



SLP RESOURCES BERHAD

[663862-H]

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

The Board of SLP Resources Berhad (“SLP” or “the Company”) is pleased to announce the following unaudited consolidated results for the second quarter and financial period ended 30 June 2013.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2013**

	Note	3 months ended		6 months ended	
		30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
Revenue	A9	39,409	38,534	77,498	76,878
Profit from operations		2,946	3,891	6,235	7,128
Finance income		40	22	67	33
Finance costs		(4)	(19)	(15)	(38)
Profit before tax		2,982	3,894	6,287	7,123
Income tax expense	B5	(653)	(1,070)	(1,359)	(1,520)
Profit for the period		2,329	2,824	4,928	5,603
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		2,329	2,824	4,928	5,603
Profit and total comprehensive income attributable to:					
Owners of the Company		2,329	2,824	4,928	5,603
Non-controlling interests		-	-	-	-
Total comprehensive income for the period		2,329	2,824	4,928	5,603
Earnings per share					
Basic (Sen)	B14	0.94	1.14	1.99	2.27
Diluted (Sen)		N/A	N/A	N/A	N/A

Note:

The Condensed Consolidated Statement of Comprehensive Income is unaudited and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013**

	Note	As at 30.06.2013 RM'000	As at 31.12.2012 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment		54,071	50,567
Other investments		238	238
Intangible assets		22	22
		54,331	50,827
Current Assets			
Inventories		17,711	23,221
Trade and other receivables		31,984	27,071
Current tax assets		80	80
Derivative financial assets	B10	31	-
Cash and cash equivalents		13,336	11,330
		63,142	61,702
TOTAL ASSETS		117,473	112,529
EQUITY AND LIABILITIES			
Equity			
Share capital		61,833	61,833
Reserves		23,570	21,115
Total equity attributable to owners of the Company		85,403	82,948
Non-controlling interests		-	-
TOTAL EQUITY		85,403	82,948
Non-current Liabilities			
Other payables		770	1,540
Loans and borrowings	B9	-	19
Deferred taxation		6,048	5,940
		6,818	7,499
Current Liabilities			
Trade and other payables		20,315	17,003
Loans and borrowings	B9	1,136	3,703
Dividend payable		2,473	-
Current tax liabilities		1,328	1,376
		25,252	22,082
TOTAL LIABILITIES		32,070	29,581
TOTAL EQUITY AND LIABILITIES		117,473	112,529
Net assets per ordinary share attributable to ordinary equity holders of the Company (Sen)		34.5	33.5

Note:

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013**

	←-----Attributable to owners of the Company-----→			
	←Non Distributable Reserve→		Distributable	
	Share Capital RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Total RM'000
At 1 January 2013	61,833	28	21,087	82,948
Total comprehensive income for the period	-	-	4,928	4,928
Dividend	-	-	(2,473)	(2,473)
At 30 June 2013	61,833	28	23,542	85,403
At 1 January 2012	61,833	24	16,219	78,076
Total comprehensive income for the period	-	-	5,603	5,603
Dividend	-	-	(2,473)	(2,473)
At 30 June 2012	61,833	24	19,349	81,206

Note:

The Condensed Consolidated Statement of Changes in Equity is unaudited and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.



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**CONDENSED CONSOLIDATED CASH FLOWS STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013**

	Current Period Ended 30.06.2013 RM'000	Preceding Year Corresponding Period Ended 30.06.2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	6,287	7,123
Adjustments:		
Depreciation of property, plant and equipment	2,626	2,670
Amortisation of intangible assets	-	164
Gain on disposal of plant and equipment	-	(18)
Dividend income	(3)	-
Finance costs	15	38
Finance income	(67)	(33)
Operating profit before changes in working capital	8,858	9,944
Changes in working capital:		
Inventories	5,510	(2,774)
Trade and other receivables	(4,944)	(3,418)
Trade and other payables	2,542	(2,172)
Cash generated from operations	11,966	1,580
Income tax paid	(1,299)	(556)
Net cash generated from operating activities	10,667	1,024
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(6,130)	(294)
Proceeds from disposal of plant and equipment	-	25
Dividend received	3	-
Interest received	67	33
Net cash used in investing activities	(6,060)	(236)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (decrease)/increase in other bank borrowings	(1,981)	1,000
Repayment of finance lease liabilities	-	(52)
Repayment of term loans	(605)	(1,050)
Interest paid	(15)	(38)
Net cash used in financing activities	(2,601)	(140)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,006	648
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	11,330	7,927
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	13,336	8,575
Cash and cash equivalents comprise:		
Short-term deposits with licensed banks	5,500	2,191
Cash and bank balances	7,836	6,384
	13,336	8,575

Note:

The condensed consolidated cash flow statement is unaudited and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2013

A COMPLIANCE WITH MALAYSIA FINANCIAL REPORTING STANDARD (MFRS) 134 : INTERIM FINANCIAL REPORTING AND BURSA LISTING REQUIREMENTS

A1 Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”).

This condensed report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012. The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transaction that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2012.

A2 Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2012, except for the adoption of following new/revised Malaysian Financial Reporting Standards (MFRSs) below:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- MFRS 10, Consolidated Financial Statements
- MFRS 11, Joint Arrangements
- MFRS 12, Disclosure of Interests in Other Entities
- MFRS 13, Fair Value Measurements
- MFRS 119, Employee Benefits (2011)
- MFRS 127, Separate Financial Statements (2011)
- MFRS 128, Investments in Associates and Joint Ventures (2011)
- IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine
- Amendments to MFRS 7, Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards – Government Loans
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 101, Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 116, Property, plant and Equipment (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 132, Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 134, Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 10, Consolidated Financial Statements: Transition Guidance
- Amendments to MFRS 11, Joint Arrangements : Transition Guidance *
- Amendments to MFRS 12, Disclosure of Interests in Other Entities: Transition Guidance



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NOTES TO THE INTERIM FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2013

A2 Changes in Accounting Policies (cont'd)

MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective for adoption by the Group:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 10, Consolidated Financial Statements: Investment Entities
- Amendments to MFRS 12, Disclosure of Interests in Other Entities: Investment Entities
- Amendments to MFRS 127, Separate Financial Statements (2011): Investment Entities
- Amendments to MFRS 132, Financial Instruments: Presentation – Offsetting Financial Assets and Financial Assets and Financial Liabilities

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- MFRS 9, Financial Instruments (2009)
- MFRS 9, Financial Instruments (2010)
- Amendments to MFRS 7, Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures

The change of the financial reporting framework is not expected to have any significant impact on the financial position and performance of the Group and of the Company.

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the preceding audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2012 were not subject to any qualification.

A4 Seasonal or Cyclical Factors

The operations of the Group during the current quarter and financial period under review have not been materially affected by any seasonal or cyclical factors.

A5 Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and current financial period ended 30 June 2013.

A6 Changes in Estimates

There were no material changes in estimates of amounts reported in prior interim period or financial period that have a material effect in the current quarter.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
SECOND QUARTER ENDED 30 JUNE 2013**

A7 Changes in Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

A8 Dividends Paid

The following dividend was paid during the current and previous corresponding quarter:

	30.06.2013	30.06.2012
Final Dividend for the financial year	31 December 2012	31 December 2011
Approved and declared on	18 June 2013	18 June 2012
Date paid	18 July 2013	18 July 2012
Number of ordinary shares of RM0.25 each	247,333,333	247,333,333
Dividend per share (single-tier)	1.0 sen	1.0 sen
Net dividend paid	RM2,473,333	RM2,473,333

A9 Operating segments

The Group is principally involved in the manufacturing and sale of plastic packaging and its related products and trading of polymer products. Operating segment information has therefore not been prepared as the Group's revenue and operating profit before tax are mainly confined to one operating segment.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers as follows:

	3 months ended		6 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Malaysia	23,029	23,600	45,589	45,703
Japan	9,925	11,133	20,388	21,840
European countries	1,596	1,505	2,940	4,013
Australia	1,977	1,507	3,720	2,703
Other countries	2,882	789	4,861	2,619
Total	39,409	38,534	77,498	76,878

A10 Valuation of Property, Plant and Equipment

There were no valuations of property, plant and equipment during the current quarter.

A11 Events Subsequent to the Balance Sheet Date

There were no material events subsequent to the end of the current quarter that have not been reflected in the interim financial statements as at date of this report.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
SECOND QUARTER ENDED 30 JUNE 2013**

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter.

A13 Changes in contingent liabilities or contingent assets

The Company has issued corporate guarantees to financial institutions for banking facilities granted to its subsidiaries up to limits of RM104.2 million as at 30 June 2013, of which, approximately RM8.35 million was utilised as at 30 June 2013. The Company has also issued corporate guarantee to a non-financial institution for the supply of goods and services provided to subsidiaries up to limit of RM27.9 million, of which, RM7.5 million was outstanding as at 30 June 2013.

A14 Capital Commitments

There was no capital expenditure contracted but provided as at the end of current quarter.

A15 Significant related party transactions

There were no transactions entered into between the Group and other related parties during the current quarter under review.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
SECOND QUARTER ENDED 30 JUNE 2013**

**B COMPLIANCE WITH APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD**

B1 Review of Performance

For the current quarter ended 30 June 2013, the Group recorded slightly higher revenue of RM39.4 million compared to that of RM38.5 million recorded in preceding year corresponding quarter. The higher revenue in the current quarter was mainly attributed to higher export sales volume of the Group’s flexible plastic packaging products in line with the Group’s strategy to grow its export markets. Despite higher revenue, the Group registered lower profit before tax of RM2.98 million compared to that of RM3.89 million in the preceding year corresponding quarter mainly due to higher cost of raw materials.

For the six (6) months period ended 30 June 2013, the Group recorded slightly higher revenue of RM77.5 million compared to that of RM76.9 million in the preceding year corresponding period. However, due to higher cost of raw materials, in particular plastic resins, the Group recorded lower profit before tax of RM6.3 million compared to that of RM7.1 million in preceding year corresponding period.

B2 Comment on material change in profit before tax

	Current Quarter 30.06.2013 RM’000	Preceding Quarter 31.03.2013 RM’000	Variance RM’000	%
Revenue	39,409	38,089	1,320	3.5
Profit Before Tax	2,982	3,305	(323)	(9.8)

The Group recorded slightly higher revenue for the current quarter as compared to the revenue in the preceding quarter mainly due to higher export sales volume of the Group’s flexible plastic packaging products. However, due to higher cost of raw materials, in particular plastic resins, the Group recorded slightly lower profit before tax in the current quarter compared to that of in preceding quarter.

B3 Current year prospects

The Group expects the business environment in the year 2013 to be challenging in view of the expected rise in the operational and raw materials costs. Bearing this in mind, the Directors remain committed to achieving satisfactory financial results for the financial year ending 31 December 2013 through expansion in production capacity, continuous improvement in production processes, product innovation and tighter cost control as well as new market development.

B4 Variance between Actual Profit and Forecast Profit

Not applicable.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
SECOND QUARTER ENDED 30 JUNE 2013****B5 Taxation**

	3 months ended		6 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Income tax				
Current year	558	789	1,245	1,543
Prior year	6	47	6	47
	564	836	1,251	1,590
Deferred tax				
Current year	214	346	233	42
Prior year	(125)	(112)	(125)	(112)
	653	1,070	1,359	1,520

Income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the current quarter and financial year.

The effective tax rates of the Group for the current quarter and year to date were lower than the statutory tax rate due mainly to utilisation of reinvestment allowances by a subsidiary of the Group.

B6 Unquoted investments and properties

There were no purchases or sale of unquoted investment or properties for the current quarter.

B7 Quoted securities

There were no acquisitions or disposals of quoted securities for the current quarter and the financial period to date.

B8 Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of the interim financial statements.

B9 Borrowings and debt Securities

The Group's loans and borrowings as at 30 June 2013 are as follows:-

	Payable Within 12 Months RM'000	Payable After 12 Months RM'000	Total RM'000
Onshore foreign currency loan	1,016	-	1,016
Term loans	120	-	120
	1,136	-	1,136

Included in the Group's loans and borrowings are foreign currency borrowings denominated in USD and JPY of approximately RM1.1 million (comprising approximately USD0.3 million and JPY3.8 million).



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
SECOND QUARTER ENDED 30 JUNE 2013**

B10 Derivative financial instruments

As at the date of the statement of financial position 30 June 2013, the Group has the following outstanding derivative financial instruments:

Derivatives	Contract or Notional Amount (RM'000)	Fair Value Net gain / (loss) (RM'000)
Currency forward contract: Less than 1 year	6,953	31

For the quarter ended 30 June 2013, there is no change to the Group’s financial risk management policies and objectives in managing these derivative financial instruments and its related accounting policies. Forward contract currency contracts are entered into by the Group in currencies other than the functional currency to manage exposure to the fluctuations in foreign currency exchange rates.

B11 Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at the end of current quarter to the date of the interim financial report.

B12 Material Litigation

There was no pending material litigation against the Group as at the date of this quarterly report.

B13 Proposed Dividend

Details of the interim dividend approved and declared by the Board of Directors are as follows:

	30.06.2013	30.06.2012
Interim dividend for the financial year	31 December 2013	31 December 2012
Dividend per share (single-tier)	1.0 sen	1.0 sen
Approved and declared on	19 August 2013	17 August 2012
Net dividend paid and payable	RM2,473,333	RM2,473,333
Entitlement date	30 September 2013	28 September 2012
Date paid and payable	18 October 2013	18 October 2012



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
SECOND QUARTER ENDED 30 JUNE 2013**

B14 Earnings Per Share

	3 months ended		6 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
BASIC EARNINGS PER SHARE				
Profit attributable to owners of the Company (RM'000)	2,329	2,824	4,928	5,603
Weighted average number of ordinary shares in issue ('000)	247,333	247,333	247,333	247,333
Basic Earnings per Share (sen)	0.94	1.14	1.99	2.27

There was no dilution in the earning per share as there was no potential diluted ordinary share outstanding as at the end of the current period under review.

B15 Disclosure of realised and unrealised profits

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	As at 30.06.2013 RM'000	As at 31.12.2012 RM'000
Total retained profits of the Company and its subsidiaries:-		
Realised	28,422	26,438
Unrealised	1,478	1,009
	<u>29,990</u>	<u>27,447</u>
Less: Consolidation adjustments	(6,358)	(6,360)
Total group retained profits as per consolidated financial statements	<u>23,542</u>	<u>21,087</u>

B16 Notes to the Statement of Comprehensive Income

	3 months ended 30.06.2013 RM'000	6 months ended 30.06.2013 RM'000
Profit from operations for the period/year is arrived at after charging:		
Depreciation and amortisation	1,274	2,626
Interest expenses	4	15
Net foreign exchange loss		
- Realised	543	1,092
And after crediting:		
Net foreign exchange gain		
- Unrealised	492	789
Gain on derivatives	31	31
Interest income	40	67

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
SECOND QUARTER ENDED 30 JUNE 2013**

B17 Authorisation for issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Board.