT'D)

The table below summarizes the Group’s key stakeholder groups, engagement methods, and their main areas of concern. (Cont’d)

Stakeholder Group	Engagement Methods	Main Areas of Concern
<p>Regulators & Government Agencies</p> 	<p>Annually / Quarterly</p> <ul style="list-style-type: none"> • Regular reporting & disclosures of information to relevant authorities <p>Ongoing</p> <ul style="list-style-type: none"> • Participation in events organized by related agencies • Meetings & visits 	<ul style="list-style-type: none"> • Regulatory compliance, including tax payments & other tariffs/fees, environmental and social compliance • Corporate governance • Responsible business conduct & practices
<p>Local communities</p> 	<p>Ongoing</p> <ul style="list-style-type: none"> • Community engagement programmes • Sponsorships and donations • Corporate website 	<ul style="list-style-type: none"> • Social welfare and contributions • Environmental and social impact

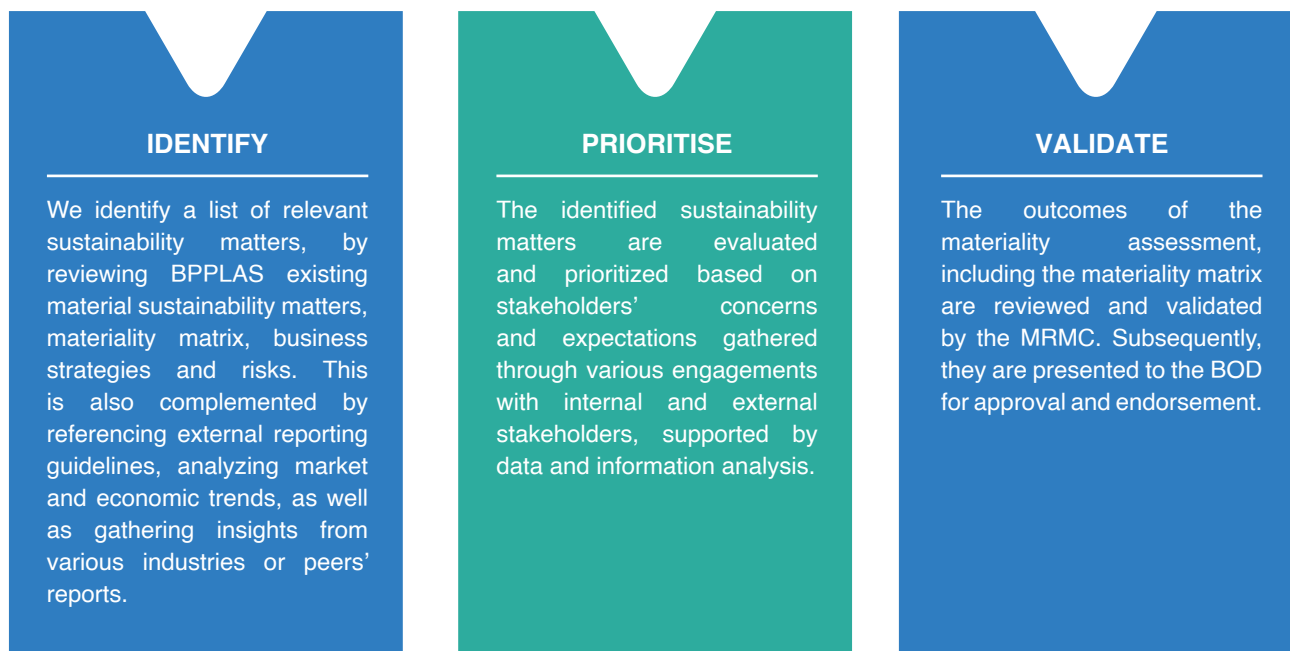
We will continue to enhance our stakeholder engagement practices to better understand stakeholder expectations, support informed decision-making and maintain transparency and accountability in our sustainability efforts.

MATERIAL SUSTAINABILITY MATTERS

Our material sustainability matters are the Economic, Environmental, and Social (“EES”) sustainability issues that are significant to our business and of importance to our stakeholders. These matters shape our strategic priorities and decision-making and guide our efforts to manage sustainability-related risks and opportunities while delivering long-term enhanced value to our stakeholders.

Materiality Assessment

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



SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

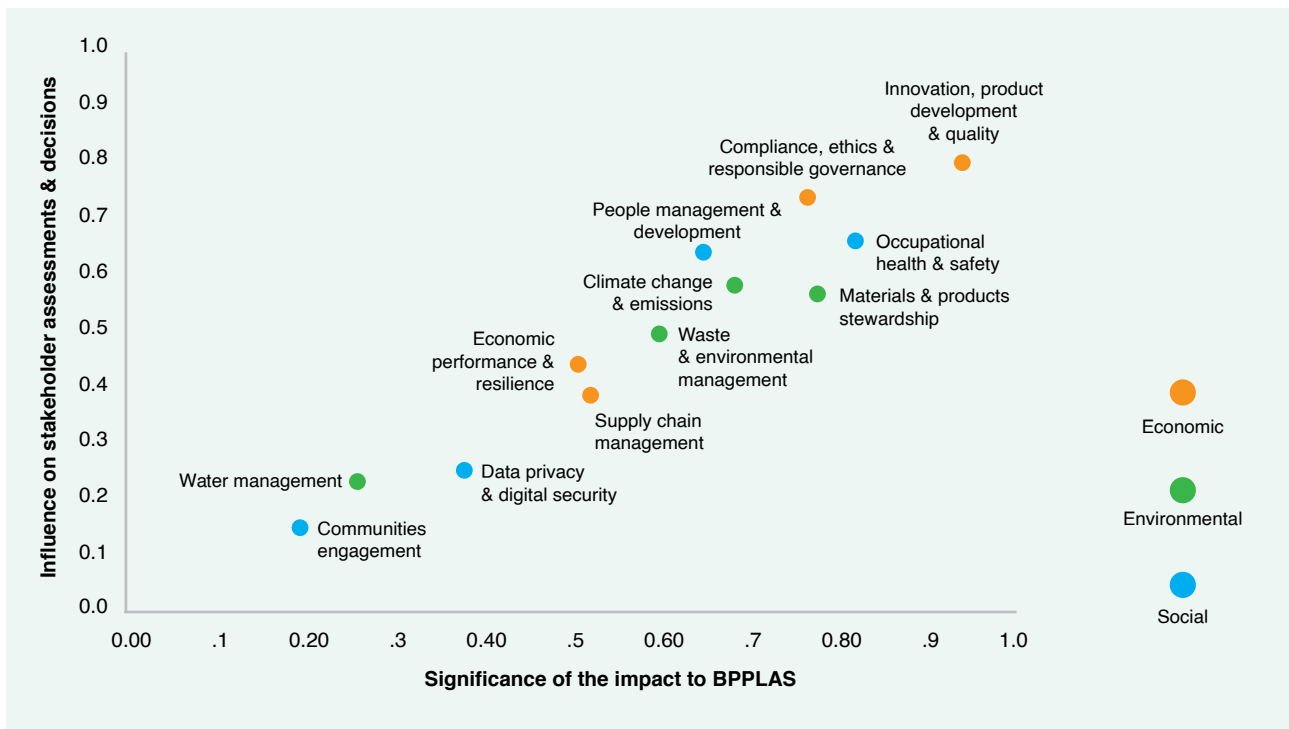
Materiality Assessment (Cont'd)

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 FY2025, the materiality assessment identified six key stakeholder groups (as outlined in the previous section) and 12 material sustainability matters. These matters remained unchanged from FY2024, reflecting continued relevance to our business operations and stakeholder expectations.

Materiality Matrix



Among the 12 material sustainability matters, we have identified 6 high priorities matters and 6 medium and low priorities matters.








High priorities	Medium priorities	Low priorities
<ul style="list-style-type: none"> • Innovation, product development & quality • Compliance, ethics & responsible governance • Climate change & emissions • Materials & products stewardship • Occupational health & safety • People management & development 	<ul style="list-style-type: none"> • Economic performance & resilience • Supply chain management • Waste & environmental management 	<ul style="list-style-type: none"> • Water management • Data privacy & digital security • Communities engagement

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

ESG and sustainability considerations are incorporated into our Group’s 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 and align with the Group’s risk management objectives and strategic development. (Please refer to the “Statement on Risk Management and Internal Control and Board Risk Management Committee Report” for further details on 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
ECONOMIC				
Innovation, product development & quality	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 result in 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.	  
Compliance, ethics & responsible governance	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 builds positive culture and employee morale, facilitates sustainable growth and improves company’s performance.	
Economic performance & resilience	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 indicate company’s fundamentals stability and capability, thus improving competitive edge and stakeholders’ trust.	
Supply chain management	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.	 










SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

Material Sustainability Matters	Description	Risks	Opportunities	Alignment with SDGs
ENVIRONMENTAL				
Climate change & emissions	Addressing climate change issues via efforts on reducing GHG emissions, particularly through our commitment to managing energy sources, consumption, and efficiency.	Inadequate response to climate change may result in adverse operational, financial and regulatory impacts, including physical risks, business disruptions and increased costs.	Effective strategies and actions on climate change mitigation not only support company's climate resilience and business continuity but also attract investments and business opportunities.	
Waste & environmental management	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, protect the environment and public health; while converting plastics waste into recycled materials supports circular economy and responsible resource use.	
Materials & products stewardship	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 companies to capture business opportunities and growth, leveraging on increasing demand for sustainable packaging solutions.	
Water management	Managing water consumption with a focus on responsible use and resource efficiency, considering the nature and scale of our manufacturing activities.	Inefficient water usage may result in higher operating costs and unnecessary resource consumption.	Efficient water management supports cost control, promotes responsible resource use and contributes to overall operational efficiency.	

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

Material Sustainability Matters	Description	Risks	Opportunities	Alignment with SDGs
SOCIAL				
Occupational health & safety	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.	 
People management & development	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 and the 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.	  
Data privacy & digital security	Protecting and securing data privacy of our stakeholders including customers, suppliers, employees.	Data breach or cyber threats may impair trust and cause reputational harm or legal issues.	Strengthening practices and system regarding data privacy and cybersecurity helps to build stakeholders' trust and confidence.	 
Communities engagement	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	
Innovation, product development & quality	<ul style="list-style-type: none"> • Reduced goods returns and quality issues cases, customer complaints in FY2025. • Continue to focus on high performance, technical, value-added products, with new expansion of product offerings with advanced printing and converting capabilities. • Invested RM 13.3 million in FY2025 in facilities, plants and equipment upgrades. • Completed the external audit for FSSC 22000 (certification issued in January 2026), further strengthening food safety management framework.

SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE SCORECARD (CON'TD)

MATERIAL SUSTAINABILITY MATTERS	
Compliance, ethics & responsible governance	<ul style="list-style-type: none"> • 493 employees received ABAC training in FY2025. (i.e. maintain 100% coverage) • Completed 4 pillar Sedex Members Ethical Trade Audit (“SMETA”). • Zero cases reported on bribery and corruption. • Zero cases of whistleblowing. • Zero fines or penalties regarding unethical business conduct or non-compliance.
Economic performance & resilience	<ul style="list-style-type: none"> • Economic value generated in FY2025 is RM 416.5 million. • Economic value distributed in FY2025 is RM 412.0 million. • Economic value retained in FY2025 is RM 4.5 million.
Supply chain management	<ul style="list-style-type: none"> • In FY2025, local procurement spending is around 33% of total procurement, higher than previous years (FY2024: 31%, FY2023: 27%)
Climate change & emissions	<ul style="list-style-type: none"> • In FY2025, 7.9% of electricity consumption is generated from renewable sources, avoiding 3,385 MT of Scope 2 CO2 emissions. • Additional solar PV panels were installed in FY2025, resulting in an increase of more than 400% in in-house solar generation capacity compared to FY2024. • Energy audit performed by external party at our key manufacturing plant • New Energy Policy was implemented. • Scope 1, Scope 2, and selected Scope 3 GHG emissions are estimated at 40,265MT in FY2025, reduced by 16.1%. • FY2025 GHG intensity at 0.63MT per MT of production output, reflecting a slight decrease compared to 0.66MT in FY2024, which is contributed by expansion of renewable energy capacity.
Waste & environmental management	<ul style="list-style-type: none"> • In FY2025, 84.0% of the total waste generated was retained within our plant for internal recycling and reuse purposes. • Total waste intensity is 6.1% of production output, reduced compared to 7.1% in the previous year. • Waste directed to disposal intensity maintaining 0.98% of production output.
Materials & products stewardship	<ul style="list-style-type: none"> • Remained dedicated to our products stewardship on product recyclability (all products are mono-material packaging, i.e. support recyclability where suitable collection and recycling), use of recycled contents and, less and efficient use of materials. • Support innovation to offer downgauged solutions, helping customers to use less packaging without compromising on quality. • Offer various products incorporating recycled contents. • Maintained Global Recycled Standard (“GRS”) and International Sustainability and Carbon Certification (“ISCC”) PLUS certifications at our key manufacturing plant • In FY2025, recycled materials consumption is 6.9% of our total resin consumption.
Water management	<ul style="list-style-type: none"> • In FY2025, 9.0% of water withdrawal / consumption is sourced from rainwater harvested internally at our plants. • Total water withdrawal reduced by 6.7% in FY2025. It is continued be regarded as a minor resource in our operations, water intensity in FY2025 at around 1.14m³ per MT production output, a decrease compared to 1.22m³ per MT production output in FY2024.

SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE SCORECARD

MATERIAL SUSTAINABILITY MATTERS	
Occupational health & safety	<ul style="list-style-type: none"> • Accident and hearing disorder cases and rates, continue to reduce in FY2025. • Maintained zero fatalities for the past 3 years. • Reductions in accident rate, hearing disorder rate and Lost Time Incident Rate during the year.
People management & development	<ul style="list-style-type: none"> • FY2025 concluded with total 6,730 training hours and 13.7 hours per headcount. • RM 38,681 incurred in learning and development programmes in FY2025. • Completed 4 pillar Sedex Members Ethical Trade Audit (“SMETA”). • Overall women participation maintained at a lower level of 12% overall due to the nature of jobs and workplace; women ratio for office workers at a higher 57% • Local Malaysian employees ratio continue to increase to 46%; number of foreign workers remained high due to the nature of jobs and workplace. • Celebrated the Group’s 35th anniversary with a range of internal employee appreciation activities.
Data privacy & digital security	<ul style="list-style-type: none"> • Provided cybersecurity training sessions for 39 employees. • Zero substantiated complaints or cyber incidents regarding breaches of privacy or loss of confidential data and information.
Communities engagement	<ul style="list-style-type: none"> • Collected a total of 108 blood packs from blood donation campaign in 2025. • Contributed RM 42,143 (monetary and non-monetary) to the local communities in FY2025. • Estimated more than 108 individuals and 5 organizations benefited from our social engagement and investments.

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS

INNOVATION, PRODUCT DEVELOPMENT & QUALITY

Related UN
SDGs**Why it Matters**

The Group’s ability to sustain business performance and remain competitive is underpinned by the consistent delivery of quality products and services, supported by continuous innovation across products and operations. At the same time, meeting evolving customer requirements, maintaining product reliability, and adapting to market and regulatory developments are critical to protecting customer confidence and supporting long-term value creation.

Nowadays, customer expectations increasingly extend beyond functional performance to include sustainability considerations, materials innovation, product design, and manufacturing processes. In particular, there is a growing demand for packaging solutions that balance performance, efficiency and responsible use of materials, in line with customers’ operational and environmental requirements.

We believe our dedication to maintaining a strong focus on quality assurance, customer satisfaction, and responsible innovation supports the strengthening of long-term customer relationships, enhances operational resilience, enables access to new market opportunities and contributes to sustainable business growth.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

INNOVATION, PRODUCT DEVELOPMENT & QUALITY (CONT'D)

Related UN SDGs



Management Approach

To consistently meet customer requirements and deliver reliable, high-quality products, we maintain a structured 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 have been accredited with ISO 22000:2018 (Food Safety Management Systems), highlighting our capability to produce flexible packaging solutions that meet applicable food safety and hygiene requirements.

In December 2025, we successfully completed the external audit for FSSC 22000 certification. The certification was subsequently issued in January 2026, further strengthening our food safety management framework. This certification reinforces our structured approach to food safety risk management, hygiene controls and process consistency for food-contact flexible packaging products.

Quality assurance and quality control activities are embedded throughout the production lifecycle, covering incoming goods inspections, in-process monitoring, and final product inspections prior to delivery. These activities are carried out in accordance with documented QMS procedures to promote product consistency, traceability, and compliance with customer specifications. Key quality indicators and significant customer-related issues are regularly reported to senior management and used to inform operational and investment decisions.

As majority of our manufacturing processes are carried out in-house, we maintain a high degree of control over product quality, production costs and lead times. Collectively, these practices support operational efficiency and contribute to the maintenance of stable and long-term customer relationships.

Customer engagement forms an integral part of the Group’s quality management approach. We maintain regular communication with customers, respond promptly to enquiries and complaints, and provide thorough support for delivery, logistics, and technical matters. An annual Customer Satisfaction Survey is conducted to assess performance and identify areas for improvement. The survey focuses on four key dimensions:



Insights from the survey are reviewed and used to inform continuous improvement initiatives.

On the other hand, innovation within the Group is driven by our ongoing investments in advanced manufacturing technologies, process improvements, and product development capabilities. Enhancements in raw materials, machinery, and production processes contribute to improvements in product performance, quality consistency, and operational efficiency.

Over the years, the Group has expanded production capabilities through the commissioning of advanced equipment, including nano-technology multi-layer Cast stretch film lines, Blown co-extrusion lines, Central Impression Flexographic printing lines, and wicketing lines. These investments have enabled us to broaden our product portfolio, including the introduction of printed wicket bags and stretch hood solutions, while improving manufacturing flexibility and capacity.

Our research and development efforts focus on enhancing product functional performance, improving material, resources and operational efficiency, and supporting customer requirements and market demand for innovative, cost-effective and sustainable packaging. We collaborate with suppliers and customers to evaluate new materials, improve product formulations, and develop customized solutions aligned with operational and sustainability needs. Meanwhile, any new product developments are subject to internal technical evaluation and customer validation prior to commercial rollout.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

INNOVATION, PRODUCT DEVELOPMENT & QUALITY (CONT'D)

Related UN
SDGs**Management Approach (Cont'd)**

Key innovation initiatives include:

- Expanding into premium customized retail packaging solutions supported by advanced printing capabilities, enabling greater design and visual quality, and product differentiation for customers
- Optimizing product design to enhance functional performance and properties
- Developing downgauged products that maintain packaging integrity while reducing material usage
- Increasing the incorporation of recycled materials, where technically feasible
- Improving packaging efficiency and optimizing the use of other packaging accessories (such as paper cores, plastic cores, wooden pallets, plastic pallets)

These initiatives are closely aligned with the Group's broader approach to materials and product stewardship. (Refer to "Materials & Products Stewardship")

In addition to product innovation, we recognize the importance of process innovation in supporting sustainable manufacturing practices. Ongoing investments in plant upgrades, automation, and process optimization aim to improve efficiency, enhance quality consistency, and reduce resource consumption across operations.

Product quality and innovation risks, including specification non-compliance and research and development challenges, are considered within the Group's operational risk assessments.

Performance

We observed a decrease in goods return (measured by weight) and a reduction in the total value of goods return and quality-related discounts in FY2024 and FY2025. This improvement reflects the strengthening of quality controls and ongoing refinements to QMS procedures implemented over the years.

	FY2023	FY2024	FY2025
Change in goods return (kgs)	65.2%	-18.8%	-46.3%
Change in total goods return & discount for quality issues (RM)	31.9%	-9.3%	-59.7%
Total goods return & discount for quality issues (as % of sales)	0.34%	0.29%	0.14%
No. of complaints (per million kg sales)	0.58	0.59	0.57

During FY2025, the Group continued to leverage its advanced machinery and manufacturing capabilities to expand the market reach of its high-performance and premium stretch films. These products are designed to meet the requirements of high-speed stretch wrapping applications, offering consistent performance, load stability, and operational efficiency. Product designs continue to support downgauging, enabling reduced material usage without compromising functional performance.

Furthermore, we continued to commercialize technical and customizable blown packaging products to serve customers requiring differentiated retail packaging, particularly within the food and beverage, essential industries segment. This includes the expansion of product offerings enabled by advanced printing and converting capabilities.

In line with our commitment to product sustainability, we expanded our range of products with recycled contents, including collation shrink films, stretch films and industrial packaging incorporating PIR or PCR content, where technically feasible, reinforcing our efforts in circular economy practices.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

INNOVATION, PRODUCT DEVELOPMENT & QUALITY (CONT'D)

Related UN
SDGs**Performance (Cont'd)**

The Group continued to invest in upgrades and enhancements of its plants and equipment to support product quality, innovation, and operational efficiency. For FY2025, we invested RM 13.3 million.

Investment / Spending amount (RM'000)	FY2023	FY2024	FY2025
Building and facilities	2,465	6,777	10,521
Machines and equipment	21,707	13,855	2,758

COMPLIANCE, ETHICS & RESPONSIBLE GOVERNANCE

Related UN
SDGs**Why it Matters**

Effective corporate governance and regulatory compliance are essential to ensuring responsible and sustainable business practices that support long-term value creation and organizational resilience.

At BPPLAS, maintaining high standards of ethics, integrity and legal compliance underpins stakeholder confidence and supports transparent, accountable decision-making across the Group's operations.

Management Approach

The Group consistently ensure that our practices, policies and controls comply with applicable laws, regulations and governance requirements in the jurisdictions in which we operate and aligning our governance practices with recognized standards and codes, including the Malaysian Code on Corporate Governance ("MCCG"). Additionally, we remain committed to promoting a culture of ethics and integrity.

The Group has established internal governance frameworks and policies, including risk management and internal control processes, a Code of Conduct, and an Anti-Bribery and Anti-Corruption ("ABAC") Policy. These policies apply to all Directors and employees and are communicated during induction and through periodic awareness initiatives. Key governance-related policies are subject to periodic review to ensure continued relevance and alignment with regulatory expectations.

BPPLAS has a zero-tolerance approach towards bribery and corruption. The ABAC Policy is communicated to employees, and Directors, and is cascaded to suppliers, contractors, agents, and other business partners. Annual corruption risk assessments are conducted as part of the Group's risk management processes. ABAC awareness and training are provided to employees to reinforce understanding of ethical expectations and applicable requirements. Moreover, the Group's whistleblowing policy provides internal and external stakeholders with safe and confidential channels to report suspected misconduct, unethical behavior or breaches of the Group's policies and regulations.

For further information, please refer to the Corporate Governance Overview Statement on pages 73 – 83 of this Annual Report or the Group's Corporate Governance Report. The Group's codes and policies are also available on the corporate website.

As part of the Group's broader compliance and governance framework, we completed a Sedex Members Ethical Trade Audit ("SMETA") during 2025. The audit was conducted in accordance with the SMETA 4-pillar audit methodology, which covers key areas including labour standards, health and safety, business ethics and management systems.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

COMPLIANCE, ETHICS & RESPONSIBLE GOVERNANCE (CONT'D)

Related UN
SDGs**Management Approach (Cont'd)**

It provides an independent assessment of selected operational practices against recognized ethical and social compliance benchmarks. The findings and appropriate improvement actions are monitored by Management. The outcomes of the SMETA 4-pillar audit support our ongoing efforts to strengthen governance practices, reinforce ethical conduct, and enhance compliance oversight across operations.



Furthermore, the Group acknowledges the increasing expectations placed on companies to demonstrate sound governance and transparency in relation to sustainability-related matters, particularly following the implementation of National Sustainability Reporting Framework ("NSRF") that incorporates the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board ("ISSB"). We continue to review and enhance our governance, internal processes and information management practices to support more structured and consistent sustainability-related disclosures, while taking into account of our operational scale and business needs.

Performance

In FY2025, annual corruption risk assessment was conducted by the MRMC, covering entire operations of BPPLAS.

ABAC training was conducted through online assessments or physical sessions for the past 3 years, with full participation achieved. New employees who joined after the main training sessions received briefings on governance, policies and frameworks including the ABAC Policy, as part of the induction process,

No. employees received ABAC training (by employee category)	FY2023	FY2024	FY2025	% of employees
Direct (plant)	336	344	319	100%
Indirect (plant)	121	139	127	100%
Indirect (office)	47	52	47	100%
TOTAL	504	535	493	100%

For the past three financial years (FY2023 - FY2025), the Group did not record any substantiated cases of bribery or corruption, nor were there any fines or penalties related to unethical conduct or regulatory non-compliance. No whistleblowing cases were reported during period. In addition, the Group did not make any political contributions.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

ECONOMIC PERFORMANCE & RESILIENCE

Related UN
SDGs**Why it Matters**

Sustained financial performance and business resilience are essential to the Group's ability to operate effectively, manage risks, support stakeholders and pursue long-term value creation. In today's dynamic operating environment characterized by cost pressures, market volatility and evolving requirements, maintaining financial discipline and agility remains a key priority for the Group.

A resilient financial position enables us to continue investing in operational capabilities, workforce development and product improvements, while meeting our financial obligations and supporting business continuity.

Management Approach

The Group's approach to financial performance and resilience is centered on prudent financial management, with emphasis on disciplined cost control, cash flow management, operational efficiency and maintaining balance sheet strength. Financial planning, budgeting and performance monitoring are conducted regularly to support informed decision-making and timely responses to changing operating conditions. Financial risks are monitored as part of the Group's ERM Framework.

Demand for flexible plastic packaging continues to be influenced by broader economic trends, customer preferences and sustainability considerations. In this context, we continue to manage our positions with agility to support business continuity under varying market conditions, while responding to customer and market demand for packaging solutions that increasingly incorporate sustainability-related requirements.

Management seeks to balance commercial objectives with cost discipline by optimizing product mix, improving efficiency and managing cost volatility, without compromising financial stability. Capital expenditure and expansion initiatives are evaluated carefully, taking into account operational needs, financial capacity and prevailing economic conditions.

Overall, the Group maintains a measured approach to growth, prioritizing financial stability, liquidity and sustainable returns over aggressive expansion.

Performance

Despite ongoing external challenges, the Group continued to generate positive economic value during the financial year under review. Financial performance was affected by lower revenue and tighter margins, reflecting softer demand conditions and continued cost pressures during the year.

Over the past five financial years, the Group has maintained a track record of profitability and continued to strengthen shareholders' funds, reflecting our capital strength and financial discipline across varying market conditions. As at FY2025, shareholders' funds increased to RM272.8 million from RM268.3 million in FY2024, reflecting the Group's continued ability to preserve its capital base despite lower earnings for the year.

	FY2021	FY2022	FY2023	FY2024	FY2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	447,128	502,595	469,600	487,682	413,688
EBITA	67,216	47,577	56,343	41,535	30,141
Profit Before Tax	56,771	36,008	42,624	26,004	15,829
Profit After Tax	46,466	30,538	35,234	21,596	11,517
Shareholders' Funds	231,613	245,262	263,607	268,314	272,794

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

ECONOMIC PERFORMANCE & RESILIENCE (CONT'D)

Related UN
SDGs**Performance (Cont'd)**

Meanwhile, we also continued to generate and distribute economic value to key stakeholder groups through operating expenditures, employee wages and benefits, dividend payments and tax contributions. In FY2025, economic value generated amounted to RM416.5 million, while RM412.0 million was distributed to stakeholders, with RM4.5 million retained in the business. This reflects the Group's ongoing economic contribution through its operations, notwithstanding the more cautious business conditions during the year.

RM'000	FY2023	FY2024	FY2025
Economic value generated (i.e., revenue and other income)	474,441	491,718	416,469
Economic value distributed:	456,096	487,010	411,989
– Operating costs	405,576	438,292	372,738
– Employee wages and benefits	26,194	27,359	27,860
– Dividend payment	16,889	16,889	7,037
– Payment to government (i.e., tax)	7,390	4,408	4,312
– Community investment	47	62	42
Economic value retained	18,345	4,708	4,480

For more details about our financial performance, CAPEX, prospects, outlook and other details, please refer to pages 66 – 72 on Management Discussion & Analysis, page 4 on Financial Highlights, and pages 101 – 150 on Financial Statements.

SUPPLY CHAIN MANAGEMENT

Related UN
SDGs**Why it Matters**

In recent years, global supply chains have continued to experience volatility arising from macroeconomic uncertainties, geopolitical developments, and post-pandemic disruptions. These conditions highlight the importance of effective supply chain management to minimize risks, ensuring operational continuity, cost stability and consistent product quality.

We believe that a resilient and reliable supply chain is critical to support uninterrupted manufacturing operations, meeting customer requirements and managing input cost fluctuations.

Responsible supply chain practices also contribute to operational efficiency and support the Group's broader sustainability objectives by promoting ethical conduct, regulatory compliance and responsible sourcing and procurement across our value chain.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

SUPPLY CHAIN MANAGEMENT (CONT'D)

Related UN
SDGs**Management Approach**

Our supply chain comprises suppliers of raw materials, machinery, equipment, parts, and components relating to our products and operations, as well as service providers, contractors and consultants.

At BPPLAS, to enhance supply continuity and cost efficiency, we adopt a diversified procurement strategy by sourcing from multiple suppliers across different geographies where practicable. Meanwhile, procurement and pricing strategies are reviewed regularly to ensure alignment with operational requirements and prevailing market conditions. This approach helps mitigate risks associated with supply disruptions, raw material availability constraints and price volatility.

Where feasible, the Group prioritizes sourcing from local suppliers in support of domestic economic activity and to reduce lead times. However, certain specialized raw materials and machinery are sourced from overseas suppliers due to technical specifications and limited local availability. We seek to maintain an appropriate balance between local sourcing and access to critical inputs required for our manufacturing operations.

Supplier selection is based on objective criteria including service quality, technical capability, pricing competitiveness, reliability and reputation. In line with ISO 9001 requirements, external provider assessments are conducted through due diligence processes for new suppliers onboarding and also for ongoing regular engagement, including supplier questionnaires and evaluations to assess compliance, operational capabilities and risk profile.

The Group has established a Supplier Code of Conduct that outlines expectations and requirements in relation to legal compliance, ethical business conduct, and responsible business practices. Key areas covered include

- 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 (e.g. water, electricity), management and disposal of hazardous materials, and waste reduction, pollution control, climate change impact, 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

The Code of Conduct and relevant policies, including the ABAC Policy, are communicated to suppliers, and suppliers are provided with access to our whistleblowing channel to report misconduct or non-compliance.

Supplier performance is monitored on an ongoing basis, with annual Supplier Performance Reviews conducted for key and critical suppliers. These reviews focus on quality, delivery performance, pricing, customer service and technical support. Sustainability-related considerations, including selected environmental, social and governance aspects, are progressively incorporated into supplier evaluation processes, taking into account our operational scale and risk exposure.

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. Meanwhile, we will continue to review and enhance supplier management practices in line with evolving regulatory expectations and business needs.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

SUPPLY CHAIN MANAGEMENT (CONT'D)

Related UN
SDGs**Performance**

The Group continued to prioritize local sourcing where commercially and operationally feasible. In FY2025, our local procurement accounted for approximately 33% of total procurement spending, compared to 31% in FY2024 and 27% in FY2023.

While the overall procurement spending decreased during the year, primarily in line with lower sales and production volumes and the impact of currency movements, the proportion of spending directed to local suppliers increased. This reflects our ongoing efforts to strengthen domestic supplier relationships where supply reliability, quality requirements and cost considerations remain appropriate.

	FY2023	FY2024	FY2025
Proportion (%) of procurement on local suppliers	27%	31%	33%
Change of local procurement spending amount	3%	16%	-14%

The 14% reduction in local procurement spending amount in FY2025 was mainly attributable to lower overall purchasing requirements, rather than a shift away from local sourcing.

CLIMATE CHANGE & EMISSIONS

Related UN
SDGs**Why It Matters**

Climate change continues to pose significant physical and transition risks to the global economy, with potential implications for operating costs, energy security, regulatory compliance and long-term business resilience. For manufacturing companies, energy consumption and associated greenhouse gas (“GHG”) emissions represent a key area of environmental impact and cost exposure.

Global and national commitments to address climate change, including efforts to limit global temperature rise to well below 2°C under the Paris Agreement, have accelerated regulatory, market and stakeholder expectations on emissions management, transparency and climate-related disclosures.

In Malaysia, the Government has articulated its climate ambitions through the Nationally Determined Contributions (“NDC”), which target a 45% reduction in emissions intensity of GDP by 2030 compared to 2005 levels, as well as the National Energy Transition Roadmap (“NETR”), which outlines pathways to support decarbonization and increased adoption of renewable energy.

Against this backdrop, effective management of energy consumption and GHG emissions is increasingly important to support operational efficiency, manage cost volatility and meet evolving disclosure expectations. We recognize the need to progressively strengthen our emissions management practices, considering the scale and nature of our operations.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)**CLIMATE CHANGE & EMISSIONS (CONT'D)****Related UN
SDGs****Management Approach**

At BPPLAS, our GHG emissions primarily arise from energy-intensive manufacturing processes, with electricity consumption representing the main source of emissions, along with other direct emissions from operational activities. In addition, we recognize the relevance of indirect emissions associated with logistics, employee commuting and business travel.

Our approach to climate change and emissions management focuses on improving energy efficiency, increasing the use of renewable energy where feasible, and strengthening emissions measurement and reporting practices. These efforts are aimed at managing emissions intensity while supporting operational efficiency and cost control.

Climate-related risks, including energy price volatility and regulatory developments, are reviewed as part of the Group's ERM framework and monitored by Management, with oversight by the BOD. Climate-related risks faced by the Group are primarily transitional in nature, including rising energy costs and evolving regulatory requirements. Physical climate risks are currently assessed to have limited direct impact on our operations.

Energy management initiatives are implemented across manufacturing operations, with energy efficiency remains a priority. Electricity consumption and energy intensity are monitored across machinery and plants, supported by regular data collection and internal reviews.

Electricity we consumed is primarily sourced from Tenaga Nasional Berhad ("TNB"), supplemented by on-site solar photovoltaic ("PV") systems. In FY2025, we installed additional solar PV panels, resulting in an increase of more than 400% in in-house solar generation capacity compared to FY2024. This contributed to higher renewable energy usage and a corresponding reduction in grid-based electricity consumption. The Group continues to assess opportunities to further expand renewable energy adoption, subject to technical and economic feasibility.



To further strengthen energy management, the Group engaged an external party to conduct an energy audit at our main manufacturing plant during FY2025 to identify opportunities for improved efficiency and cost optimization. Findings from the audit are being reviewed to inform future improvement initiatives, taking into consideration operational feasibility and cost effectiveness. During the year, we also implemented a new Energy Policy to reinforce our commitment to energy management, it provides a framework to guide energy performance monitoring, continuous improvement efforts and compliance with applicable regulatory requirements.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

CLIMATE CHANGE & EMISSIONS (CONT'D)

Related UN
SDGs**Management Approach (Cont'd)**

We have implemented various measures to reduce energy consumption and associated emissions,

- Improving and innovating product designs to optimize material usage
- Adopting more energy-efficient or advanced machinery or equipment to optimize the use of energy, materials and other resources
- Optimizing machine operations and production scheduling
- Upgrading to energy-efficient lighting
- Adopting electric forklifts for lower emissions
- Implementing effective waste management practices, including reducing waste, reusing materials, optimizing recycled content, thus reducing virgin materials usage
- Promoting 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

On the reporting front, we have taken steps to enhance the quality and consistency of our emissions data and climate-related disclosures. This includes enhancing data collection processes and calculation methodologies to improve accuracy and coverage, in line with evolving disclosure expectations, including Bursa Malaysia's enhanced sustainability reporting requirements introduced in December 2024.

We estimate our GHG emissions (measured in tonnes of CO₂e), covering Scope 1, 2, and 3.

- Scope 1 emissions arise primarily from the consumption of diesel and petrol at manufacturing facilities and company-owned vehicles.
- Scope 2 emissions cover indirect emissions from purchased electricity consumption (location-based emissions)
- Scope 3 emissions currently include indirect emissions associated with employee commuting (Category 7) and business travel (Category 6). We have not included other Scope 3 emissions at this stage due to data availability and materiality considerations.

The emission conversion factors used for transportation and travels related diesel, petrol consumption are based on the UK's Department of Environment, Farming, and Rural Affairs' ("DEFRA") latest emissions factors in each year. Meanwhile, location-based Scope 2 emissions are calculated using the Malaysia Energy Information Hub's ("MEIH") emissions factor of 0.774 MT CO₂e per MWh, using a 2022 baseline for Malaysia Peninsular regions. This methodology and database are in line with Bursa Malaysia's Centralised Sustainability Intelligence ("CSI") Solution.

Performance

In FY2025, our total electricity consumption was 55,564 MWh, of which 51,190 MWh was sourced from conventional grid electricity and 4,374 MWh from renewable energy generated through in-house solar PV systems. Thus, Renewable energy accounted for approximately 7.9% of total electricity consumption for the year.

On managing our energy efficiency, we measure our energy intensity by calculating total energy consumption compared to production output. In FY2025, energy intensity was 0.87 MWh per MT of production output, compared to 0.82 MWh in FY2023 and 0.86 MWh in FY2024. The increase mainly reflects changes in product mix, with a higher proportion of value-added and customized products that require additional processing stages.

The Group previously subscribed to TNB's Green Electricity Tariff ("GET") programme from 2022 to July 2023. In August 2023, the subscription was discontinued following a revision to the tariff structure, as part of broader cost management measures. We continue to explore alternative and economically viable approaches to increasing renewable energy usage.

SUSTAINABILITY STATEMENT (CONT'D)

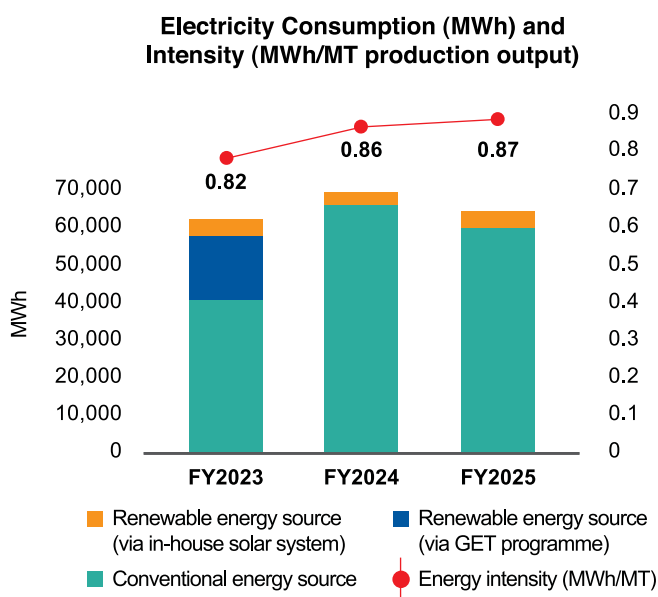
MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

CLIMATE CHANGE & EMISSIONS (CONT'D)

Related UN
SDGs

Performance (Cont'd)

Electricity consumption (MWh)	FY2023	FY2024	FY2025
Conventional energy source	38,343	61,071	51,190
Renewable energy source (GET subscription)	17,500	-	-
Renewable energy source (in-house solar system)	1,236	1,240	4,374
Total electricity consumption	57,079	62,311	55,564
% of renewable energy source	33%	2%	8%
Energy intensity (MWh / MT production)	0.82	0.86	0.87



For the past two financial years, we have estimated our GHG emissions across Scope 1, Scope 2 and selected Scope 3 categories:

- Scope 1 emissions, arising from direct consumption of diesel and petrol by facilities and company-owned vehicles, totalled 388MT CO₂e in FY2025.
- Scope 2 emissions, arising from purchased electricity consumption, amounted to 39,621MT CO₂e.
- Scope 3 emissions, covering indirect emissions associated with employee commuting and business travel, were estimated at 256MT CO₂e.

Total GHG emissions for FY2025 were 40,265 MT CO₂e, representing a reduction of 16.1% compared to FY2024. Meanwhile, GHG emissions intensity decreased to 0.63 MT CO₂e per MT of production output in FY2025, compared to 0.66 MT CO₂e per MT in FY2024. This improvement was primarily attributable to increased renewable energy generation from the solar PV systems.

Renewable energy generated from the solar PV systems helped avoid an estimated 3,385 MT CO₂e of GHG emissions in FY2025.

Ongoing, we will continue to enhance emissions measurement and disclosures and progressively assess decarbonization opportunities in line with operational priorities and evolving regulatory and stakeholder expectations.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

CLIMATE CHANGE & EMISSIONS (CONT'D)

Related UN
SDGs

Performance (Cont'd)

MT of GHG emissions (CO2e)	FY2023	FY2024	FY2025
Scope 1 Emissions	407	447	388
Scope 2 Emissions	29,677	47,269	39,621
Scope 3 Emissions	Not available	247	256
Total Emissions		47,943	40,265
GHG emissions intensity (MT of CO2e / MT production output)		0.66	0.63
MT of GHG emissions (CO2e) avoided from renewable energy	14,502	960	3,385

WASTE & ENVIRONMENTAL MANAGEMENT

Related UN
SDGs**Why It Matters**

At BPPLAS, waste and environmental management is integral to responsible manufacturing and long-term business sustainability. As a flexible plastics packaging manufacturer, our operations involve the use of plastic resins, packaging materials and other production inputs, which require effective management to minimize environmental impact and resource loss.

We recognize that improper handling of production waste, resins and packaging materials may pose risks to the environment, surrounding communities and ecosystems. Effective waste management practices support regulatory compliance, operational efficiency and cost control, while contributing to reduced reliance on virgin materials and improved resource circularity.

Management Approach

The Group's waste and environmental management practices are guided by compliance, prevention and continuous improvement. Both manufacturing plants are certified with ISO 14001:2015 Environmental Management System, which provides a structured framework for identifying, managing and monitoring environmental aspects and impacts arising from our operations.

We operate in compliance with applicable environmental laws and regulations, including the Environmental Quality Act and relevant scheduled waste and industrial effluent requirements. Environmental compliance, waste handling and disposal practices are monitored as part of operational controls and reviews.

Our manufacturing operations do not involve complex wastewater treatment processes. We do not discharge untreated wastewater into natural water bodies, and water-related environmental risks arising from our operations are assessed to be low and manageable.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

WASTE & ENVIRONMENTAL MANAGEMENT (CONT'D)

Related UN
SDGs**Management Approach (Cont'd)**

Beyond regulatory compliance, the Group focuses on minimizing waste generation, promoting responsible material use and reducing potential environmental risks through preventive and operational controls. Our waste management approach is underpinned by the following principles:

- prevention and reduction of waste at source,
- application of the recycle, reuse and reduce (“3Rs”) concept where practicable, and
- responsible handling, storage and disposal of waste.

This approach supports resource efficiency, operational discipline and alignment with circular economy principles. It complements our approach to climate change and emission, and materials and products stewardship, reinforcing a consistent and integrated sustainability management framework.

(a) Reduce waste generation

We emphasize waste prevention and reduction across production and daily operations. Efforts focus on minimizing process losses, rejects and scrap through operational discipline and continuous improvement initiatives. Key efforts in waste reduction include:

- regular monitoring of waste generation across various machines and processes to identify improvement opportunities;
- efficient procurement and inventory management to avoid over-purchasing and unnecessary disposal;
- production planning and scheduling to minimize changeovers, idle time, and overproduction;
- process optimization through maintaining optimal machine settings, adopting advanced manufacturing techniques and improving workflow efficiency;
- effective housekeeping and containment measures to prevent resin spills, leakages and material loss, including installation of automated debagging systems; and
- workforce awareness and training on waste reduction practices, proper handling of materials.

These measures support operational efficiency while reducing avoidable waste generation.

(b) Recycle, Reuse and Reduce (3Rs) practices

The 3Rs concept continues to be embedded within our operations. Internally generated plastic waste, including production scrap and rejects, is segregated, managed and recycled where technically and commercially feasible. Our initiatives include:

- Segregation and collection of internally generated plastic waste and scraps, as well as other plastic packaging materials from our suppliers (e.g. resin bags, shrink covers, stretch hoods, and stretch films).
- mechanical recycling of segregated plastic waste into recycled materials classified as Post-Industrial Recycled Resin (“PIR”) and Post-Consumer Recycled Resin (“PCR”) depending on their origin and intended use.
- reuse of recycled materials for suitable product applications, subject to technical specifications and customer requirements. Noting that one of our sustainable solutions revolves around access and use of recycled contents (Refer to “Materials & Products Stewardship”).
- Extension of 3Rs practices to other materials, including
 - o the use of recycled paper (e.g. paper rolls, boards and other paper accessories)
 - o reuse of paper cores returned by customers
 - o reuse of pallets (wooden pallets, plastic pallets)
 - o replacement of disposable pallets, paper cores with more durable reusable pallets and cores.

These initiatives help reduce consumption of virgin raw materials, minimize waste disposal and support lower material-related environmental impacts.

(c) Waste handling practices

The majority of waste generated comprises non-hazardous production scrap and packaging materials, with limited scheduled waste generated from routine maintenance activities.

Waste and affluent handling and disposal are conducted in accordance with regulatory requirements and internal procedures. Where waste disposal is unavoidable, we engage only licensed and approved waste contractors for collection, treatment and disposal.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

WASTE & ENVIRONMENTAL MANAGEMENT

Related UN
SDGs(c) **Waste handling practices (Cont'd)**

To further mitigate environmental impacts, we:

- implement controlled storage and labelling practices for waste materials;
- collaborates with suppliers and service providers to source non-hazardous or lower-impact materials where feasible; and
- continuously reviews waste handling practices to reduce potential environmental contamination and operational risks.

By adopting a structured approach, we seek to minimize waste generation across product lifecycle, from sourcing, manufacturing to handling 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 FY2025, plastic scraps and waste generated from operations decreased to 4,474MT compared to 5,948MT in FY2024. The reduction was due to lower production volume during the year, as well as improvements in waste intensity. Waste intensity improved to 5.1% in FY2025 from 6.0% in the previous year.



These plastic scraps arise mainly from internal manufacturing processes, including set-up waste, changeover waste, rejected products that cannot be reused, as well as plastic packaging materials from our suppliers (e.g. resin bags, shrink covers, stretch hoods, and stretch films). These materials are not directed to disposal. Instead, they are segregated and processed into recycled resins using our in-house recycling machines. Recycled materials are categorized as PIR and PCR, depending on their origin

Currently, we operate 3 units of recycling machine. In FY2025, 5,194MT of scrap was recycled internally and converted into recycled resins. These recycled materials produced are used in suitable product applications. In FY2025, recycled resin consumption accounted for approximately 6.9% of our total resin consumption.

Waste directed to disposal is categorized into non-hazardous waste and hazardous waste.

- Non-hazardous waste (non-scheduled waste) includes paper cores, cartons, other paper accessories, wooden pallets, damaged plastic pallets, and general waste etc. These are mainly collected by external parties that have their respective recycling and recovery facilities.
- Hazardous waste (scheduled waste) includes ink and solvent waste, as well as emptied tongs and drums, etc., which are handled and disposed of by licensed contractors in accordance with regulatory requirements.

In FY2025, our waste directed to disposal reduced to 850MT, compared with 1,024 MT in FY2024, in line with reduced production. They made up around 0.98% of production.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

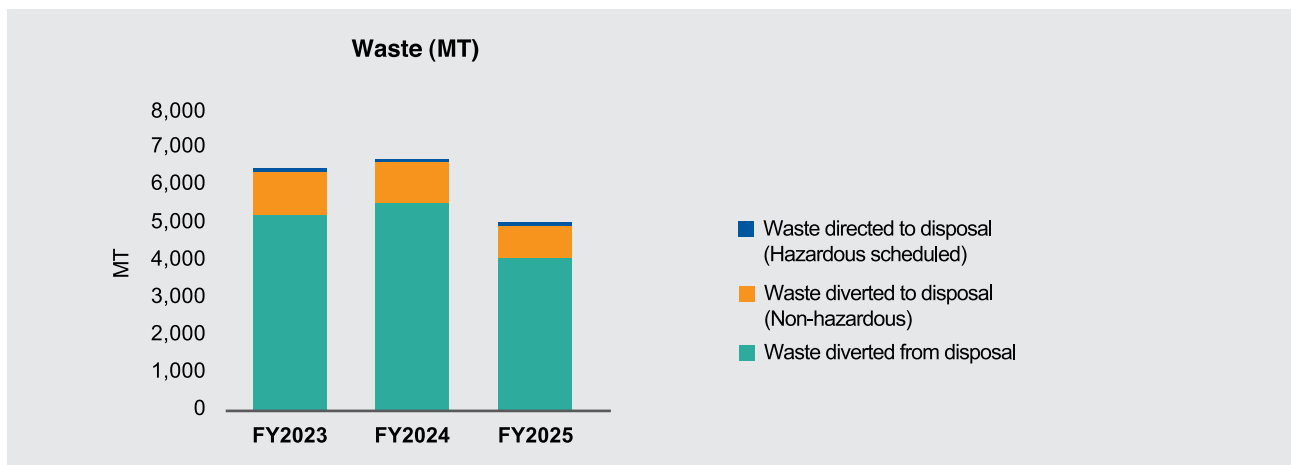
WASTE & ENVIRONMENTAL MANAGEMENT (CONT'D)

Related UN
SDGs

Performance (Cont'd)

Overall, 84.0% of total waste generated was retained within our plant for internal recycling and reuse purposes.

Waste (MT)	FY2023	FY2024	FY2025
Scraps and waste from operations (recyclable internally)	5,725.0	5,948.1	4,473.7
Waste diverted from disposal	5,725.0	5,948.1	4,473.7
Non-Hazardous waste	920.1	948.2	776.0
Hazardous waste (Scheduled waste)	71.2	75.7	74.3
Waste directed to disposal	991.3	1,023.9	850.3
Total waste	6,716.2	6,972.0	5,324.0
% of waste diverted from disposal	85.2%	85.3%	84.0%



During the reporting periods, there were no cases of complaints, non-compliance, fines or penalties relating to waste or environmental management practices.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

MATERIALS & PRODUCTS STEWARDSHIP

Related UN
SDGs

Why it Matters

Materials and product stewardship is a core consideration for the Group as a manufacturer of flexible plastic packaging, where material selection, product design and performance characteristics directly influence product safety, functionality, resource efficiency and environmental outcomes.

Flexible plastic packaging is widely used across industrial and consumer applications due to its versatility, lightweight properties, durability and cost efficiency. Its barrier performance and sealing capabilities play an important role in protecting products, supporting food safety and extending shelf life, which in turn helps reduce product damage and food wastage across the value chain.

From a material efficiency perspective, flexible plastic packaging often requires lower material input by weight compared to alternative packaging materials, and its lightweight nature supports transportation efficiency. When assessed on a life-cycle basis and under appropriate waste management systems, these attributes may contribute to reduced resource use and emissions intensity relative to heavier materials.

At the same time, the environmental impact of plastic packaging is significantly influenced by how products are designed, used and managed at end-of-life. Improper disposal, low recycling rates and inadequate waste collection infrastructure can lead to pollution and environmental harm. This underscores the importance of responsible product design, material use and collaboration across the value chain to support improved recyclability and responsible disposal practices.

As regulatory expectations, customer requirements and public awareness around plastic waste and circular economy practices continue to evolve, we recognize the need to balance product performance, customer needs and environmental considerations in a practical and commercially viable manner.

Management Approach

The Group's approach to materials and products stewardship is guided by responsible material use, product performance, compliance and continuous improvement, while taking into account operational feasibility and customer requirements. Our efforts are focused on advancing plastics circularity and supporting circular economy initiatives, with three key focus areas underpinning this approach.

(a) Design for recyclability & circularity

Traditionally, flexible plastic packaging has relied on laminated structures or multi-material, multi-layered structures, with each layer serving different specific functional requirements, such as printing compatibility, oxygen and moisture barrier, strength, puncture resistance, and sealing. Although they are effective for product protection, such complex structures present challenges for material separation and recycling at end-of-life.

In recent years, increasing emphasis on the circular economy has driven demand for mono-material plastic packaging, which is generally recognized as more compatible with existing recycling systems. According to Circular Economy for Flexible Packaging ("CEFLEX") - Designing for a Circular Economy ("D4ACE") Guidelines, plastic-based packaging may be classified as mono-material when more than 90% of its composition consists of a single polymer type.

At BPPLAS, our manufactured products are mono-material, composed of more than 90% of Polyethylene ("PE"). This design approach supports recyclability within appropriate recycling systems, subject to downstream waste collection, sorting and processing infrastructure. The actual end-of-life outcomes depend on external factors beyond our operational control.

Nevertheless, design considerations for material compatibility with prevailing recycling streams are incorporated where feasible, while continuing to meet customer and regulatory performance requirements. Concurrently, we monitor the developments in sustainable packaging technologies, such as opportunities in investing innovative technologies that enhance products recyclability.

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

MATERIALS & PRODUCTS STEWARDSHIP (CONT'D)

Related UN SDGs



Management Approach (Cont'd)

(b) Access and use of recycled contents

As part of our waste management and resource efficiency efforts, the Group operates in-house recycling facilities to process internal production waste, including post-industrial scrap, and supplier’s plastics packaging. These materials are converted into recycled resins, known as Post-Industrial Recycled Resin (“PIR”) and Post-Consumer Recycled Resin (“PCR”), which are then reintegrated into suitable products and applications.



The use of recycled content is evaluated carefully to ensure that product quality, functional performance and regulatory compliance are not compromised, particularly for applications with specific safety or performance requirements. Our efforts focus on improving material formulations and processing techniques to enable increased use of recycled materials where operationally and technically feasible.

Our main manufacturing plant is certified under the International Sustainability and Carbon Certification (“ISCC”) PLUS and Global Recycled Standard (“GRS”), supporting traceability and responsible sourcing and use of recycled and circular materials encompassing the supply chain.



Meanwhile, we continue to explore the availability and suitability of externally sourced recycled materials or other renewable materials. However, we recognized current industry-wide constraints such as limited feedstock supply, material quality variability, infrastructure limitations and higher costs associated with recycled resins and gaps in waste collection and segregation. These factors, together with evolving recycling technologies, are considered when evaluating further expansion of recycled content usage.

(c) Less consumption and more efficient use of materials

In line with industry developments, our product innovation efforts include a focus on downgauging, which involves reducing film thickness while maintaining required performance characteristics and cost efficiency. Through investments in product research and development, machinery upgrades and raw material optimization, BPPLAS has developed thinner yet high-performance plastic films for selected applications.

Beyond downgauging, we pursue improvements through product reformulation, blending of recycled materials, and the optimization of process and machinery technologies. These initiatives support reduced raw material or virgin material consumption and improve resource efficiency, while maintaining product integrity and consistency.

Progress towards more sustainable materials and circular packaging solutions continues across the industry, but structural and practical challenges are ongoing including infrastructure limitations, uneven public awareness, and high technical and capital intensity. These factors are assessed for new initiatives, investments and product applications, to ensure alignment with operational feasibility, customer requirements and commercial viability.

Where practicable, design optimization and process improvements are undertaken with the objective of reducing material intensity, and improving resource efficiency, while ensuring that product quality, safety and customer requirements are consistently met. Any resulting environmental benefits, including potential reductions in resource use and emissions intensity, are considered dependent outcomes rather than guaranteed impacts, reflecting our measured and responsible approach to materials and products stewardship.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

MATERIALS & PRODUCTS STEWARDSHIP (CONT'D)

Related UN
SDGs**Performance**

In FY2025, we continued to apply our materials and products stewardship approach across three focus areas: mono-material design, use of recycled content, and material downgauging.

All products manufactured are designed as mono-material structures, comprising more than 90% PE, supporting recyclability of products in the current recycling systems.

Our product development and innovation efforts remained focused on delivering thin-gauge, high-performance, technical film designed to optimize material usage while meeting functional and safety requirements. These solutions support customers' efforts to improve material efficiency through downgauging, while maintaining product integrity and performance in applications. We continue to emphasize right-gauging, ensuring that material reduction initiatives do not compromise product effectiveness, safety or quality.

Additionally, we continue to develop products incorporating recycled content for suitable applications, reinforcing our ongoing efforts to support circular economy practices through responsible material use. However, recycled resin usage varies by product type and customer requirements.

Demand for our premium, technical and sustainability-focused product offerings continued to support its presence in international markets, including the Americas and Europe, where regulatory requirements and customer expectations relating to sustainable packaging are generally more developed. Market expansion is influenced by factors such as customer demand, regulatory measures affecting plastic packaging and broader sustainability considerations.

In FY2025, recycled materials accounted for approximately 6.9% of our total resin consumption. The variances were primarily attributed to products and applications mix.

	FY2023	FY2024	FY2025
Recycled resins consumption (% of total resins consumption)	7.8%	8.1%	6.9%

WATER MANAGEMENT

Related UN
SDGs**Why it Matters**

For our business, reliable access to clean water is essential in daily operational activities such as machine cooling, cleaning and sanitary use. While water is not a major input or material resource in our manufacturing processes, disruptions to water supply could affect operations. Water discharge from our operations is also minimal.

Despite its limited scale in our production, we recognize the importance of responsible water management and compliance with applicable environmental regulations, particularly in preserving and protecting shared water resources and maintaining consumption efficiency.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

WATER MANAGEMENT (CONT'D)

Related UN SDGs



Management Approach

Our approach to water management emphasizes conservation, efficiency and compliance, considering the nature and scale of our operations. Water usage is monitored to ensure efficient utilization and to identify opportunities for reduction where practicable.

Our primary water supply is sourced from Ranhill SAJ. Complementing this, we utilized internal rainwater harvesting systems. Collected rainwater is stored in on-site tanks and used for purposes such as chillers, cooling towers, general cleaning and toilet flushing. In 2024, additional storage capacity was installed to further enhance rainwater utilization and support water-saving efforts.

Water consumption data, including rainwater harvesting volumes, are tracked monthly. The compiled data is reviewed internally to support monitoring and efficient water usage.

In relation to wastewater and effluents, we conduct periodic quality assessment and manage the discharge in compliance with the Environmental Quality (Industrial Effluent) Regulations 2009, Standard B. Our operations do not involve complex wastewater treatment processes, and no untreated wastewater is discharged into natural water bodies.

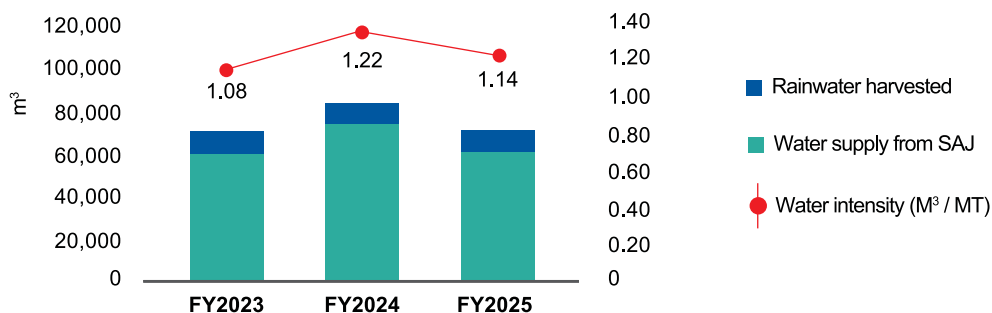
Performance

Water consumption remains a relatively minor aspect of our overall resource usage and processes. During FY2025, our total water consumption reduced by 6.7% to 72,886m³, from 88,497m³.

Water intensity, measured as total water consumption per metric tonne (“MT”) of production output, recorded a decrease. The increase of water intensity these 2 years compared to 2023 and before reflected operational changes where new facilities such as recycling equipment that required water consumption.

Water consumption (m ³)	FY2023	FY2024	FY2025
Water supply from SAJ	68,457	82,446	66,339
Rainwater harvested	6,314	6,051	6,547
Total water consumption	74,771	88,497	72,886
% from rainwater harvested	8.4%	6.8%	9.0%
Water intensity (m ³ / MT production output)	1.08	1.22	1.14

Water Consumption (m³) and Intensity (m³ / MT production output)



During the reporting periods, there were no cases of complaints, fines or non-compliance regarding our water quality, usage or effluent discharge.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)**OCCUPATIONAL HEALTH & SAFETY****Related UN
SDGs****Why it Matters**

Occupational health and safety is fundamental to the Group's manufacturing operations, where employees are exposed to operational, mechanical and workplace safety risks. Ensuring a safe and healthy working environment is critical to protecting employee well-being, maintaining operational continuity and supporting workforce productivity.

We recognize that effective occupational health and safety management reduces the likelihood of workplace incidents, minimizes disruptions to operations and contributes to employee morale and retention, as well as positive workplace culture. Beyond regulatory compliance, a safe working environment supports sustainable business performance by reducing costs associated with accidents, absence, compensation claims and operational downtime.

We acknowledge our responsibility to provide a safe, healthy and conducive working environment for all employees, as well as external parties operating within our premises, including contractors, suppliers and visitors.

Management Approach

We are committed to maintaining a safe and healthy working environment across all operations. Our occupational health and safety practices are guided by compliance with applicable laws and regulations, structured risk management and continuous improvement.

Operations at both of our manufacturing plants are certified under ISO 45001:2018 Occupational Health and Safety Management System, which provides a formal framework for identifying workplace hazards, assessing risks and implementing appropriate control measures. Compliance with occupational safety and health requirements is monitored through internal procedures, inspections and management reviews.

Occupational health and safety responsibilities are embedded at all levels of the organization. The Occupational Safety and Health ("OSH") Committee plays an active role in supporting the implementation and monitoring of workplace safety measures. The Committee is responsible for identifying safety risks, reviewing incidents, and recommending corrective and preventive actions. Committee members participate in relevant safety briefings, regulatory updates and training programmes conducted by internal teams and external agencies to ensure their knowledge remains current.

We provide safety training and operational procedures on topics such as fire safety and evacuation procedures, first aid, Personal Protective Equipment ("PPE") usage, chemical handling, and equipment operation. Training is offered for employees both upon commencement of employment and reinforced with periodic refresher sessions thereafter.

Moreover, contractors operating within the Group's premises, as well as visitors, are required to comply with applicable safety requirements and site-specific safety rules.

In addition to workplace safety, the Group is mindful of employee welfare beyond operational areas. Accommodation provided to foreign workers complies with the Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446). The Group's foreign workers' hostels are certified by the Ministry of Human Resources ("MOHR"). Living conditions are monitored through regular inspections conducted by the Human Resources ("HR") Department, covering cleanliness, safety and maintenance of facilities.

Occupational health and safety practices also assessed under the Sedex Members Ethical Trade Audit ("SMETA") methodology, which includes health and safety as one of its four audit pillars. The audit reviews workplace safety conditions, risk controls and employee health and safety arrangements at the sites including worker hostels provided by the company. Findings and observations arising from the audit are reviewed and addressed through corrective actions, alongside existing operational controls and safety management systems.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

OCCUPATIONAL HEALTH & SAFETY (CONT'D)

Related UN
SDGs

Performance

In FY2025, a total of 410 employees received training on health and safety. Such trainings were mandatory for relevant groups of employees, particularly those who are involved in manufacturing operations and activities at the factory and production shop floor.

	FY2023	FY2024	FY2025
No. employees received health and safety training	428	434	410

During the year, internal and external workplace health and safety training programmes covered topics including safety awareness, radiation / radioactive safety, fire safety, noise awareness, chemical and equipment safety, forklift training etc.

The Group continues to monitor workplace safety performance in tandem with operational activities. As shown in the table below, in FY2025, the number of recorded accident cases decreased (by 1 case) to 6 cases, while the number of workplace fatalities remained at zero. The number of hearing disorder cases reduced to 1 case. In addition to ensuring effective protective equipment is provided, we continuously monitor, guide and train workers to follow the practices to minimize their exposure to excessive noise.

Overall accident-related indicators showed improvement, where we observed reductions in accident rate, hearing disorder rate and Lost Time Incident Rate ("LTIR") during the year.

For incidents that occurred, investigations were conducted to identify root causes and appropriate corrective and preventive actions were implemented. We continue to focus on strengthening safety awareness, enforcing safe work practices and ensuring the provision and use of appropriate personal protective equipment, with the objective of reducing workplace incidents and minimizing work-related injuries and ill-health.

	FY2023	FY2024	FY2025
No. of accident cases	7	7	6
No. of hearing disorders	7	4	1
No. of fatalities	0	0	0
Lost man days (no. of days)	144	85	163
Total no. of hours worked	1,263,961	1,382,486	1,249,005
Accident rate ¹	5.5	5.1	4.8
Hearing disorder rate ²	5.5	2.9	0.8
Fatality rate ³	0	0	0
Lost Time Incident Rate ⁴	1.1	1.0	1.0

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

² Hearing disorder rate = No. of hearing disorders cases / Total no. of hours worked * 1,000,000

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

⁴ 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 & SAFETY (CONT'D)

Related UN
SDGs

Performance (Cont'd)



Kursus Asas Keselamatan Kebakaran Organisasi Keselamatan Kebakaran (OKK) ERT Training held on 8-10 July 2025

PEOPLE MANAGEMENT & DEVELOPMENT

Related UN
SDGs**Why It Matters**

Our ability to sustain operational performance, product quality and long-term competitiveness depends on a stable, skilled and engaged workforce. As a manufacturing organization operating in a dynamic operating environment, BPPLAS recognizes the importance of attracting, developing and retaining employees with appropriate technical capabilities and operational experience.

Ongoing advancements in manufacturing processes, automation and data-driven operations have increased the need for continuous skills development, particularly in technical, operational and supervisory roles. Structured training and upskilling are therefore important to support productivity, operational efficiency and workforce adaptability.

Beyond capability development, we recognize that employee welfare, fair labour practices and a respectful workplace culture are fundamental to maintaining employee morale, engagement and retention. Upholding ethical employment practices, safeguarding human rights and fostering an inclusive and supportive work environment contribute to workforce stability and responsible business conduct.

Management Approach

At BPPLAS, our people management and development approach is guided by applicable labour laws, internal policies and operational requirements. Oversight of human capital matters is undertaken by Management, supported by the Human Resources ("HR") function and departmental, line managers.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

PEOPLE MANAGEMENT & DEVELOPMENT (CONT'D)

Related UN SDGs



Management Approach (Cont'd)

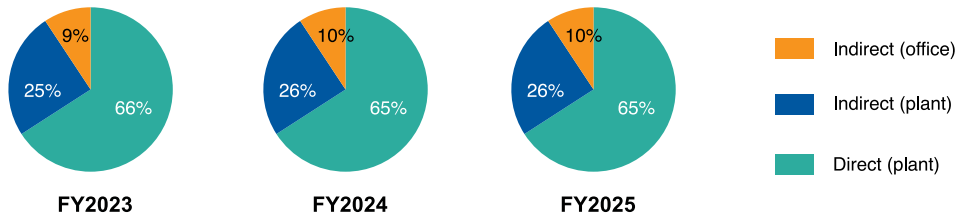
Our approach focuses on the following key areas:

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

These focus areas are implemented with consideration of the size and nature of our operations, emphasizing practical execution and continuous improvement. Through these initiatives, we seek to support a productive workforce and foster a positive workplace culture that is diverse, inclusive and supportive, where our people feel valued, respected, and empowered.

As at the end of FY2025, the Group employed a total of 493 employees across office-based and manufacturing operations. Workforce composition and manpower requirements are reviewed periodically to support operational continuity and business needs.

	FY2023	FY2024	FY2025
Number of employees	516	528	493



(a) Talent development and career progression

The Group supports employee development through a combination of on-the-job training, internal and external training programmes and skills enhancement initiatives, taking into account job roles, operational needs and individual development requirements.

Training programmes are designed to address technical competencies, functional skills, safety awareness and selected soft skills. Training is delivered through various formats, including in-house sessions, external courses, workshops, coaching, mentoring and on-the-job learning.

As part of the annual Performance Appraisal process, Training Needs Analysis (“TNA”) is conducted by department heads, supervisors and HR department. This approach helps identifying skills gaps and aligns training efforts with operational and departmental requirements. Exit interviews are conducted, where applicable, to gather insights into employee experiences and areas for improvement.

In addition to skills development, we place emphasis on building operational continuity by strengthening technical and supervisory capabilities. Knowledge transfer, on-the-job guidance and practical exposure are emphasized to support role readiness and reduce reliance on single key personnel for critical operational functions.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

PEOPLE MANAGEMENT & DEVELOPMENT (CONT'D)

Related UN
SDGs**Management Approach (Cont'd)****(b) Employee welfare and engagement**

The Group provides employee remuneration and benefits that are aligned with job responsibilities, market conditions and statutory requirements (e.g. Malaysian labour laws on minimum wage and overtime pay requirements). Employee welfare is managed through a combination of compensation, benefits and workplace facilities aimed at supporting employees' well-being and job satisfaction.

Standard benefits include statutory contributions, insurance coverage, medical benefits, leave entitlements and long service recognition. Manufacturing employees are also provided with appropriate personal protective equipment and safety-related provisions. Workplace facilities such as canteen areas, lockers and prayer rooms are made available to support daily operational needs.

Employee performance is assessed through annual performance evaluations conducted by department heads and line supervisors, with recognition and rewards linked to performance, contribution and merit, where applicable. Meanwhile, the Group maintains regular communication with employees through departmental briefings, meetings and engagement sessions to facilitate two-way communication, address operational matters and respond to employee feedback promptly.

Employee welfare is also linked to workplace safety and health practices. Our manufacturing operations are supported by occupational health and safety controls, safety training and preventive measures aimed at reducing workplace risks and promoting a safe working environment. These practices contribute to employees' physical well-being, operational continuity and workforce stability. (Refer to "Occupational Health & Safety")

(c) Ethical practices and human rights

The Group is committed to responsible employment practices and respect for human rights. Our approach is guided by the Group's Human Rights and Social Compliance Policy and relevant corporate governance, internal policies, which are aligned with Malaysian labour laws and applicable regulatory requirements.

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 fees or other related costs from foreign workers' salaries for their employment.

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

PEOPLE MANAGEMENT & DEVELOPMENT (CONT'D)

Related UN
SDGs**Management Approach (Cont'd)****(c) Ethical practices and human rights (Cont'd)**

Compliance with human rights and labour standards is monitored through internal reviews, site inspections and feedback mechanisms. Briefings, orientation programmes, relevant information (also translations in different languages where appropriate) are provided to foreign workers to support their integration, awareness and understanding of workplace practices. Where worker accommodation is provided, it complies with applicable regulatory guidelines.

Employees are able to raise workplace concerns or grievances through designated internal reporting channels, or engage with senior management, without fear of retaliation.

(d) Workplace culture and inclusion

The Group promotes a workplace culture based on respect, fairness and equal opportunity. Recruitment, employment and development practices are based on merit, qualifications, experience and job requirements, without discrimination of race, color, religion, gender, age, disability, nationality, sexual orientation, marital status, or any other characteristic protected by law.

We seek to foster an inclusive working environment where employees are treated with dignity and encouraged to contribute constructively. While the Group does not operate formal diversity targets, inclusivity and mutual respect are embedded within daily people management practices and workplace interactions.

In FY2025, the Group underwent a Sedex Members Ethical Trade Audit (“SMETA”) 4-Pillar audit as part of our efforts to strengthen responsible labour practices and ethical employment standards. The audit covers four key pillars, namely Labour Standards, Health and Safety, Environment, and Business Ethics; it provided an independent assessment of our people management practices, with particular focus on areas such as employee welfare, working hours, wages and benefits, freedom of association, non-discrimination, and grievance mechanisms. The audit outcomes are used as a reference point to identify areas for improvement and to enhance internal policies, procedures and operational controls where necessary.

We view third-party social audits such as SMETA as a complementary tool to internal monitoring, and as part of its broader efforts to strengthen human capital management and responsible business conduct.

People-related risks, including workforce availability, and skills gaps are monitored as part of the Group’s overall risk management considerations. These risks are assessed in the context of operational requirements and business continuity, with mitigation actions addressed through manpower planning, training and employee engagement measures.

Performance

In FY2025, the Group recorded a total of 6,730 training hours, equivalent to an average of 13.7 training hours per employee. To support these initiatives, in FY2025, RM38,681 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, and governance-related topics. These programs were designed to address the evolving needs of our workforce and equip them with the essential skills to excel in their roles. During the year, training related to SMETA social compliance requirements and FSSC 22000 food safety standards was conducted to support compliance with regulatory and customer requirements. Workforce and training data are compiled by the HR function and reviewed by management for consistency and completeness.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

PEOPLE MANAGEMENT & DEVELOPMENT (CONT'D)

Related UN
SDGs

Performance (Cont'd)

	FY2023	FY2024	FY2025
All employees			
Total training hours	6,101	9,000	6,730
Training hours per person	11.8	17.0	13.7
Direct (plant) employees			
Total training hours	3,011	4,716	3,263
Training hours per person	8.9	13.8	10.2
Indirect (plant) employees			
Total training hours	1,672	2,958	2,676
Training hours per person	13.1	21.7	21.1
Indirect (office) employees			
Total training hours	1,418	1,326	792
Training hours per person	29.5	26.0	16.9

The following is 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
18 February 2025	Undang-Undang, Keselamatan dan Isu-Isu semasa yang berkaitan dengan warga asing di Malaysia
20 February 2025	Raw Material Prices and Market Trends Seminar
11 March 2025	March 2025 Success Camp
22 April 2025	ISO 14001 & ISO 45001 Awareness Training
23 April 2025	ISO 45001:2018 & ISO 14001:2015 Internal Audit Training
15-16 May 2025	Understanding FSSC 22000 Version 6 Requirements Training
15 May 2025	The Future is Now: Transforming Malaysia's Digital Economy
22 May 2025	Maximizing the Performance of Compressed Air System, Air Leak Management and Boiler Solutions
16 June 2025	Personal Data Protection Act
19-20 June 2025	Understanding FSSC 22000 Version 6 Requirements Training
1-3 July 2025	Radiation Safety And Health / Keselamatan Sinaran Dan Kesihatan (RSH100)
8-10 July 2025	Kursus Asas Keselamatan Kebakaran Organisasi Keselamatan Kebakaran (OKK) ERT Training
16 July 2025	Understanding Food Defense & Food Fraud
17 July 2025	Understanding Food Defense & Food Fraud
21-24 July 2025	Energy Management & Energy Audit for Industrial Installation
25 August 2025	SEDEX Internal Audit Training Course
17 October 2025	National Sustainability Reporting Framework ("NSRF") Data to Disclosures Forum (D2D Forum).
22 October 2025	FSSC 22000 Version 6 Internal Auditing Training

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

PEOPLE MANAGEMENT & DEVELOPMENT (CONT'D)

Related UN
SDGs

Performance (Cont'd)

Date(s) of Training	Training Topics / Programmes
4 November 2025	Smart Manufacturing & Practical Automation
8-14 November 2025	Halal Executive Professional Certification Course
10-13 November 2025	Course for Certified Environmental Professional in Scheduled Waste Management
12 November 2025	Cybersecurity Awareness Intensive Workshop
17-18 November 2025	Supply Chain Management
18 November 2025	Flexible Packaging: Innovations for Performance, Sustainability & Circularity
20 November 2025	Green Technologies & Recycling Innovations
27 November 2025	Regulations, Compliance & ESG Requirements
19 December 2025	CSI Platform Onboarding Sessions

Salary adjustments and bonus distributions are implemented annually, taking into account company performance, individual performance and prevailing market conditions, as part of the Group's approach to employee remuneration and retention.

Ongoingly, we continue to review working hours and overtime arrangements to promote compliance with labour standards and support employee well-being. Efforts include improved workload planning, operational efficiency initiatives, automation and effective shift arrangements, particularly within manufacturing operations. These measures are aligned with observations from social compliance assessments, including the SMETA audit.

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. Employee turnover in FY2025 increased to 15%, which is slightly higher than the previous year, reflecting workforce adjustments, where as we increased local employment for manufacturing plant shopfloor and operators' roles, that generally experience higher voluntary turnover rates.

	FY2023	FY2024	FY2025
All employees	36	48	75
Direct (plant) employees	9	29	47
Indirect (plant) employees	24	15	22
Indirect (office) employees	3	4	6
Overall turnover rates (%)	7%	9%	15%

Our manufacturing operations run on a 24-hour 7-day basis to support machine utilization, streamline processes, and operational efficiency while ensuring timely deliveries to customers. Given the physical and shift-based nature of manufacturing shopfloor, the workforce in these areas is predominantly male, with a significant proportion comprising non-Malaysian (foreign) workers, particularly for night shifts.

In FY2025, female participation across the Group stood at 12%. When excluding direct manufacturing shopfloor roles, female representation increased to 33%. Among office-based employees, females constituted the majority of the workforce, accounting for 57%. While overall female representation remains lower due to the nature of manufacturing operations, we are committed to promoting equal opportunities, safeguarding employee rights and fostering an inclusive work environment where all employees are treated fairly and are able to contribute meaningfully in accordance with their roles and responsibilities.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

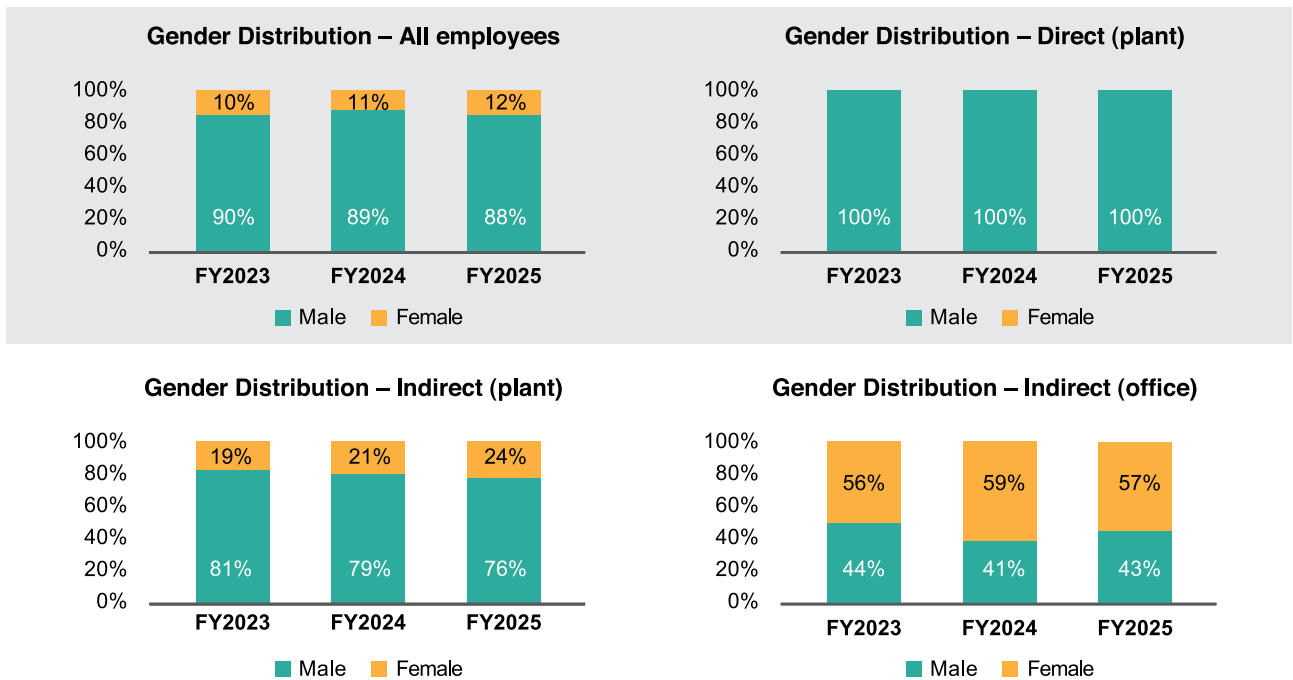
PEOPLE MANAGEMENT & DEVELOPMENT (CONT'D)

Related UN
SDGs

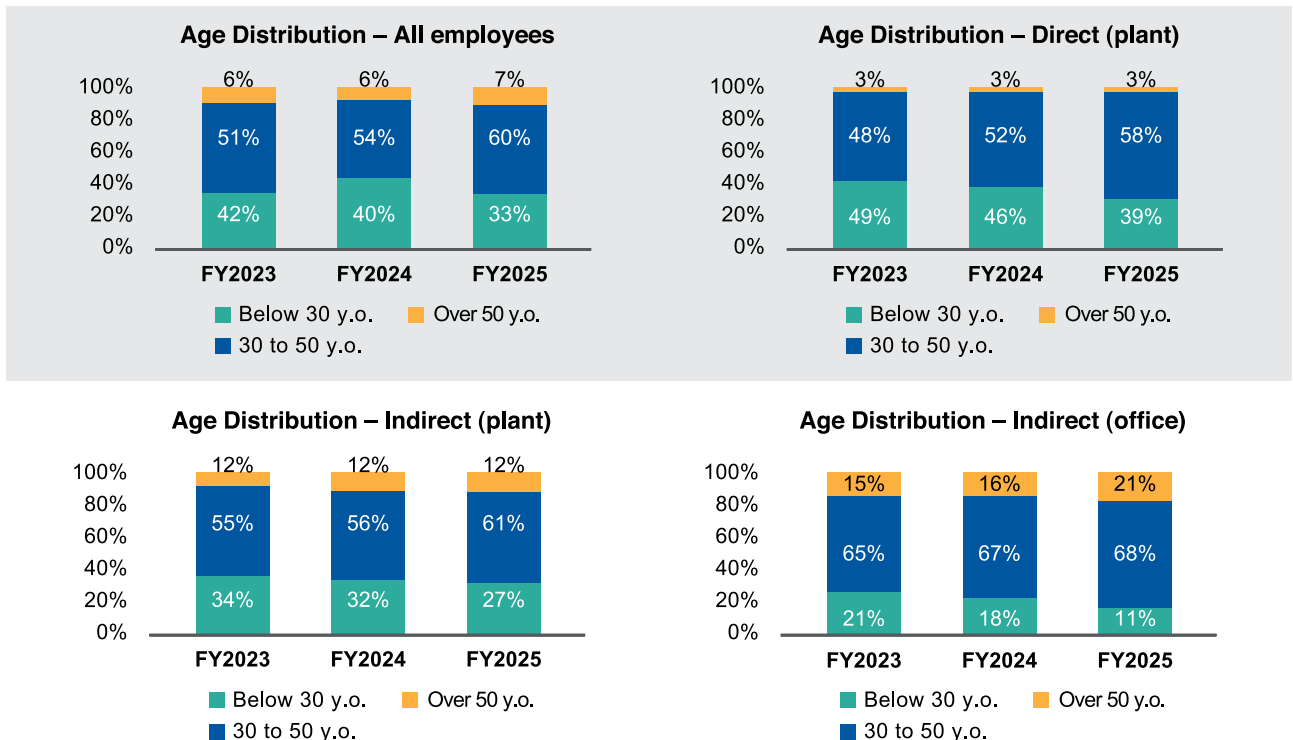


Performance (Cont'd)

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)

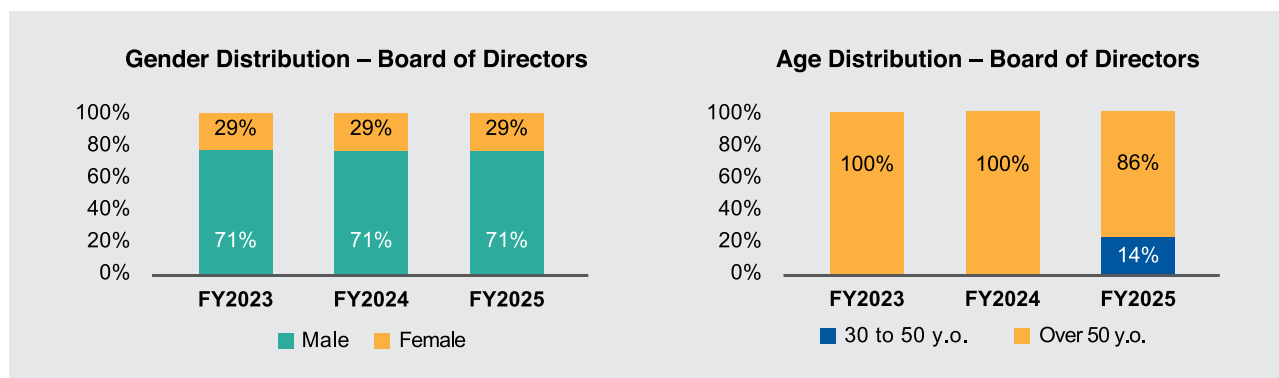
MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

PEOPLE MANAGEMENT & DEVELOPMENT (CONT'D)

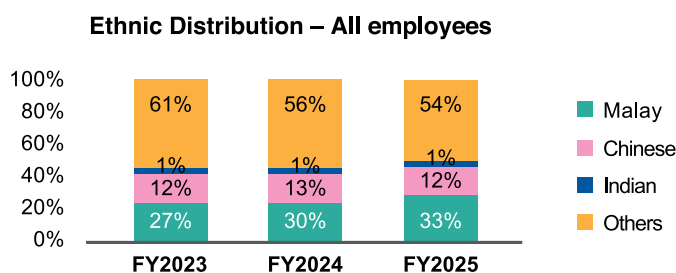
Related UN
SDGs

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 46% in FY2025 compared to the past two years. However, in absolute terms, the number of local employees declined slightly, in line with the overall reduction in workforce during the year. In fact, the nature of our 24-hour manufacturing operations presents ongoing challenges in recruiting local talent for production shopfloor roles, which necessitates the engagement of foreign workers to support operational requirements.

All local employees are hired on a permanent basis, while foreign workers are engaged on a temporary or contract basis. As a result, in FY2025, foreign workers (temporary and contract employees) accounted for 54% of our total workforce.

	FY2023	FY2024	FY2025
Number of local employees	203	233	227
Local employees ratio	39%	44%	46%
Number of foreign workers	313	295	266
Foreign workers (i.e. Temporary and Contract employees) ratio	61%	56%	54%

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

PEOPLE MANAGEMENT & DEVELOPMENT (CONT'D)

Related UN SDGs



Performance (Cont'd)

In FY2025, the Group marked its 35th anniversary with internal employee appreciation activities to recognize the contributions and commitment of our workforce. Activities included employee luncheons and dinners, lucky draw sessions, and long service recognition awards for eligible employees. 47 employees with more than 20 years of service received appreciation gifts at our anniversary celebration dinner. These activities and initiatives were organized as part of our employee engagement efforts and aimed at fostering a sense of appreciation, belonging and shared achievement among employees.



DATA PRIVACY & DIGITAL SECURITY

Related UN SDGs



Why It Matters

The Group relies increasingly on digital systems and information technology to support business operations. This includes the processing of personal data relating to employees, customers, suppliers and other business partners, as well as commercially sensitive and confidential information.

As digitalization, connectivity and remote access become more prevalent, the risk landscape associated with data breaches, cyber threats and unauthorized access continues to evolve. In this context, effective data privacy and information security practices are essential to safeguard sensitive information, ensure compliance with applicable regulatory requirements and maintain stakeholder trust.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)**DATA PRIVACY & DIGITAL SECURITY (CONT'D)****Related UN
SDGs****Why It Matters (Cont'd)**

Failure to adequately protect data may expose organizations to operational disruptions, regulatory sanctions, reputational damage and financial loss. Accordingly, data privacy and security are important elements of our governance and risk management considerations.

Management Approach

We manage data privacy and information security through a combination of policies, operational controls and ongoing monitoring.

Since 2016, the Group has maintained a Personal Data Protection Policy aligned with the requirements of the Personal Data Protection Act 2010 ("PDPA"). The policy sets out principles governing collection, use, storage, access and disclosure of personal data, and applies to information relating to employees, customers, suppliers and other relevant stakeholders. The policy is communicated to employees through orientation and internal communications and is made available on our corporate website.

To support the increasing use of digital systems, the Group has implemented information security measures designed to protect systems, infrastructure and data from unauthorized access, cyber threats and data loss. These measures include firewalls, antivirus protection, access controls and system monitoring across key information systems.

Operational practices are in place to support data integrity and business continuity, including regular data backups, defined data retention practices and disaster recovery arrangements. These measures are intended to mitigate risks arising from system failures, cyber incidents or loss of critical information.

We continue to strengthen employee awareness through periodic briefings and training on data protection and information security practices, reinforcing individual responsibilities in handling personal and confidential information. Data privacy and cybersecurity risks are monitored as part of our broader risk management framework.

Performance

For the past 3 years, we have not recorded any substantiated complaints or cybersecurity incidents involving breaches of personal data or loss of confidential information.

In FY2025, a cybersecurity awareness workshop was conducted in November 2025 for 39 relevant employees whose roles involve access to systems or data. The training focused on reinforcing awareness of data protection responsibilities, cybersecurity risks and good information security practices.

Following the adoption of a new Enterprise Resource Planning ("ERP") system since 2024, the Group implemented related hardware and software upgrades alongside cybersecurity controls to support system integration. These measures were undertaken to enhance system stability, strengthen cyber resilience and safeguard data and digital assets during and after the ERP implementation process.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

COMMUNITIES ENGAGEMENT

Related UN
SDGs**Why It Matters**

BPPLAS recognizes that constructive relationships with local communities contribute to social stability, workforce sustainability and long-term business continuity. As a manufacturing group with operations embedded within local communities, we acknowledge our responsibility to operate in a manner that is considerate of community well-being and to contribute positively where reasonably practicable.

Our approach to community engagement focuses on supporting local socio-economic development, promoting social awareness and maintaining trust with stakeholders in the areas where we operate.

Management Approach

We prioritize community engagement initiatives that are aligned with our operational footprint, workforce profile and available resources, while ensuring compliance with applicable laws and regulations.

Our key areas of focus include:

- **Employment and local economic contribution**
We prioritise local hiring where possible, providing stable employment opportunities that contribute to household income and economic activity within the surrounding communities, including offering internships for students, and job opportunities for graduates. In addition, the Group supports local businesses through local procurement practices where feasible.
- **Community support and social initiatives**
The Group contributes to community well-being through targeted social initiatives, including donations, sponsorships and employee-led activities. These initiatives are implemented on a voluntary and non-political basis.

Since 2010, the Group has organised annual blood donation campaigns in collaboration with local blood banks. These initiatives aim to support public healthcare needs while fostering a culture of volunteerism among employees.

The Group does not maintain a formal or structured corporate social responsibility programme. Community contributions are reviewed by management to ensure alignment with business values and stakeholder expectations. We will continue to review opportunities for meaningful community engagement that are appropriate to the scale of our operations.

Performance

As at end of FY2025, local employees make up 46% of our total workforce, reflecting an increase from the past two years (FY2023: 39%, FY2024: 44%) despite the total number of local employees reduced slightly to 227 compared to 233 in FY2024. (Refer to "People management & development")

In FY2025, our local procurement spending accounted for around 33% of total procurement, an increase from the previous two years (FY2023: 27%, FY2024: 31%). (Refer to "Supply chain management")

In terms of community support initiatives, the Group continued its long-standing blood donation programme. A blood donation campaign was organized on 18 May 2025 at Batu Pahat Mall, in collaboration with the local blood bank, with participation from employees and members of the public. The campaign contributed to the collection of blood supplies of total 108 packs to support local healthcare needs.

SUSTAINABILITY STATEMENT (CONT'D)

MANAGEMENT APPROACH OF MATERIAL SUSTAINABILITY MATTERS (CONT'D)

COMMUNITIES ENGAGEMENT

Related UN SDGs



Performance (Cont'd)



During the year, the Group made approximately RM 42,143 of financial contributions to local communities through donations, sponsorships and other social initiatives. These contributions were directed towards selected community organizations and social causes within the areas where we operate.

	FY2022	FY2023	FY2024
Blood donation contribution (packs)	105	91	108
Contributions to the local communities (RM)	46,618	62,330	42,143

It is estimated that more than 108 individuals and 5 organizations benefited from our social engagement and investments in FY2025.

CONCLUSION

As a responsible organisation, we remain committed to managing the economic, environmental and social matters relevant to our business in a prudent and measured manner, taking into account the related risks and opportunities. This supports our long-term business resilience and sustainability.

We will continue to strengthen sustainability practices and awareness across the value chain, covering procurement, production, people, workplace practices, and our product stewardship. We recognise the importance of stakeholder engagement and collaboration in addressing matters that are material to the Group.

As our products serve essential packaging application for food, logistics and other important industries, we remain focused on delivering reliable packaging solutions, while conducting our business responsibly and safeguarding long-term value for stakeholders.

The Group appreciates the continued support and contribution of our employees, customers, business partners and other stakeholders throughout the year.

SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA TABLE

Material Sustainability Matters	Indicator	Unit	FY2023	FY2024	FY2025
ECONOMIC					
Innovation, product development & quality	Total goods return & discount for quality issues (as % of sales)	Percentage	0.34%	0.29%	0.14%
	Investment in building, facilities, machines and equipment	RM '000	24,172	20,632	13,279
Compliance, ethics & responsible governance	Bursa C1 (a) Percentage of employees who have received training on anti-corruption by employee category				
	– All employees	Percentage	97.7%	101.3%	100.0%
	– Direct (plant)	Percentage	98.8%	100.9%	100.0%
	– Indirect (plant)	Percentage	94.5%	102.2%	100.0%
	– Indirect (office)	Percentage	97.9%	102.0%	100.0%
	Bursa C1 (b) Percentage of operations assessed for corruption-related risks	Percentage	100.0%	100.0%	100.0%
	Bursa C1 (c) Confirmed incidents of corruption and action taken	Percentage	-	-	-
Economic performance & resilience	Economic value generated	RM'000	474,441	491,718	416,469
	Economic value distributed	RM'000	456,096	487,010	411,989
	Economic value retained	RM'000	18,345	4,708	4,480
Supply chain management	Bursa C7 (a) Proportion of spending on local suppliers	Percentage	27.2%	30.6%	32.6%
ENVIRONMENTAL					
Climate change & emissions	Bursa C4 (a) Total energy consumption	MWh	57,079.26	62,310.92	55,564.35
	Energy intensity	MWh / Metric Tons	0.82	0.86	0.87
	% of renewable energy source	Percentage	32.8%	2.0%	7.9%
	Bursa C11 (a) Scope 1	tCO ₂ e	407.09	446.89	387.73
	Bursa C11 (b) Scope 2 emissions (i.e. purchased electricity)	tCO ₂ e	29,677.33	47,269.06	39,621.33
	Bursa C11 (c) Scope 3 emissions (i.e. business travel and employee commuting)	tCO ₂ e	N/A	247.19	255.65
Waste & environmental management	Bursa C10 (a) Total waste generated	Metric Tons	6,716.20	6,972.05	5,323.99
	Bursa C10 (i) Total waste diverted from disposal	Metric Tons	5,724.96	5,948.11	4,473.68
	Bursa C10 (ii) Total waste directed to disposal	Metric Tons	991.30	1,023.94	850.31
Materials & products stewardship	% of recycled resins consumption	Percentage	7.8%	8.1%	6.9%
Water management	Bursa C9 (a) Total volume of water used	m ³	74,771.60	88,496.80	72,886.20
	% from rainwater harvested	Percentage	8.4%	6.8%	9.0%
	Water intensity	m ³ / Metric Tons	1.08	1.22	1.14

SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA TABLE (CONT'D)

Material Sustainability Matters	Indicator	Unit	FY2023	FY2024	FY2025
SOCIAL					
Occupational health & safety	Bursa C5 (a) Number of work-related fatalities	Number	-	-	-
	Bursa C5 (b) Lost time incident rate	Rate	1.11	1.01	0.96
	Bursa C5 (c) Number of employees trained on health and safety standards	Number	428	434	410
	Accident rate	Rate	5.54	5.06	4.80
	Hearing disorder rate	Rate	5.54	2.89	0.80
	Fatality rate	Rate	-	-	-
People management & development	Bursa C6 (a) Total hours of training by employee category				
	– All employees	Number	6,101	8,999	6,730
	– Direct (plant)	Number	3,011	4,716	3,263
	– Indirect (plant)	Number	1,672	2,958	2,676
	– Indirect (office)	Number	1,418	1,326	792
	Training hours per person by employee category				
	– All employees	Number	11.8	17.0	13.7
	– Direct (plant)	Number	8.9	13.8	10.2
	– Indirect (plant)	Number	13.1	21.7	21.1
	– Indirect (office)	Number	29.5	26.0	16.9
	Bursa C6 (b) Percentage of employees that are contractors or temporary staff (i.e. foreign workers)	Percentage	60.7%	55.9%	54.0%
	Bursa C6 (c) Total number of employee turnover by employee category (local employees only)				
	– All employees, local employees only	Number	36	48	75
	– Direct (plant), local employees only	Number	9	29	47
	– Indirect (plant), local employees only	Number	24	15	22
– Indirect (office), local employees only	Number	3	4	6	
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	89.9%	88.6%	88.2%	
– All employees, Female	Percentage	10.1%	11.4%	11.8%	
– Direct (plant), Male	Percentage	99.7%	99.7%	99.7%	
– Direct (plant), Female	Percentage	0.3%	0.3%	0.3%	
– Indirect (plant), Male	Percentage	81.3%	78.7%	76.4%	
– Indirect (plant), Female	Percentage	18.8%	21.3%	23.6%	
– Indirect (office), Male	Percentage	43.8%	41.2%	42.6%	
– Indirect (office), Female	Percentage	56.3%	58.8%	57.4%	

SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA TABLE (CONT'D)

Material Sustainability Matters	Indicator	Unit	FY2023	FY2024	FY2025	
SOCIAL						
Occupational health & safety	Bursa C3 (a) Percentage of employees by age group, for each employee category					
	– All employees, Below 30 y.o.	Percentage	42.4%	39.6%	32.9%	
	– All employees, 30 to 50 y.o.	Percentage	51.4%	54.2%	60.0%	
	– All employees, Over 50 y.o.	Percentage	6.2%	6.3%	7.1%	
	– Direct (plant), Below 30 y.o.	Percentage	48.8%	45.7%	38.6%	
	– Direct (plant), 30 to 50 y.o.	Percentage	48.2%	51.6%	58.3%	
	– Direct (plant), Over 50 y.o.	Percentage	2.9%	2.6%	3.1%	
	– Indirect (plant), Below 30 y.o.	Percentage	33.6%	32.4%	26.8%	
	– Indirect (plant), 30 to 50 y.o.	Percentage	54.7%	55.9%	61.4%	
	– Indirect (plant), Over 50 y.o.	Percentage	11.7%	11.8%	11.8%	
	– Indirect (office), Below 30 y.o.	Percentage	20.8%	17.6%	10.6%	
	– Indirect (office), 30 to 50 y.o.	Percentage	64.6%	66.7%	68.1%	
	– Indirect (office), Over 50 y.o.	Percentage	14.6%	15.7%	21.3%	
		Percentage of employees by ethnic				
	– Malay	Percentage	26.6%	30.5%	32.9%	
	– Chinese	Percentage	12.0%	12.9%	12.4%	
	– Indian	Percentage	0.8%	0.8%	0.8%	
	– Others (non-Malaysian)	Percentage	60.7%	55.9%	54.0%	
		Bursa C3 (b) Percentage of directors by gender				
	– Male	Percentage	71.4%	71.4%	71.4%	
– Female	Percentage	28.6%	28.6%	28.6%		
	Bursa C3 (b) Percentage of directors by age group					
– Below 30 y.o.	Percentage	0.0%	0.0%	0.0%		
– 30 to 50 y.o.	Percentage	0.0%	0.0%	14.3%		
– Over 50 y.o.	Percentage	100.0%	100.0%	85.7%		
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	46,618	62,330	42,143	
	Bursa C2 (b) Total number of beneficiaries of the investment in communities	Number	105 individuals and 8 organizations	91 individuals and 8 organizations	108 individuals and 5 organizations	

PRESCRIBED TABLE

BP PLASTICS HOLDING BHD

BMLR Transition Period

Date & Time: 2026-04-14_09:59:00
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Compliance, ethics & responsible governance	Percentage of employees who have received training on anti-corruption by employee category - All employees	Percentage	100.0%	—	Internal	
Compliance, ethics & responsible governance	Percentage of employees who have received training on anti-corruption by employee category - Direct (plant) workforce	Percentage	100.0%	—	Internal	
Compliance, ethics & responsible governance	Percentage of employees who have received training on anti-corruption by employee category - Indirect (plant) workforce	Percentage	100.0%	—	Internal	
Compliance, ethics & responsible governance	Percentage of employees who have received training on anti-corruption by employee category - Indirect (office) workforce	Percentage	100.0%	—	Internal	
Compliance, ethics & responsible governance	Percentage of operations assessed for corruption-related risks	Percentage	100.0%	—	Internal	
Compliance, ethics & responsible governance	Confirmed incidents of corruption	Number	0	—	Internal	
Supply chain management	Proportion of spending on local suppliers	Percentage	32.6%	—	Internal	
Climate change & emissions	Total energy consumption	Megawatt-hour (MWh)	55,564.35	—	Internal	
Climate change & emissions	Scope 1 emissions	tCO2e	38,773	—	Internal	
Climate change & emissions	Scope 2 emissions	tCO2e	39,621.33	—	Internal	Purchased electricity
Climate change & emissions	Scope 3 emissions	tCO2e	255.65	—	Internal	Category 6 (Business Travel) and Category 7 (Employee Commuting)

PRESCRIBED TABLE (CONT'D)

BP PLASTICS HOLDING BHD
BMLR Transition PeriodDate & Time: 2026-04-14_09:59:00
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Waste & environmental management	Total waste generated	Metric Tons (MT)	5,323.99	—	Internal	
Waste & environmental management	Total waste diverted from disposal	Metric Tons (MT)	4,473.68	—	Internal	
Waste & environmental management	Total waste directed to disposal	Metric Tons (MT)	850.31	—	Internal	
Water management	Total volume of water used	Cubic Meter (m3)	72,886.20	—	Internal	
Occupational health & safety	Number of work-related fatalities	Number	0	—	Internal	
Occupational health & safety	Lost time incident rate	Rate	0.96	—	Internal	
Occupational health & safety	Number of employees trained on health and safety standards	Number	410	—	Internal	
People management & development	Total hours of training by employee category - All employees	Hours	6,730	—	Internal	
People management & development	Total hours of training by employee category - Direct (plant) workforce	Hours	3,263	—	Internal	
People management & development	Total hours of training by employee category - Indirect (plant) workforce	Hours	2,676	—	Internal	
People management & development	Total hours of training by employee category - Indirect (office) workforce	Hours	792	—	Internal	
People management & development	Percentage of employees that are contractors or temporary staff	Percentage	54.0%	—	Internal	Foreign workers
People management & development	Total number of employee turnover by employee category - All employees	Number	75	—	Internal	

PRESCRIBED TABLE (CONT'D)

BP PLASTICS HOLDING BHD
BMLR Transition Period

Date & Time: 2026-04-14_09:59:00
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
People management & development	Total number of employee turnover by employee category - Direct (plant) workforce	Number	47	—	Internal	
People management & development	Total number of employee turnover by employee category - Indirect (plant) workforce	Number	22	—	Internal	
People management & development	Total number of employee turnover by employee category - Indirect (office) workforce	Number	6	—	Internal	
People management & development	Number of substantiated complaints concerning human rights violations	Number	0	—	Internal	
People management & development	Percentage of employees by gender, for each employee category - All employees, Male	Percentage	88.2%	—	Internal	
People management & development	Percentage of employees by gender, for each employee category - All employees, Female	Percentage	11.8%	—	Internal	
People management & development	Percentage of employees by gender, for each employee category - Direct (plant) workforce, Male	Percentage	99.7%	—	Internal	
People management & development	Percentage of employees by gender, for each employee category - Direct (plant) workforce, Female	Percentage	0.3%	—	Internal	
People management & development	Percentage of employees by gender, for each employee category - Indirect (plant) workforce, Male	Percentage	76.4%	—	Internal	

PRESCRIBED TABLE (CONT'D)

BP PLASTICS HOLDING BHD
BMLR Transition PeriodDate & Time: 2026-04-14_09:59:00
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
People management & development	Percentage of employees by gender, for each employee category - Indirect (plant) workforce, Female	Percentage	23.6%	—	Internal	
People management & development	Percentage of employees by gender, for each employee category - Indirect (office) workforce, Male	Percentage	42.6%	—	Internal	
People management & development	Percentage of employees by gender, for each employee category - Indirect (office) workforce, Female	Percentage	57.4%	—	Internal	
People management & development	Percentage of employees by age group, for each employee category - All employees, Below 30 y.o.	Percentage	32.9%	—	Internal	
People management & development	Percentage of employees by age group, for each employee category - All employees, 30 to 50 y.o.	Percentage	60.0%	—	Internal	
People management & development	Percentage of employees by age group, for each employee category - All employees, Over 50 y.o.	Percentage	71%	—	Internal	
People management & development	Percentage of employees by age group, for each employee category - Direct (plant) workforce, Below 30 y.o.	Percentage	38.6%	—	Internal	
People management & development	Percentage of employees by age group, for each employee category - Direct (plant) workforce, 30 to 50 y.o.	Percentage	58.3%	—	Internal	

PRESCRIBED TABLE (CONT'D)

BP PLASTICS HOLDING BHD

BMLR Transition Period

Date & Time: 2026-04-14_09:59:00
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
People management & development	Percentage of employees by age group, for each employee category - Direct (plant) workforce, Over 50 y.o.	Percentage	31%	—	Internal	
People management & development	Percentage of employees by age group, for each employee category - Indirect (plant) workforce, Below 30 y.o.	Percentage	26.8%	—	Internal	
People management & development	Percentage of employees by age group, for each employee category - Indirect (plant) workforce, 30 to 50 y.o.	Percentage	61.4%	—	Internal	
People management & development	Percentage of employees by age group, for each employee category - Indirect (office) workforce, Over 50 y.o.	Percentage	11.8%	—	Internal	
People management & development	Percentage of employees by age group, for each employee category - Indirect (office) workforce, Below 30 y.o.	Percentage	10.6%	—	Internal	
People management & development	Percentage of employees by age group, for each employee category - Indirect (office) workforce, 30 to 50 y.o.	Percentage	68.1%	—	Internal	
People management & development	Percentage of employees by age group, for each employee category - Indirect (office) workforce, Over 50 y.o.	Percentage	21.3%	—	Internal	
People management & development	Percentage of directors by gender, Male	Percentage	71.4%	—	Internal	
People management & development	Percentage of directors by gender, Female	Percentage	28.6%	—	Internal	
People management & development	Percentage of directors by age group, Below 30 y.o.	Percentage	0.0%	—	Internal	

PRESCRIBED TABLE (CONT'D)

BP PLASTICS HOLDING BHD
BMLR Transition PeriodDate & Time: 2026-04-14_09:59:00
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
People management & development	Percentage of directors by age group, 30 to 50 y.o.	Percentage	14.3%	—	Internal	
People management & development	Percentage of directors by age group, Over 50 y.o.	Percentage	85.7%	—	Internal	
Data privacy & digital security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	—	Internal	
Communities engagement	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	42,143	—	Internal	
Communities engagement	Total number of beneficiaries of the investment in communities	Number	113	—	Internal	Individuals & organisations

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 2025 are as below:

	Group RM	Company RM
Audit services rendered	105,000	35,000
Non-audit services rendered		
Review of the Statement on Risk Management and Internal Control	5,000	5,000
Tax Services	40,200	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 2025.

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 proposal during the financial year.

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2025 RM'000	2024 RM'000
Revenue		413,688	487,682
Other Income		744	973
Interest/Finance Income		2,040	2,774
Total		416,472	491,429
Total Assets		340,710	345,974

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 RM'000	2024 RM'000
Interest income		1,708	2,400
Total		1,708	2,400

(c) Component of Financial Position**(i) Cash component**

Islamic Account/ Instruments	Remarks	Group	
		2025 RM'000	2024 RM'000
Deposits with licensed bank		-	12,000
Total Cash		-	12,000

Conventional Account/ Instruments	Remarks	Group	
		2025 RM'000	2024 RM'000
Cash and bank balances (exclude cash in hand)		20,111	12,438
Money market instruments		58,610	25,941
Other cash equivalents	Cash in hand	60	72
Total Cash		78,781	38,451

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

(c) Component of Financial Position (Cont'd)

(ii) Debt component

Islamic Financing	Remarks	Group	
		2025 RM'000	2024 RM'000
Current		N/A	N/A
Non-Current		N/A	N/A
Total Financing		N/A	N/A

Conventional Borrowing	Remarks	2025	2024
		RM'000	RM'000
Current		N/A	N/A
Non-Current		N/A	N/A
Total Debt		N/A	N/A

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (“FY2025”)

On behalf of the Board of Directors of BPPLAS, we present the MD&A for FY2025, which provides an overview of the Group’s business operations and financial performance, together with a discussion of the broader economic and industry environment.

FY2025 was characterized by evolving market conditions and heightened geopolitical uncertainties. In this landscape, the Group prioritized operational management, new product development, service quality improvement, and prudent financial management. While revenue and profitability were affected by softer global demand conditions, foreign exchange movements and a challenging pricing environment, we continued to progress capability enhancements and efficiency initiatives to support competitiveness and resilience.

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 primary, secondary, and tertiary packaging solutions to customers across various industries. We operate through two key divisions: the Cast Stretch Film division, which accounts for around 75% of our business, and the Blown PE Film division, serving industrial and consumer goods packaging needs.

Today, BPPLAS is among the larger and leading stretch films and PE flexible plastics packaging manufacturers in Asia. We specialize in premium Cast stretch films and value-added technical Blown films. Over recent years, our targeted offerings, such as high-performance stretch films and printed packaging for retail goods, alongside broader commercial and industrial applications, have supported demand resilience across our markets.

With a strong export orientation, we continue to broaden market reach and customer base while delivering packaging solutions that support logistics efficiency, food safety and shelf-life requirements, and ease of handling. Where required, products are customized, as well as with printing to support branding and usage instructions.

As sustainability expectations continue to influence purchasing decisions and regulatory developments, the plastics value chain is placing growing emphasis towards sustainable packaging solutions that focus on plastic circularity and life cycle impacts. At BPPLAS, we uphold responsible product stewardship initiatives include downgauging to reduce material usage, designing products for recyclability, and incorporating recycled content where feasible, supporting environmental responsibility and resource efficiency. (For details, please refer to the “materials & products stewardship” section in the Sustainability Statement of this report).

Guided by our strategy to strengthen competitiveness and support long-term resilience, we are focused on the following priorities:

- expanding high-performance and value-added products aligned with customer specifications;
- strengthening innovation, R&D, process capability and quality assurance;
- progressing sustainability-aligned solutions, responsible operations and governance practices;
- undertaking strategic and disciplined investment to enhance capability and efficiency;
- deepening customer engagement and market access; and
- improving productivity, cost management and operational execution through skills development, automation and process controls.

During 2025, the Group acquired new skills and strengthened in-house capabilities, conducting extensive printing trials at Centre Impression Flexo graphic printing line, and bag making trials at wicketing machines. These efforts supported the successful commercialization of printed wicket bags, particularly for primary consumer goods packaging for bread, food and produce applications.

We also completed another phase of solar panel expansion, increasing installed solar capacity by more than 400% compared to the previous level. This has reduced our fossil fuel production electricity consumption by approximately 5%, contributing to cost efficiency, bottom line performance and overall competitiveness.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”) (CONT’D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (“FY2025”)

GROUP BUSINESS OVERVIEW (CONT’D)

In addition to maintaining our existing quality, safety, environmental and sustainability certifications, in 2025, we completed the FSSC 22000 audit (certification obtained in January 2026) and successfully completed the Sedex SMETA 4-pillar audit. These milestones reflect our further commitment to food safety practices, responsible governance and social compliance, in line with customer expectations and evolving sustainability requirements.

The Group also marked 35th anniversary in 2025 through a series of celebrations and engagement activities, recognizing the contributions of our people and expressing our appreciation to customers, suppliers, business partners and stakeholders for their continued valuable support over the years.



2025 ECONOMIC AND OPERATING ENVIRONMENT

In 2025, overall, the global economy remained relatively resilient amid persistent concerns over continuous rising trade barriers, heightened geopolitical tensions and policy uncertainty, while a surge in technology-related investment and spending, including artificial intelligence (“AI”) supported activity in certain segments. However, global supply chains and trade flows became more complex, and this affected business planning, investment decisions and sourcing arrangements. Earlier in the year, trade activity in some markets was supported by front-loading ahead of the anticipated tariff increases, but momentum moderated later as conditions adjusted.

While the full impact of higher tariff measures continues to evolve, initial effects were seen to place upward pressure on certain consumer prices, affecting cost structures of businesses, with softer demand observed across several sectors.

Within the plastics industry, operating conditions remained competitive. Pricing pressure persisted, against a backdrop of relatively flat-to-softer raw material (resins) pricing environment during the year, while competition among converters across markets remained elevated.

Currency movements further influenced operating conditions in 2025. During the year, the Ringgit Malaysia (“Ringgit”) appreciated significantly by 10.2% against the United States Dollar (“USD”) to RM4.0570 per USD as at 31 December 2025, and strengthened against other major currencies, continuing its climb from the prior year. Key factors supporting the Ringgit included improving investor sentiment for high Malaysia Bonds demand amid resilient domestic demand, high tourist arrival, a more stable political and policy backdrop, and expectations that Bank Negara Malaysia (“BNM”) would maintain the Overnight Policy Rate (“OPR”) into 2026. Meanwhile, the Ringgit’s performance was also influenced by USD weakness amid changes in US monetary policy, and softer sentiment linked to uncertainty surrounding US trade policy and the broader US outlook. A stronger Ringgit lowers the local currency cost of imports and can help ease certain cost pressures, including for the Malaysian Government through reduced energy-related subsidies. However, the Ringgit’s appreciation also reduces the value of foreign currency revenues and weigh on price competitiveness for exporters, potentially pressuring revenue, earnings and margins for export-oriented businesses.

MANAGEMENT DISCUSSION & ANALYSIS ("MD&A") (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 ("FY2025")

2025 ECONOMIC AND OPERATING ENVIRONMENT (Cont'd)

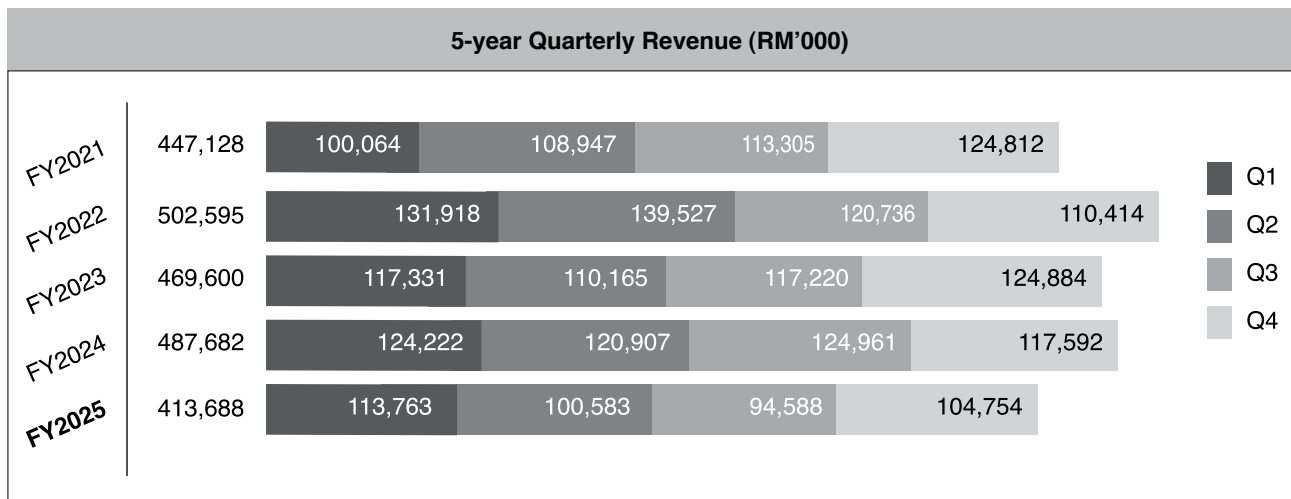
Malaysia's economy expanded in 2025, with GDP growth at 5.2% (2024: 5.1%), above the government's forecast range. Growth momentum strengthened towards the end of the year, where GDP in Q4 rose 6.3% year-on-year. Overall activity was supported by robust domestic demand with higher household spending and investment activity, along with continued contributions from external trade.

Overall, the Group navigated a challenging operating environment in FY2025, supported by strategic execution, the dedication of Management and employees, and continued support from customers, suppliers and other stakeholders.

FINANCIAL PERFORMANCE

In FY2025, the Group recorded lower revenue, with profitability also weakening as earnings and margins lower than that in the prior year.

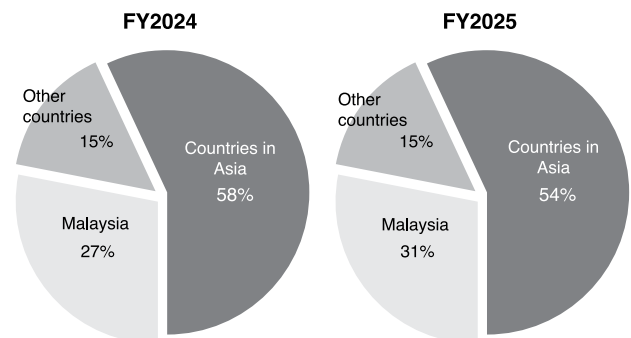
RM'000	FY2021	FY2022	FY2023	FY2024	FY2025
Total Revenue	447,128	502,595	469,600	487,682	413,688



Total revenue stood at RM413.69 million in FY2025, a decline of 15.2% from RM487.70 million in the previous financial year. The reduction was mainly due to reduced sales volumes amid softer demand, coupled with stronger Ringgit that lower average selling prices during the year as the functional accounting is reported in Ringgit.

Demand was softer through the middle of the year, with weaker order flows observed across the second and third quarters before conditions stabilized towards year end.

Revenue by Geographical



MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”) (CONT’D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (“FY2025”)

FINANCIAL PERFORMANCE (Cont’d)

The Group’s performance continued to be underpinned by longstanding strategic partnerships and a diversified customer base across domestic and export markets in Asia, ASEAN and Australasia.

Export revenue declined to RM287.00 million in FY2025 from RM356.16 million in FY2024 (a decrease of 19.4%), reflecting softer demand, cautious buying sentiment and ongoing trade-related uncertainties, compounded with pricing competition and the translation impact from a stronger Ringgit on foreign-currency sales. As a result, exports accounted for 69% of total revenue, compared with 73% in the prior year.

In comparison, domestic revenue was relatively more resilient, easing by 3.7% to RM126.69 million (FY2024: RM131.58 million). The domestic sales contribution increased to 31% from 27%, supported mainly by steadier demand from the food & beverages and consumer goods segments.

Across the year, demand was softer and weighed on overall volumes. Nevertheless, the Group continued to prioritize on new premium product development, customer service reliability and product quality to support retention and market positioning.

Profitability

Description	2024 RM’000	2025 RM’000	Change %
Revenue	487,682	413,688	-15.2%
Earnings before interest, taxes, depreciation and amortization (“EBITDA”)	41,535	30,141	-27.4%
Profit before tax (“PBT”)	26,004	15,829	-39.1%
Profit after tax (“PAT”)	21,596	11,517	-46.7%
EBITDA margin (%)	8.52%	7.29%	-14.4%
PBT margin (%)	5.53%	3.83%	-30.7%
PAT margin (%)	4.43%	2.78%	-37.2%

In FY2025, the Group recorded weaker profitability in line with the softer operating environment. EBITDA declined 27.4% to RM30.14 million (FY2024: RM41.54 million), while PBT fell 39.1% to RM15.83 million (FY2024: RM26.00 million). PAT decreased 46.7% to RM11.52 million (FY2024: RM21.60 million).

Profit margins also moderated. EBITDA margin softened to 7.29% (FY2024: 8.52%), PBT margin eased to 3.83% (FY2024: 5.53%), and PAT margin declined to 2.78% (FY2024: 4.43%). The margin contraction primarily reflected a lower revenue base from weaker global demand that is partly affected by uncertainties related to US trade tariffs developments, together with lower sales volumes and lower average selling prices amid a competitive pricing environment. Profitability was further impacted by a higher effective tax rate of 27.24% (FY2024: 16.95%), mainly due to the expiry of Reinvestment Allowance for a key subsidiary. In addition, the stronger Ringgit also remained a headwind for reported export revenue and earnings during the year.

Notwithstanding these pressures, the Group continued to focus on new premium product development, operational discipline, including cost management, supply chain coordination, productivity improvements and pricing actions.

MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”) (CONT’D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (“FY2025”)

FINANCIAL POSITION

As at 31 December 2025, the Group maintained a solid financial position and healthy liquidity. Cash and cash equivalents increased to RM78.78 million (FY2024: RM50.45 million), after funding capital expenditure of RM13.34 million from internal resources. We remained leverage-free with zero borrowings, reflecting continued prudence in financial management and balance sheet strength.

Total shareholders’ funds rose marginally to RM272.79 million (FY2024: RM268.31 million). Meanwhile, Net Tangible Assets (“NTA”) per share improved to RM0.97 (FY2024: RM0.95), supported by the Group’s resilient capital base.

SHARE PERFORMANCE IN FY2025

Year High:	RM1.29
Year Low:	RM0.59
Year Close:	RM0.625
Year End Market Capitalisation:	RM175.93 million

CAPITAL EXPENDITURE (“CAPEX”) INVESTMENT

During FY2025, we deployed a total amount of RM13.34 million of internally generated funds for CAPEX, covering investments in plants, machinery, equipment, infrastructure and facilities. Key projects undertaken during the year the addition of new wicketing machines, further solar panel installations, the ongoing 33KV sub-station electricity power upgrade project, as well as plant renovations and facility upgrades.

For FY2026, we have allocated approximately RM10.42 million for CAPEX, with priorities centered on continued plant, equipment and facility enhancements, the addition of wicketing machines, and new laboratory testing equipment to strengthen quality and technical capabilities.

These investments align with our strategic priorities and disciplined capital management approach.

DIVIDEND DISTRIBUTION

The Group maintains a dividend policy ensuring a minimum 40% payout of net profits annually. Since the dividend policy’s introduction in 2016, the Group has continued to reward shareholders through consistent dividend distributions, while managing cash resources prudently to support operational needs, planned capital expenditure and other investment priorities.

For FY2025, total dividends declared and paid amounted to RM7.04 million (FY2024: RM16.89 million), representing a 61.1% dividend payout ratio (FY2024: 78.2%). The lower absolute dividend quantum was in line with the year’s lower profitability, with dividend per share of 2.50 sen (FY2024: 6.00 sen).

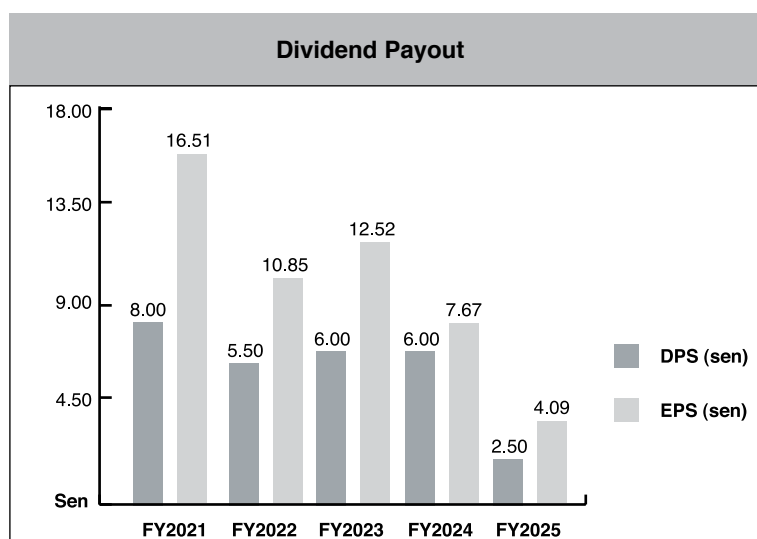
	RM’000
In respect of FY2025:	
– First single tier interim dividend of 1 sen per share, paid on 26 June 2025	2,815
– Second single tier interim dividend of 1.5 sen per share, paid on 26 March 2026	4,222
Total dividends declared and paid for FY2025	7,037

MANAGEMENT DISCUSSION & ANALYSIS ("MD&A") (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 ("FY2025")

DIVIDEND PAYOUT

Year	Dividend per share "DPS" (Sen)	Earnings per share "EPS" (Sen)	Dividend RM'000	PAT RM'000	Dividend Ratio
FY2021	8.00	16.51	22,519	46,466	48.5%
FY2022	5.50	10.85	15,482	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%
FY2025	2.50	4.09	7,037	11,517	61.1%
				5-year average	57.3%

Note: The figures for FY2021 is restated to reflect the bonus issue of 1 for every 2 existing ordinary shares completed on 13 December 2021.



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

ANTICIPATED OR KNOWN RISKS

The Group operates in an environment that continues to evolve and may be affected by external factors as well as industry-specific dynamics. Management monitors risk exposures on an ongoing basis and strengthens mitigation measures where appropriate. Key risk areas include:

Foreign currency risk

A significant portion of the Group's revenue and purchases is denominated in foreign currencies, primarily USD. Exchange rate volatility may affect reported revenue, costs and margins, including through translation impacts on export sales, as well as working capital timing.

We manage this exposure through operational matching of foreign currency inflows and outflows where possible, and by monitoring net positions, currency trends and market conditions.

Economic volatility amid geopolitical tensions, trade / tariff policies and supply chain disruptions

Demand for plastic packaging is linked to consumption, industrial activity and trade flows. Geopolitical tensions, tariff measures and policy changes in major economies may disrupt trade patterns, influence customer ordering behaviour and create volatility in logistics and raw material input markets.

Recent U.S. and Israeli strikes on Iran in late-February 2026, and the subsequent escalation transmitted quickly into energy markets and regional logistics through higher energy prices, disrupted supply chain, increased shipping costs and cost inflation in oil-linked inputs such as petrochemical-based materials.

Our mitigation actions include close customers engagement, active monitoring of raw material and freight developments, maintaining operational and commercial flexibility, strengthening supply chain resilience and sourcing diversification.

MANAGEMENT DISCUSSION & ANALYSIS ("MD&A") (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 ("FY2025")

ANTICIPATED OR KNOWN RISKS (CONT'D)

Competitive intensity and pricing pressure

Competitive conditions in the plastic packaging industry remain challenging. Increased regional resin supply and aggressive pricing, particularly from oversea competitors seeking to expand exports, may continue to pressure selling prices and margins, especially for more commoditized product categories. At the same time, competition is extending beyond price to include quality, consistency, delivery performance and sustainability capabilities.

To remain competitive, we continue to strengthen our premium and value added product mix, focus on product quality and service reliability, and progress capability enhancements that support differentiation and efficiency.

Cost inflation

Operating costs may be affected by labour-related changes, utilities/energy costs, logistics expenses and other inflationary pressures. Such cost movements may not always be immediately recoverable through pricing depending on market conditions, also raw materials supply availability and costing.

Recent ongoing geopolitical conflict involving the U.S., Israel, Iran and the Gulf region has heightened risks across energy and petrochemical supply chains. In March 2026, a number of oil and gas refineries and petrochemical plants in West Asia, the Far East and Southeast Asia reportedly declared force majeure or cut operating rates, reflecting difficulties in securing feedstock supplies of energy, petrochemical and naphtha products amid intensified military activities around the Strait of Hormuz.

Many refineries and steam crackers in Europe and Asia are designed to operate on specific hydrocarbon and naphtha feedstock. Prolonged conflict in the Middle East, together with related constraints on shipping access, vessel availability and insurance coverage may limit feedstock movements through the region and disrupt petrochemical producers' ability to operate at normal levels, which in turn affect polymer and petrochemical supply chain more broadly, contributing to supply shortages, longer lead times and keeping prices elevated for longer.

Overall, the operating environment will continue to require operational discipline, customer responsiveness, tight input raw material costing monitor review, agility in correct pricing strategy with ongoing sustainability capability.

PROGRESSIVE AND FORWARD LOOKING

Demand for flexible plastic packaging continues to be supported by structural drivers such as population growth, urbanization and everyday consumption. Packaging remains essential across end-markets, including logistics, electrical and electronics, and food and beverages, for product protection, handling efficiency and food safety.

Moving forward, the Group expects operating conditions to remain competitive. Demand may be affected by macroeconomic softness, resin supply shortage, product inventory adjustments and ongoing pricing pressure across the industry. At the same time, sustainability-related expectations and evolving regulatory developments are expected to guide product trends and specifications, investment priorities and competitive differentiation.

Within this environment, we see opportunities to expand participation in value-added applications, including solutions that support recyclability, downgauging and incorporating recycled content. We will also continue to leverage on our technical capabilities in innovation, advanced machinery and proprietary manufacturing process to meet evolving conditions. The Group places emphasis on customer collaboration to better understand application needs and ensure we provide practical, fit-for-purpose solutions. This is supported by technical advice and product optimisation, while balancing performance, cost efficiency and sustainability considerations.

The key cost and earnings sensitivities include movements in resin prices, trade policies, supply disruptions, operating and freight costs, as well as foreign exchange fluctuations, particularly given our export orientation. We will continue to monitor supply and demand dynamics, competitive intensity and geopolitical developments that may affect operating and supply chain conditions.

Overall, the Group remains focused on disciplined execution, maintaining product quality and service reliability, with prudent cost and risk management while pursuing selective opportunities aligned with customer needs and market developments. We acknowledge that external conditions may influence performance and we will remain responsive in managing operations and resources accordingly. Nonetheless, the Group continues to be supported by our operating fundamentals and the ongoing commitment of employees and business partners.

LIM CHUN YOW
Managing Director
13 April 2026

CORPORATE GOVERNANCE OVERVIEW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 ("FY2025")

FY2025 was marked by evolving market conditions and geopolitical uncertainties. Amid this environment, the Group remained committed to upholding strong corporate governance practices, reinforcing internal controls, risk management, and ethical business practices to uphold accountability, transparency, and resilience.

The Group also continued to enhance stakeholder engagement and strengthen its governance frameworks, with ongoing focus on sustainability, process improvements, and business continuity planning to support long-term stability and value creation.

Backed by a longstanding commitment to uphold strong corporate governance and continuous operational improvement, both in the current year and beyond, the Management and Board of Directors ("**Board**") of BP Plastics Holding Bhd ("**BPPLAS**") are pleased to present this Corporate Governance Overview Statement ("**CG Overview Statement**") to all stakeholders, including shareholders and the investing community, to provide an overview of the corporate governance ("**CG**") practices of the Group during FY2025.

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 Practice reported under the Group's Corporate Governance Report ("**CG Report**") which is available on the Company's website at www.bpplas.com as well as via the BPPLAS's announcement made to Bursa Malaysia Securities Berhad.

This CG Overview Statement and the CG Report should also be read in tandem with the other information below available on the corporate website at www.bpplas.com.

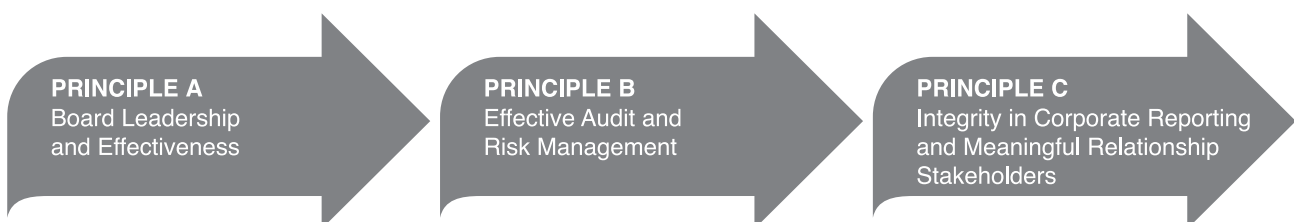
- Board Charter
- Group Code of Conduct
- Audit Committee ("**AC**") Terms of Reference
- Nominating and Remuneration Committee ("**NRC**") Terms of Reference
- Risk Management Committee ("**RMC**") Terms of Reference
- Corporate Disclosure Policy
- Anti-Bribery and Anti-Corruption ("**ABAC**") Framework and Policy
- Directors' Fit and Proper Policy
- External Auditor Policy

This Statement was approved by the Board of Directors on 13 April 2026.

Corporate Governance Approach

The Board is committed to ensuring that the principles and recommendations of the MCCG, along with establish good governance standards, are embedded 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 reviews 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:-



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 ("FY2025")

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 its Committees, 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. 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 (" ESG ") 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 (" MRMC ")

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 the matters reserved for the Board's attention. The Board Charter of the Group is in place, and a copy is available on the corporate website at www.bpplas.com.

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

BPPLAS has a zero-tolerance stance against bribery and corruption, and the Group is committed to promoting and maintaining a corruption-free culture within BPPLAS. In compliance with the amendments of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and guided by the principles of the Guidelines on Adequate Procedures and Paragraph 15.29 of Main Market Listing Requirements ("**MMLR**") of the Bursa Malaysia Securities Berhad ("**Bursa Securities**") concerning the anti-bribery, the Board has adopted the Anti-Bribery and Anti-Corruption ("**ABAC**") Framework and Policy, and has conducted necessary review to ensure that BPPLAS has the adequate procedures, policies and controls in place to prevent 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 corporate website at www.bpplas.com.

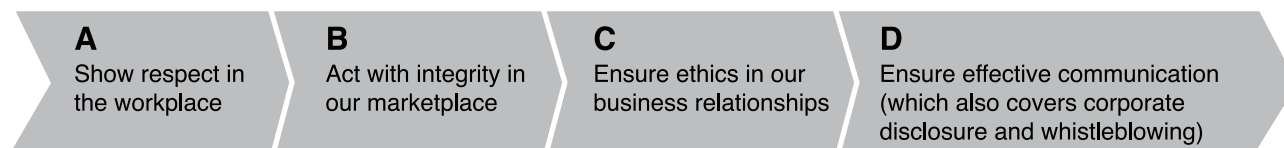
The Group has also put in place a Group Code of Conduct applicable to all Directors and employees. The Group's Code of Conduct outlines the standards of good conduct and ethical practices, and serves to uphold confidence in the integrity of the Group's business practices.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 ("FY2025")

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:



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 expected in upholding the principles of honesty and integrity, and to ensure a high standard of ethical and professional conduct is maintained in the performance of their duties and responsibilities.

The Group's Code of Conduct is accessible on the corporate website at www.bpplas.com.

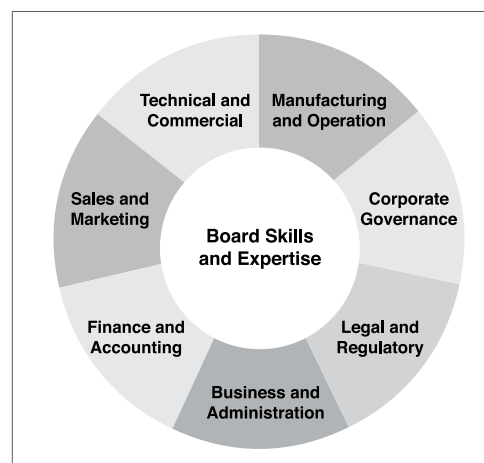
Board Composition

The Board consists of seven (7) Directors, three (3) of whom are Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director, and three (3) Executive Directors. Although the Board departs 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 MMLR of Bursa Securities, whereby at least one-third of its members are Independent Non-Executive Directors. Furthermore, the recommended practices of MCCG are not mandatorily to be complied with by listed companies, unless such practices have been incorporated into the Listing Requirements of Bursa Securities.

The Board has adopted a Directors' Fit and Proper Policy, serves as a guide to the NRC and the Board, in their review and assessment of candidates for appointment as directors in the Company and/or its subsidiaries as well as directors who are seeking re-election. The Directors' Fit and Proper Policy is available on the Company's corporate website at www.bpplas.com.

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 Fit & Proper Policy) based on the integrity, experience, competencies and commitment of the candidates to secure the best Board composition and to meet the diverse objectives of the Group.

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 ("FY2025")

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

Board Composition (Cont'd)

The Board acknowledges that each of the Directors of the Group with their diverse experiences, backgrounds and qualifications, contributes effectively to the Board's functions. All newly appointed Directors will undergo the Mandatory Accreditation Programme as required by Bursa Securities.

Board Diversity	Headcount	%
Composition		
Independent Non-Executive Directors	3	43%
Non-Independent Non-Executive Director	1	14%
Non-independent Executive Directors	3	43%
Ethnicity		
Chinese	7	100%
Others	0	0%
Gender		
Male	5	71%
Female	2	29%
Age		
41 – 50	1	14%
51 – 60	2	29%
> 60	4	57%

Although the Board does not have a formal Diversity policy and has not set specific targets, the Board is of the view that the current level of women representation on the Board, at 29%, is appropriate. The Board and NRC will continue to endeavour to include a sufficient number of women candidates are included in the pool of candidates evaluated for future Board appointments,

Presently, under Paragraph 15.02(1)(b) of the MMLR of Bursa Securities, the Group is compliant on the requirement to have at least one (1) woman director on its Board.

Board Meetings

The Board meets at least quarterly with additional meetings convened as and when necessary. Board meetings are conducted based on a structured formal agenda. The Board meeting agenda includes reviews of 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 the direction of the Board. Board members deliberate and assess the viability of business propositions and corporate proposals, looking particularly at the principal risks that may have a 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 ("FY2025")

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

Board Meetings (Cont'd)

Board meetings are chaired by the Chairman, who has the responsibility of ensuring that each item on the agenda is adequately reviewed and thoroughly deliberated within a reasonable timeframe.

Meeting dates were set in advance to facilitate the Directors' planning and meetings were conducted in both physical and virtual formats with Executive Directors and Senior Management providing insights into key matters. All Directors maintained full attendance.

During the financial year under review, attendances of Directors at the meeting during FY2025 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 Shiow Hoe	5/5	1/1			
Lim Kim Hock	5/5	1/1			
Tan Hock Hin <i>(Re-designated from Independent Non-Executive Director to Senior Independent Non-Executive Director on 29 May 2025)</i>	5/5	1/1	5/5	1/1	2/2
Chuah Sue Yin	5/5	1/1	5/5	1/1	2/2
Goh Joo Seong <i>(Appointed on 29 May 2025)</i>	3/3*	N/A	3/3*	N/A	2/2
Tan Ming-Li <i>(Retired on 29 May 2025)</i>	2/2*	1/1	2/2*	1/1	N/A

* Based on the number of meetings attended during the time the Director held office.

The Directors remain fully committed to discharging their statutory duties and responsibilities, as reflected by their full attendance at Board meetings held during FY2025. 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 Securities.

All the Directors have completed the Mandatory Accreditation Programme Part I and Part II as of the date of this Statement. The Board has empowered the Directors of the Group to determine their own training requirements as they consider it 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 2025 ("FY2025")**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****Board Meetings (Cont'd)**

In line with Paragraph 15.08 of MMLR of Bursa Securities, the following are the conferences, training programmes and seminars in various capacities attended by the Directors of the Group in FY2025:-

Name	Training/Seminar/Forum/Conference Attended	Date
Non-Independent Executive Directors:		
Lim Chun Yow	• Understanding FSSC 22000 Version 6 Requirements Training	15 – 16 May 2025
	• Understanding Food Defense & Food Fraud	16 July 2025
	• Cybersecurity Awareness Intensive Workshop	12 November 2025
Tan See Khim	• Understanding Food Defense & Food Fraud	16 July 2025
	• Cybersecurity Awareness Intensive Workshop	12 November 2025
Hey Shiew Hoe	• Understanding FSSC 22000 Version 6 Requirements Training	15 – 16 May 2025
	• Understanding Food Defense & Food Fraud	16 July 2025
	• Briefing of Energy Efficiency & Conservation ACT (EECA & EEGC)	20 August 2025
	• SEDEX Internal Audit Training Course	25 August 2025
	• Cybersecurity Awareness Intensive Workshop	12 November 2025
Non-Independent Non-Executive Director:		
Lim Kim Hock	• National Tax Conference 2025	5 – 6 August 2025
	• Budget Seminar 2025	14 October 2025
	• Common Audit Deficiencies & Lessons From Regulatory Findings	12 – 13 November 2025
Independent Non-Executive Directors:		
Tan Hock Hin	• Board Simulation – Balancing Risks & Opportunity in Sustainability Leadership by Bursa Malaysia & ICDM	9 September 2025
	• Practical Generative AI & Data Analytics by Outclass Airasia	23 – 24, 26 September 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 ("FY2025")

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

Board Meetings (Cont'd)

In line with Paragraph 15.08 of MMLR of Bursa Securities, the following are the conferences, training programmes and seminars in various capacities attended by the Directors of the Group in FY2025 (Cont'd):-

Name	Training/Seminar/Forum/Conference Attended	Date	
Independent Non-Executive Directors:			
Chuah Sue Yin	• ISSB - GRI Interoperability Module	20 March 2025	
	• Malaysian Tax Conference 2025	14 – 15 April 2025	
	• Technology in Practice : Artificial Intelligence	17 April 2025	
	• Most Important Tax Updates in Quarter 2 of 2025	23 July 2025	
	• Understanding Mental Health, Skills for Life	4 September 2025	
	• Forum : Challenges to Opportunities	9 September 2025	
	• Critical Skills Series : Effective People Management	18 September 2025	
	• ICAEW Ethics CPD Course From Theory to Practice - Module 5.1	20 September 2025	
	• Half-Day Talk Session on Practical Insights to Root Cause Analysis	22 September 2025	
	• Capitalising on Real Estate : Tax Insights on SST, Stamp Duty & Capital Allowance.	23 September 2025	
	• Recent Tax Cases : Key Takeaways and Strategic Implications	25 September 2025	
	• ISSA 500 in Focus : Foundational Principles & Concepts	1 October 2025	
	• ISSA 500 in Focus : Engagement Planning, Risk Assessment & Response	9 October 2025	
	• Seminar Percukaian Kebangsaan 2025 (Belanjawan 2026)	14 October 2025	
	• ISSA 500 in Focus : Concluding & Reporting on Sustainability Assurance Engagements	14 October 2025	
	• D2D Forum : Strengthening Data Capacity for NSRF Reporting Entities	17 October 2025	
	• SORMIC Guide 2025 - What's New?	21 October 2025	
	• MFRS 18 & 19 : What Do I Need to Know?	24 October 2025	
	• Audit Oversight Board : Conversation with Audit Firms	27 October 2025	
	• Overview of the Third Edition of the IFRS for SMEs Accounting Standard	30 October 2025	
	• Independent Directors & Tax Exposure : Clearing the Air	31 October 2025	
	• ICAEW ASEAN Sustainability Summit 2025	4 November 2025	
	• CAPA Webinar : Ethics in a changing landscape	6 November 2025	
	• Budget Talk 2026	17 November 2025	
	• Evolving Financial Reporting Landscape : Insights into MFRS & Sustainability in Practice	20 November 2025	
	• Fraud and Financial Scandals : Trends, Red Flags, & Mitigations	25 November 2025	
	• Cyber Security Awareness Training	2 December 2025	
	• Practising Emotional Intelligence for Enhanced Workplace Success	11 December 2025	
	• Essential Skills for Emerging Leaders : Reset your Leadership style	18 December 2025	
	Goh Joo Seong	• Third Summit of the Asian Young Arbitration Practitioners	23 April 2025
		• Trademark Agent Renewal Course	15 May 2025
		• Patent Agent Renewal Course	15 October 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 ("FY2025")

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

Remuneration

The Board has in place a clear and transparent remuneration policy framework 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 that 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 FY2025 are set out in the NRC Statement of this Annual Report.

The Remuneration Policy of Directors and Senior Management is accessible on the corporate website at 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 corporate website at www.bpplas.com and in Nominating and Remuneration Committee Statement.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The AC of the Group comprises 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 Paragraph 15.09 and 15.10 of the MMLR of Bursa Securities and Practice 9.4 under Principle B of the MCGG 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 or previous external audit firm(s) of the Group and the Company has been appointed to the Board or employed by the Group. In line with MCGG 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 AC.

The TORs of the AC is available for reference on the corporate website at www.bpplas.com.

Guided by the factors prescribed under Paragraph 15.21 of the MMLR of Bursa Malaysia, the AC has 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 MCGG. The assessment is conducted on a yearly basis by the AC, using the prescribed External Auditors Evaluation Form, with emphasis on 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 2025 ("FY2025")

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 all members should be financially literate and able to understand matters under the purview of the AC, including the financial reporting process. The Board regards the members of AC as collectively possessing the accounting and related financial management expertise and experience required for the AC to discharge its responsibilities and assist the Board in its oversight of 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 maintains an appropriate risk management framework and sound internal controls covering financial, operational and compliance matters. The risk management framework and internal control system are 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 system, by its nature, is designed to provide reasonable but not absolute assurance against risk of material errors, misstatement, fraud, or losses.

The Group has an Enterprise Risk Management (ERM) framework that outlines the risk governance structure, risk management policies, risk assessment process and the integration of risk management into significant activities and functions. The MRMC, through its meetings, monitors significant risks identified across the Group, assigns accountability to the relevant risk owners, and reviews the status of mitigation and action plans on a regular basis.

The risk identification and assessment process, which is done at least once per annum, entails reviewing and assessing all key factors in consideration of the Group's internal and external business environment, including macroeconomic conditions, industry developments, sustainability matters, cybersecurity and operational risks. Risks identified are categorised as strategic or operational risk and further classified into distinct categories, i.e. financials, operations, industry, compliance and people risks. In addition, the MRMC also reviews updates on the progress of sustainability efforts and ESG matters as part of the Group's broader risk oversight process.

The AC assists the Board to assess and review the adequacy and effectiveness of the Group's internal control environment and the system put in place by Management. On the other hand, the Board RMC supports the Board in overseeing the Group's risk management framework, monitoring the implementation of risk management policies and practices, and regularly assessing such risk management processes to ascertain their adequacy and effectiveness.

The Board, through the AC and Board RMC, has reviewed and is satisfied with 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 2025 ("FY2025")

**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 are kept informed of the Group's performance, major corporate developments and other matters affecting their interests through the Annual Report, various disclosures and announcements made to Bursa Malaysia, and the corporate 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 Group disseminates its Annual Report to its shareholders in electronic format in the form of PDF file that can be downloaded from its website. The Group leverages 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 Group actively updates its website, 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 shareholders and all other market participants. Communication and feedback from investors can also be directed to the email address, 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 Group is the Annual General Meeting ("**AGM**"). The AGM represents the primary platform for direct two-way interactions between shareholders, Directors and Senior Management of the Group. The Group provides information in the Notice of AGM, which is sent to shareholders at least 28 days prior to the AGM, on the details of the 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 in attendance 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 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 2025 ("FY2025")

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

Conduct of General Meetings (Cont'd)

The Securities Commission of Malaysia had mandated that all public listed companies hold their general meetings in either physical or hybrid format with effect from 1 March 2025. In compliance with this mandate, BPPLAS conducted its Twenty-First ("21st") AGM physically during FY2025, in accordance with paragraph 8.27A of the MMLR of Bursa Securities.

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

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

While Practice 13.3 of the MCCG encourages companies to leverage technology to facilitate voting in absentia and remote shareholders' participation at general meetings, the Board has assessed this approach and is of the view that, given the current number and geographical distribution of shareholders, remote or hybrid meetings would not be cost-effective at this stage. The Board believes that conducting general meetings in a physical format allows for more meaningful engagement and interaction between the Board, Senior Management and shareholders. Physical meetings also enable real-time interaction and immediate clarification of queries, which are important in strengthening shareholder confidence.

Nevertheless, the Board recognises the advantages of facilitating voting in absentia and remote shareholder participation and remains open to adopting such mechanisms in the future as the Group's shareholder base and requirements continue to evolve.

The Minutes of the 21st AGM held on 29 May 2025 was published on the corporate website at www.bpplas.com.

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board remains committed to uphold good governance and ethical standards while enhancing oversight of sustainability initiatives. In tandem with increased scrutiny by stakeholders on the ESG agenda, the Board continues to strengthen the quality, depth and transparency of the Group's sustainability disclosures to meet evolving regulatory expectations and stakeholder demands.

AUDIT COMMITTEE REPORT

1. COMPOSITION

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

Chuah Sue Yin (<i>Chairperson</i>)	Independent Non-Executive Director
Tan Hock Hin (<i>Member</i>)	Senior Independent Non-Executive Director
Goh Joo Seong (<i>Member</i>) (<i>Appointed on 29 May 2025</i>)	Independent Non-Executive Director
Tan Ming-Li (<i>Member</i>) (<i>Retired on 29 May 2025</i>)	Senior 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 Securities”).

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 Securities and the MCCG. The TOR of the AC is available on the Company’s website at www.bpplas.com.

3. MEETINGS AND ATTENDANCE

The AC held five (5) meetings during the financial year ended 31 December 2025 (“FY2025”). The Managing Director, Executive Directors, department heads and representatives of the External and Internal Auditors attended AC meetings as and when invited to facilitate direct communications in respect on any matters of significant concern or interest. The Minutes of the AC meetings were recorded and tabled for confirmation at the subsequent AC meeting and thereafter presented to the Board for notation.

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

AC Member	Number of meetings attended
Ms. Chuah Sue Yin	5/5
Mr. Tan Hock Hin	5/5
Ms. Goh Joo Seong (<i>Appointed on 29 May 2025</i>)	3/3*
Ms. Tan Ming-Li (<i>Retired on 29 May 2025</i>)	2/2*

* Based on the number of meetings attended during the period in which the AC member held office.

AUDIT COMMITTEE REPORT (CONT'D)

4. SUMMARY OF WORK OF AC

The AC's main scope of works for FY2025 and up to the date of this AC report were 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
11 April 2025	Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2024
29 May 2025	First Quarter ended 31 March 2025
26 August 2025	Second Quarter ended 30 June 2025
24 November 2025	Third Quarter ended 30 September 2025
24 February 2026	Fourth Quarter ended 31 December 2025

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 Standards, International Accounting Standards and the requirements of the Companies Act 2016 in Malaysia as well as applicable disclosure provisions of the MMLR of Bursa Securities.

Subsequent to the reporting period, the AC had on 13 April 2026 reviewed the Audited Financial Statements of the Group and the Company for FY2025 at its meeting and recommended the same to the Board for approval.

External Audit

On 24 November 2025, the AC reviewed the Audit Planning Memorandum for FY2025 with 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 developments in accounting standards.

On 24 February 2026, the AC reviewed the Audit Review Memorandum, which had summarised the key audit findings arising from the statutory audit of the Group and the Company for FY2025, 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 22nd 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 one (1) private session 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 FY2025. 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. ("**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 conducted, 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 to obtain assurance that all major risk and control concerns were adequately addressed by the Management. In addition, the AC reviewed the follow-up Internal Audit reports to ascertain whether the respective operating units had rectified the findings identified in the audit reports.

During FY2025, 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:

- Sales and Marketing Function; and
- Fixed Assets 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 Institute of Internal Auditors ("IIA").

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 FY2025 amounted to RM47,000. (FY2024: RM47,000).

AUDIT COMMITTEE REPORT (CONT'D)

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 Securities.

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.

The AC Report was approved by the Board on 13 April 2026.

NOMINATING AND REMUNERATION COMMITTEE STATEMENT

NOMINATING AND REMUNERATION COMMITTEE

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

Chuah Sue Yin (<i>Chairperson</i>) (<i>Re-designated to Chairperson on 29 May 2025</i>)	Independent Non-Executive Director
Tan Hock Hin (<i>Member</i>)	Senior Independent Non-Executive Director
Goh Joo Seong (<i>Member</i>) (<i>Appointed on 29 May 2025</i>)	Independent Non-Executive Director
Tan Ming-Li (<i>Member</i>) (<i>Retired on 29 May 2025</i>)	Senior 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, and are made available on the Company’s website at www.bpplas.com.

During the financial year, the NRC met one (1) time on 25 February 2025 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 reviews and assesses the proposed appointment of Directors and thereupon recommends to the Board for approval. The NRC also ensures 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 reviews annually the required mix of skills, experience and other qualities including core competencies that the Directors should bring to the Board, identifies areas for improvement, and reviews the succession plan for the Board and Senior Management of the Group.

In discharging its responsibilities, the NRC performed the following activities during the financial year ended 31 December 2025:-

- 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. Hey Shiow Hoe and Mr. Tan Hock Hin who retired pursuant to Clause 122 of the Company’s Constitution, at the Company’s Twenty-First (“**21st**”) Annual General Meeting (“**AGM**”) held on 29 May 2025;
- Recommended to the Board on the retention of Mr. Tan Hock Hin who has served on the Company for a cumulative term of more than nine (9) years, to be retained as Independent Non-Executive Director of the Company pursuant to the Malaysian Code on Corporate Governance (“**MCCG**”), at the Company’s 21st AGM held on 29 May 2025;
- Noted the intention of Ms. Tan Ming-Li to relinquish from office as Independent Non-Executive Director upon reaching the tenure of twelve (12) years serving the Board and shall hold office until the conclusion of the Company’s 21st AGM; and
- Reviewed the nomination of Ms. Goh Joo Seong and recommended her appointment as new Independent Non-Executive Director for the Board’s approval.

NOMINATING AND REMUNERATION COMMITTEE STATEMENT (CONT'D)

Nomination Matters (Cont'd)

In line with Practice 4.4 of the MCGG and enhanced sustainability reporting requirements by Bursa Securities, the Group is proactively working towards establishing 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.

Subsequent to the financial year, the Board and the NRC had, at their meeting on 24 February 2026, conducted the annual Board evaluation with a newly incorporated rating in respect of ESG issues, in order to increase the focus on ESG stewardship. Where necessary, Directors will enroll in more ESG-related training programmes to enhance their knowledge and awareness on climate-related risks, and other ESG developments.

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 completed by the Directors. The annual evaluation and review of the eligibility of directors seeking re-election by the NRC is premised on the following:

- (i) the directors' performance evaluation (self and peer),
- (ii) evaluation of 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 Company's Directors' Fit and Proper Policy.

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 is of the view that the current size and the 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 three (3) main areas:

- (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; and
- (iii) Time and commitment – ability to discharge role having regard to other commitments, and participation and contribution in board discussions.

In addition to the annual Board evaluation exercise, each Director standing for re-election had 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 recommended that re-election of the said Directors be tabled at the forthcoming 22nd AGM for 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 provide justification and seek annual shareholders' approval through a two-tier voting process as described in the Guidance to Practice 5.3 of the MCCG.

Mr. Tan Hock Hin was appointed as an Independent Non-Executive Director of the Company on 30 September 2014. Therefore, Mr. Tan Hock Hin has served on the Board in that capacity for a cumulative term of more than nine (9) years.

Mr. Tan Hock Hin obtained shareholders' approval at the 21st AGM held on 29 May 2025 and was retained through a two-tier voting process to continue serving as an Independent Non-Executive Director of the Company until the conclusion of the forthcoming 22nd AGM.

Pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), Mr. Tan Hock Hin, who has been serving the Board as an Independent Non-Executive Director of the Company since 30 September 2014, must resign or be re-designated as a Non-Independent Non-Executive Director by 30 September 2026.

The Board was informed that Mr. Tan Hock Hin has indicated his intention to step down and retire from office as an Independent Non-Executive Director of the Company upon reaching a tenure of 12 years on the Board. Accordingly, Mr. Tan Hock Hin shall hold office as an Independent Non-Executive Director until the conclusion of the 22nd AGM.

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 Board's approval.

During the financial year ended 31 December 2025, the NRC met and discharged the following duties on remuneration matters:

- Recommended the payment of Directors' fees for the financial year ended 31 December 2025; and
- Recommended the payment of Directors' benefits to the Non-Executive Directors with effect from 29 May 2025 until the next Annual General Meeting of the Company in year 2026.

A copy of the Remuneration Policy of Directors and Senior Management is accessible on the Company's website at www.bpplas.com.

NOMINATING AND REMUNERATION COMMITTEE STATEMENT (CONT'D)

Remuneration Matters (Cont'd)

The NRC meets 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, ensuring that remuneration packages of Directors and Senior Management are sufficiently attractive to attract and retain persons of high calibre. Accordingly, a formal and transparent procedure is in place for determining the remuneration packages of Directors and Senior Management.

The component parts of Directors' remuneration are structured to link rewards to corporate and individual performance in the case of Executive Directors. The remuneration of the Executive Directors are structured through salary components. The objective is to better reflect the competitiveness as well as prevailing 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 reflects their experience, level of responsibilities and the remuneration package for similar positions in the market and the time commitment required from the Directors. The determination of Directors' remuneration 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.

The details of remuneration for the Directors of the Group and the Company for the financial year ended 31 December 2025 are set out below:-

Group				
In RM	Fees	Meeting Allowances	Salary, Bonus and EPF	Total
Executive Directors				
Lim Chun Yow	-	-	935,193	935,193
Tan See Khim	-	-	844,421	844,421
Hey Shioh Hoe	-	-	734,911	734,911
Subtotal	-	-	2,514,525	2,514,525
Non-Executive Directors				
Lim Kim Hock	130,000	5,000	-	135,000
Tan Hock Hin	65,000	5,000	-	70,000
Chuah Sue Yin	65,000	5,000	-	70,000
Goh Joo Seong <i>(Appointed on 29 May 2025)</i>	35,000	3,000	-	38,000
Tan Ming-Li <i>(Retired on 29 May 2025)</i>	27,083	3,000	-	30,083
Subtotal	322,083	21,000	-	343,083
Total	322,083	21,000	2,514,525	2,857,608

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 2025 are set out below:- (Cont'd)

Company				
In RM	Fees	Meeting Allowances	Salary, Bonus and EPF	Total
Non-Executive Directors				
Lim Kim Hock	130,000	5,000	-	135,000
Tan Hock Hin	65,000	5,000	-	70,000
Chuah Sue Yin	65,000	5,000	-	70,000
Goh Joo Seong (Appointed on 29 May 2025)	35,000	3,000	-	38,000
Tan Ming-Li (Retired on 29 May 2025)	27,083	3,000	-	30,083
Total	322,083	21,000	-	343,083

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 2025.

The remuneration of the Senior Management (Group basis) in bands of RM50,000 for the financial year ended 31 December 2025 is as follows:-

Name of Senior Management	Remuneration Band(s) (in RM)
Tey Yeng Yeng – Head of Finance	200,000 – 250,000

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

The NRC Statement was approved by the Board on 13 April 2026.

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

INTRODUCTION

The Board is pleased to set out below the Board Risk Management Committee Report in line with the Statement on Risk Management and Internal Control which has been prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad and Principle B of the Malaysian Code on Corporate Governance (“MCCG”), and guided by the Statement on Risk Management and Internal Control (SORMIC): Guidelines for Directors of Listed Companies (“SORMIC Guide 2025”).

BOARD RESPONSIBILITY

The Board is responsible for the adequacy and effectiveness of BP Plastics Holding Bhd. and its subsidiaries (“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, comprising Executive Directors and Heads of Department, which are duly minuted. The Executive Committee and Management Committee, meets on weekly and monthly basis respectively, to discuss operational issues and strategic planning. 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 status updates in the minutes, as well as regular interactions 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 facilitates the timely 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:-

Tan Hock Hin (<i>Chairman</i>)	Senior Independent Non-Executive Director
Chuah Sue Yin (<i>Member</i>)	Independent Non-Executive Director
Goh Joo Seong (<i>Member</i>) (<i>Appointed on 29 May 2025</i>)	Independent Non-Executive Director
Tan Ming-Li (<i>Member</i>) (<i>Retired on 29 May 2025</i>)	Senior Independent Non-Executive Director

The terms of reference of the BRMC are accessible on the Company's website at www.bpplas.com.

During the financial year ended 31 December 2025, 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 Group's risk appetite is embedded within this framework and supports decision-making across the organisation.

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 by way of assigning accountabilities to the respective Heads of Department and/or identified risk owners.

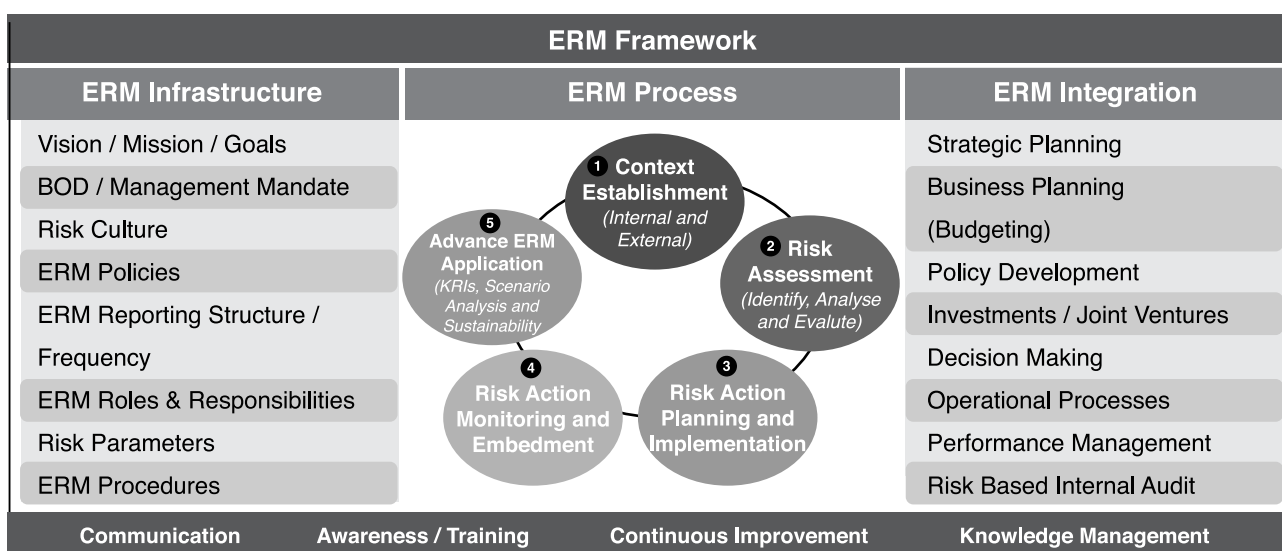
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
AND BOARD RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

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

Risk Management Framework (Cont'd)

Significant risks are maintained in a formal database of risks and controls information i.e., risk registers, which capture possible root causes, existing key controls and impact. Material sustainability and ESG-related risks are identified, assessed and integrated into the Group's overall risk management framework, and are incorporated into the risk registers alongside other strategic, operational, financial and compliance risks. 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 provide Management with a holistic view of the risk considerations in the formulation of strategies and decision-making. BPPLAS continuously assesses, updates and monitors the implementation of key action plans identified for the Group's top risks and ensures their embedment into the internal controls system when required. The Group also considers emerging risks on a periodic basis, taking into account relevant forward-looking developments in the operating environment.

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 taking into account 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 strengthen 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 2025 include the following:

- Review of the Enterprise-Wide Risk Management Report;
- Review of the Anti-Bribery and Anti-Corruption ("ABAC") Risk Assessment Report; and
- Update on Sustainability Tracking

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

The Group outsourced its internal audit function to an independent professional firm, Axcelasia Sdn. Bhd. ("Axcelasia"). 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. Upon 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 fees 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.

The internal audit function is headed by an Executive Director of Axcelasia, Mr. David Low Tak Wei, who has over 19 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 Sales and Marketing Function and Fixed Asset 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, Information Technology ("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.

In line with the MMLR of Bursa Securities as well as the regulatory compliance with the Malaysian Anti-Corruption Commission Act 2009 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.

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 Systems which fully complies with ISO 9001:2015 Quality Management Systems – 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 identified for 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 can 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 their continuing relevance.

In further strengthening food safety management framework, the Group has upgraded its certification to FSSC 22000, an internationally recognized food safety certification scheme built on ISO 22000:2018 and additional sector-specific requirements. This accreditation reflects the Group's continued commitment to robust food safety practices, effective risk management, and the consistent production of safe, high-quality flexible packaging products.

- Health, Safety and Environment

The Group is accredited with certifications for ISO 14001:2015 Environmental Management Systems – 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 aspects and impact as well as safety and health issues are appropriately addressed and managed. 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.

The Group is also accredited with the certification of International Sustainability and Carbon Certification ("ISCC") Plus and the Global Recycled Standard ("GRS"), which supports the traceability and responsible sourcing of raw materials, verification of recycled material content, and compliance with relevant environmental and social requirements encompassing the supply chain. This certification reaffirms the Group's commitment to sustainability, resource efficiency and responsible manufacturing practices.

The Group has also successfully completed the Sedex Members Ethical Trade Audit ("SMETA"), which assesses labor standards, health and safety, environmental practices and business ethics. This reflects the Group's continued commitment to responsible operations, ethical conduct and a safe working environment.

- 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, Closed-Circuit Television ("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 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 Head of Finance that the Group's risk management and internal controls system is operating adequately and effectively, in all material aspects, based on the risk management framework 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 deficiencies 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

The external auditors, Crowe Malaysia PLT have performed limited assurance procedures on the Statement in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagement Other Than Audits or Reviews of Historical Financial Information and 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 as issued by the Malaysia Institute of Accountants, included in this Annual Report of the Group for the financial year ended 31 December 2025.

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.

This statement was approved by the Board of Directors on 13 April 2026.

STATEMENT OF **DIRECTORS' RESPONSIBILITY** IN PREPARING THE FINANCIAL STATEMENTS

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), IFRS Accounting Standards, the requirements 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 2025, 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 ensured that the Management has:-

- adopted appropriate 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 2025.



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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 2025.

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" section 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	11,516,902	7,313,753

DIVIDENDS

Dividends paid or declared by the Company since 31 December 2024 were as follows:

	RM
<u>In respect of the financial year ended 31 December 2024</u>	
– Fourth single tier interim dividend of 1.5 sen per share, on 281,479,492 ordinary shares paid on 28 March 2025	4,222,192
<u>In respect of the financial year ended 31 December 2025</u>	
– First single tier interim dividend of 1.0 sen per share, on 281,479,492 ordinary shares paid on 26 June 2025	2,814,795
	<u>7,036,987</u>

On 24 February 2026, the Company declared a second 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 26 March 2026, to shareholders whose names appeared in the record of depositors on 10 March 2026. 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 2026.

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 1.1.2025	Bonus Issue	Exercised	At 31.12.2025
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*
 Hey Shiow Hoe*
 Lim Kim Hock
 Chuah Sue Yin
 Tan Hock Hin
 Goh Joo Seong (*appointed on 29 May 2025*)
 Tan Ming-Li (*retired on 29 May 2025*)

* *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" section 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 1.1.2025	Number of ordinary shares		At 31.12.2025
		Bought	Sold	
Direct interests				
Lim Chun Yow	26,184,604	905,400	-	27,090,004
Tan See Khim	26,746,498	210,700	-	26,957,198
Hey Shiow Hoe	21,914,997	200,000	-	22,114,997
Tan Hock Hin	22,500	-	-	22,500
Indirect interests *				
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 1.1.2025	Number of warrants		At 31.12.2025
		Bonus Issue	Converted	
Direct interests				
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
Indirect interests #				
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	322,083	322,083
Salaries, allowance and other emoluments	2,079,616	21,000
Defined contribution plan	390,634	-
	2,792,333	343,083

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 amount of insurance effected for directors and officers of the Company and its subsidiaries was RM10,000,000. No indemnity was given to or insurance effected for auditors of the Company.

TREASURY SHARES

As at 31 December 2025, the Company held as treasury shares a total of 52,500 (2024 : 52,500) of its 281,531,992 (2024 : 281,531,992) issued and fully paid up ordinary shares. The treasury shares are held at a carrying amount of RM20,740 (2024 : 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

- (a) 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
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)

SUBSIDIARIES (CONT'D)

(a) The details of the Company's subsidiaries are as follows:- (Cont'd)

On 19 December 2025, a wholly-owned subsidiary of the Company, BPPlas Plantation Sdn. Bhd., applied to the Companies Commission of Malaysia ("CCM") to be struck off from the register under Section 550 of the Companies Act 2016, and was successfully struck off on 13 April 2026.

(b) The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

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:-

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

Signed in accordance with a resolution of the directors dated 13 April 2026.

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 114 to 150 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 2025 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 13 April 2026.

Lim Chun Yow

Tan See Khim

STATUTORY **DECLARATION**
PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Tey Yeng Yeng, MIA Membership Number : 45250, 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 114 to 150 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
Tey Yeng Yeng
at Batu Pahat in the State of Johor
on this 13 April 2026.

Tey Yeng Yeng

Before me,

Ei Chai Ong (J405)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BP PLASTICS HOLDING BHD.

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 of the Group and of the Company as at 31 December 2025, 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 114 to 150.

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 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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
<p>Consolidated revenue recorded by the Group during the year amounted to RM413.7 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>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> • Testing the operating effectiveness of internal controls over the completeness, accuracy and timing of revenue recognised in the financial statements. • Reviewing the terms of sales contracts to determine the point of transfer of risk and rewards on a sample basis. • Testing the recording of sales transactions, revenue cut-off and review of credit notes after year end. • Obtaining confirmations and reviewing collections relating to material trade receivables as at financial year end.

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, IFRS Accounting 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.

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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

Goh Siow Yen
03557/03/2027 J
Chartered Accountant

Muar, Johor Darul Takzim

Date: 13 April 2026

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	4	413,687,571	487,681,756	7,700,000	13,160,000
Cost of sales		(382,838,577)	(446,011,077)	-	-
Gross profit		30,848,994	41,670,679	7,700,000	13,160,000
Other items of income					
Other income	5	2,784,085	3,747,721	367,263	413,354
Other items of expenses					
Administrative and general expenses		(16,174,027)	(18,112,305)	(755,515)	(645,307)
Selling expenses		(1,627,905)	(1,590,023)	-	-
Net impairment (losses)/gains on financial assets	6	(2,330)	288,218	-	-
Profit before taxation	7	15,828,817	26,004,290	7,311,748	12,928,047
Income tax (expense)/income	10	(4,311,915)	(4,408,070)	2,005	(3,461)
Profit net of tax, representing total comprehensive income for the year, attributable to owners of the Company		11,516,902	21,596,220	7,313,753	12,924,586
Earnings per share attributable to owners of the Company (sen per share):					
Basic	11	4.09	7.67		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Assets					
Non-current assets					
Property, plant and equipment	13	131,020,160	133,187,743	-	-
Investment property	14	875,677	898,130	-	-
Right-of-use assets	15	10,882,690	11,247,849	-	-
Investment in subsidiaries	16	-	-	103,040,592	103,040,592
		142,778,527	145,333,722	103,040,592	103,040,592
Current assets					
Inventories	17	73,912,772	98,595,117	-	-
Trade and other receivables	18	45,237,428	51,574,477	2,000	6,421
Short-term investments	19	58,610,331	25,940,648	10,553,709	10,288,573
Fixed deposits with licensed banks	20	-	12,000,000	-	-
Cash and bank balances	21	20,171,337	12,510,346	87,216	70,470
Tax recoverable		-	19,841	12,926	-
		197,931,868	200,640,429	10,655,851	10,365,464
Total assets		340,710,395	345,974,151	113,696,443	113,406,056
Equity and liabilities					
Equity attributable to equity holders of the Company					
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		174,041,954	169,562,039	14,884,122	14,607,356
Total equity		272,794,031	268,314,116	113,636,199	113,359,433
Non-current liability					
Deferred tax liabilities	24	14,797,000	14,626,000	-	-
Current liabilities					
Trade and other payables	25	52,007,625	63,034,035	60,244	45,000
Tax payable		1,111,739	-	-	1,623
		53,119,364	63,034,035	60,244	46,623
Total liabilities		67,916,364	77,660,035	60,244	46,623
Total equity and liabilities		340,710,395	345,974,151	113,696,443	113,406,056

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 2025

	Note	Share capital RM	Non-distributable treasury shares RM	Distributable retained earnings RM	Total equity RM
Group 2025					
Balance at 1 January 2025		98,772,817	(20,740)	169,562,039	268,314,116
Total comprehensive income for the year		-	-	11,516,902	11,516,902
Transactions with owners					
Dividends	12	-	-	(7,036,987)	(7,036,987)
Balance at 31 December 2025		98,772,817	(20,740)	174,041,954	272,794,031
2024					
Balance at 1 January 2024		98,772,817	(20,740)	164,854,587	263,606,664
Total comprehensive income for the year		-	-	21,596,220	21,596,220
Transactions with owners					
Dividends	12	-	-	(16,888,768)	(16,888,768)
Balance at 31 December 2024		98,772,817	(20,740)	169,562,039	268,314,116

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 2025

	Note	Share capital RM	Non- distributable treasury shares RM	Distributable retained earnings RM	Total equity RM
Company					
2025					
Balance at 1 January 2025		98,772,817	(20,740)	14,607,356	113,359,433
Total comprehensive income for the year		-	-	7,313,753	7,313,753
Transactions with owners					
Dividends	12	-	-	(7,036,987)	(7,036,987)
Balance at 31 December 2025		98,772,817	(20,740)	14,884,122	113,636,199
2024					
Balance at 1 January 2024		98,772,817	(20,740)	18,571,538	117,323,615
Total comprehensive income for the year		-	-	12,924,586	12,924,586
Transactions with owners					
Dividends	12	-	-	(16,888,768)	(16,888,768)
Balance at 31 December 2024		98,772,817	(20,740)	14,607,356	113,359,433

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 2025

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Operating activities				
Profit before taxation	15,828,817	26,004,290	7,311,748	12,928,047
<u>Adjustments for:</u>				
Depreciation of property, plant and equipment	15,964,197	15,142,967	-	-
Depreciation of investment property	22,453	22,453	-	-
Depreciation of right-of-use assets	365,159	365,158	-	-
Gain on disposal of property, plant and equipment	(32,090)	(25,500)	-	-
Fair value gain on short-term investments	(942,620)	(560,640)	(290,921)	(339,722)
Allowance for impairment losses on trade receivables	191,505	91,183	-	-
Reversal of allowance for impairment losses on trade receivables	(189,175)	(379,401)	-	-
Waiver of amount due from a subsidiary	-	-	89,537	-
Interest income	(1,097,865)	(2,213,584)	(76,342)	(73,632)
Unrealised loss/(gain) on foreign exchange	522,011	(79,759)	-	-
Operating cash flows before changes in working capital	30,632,392	38,367,167	7,034,022	12,514,693
Decrease/(Increase) in inventories	24,682,345	(10,054,873)	-	-
Decrease in trade and other receivables	5,823,664	477,799	-	-
(Decrease)/Increase in trade and other payables	(11,272,319)	(3,413,273)	15,244	(124)
Cash flows from operations	49,866,082	25,376,820	7,049,266	12,514,569
Income tax paid	(3,397,342)	(4,497,168)	(12,544)	(38,628)
Income tax refund	388,007	-	-	-
Net cash flows from operating activities	46,856,747	20,879,652	7,036,722	12,475,941

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 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Investing activities					
Deposit paid for purchase of property, plant and equipment		(389,985)	(65,618)	-	-
Interest received		1,097,865	1,885,729	74,215	69,211
Withdrawal of fixed deposits with tenure more than 3 months		12,000,000	6,000,000	-	-
(Advance to)/Repayment from subsidiaries		-	-	(82,989)	69,531
Proceeds from disposal of property, plant and equipment		33,350	25,500	-	-
Purchase of property, plant and equipment		(12,949,605)	(22,756,195)	-	-
(Purchase)/Disposal of short-term investments		(31,727,063)	8,246,262	25,785	8,540,943
Net cash flows (used in)/from investing activities		(31,935,438)	(6,664,322)	17,011	8,679,685
Financing activity					
Dividends paid		(7,036,987)	(21,110,960)	(7,036,987)	(21,110,960)
Net cash flows used in financing activity		(7,036,987)	(21,110,960)	(7,036,987)	(21,110,960)
Net increase/(decrease) in cash and cash equivalents		7,884,322	(6,895,630)	16,746	44,666
Cash and cash equivalents at 1 January		12,510,346	19,396,164	70,470	25,804
Effect of foreign exchange translation		(223,331)	9,812	-	-
Cash and cash equivalents at 31 December	21	20,171,337	12,510,346	87,216	70,470

Cash outflows for leases as a lessee

	Group	
	2025 RM	2024 RM
Included in net cash flows from operating activities:-		
Payment relating to short-term leases	596,296	586,310
Total cash outflows for leases	596,296	586,310

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 2025

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 registered office and principal place of business of the Company is located at 5A, Jalan Wawasan 2, Kawasan Perindustrian Sri Gading, 83300 Batu Pahat, Johor Darul Takzim.

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as “the Group”.

The financial statements of the Company and of the Group 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.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 13 April 2026.

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”), IFRS Accounting 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 standard and interpretation (including the consequential amendments, if any):-

MFRSs and IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 121: Lack of Exchangeability

The adoption of the above accounting standard and interpretation (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 2025

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/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
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 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

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 of Financial Statements and MFRS 19 : Subsidiaries without Public Accountability : Disclosures, in which the Group and the Company are currently assessing the impact of implementating these new standards.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**3. MATERIAL ACCOUNTING POLICY INFORMATION****3.1 Critical Accounting Estimates and Judgements (Cont'd)***Key Sources of Estimation Uncertainty (Cont'd)***(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.

(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.

3.2 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 value at the reporting date with any fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

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 accumulated impairment losses.

(b) Financial LiabilitiesFinancial 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.2 Financial Instruments (Cont'd)

(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.

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.

3.3 Investment in Subsidiaries

Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less accumulated impairment losses, if any.

3.4 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 accumulated 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	20 to 50 years
Office buildings	50 years
Plant and machinery, tools and equipment	5 to 15 years
Office equipment, furniture fittings and motor vehicles	2 to 10 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.

3.5 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 any accumulated 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.6 Right-of-use Assets

(a) Short-term Leases

The Group applies the "short-term lease" recognition exemption. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease.

(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.

3.7 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.

3.8 Revenue from Contracts with Customers

Sale of goods

Revenue from sale of plastics products 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. The Group does not provide warranties, returns, refunds or other similar obligation to its customers.

3.9 Revenue from Other Sources and Other Operating Income

(a) Dividend Income

Dividend income 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 2025

4. REVENUE

Revenue of the Group and of the Company consists of the following:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Recognised at a point in time</u>				
Revenue from Contracts with Customers				
Sales of goods	413,687,571	487,681,756	-	-
Revenue from Other Source				
Dividend income from subsidiary	-	-	7,700,000	13,160,000
	413,687,571	487,681,756	7,700,000	13,160,000

The information on the disaggregation of revenue based on geographical market is summarised below:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Represented by geographical markets:-</u>				
Asia countries	223,347,307	282,223,402	-	-
Malaysia	126,690,764	131,579,239	7,700,000	13,160,000
Others	63,649,500	73,879,115	-	-
	413,687,571	487,681,756	7,700,000	13,160,000

5. OTHER INCOME

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest income from the following financial assets:				
– fair value through profit or loss	327,063	396,912	74,215	69,057
– amortised cost	770,802	1,816,672	2,127	4,575
Fair value gain on short-term investments	942,620	560,640	290,921	339,722
Gain on foreign exchange:				
– unrealised	-	79,759	-	-
Gain on disposal of property, plant and equipment				
	32,090	25,500	-	-
Rental income from investment property	54,000	50,902	-	-
Miscellaneous	657,510	817,336	-	-
	2,784,085	3,747,721	367,263	413,354

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. NET IMPAIRMENT LOSSES/(GAINS) ON FINANCIAL ASSETS

	Group	
	2025 RM	2024 RM
Impairment losses:		
– trade receivables (Note 18)	191,505	91,183
Reversal of impairment losses:		
– trade receivables (Note 18)	(189,175)	(379,401)
	2,330	(288,218)

7. PROFIT BEFORE TAXATION

The following items have been included in arriving at profit before taxation:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Auditors' remuneration:				
– audit fees	105,000	105,000	35,000	35,000
– non-audit fees	5,000	5,000	5,000	5,000
Depreciation:				
– property, plant and equipment (Note 13)	15,964,197	15,142,967	-	-
– investment property (Note 14)	22,453	22,453	-	-
– right-of-use assets (Note 15)	365,159	365,158	-	-
Direct operating expenses on investment property	25,742	25,712	-	-
Loss on foreign exchange:				
– realised	718,806	4,807,159	-	-
– unrealised	522,011	-	-	-
Lease expenses:				
– short-term leases	596,296	586,310	-	-
Waiver of amount due from a subsidiary	-	-	89,537	-

8. EMPLOYEE BENEFITS EXPENSE

	Group	
	2025 RM	2024 RM
Wages and salaries	24,309,413	24,336,249
Social security contribution	345,720	306,796
Defined contribution plan	1,796,827	1,548,394
Lease expenses:		
– short-term leases	352,296	334,310
Other staff related expenses	1,055,929	833,704
	27,860,185	27,359,453

Included in the employee benefits expense of the Group is executive directors' remuneration amounting to RM2,449,250 (2024 : RM2,497,086) as further disclosed in Note 9.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

9. DIRECTORS' REMUNERATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Executive directors' remuneration:</u>				
Salaries and other emoluments	2,058,616	2,098,798	-	-
Defined contribution plan	390,634	398,288	-	-
Estimated monetary value of benefits-in-kind	65,275	65,275	-	-
	2,514,525	2,562,361	-	-
<u>Non-executive directors' remuneration:</u>				
Fees	322,083	325,000	322,083	325,000
Allowances	21,000	20,000	21,000	20,000
	343,083	345,000	343,083	345,000
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration (Note 8)	2,449,250	2,497,086	-	-
Total non-executive directors' remuneration	343,083	345,000	343,083	345,000
	2,792,333	2,842,086	343,083	345,000

10. INCOME TAX EXPENSE/(INCOME)

Major components of income tax expense/(income)

The major components of income tax expense/(income) for the years ended 31 December 2025 and 2024 are:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Current income tax:</u>				
Tax expense for the year	4,055,000	3,868,000	-	3,000
Under/(Over)provision in the previous financial year	85,915	(57,930)	(2,005)	461
	4,140,915	3,810,070	(2,005)	3,461
<u>Deferred tax (Note 24):</u>				
Origination and reversal of temporary differences	163,000	445,000	-	-
Underprovision in the previous financial year	8,000	153,000	-	-
	171,000	598,000	-	-
Income tax expense/(income) recognised in profit or loss	4,311,915	4,408,070	(2,005)	3,461

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

10. INCOME TAX EXPENSE/(INCOME) (CONT'D)

Reconciliation between tax expense/(income) and accounting profit

A reconciliation of income tax expense/(income) applicable to the profit before taxation at the statutory tax rate to income tax expense/(income) at the effective tax rate of the Group and of the Company is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before taxation	15,828,817	26,004,290	7,311,748	12,928,047
Taxation at Malaysian statutory tax rate of 24%	3,798,916	6,241,030	1,754,820	3,102,731
Effect of:				
– non-taxable income	(241,534)	(208,147)	(1,932,434)	(3,255,276)
– expenses not deductible for tax purposes	660,618	250,128	177,614	155,545
– utilisation of tax incentives	-	(1,970,011)	-	-
Under/(Over)provision of current tax in the previous financial year	85,915	(57,930)	(2,005)	461
Underprovision of deferred tax in the previous financial year	8,000	153,000	-	-
Income tax expense/(income) recognised in profit or loss	4,311,915	4,408,070	(2,005)	3,461

The Group has unabsorbed tax losses and unutilised capital allowances as follows:

	Group	
	2025 RM	2024 RM
Unabsorbed tax losses:		
– expires year of assessment 2030	7,000	7,000
– expires year of assessment 2033	38,000	38,000
Unutilised capital allowances	45,000	45,000
	98,000	130,000
	143,000	175,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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	
	2025 RM	2024 RM
Profit net of tax attributable to owners of the Company used in the computation of basic earnings per share	11,516,902	21,596,220
	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)	4.09	7.67

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.

12. DIVIDENDS

	Group/Company	
	2025 RM	2024 RM
<u>In respect of the financial year ended 31 December 2023:</u>		
– Fourth single tier interim dividend of 1.5 sen per ordinary 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 ordinary share	-	4,222,192
– Second single tier interim dividend of 1.5 sen per ordinary share	-	4,222,192
– Third single tier interim dividend of 1.5 sen per ordinary share	-	4,222,192
– Fourth single tier interim dividend of 1.5 sen per ordinary share	4,222,192	-
<u>In respect of the financial year ended 31 December 2025:</u>		
– First single tier interim dividend of 1.0 sen per ordinary share	2,814,795	-
	7,036,987	16,888,768

On 24 February 2026, the Company declared a second 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 26 March 2026, to shareholders whose names appeared in the record of depositors on 10 March 2026. 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 2026.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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
Group					
Cost:-					
At 1 January 2024	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)	-
At 31 December 2024 and 1 January 2025	48,305,177	241,018,056	8,425,661	8,491,039	306,239,933
Additions	55,000	822,500	659,234	12,261,140	13,797,874
Disposals and write off	-	-	(126,239)	-	(126,239)
Reclassification	6,661,245	242,341	1,325,533	(8,229,119)	-
At 31 December 2025	55,021,422	242,082,897	10,284,189	12,523,060	319,911,568
Accumulated depreciation:-					
At 1 January 2024	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)
At 31 December 2024 and 1 January 2025	10,213,629	155,966,615	6,871,946	-	173,052,190
Depreciation charge for the year (Note 7)	1,284,245	13,782,452	897,500	-	15,964,197
Disposals and write off	-	-	(124,979)	-	(124,979)
At 31 December 2025	11,497,874	169,749,067	7,644,467	-	188,891,408
Net carrying amount					
At 31 December 2024	38,091,548	85,051,441	1,553,715	8,491,039	133,187,743
At 31 December 2025	43,523,548	72,333,830	2,639,722	12,523,060	131,020,160

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

* Land and buildings

	Freehold land RM	Factory buildings RM	Office buildings RM	Total RM
Cost:-				
At 1 January 2024	1,826,460	42,551,154	1,390,363	45,767,977
Reclassification	-	2,537,200	-	2,537,200
At 31 December 2024 and 1 January 2025	1,826,460	45,088,354	1,390,363	48,305,177
Additions	-	55,000	-	55,000
Reclassification	-	6,661,245	-	6,661,245
At 31 December 2025	1,826,460	51,804,599	1,390,363	55,021,422
Accumulated depreciation:-				
At 1 January 2024	-	8,866,053	249,773	9,115,826
Depreciation charge for the year	-	1,069,996	27,807	1,097,803
At 31 December 2024 and 1 January 2025	-	9,936,049	277,580	10,213,629
Depreciation charge for the year	-	1,256,438	27,807	1,284,245
At 31 December 2025	-	11,192,487	305,387	11,497,874
Net carrying amount				
At 31 December 2024	1,826,460	35,152,305	1,112,783	38,091,548
At 31 December 2025	1,826,460	40,612,112	1,084,976	43,523,548

(a) All the assets of the Group have been bound under a negative pledge to banks for banking facilities granted to the Group.

(b) There is no property, plant and equipment in the Company throughout the current and previous financial years.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. INVESTMENT PROPERTY

	Group	
	2025 RM	2024 RM
Cost:-		
At 1 January/31 December	1,122,660	1,122,660
Accumulated depreciation:-		
At 1 January	224,530	202,077
Depreciation during the financial year (Note 7)	22,453	22,453
At 31 December	246,983	224,530
Net carrying amount at 31 December	875,677	898,130
Represented by:-		
Office building	875,677	898,130
Fair value	952,875	1,025,640

- (a) The investment property of the Group is leased to tenants under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods of 2 (2024 : 2) years and an option that is exercisable by the tenants to extend their leases for 2 (2024 : 2) years.

The Group requires 2 (2024 : 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-cancellable operating lease are as follows:-

	Group	
	2025 RM	2024 RM
Within 1 year	20,250	54,000
Between 1 and 2 years	-	20,250
	20,250	74,250

- (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 value of the investment property is within level 3 of the fair value hierarchy and is 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 2025

15. RIGHT-OF-USE ASSETS

	Leasehold land RM
<hr/>	
Group	
Cost:-	
At 1 January/31 December	14,816,913
Accumulated depreciation:-	
At 1 January 2024	3,203,906
Depreciation charge for the year (Note 7)	365,158
	3,569,064
At 31 December 2024 and 1 January 2025	3,569,064
Depreciation charge for the year (Note 7)	365,159
	3,934,223
At 31 December 2025	3,934,223
Net carrying amount	
At 31 December 2024	11,247,849
At 31 December 2025	10,882,690

(a) The Group leases certain pieces of leasehold land of which the leasing activities are summarised below:-

The Group has entered into 7 (2024 : 7) agreements for the use of land. The leases are for a period of 34 to 50 (2024 : 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 2025

16. INVESTMENT IN SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Unquoted shares, at cost	103,407,738	103,407,738
Accumulated impairment losses	(367,146)	(367,146)
	103,040,592	103,040,592

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
		2025 %	2024 %	
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

On 19 December 2025, a wholly-owned subsidiary of the Company, BPPlas Plantation Sdn. Bhd., applied to the Companies Commission of Malaysia ("CCM") to be struck off from the register under Section 550 of the Companies Act 2016, and was successfully struck off on 13 April 2026.

17. INVENTORIES

	Group	
	2025 RM	2024 RM
Cost:-		
Raw materials	58,242,810	78,624,580
Work-in-progress	4,841,653	5,069,483
Spare parts	2,451,533	2,834,758
Finished goods	8,376,776	12,066,296
	73,912,772	98,595,117
Recognised in profit or loss:-		
Inventories recognised as cost of sales	382,838,577	446,011,077

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Trade receivables					
Third parties		43,897,505	50,375,553	-	-
Less: Allowance for impairment losses	(a)	(191,505)	(189,175)	-	-
		43,706,000	50,186,378	-	-
Other receivables					
Sundry receivables		414,251	438,321	-	-
Deposit paid for purchase of property, plant and equipment		389,985	65,618	-	-
Deposits		626,187	821,196	2,000	2,000
Prepayments		101,005	62,964	-	-
Amount due from subsidiaries	(b)	-	-	-	4,421
		1,531,428	1,388,099	2,000	6,421
		45,237,428	51,574,477	2,000	6,421

(a) Trade Receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 (2024 : 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	
	2025 RM	2024 RM
At 1 January	189,175	524,592
Addition during the financial year (Note 6)	191,505	91,183
Reversal during the financial year (Note 6)	(189,175)	(379,401)
Written off during the financial year	-	(47,199)
At 31 December	191,505	189,175

(b) Amount due from Subsidiaries

Amount due from subsidiaries represent payment made on behalf which bear an interest of 4.82% (2024 : 5.28%) 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 2025

19. SHORT-TERM INVESTMENTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fair value through profit or loss on financial assets				
– Money market funds	58,610,331	25,940,648	10,553,709	10,288,573

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 3.46% (2024 : 3.58%) and 3.48% (2024 : 3.60%) 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

In the last financial year, 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% per annum. The fixed deposits have maturity periods ranging from 92 to 182 days for the Group.

21. CASH AND BANK BALANCES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	20,171,337	12,510,346	87,216	70,470
Fixed deposits with licensed banks	-	12,000,000	-	-
	20,171,337	24,510,346	87,216	70,470
Less: Fixed deposits with tenure of more than 3 months (Note 20)	-	(12,000,000)	-	-
Cash and cash equivalents	20,171,337	12,510,346	87,216	70,470

22. SHARE CAPITAL

	Group/Company			
	2025 Number of shares	2024 Number of shares	2025 RM	2024 RM
Issued and fully paid up				
Ordinary shares				
At 1 January/31 December	281,531,992	281,531,992	98,772,817	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. The ordinary shares have no par value.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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 (2024 : Nil).

Of the total 281,531,992 (2024 : 281,531,992) issued and fully paid-up ordinary shares at the end of the reporting period, 52,500 (2024 : 52,500) ordinary shares are held as treasury shares by the Company. None (2024 : 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
Group			
2025			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	14,743,000	176,000	14,919,000
Right-of-use assets	280,000	(10,000)	270,000
Unrealised gain on foreign exchange	19,000	(19,000)	-
	15,042,000	147,000	15,189,000
<i>Deferred Tax Assets</i>			
Other temporary differences	(416,000)	96,000	(320,000)
Unrealised loss on foreign exchange	-	(72,000)	(72,000)
	(416,000)	24,000	(392,000)
	14,626,000	171,000	14,797,000
2024			
<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 2025

25. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Trade payables					
Third parties	(a)	40,322,654	49,143,221	-	-
Other payables					
Sundry payables	(b)	8,343,935	10,164,698	15,244	-
Deposit received		8,623	107,623	-	-
Sales tax payables		163,182	156,812	-	-
Accrued operating expenses	(b)	3,169,231	3,461,681	45,000	45,000
		11,684,971	13,890,814	60,244	45,000
		52,007,625	63,034,035	60,244	45,000

(a) Trade Payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 60 (2024 : 30 to 60) days terms.

(b) Sundry Payables and Accrued Operating Expenses

These amounts are non-interest bearing and normally settled within twelve months.

Included in sundry payables is an amount of RM848,269 (2024 : RM Nil) payable for the purchase of property, plant and equipment.

26. COMMITMENTS

	Group	
	2025 RM	2024 RM
Purchase of property, plant and equipment	1,701,524	11,285,227

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27. RELATED PARTY DISCLOSURES

(a) *Subsidiaries*

The subsidiaries are disclosed in Note 16 to the financial statements.

(b) *Significant Related Party Transactions and Balances*

The Group and the Company carried out the following significant transactions with the related parties during the financial year:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Subsidiaries				
Dividend income	-	-	7,700,000	13,160,000
Interest income	-	-	2,127	4,421
Waiver of amount due from a subsidiary	-	-	89,537	-
<hr/>				
Person connected to director of the Group				
Lease expenses	24,000	24,000	-	-

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

(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 2025

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
Group		
2025		
Financial asset		
Short-term investments	58,610,331	58,610,331
2024		
Financial asset		
Short-term investments	25,940,648	25,940,648
Company		
2025		
Financial asset		
Short-term investments	10,553,709	10,553,709
2024		
Financial asset		
Short-term investments	10,288,573	10,288,573

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 2025

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 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, net of loss allowance, at the end of the reporting period is as follows:-

	Group	
	2025	2024
	RM	RM
Asia countries	16,425,937	18,099,871
Malaysia	22,547,010	23,397,554
Others	4,733,053	8,688,953
	43,706,000	50,186,378

At the end of the reporting period, the Group's major concentration of credit risk relates to the amounts owing by 1 (2024 : 1) customer, the balances of each is equal to or more than 10% of total balances constituting approximately 13% (2024 : 11%) of its trade receivables, net of loss allowance.

(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 2025

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 closely monitors the exposure to credit risk on an on-going basis through periodic review of the ageing of the receivables 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; or
- 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.

Inputs, assumptions and techniques used for estimating impairment losses

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of 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 (2024 : 36) months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates were not adjusted to reflect forward looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts as the Group has not identified any material forward-looking assumptions that impact the historical loss rates.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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)

Inputs, assumptions and techniques used for estimating impairment losses (Cont'd)

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for impairment losses

The information about the credit exposure and loss allowances recognised for trade receivables are as follows:-

	Gross amount RM	Lifetime individual allowance RM	Lifetime collective allowance RM	Carrying amount RM
Group				
2025				
Current (not past due)	32,889,518	-	(20,399)	32,869,119
1 to 30 days past due	9,094,058	-	(32,114)	9,061,944
31 to 60 days past due	1,642,751	-	(31,182)	1,611,569
61 to 90 days past due	160,791	-	(12,174)	148,617
91 to 120 days past due	17,023	-	(2,870)	14,153
More than 120 days past due	1,859	-	(1,261)	598
Credit impaired	91,505	(91,505)	-	-
	43,897,505	(91,505)	(100,000)	43,706,000
2024				
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

The movement in the loss allowances in respect of trade receivables are disclosed in Note 18 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**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 (Cont'd)

Trade receivables that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

Trade receivables that are collectively determined to be impaired relate to expected credit losses measured based on the Company's observed default rates.

Amount due from subsidiaries (non-trade balances)

The Company applies the 3-stage general approach to measure expected credit losses for amount due from subsidiaries. The Company considers advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when subsidiaries' financial position deteriorates significantly.

The Company measures the expected credit losses on an individual basis, which is aligned with its credit risk management practices on subsidiaries balances.

For advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiaries do not have sufficient highly liquid resources when the advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by subsidiaries.

Allowance for impairment losses

At the end of the reporting period, there was no indication that the amount due from subsidiaries are not recoverable.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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)

Sundry receivables

The Group and the Company measure the expected credit losses of sundry receivables that are credit impaired and with a high risk of default on an individual basis.

Allowance for impairment losses

At the end of the reporting period, there was no indication that the sundry receivables are not recoverable.

Fixed deposits with licensed banks, cash and bank balances

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Company is of the view that the loss allowance is immaterial and hence, it is not provided for.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 Financial Risk Management Policies (Cont'd)

(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	
	2025	2024
	RM	RM
Financial assets		
<u>Trade and other receivables</u>		
United States Dollar	17,219,139	21,729,497
Singapore Dollar	3,760,650	5,103,018
Euro	300,415	143,603
	21,280,204	26,976,118
<u>Cash and bank balances</u>		
United States Dollar	8,404,598	4,304,606
Singapore Dollar	1,778,658	1,747,483
Euro	309,063	1,099,575
	10,492,319	7,151,664
Financial liabilities		
<u>Trade and other payables</u>		
United States Dollar	(32,606,913)	(42,416,168)
Singapore Dollar	(109,084)	(1)
Euro	(52,674)	(740,169)
	(32,768,671)	(43,156,338)
<u>Net currency exposure</u>		
United States Dollar	(6,983,176)	(16,382,065)
Singapore Dollar	5,430,224	6,850,500
Euro	556,804	503,009

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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 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	
	2025	2024
	RM	RM
Effect on profit after taxation		
USD/RM – strengthened by 9% (2024 : 14%)	-478,000	-1,743,000
– weakened by 9% (2024 : 14%)	+478,000	+1,743,000
SGD/RM – strengthened by 5% (2024 : 9%)	+206,000	+469,000
– weakened by 5% (2024 : 9%)	-206,000	-469,000
EUR/RM – strengthened by 6% (2024 : 10%)	+25,000	+38,000
– weakened by 6% (2024 : 10%)	-25,000	-38,000

(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 Group and the Company do not have any quoted investments and hence, is not exposed to equity price risk.

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 2025

29. FINANCIAL INSTRUMENTS (CONT'D)

29.3 Classification of Financial Instruments

	Group	
	2025	2024
	RM	RM
Financial assets		
<u>Fair value through profit or loss</u>		
Short-term investments (Note 19)	58,610,331	25,940,648
<u>Amortised cost</u>		
Trade and other receivables (Note 18)	44,120,251	50,624,699
Fixed deposits with licensed banks (Note 20)	-	12,000,000
Cash and bank balances (Note 21)	20,171,337	12,510,346
	64,291,588	75,135,045
Financial liabilities		
<u>Amortised cost</u>		
Trade and other payables (Note 25)	51,835,820	62,769,600
Company		
<u>2025</u>		
	RM	RM
Financial assets		
<u>Fair value through profit or loss</u>		
Short-term investments (Note 19)	10,553,709	10,288,573
<u>Amortised cost</u>		
Cash and bank balances (Note 21)	87,216	70,470
Financial liabilities		
<u>Amortised cost</u>		
Trade and other payables (Note 25)	60,244	45,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29. FINANCIAL INSTRUMENTS (CONT'D)

29.4 Gains or Losses Arising from Financial Instruments

	Group	
	2025 RM	2024 RM
Financial assets		
<u>Fair value through profit or loss</u>		
Net gains recognised in profit or loss	1,269,683	957,552
<u>Amortised cost</u>		
Net losses recognised in profit or loss	(1,838,871)	(2,355,204)
Financial liabilities		
<u>Amortised cost</u>		
Net gains/(losses) recognised in profit or loss	1,366,526	(267,306)
	Company	
	2025 RM	2024 RM
Financial assets		
<u>Fair value through profit or loss</u>		
Net gains recognised in profit or loss	365,136	408,779
<u>Amortised cost</u>		
Net gains recognised in profit or loss	2,127	4,575

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30. OPERATING SEGMENTS

(a) Business Segments

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely manufacturing of plastics packaging products.

(b) Geographical Information

In presenting the information on the basis of geographical segments, segmental information on non-current assets is not presented, as all non-current assets are located in Malaysia.

Segmental revenue is presented based on geographical region of the customers as follows:-

	Group			
	2025 RM	2025 %	2024 RM	2024 %
Asia countries	223,347,307	54%	282,223,402	58%
Malaysia	126,690,764	31%	131,579,239	27%
Others	63,649,500	15%	73,879,115	15%
	413,687,571	100%	487,681,756	100%

(c) Major Customers

The following is major customer with revenue equals to or more than 10% of the Group's revenue:-

	Company	
	2025 RM	2024 RM
Customer A	41,700,464	*

* Not being major customer by definition herein for the reporting period.

ANALYSIS OF **SHAREHOLDINGS**

AS AT 1 APRIL 2026

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	: 3,287

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares Issued	%
1 – 99	198	6.02	9,459	0.00
100 – 1,000	372	11.32	189,182	0.07
1,001 – 10,000	1,656	50.38	7,517,889	2.67
10,001 – 100,000	933	28.39	28,190,363	10.02
100,001 – 14,073,973 *	124	3.77	54,907,600	19.51
14,073,974 and above **	4	0.12	190,664,999	67.73
Total	3,287	100.00	281,479,492	100.00

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	2,459	28	140,440,026	497,475	49.89	0.18
Body Corporate						
a) Bank/Finance Companies	-	-	-	-	-	-
b) Investment Trusts/ Foundation/Charities	-	-	-	-	-	-
c) Industrial and Commercial Companies	35	1	125,115,875	1	44.45	-
Government Agencies/Institutions	-	-	-	-	-	-
Nominees	739	25	12,535,002	2,891,113	4.45	1.03
Others	-	-	-	-	-	-
Total	3,233	54	278,090,903	3,388,589	98.79	1.21

ANALYSIS OF SHAREHOLDINGS (CONT'D)
AS AT 1 APRIL 2026**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	% ¹	No. of Issued Shares Held	% ¹
LG Capital Sdn. Bhd.	121,500,000	43.16	-	-
Lim Chun Yow	27,090,004	9.62	121,500,000 *	43.16
Tan See Khim	26,957,198	9.58	121,500,000 *	43.16
Hey Shioh Hoe	22,114,997	7.86	121,500,000 *	43.16

Note:

^(*) Deemed interest by virtue of his substantial shareholdings in LG Capital Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

⁽¹⁾ Excluding a total of 52,500 ordinary shares bought-back by the Company and retained as treasury shares as at 1 April 2026.

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	% ¹	No. of Issued Shares Held	% ¹
Lim Chun Yow	27,090,004	9.62	121,747,500 *	43.25
Tan See Khim	26,957,198	9.58	121,747,500 *	43.25
Hey Shioh Hoe	22,114,997	7.86	121,747,500 *	43.25
Lim Kim Hock	-	-	-	-
Tan Hock Hin	22,500	0.01	-	-
Chuah Sue Yin	-	-	-	-
Goh Joo Seong	-	-	-	-

Note:

^(*) 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.

⁽¹⁾ Excluding a total of 52,500 ordinary shares bought-back by the Company and retained as treasury shares as at 1 April 2026.

ANALYSIS OF SHAREHOLDINGS (CONT'D)
AS AT 1 APRIL 2026

THIRTY (30) LARGEST SECURITIES HOLDERS

No.	Shareholders	No. of Shares	% ¹
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	Tay Khiang Puang	3,884,100	1.38
6	Lim Chun Yow	3,465,000	1.23
7	Gan Hong Liang	2,915,050	1.04
8	Hey Shiow Hoe	2,390,000	0.85
9	Gan Hong Liang	1,794,375	0.64
10	Alliancegroup Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Tan Gian Hock (7015772)	1,704,750	0.61
11	Lim Chin Siong	1,602,500	0.57
12	UOB Kay Hian Nominees (Asing) Sdn Bhd – Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	1,293,300	0.46
13	Ang Siew Peng	1,200,000	0.43
14	Tan See Khim	1,142,200	0.41
15	U-Star Marketing Sdn. Bhd.	1,050,000	0.37
16	Soh Yong Beng	931,050	0.33
17	Siow Kin Leong	916,750	0.33
18	Ho Mee Leng	830,000	0.29
19	Ng Teng Song	821,100	0.29
20	Lim Boon Kheng	811,050	0.29
21	Lim Kian	804,350	0.29
22	Goh Khai Beng	802,500	0.29
23	Tan Kim Keng	760,800	0.27
24	Lim Khuan Eng	750,000	0.27
25	Lim Siau Mei	743,100	0.26
26	Tan Suan Chin	728,000	0.26
27	Tay Khiang Puang	725,400	0.26
28	Tan Soon Lan	692,175	0.25
29	Teo Kock Sei	675,000	0.24
30	Chong Kok Fah	651,500	0.23
	Total	224,749,049	79.87

⁽¹⁾ Excluding a total of 52,500 ordinary shares bought-back by the Company and retained as treasury shares as at 1 April 2026.

STATISTICS OF WARRANTS A HOLDINGS

AS AT 1 APRIL 2026

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	373	17.29	14,099	0.04
100 – 1,000	1,101	51.04	503,314	1.34
1,001 – 10,000	543	25.18	1,775,910	4.73
10,001 – 100,000	115	5.33	3,978,420	10.60
100,001 – 1,876,528 *	21	0.97	5,836,850	15.55
1,876,529 and above **	4	0.19	25,421,998	67.74
Total	2,157	100.00	37,530,591	100.00

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	1,660	16	18,183,481	142,261	48.45	0.38
Body Corporate						
a) Bank/Finance Companies	-	-	-	-	-	-
b) Investment Trusts/ Foundation/Charities	-	-	-	-	-	-
c) Industrial and Commercial Companies	18	-	16,339,510	-	43.54	-
Government Agencies/Institutions	-	-	-	-	-	-
Nominees	450	13	2,826,626	38,713	7.53	0.10
Others	-	-	-	-	-	-
Total	2,128	29	37,349,617	180,974	99.52	0.48

STATISTICS OF WARRANTS A HOLDINGS (CONT'D)
AS AT 1 APRIL 2026

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 Hock Hin	3,000	0.01	-	-
Chuah Sue Yin	-	-	-	-
Goh Joo Seong	-	-	-	-

Note:

⁽¹⁾ 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 1 APRIL 2026

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	Maybank Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Mohd Fadzli Bin Mohd Sidi	700,000	1.87
6	Wong Bung Kee	601,100	1.60
7	Lim Chiao Beng	565,610	1.51
8	Tay Khiang Puang	517,880	1.38
9	Lim Chun Yow	341,280	0.91
10	Khong Swee Aun	330,000	0.88
11	Ea Siow Hiong	306,600	0.82
12	Hey Shiow Hoe	292,000	0.78
13	Public Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Choo Maw Kuan (E-TMR/AKH)	251,400	0.67
14	Lee Mei Ling	245,000	0.65
15	Alliancegroup Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Tan Gian Hock (7015772)	227,300	0.61
16	Lim Chin Siong	211,000	0.56
17	Maslani Bin Ridwan	206,700	0.55
18	Mahalingam A/L Veluppillai	190,500	0.51
19	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. – Pledged Securities Account for Chuah Tong Yee (MY1331)	138,800	0.37
20	Tee Wee Tat	138,000	0.37
21	Tan See Khim	124,200	0.33
22	Soh Yong Beng	124,140	0.33
23	Public Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Ng Boon Hwa (E-BPT)	109,100	0.29
24	Lim Boon Kheng	108,140	0.29
25	Ng Sock Men	108,100	0.29
26	Leong How Luan	100,000	0.27
27	Lim Khuan Eng	100,000	0.27
28	Norhayati Binti Zakaria	100,000	0.27
29	Tan Kah Boon	100,000	0.27
30	Tan Kok Chuan	100,000	0.27
	TOTAL	31,758,848	84.65

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)	22	19.11.2003	1,322	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)	31 29	08.06.1994 28.08.1996	1,923	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)	28	29.04.1997	2,051	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)	22	28.05.2003	2,111	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)	24	07.11.2001	3,609	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)	20 13 8	07.04.2006 07.04.2006 02.09.2019	23,771	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)	12	01.11.2014	1,085	(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)	12	01.11.2014	876	(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 8, 8-1, Jln Wawasan 12, Kawasan Perindustrian Sri Gading, 83300 Batu Pahat, 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)	25 25	04.04.2000 04.04.2000	16,707	(20-Jan-23)

NOTICE OF TWENTY-SECOND **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the TWENTY-SECOND ANNUAL GENERAL MEETING of BP Plastics Holding Bhd. ("**Company**") will be held at Opal Room, Level M, The Katerina Hotel, 8 Jalan Zabedah, 83000 Batu Pahat, Johor Darul Takzim on Monday, 25 May 2026 at 10:00 a.m. for the following purposes:-

AGENDA

- | | |
|---|---|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and the Auditors thereon. | Please refer to Explanatory Note A |
| 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. Lim Kim Hock | Ordinary Resolution 1 |
| (ii) Mr. Lim Chun Yow | Ordinary Resolution 2 |
| 3. To re-elect Ms. Goh Joo Seong, a Director who retires pursuant to Clause 121 of the Company's Constitution and being eligible, offered herself for re-election. | Ordinary Resolution 3 |
| 4. To approve the payment of Directors' fees of RM320,000 to the Non-Executive Directors of the Company for the financial year ending 31 December 2026. | Ordinary Resolution 4 |
| 5. To approve the payment of Directors' benefits up to an amount of RM30,000 in aggregate to the Non-Executive Directors from 26 May 2026 until the next Annual General Meeting of the Company in 2027. | Ordinary Resolution 5 |
| 6. To re-appoint Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | Ordinary Resolution 6 |

As Special Business

To consider and if thought fit, to pass the following Ordinary Resolutions, with or without any modifications:-

- | | |
|--|------------------------------|
| 7. ORDINARY RESOLUTION
AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 | Ordinary Resolution 7 |
|--|------------------------------|

"THAT subject always to the Companies Act 2016 ("**Act**"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, 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-SECOND ANNUAL GENERAL MEETING (CONT'D)

7. **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 Securities; **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.”

8. **ORDINARY RESOLUTION**

PROPOSED SHARE BUY-BACK AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (“PROPOSED SHARE BUY-BACK AUTHORITY”)

Ordinary Resolution 8

“**THAT** subject to the compliance with Section 127 of the Act, the Constitution of the Company, the Listing Requirements of Bursa Securities and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem and expedient in the interest of the Company, provided that:-

- (i) the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase.

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner:-

- (i) cancel all the shares so purchased; and/or
- (ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or
- (iii) retain part thereof as treasury shares and cancel the remainder; or in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting; whichever occurs first.

AND THAT the Directors of the Company be authorised to give effect to the Proposed Share Buy-Back Authority with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities and to take such steps and do all such acts and things as they may deem fit and expedient in the best interest of the Company.”

NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING (CONT'D)

- 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

27 April 2026

Notes:

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 May 2026 ("General Meeting Record of Depositors") shall be eligible to participate, speak and vote at the Meeting.
- 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.
- 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.
- 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.
- 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.
- 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.
- The instrument appointing a proxy shall be deposited at the Company's Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time appointed of holding the above Meeting or at any adjournment thereof.
- 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.

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. Lim Kim Hock and Mr. Lim Chun Yow, 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-Second Annual General Meeting ("**22nd AGM**").

Ms. Goh Joo Seong, who retires in accordance with Clause 121 of the Company's Constitution, is eligible for re-election and being eligible, has offered herself for re-election at the 22nd AGM.

(collectively known as "**Retiring Directors**")

For the purpose of determining the eligibility of the Directors to stand for re-election at this 22nd 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 2025.

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.

NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS (CONT'D)

(1) Re-election of Directors (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.

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 22nd AGM of the Company in Ordinary Resolutions 4 and 5.

2.1 Payment of Directors' fees for the financial year ending 31 December 2026

Ordinary Resolution 4 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 5, if passed, will authorise the payment of benefits to the Non-Executive Directors up to an amount of RM30,000 from 26 May 2026 until the next AGM of the Company in year 2027 ("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 22nd 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 2026, 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 22nd AGM of the Company (hereinafter referred to as the "General Mandate").

The Company had been granted a general mandate by its shareholders at the Twenty-First Annual General Meeting ("21st AGM") 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 22nd 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).

5. Proposed Share Buy-Back Authority

The Ordinary Resolution 8, if passed, will provide a mandate for the Company to purchase its own ordinary shares up to ten percent (10%) of the total number of issued shares of the Company and shall lapse at the conclusion of the next AGM unless authority for the renewal is obtained from the shareholders of the Company at a general meeting.

Further information on the Proposed Share Buy-Back Authority is set out in the Statement to Shareholders dated 27 April 2026.

6. Retirement 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, and was retained to continue to serve as an Independent Non-Executive Director at the 21st AGM of the Company held on 29 May 2025 until the conclusion of the forthcoming 22nd AGM. Mr. Tan would have served the Board in that capacity for a cumulative term of more than twelve (12) years on 30 September 2026.

Mr. Tan has indicated his intention to retire as an Independent Non-Executive Director of the Company at the conclusion of 22nd AGM, in accordance with the MCGG and the Main Market Listing Requirements of Bursa Securities, where all long serving independent directors must resign or be redesignated as non-independent directors.

Hence, he will hold office as an Independent Non-Executive Director until the conclusion of the forthcoming 22nd 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)

(a) Details of individuals who are standing for election as Directors

There is no individual standing for election as a Director at the 22nd 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 22nd AGM.



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

BPPLAS

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-Second Annual General Meeting of the Company to be held at Opal Room, Level M, The Katerina Hotel, 8 Jalan Zabedah, 83000 Batu Pahat, Johor Darul Takzim on Monday, 25 May 2026 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. Lim Kim Hock who retires by rotation pursuant to Clause 122 of the Company’s Constitution.		
2.	To re-elect Mr. Lim Chun Yow who retires by rotation pursuant to Clause 122 of the Company’s Constitution.		
3.	To re-elect Ms. Goh Joo Seong who retires pursuant to Clause 121 of the Company’s Constitution.		
4.	To approve the payment of Directors’ fees of RM320,000 to the Non-Executive Directors of the Company for the financial year ending 31 December 2026.		
5.	To approve the payment of Directors’ benefits up to an amount of RM30,000 in aggregate to the Non-Executive Directors from 26 May 2026 until the next Annual General Meeting of the Company in 2027.		
6.	To re-appoint Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
7.	Authority to issue and allot shares pursuant to the Companies Act 2016.		
8.	Proposed Share Buy-Back Authority for the Company to purchase its own ordinary shares up to 10% of the total number of Issued Shares of the Company.		

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 _____, 2026

** Strike out whichever not applicable*

 * Signature of Member / Common Seal

AFFIX
STAMP

BP PLASTICS HOLDING BHD.

[Registration No. 200401006398 (644902-V)]
c/o Securities Services (Holdings) Sdn. Bhd.

Share Registrar

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 18 May 2026 ("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 initialed.*
- 7. The instrument appointing a proxy shall be deposited at the Company's Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan 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,
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