



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

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

	Note	INDIVIDUAL QUARTER 3 MONTHS		CUMULATIVE QUARTER 9 MONTHS	
		Current Year Quarter 30.09.24 RM'000	Preceding Year Corresponding Quarter 30.09.23 RM'000	Current Period To Date 30.09.24 RM'000	Preceding Year Corresponding Period 30.09.23 RM'000
Revenue	8	38,389	41,661	120,963	119,554
Profit from operations		761	3,121	10,581	10,829
Finance income		486	480	1,502	1,483
Finance costs		-	-	-	-
Profit before tax	15	1,247	3,601	12,083	12,312
Tax credit / (expense)	19	306	(933)	(2,356)	(3,131)
Profit for the period		1,553	2,668	9,727	9,181
Other comprehensive income / (expense), net of tax:					
Fair value of available-for-sale financial assets		-	-	-	-
Foreign currency translation differences		(10,590)	444	(8,861)	5,031
		(10,590)	444	(8,861)	5,031
Total comprehensive income / (expense) for the period attributable to owners of the Company		(9,037)	3,112	866	14,212
Earnings per share					
Basic (Sen)	28	0.49	0.84	3.07	2.89
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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

CONDENSED CONSOLIDATED STATEMENTS ON FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

	Note	As at End of Current Quarter 30.09.24 RM'000	Audited As at End of Preceding Financial Year 31.12.23 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment	20	53,557	55,852
Right-of-use assets		8,908	10,034
Intangible assets		9	9
Deferred tax assets		-	16
		62,474	65,911
Current Assets			
Inventories		31,398	42,691
Trade and other receivables	24	25,940	26,830
Current tax assets		762	95
Cash and cash equivalents		84,064	84,345
		142,164	153,961
TOTAL ASSETS		204,638	219,872
EQUITY TO OWNERS OF THE COMPANY			
Share capital		113,680	113,680
Reserves		67,189	77,417
TOTAL EQUITY		180,869	191,097
Non-current Liabilities			
Deferred tax liabilities		8,801	9,277
Current Liabilities			
Trade and other payables		9,576	14,623
Current tax liabilities		1,430	913
Dividend payable		3,962	3,962
		14,968	19,498
TOTAL LIABILITIES		23,769	28,775
TOTAL EQUITY AND LIABILITIES		204,638	219,872
Net assets per ordinary share attributable to ordinary equity holders of the Company (Sen)		57.1	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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	-	-	-	9,727	9,727
Other comprehensive expense for the period	-	(8,861)	-	-	(8,861)
Total comprehensive income / (expense) for the period	-	(8,861)	-	9,727	866
Dividend	-	-	-	(11,094)	(11,094)
At 30 September 2024	113,680	(2,810)	(106)	70,105	180,869
At 1 January 2023	113,680	2,766	(106)	76,713	193,053
Net profit for the period	-	-	-	9,181	9,181
Other comprehensive income for the period	-	5,031	-	-	5,031
Total comprehensive income for the period	-	5,031	-	9,181	14,212
Dividend	-	-	-	(11,886)	(11,886)
At 30 September 2023	113,680	7,797	(106)	74,008	195,379

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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

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

	Note	PERIOD ENDED	
		30.09.24 RM'000	30.09.23 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		12,083	12,312
Adjustments:			
Depreciation of property, plant and equipment		4,644	4,647
Depreciation of right-of-use assets		116	113
Finance income		(1,502)	(1,483)
Property, plant & equipment written off		2	1
(Reversal) / Impairment loss on trade receivables		(41)	11
Operating profit before changes in working capital		15,302	15,601
Changes in working capital:			
Inventories		9,137	3,627
Trade and other receivables		98	2,162
Trade and other payables		(4,591)	(10,741)
Cash generated from operations		19,946	10,649
Income tax paid		(2,966)	(2,899)
Net cash generated from operating activities		16,980	7,750
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	20	(6,684)	(233)
Interest received		1,502	1,483
Net cash generated from / (used in) investing activities		(5,182)	1,250
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(11,094)	(12,678)
Net cash used in financing activities		(11,094)	(12,678)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		704	(3,678)
Effects of foreign exchange rate differences		(985)	1,018
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD		84,345	83,354
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD		84,064	80,694

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

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

	Note	PERIOD ENDED	
		30.09.24 RM'000	30.09.23 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 RM25.3 million (30.09.23: RM19.6 million))		39,461	38,786
Short-term deposits with licensed banks		18,446	20,950
Cash and bank balances		26,157	20,958
		84,064	80,694

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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 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.

A second interim single-tier tax exempt dividend of 1.25 sen per share in respect of financial year ending 31 December 2024 was declared by the Board on 9 August 2024 and subsequently paid on 10 October 2024.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 9 MONTHS			
	Current Year		Preceding Year		Current Period To		Preceding Year	
	Quarter 30.09.24	%	Quarter 30.09.23	%	Date 30.09.24	%	Period 30.09.23	%
	RM'000		RM'000		RM'000		RM'000	
Malaysia	23,440	61%	27,082	65%	71,013	59%	78,232	65%
Japan	13,249	35%	12,591	30%	44,583	37%	34,119	29%
Australia and New Zealand	1,204	3%	1,668	4%	3,734	3%	5,473	5%
Other countries	496	1%	320	1%	1,633	1%	1,730	1%
Total	38,389	100%	41,661	100%	120,963	100%	119,554	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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 the limit of RM44 million as at 30 September 2024, of which, approximately RM1.6 million of the total banking facilities was utilised as at 30 September 2024. The Company has also issued corporate guarantees to non-financial institutions for the supply of goods and services provided to the Company's subsidiaries collectively amounting to RM3.5 million as at 30 September 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>1,350</u>

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 9 MONTHS		
	Current Year Quarter 30.09.24 RM'000	Preceding Year Corresponding Quarter 30.09.23 RM'000	Variance %	Current Period To Date 30.09.24 RM'000	Preceding Year Corresponding Period 30.09.23 RM'000	Variance %
Revenue	38,389	41,661	(7.9%)	120,963	119,554	1.2%
Profit Before Tax	1,247	3,601	(65.4%)	12,083	12,312	(1.9%)
Profit After Tax	1,553	2,668	(41.8%)	9,727	9,181	5.9%
Profit Before Tax Margin	3.2%	8.6%	(5.4%)	10.0%	10.3%	(0.3%)
Profit After Tax Margin	4.0%	6.4%	(2.4%)	8.0%	7.7%	0.3%

For the current quarter ended 30 September 2024, the Group recorded revenue of RM38.4 million, a decrease of 7.9% from RM41.7 million recorded in the corresponding quarter last year. The decline was primarily due to the weakening demand in domestic market. In tandem with lower revenue posted in current quarter, the Group's Profit Before Tax ("PBT") dropped 65.4% from RM3.6 million to RM1.2 million. The significant decrease in PBT was due to the lower Average Selling Price ("ASP") recorded and unfavorable foreign exchange in this quarter. However, the Group's posted Profit After Tax ("PAT") of RM1.6 million, which was higher than the Group's PBT. This was attributable to the availability of the tax incentives for plant and machinery.

For the current period ended 30 September 2024, the Group posted a higher revenue of RM121 million from RM119.6 million recorded in the corresponding period last year. Despite higher revenue achieved, the Group posted a lower PBT of RM12.1 million, decrease of 1.9% from RM12.3 million recorded in the corresponding period last year with reasons as explained in the preceding paragraph.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

NOTES TO THE INTERIM FINANCIAL STATEMENTS

16 Comment on material change in profit before tax

	Current	Preceding	Variance	
	Quarter	Quarter	RM'000	%
	30.09.24	30.06.24		
	RM'000	RM'000	RM'000	%
Revenue	38,389	41,776	(3,387)	(8.1%)
Profit Before Tax	1,247	4,335	(3,088)	(71.2%)
Profit After Tax	1,553	3,236	(1,683)	(52.0%)
Profit Before Tax Margin	3.2%	10.4%	-	(7.2%)
Profit After Tax Margin	4.0%	7.7%	-	(3.7%)

For the current quarter ended 30 September 2024, the Group recorded revenue of RM38.4 million, decrease of 8.1% from RM41.8 million recorded in the preceding quarter. The decrease in revenue was attributable to softening demand from both local and overseas markets.

With the lower revenue in the current quarter, the Group PBT has decreased by 71.2%, falling from RM4.3 million to RM1.2 million. The percentage of decrease in PBT was greater than percentage of decrease in revenue was due to changes in product mix and unfavorable foreign exchange.

17 Current year prospects

With the recent US interest rate being lowered by 50 basis points, drastic fluctuations of currencies against the greenback as was seen in the past months, coupled with the prolonged and escalating geopolitical tensions in the Middle-East and Eastern Europe, the supply-chain eco-system continues to experience challenges. These events and among others had disrupted the routine business operations and stymied regional and global economic recovery and setting off unhealthy price competitions.

The Group will remain focused on its core strengths to strive, adapt and strategize business approaches and operations efficiencies to ensuring the Group's profitability for remaining quarter of 2024, whilst remaining ever vigilant in the current unpredictable, hostile and turbulent market.

18 Variance between Actual Profit and Forecast Profit

Not applicable.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

NOTES TO THE INTERIM FINANCIAL STATEMENTS

19 Taxation

	INDIVIDUAL QUARTER 3 MONTHS		CUMULATIVE QUARTER 9 MONTHS	
	Current Year Quarter 30.09.24 RM'000	Preceding Year Corresponding Quarter 30.09.23 RM'000	Current Period To Date 30.09.24 RM'000	Preceding Year Corresponding Period 30.09.23 RM'000
Income tax				
Current year	(100)	1,074	2,893	3,284
Prior year	(76)	(6)	(77)	(6)
	(176)	1,068	2,816	3,278
Deferred tax				
Current year	(130)	(135)	(460)	(147)
Prior year				
	(306)	933	2,356	3,131

Effective tax rate in the financial period is 19%.

20 Property, plant and equipment

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

	30.09.24	
	Acquisition of assets RM'000	Disposal/ written of assets RM'000
Plant, machinery and factory equipment	6,642	(2)
Office furniture and equipment	42	-
	6,684	(2)

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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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

	30.09.24	31.12.23
	RM'000	RM'000
Trade		
Trade receivables (net of impairment)	22,320	23,839
Amount due from a company controlled by a Director	614	441
Non-trade		
Other receivables	198	679
Deposits	92	171
Prepayments	2,716	1,700
	25,940	26,830

Included in prepayments of the Group is an advance payment of RM2.3 million to suppliers for the purchases of raw materials (31.12.2023: RM1.3 million for the purchases of plant and machinery).

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

	Gross Carrying	Loss Allowances	Net Balance
	Amount	(ECL)	RM'000
	RM'000	RM'000	RM'000
Not past due	14,532	(17)	14,515
Past due 0 – 30 days	6,331	(9)	6,322
Past due 31 – 120 days	2,091	(1)	2,090
Past due more than 120 days	124	(117)	7
	23,078	(144)	22,934

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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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:

30.09.24

Third Interim Dividend

Dividend for the financial period ending	31 December 2024
Declared on	8 November 2024
Dividend per share	1.25 sen
Entitlements to dividends based on record of	
Depositors as at	9 December 2024
Date payable	27 December 2024

28 Earnings Per Share

	Individual Quarter 3 MONTHS		Cumulative Quarter 9 MONTHS	
	Current Year Quarter 30.09.24	Preceding Year Corresponding Quarter 30.09.23	Current Period To Date 30.09.24	Preceding Year Corresponding Period 30.09.23
BASIC EARNINGS PER SHARE				
Profit attributable to owners of the Company (RM'000)	1,553	2,668	9,727	9,181
Weighted average number of ordinary shares in issue ('000)	316,960	316,960	316,960	316,960
Basic Earnings per Share (sen)	0.49	0.84	3.07	2.89

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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

NOTES TO THE INTERIM FINANCIAL STATEMENTS

29 Notes to the Statement of Comprehensive Income

	Individual Quarter 3 MONTHS		Cumulative Quarter 9 MONTHS	
	Current Year Quarter 30.09.24 RM'000	Preceding Year Corresponding Quarter 30.09.23 RM'000	Current Period To Date 30.09.24 RM'000	Preceding Year Corresponding Period 30.09.23 RM'000
Profit from operations for the period is arrived at after charging the following items:				
Depreciation and amortisation	1,513	1,519	4,644	4,647
Depreciation of right-of-use assets	37	39	116	113
Impairment loss on trade receivables	-	33	-	11
Net foreign exchange loss	410	-	278	-
and after crediting the following items:				
Interest income	486	480	1,502	1,483
Gain on derivative – unrealised	-	3	-	223
Net foreign exchange gain	-	48	-	234
Reversal of impairment loss on trade receivables	28	-	41	-

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.