continuing our journey with passion and perseverance

annual report

two thousand eight

SLP RESOURCES BERHAD
[663862-H]

VISION

To be an internationally-renown plastic packaging solutions specialist through the application of innovative research & development and latest technology.

MISSION

To continuously provide innovative, high-quality plastic packaging solutions to meet our customers' ever-changing needs and to exceed users' expectations.

COVER

RATIONALE

Despite global economic uncertainties, Sinliplas remains confident in the future. With our strong fundamentals, passion and perseverance, we believe that crisis will yield opportunities. This belief is mirrored in our cover design of a sailing boat on its journey, despite the dark clouds gathering overhead. The sun's rays shining through the clouds are symbolic of the optimism in our ability to weather the storm.

CONTENTS

GROUP PROFILE

OUR EARLY YEARS

SLP Resources Berhad ("SLP" or "the Company"), through its two (2) wholly-owned subsidiaries namely Sinliplas Holding Sdn Bhd ("SHSB") and Sinliplas Sdn Bhd ("SSB"), (collectively hereinafter referred to as "the Group") has come a long way since its inception in 1989. From modest beginnings as a manufacturer of ice-tube plastic packaging for the domestic market, the Group has grown to become a niche manufacturer for over 1,000 plastic packaging products for international markets including Japan, Norway, United Kingdom ("UK"), Australia, Denmark and Germany and other emerging countries such as Indonesia and Thailand.

OUR CORPORATE JOURNEY

In 1991, the Group established its foothold in the overseas market with its first shipment of Mizukiri bags to Japan. These packaging bags that filter fluid from food waste are still in popular use in Japanese households. In 1998, the Group signed a Technology Transfer Agreement with Maruzen Kako Co Ltd of Japan ("Maruzen") and Okahata Sangyo Co Ltd of Japan ("Okahata") for the production of Baran or "artificial" leaves that are used for decorative purposes on Japanese food trays (bento) under joint cooperation. Both Maruzen and Okahata provided full technology transfer to the Group. In addition, Maruzen also provided advanced machineries and intensive training to establish this new product line. In the same year, both SSB and SHSB achieved the ISO 9002 accreditation which was upgraded to ISO 9001:2000 in 2004.

In 2001 and 2002, the Group expanded its production capacity by investing in additional advanced machineries. The Group also signed another Technology Transfer Agreement with Okura Industrial Co Ltd of Japan ("Okura") for cooperation activities in a project called "Plastic Bag Manufacturing Co-operation" in which Okura provided technology transfer in the manufacturing of plastic bags with its advanced machineries and intensive trainings.

In 2003, the Group successfully expanded its export market with the export of patch handle shopping bags to UK.

In 2004, the Group commenced the production of Vertical-Form-Fill-Seal ("VFFS") films for packaging of edible palm oil to cater to the domestic market. The VFFS packaging film has the ability to reduce the cost of the normal nylon packaging by approximately 30.0%. That same year, the Group penetrated the Australian market with its patch handle shopping bags.

In 2005, the Group commenced the export of VFFS packaging films for edible palm oil to Mauritius. In the same year, the Group also kicked off the development of new prototype VFFS packaging films for yoghurt and ice-cream for the West African market.

In 2006, the Group further invested in a 3-layer co-extrusion line for blown film and a few units of bag making machines. That year, the Group also successfully penetrated the Indonesian market with its VFFS packaging films for edible palm oil.

In 2007, the Group commenced the production of new newspaper wrapping film to cater for the Japanese market as well as health-care liners and oil-packaging bag (pre-sealed bag). During the same year, the Group acquired one (1) new high technology extrusion line from Germany and one (1) new eight (8) colour printing line, and extended its factory building by an additional 50,000 sq ft under a positive pressure controlled environment for the production of higher end plastic packaging products for medical and healthcare as well as food and beverage industries. That year, the Group was awarded the Top 8 SMEs Golden Bull Award Malaysia.

A HISTORIC MILESTONE

12 March 2008 marked a momentous milestone for the Group as the Company took a quantum leap by listing its entire enlarged issued and paid-up share capital of 106,000,000 ordinary shares of RM0.50 each on the Second Board of Bursa Malaysia Securities Berhad ("Bursa Securities").

NEXT WAVE OF GROWTH

The Group continues to strive for new breakthroughs in its production processes and to create innovative plastic packaging solutions for a wide range of applications in various sectors, including industrial, household, retail, food and beverages, healthcare and chemical sectors for domestic and overseas markets.

In 2008, the Group successfully developed a 'world-first' "antibacterial sleeve" to be used as a cover for door handles. This research & development project has been undertaken in collaboration with Purleve, a revolutionary product development, manufacturing and sales organization based in the United State of America ("USA"). The "antibacterial sleeve" aids in increasing public hygiene, minimising cross contamination and promoting the image of a clean and healthy environment in many different industries.

That same year, the Group also set up a monoaxial orientation line acquired from Germany for the production of OPE films that are used for food packaging and general packaging purposes. OPE films are potential substitutes to conventional packaging materials due to its enhanced film property that produces better strength.

With these two new product lines, the food and healthcare industries will continue to be the main users of the Group's flexible plastic packaging films and the demand will continue to grow in line with the population growth.

CORPORATE STRUCTURE

HOLDING COMPANY:

SLP RESOURCES BERHAD (“SLP”)

Investment holding and provision of management services

WHOLLY-OWNED SUBSIDIARIES:

SINLIPLAS HOLDING SDN BHD (“SHSB”)

Manufacturing and exporting of plastic packaging products and plastic related goods

SINLIPLAS SDN BHD (“SSB”)

Manufacturing and distributing of plastic packaging products and plastic related goods, as well as trading of polymer products such as plastic resins

CORPORATE INFORMATION

BOARD OF DIRECTORS

Y.T.M. Tunku Dato' Dr Ismail Ibni Almarhum Tunku Mohammad Jewa
Independent Non-Executive Chairman

Khaw Khoon Tee
Managing Director

Ong Peik Joo
Executive Director

Khaw Seang Chuan (Kelvin)
Executive Director

Khaw Choon Hoong (Jasmine)
Executive Director

Leow Chan Khiang
Non-Independent Non-Executive Director

Mary Geraldine Phipps
Independent Non-Executive Director

AUDIT COMMITTEE

Mary Geraldine Phipps
Chairman

Y.T.M. Tunku Dato' Dr Ismail Ibni Almarhum Tunku Mohammad Jewa
Member

Leow Chan Khiang
Member

NOMINATION COMMITTEE

Y.T.M. Tunku Dato' Dr Ismail Ibni Almarhum Tunku Mohammad Jewa
Chairman

Mary Geraldine Phipps
Member

Leow Chan Khiang
Member

REMUNERATION COMMITTEE

Y.T.M. Tunku Dato' Dr Ismail Ibni Almarhum Tunku Mohammad Jewa
Chairman

Mary Geraldine Phipps
Member

Khaw Khoon Tee
Member

COMPANY SECRETARY

Ch'ng Lay Hoon (MAICSA 0818580)

AUDITORS

KPMG (Firm No. AF 0758)
Chartered Accountants
1st Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia

SOLICITORS

Ong & Manecksha
Advocates & Solicitors
Suite 503, 5th Floor, Penang Plaza
Jalan Burma
10050 Penang, Malaysia

PRINCIPAL BANKERS

Hong Leong Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad

REGISTRARS

Agriteum Share Registration Services Sdn Bhd
2nd Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia
Telephone No. : 04-228 2321
Facsimile No. : 04-227 2391

REGISTERED OFFICE

Suite 12-A, Level 12, Menara Northam
No. 55, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia
Telephone No. : 04-228 0511
Facsimile No. : 04-228 0518

STOCK EXCHANGE LISTING

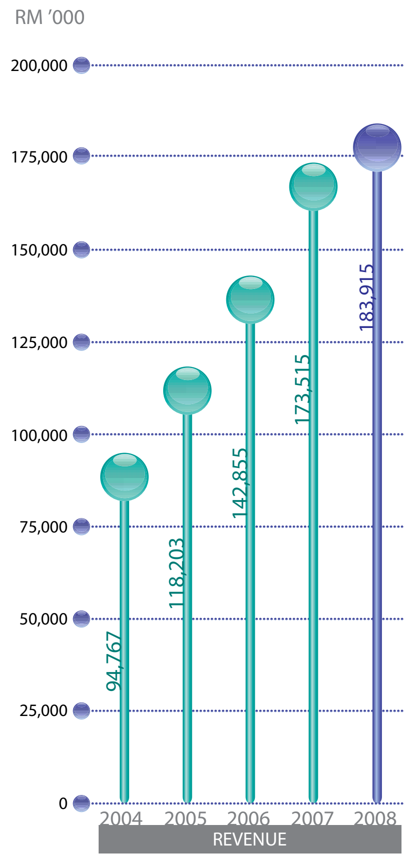
Second Board of Bursa Securities
Stock Name: SLP
Stock Code: 7248

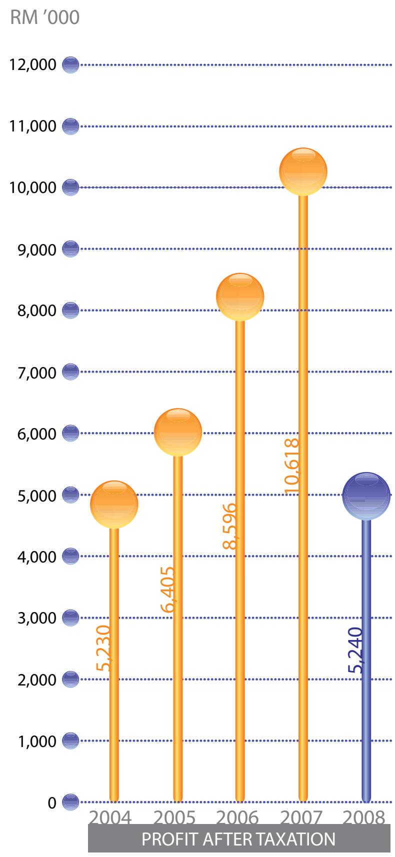
FINANCIAL HIGHLIGHTS

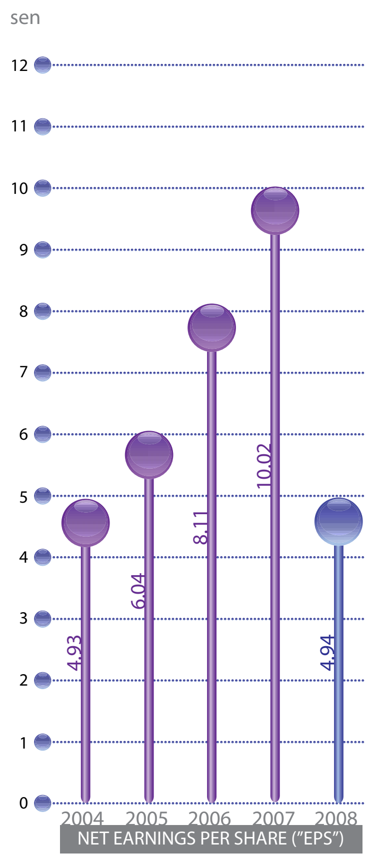
Financial Year ended 31 December	2004 RM'000	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000
Revenue	94,767	118,203	142,855	173,515	**183,915**
Profit Before Taxation	6,598	7,830	9,764	11,488	**6,398**
Profit After Taxation	5,230	6,405	8,596	10,618	**5,240**
Share Capital ('000)	106,000	106,000	106,000	106,000	**106,000**
Net Earnings Per Ordinary Share (sen)	4.93	6.04	8.11	10.02	**4.94**

Notes:

The above summarised proforma consolidated results of SLP Group for the financial years ended 31 December 2004 to 2007 have been prepared for illustrative purposes only based on the audited financial statements of the companies in the Group and on the assumption that the current structure of our Group has been in existence throughout the financial years under review. The summarised financial results for the financial year ended 31 December 2008 was based on the consolidated results of the Group.







Y.T.M. TUNKU DATO' DR ISMAIL IBNI ALMARHUM TUNKU MOHAMMAD JEWA

Y.T.M. Tunku Dato' Dr Ismail Ibni Almarhum Tunku Mohammad Jewa, a Malaysian, aged 72, was appointed to the Board as Independent Non-Executive Director and Chairman of the Company on 26 October 2007. He is also the Chairman of the Nomination Committee and Remuneration Committee and a member of the Audit Committee of the Company. He obtained his Bachelor Degree in Arts from University of Malaya, Kuala Lumpur in 1967, Master Degree in Education from the Pennsylvania State University, USA in 1972, PhD in Educational Administration from University of Malaya, Kuala Lumpur in 1979 and Post Doctoral Special Auditor from Harvard University, USA in 1984. He is a leading academician with an array of working experience. He began his career as a teacher with the Ministry of Education in 1961 and was the Senior Assistant of Sekolah Abdullah Munshi in Penang in 1968 before being promoted to a Principal in 1969. He was the Dean of Educational Studies in Universiti Sains Malaysia from 1979 to 1992 and also the Professor of Educational Administration in Universiti Sains Malaysia from 1988 to 1995. He has been the President of the State of Penang Family Planning Association since 1979. He is the Chairman and Senior Independent Non-Executive Director of P.I.E. Industrial Berhad and the Independent Non-Executive Director of Oriental Holdings Berhad and CAB Cakaran Corporation Berhad, all of which are listed on the Main Board of the Bursa Securities. He is also a Director of Merrill Lynch (K.L) Sdn Bhd, an investment research company.

KHAW KHOON TEE

Khaw Khoon Tee, a Malaysian, aged 59, was appointed to the Board as Managing Director on 26 October 2007. He is also a member of the Remuneration Committee of the Company. He was appointed as Treasurer of Malaysian Plastics Manufacturers of Association ("MPMA") in 1994 and as the Chairman of MPMA for northern region of Malaysia in May 2000. Upon retiring from his chairmanship in MPMA in May 2004, he was then appointed as the Adviser to MPMA. During his involvement in MPMA, he had attended annual conferences at the Asia Plastics Forum and the ASEAN Federation of Plastic Industries in relation to the growth of plastic industry in ASEAN. He had also represented MPMA in various discussions and meetings with the Malaysian government authorities in respect of policies such as import duties, legislation framework and new developments within the Plastics Industry.

He is the founder of the Group and has over 40 years of experience in the polymer industry, gaining his experience through a hands-on management style ever since he assisted his late father in the family business involved in the manufacture of plastic packaging products in 1965. He is instrumental in transforming the Group from a small outfit involved in the manufacturing of plastics packaging films for local market to its current size of operations, in particular, the development of the Group's export markets. He also pioneered the development of new products through technology transfer and innovations especially through his close business relationships and rapport with the Group's Japanese customers and associates. His main responsibilities include developing the overall business strategies and directions, managing the day-to-day operations and strategic decision-making of the Group.

BOARD OF DIRECTORS' PROFILE CONT'D

ONG PEIK JOO

Ong Peik Joo, a Malaysian, aged 57, was appointed to the Board as Executive Director on 26 October 2007. She is the co-founder of the Group and has over 30 years of experience in the polymer industry. She has contributed significantly to the growth of the Group particularly for the accomplishment in the implementation of various expansion projects of the Group over the past 20 years. She is presently responsible for the financial management and administration of the Group.

KHAW SEANG CHUAN (KELVIN)

Khaw Seang Chuan (Kelvin), a Malaysian, aged 39, was appointed to the Board as Executive Director on 26 October 2007. He completed his lower secondary education in Singapore in 1987.

He has over 20 years of experience in the polymer industry, gaining his experience when he first joined his father in the family business involved in the manufacture of plastic packaging products in 1987. He has contributed significantly to the growth of the Group particularly for the joint-cooperation projects for new product lines, such as the production line for "Baran" or "artificial" leaves in 1998, grocery bag line in 2001, VFFS packaging films in 2005 and the recent "antibacterial sleeve" in collaboration with an American-based company. He is currently responsible for the research and development of new products through technology innovations, production process and quality improvements of the Group.

KHAW CHOON HOONG (JASMINE)

Khaw Choon Hoong (Jasmine), a Malaysian, aged 38, was appointed to the Board as Executive Director on 26 October 2007. She graduated with a Bachelor Degree in Management from the University of Lethbridge, Canada in 1997.

Upon her graduation in 1997, she joined the Group as Marketing Director and has since participated in various trade exhibitions and promotions locally and internationally. She is also the management representative for the Group's QMS which led to the successful achievement of ISO 9002 quality system certification awarded by Lloyd's Register Quality Assurance to the Group in 1998. He has contributed significantly to the Group particularly for market penetration and business expansion of the Group in overseas. She is currently responsible for the Group's business development functions which include new market development in overseas markets.

LEOW CHAN KHIANG

Leow Chan Khiang, a Malaysian, aged 43, was appointed to the Board as Non-Independent Non-Executive Director on 26 October 2007. He is also a member of the Audit Committee and Nomination Committee of the Company. He is a Chartered Accountant by profession and a member of the Malaysian Institute of Accountants and a Fellow of the Association of Chartered Certified Accountants, UK. He holds a Masters Degree in Business Administration from Universiti Utara Malaysia, a Bachelor Degree in Economics from University of Malaya and a professional accounting qualification from the Association of Chartered Certified Accountants, UK.

He has over 18 years of experience in the fields of corporate banking and corporate finance. He worked in Hong Leong Finance Berhad (then known as Hong Leong Bank Berhad) from 1991 to 1996 and Malaysian International Merchant Bankers Berhad from 1996 to 2000. He left the merchant banking industry in 2000 and worked in a local logistic company for a year before joining CAB Cakaran Sdn Bhd, a subsidiary of CAB Cakaran Corporation Berhad ("CAB") listed on the Main Board of Bursa Securities as its Finance Director. He left CAB in April 2007 for his own business in corporate consultancy.

BOARD OF DIRECTORS' PROFILE CONT'D

MARY GERALDINE PHIPPS

Mary Geraldine Phipps, a Malaysian, aged 60, was appointed to the Board as Independent Non-Executive Director on 26 October 2007. She is also the Chairman of the Audit Committee and a member of Remuneration Committee and Nomination Committee of the Company. In 1976, she became a member of the Malaysian Institute of Certified Public Accountants and a member of the Malaysian Institute of Accountants in 1982. In 1992, she became a member of the Malaysian Institute of Taxation and is currently a Fellow of the Malaysian Institute of Taxation.

She joined KPMG, Penang as an articled student in 1969 and remained in public practice until her retirement in December 2004. In 1982, she was made a partner of KPMG and in 1990 she was appointed Managing Partner of KPMG Penang practice. During this time, she was also a Director of KPMG Tax Services Sdn Bhd. Her expertise is in taxation and her experience in tax advisory and consultancy services covered a diversified range of industries. She was the Tax/ Client Partner for multinational clients of KPMG's overseas offices which have manufacturing facilities in Penang.

Notes:-

(i) Family Relationships and Substantial Shareholders

Directors	Family Relationship	Substantial Shareholder
Khaw Khoon Tee	Husband of Ong Peik Joo and father of Khaw Seang Chuan and Khaw Choon Hoong	Yes
Ong Peik Joo	Wife of Khaw Khoon Tee and mother of Khaw Seang Chuan and Khaw Choon Hoong	Yes
Khaw Seang Chuan	Son of Khaw Khoon Tee and Ong Peik Joo	Yes
Khaw Choon Hoong	Daugther of Khaw Khoon Tee and Ong Peik Joo	No

Save as the above disclosed, none of the Directors has family relationship with any other Directors or substantial shareholders of the Company.

(ii) Directors' Shareholdings
Details of the Directors' shareholdings in the Company are provided in the Analysis of Shareholdings Section in this Annual Report.

(iii) No Conflict of Interest
All Directors of the Company do not have any conflict of interest with the Company.

(iv) Non-Conviction of Offences
All the Directors have not been convicted with any offences other than traffic offences in the past 10 years.

(v) Attendance at Board Meetings
Please refer to Statement Accompanying Notice of AGM

Dear Shareholders,

On behalf of the Board of Directors of SLP Resources Berhad, I am pleased to present the Annual Report and Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2008.

FINANCIAL PERFORMANCE

The Group registered approximately 6.0% in revenue growth to a record level of RM183.915 million (consolidated) for the financial year ended 31 December 2008 from RM173.515 million (proforma) registered in the preceding financial year. However, the Group's consolidated profit before tax for the financial year ended 31 December 2008 registered a decrease of approximately 44.3% to RM6.398 million from RM11.488 million recorded in the preceding financial year. The lower consolidated profit before tax was attributed mainly to the higher cost of raw materials, higher depreciation of fixed assets, provision of unrealised loss in foreign currency term loans, higher finance costs and provision of doubtful debts of RM0.518 million. The recognition of negative goodwill on consolidation of approximately RM2.271 million in the preceding year had also contributed to higher profit before tax in the preceding financial year.

DIVIDEND

The Board is pleased to recommend a single tier final dividend of 2.0 sen on 106,000,000 ordinary shares of RM0.50 each, amounting to a dividend payable of approximately RM2,120,000 in respect of the financial year ended 31 December 2008 for shareholders' approval at the forthcoming Annual General Meeting. The proposed single tier final dividend, if approved, together with the interim single-tier dividend of 2 sen per ordinary share paid on 18 September 2008 would amount to a total dividend of RM4,240,000 in respect of the financial year ended 31 December 2008.

The Company currently does not have a fixed dividend policy but will continue to maintain an appropriate balance in allowing our shareholders to participate in the profits of the Group whilst ensuring that the Group has adequate reserves to cater for future expansion plans for future growth.

CORPORATE DEVELOPMENT

On 20 February 2008, the Company issued its Prospectus in conjunction with its listing of and quotation for the entire enlarged issued and paid-up share capital on the Second Board of Bursa Securities involving a Public Issue of 26,000,000 new ordinary shares of RM0.50 each in the Company at an issue price of RM0.85 per ordinary share. The entire issued and paid-up share capital of the Company, comprising 106,000,000 ordinary shares of RM0.50 each was listed on the Second Board of Bursa Securities on 12 March 2008.

CHAIRMAN'S STATEMENT CONT'D

CORPORATE GOVERNANCE

The application of and compliance with the principles and best practices as set out in the Malaysian Code of Corporate Governance has been disclosed in this Annual Report, which includes a "Statement on Internal Control" as required under the Listing Requirements of Bursa Securities. The Board is fully committed to ensuring that the highest standards of corporate governance are practiced throughout the Group.

OUTLOOK AND PROSPECTS

The Board is of the view that the financial year ending 31 December 2009 is a very challenging year in view of the anticipated slower demand for the Group's products, in particular, the polymer products largely due to the global economic downturn. The Board, however, anticipates that the food and healthcare industries, the main users of the Group's flexible plastic packaging films will continue to grow in line with the population growth despite the challenges of the global economic downturn. With the Group's on-going research and development of new plastic packaging films coupled with the current stable and lower prices of plastic resins, the main raw materials for the Group's products, the Board expects the performance of the Group in the financial year ending 31 December 2009 to remain satisfactory given the present economic situation.

the group aims to produce plastic bags that serve multi-uses and support the environment friendly initiatives to reduce, reuse and recycle.

CORPORATE SOCIAL RESPONSIBILITY

Our approach to Corporate Social Responsibility ("CSR") is founded on our belief that the interests of our environment, communities and employees at large are best served through the highest level of integrity and ethical standards in all our business conduct and dealings. The Board regards the need for CSR as an integral part of a business' operations and practices. The detailed CR statement is set out in pages 15 and 16 of this Annual Report.

APPRECIATION

The success of the Group would not have been possible without the tremendous efforts, commitments and contributions at all times throughout the year from the management and staff of the Group. My heartfelt gratitude and appreciation must also be extended to my esteemed Board members for their generous counsel, guidance and support throughout the year.

On behalf of the Board, I would like to express my utmost gratitude and appreciation to all our valued customers, shareholders, business partners and associates, bankers, government and other relevant authorities for their invaluable cooperation and unwavering support of the Group's undertakings.

Y.T.M. TUNKU DATO' DR. ISMAIL IBNI ALMARHUM TUNKU MOHAMMAD JEWA
Chairman

MESSAGE FROM THE MANAGING DIRECTOR

The year 2008 was a very challenging year for most businesses both domestically and internationally. During the year 2008, the world's crude oil price hit its peak at USD147 per barrel causing the prices of commodities and other petroleum-based materials to escalate across the board worldwide.

One of the main raw materials used in our flexible plastic packaging industry is polyethylene ("PE") or plastic resins which are petrochemical-based materials, therefore the price of resin is closely linked to the fluctuations in the prices of crude oil. During the year 2008, the prices of plastic resins escalated from approximately USD1,670 per metric tonne in January 2008 to its peak at approximately USD1,960 per metric tonne in July 2008, thereafter tumbling to approximately USD860 per metric tonne in December 2008. Such high volatility in the plastic resin prices caught many industry players who were saddled with the high cost of raw materials and marked down inventory to its net realisable venue ("NRV") when the prices of plastic resins plunged to approximately USD860 per metric tonne in the end of December 2008.

OPERATIONAL PERFORMANCE

The Group registered approximately 6.0% in revenue growth to a record level of RM183.915 million (consolidated) for the financial year ended 31 December 2008 from RM173.515 million (proforma) registered in the preceding financial year. Higher revenue in the financial year 2008 was attributed to higher selling prices of the Group's products in line with the higher costs of raw materials.

However, the Group's consolidated profit before tax for the financial year ended 31 December 2008 registered a decrease of approximately 44.3% to RM6.398 million from RM11.488 million recorded in the preceding financial year. This was due largely to the following reasons:

(i) higher cost of sales due to higher average price of plastic resins, the main raw materials utilised by the Group;

(ii) provision of unrealised loss in foreign currency term loans of approximately RM2.656 million as a result of the strengthening of USD and JPY versus Ringgit Malaysia ("RM") as at the close of the financial year ended 31 December 2008;

(iii) higher depreciation charges on fixed assets;

(iv) higher finance costs as higher bankers' acceptances were utilised to finance the purchase of higher costs of plastic resins during the first eight (8) months from 1 January 2008 to 31 August 2008; and

(v) provision of doubtful debts of RM0.518 million of which the judgements have not yet been obtained.

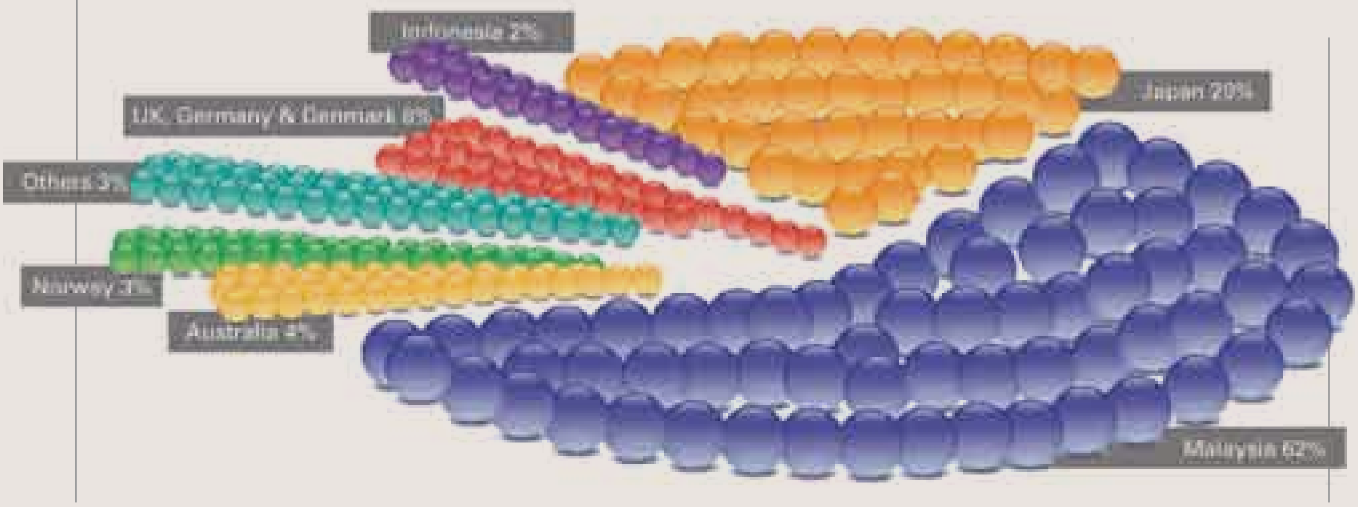
The recognition of negative goodwill on consolidation of approximately RM2.271 million in the preceding year had also contributed to higher profit before tax in the preceding financial year.

MESSAGE FROM THE MANAGING DIRECTOR CONT'D

OPERATIONAL PERFORMANCE (CONT'D)

In terms of segment revenue, the Group achieved a consistent spread of revenue of 62.3% for domestic markets and 37.7% for export markets. For the export market, Japan continued to be the Group's major export destination, contributing approximately 20.0% to the Group's revenue and approximately 53.1% to the Group's total export revenue in the financial year 2008.

THE CHART BELOW ILLUSTRATES THE GROUP'S REVENUE BY DESTINATION FOR THE FINANCIAL YEAR 2008.



NEW PRODUCTS AND CAPITAL EXPENDITURE

For the first time, the Group invested approximately RM1.0 million in a major R&D project for the development of "antibacterial sleeve", in line with the Group's continued drive for innovations in its production processes and new product development. The antibacterial material plastic sheet is to be used as a cover for door handles, providing a fresh, sanitary sleeve after each and every use. This project has been undertaken in collaboration with Purleve, a revolutionary product development, manufacturing and sales organization based in the United State of America ("USA"). The "antibacterial sleeve" aids in increasing public hygiene, minimising cross contamination and promoting the image of a clean and healthy environment for hospitals/ healthcare, schools/ educational, restaurants/ foodservice, office buildings, theaters, malls, factories, cruise lines, airlines/ public transportation.

NEW PRODUCTS AND CAPITAL EXPENDITURE (CONT'D)

The Group has also invested approximately RM4.0 million to set up a monoaxial orientation line with Germany technology for the production of OPE films. OPE films, such as mono-axial orientation-PE, has a great influence in enhancing film properties such as transparency, stiffness, barrier properties, tearing behaviour, folding memory, tensile strength and others. OPE films are used for food packaging and general packaging purposes such as consumer goods and carrier bags, and industrial packaging. Application areas include label films, candy wraps, magazine wraps and breathable films for diapers and sanitary products. OPE films are potential substitutes for conventional packaging materials due to its enhanced film property that produces better strength.

CONCLUSION

In the light of current severe global economic crisis, the Group will continue to practise a prudent approach to balance the business risks and ensure commensurate returns. Our strategic focus to continue to innovate and achieve new breakthroughs in our production processes as well as to create innovative plastic packaging solutions for a wide range of applications in various sectors, including industrial, household, retail, food and beverages, healthcare and chemical sectors for domestic and overseas markets, will ensure that we are able to face the challenges going forward. The Management is confident that the Group will be able to weather the current economic crisis and achieve satisfactory financial results for the financial year ending 31 December 2009.

KHAW KHOON TEE
Group Managing Director

CORPORATE RESPONSIBILITY STATEMENT

Our approach to Corporate Social Responsibility ("CSR") is founded on our belief that the interests of our environment, marketplace, workplace and society at large are best served through the highest level of integrity and ethical standards in all our business conduct and dealings. The Board regards the need for CSR as an integral part of our business operations and practices.

ENVIRONMENT

Over the past 20 years of providing plastic packaging solutions for Malaysia and other advanced countries especially Japan, we have grown to understand the complexity of the overall impact of plastic packaging to its surroundings. In this aspect, the Group develops environmentally friendly plastic packaging solutions. Raw materials used are mostly recyclable and clear scraps from production are reused in the production of plastic packaging products. Recycling further creates an environmentally friendly corporate image which benefits us as a whole in portraying our green corporate image to existing and potential global customers, many of which uphold the importance of selecting vendors with international standard environmental management systems.

The trend towards downgauging of plastic packaging products is also increasingly evident in advanced economies such as Japan and Europe. Improvements in resin design and polymer processing have allowed downgauging of our plastic packaging materials. In addressing recent global warming concerns, the Group is also moving towards using recycleable materials to reduce the impact on global warming. The Group aims to produce plastic bags that serve multi-uses and support the environment friendly initiatives to reduce, reuse and recycle.

COMMUNITY

During the year 2008, the Group made various contributions to the community through cash donations to schools and charitable organisations such as Sekolah Jenis Kebangsaan (Tamil) Kulim, SJK (C) Kelang Lama (Kulim), Pertubuhan Bakti Fo En Bandar Kulim and The Association of Resource and Education for Autistic Children (Lions REACh). The Group also participated in local cleanliness programmes and organised an educational tour for local students to the Group's factory in Kulim, Kedah.

EMPLOYEE

The Group believes that our employees' involvement is vital to the success of the Group. The Group strives to motivate and retain the best employees by providing continuous training by sending them to attend relevant courses to upgrade their knowledge and skills within their job scope. The Group also organises annual get-togethers for its employees through annual dinners where they get to know each other better outside the workplace which can greatly enhance their workplace relationship.

As an employer, the Group recognises and accepts its responsibilities for providing and maintaining a safe and healthy workplace for all its employees, contractors and visitors. The Managing Director has the ultimate responsibility for the health, safety and welfare of all employees, visitors and by delegation through the health and safety structure, to provide a safe working environment. Information on safety matters is communicated through the Health & Safety Committee, Notice Board and regular management briefings.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fourth Annual General Meeting of the Company will be held at Kulim Golf and Country Resort (Jasmine Room), Persiaran Kulim Golf, Kulim Hi-Tech Park, 09000 Kedah on Tuesday, 23 June 2009 at 10.30 a.m. for the following purposes: -

ORDINARY BUSINESSES: -

To consider and if thought fit, to pass the following Ordinary Resolutions: -

1. To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 31 December 2008. (Resolution 1)

2. To declare a single-tier Final Dividend of 2 sen per ordinary share for the financial year ended 31 December 2008. (Resolution 2)

3. To re-elect Y.T.M. Tunku Dato' Dr. Ismail Ibni Almarhum Tunku Mohammad Jewa who retires as Director pursuant to Section 129 of the Companies Act 1965 ("the Act"). (Resolution 3)

4. To re-elect the following Directors who retire pursuant to Article 95(1) of the Company's Articles of Association:
   (a) Mdm. Ong Peik Joo (Resolution 4)
   (b) Mr. Leow Chan Khiang (Resolution 5)

5. To approve the Directors' fees of RM90,000 for the financial year ending 31 December 2009. (Resolution 6)

6. To re-appoint Messrs KPGM as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors of the Company. (Resolution 7)

SPECIAL BUSINESS: -

To consider and if thought fit, to pass the following resolution, with or without any modification, as Ordinary Resolution of the Company: -

7. AUTHORITY TO ISSUE SHARES

   "THAT, subject always to the Act, the provisions of the Memorandum and Articles of Association of the Company and approval of any relevant governmental and/or regulatory authorities, where such approval is required, the Directors be and are hereby empowered pursuant to Section 132D of the Act, to issue and allot shares in the capital of the Company, at any time upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of the shares issued pursuant to this resolution does not exceed ten (10) per centum of the issued share capital of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad ("Bursa Securities") and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." (Resolution 8)

8. To transact any other ordinary business for which due notice has been given in accordance with the Articles of Association of the Company and the Act.

By Order of the Board

CH'NG LAY HOON (MAICSA 0818580)
Company Secretary

Penang
1 June 2009

NOTES:

1. A member entitled to attend and vote at this Meeting may appoint more than one (1) Proxy, who need not be a member, to attend and vote in his stead. Where a member appoints more than one (1) Proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
2. If the appointer is a corporation, the Proxy Form must be executed under its Common Seal or under the hand of its officer or attorney duly authorised.
3. To be valid, the duly completed Proxy Form must be deposited at the Company's registered office at Suite 12A, Level 12, Menara Northam, No. 55, Jalan Sultan Ahmad Shah, 10050 Penang, not less than forty-eight (48) hours before the time stipulated for holding the meeting or adjournment thereof.
4. Should you desire your Proxy to vote on the Resolutions set out in the Notice of Meeting, please indicate with an "X" in the appropriate space. If no specific direction as to voting is given, the Proxy will vote or abstain at his discretion.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution 8

The proposed resolution is in relation to authority to allot shares pursuant to Section 132D of the Act, and if passed, will give the Directors of the Company, from the date of above AGM, authority to issue and allot shares in the Company up to and not exceeding in total ten percentum (10%) of the issued share capital of the Company for the time being, for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and costs in convening a general meeting to specifically approve such issue of shares. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

PURSUANT TO PARAGRAPH 8.28(2) OF BURSA MALAYSIA LISTING REQUIREMENTS

The Directors' Profiles and their interests in the securities of the Company for those who are standing for re-election are set out in this Annual Report on pages as follows:-

Directors standing for re-election	Director's Profile	Details of their securities in the Company
Y.T.M. Tunku Dato' Dr. Ismail Ibni Almarhum Tunku Mohammad Jewa	Page 6	Page 80
Mdm. Ong Peik Joo	Page 7	Page 80
Mr. Leow Chan Khiang	Page 8	Page 80

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT DATE

NOTICE IS ALSO HEREBY GIVEN that a single-tier Final Dividend of 2 sen per ordinary share in respect of the financial year ended 31 December 2008, if approved by the shareholders at the Company's Fourth Annual General Meeting, will be paid on 18 August 2009 to shareholders whose names appear in the Record of Depositors at the close of business on 31 July 2009.

A depositor shall qualify for entitlement in dividend only in respect of: -

a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 31 July 2009 in respect of transfers; and

b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

The Board of Directors of the Company ("the Board") is committed to the practice of highest standards of corporate governance throughout the Group and is accountable to the Company's shareholders and all its stakeholders for good governance. The Board is pleased to report the extent in which the Board has embodied the spirit and principles set out in part 1 of the Malaysian Code of Corporate Governance ("the Code") and the extent of the Group's compliance with the Best Practices in Corporate Governance set out in part 2 of the Code throughout the financial year ended 31 December 2008.

1. THE BOARD OF DIRECTORS

1.1 Composition and Attendance

The Board currently comprises seven (7) members, of which four (4) are Executive Directors including the Managing Director, two (2) are Independent Non-Executive Directors including the Chairman and one (1) is Non-Independent Non-Executive Director. A brief profile of each Director is presented in the Profile of Directors section of this Annual Report.

The Board met five (5) times in the financial year ended 31 December 2008. The composition of the Board and the individual Director's attendance of meetings during the financial year ended 31 December 2008 were as follows:-

NAME	NO. OF MEETINGS HELD	ATTENDANCE
Y.T.M. Tunku Dato' Dr Ismail Ibni Almarhum Tunku Mohammad Jewa	5	5
Khaw Khoon Tee	5	5
Ong Peik Joo	5	5
Khaw Seang Chuan	5	5
Khaw Choon Hoong	5	5
Mary Geraldine Phipps	5	5
Leow Chan Khiang	5	5

1.2 Duties and Responsibilities

The Group is headed by an effective Board which assumes responsibility for effective stewardship and control of the Group and the Board has established terms of reference to assist them in the discharge of their responsibilities.

The role and responsibilities of the Board broadly cover the reviewing and adopting of strategic plans for the Group; overseeing the conduct of the Group's businesses; identifying principal risks and ensuring that appropriate systems to manage these risks are implemented; reviewing the adequacy and integrity of the Group's internal control systems; and reviewing and approving key matters such as financial results, acquisitions and disposals, investments and divestments and major capital expenditure.

Although all the Directors have equal responsibility for the Group's operations, the role of the Independent Directors are crucial in providing the necessary checks and balances to ensure that the interests of minority shareholders and the general public are given due consideration in the decision-making process.

1. THE BOARD OF DIRECTORS (CONT'D)

1.2 Duties and Responsibilities (cont'd)

The Chairman being a non-Executive member of the Board provides a clear division of responsibility between himself and the Group Managing Director to ensure a balance of power and authority.

The Board is alert to the possibility of potential conflicts of interest involving the Directors and the Company and affirms its commitments to ensuring that such situations of conflicts are avoided.

1.3 Supply of Information

The Board meeting is held at least quarterly and more frequently as and when business or operational needs arise. All Board members are supplied with information on a timely manner. Board papers are circulated prior to Board meetings and the reports provide, amongst others, financial and corporate information, significant financial and corporate issues, the Company's and Group's performance and any management proposals which require the approval of the Board.

All Directors have access to the advice and services of the Company Secretary in furtherance of their duties. Where appropriate, the Directors may obtain independent professional advice at the Company's expense on specific issues to enable the Board to make well-informed decisions in discharging their duties on matters being deliberated.

2. RE-ELECTION OF DIRECTORS

In accordance with the Articles of Association of the Company, all Directors who are appointed by the Board are subject to election by the shareholders at the first opportunity after their appointment. Article 95(1) of the Articles of Association of the Company also provides that at least one-third (1/3) of the remaining Directors be subject to re-election by rotation at each Annual General Meeting ("AGM").

Pursuant to Article 97 of the Articles of Association of the Company, any Directors who are appointed either to fill in a casual vacancy or as an addition to the existing Directors of the Board, shall hold office until the next AGM and being eligible for re-election shall not be taken into account in determining the Directors who are to retire by rotations at that meeting. Any Director of the Company over seventy (70) years of age is required to submit himself/ herself for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

The details of the Directors seeking re-election at the forthcoming fourth AGM are disclosed in the Statements Accompanying the Notice of AGM in this Annual Report.

3. BOARD COMMITTEES

Formal board committees established by the Board to assist the Board in the discharge of its duties effectively include the Nomination Committee, Remuneration Committee and Audit Committee. Each committee operates within its clearly defined terms of reference. The Chairman of each committee reports to the Board on the outcome of the committee meetings and such reports are incorporated in the Board papers for the Board's noting and if required, for the Board's approvals.

3. BOARD COMMITTEES (CONT'D)

3.1 Nomination Committee

The Nomination Committee which was formed in October 2007 currently comprises entirely non-executive Directors with majority of the members being independent as follows:

NAME	POSITION
Y.T.M. Tunku Dato' Dr Ismail Ibni Almarhum Tunku Mohammad Jewa	Chairman
Mary Geraldine Phipps	Member
Leow Chan Khiang	Member

The primary function of the Nomination Committee is to identify and recommend to the Board, persons who are technically competent, of integrity and with strong sense of professionalism to be appointed as Directors of the Company. The Committee will also assess the suitability of an individual to be appointed to the Board by taking into consideration the individual's other commitments and time available in determining his/ her ability to contribute inputs to the Board before recommendation is made for the Board's approval.

The Committee is also tasked with reviewing annually, if necessary, the required mix skill and experience and other qualities and competencies and the contribution of each individual Director and shall also review the composition, structure and size of the Board.

3.2 Remuneration Committee

The Remuneration Committee which was formed in October 2007 currently comprises two (2) non-executive Directors and one (1) executive Director with majority of the members being independent as follows:

NAME	POSITION
Y.T.M. Tunku Dato' Dr Ismail Ibni Almarhum Tunku Mohammad Jewa	Chairman
Mary Geraldine Phipps	Member
Khaw Khoon Tee	Member

The primary function of the Remuneration Committee is to recommend to the Board, from time to time, the remuneration package and terms of employment of each executive director who is to abstain from deliberating and voting on the decision in respect of his/ her own remuneration package. The Board as a whole decides on the remuneration of the non-executive directors, including the non-executive Chairman. The individual concerned is to abstain from deliberating his/ her own remuneration package. All Directors' fees must be approved by the shareholders at the Annual General Meeting of the Company.

4. DIRECTORS' REMUNERATION

The objectives of the Group's policy on Directors' remuneration are to attract and retain Directors of the caliber needed to manage the Group successfully. In the case of executive Directors, the component parts of their remuneration are structured to link rewards to corporate and individual performances. For non-executive Directors, their level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the particular non-executive Director concerned.

4. DIRECTORS' REMUNERATION (CONT'D)

The details of the nature and amount of each major element of the remuneration of each Director of the Company for the financial year ended 31 December 2008 are as follows:-

	Salaries & Bonuses RM	Fees RM	Benefits-in-kind and other emoluments RM	Total RM
Executive Directors	972,000	–	111,595	1,083,595
Non-Executive Directors	–	90,000	–	90,000

The number of Directors whose total remunerations derived from the Group during the financial year ended 31 December 2008 that fall within the following bands are as follows:

Range of remuneration	Number of Directors	
RM	Executive	Non-Executive
50,000 and below	–	3
50,001 to 100,000	–	–
100,001 to 150,000	–	–
150,001 to 200,000	–	–
200,001 to 250,000	1	–
250,001 to 300,000	2	–
300,001 to 350,000	1	–

5. DIRECTORS' TRAINING

On joining the Company, all new Directors are given background information describing the Group and its activities. Site visits are arranged whenever necessary. All the Directors holding office for the financial period ended 31 December 2008 have completed the Mandatory Accreditation Programme as prescribed by Bursa Securities. The Directors are also encouraged to attend various external professional training programmes and/ or seminars on a continuous basis to enable them to effectively discharge their duties and to ensure that they are kept abreast on various issues facing the changing business environment within which the Group operates.

The Directors have during the financial year ended 31 December 2008, evaluated their own training needs on a continuous basis and attended the following programmes/ seminars:

Directors	Training Programmes/ Seminars	Organisers	Date/ Duration
Y.T.M. Tunku Dato' Dr Ismail Ibni Almarhum Tunku Mohammad Jewa	MIA-Bursa Malaysia Business Conference 2008	Malaysian Institute of Accountants	23 October 2008/ One day
Khaw Khoon Tee	Plastic and the environment	Malaysian Plastics Manufacturers of Association	23 July 2008/ One day
Ong Peik Joo	IBAS Inventory System	Huada Information Technology Sdn Bhd	24 to 26 November 2008/ Two days
Khaw Seang Chuan	IBAS Sales Order System	Huada Information Technology Sdn Bhd	16 to 18 December 2008/ Two days
Khaw Choon Hoong	IBAS Inventory System	Huada Information Technology Sdn Bhd	24 to 26 November 2008/ Two days
	New product launch and introduction seminar	ExxonMobil Chemical Malaysia Sdn Bhd	3 April 2008/ One day
Leow Chan Khiang	Corporate taxation – significant development & tax planning considerations	Malaysian Institute of Accountants	10 April 2008/ One day
	Audit Committee Institute Round Table Discussion	KPMG	9 December 2008/ Half day

5. DIRECTORS' TRAINING (CONT'D)

Directors	Training Programmes/ Seminars	Organisers	Date/ Duration
Mary Geraldine Phipps	MIA-Bursa Malaysia Business Conference 2008	Malaysian Institute of Accountants	23 October 2008/ One day

6. SHAREHOLDERS

The Board recognises the importance of transparent and effective communications with shareholders and investors. As such, all material information relevant to the Group is reported on timely basis. The Company communicates with shareholders, investors and the general public through annual reports, quarterly announcements and other corporate announcements to Bursa Securities.

The AGM provides an opportunity for the shareholders to seek and clarify any issues pertaining to and to have a better understanding of the Group's activities and performance. All shareholders are encouraged to meet and communicate with the Board at the AGM and to vote for all resolutions. The Board is always available to meet members of the press after the AGM.

The Notice of AGM together with the Annual Report are dispatched to shareholders at least twenty-one (21) days prior to the meeting date.

Shareholders and investors can obtain the Company's latest announcements such as quarterly financial results at Bursa Malaysia website (www.bursamalaysia.com).

7. ACCOUNTABILITY AND AUDIT

7.1 Directors' Responsibility Statement

The Group's annual financial statements and quarterly results are reviewed by the Audit Committee and approved by the Board prior to public release.

The Board acknowledges their responsibility to ensure that the financial statements of the Company and the Group are prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved Financial Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs and the result of the Company and the Group. In preparing the financial statements for the financial year ended 31 December 2008, the Board has adopted suitable accounting policies and which have been applied consistently, subject to the any material departures disclosed and explained in the financial statements.

This statement is made in accordance with a resolution of the Board of Directors.

7.2 Internal Control

The Board affirms the importance of maintaining a sound system of internal controls and risk management practices to good corporate governance. It acknowledges its overall responsibility in this area and also the need to review its effectiveness regularly. Information pertaining to the Group's internal control is presented in the Statement on Internal Control in this Annual Report.

7.3 Relationship with the Auditors

A transparent and appropriate relationship with the auditors, both external and internal has been established through the Audit Committee. The role of the Audit Committee in relation to the external auditors is provided in the Audit Committee Report of this Annual Report.

STATEMENT ON INTERNAL CONTROL

Pursuant to Paragraph 15.27(b) of Bursa Securities Listing Requirements, the Board is pleased to provide the following statement on the state of internal control of the Group, which has been prepared in accordance with the Statement on Internal Control: Guidance for Directors of Public Listed Companies ('Internal Control Guidance') issued by the Institute of Internal Auditors Malaysia and adopted by Bursa Securities.

RESPONSIBILITY FOR RISK AND INTERNAL CONTROL

The Board recognises the importance of a structured risk management and a risk-based internal audit to establish and maintain a sound system of internal control. The Board affirms its overall responsibility for the Group's systems of internal control and for reviewing the adequacy and integrity of those systems. Because of the limitations that are inherent in any systems of internal control, those systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced, or potentially exposed to, by the Group in pursuing its business objectives. This process has been in place throughout the financial year and up to the date of approval of the annual report. The adequacy and effectiveness of this process have been continually reviewed by the Board and are in accordance with the Internal Control Guidance.

RISK MANAGEMENT

The Board and management practice proactive significant risks identification on a quarterly basis or earlier as appropriate, particularly any major proposed transactions, changes in nature of activities and/or operating environment, or venturing into new operating environment which may entail different risks, and put in place the appropriate risk response strategies and controls until those risks are managed to, and maintained at, a level acceptable to the Board.

INTERNAL AUDIT

The Board acknowledges the importance of internal audit function and has engaged the services of an independent professional accounting and consulting firm, Messrs UHY Diong to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group's systems of internal control. The internal audit adopts a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group based on their risk profile. Scheduled internal audits are carried out by the internal auditors based on the audit plan presented to and approved by the Audit Committee. The audit focuses on areas with high risk and inadequate controls to ensure that an adequate action plan has in place to improve the controls. For those areas with high risk and adequate controls, the audit ascertains that the risks are effectively mitigated by the controls. On a quarterly basis or earlier as appropriate, the internal auditors report to the Audit Committee on areas for improvement and will subsequently follow up to determine the extent of their recommendations that have been implemented.

INTERNAL CONTROL

Apart from risk management and internal audit, the Group has put in place the following key elements of internal control:

- An organization structure with well-defined scopes of responsibility, clear lines of accountability, and appropriate levels of delegated authority;
- A process of hierarchical reporting which provides for a documented and auditable trail of accountability;
- A set of documented internal policies and procedures for operational, financial and human resource management, which is subject to regular review and improvement;
- Regular and comprehensive information provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making;
- A comprehensive business planning and detailed budgeting process where operating units prepare budgets for the coming year which are approved both at operating unit level and by the Board;
- Monthly monitoring of results against budget, with major variances being followed up and management action taken, where necessary; and
- Regular visits to operating units by members of the Board and senior management.

Based on the internal auditors' report for the financial year ended 31 December 2008, there is a reasonable assurance that the Group's systems of internal control are generally adequate and appear to be working satisfactorily. A number of minor internal control weaknesses were identified during the financial year, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report. The Board continues to review and implement measures to strengthen the internal control environment of the Group. This statement has been reviewed by the external auditors in compliance with Paragraph 15.24 of Bursa Securities Listing Requirements.

This statement is issued in accordance with a resolution of the Directors.

AUDIT COMMITTEE REPORT

The Audit Committee which was formed in October 2007 currently comprises entirely non-executive Directors with majority of the members being independent as follows:

NAME	POSITION
Mary Geraldine Phipps	Chairman
Y.T.M. Tunku Dato' Dr Ismail Ibni Almarhum Tunku Mohammad Jewa	Member
Leow Chan Khiang	Member

TERMS OF REFERENCE

1. Objectives

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling the following oversight objectives on the Group activities:-

- assess the Group's processes relating to its risks and control environment;
- oversee financial reporting; and
- evaluate the internal and external audit processes.

2. Composition

The Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three (3) members, all the members must be Non-Executive Directors, with majority of them being Independent Non-Executive Directors of the Company.

The Board shall at all times ensure that at least one (1) member of the Committee shall be:-

- a member of the Malaysian Institute of Accountants ("MIA") or
- if the Director is not a member of MIA, the Director be must have at least three (3) years of working experience and:
  - the Director must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967, or
  - the Director must be a member of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
- fulfils such other requirements as prescribed or approved by Bursa Securities

If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months of the event appoint such number of new members as may be required to fill the vacancy.

The Chairman of the Committee shall be an Independent Non-Executive Director. No alternate Director of the Board shall be appointed as a member of the Committee.

The Board shall review the terms of office and performance of the Committee and each of its members at least once every three (3) years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

TERMS OF REFERENCE (CONT'D)

3. Quorum and Committee's Procedures

- Meetings shall be conducted at least four (4) times a year or more frequency as circumstances dictate.

- In order to form a quorum for the meeting, a majority of at least two (2) members present must be Independent Non-Executive Directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

- The Company Secretary shall be appointed Secretary of the Committee. The Secretary with the concurrence of the Chairman, shall draw up an agenda, which shall be circulated together with the relevant supporting documentation, at least seven (7) days prior to each to each meeting to the members of the Committee. The minutes of each meeting shall be kept and distributed to members of the Committee and of the Board of Directors.

- The Committee may, as and when deemed necessary, invite other Board members and senior management members to attend the meeting.

- The Committee shall regulate the manner of proceedings of its meetings, having regard to normal conventions on such matter.

- The Committee shall meet at least twice a year with the external auditors without the presence of any executive director of the Board.

- The Committee shall regulate the manner of proceedings of its meetings, having regard to normal conventions on such matter.

4. Authority

- The Committee is authorised to seek any information it requires from employees, who are required to cooperate with any request made by the Committee.

- The Committee shall have full and unlimited access to any information pertaining to the Group.

- The Committee shall have direct communication channels with the internal and external auditors and with senior management of the Group and shall be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary

- The Committee shall have the resources that are required to perform its duties. The Committee can obtain, at the expense of the Company, outside legal or other independent professional advice it considers necessary.

- Where the Committee is of the view that a matter reported by it to the Board has not been satisfactory resolved resulting in a breach of the Bursa Securities' Listing Requirements, the Committee shall promptly report such matter to Bursa Securities.

AUDIT COMMITTEE REPORT CONT'D

TERMS OF REFERENCE (CONT'D)

5. Duties and Responsibilities

In fulfilling its primary objectives, the Committee shall undertake the following duties and responsibilities:-

- Review with the external auditors, the audit scope and plan, including any changes to scope of the audit plan.

- Review the adequacy of the internal audit scope and plan, functions, competency and resources of the internal audit function and that is has the necessary authority to carry out its work.

- Review the external and internal audit reports to ensure that appropriate and prompt remedial action is taken by management on major deficiencies in controls or procedures that are identified.

- Review major audit findings and the management's response during the year with management, external auditors and internal auditors, including the status of previous audit recommendations.

- Review the appointment and performance of external auditors, the audit fee and any question of resignation or dismissal before making recommendations to the Board.

- To establish the following with the internal auditor:

  (a) review adequacy of scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its works;
  (b) review the internal audit programmed and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit functions;
  (c) review any appraisal or assessment of the performance of members of the internal audit function; and
  (d) approve any appointment or termination of senior staff members of the internal audit function and to provide opportunity for the resigning staff member to submit his reasons for resigning.

- Review the adequacy and integrity control systems, including enterprise risk management, management information system, and the internal auditors' and/or external auditors evaluation of the said systems.

- Direct and where appropriate supervise any special projects or investigations considered necessary, and review investigation reports on any major defalcations, frauds and thefts.

- Review the quarterly and year-end financial statements of the Company and the Group before submission to the Board of Directors, focusing particularly on:

  (a) changes in or implementation of major accounting policies;
  (b) significant and unusual events;
  (c) significant adjustments arising from the audit;
  (d) the going concern assumption; and
  (e) compliance with accounting standards and other legal requirements.

- Review and monitor inter-company transactions and any related party transactions and conflict of interest situation that may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises questions of management integrity and must be at arm's length and must not be unfavourable to the Company or the Group.

- Any such other functions as may be authorised by the Board.

TERMS OF REFERENCE (CONT'D)

6. Reporting Procedures

The Chairman of the Committee shall report on each meeting to the Board. The Committee shall prepare reports, at least once a year, to the Board summarizing the Committee's activities during the year in discharge of its duties and responsibilities and the related significant results and findings.

The Committee is authorised to regulate its own procedure and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceeding thereat, the keeping of minutes and the custody, production and inspection of such meetings.

The Minutes of the meetings shall be concluded by the Secretary of the Committee to the Committee members and all the other Board members

7. Meetings

During the financial year ended 31 December 2008, a total of six (6) Audit Committee meetings were held. The details of attendance of each member of the Committee were as follows:-

NAME	NO. OF MEETINGS HELD	ATTENDANCE
Mary Geraldine Phipps	6	6
Y.T.M. Tunku Dato' Dr Ismail Ibni Almarhum Tunku Mohammad Jewa	6	6
Leow Chan Khiang	6	6

8. Activities

During the financial year, the activities of the Committee include the following:

- reviewed the quarterly results and made recommendations to the Board for approval;
- reviewed with external auditors, the draft Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2008;
- reviewed with UHY Diong, the internal auditors on the internal audit reports and internal audit plans of the Group for the financial year ended 31 December 2008;
- meeting with external auditors without the presence of management of the Company; and
- reviewed with external auditors on the management letter in respect of the financial year ended 31 December 2008.

ADDITIONAL INFORMATION

1. Status of Utilisation of IPO Proceeds

The Rights Issue and Public Issue pursuant to the Company's listing on Bursa Securities on 12 March 2008 raised total proceeds of RM22.115 million. The status of utilisation of the proceeds as at 31 December 2008 was as follows:-

	Intended Timeframe for Utilisation from Date of Listing	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	Balance RM'000
Repayment of bank borrowings	3 months	5,000	5,000	–	–
Purchase of machinery/ equipment	12 months	6,000	3,827	–	2,173
Working capital	6 months	9,115	9,498	383	–
Share issue/ listing expenses	3 months	2,000	1,617	(383)	–
Total		**22,115**	**19,942**	**–**	**2,173**

Notes:

(i) The actual share issue/ listing expenses were lower than the budget. As such, the unutilised balance of proceeds of approximately RM383,000 was utilised for working capital purposes.

(ii) As mentioned in the interim financial results announcement on 27 February 2009, the Board had deliberated and approved the variation in the unutilised balance of RM2.173 million for the purchase of machinery/ equipment to working capital purposes. The excess balance allocated for the purchase of machinery/ equipment was because of lower actual price paid for a machine acquired as compared to the initial estimated price. The Company had also notified the Securities Commission on the variation of the utilisation of proceeds.

2. Share Buybacks

The Company did not enter into any share buyback transactions during the financial year ended 31 December 2008.

3. Options, Warrants or Convertible Securities

The Company did not issue any options, warrants or convertible securities during the financial year ended 31 December 2008.

4. American Depository Receipt (ADR) or Global Depository (GDR) Programme

The Company did not sponsor any ADR or GDR programme during the financial year ended 31 December 2008.

5. Sanctions and/ or penalties imposed on the listed issuer and its subsidiaries, directors or management by the relevant regulatory bodies

There were no public sanctions and/ or public penalties imposed on the Company and its subsidiaries, directors or management by relevant regulatory bodies during the financial year ended 31 December 2008.

6. Non-Audit Fees

The amount of non-audit fees paid to the external auditors for the financial year ended 31 December 2008 was RM 105,000. These non-audit fees were in connection with the professional services rendered for the Listing Exercise of the Company.

7. Variation in Results

The summarised comparison between the actual results and the forecast results for the financial year ended 31 December 2008 as disclosed in the Prospectus dated 20 February 2008 is as follows:

	Actual RM'000	Forecast RM'000	Variance RM'000	%
Revenue	183,915	181,566	2,349	1.3%
Gross Profit	16,676	18,866	(2,190)	(11.6%)
Profit Before Tax	6,398	12,895	(6,497)	(50.4%)
Profit After Tax	5,240	11,921	(6,681)	(56.0%)

The Group's actual revenue of approximately RM183.915 million for the financial year ended 31 December 2008 was approximately 1.3% higher than its forecasted revenue of approximately RM181.566 million. However, the Group's actual profit after tax of approximately RM5.240 million was approximately 56.0% lower than its forecasted profit after tax of approximately RM11.921 million. This was due mainly to the following:

(i) the actual cost of sales was higher by approximately RM2.190 million as compared to the forecast due to higher average price of plastic resins which comprised the core ingredient of the manufactured products of the Group;

(ii) the provision of unrealised loss in the foreign currency term loans of approximately RM2.656 million due to strengthening of USD and JPY versus RM as at the close of financial year ended 31 December 2008;

(iii) the actual finance costs were higher by approximately RM0.777 million as compared to the forecast due to higher short-term bank borrowings, in particular the bankers' acceptances, were utilised to finance the purchase of higher costs of plastic resins during the first eight (8) months from 1 January 2008 to 31 August 2008; and

(iv) the provision for doubtful debts of approximately RM0.518 million on the on-going legal case of which the judgement has not been obtained and the provision of RM0.102 million for diminution in the value of investment in quoted shares.

8. Profit Guarantee

The Company did not give or receive any profit guarantee during the financial year ended 31 December 2008.

9. Material Contracts

There were no material contracts entered into by the Company and/ or its subsidiaries involving Directors' and major shareholders' interests either still subsisting as at the end of the financial year ended 31 December 2008 or entered into since the end of the previous financial year.

10. Revaluation Policy

The Group revalues its property comprising land and building every 5 years and at shorter intervals whenever the fair value of revalued assets is expected to differ materially from their carrying value.

SLP 2008

FINANCIAL

statements

DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding.

The principal activities of its subsidiaries are stated in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the year	**5,240,339**	**4,447,301**

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year except as disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, the Company paid a single tier interim dividend of 2 sen per ordinary share totalling RM2,120,000 in respect of the year ended 31 December 2008 on 18 September 2008.

The single tier final dividend recommended by the Directors in respect of the year ended 31 December 2008 is 2 sen per ordinary share totalling RM2,120,000, subject to shareholders' approval at the forthcoming Annual General Meeting.

DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are:

Y.T.M. Tunku Dato' Dr. Ismail Ibni Almarhum Tunku Mohammad Jewa
Khaw Khoon Tee
Ong Peik Joo
Khaw Seang Chuan
Khaw Choon Hoong
Leow Chan Khiang
Mary Geraldine Phipps

DIRECTOR'S REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2008

DIRECTORS' INTERESTS

The interests and deemed interests in the shares of the Company and of its related companies (other than wholly-owned subsidiaries) of those who were Directors at year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows :

	Number of ordinary shares of RM0.50 each			
	Balance at 1.1.2008	**Bought**	**(Sold)***	**Balance at 31.12.2008**
Interest in the Company				
Khaw Khoon Tee				
Direct interest				
- own	12,858,498	500,000	–	13,358,498
- others #	5,818,110	1,477,500	(5,818,110)	1,477,500
Deemed interest				
- own	42,400,000	–	–	42,400,000
Ong Peik Joo				
Direct interest				
- own	11,623,226	470,000	–	12,093,226
- others #	5,818,110	1,477,500	(5,818,110)	1,477,500
Deemed interest				
- own	42,400,000	–	–	42,400,000
Khaw Seang Chuan				
Direct interest				
- own	4,385,575	470,000	(667,299)	4,188,276
- others #	–	76,000	–	76,000
Deemed interest				
- own	42,400,000	–	–	42,400,000
Khaw Choon Hoong				
Direct interest				
- own	2,914,591	470,000	(2,914,591)	470,000
Y.T.M Tunku Dato' Dr. Ismail Ibni Almarhum Tunku Mohammad Jewa				
Direct interest				
- own	–	20,000	–	20,000
Leow Chan Khiang				
Direct interest				
- own	–	50,000	–	50,000
Mary Geraldine Phipps				
Direct interest				
- own	–	20,000	–	20,000

DIRECTORS' INTERESTS (CONT'D)

These are shares held in the name of the spouse and children (who themselves are not Directors of the Company) and are treated as interest of the Director in accordance with Section 134(12)(c) of the Companies Act, 1965.
* sold pursuant to Offer for Sale in conjunction with the listing exercise

By virtue of their interests in the shares of the Company, Mr. Khaw Khoon Tee, Madam Ong Peik Joo and Mr. Khaw Seang Chuan are also deemed to have interests in the shares of all its subsidiaries to the extent that the Company has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related company with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up share capital of the Company was increased from RM40,000,000 to RM53,000,000 comprising 106,000,000 ordinary shares of RM0.50 each through an issuance of 26,000,000 ordinary shares of RM0.50 each at an issue price of RM0.85 per ordinary share payable in full on application pursuant to its listing on the Second Board of Bursa Malaysia Securities Berhad.

There were no other changes in the issued and paid-up share capital of the Company during the financial year.

There were no debentures issued during the year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the balance sheets and income statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that :

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) all current assets have been stated at the lower of cost and net realisable value.

DIRECTOR'S REPORT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2008

OTHER STATUTORY INFORMATION (CONT'D)

At the date of this report, the Directors are not aware of any circumstances :

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist :

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 31 December 2008 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

SIGNIFICANT EVENTS

Details of such events are as disclosed in Note 29 to the financial statements.

AUDITORS

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors :

KHAW KHOON TEE

KHAW SEANG CHUAN

Penang,
Date : 27 April 2009

STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

In the opinion of the Directors, the financial statements set out on pages 41 to 79 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 December 2008 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors :

KHAW KHOON TEE **KHAW SEANG CHUAN**

Penang,
Date : 27 April 2009

STATUTORY DECLARATION PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **KHAW KHOON TEE**, the Director primarily responsible for the financial management of SLP Resources Berhad, do solemnly and sincerely declare that the financial statements set out on pages 41 to 79 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Georgetown in the State of Penang on 27 April 2009.

KHAW KHOON TEE

Before me :

CHEAH BENG SUN, DJN, AMN, PKT, PJK, PJM, PK.
(No: P.103)
Commissioner of Oaths
Penang

PESURUHJAYA SUMPAH
P. 103
CHEAH BENG SUN
MALAYSIA

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SLP RESOURCES BERHAD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of SLP Resources Berhad, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 41 to 79.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2008 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
AF 0758
Chartered Accountants

OOI KOK SENG
2432/05/09 (J)
Chartered Accountant

Date : 27 April 2009
Penang

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008

	Note	2008 RM	2007 RM
Assets			
Property, plant and equipment	3	**48,992,287**	48,706,792
Prepaid lease payments	4	**7,819,977**	7,312,301
Other investments	5	**75,000**	177,000
Goodwill on consolidation	6	**11,330**	11,330
Intangible assets	7	**829,211**	–
Total non-current assets		**57,727,805**	56,207,423
Receivables, deposits and prepayments	8	**32,567,146**	34,410,305
Inventories	9	**19,068,966**	25,649,983
Current tax assets		**237,821**	244,648
Cash and cash equivalents	10	**14,053,444**	15,210,512
Total current assets		**65,927,377**	75,515,448
Total assets		**123,655,182**	131,722,871
Equity			
Share capital	11	**53,000,000**	40,000,000
Reserves	12	**17,221,140**	6,617,572
Total equity		**70,221,140**	46,617,572
Liabilities			
Deferred tax liabilities	13	**6,054,000**	5,425,000
Borrowings	14	**12,041,113**	14,586,353
Total non-current liabilities		**18,095,113**	20,011,353
Payables and accruals	15	**7,776,860**	16,943,637
Borrowings	14	**27,527,275**	47,718,634
Current tax liabilities		**34,794**	431,675
Total current liabilities		**35,338,929**	65,093,946
Total liabilities		**53,434,042**	85,105,299
Total equity and liabilities		**123,655,182**	131,722,871

The notes on pages 50 to 79 are an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 RM	2007 RM
Continuing operations			
Revenue	16	**183,914,863**	95,615,259
Changes in work-in-progress and manufactured inventories		**(1,039,002)**	4,253,929
Raw materials and consumables used		**(153,433,133)**	(76,325,210)
Staff costs	17	**(5,334,990)**	(4,414,646)
Depreciation and amortisation	3, 4	**(6,141,034)**	(4,934,091)
Other operating expenses		**(10,637,424)**	(4,356,025)
Other operating income		**1,261,532**	3,127,280
Results from operating activities		**8,590,812**	12,966,496
Finance costs	18	**(2,191,911)**	(1,478,769)
Profit before tax	19	**6,398,901**	11,487,727
Tax expense	21	**(1,158,562)**	(870,153)
Profit for the year		**5,240,339**	10,617,574
Attributable to :			
Shareholders of the Company		**5,240,339**	10,617,574
Dividends per ordinary share (sen)	22	**4.00**	–
Basic earnings per ordinary share (sen)	23	**5.20**	16.00

The notes on pages 50 to 79 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008

			← Non-distributable		→	Distributable	
	Note	Share capital RM	Share premium RM	Reverse acquisition reserve RM	Revaluation reserve RM	Retained earnings RM	Total equity RM
At 1 January 2007		5,000,000	–	–	6,706,812	19,932,877	31,639,689
Adjustment arising from reverse acquisition	11	26,639,691	–	(26,639,691)	–	–	–
Issue of shares	11	8,345,684	–	–	–	–	8,345,684
Rights issue	11	14,625	–	–	–	–	14,625
Profit for the year		–	–	–	–	10,617,574	10,617,574
Dividend paid to shareholders of SHSB prior to the acquisition by the Company	22	–	–	–	–	(4,000,000)	(4,000,000)
At 31 December 2007		40,000,000	–	(26,639,691)	6,706,812	26,550,451	46,617,572
Issue of shares	11	13,000,000	9,100,000	–	–	–	22,100,000
Listing expenses		–	(1,616,771)	–	–	–	(1,616,771)
Profit for the year		–	–	–	–	5,240,339	5,240,339
Dividend paid	22	–	–	–	–	(2,120,000)	(2,120,000)
At 31 December 2008		**53,000,000**	**7,483,229**	**(26,639,691)**	**6,706,812**	**29,670,790**	**70,221,140**

The notes on pages 50 to 79 are an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 RM	2007 RM
Cash flows from operating activities			
Profit before tax from continuing operations		**6,398,901**	11,487,727
Adjustments for :			
Allowance for diminution in value of other investment	19	**102,000**	–
Depreciation of property, plant and equipment	3	**5,969,033**	4,777,766
Amortisation of prepaid lease payments	4	**172,001**	156,325
Interest expense	18	**2,191,911**	1,478,769
Interest income	19	**(672,587)**	(218,353)
Negative goodwill recognised		**–**	(2,270,906)
Dividend income	19	**(3,000)**	(7,500)
Loss on disposal of plant and equipment	19	**1,688**	–
Operating profit before changes in working capital		**14,159,947**	15,403,828
Changes in working capital :			
Inventories		**6,581,017**	(12,534,112)
Receivables, deposits and prepayments		**1,843,159**	(2,965,032)
Payables and accruals		**(9,166,777)**	988,904
Cash generated from operations		**13,417,346**	893,588
Tax paid		**(919,616)**	(529,357)
Net cash generated from operating activities		**12,497,730**	364,231

CONSOLIDATED CASH FLOW STATEMENT CONT'D
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 RM	2007 RM
Cash flows from investing activities			
Proceeds from disposal of plant and equipment		**750**	–
Interest received		**672,587**	218,353
Placement of fixed deposits		**2,273,395**	(42,317)
Purchase of property, plant and equipment	3	**(6,256,966)**	(14,041,804)
Additions of prepaid lease payments	4	**(679,677)**	(1,468,626)
Dividend received		**3,000**	7,500
Net cash inflow from acquisition of subsidiaries	30	**–**	7,586,882
Additions of intangible assets	7	**(829,211)**	–
Net cash used in investing activities		**(4,816,122)**	(7,740,012)
Cash flows from financing activities			
Listing expenses		**(1,616,771)**	–
Proceeds from share issue		**22,100,000**	14,625
Interest paid		**(2,191,911)**	(1,478,769)
Repayment of finance lease liabilities		**(348,381)**	(378,852)
Drawdown of term loans		**–**	9,173,605
Repayment of term loans		**(2,626,588)**	(4,348,381)
Dividend paid	22	**(2,120,000)**	(8,000,000)
Other bank borrowings, net		**(19,487,306)**	19,189,000
Net cash (used in)/generated from financing activities		**(6,290,957)**	14,171,228
Net increase in cash and cash equivalents		**1,390,651**	6,795,447
Cash and cash equivalents at 1 January		**12,662,793**	5,867,346
Cash and cash equivalents at 31 December		**14,053,444**	12,662,793

Cash and cash equivalents

Cash and cash equivalents included in the consolidated cash flow statement comprise the following consolidated balance sheet amounts :

	Note	2008 RM	2007 RM
Short term deposits with licensed banks	10	**9,888,304**	10,723,000
Cash and bank balances	10	**4,165,140**	2,214,117
Bank overdrafts	14	**–**	(274,324)
		14,053,444	12,662,793

The notes on pages 50 to 79 are an integral part of these financial statements.

BALANCE SHEET
AT 31 DECEMBER 2008

	Note	2008 RM	2007 RM
Assets			
Investment in subsidiaries	5	**39,985,373**	39,985,373
Total non-current assets		**39,985,373**	39,985,373
Receivables, deposits and prepayment	8	**20,310,419**	49,000
Cash and cash equivalents	10	**2,563,276**	8,474
Total current assets		**22,873,695**	57,474
Total assets		**62,859,068**	40,042,847
Equity			
Share capital	11	**53,000,000**	40,000,000
Reserves	12	**9,786,137**	(24,393)
Total equity		**62,786,137**	39,975,607
Liabilities			
Payables and accruals	15	**38,137**	67,240
Current tax liability		**34,794**	-
Total current liabilities		**72,931**	67,240
Total equity and liabilities		**62,859,068**	40,042,847

The notes on pages 50 to 79 are an integral part of these financial statements.

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 RM	2007 RM
Continuing operations			
Revenue	16	**5,250,000**	–
Administrative expenses		**(179,416)**	(17,447)
Other operating income		**201,511**	–
Profit/(Loss) before tax	19	**5,272,095**	(17,447)
Tax expense	21	**(824,794)**	–
Profit/(Loss) for the year		**4,447,301**	(17,447)
Dividend per ordinary share (sen)	22	**4.00**	–

The notes on pages 50 to 79 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Share capital RM	Non-distributable Share premium RM	Distributable Retained earnings RM	Total equity RM
At 1 January 2007		2	–	(6,946)	(6,944)
Issue of shares	11	39,999,998	–	–	39,999,998
Loss for the year		–	–	(17,447)	(17,447)
At 31 December 2007		40,000,000	–	(24,393)	39,975,607
Issue of shares	11	13,000,000	9,100,000	–	22,100,000
Listing expenses		–	(1,616,771)	–	(1,616,771)
Profit for the year		–	–	4,447,301	4,447,301
Dividend paid	22	–	–	(2,120,000)	(2,120,000)
At 31 December 2008		**53,000,000**	**7,483,229**	**2,302,908**	**62,786,137**

The notes on pages 50 to 79 are an integral part of these financial statements.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 RM	2007 RM
Cash flows from operating activities			
Profit/(Loss) before tax		**5,272,095**	(17,447)
Adjustments for :			
Interest income	19	**(201,511)**	–
Dividend income	19	**(5,250,000)**	–
Operating loss before changes in working capital		**(179,416)**	(17,447)
Changes in working capital :			
Receivables, deposits and prepayments		**(18,011,419)**	(49,000)
Payables and accruals		**(29,103)**	60,294
Cash used in operating activities		**(18,219,938)**	(6,153)
Dividend received		**2,220,000**	–
Interest received		**201,511**	–
Tax paid		**(10,000)**	–
Net cash used in operating activities		**(15,808,427)**	(6,153)
Cash flows from financing activity			
Listing expenses		**(1,616,771)**	–
Proceeds from share issue		**22,100,000**	14,625
Dividend paid	22	**(2,120,000)**	–
Net cash generated from financing activity		**18,363,229**	14,625
Net increase in cash and cash equivalents		**2,554,802**	8,472
Cash and cash equivalents at 1 January		**8,474**	2
Cash and cash equivalents at 31 December	10	**2,563,276**	8,474

The notes on pages 50 to 79 are an integral part of these financial statements.

SLP Resources Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Second Board of Bursa Malaysia Securities Berhad. The addresses of the registered office and principal place of business of the Company are as follows :

Registered office

Suite 12-A, Level 12 Menara Northam
No. 55, Jalan Sultan Ahmad Shah
10050 Penang

Principal place of business

Plot 1, Lot 57-A
Lorong Perusahaan 5
Kulim Industrial Estate
09000 Kulim
Kedah

The consolidated financial statements of the Company as at and for the year ended 31 December 2008 comprise the Company and its subsidiaries (together referred to as the Group).

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are stated in Note 5 to the financial statements.

The financial statements were approved by the Board of Directors on 27 April 2009.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Financial Reporting Standards (FRS), accounting principles generally accepted and the Companies Act, 1965 in Malaysia.

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

FRSs/Interpretations	Effective date
FRS 4, Insurance Contracts	1 January 2010
FRS 7, Financial Instruments: Disclosures	1 January 2010
FRS 8, Operating Segments	1 July 2009
FRS 139, Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9, Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10, Interim Financial Reporting and Impairment	1 January 2010

NOTES TO THE FINANCIAL STATEMENTS CONT'D
31 DECEMBER 2008

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

The Group and the Company plan to apply the abovementioned FRSs/Interpretations from the annual period beginning 1 January 2010 except for FRS 4 which is not applicable to the Group and the Company.

The impact of applying FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemptions given in the respective FRSs. Other than the implications as discussed below, the initial application of the above standards (and its consequential amendments) and interpretations is not expected to have any material impact on the financial statements of the Group and the Company.

FRS 8, Operating Segments

FRS 8 will become effective for financial statements for the year ending 31 December 2010. FRS 8, which replaces FRS 114, Segment Reporting, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. Currently, the Group presents segment information in respect of its business and geographical segments (see note 2(v)). Under FRS 8, the Group will present segment information in respect of its operating segments.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the notes to the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting except for the acquisition of Sinliplas Holding Sdn. Bhd. ("SHSB").

The acquisition of SHSB is accounted for using reverse acquisition accounting principles in accordance with the Financial Reporting Standard 3, Business Combinations ("FRS 3"). Upon completion of the acquisition of SHSB, it became the legal parent company of SLP Group. Due to the relative values of the companies, the former shareholders of SHSB became the majority shareholders, controlling about 100% of the share capital of the Company. Further, the Company's continuing operations and management are those of SHSB. Accordingly, the substance of the business combination is that SHSB acquires the Company in a reverse acquisition.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's balance sheet at cost less any impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Derivative financial instruments

The Group uses derivative financial instruments in the form of forward foreign exchange contracts to hedge its exposure to foreign exchange arising from operational activities.

Derivative financial instruments are not recognised in the financial statements on inception.

The underlying foreign currency assets or liabilities are translated at their respective hedged exchange rate and all exchange gains or losses are recognised as income or expense in the income statement in the same period as the exchange differences on the underlying hedged items. Exchange gains and losses arising on contracts entered into as hedges of anticipated future transactions are deferred until the date of such transactions, at which time they are included in the measurement of such transactions.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at valuation/cost less accumulated depreciation and accumulated impairment losses, if any.

The Group revalues its property comprising land and building every 5 years and at shorter intervals whenever the fair value of revalued assets is expected to differ materially from their carrying value.

Surpluses arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is charged to the income statements.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour and, for qualifying assets, borrowing costs are capitalised in accordance with the Group's accounting policy. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other operating expenses" respectively in the income statements. When revalued assets are sold, the amounts include in the revaluation surplus reserve are transferred to retained earnings.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, plant and equipment (cont'd)

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of those parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statements as incurred.

(iii) Depreciation

Depreciation is recognised in the income statements on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives of the assets for the current and comparative periods are depreciated at the following annual principal rates :

•	Buildings	2%
•	Renovation	2%
•	Plant, machinery and factory equipment	8% - 12%
•	Office furniture and equipment	10% - 40%
•	Motor vehicles	16% - 20%

Depreciation methods, useful lives and residual values are reassessed at the balance sheet date.

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Operating lease

Leases, where the Group does not assume substantially all the risks and rewards of the ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the Group's balance sheet. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Leased assets (cont'd)

(ii) Operating lease (cont'd)

Certain leasehold land were revalued in 2006 and the Group has retained the unamortised revalued amount as the surrogate carrying amount of prepaid lease payments in accordance with the transitional provision in FRS 117.67A when it first adopted FRS 117, Leases in 2007.

Payments made under operating leases are recognised in the income statements on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(f) Intangible assets

(i) Goodwill

Goodwill arises on business combinations and is measured at cost less accumulated impairment losses.

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition ("negative goodwill") is recognised immediately in income statement.

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statements as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development.

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statements as an expense as incurred. Capitalised development expenditure is stated at cost less any accumulated amortisation and any accumulated impairment losses.

(iii) Other intangible assets

Intangible assets, other than goodwill, that are acquired by the Group are stated at cost less any accumulated amortisation and any accumulated impairment losses.

(iv) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Intangible assets (cont'd)

(v) Amortisation

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date that they are available for use. Amortisation of intangible assets is charged to the income statements on a straight-line basis over the estimated useful lives of intangible assets.

(g) Investments in debt and equity securities

Investments in debt and equity securities are recognised initially at fair value plus attributable transaction costs.

Subsequent to initial recognition, investments in non-current equity securities other than investments in subsidiaries and associates are stated at cost less allowance for diminution in value.

Where in the opinion of the Directors, there is a decline other than temporary in the value of non-current equity securities and non-current debt securities other than investments in subsidiaries and associates, the allowance for diminution in value is recognised as an expense in the financial year in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

All investments in debt and equity securities are accounted for using settlement date accounting. Settlement date accounting refers to:

a) the recognition of an asset on the day it is received by the entity, and

b) the derecognition on an asset and recognition of any gain or loss on disposal on the date it is delivered.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work-in-progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(i) Receivables

Receivables are initially recognised at their cost when the contractual right to receivables cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(k) Impairment of assets

The carrying amounts of assets except for inventories, intangible assets and financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill that have indefinite useful lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses are recognised in the income statements. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the income statements in the year in which the reversals are recognised, unless it reverses an impairment loss on a revalued asset, in which case it is credited directly to revaluation surplus. Where an impairment loss on the same revalued asset was previously recognised in the income statements, a reversal of that impairment loss is also recognised in the income statements.

(l) Equity instruments

All equity instruments are stated at cost on initial recognition and are not re-measured subsequently.

Issue expenses

Incremental costs directly attributable to issue of equity instruments are recognised as a deduction from equity.

(m) Loans and borrowings

Loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statements over the period of the loans and borrowings using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Employee benefits

Short term employee benefits

Short term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contributions to statutory pension funds are charged to the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(p) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

(q) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

(r) Revenue recognition

(i) Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
31 DECEMBER 2008

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Interest income and borrowing costs

Interest income is recognised as it accrues, using the effective interest method.

All borrowing costs are recognised in the income statements using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(t) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statements except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance is treated as tax base of assets and is recognised as a reduction of tax expense as and when it is utilised.

(u) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(v) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

3. PROPERTY, PLANT AND EQUIPMENT - GROUP

	At valuation	At cost					
	Factory buildings RM	Renovation RM	Plant, machinery and factory equipment RM	Office furniture and equipment RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
Valuation/Cost							
At 1 January 2007	15,000,000	–	39,692,771	506,616	707,562	25,200	55,932,149
Acquisition of a subsidiary	–	48,000	6,491,166	125,486	1,313,970	–	7,978,622
Additions	–	–	1,712,344	167,496	–	12,161,964	14,041,804
Reclassification	–	–	2,037,640	–	–	(2,037,640)	–
At 31 December 2007/1 January 2008	15,000,000	48,000	49,933,921	799,598	2,021,532	10,149,524	77,952,575
Additions	–	–	5,731,010	277,716	–	248,240	6,256,966
Reclassification	3,710,061	–	6,687,703	–	–	(10,397,764)	–
Disposals	–	–	(2,700)	(500)	–	–	(3,200)
At 31 December 2008	**18,710,061**	**48,000**	**62,349,934**	**1,076,814**	**2,021,532**	**–**	**84,206,341**
Accumulated depreciation							
At 1 January 2007	–	–	19,292,690	417,977	626,032	–	20,336,699
Acquisition of a subsidiary	–	3,600	3,185,952	94,601	847,165	–	4,131,318
Charge for the year	333,333	240	4,272,642	46,547	125,004	–	4,777,766
At 31 December 2007/1 January 2008	333,333	3,840	26,751,284	559,125	1,598,201	–	29,245,783
Charge for the year	395,513	960	5,272,559	126,072	173,929	–	5,969,033
Disposal	–	–	(729)	(33)	–	–	(762)
At 31 December 2008	728,846	4,800	32,023,114	685,164	1,772,130	–	35,214,054
Carrying amounts							
At 1 January 2007	15,000,000	–	20,400,081	88,639	81,530	25,200	35,595,450
At 31 December 2007	14,666,667	44,160	23,182,637	240,473	423,331	10,149,524	48,706,792
At 31 December 2008	17,981,215	43,200	30,326,820	391,650	249,402	–	48,992,287

NOTES TO THE FINANCIAL STATEMENTS CONT'D
31 DECEMBER 2008

3. PROPERTY, PLANT AND EQUIPMENT - GROUP (CONT'D)

The Group's prepaid lease payments (see Note 4) and factory buildings were revalued based on the valuation report dated 19 January 2007 carried out by independent professional qualified valuers using an open market value method.

Had the revalued properties been carried under the cost model, their carrying amounts would have been RM2,751,304 (2007 : RM2,825,116) and RM8,450,005 (2007 : RM8,681,834) respectively.

Leasehold land (see Note 4), buildings and certain machineries amounting to RM37,507,715 (2007 : 36,062,910) are charged to banks as security for borrowings (see Note 14).

Included in the net book value of property, plant and equipment of the Group are those acquired under finance lease arrangements amounting to RM452,489 (2007 : RM752,427).

4. PREPAID LEASE PAYMENTS - GROUP

Unexpired period less than 50 years

	RM
Cost	
At 1 January 2007	6,000,000
Additions	1,468,626
At 31 December 2007/1 January 2008	7,468,626
Additions	679,677
At 31 December 2008	8,148,303
Amortisation	
At 1 January 2007	–
Additions	156,325
At 31 December 2007/1 January 2008	156,325
Additions	172,001
At 31 December 2008	328,326
Carrying amounts	
At 1 January 2007	6,000,000
At 31 December 2007	7,312,301
At 31 December 2008	7,819,977

The Group has retained the unamortised revalued amount as the surrogate carrying amount of prepaid lease payments in accordance with the transitional provision in FRS 117.

5. INVESTMENTS

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Subsidiaries :				
Unquoted shares, at cost	**–**	–	**39,985,373**	39,985,373
Other investments :				
Quoted shares in Malaysia, at cost	**75,000**	177,000	**–**	–
Market value of quoted shares	**75,000**	134,000	**–**	–

Details of the subsidiaries are as follows :

Name of subsidiaries	Effective Equity Held 2008 %	Effective Equity Held 2007 %	Principal Activities
Sinliplas Holding Sdn. Bhd. ("SHSB")	**100**	100	Manufacture and sale of plastic packaging and its related products
Sinliplas Sdn. Bhd. ("SSB")	**100**	100	Trading of polymer products such as resin, manufacturing and sale of plastic packaging products and plastic related goods

All the subsidiaries are incorporated in Malaysia and are audited by KPMG.

6. GOODWILL ON CONSOLIDATION - GROUP

	2008	2007
	RM	RM
At cost		
At 1 January	**11,330**	–
Acquisition through business combination	**–**	11,330
At 31 December	**11,330**	11,330

The above goodwill acquired is in respect of the Group's acquisition of the subsidiaries.

7. INTANGIBLE ASSETS - GROUP

	Development costs
	RM
Cost/Carrying amounts	
At 1 January 2008	–
Additions	829,211
At 31 December 2008	829,211

Intangible assets principally comprise expenditure incurred on new products at development phase.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
31 DECEMBER 2008

8. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	Group		Company	
		2008	2007	2008	2007
		RM	RM	RM	RM
Trade					
Trade receivables	8.1	**32,943,975**	33,662,392	**–**	–
Less : Allowance for doubtful debts		**(917,826)**	(400,000)	**–**	–
		32,026,149	33,262,392	**–**	–
Non-trade					
Amount due from subsidiary	8.2	**–**	–	**18,040,490**	49,000
Other receivables		**117,098**	586,888	**–**	–
Deposits		**49,305**	44,505	**3,500**	–
Prepayments		**374,594**	516,520	**16,429**	–
Dividend receivable		**–**	–	**2,250,000**	–
		540,997	1,147,913	**20,310,419**	49,000
		32,567,146	34,410,305	**20,310,419**	49,000

8.1 Analysis of foreign currency exposure for significant receivables

Significant receivables outstanding at year end that are not in the functional currencies of the Group entities are as follows :

Functional currency	Foreign currency	Group 2008 RM	Group 2007 RM
RM	United States Dollar	**8,688,140**	8,289,728
RM	Japanese Yen	**3,230,376**	2,379,032
RM	Thai Baht	**79,570**	–

8.2 Amount due from subsidiary

The non-trade amount due from subsidiary is unsecured, interest free and repayable on demand.

9. INVENTORIES - GROUP

	2008 RM	2007 RM
At cost		
Raw materials	**10,224,885**	15,766,900
Work-in-progress	**672,838**	2,521,250
Manufactured inventories	**8,171,243**	7,361,833
	19,068,966	25,649,983

10. CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2008 RM	2007 RM	2008 RM	2007 RM
Fixed deposits with licensed banks	10.1	**–**	2,273,395	**–**	–
Short term deposits with licensed banks		**9,888,304**	10,723,000	**2,555,000**	–
Cash and bank balances		**4,165,140**	2,214,117	**8,276**	8,474
		14,053,444	15,210,512	**2,563,276**	8,474

10.1 Fixed deposits with licensed banks

The fixed deposits were pledged with licensed banks as collateral for banking facilities granted to the Group.

10.2 Analysis of foreign currency exposure for cash and cash equivalents

Cash and cash equivalents denominated in currency other than the functional currency comprise of RM698,710 (2007 : RM1,793,922) denominated in Japanese Yen, RM1,893,546 (2007 : RM1,101,989) denominated in US Dollar and RM130,001 (2007 : RM Nil) denominated in Thai Baht.

11. SHARE CAPITAL

	No. of shares	Par value RM	Amount RM
Ordinary shares			
Authorised :			
Group / Company			
Balance at 1 January 2007	100,000	1.00	100,000
Share split	100,000		–
	200,000	0.50	100,000
Increase in authorised share capital	199,800,000	0.50	99,900,000
Balance at 31 December 2007/31 December 2008	200,000,000	0.50	100,000,000
Issued and fully paid :			
Group			
Balance at 1 January 2007	5,000,000	1.00	5,000,000
Adjustment arising from the reverse acquisition #			
Issued equity instruments of the Company prior to the acquisition	4	0.50	2
New ordinary shares of RM0.50 each issued by the Company pursuant to the acquisition of SHSB	63,279,378	0.50	31,639,689
Reversal of SHSB's shares pursuant to reverse acquisition	(5,000,000)	1.00	(5,000,000)
Adjustment taken to reverse acquisition reserve (Note 12)	58,279,382		26,639,691
New ordinary shares of RM0.50 each issued pursuant to the acquisition of SSB	16,691,368	0.50	8,345,684
Rights issue	29,250	0.50	14,625
Balance at 31 December 2007/1 January 2008	80,000,000	0.50	40,000,000
Issue of shares, for cash	26,000,000	0.50	13,000,000
Balance at 31 December 2008	106,000,000	0.50	53,000,000

NOTES TO THE FINANCIAL STATEMENTS CONT'D
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11. SHARE CAPITAL (CONT'D)

	No. of shares	Par value RM	Amount RM
Company			
Balance at 1 January 2007	2	1.00	2
Share split	2		-
	4	0.50	2
Allotment in exchange of shares in subsidiaries	79,970,746	0.50	39,985,373
Rights issue	29,250	0.50	14,625
Balance at 31 December 2007/1 January 2008	80,000,000	0.50	40,000,000
Issued of shares, for cash	26,000,000	0.50	13,000,000
Balance at 31 December 2008	106,000,000		53,000,000

Upon completion of the acquisition of SHSB, the Company became the legal parent company of SHSB. Due to the relative values of the companies, the former SHSB's shareholders became the majority shareholders through the issue of 63,279,378 new ordinary shares of RM0.50 each, controlling about 100% of the share capital of the Company at that time. Further, the Company's continuing operations and executive management are those of SHSB. Accordingly, the substance of the business combination is that SHSB acquired the Company in a reverse acquisition.

In accordance with FRS 3, the amount recognised as issued equity instruments in the consolidated financial statements are determined by adding to the issued equity of SHSB immediately before the business combination the cost of the business combination. However, the equity structure appearing in the consolidated financial statements (ie. the number and type of equity instruments issued) shall reflect the equity structure of the Company, including the equity instruments issued by the Company to effect the business combination.

During the year, the issued and paid up capital of the Company was increased by RM13,000,000 by way of allotment and issue of 26,000,000 ordinary shares of RM0.50 each arising from the public issue in conjunction with the listing of the Company on the Second Board of Bursa Malaysia Securities Berhad at an issue price of RM0.85 per ordinary share.

12. RESERVES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Non-distributable				
Reverse acquisition reserve (Note 11)	**(26,639,691)**	(26,639,691)	**–**	–
Revaluation reserve	**6,706,812**	6,706,812		–
Accumulated losses	**–**	–	**–**	(24,393)
Share premium	**7,483,229**	–	**7,483,229**	–
Distributable	**–**	–	**–**	–
Retained earnings	**29,670,790**	26,550,451	**2,302,908**	–
	17,221,140	6,617,572	**9,786,137**	(24,393)

Revaluation reserve arose from the revaluation of the Group's prepaid lease payments and buildings.

13. DEFERRED TAX LIABILITIES - GROUP

Recognised deferred tax liabilities

	2008 RM	2007 RM
Property, plant and equipment (including prepaid lease payments)		
- Capital allowances	**3,838,000**	3,078,000
- Revaluation	**2,216,000**	2,347,000
	6,054,000	5,425,000

The component and movement of deferred tax liabilities during the year are as follows :

	At 1 January 2007 RM	Acquisition of subsidiary RM	Recognised in the income statement RM	At 31 December 2007 RM	Recognised in the income statement RM	At 31 December 2008 RM
Property, plant and equipment (including prepaid lease payments)						
- Capital allowances	2,561,000	358,000	159,000	3,078,000	760,000	**3,838,000**
- Revaluation	2,480,600	–	(133,600)	2,347,000	(131,000)	**2,216,000**
	5,041,600	358,000	25,400	5,425,000	629,000	**6,054,000**

14. BORROWINGS - GROUP

	2008 RM	2007 RM
Current :		
Unsecured :		
Bankers' acceptances	**19,609,000**	8,603,000
Export credit refinancing	**643,000**	–
Onshore foreign currency loan	**1,424,694**	–
Secured :		
Bank overdrafts	**–**	274,324
Bankers' acceptances	**–**	19,031,000
Export credit refinancing	**–**	13,530,000
Term loans	**5,630,628**	5,930,861
Finance lease liabilities	**219,953**	349,449
	27,527,275	47,718,634
Non-current :		
Secured :		
Term loans	**11,966,407**	14,292,762
Finance lease liabilities	**74,706**	293,591
	12,041,113	14,586,353

NOTES TO THE FINANCIAL STATEMENTS CONT'D
31 DECEMBER 2008

14. BORROWINGS - GROUP (CONT'D)

14.1 Securities

i) legal charges over the Group's prepaid lease payments and buildings;

ii) debentures over certain machineries of the Group.

14.2 Interests

The bankers' acceptances, export credit refinancing and onshore foreign currency loan bear interest at rates ranging from 0.75% to 1.00% (2007 : 0.75% to 1.50%) per annum above the respective funding and discounting rates. The secured overdrafts for the year 2007 carried interest at rates ranging from 1.15% to 1.50% per annum above the bankers' base lending rates.

The fixed rate term loan is subject to interest rate ranging from 6.25% to 6.50% (2007 : 4.00% to 6.50%) and the floating rate term loans is subject to interest rate ranging from 0.50% to 1.00% (2007 : 0.50% to 1.00%) per annum above the respective funding rate.

Finance lease liabilities are subject to a fixed interest rate ranging from 2.70% to 4.10% (2007 : 2.70% to 4.10%) per annum.

14.3 Analysis of foreign currency exposure for borrowings

Borrowings denominated in currencies other than the functional currency comprise of RM12,837,423 (2007 : RM11,062,949) denominated in Japanese Yen, and RM2,288,882 (2007 : RM3,184,974) denominated in US Dollar

14.4 Terms and debt repayment schedule

	Year of maturity	Carrying amount RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM
2008					
Secured term loans					
Floating rate					
- JPY	2011 – 2014	**12,837,423**	**3,570,301**	**3,570,301**	**5,696,821**
- USD	2010	**2,288,882**	**1,122,698**	**1,105,459**	**60,725**
- RM	2008 – 2012	**2,198,496**	**665,395**	**594,281**	**938,820**
Fixed rate					
- RM	2008 – 2009	**272,234**	**272,234**	**–**	**–**
		17,597,035	**5,630,628**	**5,270,041**	**6,696,366**
2007					
Secured term loans					
Floating rate					
- JPY	2011 – 2012	11,062,949	2,555,963	2,555,963	5,951,023
- USD	2010	3,184,975	1,072,594	1,072,594	1,039,787
- RM	2008 – 2012	4,663,467	1,262,306	1,363,686	2,037,475
Fixed rate					
- RM	2008 – 2009	1,312,232	1,039,998	272,234	–
		20,223,623	5,930,861	5,264,477	9,028,285

14. BORROWINGS - GROUP (CONT'D)

14.5 Finance lease liabilities

Finance lease liabilities are payable as follows :

	2008			2007		
	Payments RM	Interest RM	Principal RM	Payments RM	Interest RM	Principal RM
Within 1 year	**247,629**	**27,676**	**219,953**	402,076	52,627	349,449
Between 1 and 5 years	**81,173**	**6,467**	**74,706**	323,213	29,622	293,591
	328,802	**34,143**	**294,659**	725,289	82,249	643,040

15. PAYABLES AND ACCRUALS

	Note	Group		Company	
		2008 RM	2007 RM	2008 RM	2007 RM
Trade					
Trade payables	15.1	**5,785,573**	15,389,098	**–**	–
Non-trade					
Amount due to holding company	15.2	**–**	–	**–**	51,241
Other payables		**837,365**	551,572	**–**	3,199
Accrued expenses		**1,153,922**	1,002,967	**38,137**	12,800
		1,991,287	1,554,539	**38,137**	67,240
		7,776,860	16,943,637	**38,137**	67,240

15.1 Analysis of foreign currency exposure for significant payables

Significant payables outstanding at year end that are not in the functional currencies of the Group entities are as follows :

		Group	
Functional currency	Foreign currency	2008 RM	2007 RM
RM	United States Dollar	**636,998**	5,610,412

15.2 Amount due to holding company

The non-trade amount due to holding company was unsecured, interest free and repayable on demand.

16. REVENUE

Group
Revenue represents the invoiced value of goods sold less discounts and returns.

Company
Revenue represents dividend income received from its subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS CONT'D
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17. STAFF COSTS - GROUP

Staff costs include contributions to the Employees' Provident Fund of RM314,172 (2007 : RM220,426).

18. FINANCE COSTS - GROUP

	2008 RM	2007 RM
Interest payable :		
Bank overdrafts	**5,401**	7,255
Finance lease liabilities	**48,105**	57,431
Term loans	**713,025**	769,718
Bankers' acceptances	**1,039,354**	218,322
Export credit refinancing	**256,955**	426,043
Onshore foreign currency loan	**129,071**	–
	2,191,911	1,478,769

19. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax has been arrived at :

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
After charging :				
Auditors' remuneration				
- audit services				
- statutory	**42,000**	42,000	**12,000**	12,000
- others	**3,000**	126,300	**3,000**	106,300
- non-audit services	**12,000**	12,000	**2,000**	2,000
Directors' emoluments				
- Directors of the Company				
- fees	**90,000**	–	**90,000**	–
- remuneration	**1,083,595**	474,365	**–**	–
- Other Director				
- remuneration	**217,220**	217,220	**–**	–
Allowance for doubtful debts	**517,826**	400,000	**–**	–
Rental of premises	**3,000**	1,200	**–**	–
Research and development expenses	**45,515**	25,855	**–**	–
Loss on disposal of plant and equipment	**1,688**	–	**–**	–
Loss on foreign exchange				
- unrealised	**2,656,303**	–	**–**	–
Allowance for diminution in value of other investment	**102,000**	–	**–**	–
and crediting :				
Dividend from subsidiaries	**–**	–	**5,250,000**	–
Gain on foreign exchange				
- realised	**242,411**	280,241	**–**	–
- unrealised	**–**	286,161	**–**	–
Dividend income from quoted shares	**3,000**	7,500	**–**	–
Interest income	**672,587**	218,353	**201,511**	–
Negative goodwill recognised	**–**	2,270,906	**–**	–

20. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel include all Directors of the Group and their compensation is as follows :

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Directors' fees	**90,000**	–	**90,000**	–
Directors' remuneration	**1,300,815**	691,585	**–**	–
	1,390,815	691,585	**90,000**	–

21. TAX EXPENSE

Recognised in the income statement

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Tax expense on continuing operations	**1,158,562**	870,153	**824,794**	–

Major components of tax expense include :

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Current tax expense				
- Current year	**578,702**	841,840	**824,794**	–
- Prior year	**(49,140)**	2,913	**–**	–
	529,562	844,753	**824,794**	–
Deferred tax expense				
- Origination and reversal of temporary differences	**728,000**	(344,255)	**–**	–
- Prior year	**(99,000)**	369,655	**–**	–
	629,000	25,400	**–**	–
	1,158,562	870,153	**824,794**	–

NOTES TO THE FINANCIAL STATEMENTS CONT'D
31 DECEMBER 2008

21. TAX EXPENSE (CONT'D)

Reconciliation of effective tax expense

	Group		Company	
	2008	**2007**	**2008**	**2007**
	RM	**RM**	**RM**	**RM**
Profit/(Loss) for the year	**5,240,339**	10,617,574	**4,447,301**	(17,447)
Total tax expense	**1,158,562**	870,153	**824,794**	–
Profit/(Loss) excluding tax	**6,398,901**	11,487,727	**5,272,095**	(17,447)
Tax at Malaysian tax rate of 26% (2007 : 27%)	**1,663,715**	3,101,686	**1,370,745**	(4,536)
Effect of lower tax *	**(30,000)**	–	**–**	–
Effect of change in tax rate **	**(153,508)**	(461,780)	**–**	–
Non-deductible expenses	**1,016,895**	222,022	**39,049**	4,536
Tax incentives	**(1,050,405)**	(1,709,700)	**–**	–
Non-taxable income	**(9,703)**	(669,987)	**(585,000)**	–
Revaluation of land and building	**(131,000)**	–	**–**	–
Other items	**708**	15,344	**–**	–
(Over)/Under provision in prior years	**(148,140)**	372,568	**–**	–
Tax expense	**1,158,562**	870,153	**824,794**	–

* With effect from year of assessment 2004, companies with paid-up capital of RM2.5 million and below at the beginning of the basis period for a year of assessment are subject to corporate tax at 20% on chargeable income up to RM500,000.

** The corporate tax rates are 26% for year of assessment 2008 and 25% for the subsequent years of assessment. Consequently, deferred tax assets and liabilities are measured using these tax rates.

22. DIVIDENDS

Dividend recognised in the current year by the Company are :

	Sen per share	2008 Total amount RM	Date of payment
Single tier interim 2008 ordinary share	2	2,120,000	18 September 2008

22. DIVIDENDS (CONT'D)

The following dividends were paid to the shareholders of SHSB in 2007 prior to its acquisition by the Company :

	Group	
	2008	2007
	RM	RM
Interim dividend of 80% tax exempt for the year ended 31 December 2007	–	4,000,000
Interim dividend of 80% tax exempt for the year ended 31 December 2006	–	4,000,000
	–	8,000,000

After the balance sheet date, the following dividend was proposed by the Directors. This dividend will be recognised in subsequent financial reports upon approval by the shareholders.

	Sen per share	Total amount RM
Single tier final 2008 ordinary share	**2**	**2,120,000**

23. BASIC EARNINGS PER ORDINARY SHARE - GROUP

The calculation of basic earnings per ordinary share is based on the profit for the year of RM5,240,339 (2007 : RM10,617,574) and on the weighted number of ordinary shares outstanding during the year of 100,814,208 (2007 : 66,348,566) calculated as follows:

	2008 RM	2007 RM
Issued ordinary shares at beginning of year	**66,348,566**	66,348,566
Effect of shares issued during the year	**34,465,642**	–
	100,814,208	66,348,566

24. SEGMENT INFORMATION - GROUP

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Unallocated items comprise mainly investments and related revenue, loans and borrowings and related expenses, corporate assets and head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, prepaid lease payments and intangible assets other than goodwill.

Inter-segment pricing is determined on an arm's length basis.

Business segments

The Group's business segment is mainly comprised of the trading of polymer products, manufacturing and sale of plastic packaging and its related products.

Business segment information has not been prepared as all the Group's revenue, operating profit, assets employed, liabilities, capital expenditure, depreciation and amortisation and non cash expenses are mainly confined to one business segment.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of assets.

	Malaysia RM'000	Japan RM'000	European countries RM'000	Australia RM'000	Others RM'000	Consolidated RM'000
2008						
Revenue from external customers by location of customers	**114,565**	**36,822**	**12,151**	**5,983**	**14,394**	**183,915**
Segment assets by location of assets	**123,406**	**–**	**–**	**–**	**–**	**123,406**
Capital expenditure by location of assets (including prepaid lease payments and intangible assets)	**7,766**	**–**	**–**	**–**	**–**	**7,766**
2007						
Revenue from external customers by location of customers	28,738	34,132	17,713	5,960	9,072	95,615
Segment assets by location of assets	131,467	–	–	–	–	131,467
Capital expenditure by location of assets (including prepaid lease payments)	15,510	–	–	–	–	15,510

25. RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all Directors of the Group and of the Company.

The significant related party transactions of the Company, other then key management personnel compensation is as follows :

	2008 RM	2007 RM
Subsidiaries		
Dividends received/receivable	**5,250,000**	–

26. CONTINGENT LIABILITIES (UNSECURED) - COMPANY

The Company has issued corporate guarantees to financial institutions for banking facilities granted to its subsidiaries up to limits of RM114.1million (2007 : Nil) of which RM39.0mil (2007 : Nil) was utilised at balance sheet date.

27. CAPITAL COMMITMENT - GROUP

	2008 RM'000	2007 RM'000
Property, plant and equipment		
Contracted but not provided for	–	221

28. FINANCIAL INSTRUMENTS

The Group's and Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Company's business whilst managing its risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board.

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury are set out as follows :

a) Credit risk

Exposure to credit risk arises mainly from sales made on credit terms. Credit terms offered by the Group and the Company ranged from 30 days to 90 days from the date of transactions. Risks arising therefrom are minimised through effective monitoring of receivables and suspension of sales to customers which accounts exceed the stipulated credit limits. Credit limits are set and credit history are reviewed to minimise potential losses.

b) Foreign currency risk

The Group and the Company are exposed to foreign currency risk as substantial amount of the Group's and of the Company's transactions are denominated in foreign currencies. The Group and the Company operate foreign currency current accounts and entered into forward exchange contract to minimise the foreign currency risk.

c) Liquidity risk

The Group and the Company practice prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

d) Interest rate risk

The Group and the Company are exposed to interest rate risk through the impact of rate changes on interest bearing borrowings and deposits. The Group's and the Company's policy is to borrow principally on the floating basis but to retain a proportion of fixed rate debt. The objectives for the mixed between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the years in which they reprice or mature, whichever is earlier.

28. FINANCIAL INSTRUMENTS (CONT'D)

	Effective interest rate %	Total RM	Within 1 year RM	1 – 5 years RM
Group				
2008				
Financial assets				
Short term deposits	**2.09 – 3.29**	**9,888,304**	**9,888,304**	**–**
Financial liabilities				
Unsecured				
Bankers' acceptances	**4.35**	**19,609,000**	**19,609,000**	**–**
Export credit refinancing	**4.25**	**643,000**	**643,000**	**–**
Onshore foreign currency loan	**4.93**	**1,424,694**	**1,424,694**	**–**
Secured				
Term loans				
- fixed rate				
- RM	**6.28**	**272,234**	**272,234**	**–**
- floating rate				
- RM	**7.75**	**2,198,496**	**2,198,496**	**–**
- JPY	**2.30**	**12,837,423**	**12,837,423**	**–**
- USD	**2.36**	**2,288,882**	**2,288,882**	**–**
Finance lease liabilities	**2.70 – 4.10**	**294,659**	**219,953**	**74,706**
2007				
Financial assets				
Fixed deposits	3.62	2,273,395	2,273,395	–
Short term deposits	3.17	10,723,000	10,723,000	–
Financial liabilities				
Unsecured				
Bankers' acceptances	4.31	8,603,000	8,603,000	
Secured				
Term loans				
- fixed rate				
- RM	4.00 – 7.00	1,312,232	1,039,998	272,234
- floating rate				
- RM	7.75	4,663,467	4,663,467	–
- JPY	2.16	11,062,949	11,062,949	–
- USD	1.95	3,184,975	3,184,975	–
Bank overdrafts	8.96	274,324	274,324	–
Bankers' acceptances	3.90	19,031,000	19,031,000	–
Export credit refinancing	4.25	13,530,000	13,530,000	–
Finance lease liabilities	2.50 – 5.35	643,040	349,449	293,591

NOTES TO THE FINANCIAL STATEMENTS CONT'D
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28. FINANCIAL INSTRUMENTS (CONT'D)

Fair values

Recognised financial instruments

In respect of cash and cash equivalents, receivables, payables and short term borrowings, the carrying amounts approximate fair value due to the relatively short term nature of these financial instruments.

The aggregate fair values of the other financial assets and financial liabilities carried on the balance sheet as at 31 December are shown below :

	Group			
	2008		2007	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial assets				
Quoted shares	**75**	**75**	177	134
Financial liabilities				
Secured term loans				
- fixed rate loan	**272**	**# 272**	1,312	# 1,312
Finance lease liabilities	**295**	**# 295**	643	# 643

\# The fair value of this fixed interest financial instrument is determined by discounting the relevant cash flows using current interest rates for similar financial instruments at the balance sheet date. Since the current interest rates do not significantly differ from the intrinsic rate of this financial instrument, the fair value of this financial instrument therefore, closely approximate its carrying value as at the balance sheet date.

Fair value of quoted share is based on quoted market price as the balance sheet date without any deduction for transaction costs.

Unrecognised financial instruments

The contracted amount and fair value of financial instruments not recognised in the balance sheet as at 31 December are :

	Group	
	2008 RM	2007 RM
Forward foreign exchange contracts		
- contractual value	**11,662,280**	10,933,935
- unrealised loss	**757,720**	261,286
Fair value	**12,420,000**	11,195,221

29. SIGNIFICANT EVENTS

During the financial year, the issued and paid-up ordinary share capital of the Company was increased from RM40,000,000 to RM53,000,000 by way of public issue of 26,000,000 new ordinary shares of RM0.50 each at an issue price of RM0.85 per ordinary share and the entire issued and paid-up share capital of 106,000,000 ordinary shares of RM0.50 each were listed on the Official List of the Second Board of Bursa Malaysia Securities Berhad on 12 March 2008.

30. ACQUISITION OF SUBSIDIARIES

In 2007, the Company acquired 100% of the issued and fully paid-up capital of SHSB and SSB for a purchase consideration of RM31,639,689 and RM8,345,684 respectively satisfied by the issuance of 63,279,378 and 16,691,368 new ordinary shares of RM0.50 each in the Company at par respectively. The purchase considerations for the acquisitions were determined based on SHSB and SSB's net tangible assets as of 31 December 2006. The acquisitions were completed on 25 October 2007.

Upon the completion of the acquisition of SHSB, the Company became the legal parent company of SHSB. Due to the relative values of the companies, the former SHSB shareholders became the majority shareholders through the issue of 63,279,378 new ordinary shares of RM0.50 each in the Company, controlling about 100% of the share capital of the Company at this time. Further, the Company's continuing operations and executive management are those of SHSB. Accordingly, the substance of the business combination is that SHSB acquired the Company in a reverse acquisition.

The cost of this business combination was determined in accordance with FRS 3 Business Combination on the basis of the fair value of the Company as of 25 October 2007 and the number of new shares SHSB would have had to issue to the shareholders of the Company to provide the same percentage ownership interest of the combined entity.

As the shareholders of SHSB got an interest in the combined entity of about 100%, SHSB would not have to issue any share to the shareholders of the Company. Thus, the cost of business combination is NIL.

The assets and liabilities arising from the reverse acquisition are as follows :

	2007 Unaudited as at 25 October 2007 RM
Net assets acquired :	
Cash in hand	2
Sundry payables	(11,332)
Share of net assets acquired	(11,330)
Add : Goodwill on consolidation	11,330
Total purchase consideration	–
Net cash inflow	2

30. ACQUISITION OF SUBSIDIARIES (CONT'D)

The fair value of assets acquired and liabilities assumed from the acquisition of SSB are as follows :

	2007 Unaudited as at 25 October 2007 RM
Net assets acquired	
Plant and equipment	3,847,304
Receivables, deposits and prepayments	16,336,914
Inventories	1,179,304
Current tax assets	373,488
Cash and cash equivalents	8,778,251
Payables and accruals	(9,866,059)
Borrowings	(9,674,612)
Deferred tax liability	(358,000)
Net assets acquired	10,616,590
Less : Negative goodwill on consolidation	(2,270,906)
Total purchase consideration satisfied by issue of shares	8,345,684
Net cash outflow arising on acquisition	
Total cash considerations	–
Add : Cash and cash equivalents acquired, net of fixed deposits pledged	7,586,880
Net of cash inflow	7,586,880

The acquisition of SSB has been accounted for under the purchase method of accounting and accordingly, the subsidiary contributed a profit RM582,947 and net assets of RM11,199,537 to the results attributable to the shareholders of the Company and financial position of the Group respectively as at 31 December 2007.

If the acquisition had occurred on 1 January 2007, the management estimates that the consolidated revenue would have been RM173.5 million and consolidated profit for the year would have been RM10.6 million.

31. COMPARATIVE FIGURES

The comparative figures are not comparable as the consolidated income statement and consolidated cash flow statement for 2008 include the full year's results for both SHSB and SSB whereas in 2007, the comparative figures comprised the full year's results of SHSB as an accounting parent as disclosed in Note 30 and the results of SSB from 25 October to 31 December 2007 upon the completion date of the acquisition.

ANALYSIS OF SHAREHOLDINGS
AS AT 15 MAY 2009

Authorised Share Capital	:	RM100,000,000
Issued and fully paid-up Share Capital	:	RM106,000,000
Class of Shares	:	Ordinary shares of RM0.50 each
Voting Rights	:	One vote per RM0.50 share

LIST OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

Name	Direct				Indirect	%
	Own	%	Others	%		
Khoon Tee & Family Sdn Bhd	42,400,000	40.00	–	–	–	–
Khaw Khoon Tee	13,358,498	12.60	1,477,500 (i)	1.39	42,400,000 (ii)	40.00
Ong Peik Joo	12,093,226	11.41	1,477,500 (i)	1.39	42,400,000 (ii)	40.00
Khaw Seang Chuan	4,188,276	3.95	76,000 (i)	0.07	42,400,000 (ii)	40.00

Note: -

(i) Shares held in the name of the spouse and children and are treated as interest of the Director in accordance with Section 134(12)(c) of the Companies Act 1965

(ii) Deemed interested by virtue of his shareholding of not less than 15% in Khoon Tee & Family Sdn Bhd pursuant to Section 6A of the Companies Act 1965

DIRECTORS' SHAREHOLDINGS IN THE COMPANY

Name	Direct				Indirect	%
	Own	%	Others	%		
Y.T.M. Tunku Dato' Dr Ismail Ibni Almarhum Tunku Mohammad Jewa	20,000	0.02			–	–
Khaw Khoon Tee	13,358,498	12.60	1,477,500 (i)	1.39	42,400,000 (ii)	40.00
Ong Peik Joo	12,093,226	11.41	1,477,500 (i)	1.39	42,400,000 (ii)	40.00
Khaw Seang Chuan	4,188,276	3.95	76,000 (i)	0.07	42,400,000 (ii)	40.00
Khaw Choon Hoong	470,000	0.44	–	–	–	–
Leow Chan Khiang	50,000	0.45	–	–	–	–
Mary Geraldine Phipps	20,000	0.02	–	–	–	–

Note: -

(i) Shares held in the name of the spouse and children and are treated as interest of the Director in accordance with Section 134(12)(c) of the Companies Act 1965

(ii) Deemed interested by virtue of his shareholding of not less than 15% in Khoon Tee & Family Sdn Bhd pursuant to Section 6A of the Companies Act 1965

DISTRIBUTION SCHEDULE OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	%	No. of Shares	%
Less than 100	1	0.097	4	0.000
100 to 1,000	818	79.727	223,296	0.211
1,001 to 10,000	130	12.671	546,800	0.516
10,001 to 100,000	42	4.094	1,395,900	1.317
100,001 to less than 5%	32	3.119	35,982,276	33.946
5% and above	3	0.292	67,851,724	64.011
TOTAL	**1,026**	**100.000**	**106,000,000**	**100.000**

ANALYSIS OF SHAREHOLDINGS
AS AT 15 MAY 2009

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

NO.	NAMES	NO. OF SHARES HELD	%
1.	KHOON TEE & FAMILY SDN. BHD.	42,400,000	40.000
2.	KHAW KHOON TEE	13,358,498	12.602
3.	ONG PEIK JOO	12,093,226	11.409
4.	KHAW SEANG CHUAN	4,188,276	3.951
5.	LAU SU LIN	3,245,200	3.062
6.	ONG PAIK SUIT	2,758,000	2.602
7	OSK NOMINEES (ASING) SDN BERHAD PLEDGED SECURITIES ACCOUNT FOR SEAQUEST EQUITIES INC.	2,700,000	2.547
8.	OSK NOMINEES (TEMPATAN) SDN BERHAD OSK CAPITAL SDN BHD FOR ZAINAL BIN SHAMSUDIN	2,500,000	2.358
9.	OSK NOMINEES (TEMPATAN) SDN BERHAD OSK CAPITAL SDN BHD FOR KAMARUDDIN BIN ALIAS	2,300,000	2.170
10.	CHUAH CHIN KOK	2,086,200	1.968
11.	OSK NOMINEES (TEMPATAN) SDN BERHAD OSK CAPITAL SDN BHD FOR ROSNAH BINTI HASSAN	1,900,00	1.792
12.	OSK NOMINEES (TEMPATAN) SDN BERHAD OSK CAPITAL SDN BHD FOR RAZMI BIN ALIAS	1,850,000	1.745
13.	ONG PAIK LOI	1,519,600	1.434
14.	GOH BEE LENG	1,500,000	1.415
15.	OSK NOMINEES (TEMPATAN) SDN BERHAD OSK CAPITAL SDN BHD FOR AHMAD ZACHRY BIN ANIFAH AMAN	1,000,000	0.943
16.	OSK NOMINEES (TEMPATAN) SDN BERHAD OSK CAPITAL SDN BHD FOR AHMAD FIRDAUSS ANIFAH AMMAN	1,000,000	0.943
17.	KE-ZAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEW SHEAU CHING	994,100	0.938
18.	KE-ZAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAU SU LIN	842,300	0.795
19.	CHEW SHEAU CHING	711,100	0.671
20.	LOH CHEONG FOO	619,600	0.585
21.	KHAW SEANG GHEE	492,500	0.465
22.	KHAW SEANG SENG	492,500	0.465
23.	KHAW CHOON CHOON	492,500	0.465
24.	KHAW CHOON HOONG	470,000	0.433
25.	CHUAH HOO JIN	346,300	0.327
26.	FONG SUI WENG	300,600	0.284
27.	OKI TOSHIO	300,000	0.283
28.	MASUDA TOSHIO	300,000	0.283
29.	KHOR SIANG KEE	204,400	0.193
30.	LEE CHEONG KEAT @ LEE CHONG KEAT	188,600	0.178

LIST OF PROPERTIES HELD BY THE GROUP
AS AT 31 DECEMBER 2008

Location	Description/ Existing Use	Tenure	Age of building	Land area/ Built up area (Sq. ft.)	Net Book Value (RM'000)	Year of Revaluation/ Acquisition
P.T. 1, Lot 57A, Lorong Perusahaan 5, Kawasan Perusahaan Kulim, 09000 Kulim, Kedah/ Lot Nos.1339 & 1340 held under GRN Nos. 51494 & 51495 respectively, Section 38, both of Bandar Kulim, Daerah Kulim, Kedah Darul Aman	A three-storey office block annexed with a single-storey detached factory (Plant 1), a single-storey detached factory (Plant 2)(b), a canteen, a guard house and other buildings and ancillary structures/ Office, production and warehouse for industrial use	60 years lease expiring on 30 June 2052	3 - 14 years	471,082/ 253,202	23,714	2006/2008
H.S.(M) No. 11813, P.T. 81, Kawasan Perusahaan Kulim, Kulim, Kedah	Vacant Industrial land	60 years lease commencing from 13 December 1989 expiring on 12 December 2049	Not applicable	165,528/ Not applicable	1,411	-/ 2 February 2007
P.T. NO.341, H.S.(M) 14113, Kawasan Perusahaan Kulim Bandar Kulim, Daerah Kulim, Kedah Darul Aman	Vacant Industrial land	60 years lease expiring on 30 June 2052	Not applicable	77,156/ Not applicable	676	-/ 6 March 2008

PROXY FORM
SLP RESOURCES BERHAD (COMPANY NO.: 663862-H)

No. of shares held	

I/We, ____

(BLOCK LETTERS)

of ____

being a member/members of the above-named company hereby appoint ______________________________

of ____

or failing him ____

of ____

as my/our proxy to vote for me/us on my/our behalf at the Fourth Annual General Meeting of the Company, to be held at Kulim Golf and Country Resort (Jasmine Room), Persiaran Kulim Golf, Kulim Hi-Tech Park, 09000 Kedah on Tuesday, 23 June 2009 at 10.30 a.m. and any adjournment thereof.

No	Ordinary/Special Resolution	For	Against
1.	To receive and adopt the Audited Financial Statements		
2.	To re-elect Y.T.M. Tunku Dato' Dr. Ismail Ibni Almarhum Tunku Mohammad Jewa as Director		
3.	To re-elect Mdm. Ong Peik Joo as Director		
4.	To re-elect Mr. Leow Chan Khiang as Director		
5.	To approve payment of Directors' fees		
6.	To re-appoint Auditors		
7.	To empower Directors to issue and allot shares pursuant to Section 132D of the Companies Act 1965		

The Proportions of my holdings to be represented by my *proxy/proxies are as follows:-

First named Proxy	–	________	%
Second named Proxy	–	________	%
		100.00	%

In case of a vote taken by show of hands, the first named proxy shall vote on *my/our behalf.

Signed this ______ day of ________ 2009.

____

Signature of Member(s)

* Strike out whichever is not desired.

NOTES:

1. A member entitled to attend and vote at this Meeting may appoint more than one (1) Proxy, who need not be a member, to attend and vote in his stead. Where a member appoints more than one (1) Proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.

2. If the appointer is a corporation, the Proxy Form must be executed under its Common Seal or under the hand of its officer or attorney duly authorised.

3. To be valid, the duly completed Proxy Form must be deposited at the Company's registered office at Suite 12A, Level 12, Menara Northam, No. 55, Jalan Sultan Ahmad Shah, 10050 Penang, not less than forty-eight (48) hours before the time stipulated for holding the meeting or adjournment thereof.

4. Should you desire your Proxy to vote on the Resolutions set out in the Notice of Meeting, please indicate with an "X" in the appropriate space. If no specific direction as to voting is given, the Proxy will vote or abstain at his discretion.

Fold along this line

Affix
Postage
Here

To:

THE COMPANY SECRETARY
SLP RESOURCES BERHAD [663862-H]

Suite 12-A, Level 12 Menara Northam
No. 55, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia

Fold along this line

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