SLP RESOURCES BERHAD

[663862-H]

Innovate | Nurture | Sustain

ANNUAL REPORT 2012

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CORPORATE STRUCTURE

SLP Resources Berhad ("SLP" or "the Company") was incorporated in Malaysia under the Companies Act, 1965 on 25 August 2004. The principal activities of SLP are that of investment holding. The particulars of the subsidiary companies are as follows:-

Subsidiary Companies	Date and Place of Incorporation	Issued and Paid-up Share Capital	Effective Equity Interest	Principal Activities
Sinliplas Holding Sdn Bhd	15.09.1989/ Malaysia	RM15,000,000	100%	Manufacture and sale of plastic packaging and its related products
Sinliplas Sdn Bhd	14.09.1990/ Malaysia	RM10,000,000	100%	Manufacture and sale of plastic packaging products and plastic related goods and trading of polymer products such as resin
SLP Green Tech Sdn Bhd	08.04.2009/ Malaysia	RM1,000,000	100%	Manufacture and sale of plastic packaging and its related products

CORPORATE INFORMATION

BOARD OF DIRECTORS

Khaw Khoon Tee
Executive Chairman

Khaw Seang Chuan
Group Managing Director

Khaw Choon Hoong
Executive Director

Khaw Choon Choon
Executive Director

Mary Geraldine Phipps
Independent Non-Executive Director

Leow Chan Khiang
Non-Independent Non-Executive Director

Chan Wah Chong
Independent Non-Executive Director

AUDIT COMMITTEE

Mary Geraldine Phipps
Chairman/ Independent Non-Executive Director

Chan Wah Chong
Member/ Independent Non-Executive Director

Leow Chan Khiang
Member/ Non-Independent Non-Executive Director

NOMINATION COMMITTEE

Leow Chan Khiang
Chairman/ Non-Independent Non-Executive Director

Mary Geraldine Phipps
Member/ Independent Non-Executive Director

Chan Wah Chong
Member/ Independent Non-Executive Director

REMUNERATION COMMITTEE

Chan Wah Chong
Chairman/ Independent Non-Executive Director

Mary Geraldine Phipps
Member/ Independent Non-Executive Director

Khaw Khoon Tee
Member/ Executive Chairman

COMPANY SECRETARY

Ch'ng Lay Hoon (MAICSA 0818580)

EXTERNAL AUDITORS

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

INTERNAL AUDITORS

UHY (AF1411)
Chartered Accountants
Suite 11.05, level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

PRINCIPAL BANKERS

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

REGISTRAR

Agriteum Share Registration Services Sdn Bhd
2nd Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia
Telephone No. : 604-2282321
Facsimile No. : 604-2272391

REGISTERED OFFICE

Suite 12-A, Level 12, Menara Northam
No. 55, Jalan Sultan Ahmad Shah
10050 Penang, Malaysia
Telephone No. : 604-2280511
Facsimile No. : 604-2280518

HEAD OFFICE/MANAGEMENT OFFICE

P.T. 1, Lot 57A, Lorong Perusahaan 5
Kulim Industrial Estate
09000 Kulim, Kedah
Telephone No. : 604-4891858
Facsimile No. : 604-4891857

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : SLP
Stock Code : 7248

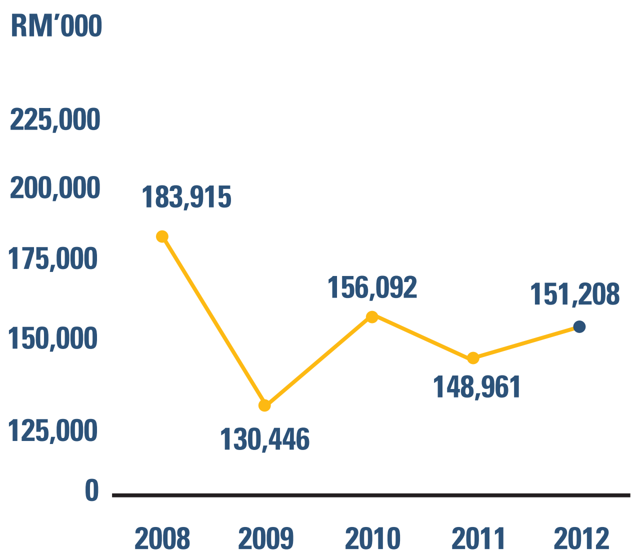
INVESTOR RELATIONS

Khaw Seang Chuan
Group Managing Director
Email : kelvin@sinliplas.com.my

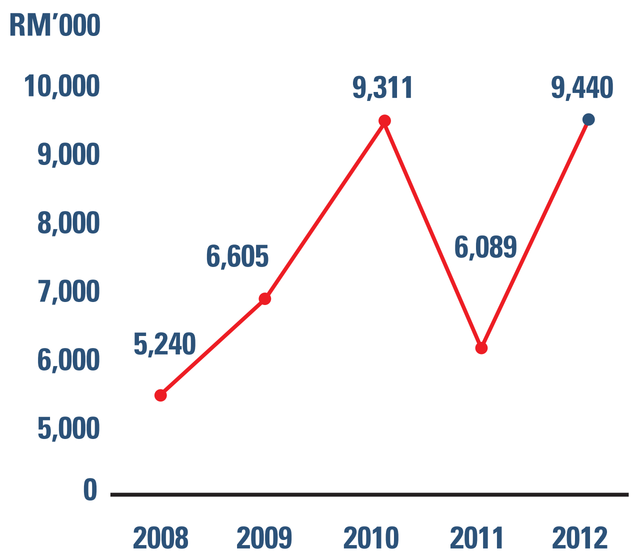
FINANCIAL HIGHLIGHTS

31 December	2008	2009	2010	2011	2012
Revenue (RM'000)	183,915	130,446	156,092	148,961	**151,208**
Profit before tax (RM'000)	6,398	7,824	10,383	8,374	**12,681**
Profit after tax (RM'000)	5,240	6,605	9,311	6,089	**9,440**
Profit and total comprehensive income attributable to the owners of the Company (RM'000)	5,240	6,605	9,320	6,103	**9,444**
Profit before tax margin	3.48%	6.00%	6.65%	5.62%	**8.39%**
Profit after tax margin	2.85%	5.06%	5.97%	4.09%	**6.25%**
Total assets (RM'000)	123,655	107,167	111,988	100,917	**112,529**
Cash and cash equivalents (RM'000)	14,053	8,620	7,246	7,927	**11,330**
Total borrowings (RM'000)	39,568	15,901	10,741	2,962	**3,722**
Net assets (RM'000)	70,221	72,586	77,295	78,451	**82,948**
No of ordinary shares in issue ('000)	53,000	53,000	61,833	61,833	**61,833**
Net earnings per share (sen)	2.1	2.7	3.8	2.5	**3.8**
Net assets per share (sen)	28.4	29.3	31.3	31.7	**33.5**
Total dividend paid (RM'000)	4,240	4,593	4,947	4,947	**4,947**
Net dividend	8.0%	8.0%	8.0%	8.0%	**8.0%**

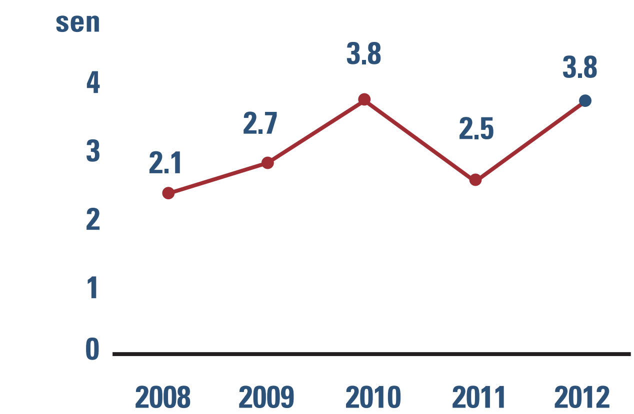
Note: Net earnings per share and Net assets per share for years 2008 to 2010 were calculated based on the number of shares in issue after adjustment for Share Split and Bonus Issue completed in the financial year 2010 for comparative purposes only.



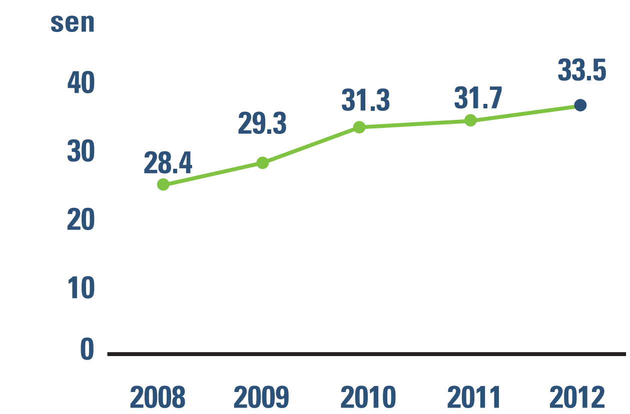
REVENUE



PROFIT AFTER TAX



NET EARING PER SHARE ("EPS")



NET ASSETS PER SHARE

BOARD OF DIRECTORS' PROFILE

KHAW KHOON TEE
Malaysian, aged 63,
Executive Chairman

He was appointed to our Board as Managing Director on 26 October 2007 and on 26 August 2009, he was re-designated as our Executive Chairman. He is a member of our Remuneration Committee.

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 his retirement as the Chairman of 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 our 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 their family business involved in the manufacture of plastic packaging products in 1965. He is instrumental in transforming our Group from a small outfit involved in the manufacturing of plastics packaging products to its current size of operations, in particular, the development of our 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 our Group's Japanese customers and associates. He is responsible for the overall business development and formulating our Group's strategic plans and policies

BOARD OF DIRECTORS' PROFILE (CONT'D)

KHAW SEANG CHUAN, KELVIN
Malaysian, aged 43
Group Managing Director

He was appointed to our Board as Executive Director on 26 October 2007 and on 26 August 2009, he was re-designated as our Group Managing Director.

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 their family business involved in the manufacture of plastic packaging products way back in 1987. He has contributed significantly to the growth of our Group particularly to the joint-cooperation projects with the Japanese partners. He pioneered the setting up of our Group's new production lines through Technology Transfer Agreement with Maruzen Kako Co Ltd of Japan and Okahata Sangyo Co Ltd of Japan to produce Baran which is artificial decorative leaves placed on Japanese food (e.g. the green leave on a plate of sashimi) in 1998 and Okura Industrial Co Ltd of Japan to acquire advanced technical know-how in plastic bag manufacturing in 2001. With his technical know-how gained from his working relationships with the Japanese partners, he has later embarked on a few major new products development for our Group such as Vertical-Form-Fill-Seal films for packaging of edible palm oil in 2005, antibacterial plastic sleeve used as a cover for door handles to enhance hygiene in public places in 2009, newspaper wrapper in 2009/10, NCPP wrapper film which is a new substrate to replace CPP film (Cast Polypropylene) for sanitary packaging in 2010/11 and shrink film for food packaging in 2012. He is extensively and directly involved in day-to-day management, decision making and operations of our Group.

KHAW CHOON HOONG, JASMINE
Malaysian, aged 42
Executive Director

She was appointed to our Board 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 our Group as Marketing Director and has since participated in various trade exhibitions and promotions locally and internationally. She is also the management representative of our Group's quality management system which led to the successful achievement of ISO 9002 quality system certification awarded by Lloyd's Register Quality Assurance to the Group in 1998. She is responsible for the development and implementation of the marketing strategy and market development functions of our Group.

BOARD OF DIRECTORS' PROFILE (CONT'D)

KHAW CHOON CHOON, JESSY
Malaysian, aged 40
Executive Director

She was appointed to our Board as an Executive Director on 1 July 2010.

She completed her lower secondary education in 1983. She has more than 20 years of experience in the polymer industry, gaining her experience when she joined our Group in 1989 as Sales Coordinator. In 2003, she was promoted as Assistant Marketing Manager and later in 2008 as Logistic Manager. She is responsible for the logistic and product distribution functions of our Group.

MARY GERALDINE PHIPPS
Malaysian, aged 64
Independent Non-Executive Director

She was appointed to our Board on 26 October 2007. She is the Chairman of our Audit Committee and a member of our Remuneration Committee and Nomination Committee.

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. She is also an Independent Non-Executive Director of Oriental Holdings Berhad, a company listed on Main Market of Bursa Securities.

LEOW CHAN KHIANG
Malaysian, aged 47
Non-Independent Non-Executive Director

He was appointed to our Board on 26 October 2007. He is the Chairman of our Nomination Committee and a member of our Audit Committee.

He is a Chartered Accountant and a member of the Malaysian Institute of Accountants ("MIA") and a fellow member of the Chartered Association of Certified Accountants, United Kingdom ("ACCA"). He also holds a Master Degree in Business Administration ("MBA") from Northern University of Malaysia and a Bachelor Degree in Economics from University of Malaya.

He started his career in the financial sector in 1991 where he held various positions within the corporate banking and debt capital market departments of Hong Leong Investment Bank Berhad (formerly known as Hong Leong Bank Berhad) from 1991 to 1996 and Malaysian International Merchant Bankers Berhad ("MIMB") from 1996 to 2000. He then joined a local logistic company as Senior Corporate Finance Manager for a short stint of one year in 2001. In 2002, he joined CAB Cakaran Corporation Berhad, a company listed on the Main Market of Bursa Securities as Executive Director for approximately five years until April 2007. With his past working experience in corporate banking and corporate finance which includes fund raising, mergers and acquisitions, corporate restructuring, debt/equity financing and initial public offerings as well as accounting and tax, he has then started his own business in corporate and financial consultancy since 2007.

CHAN WAH CHONG
Malaysian, aged 48
Independent Non-Executive Director

He was appointed to our Board on 1 July 2009. He is the Chairman of our Remuneration Committee and a member of our Audit Committee and Nomination Committee.

He has been a qualified member of Malaysia Association of Certified Public Accountants since 1994. He started his career in accountancy with Ernst & Young, an international accounting firm for 6 years before joining a local medium size audit firm as a senior staff for a year. He then joined a local pharmaceutical manufacturing concern as Corporate Finance Manager which he left after one and a half years to join a start-up medical trading Company as its Finance Director. He is presently running his own corporate advisory company. He is also an Independent Non-Executive Director and Chairman of the Audit Committee of Teo Guan Lee Corporation Berhad, a company listed on Main Market of Bursa Securities.

1. KHAW CHOON CHOON, JESSY
Executive Director

2. KHAW CHOON HOONG, JASMINE
Executive Director

3. MARY GERALDINE PHIPPS
Independent Non-Executive Director

4. KHAW KHOON TEE
Executive Chairman

5. KHAW SEANG CHUAN, KELVIN
Group Managing Director

6. LEOW CHAN KHIANG
Non-Independent Non-Executive Director

7. CHAN WAH CHONG
Independent Non-Executive Director

Notes:-

(i) Family Relationships and Substantial Shareholders

Save for Khaw Khoon Tee who is the father of Khaw Seang Chuan, Khaw Choon Hoong and Khaw Choon Choon, none of the Directors of the Company have any family relationship with any Director 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

The number of board meetings attended by the Directors in the financial year ended 31 December 2012 is disclosed in the Statement of Corporate Governance of this Annual Report.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of SLP Resources Berhad, it is my pleasure to present the Annual Report incorporating the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2012.

OPERATING RESULTS

The Malaysian flexible packaging industry recorded a rebound in earnings in 2012 after a difficult year in 2011, whereby the flexible packaging industry was hit hard by higher polyester and solvent prices due to supply chain disruptions following the March 2011 Japanese earthquake and tsunami. The industry's earnings started to recover in the fourth quarter of 2011 and the recovery has gained momentum in the first half of 2012 due to a more favourable operating environment helped by the falling prices of plastic resins, the main component of raw material consumed by the industry.

For the financial year ended 31 December 2012, the Group recorded a marginal increase in revenue of 1.5% to RM151.2 million from RM149.0 million in the preceding year. Domestic sales which accounted for approximately 57.2% (2011 : 60.5%) of the Group's revenue saw a decline in absolute amount of RM3.6 million to RM86.5 million from RM90.1 million in the preceding year. Such amount of decrease was due primarily to lower sales volume of polymer products such as plastic resins in line with the Group's strategies to invest and expand its market share in the flexible plastic packaging products. The Group's export sales were however recorded an improvement in the year under review as total export sales increased to RM64.7 million (approximately 42.8% of the Group's total sales) from RM58.9 million (approximately 39.5% of the Group's total sales) in the preceding year, an increase of approximately 10.0%. Japan continued to be the largest export destination with annual sales of RM45.7 million (2011 : RM41.1 million) which constituted 70.6% (2011 : 69.8%) of the Group's total export sales and 30.3% (2011 : 27.6%) of the Group's total sales.

Corresponding with higher revenue and lower prices of plastic resins during the financial year under review, the Group posted higher profit before tax of RM12.7 million from RM8.5 million in the preceding year, a significant increase of 49.4%. The change in sales mix especially with higher export volume of flexible plastic packaging products with higher profit margins had contributed to such a significant rise in profit before tax in the financial year under review. The higher profit before tax in the financial year under review was also attributed to higher production efficiency through continuous improvements in production processes and strict internal cost control. With the satisfactory financial results, the Group ended the financial year under review with a net cash position with other balance sheet ratios remained healthy.

PROSPECTS

The outlook for global economy is expected to remain modest in 2013 with marginally higher projections for growth and lower unemployment in most regions. The growth of euro area is projected to be between -0.4% to 1.4% in 2013 aided by the implementation of coordinated policy measures to resolve the sovereign debts and banking crises. Meanwhile, the US economy is expected to maintain its growth momentum to record a moderate expansion of 2.3% in 2013. Japan's economy is projected to continue expanding, albeit modestly at 1.5% as post-earthquake reconstruction effort wind down. Growth in emerging and developing countries is expected to remain strong at 5.9% in 2013 partly due to monetary easing and fiscal policy measures. Asia, particularly China, India and ASEAN Member States will continue to lead the growth. This region is expected to benefit from resilient domestic consumption and initiatives undertaken to accelerate investments, particularly in the infrastructure projects.

According to a research report dated 23 August 2012 by Maybank Investment Bank Berhad in Malaysia, the global flexible packaging market was worth USD58 billion in 2011 and is expected to reach USD71 billion in 2016. Asia, with 29% of global volume, is the largest and fastest growing flexible packaging market with forecast 5-year CAGR of 7.9% from 2011-16.

Technology advancements have redefined the functionality of packaging from beyond the traditional need for mere product protection. Upgradations and modernization have offered huge potential for the growth of flexible packaging at the expense of conventional semi-rigid and rigid packaging. Polypropylene and polyethylene dominate the global flexible packaging market owing to their cost advantages over foil and paper. World market for flexible packaging holds mixed potential for growth, with developed and mature markets such as U.S., Europe and Japan posting sedate year on year growth patterns, and developing Asian markets such as India and China registering robust sales gains. Lucrative opportunities also exist in Eastern European, Latin American and Middle East markets. (Source : Global Industry Analysts Inc.)

Given the untapped potential in developing markets (such as India and China), the world flexible packaging industry has lately been witnessing increased strategic partnerships, mergers and acquisitions, asset exchanges, capacity expansions and establishment of new manufacturing facilities. The market, in other words, is abuzz with activities as manufacturers strive to offer innovative flexible packaging solutions with improvements in several key areas of product performance. Rapid replacement of rigid containers with flexible packaging, together with the growing applications of flexible packaging in end-use sectors, including food and beverage, snacks, baked products, health and beauty, and pharmaceuticals, are helping polish up the market's prospects. (Source : Global Industry Analysts Inc.)

Given the huge potential for the growth of flexible packaging and the Group, as a niche and innovative flexible plastic packaging player with comprehensive offerings of polybags and polyfilms, serving various clientele industries such as industrial, household, retail, F&B, healthcare and chemical, we are optimistic that the Group is in good position to capture a larger share in the flexible plastic packaging market. Furthermore, with the Group's capacity expansion through the acquisition and installation of a new high technology extrusion line by the middle of year 2013, we are positive that the Group is able to perform favourably towards a sustainable growth for the financial year ending 2013 despite some areas of challenges such as higher costs of labour and higher costs of raw material due to expected rise in the price of plastic resins.

DIVIDENDS

In appreciation of our shareholders' support, the Board is pleased to recommend a single tier final dividend of 4.0% or 1.0 sen on the 247,333,333 ordinary shares of RM0.25 each, amounting to a dividend payable of approximately RM2,473,333 in respect of the financial year 2012 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 4.0% or 1.0 sen on the 247,333,333 ordinary shares of RM0.25 each paid on 18 October 2012 would amount to a total dividend of RM4,946,667 which represents a dividend payout ratio of 52.4% (2011 : 67.9%).

The Company currently does not have a fixed dividend policy but will continue to maintain an appropriate level of dividend payout ratio based on the performance of the Group so as to ensure satisfactory return on investment to shareholders while enabling the Group to retain sufficient funds for capital requirement, offering long term sustainable benefits to all shareholders.

CORPORATE GOVERNANCE

The Board is unwavering in the compliance of the corporate governance best practices within the Group as a crucial step towards achieving continuous growth. Bearing this in mind, the Board is committed to implementing business strategies that are in line with the Group's vision and deemed to be value-accretive in nature in order to protect and maximize shareholders' value. The measures undertaken by the Board to maintain and improve on the Corporate Governance on a Group-wide basis are highlighted in the Corporate Governance Statement in this Annual Report.

CORPORATE SOCIAL RESPONSIBLITY ("CSR")

Continuing the Group's practice in the past, we have upheld CSR's initiatives in line with Bursa Malaysia's framework which focuses towards the workplace, marketplace, community and environment. To this end, the Group has undertaken considerable effort in enhancing the wellbeing of the Group's employees as well as that of the larger society and general environment.

The Group believes that 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. Information on safety matters is communicated through Health & Safety Committee, Notice Board and regular management briefings. There is also a recreation club where activities are organized, such as sport tournament and festive celebrations for employees and management staff to participate and interact.

Among the most significant ongoing initiatives is our sustainable practice in developing plastic packaging solutions that are environmentally friendly. 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 environmental management systems of international standards. The trend towards down-gauging 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 down-gauging of our plastic packaging materials. In addressing recent global warming concerns, the Group is also moving towards using recyclable 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. Plastic packaging products form an important part of the food supply chain and to demonstrate the Group's continuous commitments towards food safety management system for the manufacture of plastic films, printing and converting flexible packaging products for food, sanitary and hygiene bags, the management of the Group is working hard toward achieving ISO 22000.

As a caring corporate citizen, the Group has continued to provide donations to local schools and less fortunate communities. We have also conducted factory visit programs for students of local schools to visit our factory for them to gain an understanding on the production processes of our products and the proper usage of plastic packaging products to maintain clean environment.

Overall, the Group recognises the importance of meeting the environmental and social needs of the community and will endeavour to take appropriate and timely action in relation to CSR. The commitment to the community, and to future generations, is a role we take seriously as a corporate citizen.

APPRECIATION

The success of the Group would not have been achievable 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.

Thank you.

KHAW KHOON TEE
EXECUTIVE CHAIRMAN
28 MAY 2013

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting ("AGM") of the Company will be held at Sunway Hotel, Nyatoh Room, 11 Lebuh Tenggiri Dua, Pusat Bandar Seberang Jaya, Prai, 13700 Penang on Tuesday, 18 June 2013 at 10.30 a.m. for the following purposes: -

ORDINARY BUSINESS: -

1. To receive the Audited Financial Statements for the year ended 31 December 2012 and Reports of the Directors and Auditors thereon.

2. To approve the payment of the final single tier dividend of 1 sen per ordinary share in respect of the financial year ended 31 December 2012 (Resolution 1)

3. To re-elect the following Directors who retire pursuant to Article 95(1) of the Company's Articles of Association:
(a) Mr. Khaw Khoon Tee (Resolution 2)
(b) Madam Mary Geraldine Phipps (Resolution 3)

4. To approve the Directors' fees of RM132,000 for the financial year ending 31 December 2013. (Resolution 4)

5. To re-appoint Messrs KPMG as Auditors of the Company for the financial year ending 31 December 2013 and to authorize the Board of Directors to determine their remuneration. (Resolution 5)

SPECIAL BUSINESS: -

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

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 AGM of the Company." (Resolution 6)

7. 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.

NOTICE IS HEREBY GIVEN that for purpose of determining a member who shall be entitled to attend this Eighth AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with the Article 62(3) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 11 June 2013. Only a depositor whose name appears on the Record of Depositors as at 11 June 2013 shall be entitled to the said meeting or appoint proxies to attend and/or vote on his/her behalf.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT DATE

NOTICE IS ALSO HEREBY GIVEN that subject to the shareholders' approval for the payment of single-tier Final Dividend of 1 sen per ordinary share in respect of the financial year ended 31 December 2012 ("Dividend"), under Resolution 1 at the Eighth AGM of the Company, the Dividend will be paid on 18 July 2013. The entitlement date for the Dividend shall be on 28 June 2013.

Shareholders of the Company will only be entitled to the Dividend in respect of:-

(a) securities transferred into the Depositor's Securities Account before 4.00 p.m. on 28 June 2013 for transfers; and

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

By Order of the Board

Ch'ng Lay Hoon (MAICSA 0818580)
Company Secretary

Penang
28 May 2013

NOTES:

1. Appointment of Proxy

A member entitled to attend, speak and vote at this Meeting may appoint more than one (1) Proxy, who need not be a member, to attend, speak 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.

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.

Where a member of the Company is an exempt authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.

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.

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.

2. Explanatory Notes On Special Business

Resolution 6
The proposed resolution is in relation to authority to allot shares pursuant to Section 132D of the Act, and if passed, will give a renewed mandate to 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 ("General Mandate"). This General Mandate, unless revoked or varied at a general meeting of the Company, will expire at the conclusion of the next AGM of the Company or the period within which the next AGM of the Company is required by law to be held whichever is the earlier.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors of the Company at the Seventh AGM held on 18 June 2012 and which will lapse at the conclusion of the Eighth AGM.

At this juncture, there is no decision to issue new shares. However, should the need arise to issue new shares the General Mandate would avoid any delay and costs in convening a general meeting of the Company to specifically approve such issue of share. If there should be a decision to issue new shares after the General Mandate is obtained, the Company would make an announcement in respect of the purpose and utilization of the proceeds arising from such issue.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING
PURSUANT TO PARAGRAPH 8.27(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
Khaw Khoon Tee	Page 5	Page 91
Mary Geraldine Phipps	Page 7	Page 91

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of SLP Resources Berhad ("the Company") is committed to a corporate culture that emphasizes good corporate governance and practice throughout the Company and its subsidiaries ("the Group").

The Group will continue to endeavour to comply with all the key Principles and Best Practices of the Malaysian Code on Corporate Governance 2012 ("the Code") in its effort to observe high standards of transparency, accountability and integrity. The Group believes that good governance will help to realize long-term shareholders value, whilst taking into account the interest of other stakeholders.

The following paragraphs describe how the Group has applied the Principles of the Code and how the Board has complied with the Recommendations set out in the Code for the financial year ended 31 December 2012.

1.0 THE BOARD OF DIRECTORS

1.1 Composition and Attendance

The Board currently comprises seven (7) members, of which, four (4) are Non-Independent Executive Directors, two (2) are Independent Non-Executive Directors 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 2012. The composition of the Board and the individual Director's attendance of meetings during the financial year ended 31 December 2012 were as follows:-

Name Executive Directors	Attendance
Khaw Khoon Tee	5/5
Khaw Seang Chuan	5/5
Khaw Choon Hoong	5/5
Khaw Choon Choon	5/5
Non-Executive Directors	
Mary Geraldine Phipps	5/5
Leow Chan Khiang	5/5
Chan Wah Chong	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.

The Chairman 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.

1.0 THE BOARD OF DIRECTORS (CONT'D)

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 Group's and the Company'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.

2.0 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 102 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 fifth AGM are disclosed in the Statements Accompanying the Notice of AGM in this Annual Report.

3.0 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.

3.1 Nomination Committee

The Nomination Committee currently comprises entirely non-executive Directors with majority of the members being independent as follows:

Name	Position
Leow Chan Khiang	Chairman, *Non-Independent Non-Executive Director*
Mary Geraldine Phipps	Member, *Independent Non-Executive Director*
Chan Wah Chong	Member, *Independent Non-Executive Director*

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.

3.0 BOARD COMMITTEES (CONT'D)

3.2 Remuneration Committee

The Remuneration Committee currently comprises two (2) non-executive Directors and one (1) executive Chairman with majority of the members being independent as follows:

Name	Position
Chan Wah Chong	Chairman, *Independent Non-Executive Director*
Mary Geraldine Phipps	Member, *Independent Non-Executive Director*
Khaw Khoon Tee	Member, *Executive Chairman*

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. 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.

4.0 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.

The amounts of remuneration paid to Directors are disclosed in the Notes to the Audited Financial Statements. 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 2012 are as follows:-

	Salaries & Bonuses	Fees	Benefits-in-kind and other emoluments	Total
	RM	RM	RM	RM
Executive Directors	1,314,000	43,200	194,665	1,551,865
Non-Executive Directors	–	88,800	–	88,800
Total	1,314,000	132,000	194,665	1,640,665

The number of Directors whose total remunerations derived from the Group during the financial year ended 31 December 2012 that fall within the following bands are as follows:

Range of remuneration	Number of Directors	
RM	Executive	Non-Executive
50,000 and below	–	3
200,001 to 250,000	–	–
251,001 to 300,000	–	–
300,001 to 350,000	2	–
350,001 to 400,000	1	–
400,001 to 450,000	–	–
450,001 to 500,000	–	–
500,001 to 550,000	1	–

5.0 DIRECTORS' TRAINING

Upon 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 2012 have completed the Mandatory Accreditation Program as specified by Bursa Securities. The Board acknowledges the amendments to Bursa Malaysia Listing Requirements to assume the onus of determining or overseeing the training needs of their Directors. The Directors will continue to attend relevant seminars and courses to stay abreast with the various issues arising from the ever-changing business environment, regulatory and corporate governance developments to enchance their professionalism and knowledge to effectively discharge their duties and obligations.

The Directors have during the financial year ended 31 December 2012, evaluated their own training needs on a continuous basis and attended the following conferences, seminars, trade fair and / or trainings:

Directors	Training Programmes/ Seminars	Organisers	Date
Khaw Khoon Tee	ChemOrbis 3rd Annual Meeting	ChemOrbis	05.03.2012
	Resin Market Analysis and Polymer Technology	MPMA	22.09.2012
Khaw Seang Chuan	KPMG Tax Summit 2012	KPMG	12.08.2012
	Cost Accounting & Analysis In Industry/Commerce	Edusky HR Training	18/19.09.2012
	Minimum Wage Scheme	MPMA	22.09.2012
Khaw Choon Hoong	ChemOrbis 3rd Annual Meeting	ChemOrbis	05.03.2012
	Malaysia Code On Corporate Governance & Recognition and Management of Risk	KPMG	18.09. 2012
	Resin Market Analysis and Polymer Technology	MPMA	22.09.2012
	Minimum Wage Scheme	MPMA	22.09.2012
Khaw Choon Choon	Malaysia Code On Corporate Governance & Recognition and Management of Risk	KPMG	18.09. 2012
Mary Geraldine Phipps	KPMG Tax Summit 2012	KPMG	12.08.2012
	Malaysia Code On Corporate Governance & Recognition and Management of Risk	KPMG	18.09. 2012
	MIA Conference 2012	MIA	27/28.11.2012
Leow Chan Khiang	KPMG Tax Summit 2012	KPMG	12.08.2012
	Tax & Deferred Tax Seminar	KPMG	07.11.2012
	MFRS Update Seminar	KPMG	08.11.2012
Chan Wah Chong	Corporate Governance Blueprint 2011, Key amendments to listing requirements 2011 & Corporate Disclosure	Tricor Corporate Services Sdn Bhd	06.01.2012
	Updates of 2012 IFRS–Compliant MFRSs - Preparing for Convergence to IFRSs	MICPA	09 &10.05.2012
	Share Services and Outsourcing Conference	Invest Penang	18.07.2012
	Penang – Corporate Management briefing session with company secretaries	Suruhanjaya Syarikat Malaysia	28.11.2012

6.0 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 is 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) and the Company's website (www.sinliplas.com.my)

7.0 ACCOUNTABILITY AND AUDIT

7.1 Financial Reporting

In presenting the annual audited financial statements and quarterly announcement of results to shareholders, the Board aims to present a balance and fair assessment of the Group's financial position and prospects. The Audit Committee reviews the Group's quarterly financial results and annual audited financial statements to ensure accuracy, adequacy and completeness prior to presentation to the Board for its approval.

The Directors are required to ensure that the financial statements prepared are drawn up in accordance with the applicable Financial Reporting Standards and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and the Company. The Statement of Directors' Responsibility in relation to the Financial Statements is presented in the appropriate section of this Annual Report.

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 Risk Management and Internal Control in this Annual Report.

7.3 Relationship with the Auditors

The Board has established formal and transparent arrangements for maintaining appropriate relationships with the Group's Auditors, through the Audit Committee. Whenever the need arises, the Auditors would highlight to both the Audit Committee and the Board, matters, especially those pertaining to the areas of risk management and internal controls that would require their attention and response. The role of the Audit Committee in relation with the Auditors is described in the Audit Committee Report.

8.0 DIRECTORS' RESPONSIBILITY STATEMENT

Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Securities requires a statement explaining the Board of Directors' responsibility for preparing the financial statements.

The Directors are responsible in the preparation of financial statements for financial year to give a true and fair view of the state of affairs of the Group and the Company and of the results and cash flows of the Group and the Company for the financial year then ended.

In ensuring the preparation of these financial statements, the Directors have:-

- adopted suitable accounting policies and apply them consistently;
- made judgements and estimates that are reasonable and prudent; and
- ensured that applicable approved accounting standards have been complied with.

The Directors are responsible for ensuring that proper accounting and other records are kept which disclose with reasonable accuracy at any time the financial position of the Group and the Company and ensuring that the financial statements comply with the Companies Act, 1965, applicable approved accounting standards in Malaysia and Main Market Listing Requirements of Bursa Securities.

This Statement on Corporate Governance was approved in accordance with the resolution of the Board on 25 April 2013.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Malaysian Code on Corporate Governance 2012 ("MCCG 2012") requires public listed companies to maintain a sound system of risk management and internal control to safeguard shareholders' investments and company's assets. Under the provisions of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Main Listing Requirements"), paragraph 15.26(b), Directors of public listed companies are required to produce a statement on the state of the company's internal control in their Annual Report.

The Board of Directors ("Board") continues with its commitment to maintain sound systems of risk management and internal control throughout SLP Resources Berhad and its subsidiaries ("Group") and in compliance with the Main Listing Requirements and the Statement of Risk Management and Internal Control (Guidelines for Directors of Listed Issuers) ("Internal Control Guidelines"), the Board is pleased to provide the following statement which outlines the nature and scope of risk management and internal control of the Group during the financial year in review.

BOARD RESPONSIBILITY

The Board acknowledges the importance of sound risk management and internal control being embedded into the culture, processes and structures of the Group. The systems of internal control cover risk management and financial, organizational, operational, project and compliance controls. The Board affirms its overall responsibility for the Group's systems of internal control and for reviewing the effectiveness and efficiency of those systems to ensure its viability and robustness. It should be noted, however, that such systems are designed to manage, rather than eliminate, risks of failure to achieve corporate objectives. Inherently, it can only provide reasonable and not absolute assurance against material misstatement or loss.

RISK MANAGEMENT COMMITTEE'S ROLE

The Risk Management Committee ("RMC") is accountable to the Board for the implementation of the processes in identifying, evaluating, monitoring and reporting of risks and internal control. The Group Managing Director and Finance Manager have provided the Board the assurance that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, to ensure achievement of corporate objectives.

CONTROL STRUCTURE AND ENVIRONMENT

In furtherance to the Board's commitment to maintain sound systems of risk management and internal control, the Board continues to maintain and implement a structure and environment for the proper conduct of the Group's business operations as follows:

- The Board meets at least quarterly and has set a schedule of matters which is required to be brought to its attention for discussion, thus ensuring that it maintains full and effective supervision over appropriate controls. The Group Managing Director leads the presentation of board papers and provides explanation of pertinent issues. In addition, the Board is kept updated on the Group's activities and its operations on a regular basis;
- An organization structure with well-defined scopes of responsibility, clear lines of accountability, and 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 and human resource management, which is subject to review and improvement. A documented delegation of authority with clear lines of accountability and responsibility serves as a tool of reference in identifying the approving authority for various transactions including matters that require Board's approval;
- Regular and relevant information provided by management, covering financial and operational performance and key business indicators, for effective monitoring and decision making;
- Regular visits to operating units by members of the Board and senior management.

RISK MANAGEMENT

The Group has established risk management practices to safeguard the Group's business interest from risk events that may impede the achievement of business strategy and provide assurance to the Groups' various stakeholders.

The Group, with the support of an independent professional accounting and consulting firm, has implemented the Enterprise Risk Management ("ERM") processes to identify, assess, monitor, report and mitigate risks impacting the Group's business and supporting activities.

The main components of the Group's risk governance and structure consists of the Board, the Audit Committee and the RMC. The structure allows for strategic risk discussions to take place between the Board, the Audit Committee and the RMC on a periodical basis. The summary of the accountabilities for the Board, the Audit Committee and the RMC under the risk governance structure are as follows:

RISK MANAGEMENT (CONT'D)

(a) Board of Directors

- Overall risk oversight responsibility;
- Determines that the principal risks are identified, and appropriate as well as robust systems are implemented to manage these risks;
- Reviews the adequacy and the integrity of the Group's internal control systems and information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

(b) Audit Committee

- Reviews and endorses policies and frameworks and other key components of risk management for implementation within the Group;
- Reviews and endorses the corporate risk profile for the Group, and the progress of ongoing risk management activities to identify, evaluate, monitor and manage critical risks.

(c) Risk Management Committee

- Oversees the effective implementation of risk policies and guidelines, ERM and cultivation of risk management culture within the organization;
- Reviews and monitors periodically the status of the Group's principal risks and their mitigation actions and update the Board and Audit Committee accordingly.

During the year, the Group has identified some significant risks which are critical to the success of the business. The likelihood and impact of the risks have been assessed and appropriate mitigation actions have been identified for the risks.

Risk awareness sessions have been incorporated in the monthly management meetings attended by the Group's senior and middle management and key employees. This is part of the ongoing initiative to sustain risk awareness and risk management capabilities.

In essence, risk management is conducted through an ongoing process between the Board, the Management and employees in the Group. The Group believes that the risk management framework and guidelines adopted and implemented have strengthened the risk ownership and risk management culture amongst the employees.

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of the internal audit function and has engaged the services of an independent professional accounting and consulting firm, Messrs UHY 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 the core business processes 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 Committee has full and direct access to the internal auditors and the Audit Committee receives reports on all internal audits performed. The Internal Auditors continue to independently and objectively monitor compliance with regard to policies and procedures, and the effectiveness of the internal controls systems. Significant findings and recommendations for improvement are highlighted to Management and the Audit Committee, with periodic follow-up of the implementation of action plans. The Management is responsible for ensuring that corrective actions were implemented accordingly.

Based on the internal auditors' reports for the financial year ended 31 December 2012, the Board has 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 is issued in accordance with a resolution of the Directors dated 25 April 2013.

AUDIT COMMITTEE REPORT

The Audit Committee currently comprises entirely non-executive Directors with majority of the members being independent as follows:

Name	**Position**
Mary Geraldine Phipps	Chairman, *Independent Non-Executive Director*
Chan Wah Chong	Member, *Independent Non-Executive Director*
Leow Chan Khiang	Member*, Non-Independent Non-Executive Director*

TERMS OF REFERENCE

1.0 OBJECTIVES

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

(i) assess the Group's processes relating to its risks and control environment;
(ii) oversee financial reporting; and
(iii) evaluate the internal and external audit processes.

2.0 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:-

(i) a member of the Malaysian Institute of Accountants ("MIA") or;
(ii) if the Director is not a member of MIA, the Director be must have at least three (3) years of working experience and
  (a) the Director must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967, or
  (b) 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
(iii) 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.

3.0 QUORUM AND COMMITTEE'S PROCEDURES

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

3.2 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.

3.3 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.

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

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

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

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

AUDIT COMMITTEE REPORT (CONT'D)

4.0 AUTHORITY

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

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

4.3 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

4.4 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.

4.5 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.

5.0 DUTIES AND RESPONSIBILITIES

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

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

(ii) 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.

(iii) 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.

(iv) 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.

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

(vi) 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.

(vii) 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.

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

(ix) 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.

5.0 DUTIES AND RESPONSIBILITIES (CONT'D)

(x) 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.

(xi) Any such other functions as may be authorised by the Board.

6.0 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.

7.0 MEETINGS

During the financial year ended 31 December 2012, a total of five (5) Audit Committee meetings were held. The details of attendance of each member of the Committee were as follows:-

Name	Attendance
Mary Geraldine Phipps	5/5
Leow Chan Khiang	5/5
Chan Wah Chong	5/5

SUMMARY OF AUDIT COMMITTEE ACTIVITIES

During the financial year ended 31 December 2012, the activities undertaken by the Committee included the following:

(i) reviewed the annual audited financial statements of the Group and the Company for the financial year ended 31 December 2012 and made recommendations to the Board for approval;
(ii) reviewed with external auditors, the draft Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2012;
(iii) reviewed the external auditors' scope of work and the audit planning memorandum for the financial year ended 31 December 2012;
(iv) evaluated the performance of the external auditors and made recommendations to the Board of Directors on their appointment and remuneration;
(v) reviewed with the internal auditors on the internal audit reports and internal audit plans of the Group for the financial year ended 31 December 2012;
(vi) meeting with external auditors without the presence of management of the Company;
(vii) reviewed with the external auditors the results of the annual audit, their audit and Management letter together with Management's response to the findings of the external auditors for the financial year ended 31 December 2012; and
(viii) reviewed of the Statement on Risk Management and Internal Control and Audit Committee's report for inclusion in the Annual Report.

INTERNAL AUDIT FUNCTION

The Group has engaged the services of an independent professional accounting and consulting firm, Messrs UHY 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. Messrs UHY reports directly to the Audit Committee on its activities based on the approved annual Internal Audit Plans. Its principal role is to provide independent assurance on the adequacy and effectiveness of governance, risk management and internal control processes. During the financial year under review, Internal Auditors have conducted assurance review on adequacy and effectiveness of internal control system on certain operating units and presented its findings together with recommendation and management action plan to Audit Committee for review. The cost incurred for the Group's internal audit function during the financial year ended 31 December 2012 amounted to RM23,646.00.

This report is made in accordance with a resolution of the Board of Directors dated 25 April 2013.

ADDITIONAL COMPLIANCE INFORMATION

The information disclosed below is in compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

1. **Share Buy-back**
   The Company does not have a share buy-back program in place.

2. **Material Contracts**
   The Company and its subsidiaries do not have any material contracts involving the interests of its Directors and major shareholders.

3. **Options or Convertible Securities**
   The Company does not have these schemes in place during the financial year.

4. **Depository Receipt Program**
   The Company did not sponsor any Depository Receipt Program during the financial year.

5. **Sanctions and/or Penalties**
   There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

6. **Non-Audit Fees**
   During the financial year, the Group paid RM42,500.00 to a local affiliate related to its external auditors, Messrs KPMG for tax services rendered to the Group.

7. **Profit Estimate, Forecast and Projections**
   The Company did not release any profit estimate, forecast or projections for the financial year.

8. **Variation in results**
   There is no material variance (10% or more) between the audited results for the financial year and the unaudited results previously announced.

9. **Profit Guarantee**
   There were no profit guarantee received/ given by the Company and its subsidiaries during the financial year.

10. **Recurrent Related Party Transactions of a Revenue Nature**
    During the financial year under review, the Group has not entered into any recurrent related party transactions of a revenue or trading nature.

11. **Utilisation of Proceeds Raised from Proposal**
    During the financial year under review, there were no proceeds raised from corporate proposals.

12. **Employee Share Options Scheme**
    The Group did not offer any share scheme for employees during the financial year under review.

13. **Internal Audit Function**
    The internal audit function was outsourced and the cost incurred for the internal audit function in respect of the financial year under review was RM 23,646.00.

14. **Continuing Education Programme**
    Details of the seminars or courses attended by the Directors of the Company are disclosed in the Corporate Governance Statement, as set out on Page 23 of this Annual Report.

Financial Statements

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding.

The principal activities of its subsidiaries are stated in Note 4 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 attributable to owners of the Company	9,439,706	5,017,946

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 :

i) a single-tier final dividend of 1 sen per ordinary share totalling RM2,473,333 in respect of the financial year ended 31 December 2011 on 18 July 2012; and

ii) a first single-tier interim dividend of 1 sen per ordinary share totalling RM2,473,333 in respect of the financial year ended 31 December 2012 on 18 October 2012.

A single-tier final dividend of 1 sen per ordinary share totalling RM2,473,333 in respect of the financial year ended 31 December 2012 has been recommended by the Directors 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:

Khaw Khoon Tee
Khaw Seang Chuan
Khaw Choon Hoong
Khaw Choon Choon
Leow Chan Khiang
Mary Geraldine Phipps
Chan Wah Chong

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company 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 RM0.25 each			
	At 1.1.2012	**Bought**	**(Sold)**	**At 31.12.2012**
Khaw Khoon Tee				
Interest in the Company :				
- own	31,170,121	–	–	31,170,121
- others #	2,298,333	–	–	2,298,333
Deemed interest in the Company :				
- own	98,933,333	–	–	98,933,333
Khaw Seang Chuan				
Interest in the Company :				
- own	37,990,170	–	–	37,990,170
- others #	177,333	–	–	177,333
Deemed interest in the Company :				
- own	98,933,333	–	–	98,933,333
Khaw Choon Hoong				
Interest in the Company :				
- own	1,096,666	–	–	1,096,666
Deemed interest in the Company :				
- own	98,933,333	–	–	98,933,333
Khaw Choon Choon				
Interest in the Company :				
- own	1,149,166	–	–	1,149,166
Leow Chan Khiang				
Interest in the Company :				
- own	116,666	–	–	116,666
Mary Geraldine Phipps				
Interest in the Company :				
- own	46,666	–	–	46,666

These are shares held in the name of the spouse and children (who themselves are not Directors of the Company) and are regarded as interest of the Director in accordance with Section 134(12)(c) of the Companies Act, 1965.

By virtue of their interests in the shares of the Company, Mr. Khaw Khoon Tee and Mr. Khaw Seang Chuan are also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

None of the other Director holding office at 31 December 2012 had any interest in the ordinary shares of the Company or its subsidiaries during the financial year.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

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 Notes 18 and 19 to 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

There were no changes in the authorised, issued and paid-up capital of the Company and no debentures were issued during the financial 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 statements of financial position and statements of comprehensive income 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) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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 financial statements of the Group and of the Company 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.

OTHER STATUTORY INFORMATION (CONT'D)

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 financial performance of the Group and of the Company for the financial year ended 31 December 2012 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.

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 : 25 April 2013

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 39 to 89 are drawn up in accordance with Malaysian Financial Reporting Standards, International 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 2012 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 29 on page 90 to the financial statements has been compiled in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

Khaw Khoon Tee

Khaw Seang Chuan

Penang,
Date : 25 April 2013

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 39 to 90 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 in Georgetown in the State of Penang on 25 April 2013.

Khaw Khoon Tee

Before me :

Goh Suan Bee (No. P125)
Pesuruhjaya Sumpah
(Commissioner for Oaths)
Penang

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 statements of financial position as at 31 December 2012 of the Group and of the Company and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 39 to 89.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 judgement, including the assessment of the 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 entity's preparation of the financial statements that give a true and fair view 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 entity'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 give a true and fair view of the financial position of the Group and of the Company as of 31 December 2012 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SLP RESOURCES BERHAD (CONT'D)

OTHER REPORTING RESPONSIBILITIES

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 29 to the financial statements on page 90 has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Malaysian Financial Reporting Standards or International Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

OTHER MATTERS

As stated in Note 1(a) to the financial statements, SLP Resources Berhad adopted Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS") on 1 January 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by the Directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2011 and 1 January 2011, and the statements of comprehensive income, changes in equity and cash flows for the year ended 31 December 2011 and related disclosures. We were not engaged to report on the comparative information that is prepared in accordance with MFRS and IFRS, and hence it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the year ended 31 December 2012 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2012 do not contain misstatements that materially affect the financial position as of 31 December 2012 and financial performance and cash flows for the year then ended.

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
Firm Number: AF 0758
Chartered Accountants

Thong Foo Vung
Approval Number: 2867/08/14 (J)
Chartered Accountant

Petaling Jaya
25 April 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Note	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Assets				
Property, plant and equipment	3	**50,567,179**	46,648,134	53,889,503
Investments	4	**237,558**	233,558	219,958
Intangible assets	5	**22,235**	342,380	671,006
Total non-current assets		**50,826,972**	47,224,072	54,780,467
Inventories	6	**23,220,688**	15,795,794	20,942,454
Trade and other receivables	7	**27,071,051**	27,300,217	28,762,455
Current tax assets		**80,355**	110,615	257,089
Cash and cash equivalents	8	**11,330,152**	7,926,723	7,245,623
Assets classified as held for sale	9	**–**	2,559,551	–
Total current assets		**61,702,246**	53,692,900	57,207,621
Total assets		**112,529,218**	100,916,972	111,988,088
Equity				
Share capital	10	**61,833,333**	61,833,333	61,833,333
Reserves	11	**21,114,450**	16,617,410	15,461,423
Total equity attributable to owners of the Company		**82,947,783**	78,450,743	77,294,756
Liabilities				
Deferred tax liabilities	12	**5,940,000**	5,935,840	4,806,850
Loans and borrowings	13	**19,134**	833,743	2,753,402
Other payables	14	**1,539,993**	–	–
Total non-current liabilities		**7,499,127**	6,769,583	7,560,252
Loans and borrowings	13	**3,703,278**	2,128,054	7,987,847
Trade and other payables	14	**17,002,530**	13,294,008	18,892,908
Current tax liabilities		**1,376,500**	274,584	252,325
Total current liabilities		**22,082,308**	15,696,646	27,133,080
Total liabilities		**29,581,435**	22,466,229	34,693,332
Total equity and liabilities		**112,529,218**	100,916,972	111,988,088

The notes on pages 48 to 90 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 RM	2011 RM
Revenue	15	**151,207,914**	148,960,968
Changes in work-in-progress and manufactured inventories		**1,228,251**	(2,126,528)
Raw materials and consumables used		**(116,346,582)**	(118,089,444)
Employee benefits expenses	16	**(7,401,686)**	(6,385,898)
Depreciation and amortisation	3, 5	**(5,714,281)**	(5,956,009)
Other operating expenses		**(10,749,232)**	(8,621,713)
Other operating income		**522,341**	734,727
Results from operating activities		**12,746,725**	8,516,103
Finance costs	17	**(65,398)**	(141,894)
Profit before tax	18	**12,681,327**	8,374,209
Income tax expense	20	**(3,241,621)**	(2,285,156)
Profit for the year		**9,439,706**	6,089,053
Other comprehensive income for the year			
- fair value of available-for-sale financial assets		**4,000**	13,600
Total other comprehensive income for the year		**4,000**	13,600
Total comprehensive income for the year attributable to owners of the Company		**9,443,706**	6,102,653
Basic earnings per ordinary share (sen)	21	**3.82**	2.46

The notes on pages 48 to 90 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

		Attributable to owners of the Company			
		Non-distributable		Distributable	
	Note	Share capital RM	Fair value reserve RM	Retained earnings RM	Total equity RM
At 1 January 2011		61,833,333	9,600	15,451,823	77,294,756
Fair value of available-for-sale financial assets		–	13,600	–	13,600
Other comprehensive income for the year		–	13,600	–	13,600
Profit for the year		–	–	6,089,053	6,089,053
Total comprehensive income for the year		–	13,600	6,089,053	6,102,653
Distributions to owners of the Company					
Dividends to owners of the Company	22	–	–	(4,946,666)	(4,946,666)
Total transactions with owners of the Company		–	–	(4,946,666)	(4,946,666)
At 31 December 2011		61,833,333	23,200	16,594,210	78,450,743
At 1 January 2012		**61,833,333**	**23,200**	**16,594,210**	**78,450,743**
Fair value of available-for-sale financial assets		**–**	**4,000**	**–**	**4,000**
Other comprehensive income for the year		**–**	**4,000**	**–**	**4,000**
Profit for the year		**–**	**–**	**9,439,706**	**9,439,706**
Total comprehensive income for the year		**–**	**4,000**	**9,439,706**	**9,443,706**
Distributions to owners of the Company					
Dividends to owners of the Company	22	**–**	**–**	**(4,946,666)**	**(4,946,666)**
Total transactions with owners of the Company		**–**	**–**	**(4,946,666)**	**(4,946,666)**
At 31 December 2012		**61,833,333**	**27,200**	**21,087,250**	**82,947,783**

The notes on pages 48 to 90 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 RM	2011 RM
Cash flows from operating activities			
Profit before tax		**12,681,327**	8,374,209
Adjustments for :			
Depreciation of property, plant and equipment	3	**5,385,556**	5,627,383
Amortisation of intangible assets	5	**328,725**	328,626
Gain on disposal of plant and equipment		**(42,975)**	(80,498)
Plant and equipment written off		**3**	–
Dividend income		**(3,200)**	(5,400)
Finance costs	17	**65,398**	141,894
Finance income		**(77,653)**	(43,006)
Operating profit before changes in working capital		**18,337,181**	14,343,208
Changes in working capital :			
Inventories		**(7,424,894)**	5,146,660
Trade and other receivables		**229,226**	1,462,238
Trade and other payables		**5,239,875**	(5,598,900)
Cash generated from operations		**16,381,388**	15,353,206
Income tax paid		**(2,105,285)**	(987,433)
Net cash from operating activities		**14,276,103**	14,365,773
Cash flows from investing activities			
Acquisition of property, plant and equipment	3	**(6,798,078)**	(945,567)
Proceeds from disposal of plant and equipment		**96,000**	80,500
Dividend received		**3,200**	5,400
Interest received		**77,653**	43,006
Net cash used in investing activities		**(6,621,225)**	(816,661)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

	Note	2012 RM	2011 RM
Cash flows from financing activities			
Repayment of finance lease liabilities		**(105,434)**	(100,008)
Drawdown/(Repayment) of :			
- bank loans		**166,049**	(2,962,002)
- other bank borrowings, net		**700,000**	(3,237,603)
Dividends paid to owners of the Company	22	**(4,946,666)**	(4,946,666)
Interest paid		**(65,398)**	(141,894)
Net cash used in financing activities		**(4,251,449)**	(11,388,173)
Net increase in cash and cash equivalents		**3,403,429**	2,160,939
Cash and cash equivalents at 1 January		**7,926,723**	5,765,784
Cash and cash equivalents at 31 December	A	**11,330,152**	7,926,723

Note

A. *Cash and cash equivalents*

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following consolidated statement of financial position amounts :

	Note	2012 RM	2011 RM
Short term deposits with licensed banks	8	**5,900,000**	2,399,095
Cash and bank balances	8	**5,430,152**	5,527,628
		11,330,152	7,926,723

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Note	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Assets				
Investments in subsidiaries	4	**58,985,373**	39,985,373	39,985,373
Total non-current assets		**58,985,373**	39,985,373	39,985,373
Trade and other receivables	7	**2,722,060**	24,391,827	21,882,961
Current tax assets		**80,355**	110,615	38,663
Cash and cash equivalents	8	**2,816,474**	35,346	15,401
Total current assets		**5,618,889**	24,537,788	21,937,025
Total assets		**64,604,262**	64,523,161	61,922,398
Equity				
Share capital	10	**61,833,333**	61,833,333	61,833,333
Reserves	11	**2,714,608**	2,643,328	42,665
Total equity attributable to owners of the Company		**64,547,941**	64,476,661	61,875,998
Liabilities				
Trade and other payables	14	**56,321**	46,500	46,400
Total current liabilities		**56,321**	46,500	46,400
Total equity and liabilities		**64,604,262**	64,523,161	61,922,398

The notes on pages 48 to 90 are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 RM	2011 RM
Revenue	15	**5,700,000**	8,333,200
Other operating income		**5,310**	–
Other operating expenses		**(301,250)**	(264,523)
Profit before tax	18	**5,404,060**	8,068,677
Income tax expense	20	**(386,114)**	(521,348)
Profit/Total comprehensive income for the year		**5,017,946**	7,547,329

The notes on pages 48 to 90 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	Share capital RM	Distributable Retained earnings RM	Total equity RM
At 1 January 2011		61,833,333	42,665	61,875,998
Profit/Total comprehensive income for the year		–	7,547,329	7,547,329
Distributions to owners of the Company				
Dividends paid to owners of the Company	22	–	(4,946,666)	(4,946,666)
Total transactions with owners of the Company		–	(4,946,666)	(4,946,666)
At 31 December 2011 / 1 January 2012		**61,833,333**	**2,643,328**	**64,476,661**
Profit / Total comprehensive income for the year		**–**	**5,017,946**	**5,017,946**
Distributions to owners of the Company				
Dividends paid to owners of the Company	22	**–**	**(4,946,666)**	**(4,946,666)**
Total transactions with owners of the Company		**–**	**(4,946,666)**	**(4,946,666)**
At 31 December 2012		**61,833,333**	**2,714,608**	**64,547,941**

The notes on pages 48 to 90 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 RM	2011 RM
Cash flows from operating activities			
Profit before tax		**5,404,060**	8,068,677
Adjustments for :			
Dividend income	18	**(5,700,000)**	(8,333,200)
Finance income		**(5,310)**	–
Operating loss before changes in working capital		**(301,250)**	(264,523)
Changes in working capital :			
Trade and other receivables	A	**3,619,767**	241,134
Trade and other payables		**9,821**	100
Cash generated from/(used in) operations		**3,328,338**	(23,289)
Dividends received		**5,375,000**	4,999,900
Income tax refunded/(paid)		**19,146**	(10,000)
Net cash from operating activities		**8,722,484**	4,966,611
Cash flows from investing activities			
Acquisition of a subsidiary		**(100)**	–
Addition to investment in a subsidiary		**(999,900)**	–
Interest received		**5,310**	–
Net cash used in investing activities		**(994,690)**	–
Cash flows from financing activity			
Dividends paid to owners of the Company	22	**(4,946,666)**	(4,946,666)
Net cash used in financing activity		**(4,946,666)**	(4,946,666)
Net increase in cash and cash equivalents		**2,781,128**	19,945
Cash and cash equivalents at 1 January		**35,346**	15,401
Cash and cash equivalents at 31 December	B	**2,816,474**	35,346

Notes

A. Trade and other receivables

During the financial year, the non-trade amounts due from subsidiaries amounting to RM18,000,000 were capitalised as investment in subsidiaries.

B. Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts :

	Note	2012 RM	2011 RM
Short term deposits with licensed banks	8	**2,700,000**	–
Cash and bank balances	8	**116,474**	35,346
		2,816,474	35,346

The notes on pages 48 to 90 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

SLP Resources Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market 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 2012 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities").

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are stated in Note 4 to the financial statements.

The financial statements were authorised for issue by the Board of Directors on 25 April 2013.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting Standards and the Companies Act, 1965 in Malaysia. These are the Group and the Company's first financial statements prepared in accordance with MFRSs and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied.

In the previous years, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standards ("FRSs"). The financial impacts of transition to MFRSs are disclosed in Note 28 to the financial statements.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but have not been adopted by the Group and the Company :

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012

- Amendments to MFRS 101, Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income

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

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

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

- Amendments to MFRS 101, Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 116, Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 132, Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 134, Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 10, Consolidated Financial Statements: Transition Guidance
- Amendments to MFRS 11, Joint Arrangements: Transition Guidance *
- Amendments to MFRS 12, Disclosure of Interests in Other Entities: Transition Guidance

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

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

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

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

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations:

- from the annual period beginning on 1 January 2013 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2012 and 1 January 2013, except for those marked "*" which are not applicable to the Group and the Company.

- from the annual period beginning on 1 January 2014 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2014.

- from the annual period beginning on 1 January 2015 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2015.

The initial application of the above-mentioned standards, amendments and interpretations are not expected to have any material financial impacts to the current and prior periods financial statements of the Group and of the Company upon their first adoption.

(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. All financial information is presented in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs 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 in preparing the opening MFRS statements of financial position of the Group and of the Company at 1 January 2011 (the transition date to MFRS framework).

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Company 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.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions on or after 1 January 2011

For acquisitions on or after 1 January 2011, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Acquisitions before 1 January 2011

As part of its transition to MFRS, the Group elected not to restate those business combinations that occurred before the date of transition to MFRSs, i.e. 1 January 2011. Goodwill arising from acquisitions before 1 January 2011 has been carried forward from the previous FRS framework as at the date of transition.

(iii) Acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vi) 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.

(b) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those 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 profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

(c) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(b) Available-for-sale financial assets

Available-for-sale category comprises investments in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets are subject to review for impairment (see Note 2(i)(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(v) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. 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 knowledgeable willing parties 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 available and replacement cost when appropriate.

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.

The gain or loss 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 operating income" or "other operating expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component 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 component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component 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 depreciation rates for the current and comparative periods based on the estimated useful lives of the assets are as follows :

	%
Leasehold land	2 - 3
Factory buildings	2 - 2.23
Renovation	2
Plant, machinery and factory equipment	2 - 20
Office furniture and equipment	10 - 40
Motor vehicles	16 - 20

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company 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.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised in the statement of financial position. 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.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred. Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Intangible assets

(i) Goodwill

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

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss when incurred.

Expenditure on development activities, whereby the application of research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the assets.

The expenditure capitalised includes the cost of materials, direct labour and overheads costs that are directly attributable to preparing the asset for its intended use. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less any accumulated amortisation and any accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iv) Amortisation

Amortisation is based on the cost of an asset less its residual value.

Goodwill with indefinite useful lives are not amortised but 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 is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful life for capitalised development costs is 3 years.

Amortisation method, useful live and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is measured based on the first-in, first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in 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 the 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) 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 fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(i) Impairment

(i) Financial assets

All financial assets (except for investments in subsidiaries) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in the other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Other assets

The carrying amounts of other assets (except for inventories and non-current assets classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

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 cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to group of cash-generating units that are expected to benefit from the synergies of the combination.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment (cont'd)

(ii) Other assets (cont'd)

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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amount of the other assets in the cash generating unit (groups of cash-generating 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 the end of each reporting period 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 since the last impairment loss was recognised. 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 profit or loss in the year in which the reversals are recognised.

(j) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

Ordinary shares

Ordinary shares are classified as equity.

(k) Non-current assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale.

Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment once classified as held for sale are not amortised or depreciated.

(l) Employee benefits

(i) 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 liability 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Employee benefits (cont'd)

(ii) State plans

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

(m) 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. The unwinding of the discount is recognised as finance cost.

(n) 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 not recognised in the statements of financial position and 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.

(o) Revenue and other income

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, 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, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(p) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. 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 or 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 end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

(r) Earnings per ordinary 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.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3. PROPERTY, PLANT AND EQUIPMENT - GROUP

	Factory buildings RM	Long term leasehold land RM	Renovation RM	Plant, machinery and factory equipment RM	Office furniture and equipment RM	Motor vehicles RM	Total RM
Cost							
At 1 January 2011	18,710,061	8,800,827	48,000	69,616,743	1,157,529	2,897,681	101,230,841
Additions	–	–	71,000	119,399	55,938	699,230	945,567
Disposals	–	–	–	(68,537)	–	(434,926)	(503,463)
Transfer to assets held for sale (Note 9)	–	(2,800,827)	–	–	–	–	(2,800,827)
At 31 December 2011/1 January 2012	18,710,061	6,000,000	119,000	69,667,605	1,213,467	3,161,985	98,872,118
Additions	21,368	5,133,649	–	1,345,157	86,104	211,800	6,798,078
Disposals	–	–	–	–	–	(203,690)	(203,690)
Transfer back from assets held for sale (Note 9)	–	2,800,827	–	–	–	–	2,800,827
Written off	–	–	–	–	(20,318)	–	(20,318)
At 31 December 2012	**18,731,429**	**13,934,476**	**119,000**	**71,012,762**	**1,279,253**	**3,170,095**	**108,247,015**
Accumulated depreciation							
At 1 January 2011	1,561,326	724,163	6,720	42,200,966	1,020,264	1,827,899	47,341,338
Depreciation for the year	416,240	183,779	1,414	4,633,888	63,429	328,633	5,627,383
Disposals	–	–	–	(68,537)	–	(434,924)	(503,461)
Transfer to assets held for sale (Note 9)	–	(241,276)	–	–	–	–	(241,276)
At 31 December 2011/1 January 2012	1,977,566	666,666	8,134	46,766,317	1,083,693	1,721,608	52,223,984
Depreciation for the year	416,636	217,408	2,380	4,313,244	63,512	372,376	5,385,556
Disposals	–	–	–	–	–	(150,665)	(150,665)
Transfer back from assets held for sale (Note 9)	–	241,276	–	–	–	–	241,276
Written off	–	–	–	–	(20,315)	–	(20,315)
At 31 December 2012	**2,394,202**	**1,125,350**	**10,514**	**51,079,561**	**1,126,890**	**1,943,319**	**57,679,836**
Carrying amounts							
At 1 January 2011	17,148,735	8,076,664	41,280	27,415,777	137,265	1,069,782	53,889,503
At 31 December 2011/1 January 2012	16,732,495	5,333,334	110,866	22,901,288	129,774	1,440,377	46,648,134
At 31 December 2012	**16,337,227**	**12,809,126**	**108,486**	**19,933,201**	**152,363**	**1,226,776**	**50,567,179**

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

3.1 Security

Certain machinery amounting to RM6,207,105 as of 31 December 2012 (Leasehold land, buildings and certain machinery amounting to RM29,473,407 as of 31 December 2011 and RM34,918,016 as of 1 January 2011) are charged to banks as security for loans granted to the subsidiaries of the Company (see Note 13).

3.2 Assets under finance lease

Included in the carrying amount of motor vehicles of the Group are those acquired under finance lease instalment plans amounting to RM296,374 (31 December 2011 : RM389,965; 1 January 2011 : RM483,557).

4. INVESTMENTS

Investments comprise the following :

(i) Investment in subsidiaries

	Company		
	31.12.2012	**31.12.2011**	**1.1.2011**
	RM	**RM**	**RM**
Non-current			
Unquoted shares, at cost	**58,985,373**	39,985,373	39,985,373

Details of the subsidiaries are as follows :

Name of subsidiaries	Effective equity held			Principal activities
	31.12.2012	**31.12.2011**	**1.1.2011**	
	%	**%**	**%**	
Sinliplas Holding Sdn. Bhd. ("SHSB")	**100**	100	100	Manufacture and sale of plastic packaging and its related products
Sinliplas Sdn. Bhd. ("SSB")	**100**	100	100	Manufacture and sale of plastic packaging products and plastic related goods and trading of polymer products such as resin
SLP Green Tech Sdn. Bhd. ("SLPGT")	**100**	–	–	Manufacture and sale of plastic packaging and its related products

All the subsidiaries are incorporated in Malaysia.

4. INVESTMENTS (CONT'D)

(ii) Other investments

	Group		
		Investment in shares	
	Unquoted	Quoted	Total
Non-current	**RM**	**RM**	**RM**
31.12.2012			
Available-for-sale financial assets	**109,558**	**128,000**	**237,558**
Representing items :			
At cost	**109,558**	**–**	**109,558**
At fair value	**–**	**128,000**	**128,000**
	109,558	**128,000**	**237,558**
Market value of quoted shares	**–**	**128,000**	**128,000**
31.12.2011			
Available-for-sale financial assets	109,558	124,000	233,558
Representing items :			
At cost	109,558	–	109,558
At fair value	–	124,000	124,000
	109,558	124,000	233,558
Market value of quoted shares	–	124,000	124,000
1.1.2011			
Available-for-sale financial assets	109,558	110,400	219,958
Representing items :			
At cost	109,558	–	109,558
At fair value	–	110,400	110,400
	109,558	110,400	219,958
Market value of quoted shares	–	110,400	110,400

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. INTANGIBLE ASSETS - GROUP

	Goodwill RM	Development costs RM	Total RM
Cost			
At 1 January 2011/ 31 December 2011/1 January 2012	11,330	988,302	999,632
Addition during the year	–	8,580	8,580
At 31 December 2012	**11,330**	**996,882**	**1,008,212**
Amortisation and impairment loss			
At 1 January 2011	–	328,626	328,626
Amortisation for the year	–	328,626	328,626
At 31 December 2011/1 January 2012	–	657,252	657,252
Amortisation for the year	–	328,725	328,725
At 31 December 2012	**–**	**985,977**	**985,977**
Carrying amount			
At 1 January 2011	11,330	659,676	671,006
At 31 December 2011/1 January 2012	11,330	331,050	342,380
At 31 December 2012	**11,330**	**10,905**	**22,235**

Developments costs

Development costs principally comprise expenditure incurred on new products at development phase.

6. INVENTORIES - GROUP

	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Raw materials	**15,886,863**	9,690,220	12,710,352
Work-in-progress	**5,210,402**	4,443,404	3,806,295
Manufactured inventories	**2,123,423**	1,662,170	4,425,807
	23,220,688	15,795,794	20,942,454

7. TRADE AND OTHER RECEIVABLES

	Note	Group 31.12.2012 RM	Group 31.12.2011 RM	Group 1.1.2011 RM
Trade				
Trade receivables		**26,291,296**	26,983,338	29,059,756
Less : Impairment loss		**–**	–	(722,205)
		26,291,296	26,983,338	28,337,551
Non-trade				
Other receivables		**164,728**	82,110	151,425
Deposits		**52,305**	45,305	44,305
Prepayments		**562,722**	189,464	229,174
		779,755	316,879	424,904
		27,071,051	27,300,217	28,762,455

	Note	Company 31.12.2012 RM	Company 31.12.2011 RM	Company 1.1.2011 RM
Non-trade				
Amount due from subsidiaries	7.1	**–**	21,638,827	21,879,961
Other receivables		**5,310**	–	–
Deposits		**3,000**	3,000	3,000
Prepayments		**13,750**	–	–
Dividend receivable from subsidiaries		**2,700,000**	2,750,000	–
		2,722,060	24,391,827	21,882,961

7.1 Amount due from subsidiaries

The non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

8. CASH AND CASH EQUIVALENTS

	Group 31.12.2012 RM	Group 31.12.2011 RM	Group 1.1.2011 RM
Short term deposits with licensed banks	**5,900,000**	2,399,095	3,300,000
Cash and bank balances	**5,430,152**	5,527,628	3,945,623
	11,330,152	7,926,723	7,245,623

	Company 31.12.2012 RM	Company 31.12.2011 RM	Company 1.1.2011 RM
Short term deposits with licensed banks	**2,700,000**	–	–
Cash and bank balances	**116,474**	35,346	15,401
	2,816,474	35,346	15,401

9. ASSETS CLASSIFIED AS HELD FOR SALE - GROUP

Non-current assets held for sale comprise the following :

	Leasehold land RM
Balance at 1 January 2011	–
Transfer from property, plant and equipment (Note 3)	
- Cost	2,800,827
- Accumulated depreciation	(241,276)
Balance at 31 December 2011/1 January 2012	2,559,551
Transfer to property, plant and equipment (Note 3)	(2,559,551)
Balance at 31 December 2012	–

The above property was classified as held for sale as the Group had on 4 October 2011 accepted a Letter of Intent ("LOI") from a potential buyer (an external non-related party) to purchase certain leasehold land of the Group for a total cash consideration of RM9,561,274.

Subsequently, on 9 January 2012, 3 April 2012 and 27 June 2012, the Group received letters from the said potential buyer requesting for an amendment to Section 3 of the LOI in relation to the extension of time until 30 September 2012 to enable the said potential buyer to have sufficient time to carry out its due diligence exercise on the property and to resolve the issue on industrial zoning of the property with local authorities before executing the formal Sale and Purchase Agreement. The extended due diligence exercise period lapsed on 30 September 2012 and as such the LOI was deemed null and void. Hence, the land has been reclassified to property, plant and equipment for own use.

10. SHARE CAPITAL – GROUP/COMPANY

	Amount RM	Number of shares
Ordinary shares of RM0.25 each		
Authorised :		
Balance at 1 January 2011/31 December 2011/1 January 2012/31 December 2012	100,000,000	400,000,000
Issued and fully paid classified as equity instruments :		
Balance at 1 January 2011/31 December 2011/1 January 2012/31 December 2012	61,833,333	247,333,333

11. RESERVES

	Note	Group 31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Non-distributable				
Fair value reserve	11.1	**27,200**	23,200	9,600
Distributable				
Retained earnings		**21,087,250**	16,594,210	15,451,823
		21,114,450	16,617,410	15,461,423

	Company 31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Distributable			
Retained earnings	**2,714,608**	2,643,328	42,665
	2,714,608	2,643,328	42,665

Movements in reserves are shown in statements of changes in equity.

11.1 Fair value reserve

The fair value reserve relates to the fair valuation of financial assets categorised as available-for-sale.

12. DEFERRED TAX ASSETS AND LIABILITIES - GROUP

The recognised deferred tax assets and liabilities are attributable to the following :

	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Deferred tax assets (before offsetting)			
- Unutilised reinvestment allowances	**–**	374,160	1,571,150
Offsetting	**–**	(374,160)	(1,571,150)
Deferred tax assets (after offsetting)	**–**	–	–
Deferred tax liabilities (before offsetting)			
- Property, plant and equipment	**5,940,000**	6,312,000	6,378,000
- Others	**–**	(2,000)	–
	5,940,000	6,310,000	6,378,000
Offsetting	**–**	(374,160)	(1,571,150)
Deferred tax liabilities (after offsetting)	**5,940,000**	5,935,840	4,806,850

12. DEFERRED TAX ASSETS AND LIABILITIES - GROUP (CONT'D)

The movement of deferred tax assets/(liabilities) during the financial year are as follows :

	At 1 January 2011 RM	Recognised in profit or loss (Note 20) RM	At 31 December 2011/1 January 2012 RM	Recognised in profit or loss (Note 20) RM	At 31 December 2012 RM
Unutilised reinvestment allowances	1,571,150	(1,196,990)	374,160	(374,160)	**–**
Property, plant and equipment	(6,378,000)	66,000	(6,312,000)	372,000	**(5,940,000)**
Others	–	2,000	2,000	(2,000)	**–**
	(4,806,850)	(1,128,990)	(5,935,840)	(4,160)	**(5,940,000)**

13. LOANS AND BORROWINGS - GROUP

	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Current :			
Unsecured :			
Bank overdraft	**–**	–	1,479,839
Secured :			
Bank loans	**3,003,278**	2,022,620	6,408,000
Bankers' acceptance	**700,000**	–	–
Finance lease liabilities	**–**	105,434	100,008
	3,703,278	2,128,054	7,987,847
Non-current :			
Secured :			
Bank loans	**19,134**	833,743	2,647,968
Finance lease liabilities	**–**	–	105,434
	19,134	833,743	2,753,402

13.1 Securities

The secured loans and borrowings are secured against the following :

i) legal charges over the Group's leasehold land and buildings (Note 3.1); and
ii) debentures or fixed charges over certain machinery of the Group (Note 3.1).

The Group's finance lease liabilities are secured by the charge over the assets acquired under finance lease.

13. LOANS AND BORROWINGS – GROUP (CONT' D)

13.2 Finance lease liabilities

Finance lease liabilities are payable as follows :

	31.12.2011			1.1.2011		
	Future minimum lease payments RM	Interest RM	Present value of minimum lease payment RM	Future minimum lease payments RM	Interest RM	Present value of minimum lease payment RM
Within 1 year	108,385	2,951	105,434	108,408	8,400	100,008
Between 1 and 5 years	–	–	–	108,385	2,951	105,434
	108,385	2,951	105,434	216,793	11,351	205,442

14. TRADE AND OTHER PAYABLES

	Note	Group 31.12.2012 RM	Group 31.12.2011 RM	Group 1.1.2011 RM
Current				
Trade				
Trade payables		**13,063,990**	11,061,734	12,849,995
Non-trade				
Other payables		**2,521,398**	1,007,330	4,903,497
Accrued expenses		**1,417,142**	1,224,944	1,139,416
		3,938,540	2,232,274	6,042,913
		17,002,530	13,294,008	18,892,908
Non-Current				
Other payables	14.1	**1,539,993**	–	–

	Company 31.12.2012 RM	Company 31.12.2011 RM	Company 1.1.2011 RM
Current			
Non-trade			
Accrued expenses	**56,321**	46,500	46,400

14.1 Other payables

The non-current other payables represent the premium payable to Kedah State Development Corporation in year 2014 for the extension of lease period of the existing leasehold land of a subsidiary of the Company for another thirty eight years.

15. REVENUE

Group

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

Company

Revenue represents dividend income received from its subsidiaries.

16. EMPLOYEE BENEFITS EXPENSES

Employee benefits expenses include contributions to the Employees' Provident Fund of RM377,249 (2011 : RM320,092).

Included in employee benefits expenses of the Group is executive Directors' remuneration as disclosed in Note 19.

17. FINANCE COSTS - GROUP

	2012	**2011**
	RM	**RM**
Interest paid and payable :		
Finance lease liabilities	**8,400**	8,400
Term loans	**37,032**	89,921
Bankers' acceptances	**18,041**	34,107
Onshore foreign currency loan	**1,925**	9,466
	65,398	141,894

18. PROFIT BEFORE TAX

Profit before tax has been arrived at :

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
After charging :				
Auditors' remuneration				
- audit fees by KPMG Malaysia	**68,000**	47,000	**19,000**	14,000
- non-audit fees				
- KPMG Malaysia	**13,000**	5,000	**13,000**	5,000
- Local affiliate of KPMG Malaysia	**42,500**	11,500	**2,500**	2,500
Directors' emoluments				
- Directors of the Company				
- fees	**132,000**	110,000	**132,000**	110,000
- remuneration	**1,455,540**	1,088,959	**–**	–
- Other Directors' remuneration	**–**	309,598	**–**	–
Rental of premises	**3,600**	3,600	**–**	–
Research expenses	**36,802**	34,736	**–**	–
Plant and equipment written off	**3**	–	**–**	–
Loss on foreign exchange			**–**	
- realised (net)	**888,579**	–	**–**	–
and after crediting :				
Rental income	**12,881**	–	**–**	–
Dividends income from :				
- shares quoted in Malaysia	**3,200**	5,400	**–**	–
- subsidiaries (unquoted)	**–**	–	**5,700,000**	8,333,200
Gain on foreign exchange				
- realised (net)	**–**	32,568	**–**	–
- unrealised (net)	**241,989**	355,846	**–**	–
Finance income	**77,653**	43,006	**5,310**	–
Gain on disposal of plant and equipment	**42,975**	80,498	**–**	–
Reversal of impairment loss on trade receivables	**–**	55,881	**–**	–

19. KEY MANAGEMENT PERSONNEL COMPENSATIONS

The key management personnel include all Directors of the Group and their compensations are as follows :

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Directors' fee	**132,000**	110,000	**132,000**	110,000
Directors' remunerations	**1,455,540**	1,398,557	**–**	–
Total short-term employee benefits	**1,587,540**	1,508,557	**132,000**	110,000

The estimated monetary value of Directors' benefit-in-kind is RM53,125 (2011 : RM53,125).

20. INCOME TAX EXPENSE

Recognised in profit or loss

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Income tax expense on continuing operations	**3,241,621**	2,285,156	**386,114**	521,348

Major components of income tax expense include :

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Current tax expense				
- Current year	**3,190,103**	1,158,223	**366,103**	551,523
- Prior year	**47,358**	(2,057)	**20,011**	(30,175)
Total current tax recognised in profit or loss	**3,237,461**	1,156,166	**386,114**	521,348
Deferred tax expense				
- Origination of temporary differences	**86,160**	1,217,990	**–**	–
- Prior year	**(82,000)**	(89,000)	**–**	–
Total deferred tax recognised in profit or loss	**4,160**	1,128,990	**–**	–
Total income tax expense	**3,241,621**	2,285,156	**386,114**	521,348

20. INCOME TAX EXPENSE (CONT'D)

Reconciliation of effective income tax expense

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Profit for the year	**9,439,706**	6,089,053	**5,017,946**	7,547,329
Total income tax expense	**3,241,621**	2,285,156	**386,114**	521,348
Profit excluding tax	**12,681,327**	8,374,209	**5,404,060**	8,068,677
Income tax calculated using Malaysian tax rate of 25% (2011 : 25%)	**3,170,332**	2,093,552	**1,351,015**	2,017,169
Non-deductible expenses	**228,142**	305,067	**65,088**	34,354
Tax incentives	**(120,805)**	–	**–**	–
Non-taxable income	**(800)**	(22,784)	**(1,050,000)**	(1,500,000)
Other items	**(606)**	378	**–**	–
(Over)/Under provided in prior years	**(34,642)**	(91,057)	**20,011**	(30,175)
Income tax expense	**3,241,621**	2,285,156	**386,114**	521,348

21. BASIC EARNINGS PER ORDINARY SHARE - GROUP

The calculation of basic earnings per ordinary share is based on the profit attributable to the owners of the Company of RM9,439,706 (2011 : RM6,089,053) and on the weighted average number of ordinary shares outstanding during the financial year of 247,333,333 (2011 : 247,333,333).

22. DIVIDENDS

Dividends recognised by the Company are :

	2012 RM	**2011 RM**
In respect of the financial year ended 31 December 2010		
Single tier final dividend of 1 sen per ordinary share paid on 18 July 2011	**–**	2,473,333
In respect of the financial year ended 31 December 2011		
Single tier interim dividend of 1 sen per ordinary share paid on 18 October 2011	**–**	2,473,333
Single tier final dividend of 1 sen per ordinary share paid on 18 July 2012	**2,473,333**	–
In respect of the financial year ended 31 December 2012		
Single tier interim dividend of 1 sen per ordinary share paid on 18 October 2012	**2,473,333**	–
	4,946,666	4,946,666
Dividends per ordinary share (sen)	**2.00**	2.00

After the end of the reporting period, the following dividend has been proposed by the Directors. This dividend will be recognised in subsequent financial period upon approval by the owners of the Company.

	Sen	**Total amount RM**
Single tier final 2012 ordinary share	1	2,473,333

23. OPERATING SEGMENTS - GROUP

The business segment is based on the Group's management and internal reporting structure.

Business segments

The Group's only reportable segment comprises the manufacturing and sale of plastic packaging and its related products and trading of polymer products.

Segment information has not been separately presented because internal reporting uses the Group's financial statements.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments and deferred tax assets.

	Revenue RM	Non-current assets RM
Geographical information		
2012		
Malaysia	**86,486,606**	**50,589,414**
Japan	**45,713,203**	**–**
European countries	**7,141,734**	**–**
Australia	**6,440,451**	**–**
Other countries	**5,425,920**	**–**
	151,207,914	**50,589,414**
2011		
Malaysia	90,077,074	46,990,514
Japan	41,095,060	–
European countries	6,512,311	–
Australia	6,623,039	–
Other countries	4,653,484	–
	148,960,968	46,990,514

Major customers

The Group does not have any major customers with revenue equal or more than 10% of the Group's total revenue for 2012 and 2011.

24. 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.

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

The significant related party transactions of the Group and the Company, other than key management personnel compensations as disclosed in Note 19 to the financial statements are as follows :

	Company	
	2012 RM	2011 RM
Subsidiaries		
Dividends received/receivable	**5,700,000**	8,333,200

The non-trade balances with related companies are disclosed in Note 7 to the financial statements and are expected to be settled in cash by the related parties.

25. CAPITAL COMMITMENT - GROUP

	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Property, plant and equipment			
Approved and contracted for	**3,896,000**	–	–

26. FINANCIAL INSTRUMENTS

26.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables (L&R);
(b) Available-for-sale financial assets (AFS); and
(c) Financial liabilities measured at amortised cost (FL).

Group	Carrying amount RM	L&R RM	AFS RM
31 December 2012			
Financial assets			
Other investments	**237,558**	**–**	**237,558**
Trade and other receivables	**26,456,024**	**26,456,024**	**–**
Cash and cash equivalents	**11,330,152**	**11,330,152**	**–**
	38,023,734	**37,786,176**	**237,558**

26. FINANCIAL INSTRUMENTS (CONT'D)

26.1 Categories of financial instruments (cont'd)

Group	Carrying amount RM	L&R RM	AFS RM
31 December 2011			
Financial assets			
Other investments	233,558	–	233,558
Trade and other receivables	27,065,448	27,065,448	–
Cash and cash equivalents	7,926,723	7,926,723	–
	35,225,729	34,992,171	233,558
1 January 2011			
Financial assets			
Other investments	219,958	–	219,958
Trade and other receivables	28,488,976	28,488,976	–
Cash and cash equivalents	7,245,623	7,245,623	–
	35,954,557	35,734,599	219,958
Company			
31 December 2012			
Financial assets			
Trade and other receivables	**2,705,310**	**2,705,310**	**–**
Cash and cash equivalents	**2,816,474**	**2,816,474**	**–**
	5,521,784	**5,521,784**	**–**
31 December 2011			
Financial assets			
Trade and other receivables	24,388,827	24,388,827	–
Cash and cash equivalents	35,346	35,346	–
	24,424,173	24,424,173	–
1 January 2011			
Financial assets			
Trade and other receivables	21,879,961	21,879,961	–
Cash and cash equivalents	15,401	15,401	–
	21,895,362	21,895,362	–

26. FINANCIAL INSTRUMENTS (CONT'D)

26.1 Categories of financial instruments (cont'd)

Group	Carrying amount RM	FL RM
31 December 2012		
Financial liabilities		
Loan and borrowings	**3,722,412**	**3,722,412**
Trade and other payables	**18,542,523**	**18,542,523**
	22,264,935	**22,264,935**
31 December 2011		
Financial liabilities		
Loan and borrowings	2,961,797	2,961,797
Trade and other payables	13,294,008	13,294,008
	16,255,805	16,255,805
1 January 2011		
Financial liabilities		
Loan and borrowings	10,741,249	10,741,249
Trade and other payables	18,892,908	18,892,908
	29,634,157	29,634,157
Company		
31 December 2012		
Financial liabilities		
Trade and other payables	**56,321**	**56,321**
31 December 2011		
Financial liabilities		
Trade and other payables	46,500	46,500
1 January 2011		
Financial liabilities		
Trade and other payables	46,400	46,400

26. FINANCIAL INSTRUMENTS (CONT'D)

26.2 Net gains and losses arising from financial instruments

	Group		Company	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Net gains/(loss) on :				
Available-for-sale financial assets				
- recognised in other comprehensive income	**4,000**	13,600	**–**	–
Loans and receivables (net)	**(634,335)**	345,407	**5,310**	–
	(630,335)	359,007	**5,310**	–

26.3 Financial risk management

The Company has exposure to the following risks from its use of financial instruments :

- Credit risk
- Liquidity risk
- Market risk

26.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries.

Receivables

Risk management objectives, policies and processes for managing the risk

Exposure to credit risk arises mainly from sales made on credit terms and is monitored on an ongoing basis. Credit terms offered by the Group ranged from 30 days to 90 days from the date of transactions. Risks arising there from 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 is reviewed to minimise potential losses.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

Receivables amounting to RM420,012 (2011 : RM1,100,661) of the Group is secured by financial guarantees given by banks of the customers.

The exposure of credit risk for trade receivables as at the end of the reporting period by geographical region was :

	Group		
	31.12.2012 RM	**31.12.2011 RM**	**1.1.2011 RM**
Domestic	**16,031,720**	17,558,947	18,616,968
Japan	**7,173,617**	6,504,875	6,796,289
Australia	**1,905,478**	1,827,397	1,853,323
European countries	**459,741**	569,659	649,809
Others	**720,740**	522,460	421,162
	26,291,296	26,983,338	28,337,551

26. FINANCIAL INSTRUMENTS (CONT'D)

26.4 Credit risk (cont'd)

Receivables (cont'd)

Impairment losses

The ageing of trade receivables as at the end of the reporting period was :

Group	Gross RM	Individual impairment RM	Net RM
31 December 2012			
Not past due	**16,361,748**	**–**	**16,361,748**
Past due 1 - 30 days	**6,663,017**	**–**	**6,663,017**
Past due 31 - 120 days	**2,462,524**	**–**	**2,462,524**
Past due more than 120 days	**804,007**	**–**	**804,007**
	26,291,296	**–**	**26,291,296**
31 December 2011			
Not past due	20,323,314	–	20,323,314
Past due 1 - 30 days	4,184,558	–	4,184,558
Past due 31 - 120 days	2,012,722	–	2,012,722
Past due more than 120 days	462,744	–	462,744
	26,983,338	–	26,983,338
1 January 2011			
Not past due	15,362,437	–	15,362,437
Past due 1 - 30 days	8,775,864	–	8,775,864
Past due 31 - 120 days	4,065,986	–	4,065,986
Past due more than 120 days	855,469	(722,205)	133,264
	29,059,756	(722,205)	28,337,551

The movements in the allowance for impairment losses of trade receivables during the year were :

	Group 2012 RM	Group 2011 RM
At 1 January	**–**	722,205
Impairment loss reversed	**–**	(55,881)
Impairment loss written off	**–**	(666,324)
At 31 December	**–**	–

The allowance account in respect of receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

26. FINANCIAL INSTRUMENTS (CONT'D)

26.4 Credit risk (cont'd)

Investments and other financial assets

Risk management objectives, policies and processes for managing the risk

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group. Transactions involving derivative financial instruments are with approved financial institutions.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the Group has placement of short term deposits with banks. The maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

In view of the sound credit rating of the banks, the management does not expect any counterparty to fail to meet its obligations.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM4.7 million (2011 : RM4.8 million) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

Inter company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the advances to the subsidiaries.

26. FINANCIAL INSTRUMENTS (CONT'D)

26.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments :

Group	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 3 years RM	More than 3 years RM
31 December 2012							
Non-derivative financial liabilities							
Secured bankers' acceptance	**700,000**	**2.82**	**701,190**	**701,190**	**–**	**–**	**–**
Secured bank loans - USD	**2,296,354**	**1.37**	**2,300,584**	**2,300,584**	**–**	**–**	**–**
Secured bank loans - JPY	**726,058**	**2.05**	**730,997**	**711,830**	**19,167**	**–**	**–**
Trade and other payables	**18,542,523**	**–**	**18,542,523**	**18,542,523**	**–**	**–**	**–**
	22,264,935		**22,275,294**	**22,256,127**	**19,167**	**–**	**–**
31 December 2011							
Non-derivative financial liabilities							
Secured bank loans - JPY	2,856,363	2.05	2,902,022	2,062,607	817,405	22,010	–
Finance lease liabilities	105,434	2.80	108,385	108,385	–	–	–
Trade and other payables	13,294,008	–	13,294,008	13,294,008	–	–	–
	16,255,805		16,304,415	15,465,000	817,405	22,010	–
1 January 2011							
Non-derivative financial liabilities							
Secured bank loans							
- RM	128,780	7.30	136,172	136,172	–	–	–
- JPY	5,635,589	2.05 – 2.55	5,762,221	3,072,332	1,911,686	757,769	20,434
- USD	53,996	1.83	54,100	54,100	–	–	–
Unsecured bank loans	3,237,603	1.96 – 2.04	3,237,603	3,237,603	–	–	–
Finance lease liabilities	205,442	2.80	216,793	108,408	108,385	–	–
Unsecured bank overdraft	1,479,839	7.80	1,479,839	1,479,839	–	–	–
Trade and other payables	18,892,908	–	18,892,908	18,892,908	–	–	–
	29,634,157		29,779,636	26,981,362	2,020,071	757,769	20,434

26. FINANCIAL INSTRUMENTS (CONT'D)

26.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

Company	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 3 years RM	More than 3 years RM
31 December 2012							
Non-derivative financial liabilities							
Trade and other payables	**56,321**	**–**	**56,321**	**56,321**	**–**	**–**	**–**
31 December 2011							
Non-derivative financial liabilities							
Trade and other payables	46,500	–	46,500	46,500	–	–	–
1 January 2011							
Non-derivative financial liabilities							
Trade and other payables	46,400	–	46,400	46,400	–	–	–

26.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

The Group does not have material exposure to price risk. Price risk is principally arising from the Group's investments in quoted investments.

26.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar (USD), Japanese Yen (JYP), European Dollar (Euro) and Thai Baht (THB).

Risk management objectives, policies and processes for managing the risk

The Group may use forward exchange contracts to hedge its foreign currency risk where necessary. However, at the end of reporting period, the Group has not entered into any forward exchange contracts.

26. FINANCIAL INSTRUMENTS (CONT'D)

26.6 Market risk (cont'd)

26.6.1 Currency risk (cont'd)

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the currency of the Group) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in			
	USD	JPY	Euro	THB
Group	**RM**	**RM**	**RM**	**RM**
31 December 2012				
Trade receivables	**8,074,429**	**2,185,147**	**–**	**–**
Cash and cash equivalents	**1,386,423**	**1,808,642**	**–**	**91**
Secured bank loans	**(2,296,354)**	**(726,058)**	**–**	**–**
Trade and other payables	**(1,717,575)**	**–**	**(10,830)**	**–**
Net exposure	**5,446,923**	**3,267,731**	**(10,830)**	**91**
31 December 2011				
Trade receivables	7,155,297	2,270,211	–	–
Cash and cash equivalents	4,807,762	658,562	–	98
Secured bank loans	–	(2,856,363)	–	–
Trade and other payables	(2,507,450)	–	(2,023)	–
Net exposure	9,455,609	72,410	(2,023)	98
1 January 2011				
Trade receivables	8,604,111	1,923,137	–	2,394
Cash and cash equivalents	1,390,884	1,012,067	–	131,386
Unsecured bank loans	(3,237,603)	–	–	–
Secured bank loans	(53,996)	(5,635,589)	–	–
Trade and other payables	(2,178,064)	(73,788)	(3,931,646)	–
Net exposure	4,525,332	(2,774,173)	(3,931,646)	133,780

Currency risk sensitivity analysis

A 10% (2011 : 10%) strengthening of the RM against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Profit or loss	
	2012	2011
Group	**RM**	**RM**
USD	**(408,519)**	(709,171)
JPY	**(245,080)**	(5,431)
THB	**(7)**	(7)
EURO	**812**	152

A 10% (2011 : 10%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

26. FINANCIAL INSTRUMENTS (CONT'D)

26.6 Market risk (cont'd)

26.6.2 Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

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

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

		Group	
	31.12.2012 RM	**31.12.2011 RM**	**1.1.2011 RM**
Fixed rate instruments			
Financial assets	**5,900,000**	2,399,095	3,300,000
Financial liabilities	**(2,996,354)**	(105,434)	(205,442)
	2,903,646	2,293,661	3,094,558
Floating rate instruments			
Financial liabilities	**(726,058)**	(2,856,363)	(10,535,807)

Interest rate risk sensitivity analysis

(a) *Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedged accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) *Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Profit or loss	
Group	**100 bp increase RM**	**100 bp decrease RM**
2012		
Floating rate instruments	**(5,445)**	**5,445**
2011		
Floating rate instruments	(21,423)	21,423

26. FINANCIAL INSTRUMENTS (CONT'D)

26.7 Fair values

Recognised financial instruments

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

In respect of term loans with variable interest rates, the carrying amounts approximate fair values as it is on floating rate and hence reprices to market interest rate for liabilities with similar risk portfolios.

The fair values of other financial assets and liabilities together with the carrying amounts shown in the statement of financial position are as follows :

	31.12.2012		31.12.2011		1.1.2011	
Group	**Carrying amount RM**	**Fair value RM**	**Carrying amount RM**	**Fair value RM**	**Carrying amount RM**	**Fair value RM**
Financial assets						
Investments in						
- Quoted shares	**128,000**	**128,000**	124,000	124,000	110,400	110,400
- Unquoted shares	**109,558**	*****	109,558	*	109,558	*
Financial liabilities						
Finance lease liabilities	**–**	**–**	105,434#	105,000	205,442#	205,000
Other payables	**1,539,993**	**1,539,993**	–	–	–	–

* The fair value of the investment in unquoted shares cannot be reliably measured and hence is measured at cost.

\# The fair value of fixed rate financial instruments are determined by discounting the relevant cash flows using current interest rates for similar financial instruments at the end of the reporting period. Since the current interest rates do not significantly differ from the intrinsic rate of this financial instrument, the fair value of these financial instruments therefore, closely approximate their carrying values as at the end of the reporting period.

The fair value of quoted investments is based on quoted market price at the end of the reporting period without any deduction for transaction costs.

26. FINANCIAL INSTRUMENTS (CONT'D)

26.7 Fair values (cont'd)

26.7.1 Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows :

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market date (unobservable inputs).

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
Investment in quoted shares				
31 December 2012	**128**	**–**	**–**	**128**
31 December 2011	124	–	–	124
1 January 2011	110	–	–	110

27. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

During 2012, the Group's policy is keep the Group net gearing ratio at a level deemed appropriate considering business, economic and investment conditions. The debt-to-equity ratios at 31 December 2012 and 31 December 2011 were as follows :

	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Total borrowings (Note 13)	**3,722**	2,962	10,741
Less : Cash and cash equivalents (Note 8)	**(11,330)**	(7,927)	(7,245)
Net debt	**#**	#	3,496
Total equity	**82,948**	78,451	77,295
Debt-to-equity ratios	**#**	#	0.05

\# Not applicable due to net cash position

There were no changes in the Group's approach to capital management during the financial year.

28. EXPLANATION OF TRANSITION TO MFRSS

As stated in Note 1(a), these are the first financial statements of the Group and of the Company prepared in accordance with MFRSs.

The accounting policies set out in Note 2 have been applied in preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2012, the comparative information presented in these financial statements for the financial year ended 31 December 2011 and in the preparation of the opening MFRS statement of financial position at 1 January 2011 (the Company's date of transition to MFRSs).

The transition to MFRSs does not have financial impact to the separate financial statements of the Company.

In preparing the opening consolidated statement of financial position at 1 January 2011, the Group has adjusted amounts reported previously in financial statements prepared in accordance with previous FRSs. An explanation of how the transition from previous FRSs to MFRSs has affected the Group's financial position, financial performance and cash flows is set out as follows:

28.1 Reconciliation of financial position

		Group 1.1.2011			Group 31.12.2011		
	Note	FRSs RM	Effect of Transition to MFRSs RM	MFRSs RM	FRSs RM	Effect of Transition to MFRSs RM	MFRSs RM
Assets							
Property, plant and equipment	28.4(a)	53,889,503	–	53,889,503	46,648,134	–	46,648,134
Intangible assets		671,006	–	671,006	342,380	–	342,380
Other investment		219,958	–	219,958	233,558	–	233,558
Total non-current assets		54,780,467	–	54,780,467	47,224,072	–	47,224,072
Inventories		20,942,454	–	20,942,454	15,795,794	–	15,795,794
Trade and other receivables		28,762,455	–	28,762,455	27,300,217	–	27,300,217
Current tax assets		257,089	–	257,089	110,615	–	110,615
Cash and cash equivalents		7,245,623	–	7,245,623	7,926,723	–	7,926,723
Assets classified as held for sale		–	–	–	2,559,551	–	2,559,551
Total current assets		57,207,621	–	57,207,621	53,692,900	–	53,692,900
Total assets		111,988,088	–	111,988,088	100,916,972	–	100,916,972

28. EXPLANATION OF TRANSITION TO MFRSS (CONT'D)

28.1 Reconciliation of financial position (cont'd)

		Group 1.1.2011			Group 31.12.2011		
	Note	FRSs RM	Effect of transition to MFRSs RM	MFRSs RM	FRSs RM	Effect of transition to MFRSs RM	MFRSs RM
Equity							
Share capital		61,833,333	–	61,833,333	61,833,333	–	61,833,333
Other reserves	28.4(a)	6,716,412	(6,706,812)	9,600	6,730,012	(6,706,812)	23,200
Reverse acquisition reserve	28.4(c)	(26,639,691)	26,639,691	–	(26,639,691)	26,639,691	–
Retained earnings	28.4(a) 28.4(b) 28.4(c)	33,813,552	(18,361,729)	15,451,823	36,152,929	(19,558,719)	16,594,210
Total equity attributable to owners of the Company		75,723,606	1,571,150	77,294,756	78,076,583	374,160	78,450,743
Liabilities							
Loans and borrowings		2,753,402	–	2,753,402	833,743	–	833,743
Deferred tax liabilities	28.4(b)	6,378,000	(1,571,150)	4,806,850	6,310,000	(374,160)	5,935,840
Total non-current liabilities		9,131,402	(1,571,150)	7,560,252	7,143,743	(374,160)	6,769,583
Loans and borrowings		7,987,847	–	7,987,847	2,128,054	–	2,128,054
Trade and other payables		18,892,908	–	18,892,908	13,294,008	–	13,294,008
Current tax liabilities		252,325	–	252,325	274,584	–	274,584
Total current liabilities		27,133,080	–	27,133,080	15,696,646	–	15,696,646
Total liabilities		36,264,482	(1,571,150)	34,693,332	22,840,389	(374,160)	22,466,229
Total equity and liabilities		111,988,088	–	111,988,088	100,916,972	–	100,916,972

28. EXPLANATION OF TRANSITION TO MFRSS (CONT'D)

28.2 Reconciliation of comprehensive income for the year ended 31 December 2011

		Group		
	Note	FRSs RM	Effect of transition to MFRSs RM	MFRSs RM
Revenue		148,960,968	–	148,960,968
Changes in work in progress and manufactured inventories		(2,126,528)	–	(2,126,528)
Raw materials and consumables used		(118,089,444)	–	(118,089,444)
Employee benefits expense		(6,385,898)	–	(6,385,898)
Depreciation and amortisation		(5,956,009)	–	(5,956,009)
Other operating income		734,727	–	734,727
Other operating expenses		(8,621,713)	–	(8,621,713)
Results from operating activities		8,516,103	–	8,516,103
Finance costs		(141,894)	–	(141,894)
Profit before tax		8,374,209	–	8,374,209
Income tax expense	28.4(b)	(1,088,166)	(1,196,990)	(2,285,156)
Profit for the year		7,286,043	(1,196,990)	6,089,053
Other comprehensive income				
- fair value of available-for-sale financial asset		13,600	–	13,600
Total other comprehensive income for the year		13,600	–	13,600
Total comprehensive income for the year attributable to owners of the Company		7,299,643	(1,196,990)	6,102,653
Basic earnings per ordinary share (sen)		2.95		2.46

28.3 Material adjustments to the statements of cash flows for 2011

There are no material differences between the statement of cash flows presented under MFRSs and the statement of cash flows presented under FRSs.

28. EXPLANATION OF TRANSITION TO MFRSS (CONT'D)

28.4 Notes to reconciliation

(a) Property, plant and equipment - Deemed cost exemption – previous revaluation

Under FRSs, the Group measured its land and buildings at valuation. The last valuation was carried out on 19 January 2007.

Upon transition to MFRSs, the Group elected to apply the optional exemption to use that previous revaluation as deemed cost under MFRSs. The revaluation reserve of RM6,706,812 at 1 January 2011 and 31 December 2011 was reclassified to retained earnings.

The impact arising from the change is summarised as follows:

	Group	
	1.1.2011	**31.12.2011**
	RM	**RM**
Consolidated statement of financial position		
Revaluation reserve	6,706,812	6,706,812
Adjustment to retained earnings	6,706,812	6,706,812

(b) Recognition of unutilised reinvestment allowances

MFRS/IFRS does not have a standard to account for unutilised tax incentives, i.e. the unutilised reinvestment allowances or investment tax allowances. Hence, the Group selected an accounting policy to recognise unutilised tax incentives by applying the analogy of accounting of tax credit. This results in the Group recognising the unutilised reinvestment allowance as deferred tax assets and the impact arising from the change is summarised as follows :

	Group	
	1.1.2011	**31.12.2011**
	RM	**RM**
Consolidated statement of financial position		
Adjustment to deferred tax liabilities (net off)	(1,571,150)	(374,160)
Adjustment to retained earnings	1,571,150	374,160
Consolidated statement of comprehensive income		
Income tax expense	–	(1,196,990)

(c) Adjustment to reverse acquisition reserve

The Group has elected not to apply MFRS 3, Business Combination retrospectively and revised its presentation of equity. Consequently, reverse acquisition deficit arising from past business combinations has been transferred to retained earnings.

The impact arising from the change is summarised as follows:

	Group	
	1.1.2011	**31.12.2011**
	RM	**RM**
Consolidated statement of financial position		
Reverse acquisition reserve	26,639,691	26,639,691
Adjustment to retained earnings	26,639,691	26,639,691

29. SUPPLEMENTARY INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained earnings of the Group and of the Company as at 31 December, into realised and unrealised earnings, pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements are as follows:

	Group		Company	
	31.12.2012	**31.12.2011**	**31.12.2012**	**31.12.2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total retained earnings of the Company and its subsidiaries				
- realised	**26,438**	21,801	**2,715**	2,643
- unrealised	**1,009**	1,127	**–**	–
	27,447	22,928	**2,715**	2,643
Less: Consolidation adjustments	**(6,360)**	(6,334)	**–**	–
Total retained earnings	**21,087**	16,594	**2,715**	2,643

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by Malaysian Institute of Accountants on 20 December 2010.

ANALYSIS OF SHAREHOLDINGS
AS AT 10 MAY 2013

Authorised Share Capital	:	RM100,000,000
Issued and fully paid-up Share Capital	:	RM61,833,333.25
Class of Shares	:	Ordinary shares of RM0.25 each
Voting Rights	:	One vote per RM0.25 share

LIST OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

Name	Direct				Indirect	
	Own	%	Others	%		%
Khoon Tee & Family Sdn Bhd	98,933,333	40.00	–	–	–	–
Khaw Khoon Tee	31,170,121	12.60	2,298,332(i)	0.93	98,933,333 (ii)	40.00
Khaw Seang Chuan	37,990,170	15.36	177,333(i)	0.07	98,933,333 (ii)	40.00
Khaw Choon Hoong	1,096,666	0.44	–	–	98,933,333 (ii)	40.00

Note: -
(i) Shares held in the name of the spouse and children (who themselves are not Directors of the Company) and are regarded as interest of the Director in accordance with Section 134(12)(c) of the Companies Act 1965
(ii) Deemed interested by virtue of his/her 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	%		%
Khaw Khoon Tee	31,170,121	12.60	2,298,332(i)	0.93	98,933,333(ii)	40.00
Khaw Seang Chuan	37,990,170	15.36	177,333(i)	0.07	98,933,333(ii)	40.00
Khaw Choon Hoong	1,096,666	0.44	–	–	98,933,333(ii)	40.00
Khaw Choon Choon	1,149,166	0.47	–	–	–	–
Leow Chan Khiang	116,666	0.05	–	–	–	–
Mary Geraldine Phipps	46,666	0.02	–	–	–	–
Chan Wah Chong	–	–	–	–	–	–

Note: -
(i) Shares held in the name of the spouse and children (who themselves are not Directors of the Company) and are regarded as interest of the Director in accordance with Section 134(12)(c) of the Companies Act 1965
(ii) Deemed interested by virtue of his/her 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

No. of Holders	Size of Holdings	Total Holdings	%
39	less than 100	1,311	0.00
505	100 - 1,000 shares	126,591	0.05
326	1,001 - 10,000 shares	1,707,999	0.69
299	10,001 - 100,000 shares	10,413,618	4.21
86	100,001 to less than 5% of issued shares	66,990,190	27.09
4	5% and above of issued shares	168,093,624	67.96
1,259	**TOTAL**	**247,333,333**	**100.00**

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

NO.	NAMES	NO. OF SHARES HELD	%
1.	KHOON TEE & FAMILY SDN. BHD.	98,933,333	40.00
2.	KHAW SEANG CHUAN	37,990,170	15.36
3.	KHAW KHOON TEE	17,636,788	7.13
4.	KHAW KHOON TEE	13,533,333	5.47
5.	CHEW SHEAU CHING	10,201,200	4.12
6.	LAU SU LIN	5,848,266	2.36
7.	ONG PAIK SUIT	5,605,366	2.27
8.	ONG PAIK LOI	5,029,600	2.03
9.	CHUAH CHIN KOK	4,686,166	1.90
10.	LAU SU LIN	3,756,200	1.52
11.	GOH BEE LENG	3,034,000	1.23
12.	YEOH KHENG HOE	2,810,133	1.14
13.	KHAW SIANG HEE	1,220,000	0.49
14.	LEE CHEONG KEAT @ LEE CHONG KEAT	1,165,000	0.47
15.	KHAW SEANG SENG	1,149,166	0.47
16.	KHAW SEANG GHEE	1,149,166	0.47
17.	KHAW CHOON CHOON	1,149,166	0.47
18.	KHAW CHOON HOONG	1,096,666	0.44
19.	DING HONG SING	993,200	0.40
20.	CHUAH HOO JIN	859,600	0.35
21.	FONG SUI WENG	801,400	0.32
22.	MASUDA TOSHIO	700,000	0.28
23.	LIAM LYE HOCK	700,000	0.28
24.	OKI TOSHIO	700,000	0.28
25.	ONG SAW KEOK	679,533	0.28
26.	YEOH SEW JIN	461,400	0.19
27.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD LIM TIAN HUAT (T-471388)	451,200	0.18
28.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI BOON SENG (E-SPI)	420,000	0.17
29.	TEH BEE CHEONG	416,000	0.17
30.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NANCY TAN (E-TWU)	408,800	0.16
	TOTAL	223,584,852	90.40

LIST OF PROPERTIES HELD BY THE GROUP
AS AT 31 DECEMBER 2012

Location	Description/ Existing Use	Tenure	Age of building	Land area/ Built up area (Sq. ft.)	Carrying Value (RM'000)	Year Acquired/ Revaluation
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), a canteen, a guard house and other buildings and ancillary structures/ Office, production and warehouse for industrial use	98 years lease expiring on 30 June 2090	7 – 18 years	471,082/ 303,320	24,599	1992/1994 (Revalued in 2006)
H.S.(M) No. 11813, P.T. 81, Kawasan Perusahaan Kulim, Kulim, Kedah Darul Aman	Vacant Industrial land	98 years lease commencing from 13 December 1989 expiring on 12 December 2087	Not applicable	165,528/ Not applicable	2,349	2007
PM 788 Lot No. 4820 S38 (previously P.T. NO.341, H.S.(M) 14113), Kawasan Perusahaan Kulim, Bandar Kulim, Daerah Kulim, Kedah Darul Aman	Vacant Industrial land	98 years lease expiring on 14 May 2087	Not applicable	77,156/ Not applicable	1,110	2008
PM 787 Lot No. 4819 S38 (previously P.T. NO.340, H.S.(M) 14112), Kawasan Perusahaan Kulim, Bandar Kulim, Daerah Kulim, Kedah Darul Aman	Vacant Industrial land	98 years lease expiring on 14 May 2087	Not applicable	76,025/ Not applicable	1,088	2009

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SLP RESOURCES BERHAD
[663862-H]

No. of Shares held	

PROXY FORM

I/We, ____
(BLOCK LETTERS)
of ____
being a member/members of the above-named company hereby appoint ______________________________
of ____
or failing him ____
as my/our proxy to vote for me/us on my/our behalf at the Eighth Annual General Meeting ("AGM") of the Company, to be held at Sunway Hotel, Nyatoh Room, 11 Lebuh Tenggiri Dua, Pusat Bandar Seberang Jaya, Prai, 13700 Penang on Tuesday, 18 June 2013 at 10.30 a.m. and any adjournment thereof.

	Resolution	For	Against
1.	To approve single tier Final Dividend of 1 sen per ordinary share		
2.	To re-elect Mr. Khaw Khoon Tee as Director		
3.	To re-elect Madam Mary Geraldine Phipps as Director		
4.	To approve payment of Directors' fees		
5.	To re-appoint Auditors		
6.	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 ______________ 2013.

____
Signature of Member(s)

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. Where a member of the Company is an exempt authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
4. 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.
5. 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.
6. For the purpose of determining a member who shall be entitled to attend this Seventh AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with the Article 62(3) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 11 June 2013. Only a depositor whose name appears on the Record of Depositors as at 11 June 2013 shall be entitled to the said meeting or appoint proxies to attend and/or vote on his/her behalf.

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STAMP
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The Company Secretary

SLP RESOURCES BERHAD (663862-H)

Suite 12-A, Level 12 Manara Northam,
No.55, Jalan Sultan Ahmad Shah,
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