

Bullish outlook from BP Plastic

BP Plastics Holding Bhd chairman and MD Lim Chun Yow says it is confident of a better performance in the current financial year despite the anticipated challenging market environment. >B5

BP Plastics still bullish despite high fuel cost

It sees better results in FY07 after a 198% jump in net profit in Q1

KUALA LUMPUR: BP Plastics Holding Bhd is confident of a better performance in the current financial year ending Dec 31 despite the anticipated challenging market environment.

The company charted a 198% jump in net profit to RM4.2mil for the three months ended March 31.

Chairman and managing director Lim Chun Yow said BP Plastics should have a better year, judging from its first quarter financial results.

"We are affected by high crude oil prices but it is a natural phenomenon. It is not just affecting us but also other players.

"We will continue to leverage on cutting-edge equipment, improve on human resources competency and capability to innovate," Lim said after the company AGM yesterday.

BP Plastics manufactures plastic packaging films and bags. The group, which exports 60% of its products, has nine factories in Batu Pahat,



From left: BP Plastics executive director Tan See Khim, Lim Chun Yow and independent non-executive director Boo Chin Liang at the AGM

Johor, with a combined annual capacity of 60,000 tonnes.

It has invested about RM8mil in a three-layer blown film co-extrusion system from Germany.

"We have been able to lower our fixed cost per unit as we have been expanding our capacity since listing

in 2005.

"The raw material price hike can also be passed down to customers," Lim said, adding that the outlook for the plastics industry this year was positive.

He added that BP Plastics had created a natural hedge position by

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LIM CHUN YOW

importing higher quantities of resins in US dollars to offset the foreign exchange fluctuations.

"Our lean and efficient organisation will help us withstand the current economic uncertainties," Lim said.