



SLP RESOURCES BERHAD
[663862-H]
(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2017

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2017 RM'000	Preceding Year Corresponding Quarter 31.3.2016 RM'000	Current Year-To-Date 31.3.2017 RM'000	Preceding Year Corresponding Period 31.3.2016 RM'000
Revenue	45,985	44,675	45,985	44,675
Profit from operations	6,789	6,223	6,789	6,223
Finance income	54	24	54	24
Finance costs	-	(3)	-	(3)
Profit before tax	6,843	6,244	6,843	6,244
Tax expense	(1,737)	(1,155)	(1,737)	(1,155)
Profit for the period	5,106	5,089	5,106	5,089
Other comprehensive expense, net of tax:				
Fair value of available-for-sale financial assets	-	-	-	-
Foreign currency translation differences	(1,033)	-	(1,033)	-
	(1,033)	-	(1,033)	-
Total comprehensive income for the period attributable to owners of the Company	4,073	5,089	4,073	5,089
Earnings per share				
Basic (Sen)	2.06	2.06	2.06	2.06
Diluted (Sen)	N/A	N/A	N/A	N/A

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 31 December 2016.



SLP RESOURCES BERHAD
[663862-H]
(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017

CONDENSED CONSOLIDATED STATEMENTS ON FINANCIAL POSITION AS AT 31 MARCH 2017

	As at End of Current Quarter 31.3.2017 RM'000	Audited As at End of Preceding Financial Year 31.12.2016 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	63,148	63,303
Other investments	252	254
Intangible assets	22	22
	63,422	63,579
Current Assets		
Inventories	30,348	30,467
Trade and other receivables	34,799	30,568
Current tax assets	341	946
Cash and cash equivalents	27,077	29,069
	92,565	91,050
TOTAL ASSETS	155,987	154,629
EQUITY TO OWNERS OF THE COMPANY		
Share capital	61,833	61,833
Reserves	69,766	69,403
TOTAL EQUITY	131,599	131,236
Non-current Liabilities		
Deferred taxation	6,986	7,065
Current Liabilities		
Trade and other payables	12,420	11,110
Current tax liabilities	867	569
Derivative financial liabilities	405	939
Dividend payable	3,710	3,710
	17,402	16,328
TOTAL LIABILITIES	24,388	23,393
TOTAL EQUITY AND LIABILITIES	155,987	154,629
Net assets per ordinary share attributable to ordinary equity holders of the Company (Sen)	53.2	53.1

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 31 December 2016.



SLP RESOURCES BERHAD
[663862-H]
(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2017

	<-----Attributable to owners of the Company----->				
	<----- Non- Distributable ----->			Distributable	
	Share capital RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2017	61,833	3,127	39	66,237	131,236
Net profit for the period	-	-	-	5,106	5,106
Other comprehensive expense for the period	-	(1,033)	-	-	(1,033)
Total comprehensive income for the period	-	(1,033)	-	5,106	4,073
Dividend	-	-	-	(3,710)	(3,710)
At 31 March 2017	61,833	2,094	39	67,633	131,599
At 1 January 2016	61,833	-	45	51,935	113,813
Total comprehensive income for the period	-	-	-	5,089	5,089
Dividend	-	-	-	(3,710)	(3,710)
At 31 March 2016	61,833	-	45	53,314	115,192

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 31 December 2016.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2017

	PERIOD ENDED	
	31.3.2017	31.3.2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	6,843	6,244
Adjustments:		
Depreciation of property, plant and equipment	1,190	1,038
Dividend income	(2)	(2)
Finance costs	-	3
Finance income	(54)	(24)
Operating profit before changes in working capital	7,977	7,259
Changes in working capital:		
Inventories	(148)	(2,087)
Trade and other receivables	(5,548)	(1,669)
Trade and other payables	884	3,263
Cash generated from operations	3,165	6,766
Income tax paid	(857)	(1,204)
Net cash generated from operating activities	2,308	5,562
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(679)	(102)
Dividend received	2	2
Interest received	54	24
Net cash used in investing activities	(623)	(76)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of other bank borrowings	-	(1,180)
Repayment of term loans	-	(489)
Interest paid	-	(3)
Dividends paid	(3,710)	(3,710)
Net cash used in financing activities	(3,710)	(5,382)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,025)	104
Effects of foreign exchange rate differences	33	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	29,069	26,720
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	27,077	26,824
Cash and cash equivalents included in the consolidated statements of cash flows comprise the following statements of financial position amounts:		
Short-term deposits with licensed banks	9,500	2,200
Cash and bank balances	17,577	24,624
	27,077	26,824

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 31 December 2016.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017

NOTES TO THE INTERIM FINANCIAL STATEMENTS

PART A : EXPLANATORY NOTES PURSUANT TO MFRS 134

1 Basis of preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting in Malaysia and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2016.

The accounting policies and presentation adopted by the Group for the quarterly financial statements are consistent with those adopted in the Group’s consolidated audited financial statements for the financial year ended 31 December 2016, except for the adoption of the following MFRS/ Amendments/Interpretations effective 1 January 2017:

- Amendments to MFRS 12, *Disclosure of Interests in Other Entities*(Annual improvements 2014-2016 Cycle)
- Amendments to MFRS 107, *Disclosures initiative*
- Amendments to MFRS 112, *Recognition of Deferred Tax for Unrealised losses*

The initial application of the abovementioned standards, amendments and interpretations did not have any material impacts to the current and prior periods financial statements upon their first adoption.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) and effective for annual periods beginning on or after 1 January 2018:

- Amendments to MFRS 15, *Clarifications to MFRS 15 (effective from 1 January 2018)*
- MFRS 9, *Financial Instruments (effective from 1 January 2018)*
- MFRS 15, *Revenue from Contracts with Customers (effective 1 January 2018)*
- MFRS 16, *Leases (effective 1 January 2019)*

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9 and MFRS 15.

2 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 2016 were not subject to any qualification.

3 Seasonal or Cyclical Factors

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

4 Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017

NOTES TO THE INTERIM FINANCIAL STATEMENTS

5 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 under review.

6 Changes in Debt and Equity Securities

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

7 Dividends Paid

The following dividends were paid during the current and previous corresponding period ended:

	31.3.2017	31.3.2016
Second interim dividend		
For the financial year ended	31 December 2016	31 December 2015
Approved and declared on	4 November 2016	23 February 2016
Date paid	6 January 2017	*
Number of ordinary shares of RM0.25 each	247,333,333	247,333,333
Dividend per share (single-tier)	1.5 sen	1.5 sen
Net dividend paid	RM3,710,000	RM3,710,000
Third interim dividend		
For the financial year ended	31 December 2016	-
Approved and declared on	23 February 2017	-
Date paid	**	-
Number of ordinary shares of RM0.25 each	247,333,333	-
Dividend per share (single-tier)	1.5 sen	-
Net dividend paid	RM3,710,000	-
Special dividend		
For the financial year ended	-	31 December 2015
Approved and declared on	-	6 November 2015
Date paid	-	8 January 2016
Number of ordinary shares of RM0.25 each	-	247,333,333
Dividend per share (single-tier)	-	1.5 sen
Net dividend paid	-	RM3,710,000

* Paid on 8 April 2016

** Paid on 7 April 2017

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017

NOTES TO THE INTERIM FINANCIAL STATEMENTS

8 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:

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	Current Year Quarter 31.3.2017		Preceding Year Corresponding Quarter 31.3.2016		Current Year-To- Date 31.3.2017		Preceding Year Corresponding Period 31.3.2016	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	17,396	38%	16,549	37%	17,396	38%	16,549	37%
Japan	18,566	40%	18,779	42%	18,566	40%	18,779	42%
European countries	3,639	8%	2,718	6%	3,639	8%	2,718	6%
Australia	3,436	8%	3,376	8%	3,436	8%	3,376	8%
Other countries	2,948	6%	3,253	7%	2,948	6%	3,253	7%
Total	45,985	100%	44,675	100%	45,985	100%	44,675	100%

9 Valuation of Property, Plant and Equipment

The valuations of land and building have been brought forward, without amendment from the annual financial statements for the year ended 31 December 2016. There were no valuations of property, plant and equipment during the current quarter under review.

10 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.

11 Changes in the Composition of the Group

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

12 Changes in contingent liabilities or contingent assets

The Company has extended its corporate guarantee to financial institutions for banking facilities granted to its subsidiaries up to limits of RM72.5 million as at 31 March 2017, of which, approximately RM2.2 million was utilised as at 31 March 2017. The Company has also issued corporate guarantee to non-financial institutions for the supply of goods and services provided to subsidiaries up to limit of RM38.8 million, of which, RM4.4 million was utilised as at 31 March 2017.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017

NOTES TO THE INTERIM FINANCIAL STATEMENTS

13 Capital Commitments

Capital commitments for the purchase of property, plant and equipment as at the current quarter were as follows:

	Total RM'000
Approved and contracted for:	
Property, plant and machinery	172
	=====

14 Significant related party transactions

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



SLP RESOURCES BERHAD
[663862-H]
(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017

NOTES TO THE INTERIM FINANCIAL STATEMENTS

PART B : EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A

15 Review of Performance

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2017 RM'000	Preceding Year Corresponding Quarter 31.3.2016 RM'000	Current Year-To-Date 31.3.2017 RM'000	Preceding year corresponding period 31.3.2016 RM'000
Revenue	45,985	44,675	45,985	44,675
Profit Before Tax	6,843	6,244	6,843	6,244
Profit Before Tax Margin	14.9%	14.0%	14.9%	14.0%

For the current year quarter ended 31 March 2017, the Group recorded revenue of RM45.9 million, representing an increase of 2.9% against RM44.6 million in the corresponding quarter last year. Higher revenue was mainly contributed by higher average selling price attributed to stronger US Dollar over Ringgit Malaysia for export sales as compared to the corresponding quarter last year.

In tandem with higher revenue in the current year quarter, the Group recorded higher Profit Before Tax ("PBT") and PBT margin of RM6.8 million and 14.9% respectively as compared to RM6.2 million and 14.0% in the corresponding quarter last year.

16 Comment on material change in profit before tax

	Current Quarter 31.3.2017 RM'000	Preceding Quarter 31.12.2016 RM'000	Variance	
			RM'000	%
Revenue	45,985	40,897	5,088	12%
Profit Before Tax	6,843	8,790	(1,947)	(22%)
Profit Before Tax Margin	14.9%	21.5%	-	

The Group recorded higher revenue in the current year quarter when compared to the immediate preceding quarter due to higher sales and sales volumes to the domestic and Japan markets. Despite at higher revenue, the Group recorded lower PBT and PBT margin in current year quarter due mainly to the absence of net gain in foreign currency exchange. In the preceding quarter, the Group recorded a net gain in foreign currency exchange of RM2.0 million.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017

NOTES TO THE INTERIM FINANCIAL STATEMENTS

17 Current year prospects

The enhancement of the Group's product portfolio for the packaging of food & beverages and healthcare products as well as the expansion in manufacturing capacity after the installation of new high technology printing line in the last quarter of 2016 has boosted the Group's capability to produce high quality plastics packaging bags and films through the latest technologies. While the Group foresees potential growth in global demand for flexible plastic packaging, the Group remains vigilant on the volatility in the prices of plastic resin which makes up a major portion of cost of goods sold of the Group. The Group will continue to implement a series of process improvement to achieve better overall operational and cost efficiency. In view of the above, the Group expects that the financial results for 2017 will be satisfactory.

18 Variance between Actual Profit and Forecast Profit

Not applicable.

19 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2017 RM'000	Preceding Year Corresponding Quarter 31.3.2016 RM'000	Current Year-To-Date 31.3.2017 RM'000	Preceding Year Corresponding Period 31.3.2016 RM'000
Income tax				
Current year	1,820	896	1,820	896
Prior year	-	-	-	-
	1,820	896	1,820	896
Deferred tax				
Current year	(83)	259	(83)	259
Prior year	-	-	-	-
	1,737	1,155	1,737	1,155

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit. Effective tax rate in the current year quarter and financial year-to-date is higher than the statutory tax rate of 24% due to lower amounts of tax incentives and allowances available to offset the taxable profits.

20 Unquoted investments and properties

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

21 Quoted securities

There were no acquisitions or disposals of quoted securities for the current quarter under review and the financial year-to-date.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017

NOTES TO THE INTERIM FINANCIAL STATEMENTS

22 Status of Corporate Proposals

Corporate proposals but not completed

On 5 May 2017, RHB Investment Bank Berhad announced that the Company proposed to undertake the following:

- (i) private placement of up to 16,800,000 new shares, representing approximately 6.79% of the total number of issued shares of the Company to investors to be identified later and at an issue price to be determined by the Board of Directors and announced later; and
- (ii) bonus issue of up to 52,826,666 Bonus Shares to be credited as fully paid-up on the basis of 1 Bonus Share for every 5 existing shares held on an entitlement date to be determined later.

23 Borrowings and debt Securities

There were no outstanding bank loans and borrowings other than the bank guarantees amounting to RM1.4 million as at 31 March 2017.

24 Derivative financial instruments

Forward foreign exchange contracts are entered into by the Group in currencies other than functional currency to manage exposure to fluctuations in foreign currency exchange rates on specific transactions. In general, the Group's policy is to hedge excess amounts of receivables in foreign currencies after netting off the amounts of payables in the same foreign currencies. As at 31 March 2017, the Group's open forward contracts entered into as hedges of anticipated future transactions are as follows:

Derivatives	Contract or Notional Amount RM'000	Fair Value Net gain / (loss) RM'000
Currency forward contract: Less than 1 year	15,919	(405)

Derivatives financial instrument that are not designated or do not qualify for hedge accounting are categorised as fair value through profit or loss account and measured at their fair value with the gain or loss recognized in the profit or loss account. During the current year quarter ended 31 March 2017, the Group recognised a loss on derivative of RM405,000 arising from fair value changes of financial derivative. The fair value changes are attributable to changes in foreign exchange spot and forward rates. The Group will fund the requirements of these derivatives from its net cash flow from operating activities when payments fall due.

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risk, credit risk, liquidity risk and foreign currency risk. There is no change in the significant policy for mitigating or controlling the interest rate risk, credit risk, liquidity risk and foreign currency risk for the Group nor the related accounting policies for the financial period ended 31 March 2017. Other related information associated with the financial instruments are consistent with the disclosures in the audited financial statements for the financial year ended 31 December 2016.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017

NOTES TO THE INTERIM FINANCIAL STATEMENTS

25 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 this quarterly report.

26 Material Litigation

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

27 Proposed Dividend

The directors do not recommend any interim dividend for the current year quarter ended 31 March 2017.

28 Earnings Per Share

	Individual Quarter Current Year Quarter 31.3.2017	Quarter Preceding Year Corresponding Quarter 31.3.2016	Cumulative Quarter Current Year-To-Date 31.3.2017	Quarter Preceding Year Corresponding Period 31.3.2016
BASIC EARNINGS PER SHARE				
Profit attributable to owners of the Company (RM'000)	5,106	5,089	5,106	5,089
Weighted average number of ordinary shares in issue ('000)	247,333	247,333	247,333	247,333
Basic Earnings per Share (sen)	2.06	2.06	2.06	2.06

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 quarter under review.

29 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 31.3.2017 RM'000	As at 31.12.2016 RM'000
Total retained profits of the Company and its subsidiaries:-		
Realised	74,303	72,156
Unrealised	(279)	470
	<hr/> 74,024	<hr/> 72,626
Less: Consolidation adjustments	(6,391)	(6,389)
Total group retained profits as per consolidated financial statements	<hr/> 67,633	<hr/> 66,237



SLP RESOURCES BERHAD
[663862-H]
(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017

NOTES TO THE INTERIM FINANCIAL STATEMENTS

30 Notes to the Statement of Comprehensive Income

	Individual Quarter	Quarter	Cumulative Quarter	Quarter
	Current Year	Preceding Year	Current	Preceding Year
	Quarter	Corresponding	Year-To-Date	Corresponding
	31.3.2017	Quarter	31.3.2017	Period
	RM'000	31.3.2016	RM'000	31.3.2016
		RM'000	RM'000	RM'000
Profit from operations for the period is arrived at after crediting/(charging) the following items:				
Depreciation and amortisation	(1,190)	(1,038)	(1,190)	(1,038)
Interest expenses	-	(3)	-	(3)
Dividend income	2	2	2	2
Interest income	54	24	54	24
Gain on derivative – unrealised	524	1,166	524	1,166
Net foreign exchange loss	(515)	(3,459)	(515)	(3,459)
Rental income	-	9	-	9

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

31 Authorisation for issue

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