



SLP RESOURCES BERHAD
200401025355 (663862-H)
(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

	Note	INDIVIDUAL QUARTER 3 MONTHS		CUMULATIVE QUARTER 6 MONTHS	
		Current Year	Preceding Year	Current	Preceding Year
		Quarter 30.06.24 RM'000	Corresponding Quarter 30.06.23 RM'000	Period To Date 30.06.24 RM'000	Corresponding Period 30.06.23 RM'000
Revenue	8	41,776	37,627	82,574	77,893
Profit from operations		3,833	4,165	9,820	7,708
Finance income		502	510	1,016	1,003
Finance costs		-	-	-	-
Profit before tax	15	4,335	4,675	10,836	8,711
Tax expense	19	(1,099)	(1,189)	(2,662)	(2,198)
Profit for the period		3,236	3,486	8,174	6,513
Other comprehensive income / (expense), net of tax:					
Fair value of available-for-sale financial assets		-	-	-	-
Foreign currency translation differences		(13)	4,192	1,729	4,587
		(13)	4,192	1,729	4,587
Total comprehensive income / (expense) for the period attributable to owners of the Company		3,223	7,678	9,903	11,100
Earnings per share					
Basic (Sen)	28	1.02	1.09	2.58	2.05
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 2023.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED STATEMENTS ON FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	As at End of Current Quarter 30.06.24 RM'000	Audited As at End of Preceding Financial Year 31.12.23 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment	20	55,361	55,852
Right-of-use assets		10,239	10,034
Intangible assets		9	9
Deferred tax assets		4	16
		65,613	65,911
Current Assets			
Inventories		38,577	42,691
Trade and other receivables	24	32,362	26,830
Current tax assets		91	95
Cash and cash equivalents		85,472	84,345
		156,502	153,961
TOTAL ASSETS		222,115	219,872
EQUITY TO OWNERS OF THE COMPANY			
Share capital		113,680	113,680
Reserves		80,188	77,417
TOTAL EQUITY		193,868	191,097
Non-current Liabilities			
Deferred tax liabilities		8,935	9,277
Current Liabilities			
Trade and other payables		13,786	14,623
Current tax liabilities		2,356	913
Dividend payable		3,170	3,962
		19,312	19,498
TOTAL LIABILITIES		28,247	28,775
TOTAL EQUITY AND LIABILITIES		222,115	219,872
Net assets per ordinary share attributable to ordinary equity holders of the Company (Sen)		61.2	60.3

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 31 December 2023.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	<-----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 2024	113,680	6,051	(106)	71,472	191,097
Net profit for the period	-	-	-	8,174	8,174
Other comprehensive income for the period	-	1,729	-	-	1,729
Total comprehensive income for the period	-	1,729	-	8,174	9,903
Dividend	-	-	-	(7,132)	(7,132)
At 30 June 2024	113,680	7,780	(106)	72,514	193,868
At 1 January 2023	113,680	2,766	(106)	76,713	193,053
Net profit for the period	-	-	-	6,513	6,513
Other comprehensive income for the period	-	4,587	-	-	4,587
Total comprehensive income for the period	-	4,587	-	6,513	11,100
Dividend	-	-	-	(7,924)	(7,924)
At 30 June 2023	113,680	7,353	(106)	75,302	196,229

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 2023.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Note	PERIOD ENDED	
		30.06.24 RM'000	30.06.23 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		10,836	8,711
Adjustments:			
Depreciation of property, plant and equipment		3,131	3,128
Depreciation of right-of-use assets		79	74
Finance income		(1,016)	(1,003)
Property, plant & equipment written off		-	1
Reversal of impairment loss on trade receivables		(13)	(22)
Operating profit before changes in working capital		13,017	10,889
Changes in working capital:			
Inventories		4,711	(485)
Trade and other receivables		(5,289)	5,423
Trade and other payables		(1,959)	(7,984)
Cash generated from operations		10,480	7,843
Income tax paid		(1,545)	(1,437)
Net cash generated from operating activities		8,935	6,406
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	20	(1,343)	(202)
Interest received		1,016	1,003
Net cash (used in) / generated from investing activities		(327)	801
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(7,924)	(9,509)
Net cash used in financing activities		(7,924)	(9,509)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS			
		684	(2,302)
Effects of foreign exchange rate differences		443	927
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD			
		84,345	83,354
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD			
		85,472	81,979

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONT'D)

	Note	PERIOD ENDED	
		30.06.24 RM'000	30.06.23 RM'000
Cash and cash equivalents included in the consolidated statements of cash flows comprise the following statements of financial position amounts:			
Short-term placements in money market with a licensed bank (including Islamic short term placement of RM25.1 million (30.06.23: RM19.6 million))		39,213	38,546
Short-term deposits with licensed banks		25,412	24,205
Cash and bank balances		20,847	19,228
		85,472	81,979

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 31 December 2023.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

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 2023.

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 2023, except for the adoption of the following Amendments effective 1 January 2024:

- Amendments to MFRS 16, Leases - Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Presentation of Financial Statements - Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107, Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements

The Group has adopted the Amendments that are relevant and effective for accounting periods beginning on or after 1 January, 2024. The adoption of these Amendments has not resulted in any material impact on the financial statements of the Group.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective and have not been applied by the Group:

- Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

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 2023 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.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

NOTES TO THE INTERIM FINANCIAL STATEMENTS

4 Unusual Items

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

5 Changes in Estimates

There were no material changes in estimates of amounts reported in prior interim period or financial year 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

A fourth interim single-tier tax exempt dividend of 1.25 sen per share in respect of financial year ended 31 December 2023 was declared by the Board on 26 February 2024 and subsequently paid on 5 April 2024.

A first interim single-tier tax exempt dividend of 1.0 sen per share in respect of financial year ending 31 December 2024 was declared by the Board on 3 May 2024 and subsequently paid on 5 July 2024.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

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 3 MONTHS				CUMULATIVE QUARTER 6 MONTHS			
	Current Year Quarter 30.06.24		Preceding Year Corresponding Quarter 30.06.23		Current Period To Date 30.06.24		Preceding Year Corresponding Period 30.06.23	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	23,809	57%	24,563	65%	47,573	58%	51,150	65%
Japan	15,994	38%	10,389	28%	31,334	38%	21,528	28%
Australia and New Zealand	948	2%	1,666	4%	2,530	3%	3,805	5%
Other countries	1,025	3%	1,009	3%	1,137	1%	1,410	2%
Total	41,776	100%	37,627	100%	82,574	100%	77,893	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 2023. 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.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

NOTES TO THE INTERIM FINANCIAL STATEMENTS

12 Changes in contingent liabilities or contingent assets

The Company has provided corporate guarantees to financial institutions for banking facilities granted to its subsidiaries collectively up to limits of RM44 million as at 30 June 2024, of which, approximately RM1.9 million of the total banking facilities was utilised as at 30 June 2024. The Company has also issued corporate guarantees to non-financial institutions for the supply of goods and services provided to subsidiaries collectively amounting to RM3.2 million as at 30 June 2024.

13 Capital Commitments

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

	Total RM'000
Approved and contracted for:	
Property, plant and equipment	- =====

14 Significant related party transactions

There were no significant transactions entered into between the Group and other related parties during the current year under review except the following:

	Current Year-To-Date RM'000
Sales of plastic films and plastic bags to a company controlled by a Director	<u>1,095</u>

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

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 3 MONTHS			CUMULATIVE QUARTER 6 MONTHS		
	Current Year Quarter 30.06.24 RM'000	Preceding Year Corresponding Quarter 30.06.23 RM'000	Variance %	Current Period To Date 30.06.24 RM'000	Preceding Year Corresponding Period 30.06.23 RM'000	Variance %
Revenue	41,776	37,627	11.0%	82,574	77,893	6.0%
Profit Before Tax	4,335	4,675	(7.3%)	10,836	8,711	24.4%
Profit After Tax	3,236	3,486	(7.2%)	8,174	6,513	25.5%
Profit Before Tax Margin	10.4%	12.4%	(2.0%)	13.1%	11.2%	1.9%
Profit After Tax Margin	7.7%	9.3%	(1.6%)	9.9%	8.4%	1.5%

For the current quarter ended 30 June 2024, the Group recorded revenue of RM41.8 million, an increase of 11.0% from RM37.6 million recorded in the corresponding quarter last year. This is attributable to increase in sales quantity to Japan market. Despite higher revenue posted in current quarter, the Group's Profit Before Tax ("PBT") dropped 7.3% from RM4.7 million to RM4.3 million. The decrease in PBT is due to the Group revising its selling price in response to the intense competition in the packaging industry. In addition to the aforesaid, there is also a reduction in delivery of premium products as the Group's customers are having long festive holidays in the current quarter compounded with losses suffered from foreign currency exchange are some of the factors in causing the Group to recording lower PBT in the current quarter.

For the current period ended 30 June 2024, the Group posted a higher revenue of RM82.6 million from RM77.9 million recorded in the corresponding period last year. In tandem with the higher revenue achieved, the Group posted a higher PBT of RM10.8 million, an increase of 24.4% from RM8.7 million recorded in the corresponding period last year.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

NOTES TO THE INTERIM FINANCIAL STATEMENTS

16 Comment on material change in profit before tax

	Current	Preceding	Variance	
	Quarter	Quarter	RM'000	%
	30.06.24	31.03.24		
	RM'000	RM'000	RM'000	%
Revenue	41,776	40,798	978	2.3%
Profit Before Tax	4,335	6,501	(2,166)	(33.3%)
Profit After Tax	3,236	4,938	(1,702)	(34.5%)
Profit Before Tax Margin	10.4%	15.9%	-	(5.5%)
Profit After Tax Margin	7.7%	12.1%	-	(4.4%)

For the current quarter ended 30 June 2024, the Group recorded revenue of RM41.8 million, a marginal increase of 2.3% from RM40.8 million recorded in the preceding quarter. The increase in revenue was attributable to sales growth in Japan and other regions.

Despite with the higher revenue posted in the current quarter, the Group PBT has decreased by 33.3% to RM4.3 million from RM6.5 million. The decrease in PBT was attributable to higher materials price and costlier transportation charges and insurance premium resulting from imposition of service tax on logistic services and an increase in the newly revised service tax rate from 6% to 8% respectively. The reduction in delivery of premium products as explained in Note 15 is also a factor that is causing lower PBT recorded in the current quarter.

17 Current year prospects

Despite the global economy remains challenging and fraught with uncertainties, coupled with the unfavorable logistics issues, where shipping cost escalate and port congestions are viewed with deep concern, the Group expects recovery at a moderate pace, especially in the far east region. As for domestic demands, the competitions remain keen as there is a significant local shift seen where more players are emerging as logistics factors evolved. As we move into busier second half of FY2024, the Group will continue to focus on its main markets and strive to regain more market shares.

The delivery of the newly purchased machine from Europe is reported to be on schedule despite the logistics challenges, we expect the machine to be installed and commissioned around the 4th quarter of this year. This will in place further enhance our competitive edge, capabilities and capacities, in producing more flexible packaging products in expanding our efforts to achieve a low carbon economy and product circularity.

Riding on the strong balance sheet, the Group will continue to pursue strategies and taking cautious approaches to expand its product ranges and portfolios, and committed to secure more business prospects going forward.

18 Variance between Actual Profit and Forecast Profit

Not applicable.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

NOTES TO THE INTERIM FINANCIAL STATEMENTS

19 Taxation

	INDIVIDUAL QUARTER 3 MONTHS		CUMULATIVE QUARTER 6 MONTHS	
	Current Year Quarter 30.06.24 RM'000	Preceding Year Corresponding Quarter 30.06.23 RM'000	Current Period To Date 30.06.24 RM'000	Preceding Year Corresponding Period 30.06.23 RM'000
Income tax				
Current year	1,407	1,213	2,993	2,210
Prior year	(1)	-	(1)	-
	1,406	1,213	2,992	2,210
Deferred tax				
Current year	(307)	(24)	(330)	(12)
Prior year	-	-	-	-
	1,099	1,189	2,662	2,198

Effective tax rate in the current year quarter and financial period is 25%.

20 Property, plant and equipment

During the financial period ended 30 June 2024, the Group has acquired / disposed the following assets:

	30.06.24	
	Acquisition of assets RM'000	Disposal/ written of assets RM'000
Plant, machinery and factory equipment	1,311	-
Office furniture and equipment	32	-
	1,343	-

21 Unquoted investments and properties

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

22 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 SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

NOTES TO THE INTERIM FINANCIAL STATEMENTS

23 Borrowings and debt Securities

Other than the current bank guarantee facilities, there were no outstanding bank loan(s) or borrowing(s).

24 Trade and other receivables

	30.06.24	31.12.23
	RM'000	RM'000
Trade		
Trade receivables (net of impairment)	23,853	23,839
Amount due from a company controlled by a Director	690	441
Non-trade		
Other receivables	533	679
Deposits	66	171
Prepayments	7,220	1,700
	32,362	26,830

Included in prepayments of the Group is RM5.14 million and RM1.75 million (31.12.2023: RM1.3 million and RM Nil) representing advance payments to suppliers for purchases of plant and machinery and raw materials respectively.

The ageing analysis of the Group's trade receivables as at 30 June 2024 is as follows:

	Gross Carrying	Loss Allowances	Net Balance
	Amount	(ECL)	RM'000
	RM'000	RM'000	RM'000
Not past due	18,350	(10)	18,340
Past due 0 – 30 days	4,904	(2)	4,902
Past due 31 – 120 days	1,298	(1)	1,297
Past due more than 120 days	166	(162)	4
	24,718	(175)	24,543

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 are no material litigation against the Group as at the date of this quarterly report.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

NOTES TO THE INTERIM FINANCIAL STATEMENTS

27 Proposed Dividend

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

30.06.24

Second Interim Dividend

Dividend for the financial period ending	31 December 2024
Declared on	9 August 2024
Dividend per share	1.25 sen
Entitlements to dividends based on record of	
Depositors as at	12 September 2024
Date payable	10 October 2024

28 Earnings Per Share

	Individual Quarter 3 MONTHS		Cumulative Quarter 6 MONTHS	
	Current Year Quarter 30.06.24	Preceding Year Corresponding Quarter 30.06.23	Current Period To Date 30.06.24	Preceding Year Corresponding Period 30.06.23
BASIC EARNINGS PER SHARE				
Profit attributable to owners of the Company (RM'000)	3,236	3,486	8,174	6,513
Weighted average number of ordinary shares in issue ('000)	316,960	316,960	316,960	316,960
Basic Earnings per Share (sen)	1.02	1.09	2.58	2.05

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

NOTES TO THE INTERIM FINANCIAL STATEMENTS

29 Notes to the Statement of Comprehensive Income

	Individual Quarter 3 MONTHS		Cumulative Quarter 6 MONTHS	
	Current Year Quarter 30.06.24 RM'000	Preceding Year Corresponding Quarter 30.06.23 RM'000	Current Period To Date 30.06.24 RM'000	Preceding Year Corresponding Period 30.06.23 RM'000
Profit from operations for the period is arrived at after charging the following items:				
Depreciation and amortisation	1,562	1,552	3,131	3,128
Depreciation of right-of-use assets	40	37	79	74
Impairment loss on trade receivables	19	-	-	-
Net foreign exchange loss	36	-	-	-
and after crediting the following items:				
Interest income	502	510	1,016	1,003
Gain on derivative – unrealised	-	3	-	220
Net foreign exchange gain	-	285	132	186
Reversal of impairment loss on trade receivables	-	3	13	22

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

30 Authorisation for issue

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