SLP RESOURCES BERHAD
[663862-H]

ANNUAL REPORT **2013**

Innovative ideas *inspired by **Nature***

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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 activitiy of SLP is in 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 Sdn Bhd	15.09.1989/ Malaysia	RM10,000,000	100%	Manufacture and sale of plastic packaging and its related products
Sinliplas Holding Sdn Bhd	14.09.1990/ Malaysia	RM15,000,000	100%	Manufacture and sale of plastic packaging and its related products
SLP Green Tech Sdn Bhd	08.04.2009/ Malaysia	RM1,000,000	100%	Manufacture and sale of specialized plastic film, 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
Level 18, Hunza Tower
163E, Jalan Kelawei
10250 Penang, Malaysia

Internal Auditors

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Garden 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

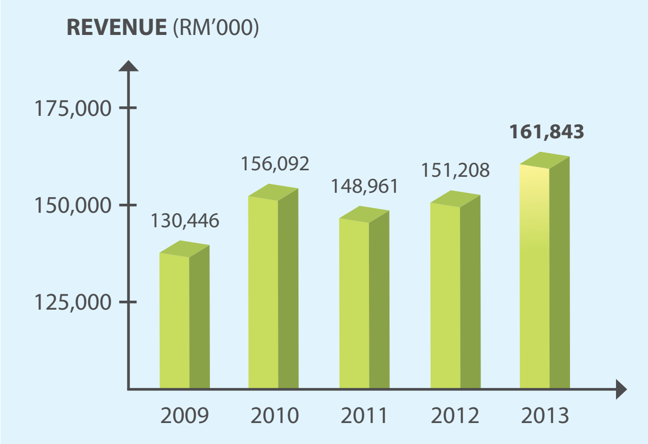
P.T. 1, Lot 57A, Lorong Perusahaan 5
Kulim Industrial Estate
09000 Kulim, Kedah
Telephone no. : 604-4891858
Facsimile no. : 604-4891857

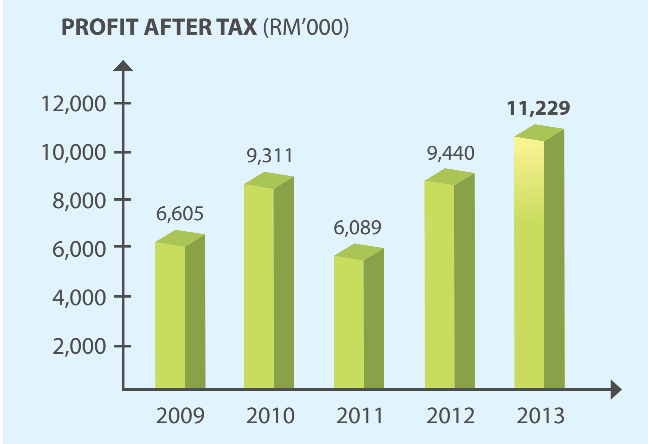
Stock Exchange Listing

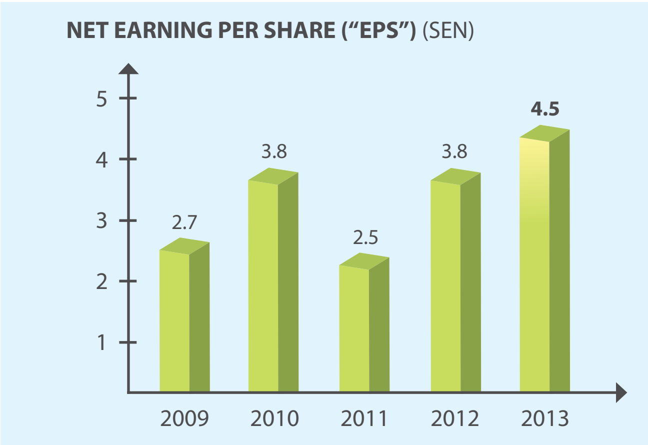
Main Market of Bursa Malaysia Securities Berhad
Stock name : SLP
Stock Code: 7248

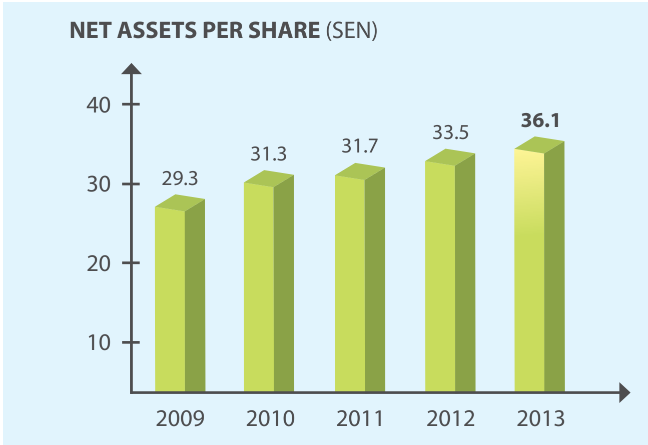
Investor Relations

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









31 December	2009	2010	2011	2012	2013
Revenue (RM'000)	130,446	156,092	148,961	151,208	**161,843**
Profit before tax (RM'000)	7,824	10,383	8,374	12,681	**14,472**
Profit after tax (RM'000)	6,605	9,311	6,089	9,440	**11,229**
Profit and total comprehensive income attributable to the owners of the Company (RM'000)	6,605	9,320	6,103	9,444	**11,240**
Profit before tax margin	6.00%	6.65%	5.62%	8.39%	**8.94%**
Profit after tax margin	5.06%	5.97%	4.09%	6.25%	**6.94%**
Total assets (RM'000)	107,167	111,988	100,917	112,529	**117,529**
Cash and cash equivalents (RM'000)	8,620	7,246	7,927	11,330	**8,479**
Total borrowings (RM'000)	15,901	10,741	2,962	3,722	**6,214**
Net assets (RM'000)	72,586	77,295	78,451	82,948	**89,241**
No of ordinary shares in issue of RM0.25 each ('000)	106,000	247,333	247,333	247,333	**247,333**
Net earnings per share (sen)	2.7	3.8	2.5	3.8	**4.5**
Net assets per share (sen)	29.3	31.3	31.7	33.5	**36.1**
Total dividend paid (RM'000)	4,593	4,947	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 2009 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.

Khaw Khoon Tee

Malaysian, Aged 64,
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.

Khaw Seang Chuan, Kelvin
Malaysian, Aged 44,
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 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 43,
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.

Khaw Choon Choon, Jessy
Malaysian, Aged 41
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 65,
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 48,
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 ("FCCA"). 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 has more than 25 years of working experience holding various key positions when he worked in various industries in banking and finance, food, agricultural, pharmaceutical, logistics and transportation, and plastic packaging. He was an investment banker from 1996 to 2000 which provided him with good exposure in fund raising, mergers and acquisitions, corporate restructuring and initial public offerings. In 2007, he started his own business in providing his professional services in accounting, tax planning and corporate planning and compliances for Malaysian public listed companies as well as for small and medium enterprises. He is also an approved GST tax agent under the Royal Malaysian Customs.

Chan Wah Chong

Malaysian, Aged 49,
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 and an Independent Non-Executive Director and a member of the Audit Committee of Lii Hen Industries Berhad, both companies are listed on the Main Market of Bursa Securities.

1. **Khaw Choon Choon, Jessy**
   Executive Director

2. **Khaw Choon Hoong, Jasmine**
   Executive Director

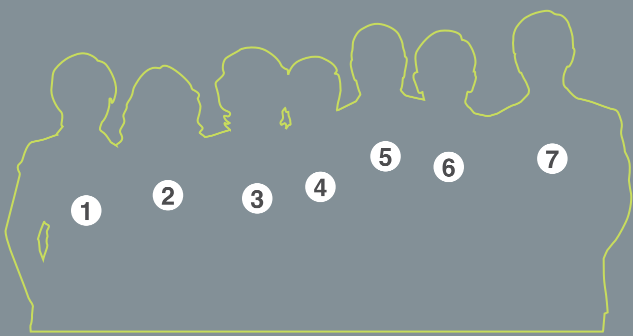
3. **Mary Geraldine Phipps**
   Independent Non-Executive Director

4. **Khaw Khoon Tee**
   Executive Chairman

5 **Chan Wah Chong**
   Independent Non-Executive Director

6. **Leow Chan Khiang**
   Non-Independent Non-Executive Director

7. **Khaw Seang Chuan, Kelvin**
   Group Managing 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 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 2013 is disclosed in the Statement of Corporate Governance of this Annual Report.

Dear Shareholders,

On behalf of the Board of Directors of SLP Resources Berhad, it is my pleasure to present to you the Annual Report incorporating the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2013 ("FY 2013").

Financial and Operational Review

Year 2013 was a challenging year given the pressure of escalating costs on the operations of the Group due to the implementation of minimum wages in Malaysia effective 1 January 2013. Malaysia also saw some political uncertainties in the first half of the year due to the much-awaited General Elections held in May 2013. On the global scene, global economic recovery was sluggish with GDP growing at 3.0%, comparable to 3.1% recorded in 2012. Fiscal drag in the US as a result of issues on the debt ceiling and delayed agreement on the budget, which led to US government shutdown in October 2013, resulted in slower GDP growth of 1.9% for the year compared to 2.8% in 2012, despite strengthening US labour and housing data.

Despite facing various challenges domestically and globally, the Group continued to deliver the value proposition as a resilient and a niche player in the flexible plastic packaging industry with its profit before tax ("PBT") hitting a record high of RM14.5 million in FY 2013, an increase of approximately 14.2% from RM12.7 million in FY 2012. This higher PBT was achieved on higher revenue of RM161.8 million, an increase of approximately 7.0% from RM151.2 million in FY 2012. Such satisfactory results, especially with the higher percentage of increase in PBT versus the percentage of increase in revenue, were achieved through our various initiatives in developing better flexible plastic packaging products whilst striving to maintain profit margins amidst difficult market conditions. The Group attained higher productivity and benefited from better economies of scale from ongoing efforts initiated by the management of the Group to rationalise our product offerings and enhance overall operations efficiency.

In terms of revenue by geographical regions, domestic market still contributed the highest revenue of RM95.4 million, accounting for 58.9% of total revenue as compared to RM86.5 million, accounting for 57.2% of total revenue in FY 2012. For the export markets, Japan is by large continued to be the largest export destination with annual revenue of RM40.8 million, accounting for 25.2% of total revenue in FY 2013 as compared to RM45.7 million, accounting for 30.2% of total revenue in FY 2012.

Revenue	**FY 2013**		FY 2012	
By Geographical Segment	**RM'000**		RM'000	
Malaysia	**95,380**	**58.9%**	86,487	57.2%
Japan	**40,754**	**25.2%**	45,713	30.2%
European countries	**6,925**	**4.3%**	7,142	4.7%
Australia	**8,520**	**5.3%**	6,440	4.3%
Other countries	**10,264**	**6.3%**	5,426	3.6%
Total	**161,843**	**100.0%**	151,208	100.0%

The Group's balance sheet remained healthy, with cash and cash equivalents at RM8.5 million, while shareholders equity increased to RM89.2 million in FY 2013 from RM82.9 million in FY 2012.

PROSPECTS

The global economy is expected to improve in 2014 with GDP forecasted at 3.7%. The US economy is anticipated to strengthen as agreement has been reached on the budget and the debt ceiling. The Eurozone, having turned the corner from recession to recovery, will see some growth on the back of improved consumer spending as well as stronger manufacturing data. Most emerging and developing economies, including Malaysia should also benefit from improvement in external demand following recovery in advanced economies, thus further supporting global economic growth.

Notwithstanding the anticipated recovery in the global economy, the continued pressure on escalating costs of operations arising from the recent hike in electricity tariff and higher fuel prices domestically would be the key challenges for the Group in year 2014. As in year 2013, we will continue to strengthen our operational capabilities and efficiency whilst keeping our costs under control. We will remain focus in providing innovative packaging solutions to our customers and strengthening our market share in the food packaging segment domestically and globally especially with our recent launch of thinnest polybag at 15 micron registered under our trademark of "MAXINFLAX". We are confident that the Group's recent accreditation of ISO 22000 for Food Safety Management System will pave the way for the Group to penetrate into the more established global food packaging markets as well as for more orders from the existing food packaging segment.

MaxInflax

Thin Gauge Solution

UKAS MANAGEMENT SYSTEM 001

Certificate No: KLR6013957

DIVIDENDS

In appreciation of our shareholders' continued 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 2013 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 2013 would amount to a total dividend of RM4,946,667 which represents a dividend payout ratio of 44.0% (2012 : 52.4%).

The Company has consistently paid out annual dividends of 8.0% over the past 5 years and 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 which focus on 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. 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 also 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 has initiated its preparation to attain higher quality standard and with all hard work and perseverance over a period of two (2) years, the Group has successfully achieved an internationally accredited food safety management system of ISO 22000 on 6 May 2013.

As a caring corporate citizen, the Group has continued to provide donations to local schools and less fortunate communities. The Group has also conducted awareness programs for students from local schools and universities to visit our factory 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

On behalf of the Board, I would also like to take this opportunity to express our sincere appreciation and gratitude to the management and employees of the Group for their dedication, team spirit and hard work during these challenging times. The commendable performance of the Group is the result of the earnest efforts put in by our workforce.

The achievements of the Group are also made possible through the long-standing support, co-operation and assistance of our valued customers, suppliers and business associates. To our business partners, we express our gratitude for your contribution to the success of the Group.

With all the continued support given by all stakeholders, we look forward to another successful year ahead.

Yours sincerely,

KHAW KHOON TEE
EXECUTIVE CHAIRMAN
30 April 2014

NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting ("AGM") of the Company will be held at Sunway Hotel, Studio 1&2, 11 Lebuh Tenggiri Dua, Pusat Bandar Seberang Jaya, Prai, 13700 Penang on Wednesday, 18 June 2014 at 10.30 a.m. for the following purposes: -

ORDINARY BUSINESS: -

1. To receive the Audited Financial Statements for the year ended 31 December 2013 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 2013. (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 Seang Chuan (Resolution 2)

   (b) Ms. Khaw Choon Hoong (Resolution 3)

4. To approve the Directors' fees of RM132,000 for the financial year ending 31 December 2014. (Resolution 4)

5. To re-appoint Messrs KPMG as Auditors of the Company for the financial year ending 31 December 2014 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 Companies Act, 1965 ("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 Ninth 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 2014. Only a depositor whose name appears on the Record of Depositors as at 11 June 2014 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 2013 ("Dividend"), under Resolution 1 at the Ninth AGM of the Company, the Dividend will be paid on 18 July 2014. The entitlement date for the Dividend shall be 30 June 2014.

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 30 June 2014 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
30 April 2014

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 Eighth AGM held on 18 June 2013 and which will lapse at the conclusion of the Ninth 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 the Main Market Listing Requirements of Bursa Securities Malaysia Berhad

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

Directors standing for re-election	Director's Profile	Details of their securities in the Company
Khaw Seang Chuan	page 6	page 92
Khaw Choon Hoong	page 6	page 92

CORPORATE GOVERNANCE STATEMENT

SLP Resources Berhad ("the Company") and its group of companies ("the Group") practice good corporate governance and operate within a governance framework that is formulated based on the recommendations of the Malaysian Code on Corporate Governance 2012 ("the Code") issued by the Securities Commission of Malaysia.

The Board believes that maintaining such level of corporate governance with the concepts of integrity, transparency, accountability and professionalism, is a fundamental part of its responsibilities in managing the business and affairs of the Group whilst taking into account the interest of other stakeholders.

The disclosure statement below sets out the manner in which the Company has applied the principles of the Code and the extent of compliance with Best Practices advocated therein pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") throughout the financial year ended 31 December 2013. Where there are gaps in the Company's observation of any of the recommendations of the Code, these are disclosed herein with explanations.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1.1 Clear Functions of the Board and Management

The Group acknowledges the pivotal role played by the Board of Directors in the stewardship of its direction and operations, and ultimately the enhancement of its shareholders' value. To fulfill this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals. The role and function of the Board, which includes the differing roles of Chairman, Group Managing Director, and Directors are clearly defined.

To assist the Board in carrying out its fiduciary duties and to enhance business and operational efficiency, the Board of Directors delegates certain duties to its Board Committees, namely Audit Committee ("AC"), Nomination Committee ("NC") and Remuneration Committee ("RC").

All Board Committees have written terms of reference which are approved by the Board. The respective Chairman of the AC, NC and RC reports to the Board accordingly subsequent to the respective committee meetings.

1.2 Clear Roles and Responsibilities

The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

(i) Review and approve strategies, business plans and significant policies and ensure that the Group's goals are clearly established, and to monitor implementation and performance of the strategy, policies, plans, legal and fiduciary obligations that affect the business by adopting performance appraisal measures;

(ii) Ensure a competent management by establishing policies for strengthening the performance of the Group with a view to proactively build the business through innovation, initiative, technology, new products and the development of its business capital;

(iii) To evaluate whether the business is being properly managed and to ensure that the solvency of the Group and the ability of the Group to meet its contractual obligations and to safeguard the Group's assets;

(iv) To ensure that the Group has appropriate business risk management process, including adequate control environment be it the internal control systems and management information systems, systems for compliance with applicable laws, regulations, rules, directives and guidelines and controls in areas of significant financial and business risks;

(v) Establish various Board Committees and ensure their effectiveness to address specific issues, by considering recommendations of the various board committees and acting on their reports;

(vi) Ensuring that the statutory accounts of the Company and the Group are fairly stated and otherwise conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;

(v) Ensuring that there is in place an appropriate succession plan for members of the Board and senior management;

(vii) Ensuring that the Group adheres to high standards of ethics and corporate behaviour including transparency in the conduct of business. Directors are required to comply with the Directors' Code of Best Practice which amongst others includes the declaration of any personal, professional or business interests, direct or indirect which may conflict with directors responsibilities as a Board Member and to refrain from voting on such transaction with the Group; and

(viii) Ensuring that there is in place an appropriate investor relations and communications policy.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (Cont'd)

1.2 Clear Roles and Responsibilities (Cont'd)

The Board has a formal schedule of matters reserved to itself for decision, which includes the overall Group strategy and direction, acquisition and investment, approval of major capital expenditure, consideration of significant financial matters and the review of the financial and operating performance of the Group. The schedule ensures that the governance of the Group is firmly in the Board's hand.

1.3 Formalised Ethical Standards through Code of Business Ethics

The Group is committed to conduct its businesses and operations with integrity, openness and accountability and to also conduct its affairs in an ethical, responsible and transparent manner. To facilitate the observation and application of the above values, the Group encourages its employees to raise genuine concerns about possible improprieties in matters of financial reporting, compliance with regulatory requirements and other malpractices or misconducts.

1.4 Strategies Promoting Sustainability

The Group acknowledges that sustainability is an important aspect of its business and continues to undertake responsible practices that impact the society and environment in a positive manner and to inculcate a culture of responsibility in all aspects of our business. It therefore adopts a business approach to creating shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments.

The Company's commitment in governance is evidenced through another milestone achievement of ISO 22000 for Food Safety Management System on 6 May 2013.

The Board ensures that its long-term financial viability, loyalty of key stakeholders and preservation of the environment are achieved. The details of sustainability activities are set out in the CSR section on page 15 of the Annual Report.

1.5 Access to Information and Advice

Prior to the meetings of the Board and the Board Committees, notices of agenda together with previous minutes and other relevant qualitative and quantitative information are compiled into reports and circulated to all members on a timely basis. Management is also invited to the Board and Board Committees' meetings to report or present on areas within their responsibilities to ensure the members were able to effectively discharge their responsibilities. All Directors also have full and free access to information within the Group, as well as the prerogative to seek independent professional advice, in furtherance of their duties, at the expense of the Group.

1.6 Qualified and Competent Company Secretary

The Company Secretary plays an advisory role to the Board and is capable of carrying out her duties efficiently to ensure the effective functioning of the Board. The Company Secretary is suitably qualified and has attended relevant training and seminars to keep abreast with the statutory and regulatory requirements' updates.

The Company Secretary circulates relevant guidelines and updates on statutory and regulatory requirements from time to time for the Directors' reference and brief the Board on these updates on quarterly basis. She also ensures that all Board and Board Committee meetings are properly convened and that deliberations, proceedings and resolutions are properly minuted and documented.

1.7 Board Charter

As at the date of this Annual Report, the Board is reviewing its draft Board Charter which outlines the roles and responsibilities of the Board. This Board Charter will be available at the Company's corporate website once it is approved by the Board.

2. STRENGTHEN COMPOSITION

2.1 Nomination Committee ("NC")

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 NC assists the Board in proposing new nominees for the Board, assessing the effectiveness of Directors on an ongoing basis, and reviewing the effectiveness of the Group Chairman, Group Managing Director and Executive Directors. The NC also reviews, recommends and ensures training and orientation needs/requirements for each individual Director.

The NC is appointed by the Board and it comprises exclusively of non-executive Directors, a majority of whom are independent Directors. The Code states that the Chair of the NC shall be a Senior Independent Director of the Company. The Board understands that the existing NC's composition does not comply with this Recommendation and would work towards achieving this.

Members of the NC may relinquish their membership in the NC with prior written notice to the Company Secretary. The NC will review and recommend to the Board for approval, another Director to fill the vacancy.

The NC has full, free and unrestricted access to the Group's records, properties and personnel in carrying out its duties and responsibilities. The NC is also authorized to seek independent professional advice subject to the approval of the Board, at the expense of the Group, in carrying out its duties. However, the NC is not authorized to implement its own recommendations but reports the same to the Board for the latter's consideration, approval and implementation.

The NC meet at least once a year or at any time when the need arises. The presence of the majority of the Independent Non-Executive Directors shall form the quorum of the meeting.

2.2 Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors

(a) Recruitment or New Appointment of Directors

The NC recommends to the Board, candidates for all directorships and to review the Board's policies and procedures for the selection of Board members. In making the recommendations, the NC should also consider candidates proposed by the Chairman and Group Managing Director, and within the bounds of practicability, by any other senior executive, Director or shareholder.

In making its recommendations, the NC shall assess and consider the candidates':

- skills, knowledge, expertise and experience;
- professionalism;
- time commitment to effectively discharge his/her role as a director;
- contribution and performance;
- character, integrity and competence;
- boardroom diversity including gender diversity; and
- in the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.

New Directors are provided with comprehensive information on the Group to enable them to gain a better understanding of the Group's strategies and operations, and hence allow them to effectively contribute to the Board. The NC shall ensure that a formal orientation programme is in place for future new recruits to the Board.

2. STRENGTHEN COMPOSITION (Cont'd)

2.2 Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors (Cont'd)

(b) Gender Diversity Policy

The Board does not have a specific policy on setting targets on the number of women representatives on the Board of the Company. The Board believes that there is no detriment to the Company in not adopting a formal gender diversity policy or in not setting gender diversity objectives as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Company. The evaluation of the suitability of candidates is based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company. Despite there is no such formal gender diversity policy, the Company has three (3) women representatives out of seven (7) representatives at the boardroom since 2008.

(c) Annual Assessment

The NC had on 25 February 2014 reviewed and assessed the mix of skills and experience of the Board including the core competencies of both Executive and Non-Executive Directors, size of the Board, contribution of each director and effectiveness of the Board, including Independent Non-Executive Directors as well as Chairman and Group Managing Director, and Board Committees. Based on the assessment, the NC was satisfied with the existing Board composition and was of the view that all the Directors and Board Committees of the Company had discharged their responsibilities in a commendable manner and had performed competently and effectively. All assessments carried out by the NC in the discharge of all its functions were properly documented.

2.3 Directors' Remuneration

The Remuneration Committee ("RC") currently comprises two (2) non-executive directors and one (1) executive director 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 RC reviews and reports to the Board on remuneration and personnel policies, compensation and benefits programs with the aim to attract, retain and motivate individuals of the highest quality. The remuneration should be aligned with the business strategy and long-term objectives of the Group, and to reflect the board's responsibilities, expertise and complexity of the Group's activities.

The remuneration package of each individual executive Director is structured to reflect his experience, performance and scope of responsibilities. The remuneration of non-executive Directors are in the form of annual fees and reflects the experience and the level of responsibilities undertaken by the particular non-executive Director concerned.

The RC has full, free and unrestricted access to the Group's records, properties and personnel in carrying out its duties and responsibilities. The RC is not authorized to implement its own recommendations but reports the same to the Board for the latter's consideration, approval and implementation.

Executive Directors shall abstain from the deliberation and voting on decisions in respect of their own remuneration package. In the event where the Chairman's remuneration is to be decided, he stall abstain from discussion and voting.

The remuneration and entitlements of non-executive Directors should be a matter for the Board as a whole. The individuals concerned should abstain from discussions pertaining to their own remuneration.

The activities of the RC are developed from year to year by the Committee in consultation with the Board and the RC shall meet at least once a year. The quorum for each meeting shall be a majority of independent directors.

2. STRENGTHEN COMPOSITION (Cont'd)

2.3 Directors' Remuneration (Cont'd)

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 2013 are as follows:-

	Salaries & Bonuses	Fees	Benefits-in-kind and other emoluments	Total
	RM	RM	RM	RM
Executive Directors	1,447,731	43,200	194,349	1,685,280
Non-Executive Directors	-	88,800	4,050	92,850
Total	1,447,731	132,000	198,399	1,778,130

A breakdown of Directors' remuneration for the financial year ended 31 December 2013 in successive bands of RM50,000.00 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	-	-
350,001 to 400,000	2	-
400,001 to 450,000	-	-
450,001 to 500,000	2	-
500,001 to 550,000	-	-

During the financial year, the RC met once which was attended by all its members. The RC had reviewed and recommended to the Board, the remuneration package for the Chairman, Group Managing Director and Executive Directors of the Company. The fees of the non-executive Directors shall be determined by the Board as a whole where each individual Director abstains from discussions pertaining to his own fees. The directors' fees are subject to the shareholders' approval at the Company's Annual General Meeting ("AGM").

3. REINFORCE INDEPENDENCE

3.1 Annual Assessment of Independence

The Board recognizes the importance of independence and that the Board members are responsible to act in the best interest of the shareholders of the Company. In view thereof, the NC assesses annually the independence of the Company's independent directors based on the criteria which had been developed prior to the assessment of independence of Independent Director.

The NC and Board are of the view that all existing Independent Non-Executive Directors continue to remain objective and independent in expressing their views and in participating in deliberations and decision making of the Board and Board Committees and no individual or small group of individuals dominates the Board's decision-making process. All evaluations carried on the independence of the Independent Directors were tabled to the Board and is properly documented.

3. REINFORCE INDEPENDENCE (Cont'd)

3.2 Tenure of Independent Directors

The Code recommends that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, the Independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director. The Board must justify and seek shareholders' approval in the event it retains as an Independent Director, a person who has served in that capacity for more than nine (9) years.

The tenure of all the Independent Directors of the Company does not exceed the cumulative term of nine (9) years and hence, they may continue to serve on the Board in accordance to the Code.

3.3 Separation of Positions of the Chairman and Group Managing Director

There is a clear division of responsibilities between the Chairman and the Group Managing Director to ensure a balance of authority and power. The Board is led by Mr Khaw Khoon Tee as the Executive Chairman and the executive management is led by Mr Kelvin Khaw Seang Chuan, Group Managing Director.

The roles of the Chairman and the Group Managing Director are clearly defined and it will be further clearly stated in the Board Charter. The Chairman is responsible for running the Board and ensuring that all Directors receive sufficient information on financial and non-financial matters to enable them to participate actively in Board deliberations and decisions. Although the Chairman of the Board is not an Independent Non-Executive Director, he is primarily responsible for the orderly conduct and effective function of the Board. The Group Managing Director is responsible for the day to day management of the business as well as implementation of the Board's policies and decisions.

3.4 Composition of the Board

The Board currently has seven (7) members; comprising four (4) Executive Directors, two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

The concept of independence adopted by the Board is in tandem with the definition of an independent Director in paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirement ("MMLR"). The key element for fulfilling the criteria is the appointment of an independent Director who is not a member of management and who is free of any relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company. The Board complies with paragraph 15.02 of MMLR, which requires that at least two Directors or 1/3rd of the Board of the Company, whichever is the higher, are independent Directors. If the number of Directors of the Company is not three (3) or a multiple of three (3), then the number nearest 1/3rd shall be used.

The Directors with their different backgrounds and specializations, collectively bring with them a wide range of experience and expertise in areas such as finance, corporate affairs, marketing and operations. The Executive Directors are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as co-ordinating the development and implementation of business and corporate strategies. The Independent Non-Executive Directors provide objective and independent judgement to decision making and serve as a capable check and balance for the Executive Directors.

The Code states that the Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director. The Board is mindful of the recommendation of the Code that the Board must comprise a majority of Independent Non-Executive Directors. The Board is of the view that the Executive Chairman's pioneering contribution towards the Company, his responsibility towards the Group's business and development activities as well as his extensive knowledge on the Company's operations and strategic direction renders him most suitable to represent the Company to its stakeholders. The Board is satisfied that the current Independent Non-Executive Directors with wide boardroom experience and specialization are able to provide the necessary check and balance.

4. FOSTER COMMITMENT

4.1 Time Commitment and Continuing Education Programmes

The Board ordinarily meets at least four (4) times a year at quarterly intervals with additional meetings convened when necessary. During the financial year, the Board met on five (5) occasions; where it deliberated on matters such as the Group's financial results, major investments and strategic decisions, its business plan, corporate finance and developments and the strategic direction of the Group among others. Board meetings for each year are scheduled in advance before the end of the preceding year in order for Directors to plan their schedules.

4. FOSTER COMMITMENT (Cont'd)

4.1 Time Commitment and Continuing Education Programmes (Cont'd)

Time commitments of the Directors are affirmed by their full attendance at the Board of Directors' Meetings held during the financial year where five (5) meetings were held. The record of the directors' attendance is contained in the table below.

Name	Attendance
Executive Directors	
Khaw Khoon Tee	5/5
Khaw Seang Chuan	5/5
Khaw Choon Hoong	4/5
Khaw Choon Choon	5/5
Non-Executive Directors	
Mary Geraldine Phipps	5/5
Leow Chan Khiang	5/5
Chan Wah Chong	5/5

4.2 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 2013 have completed the Mandatory Accreditation Program as specified by Bursa Securities. The Directors are also encouraged to attend various external professional training programs and/ or seminars on a continuous basis to enable them to effectively discharge their duties and to ensure that they are kept abreast on various issues facing the changing business environment within which the Group operates.

The Directors have during the financial year ended 31 December 2013, evaluated their own training needs on a continuous basis and attended the following trainings, conferences and seminars:

- Updates of the 2012 and 2013 IFRS compliant MFRS – By Malaysian Institute of Certified Public Accountants
- Advocacy Session on Corporate Disclosure for Directors of listed issuers – By Bursa Malaysia (1/2 day session)
- Nominating Committee Programme for Directors by ICLiP Leadership and Governance Centre
- Tax seminar on Budget 2014
- Risk Management & Internal Control : Workshop for Audit Committee by Bursa Malaysia
- Building a better business through diversity by ACCA
- MFRS/FRS Update 2013/2014 Seminar by KPMG
- HRDF - SHAPING PEOPLE by HRDF Malaysia

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with Applicable Financial Reporting Standards

The Board is assisted by the AC to oversee the Group's financial reporting processes and the quality of its financial reporting and to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia. Such financial statements comprise the quarterly financial report announced to Bursa Malaysia Securities Berhad and the annual statutory financial statements. A Statement by the Board of its responsibilities is set out on page 29 of this Annual Report.

Through the annual financial statements as well as the Chairman's statement and review of operations in the Annual Report and the quarterly announcements of results to shareholders, the Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects.

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING (Cont'd)

5.2 Assessment of Suitability and Independence of External Auditors

The AC oversees and appraises the quality of the audits conducted by the Company's external auditors; maintain open lines of communication between the Board of Directors and external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and assess the adequacy of the risk management systems and internal control environment as well as the financial reporting systems based on audit feedback from the external auditors. Key features underlying the relationship between the AC and the external auditors are included in the AC's Report as detailed on pages 32 to 34 of the Annual Report.

The AC reviewed the suitability and independence of the external auditors and recommended their re-appointment to the Board, upon which the shareholders' approval will be sought at the forthcoming Ninth AGM. The external auditors had provided their confirmation to the AC that they have complied with the ethical requirements regarding independence with respect to the audit of the Group in accordance with all relevant professional and regulatory requirements. The external auditors also provide certain non-audit services.

6. RECOGNISE AND MANAGE RISK

6.1 Sound Framework to Manage Risk

The Board ensures that there is an on-going process of identifying, evaluating and managing the significant risks via the examination of principal business risks in critical areas, assessing the likelihood of material exposures and the identification of measures taken to mitigate, avoid or reduce these risks are undertaken by the Executive Directors and senior management through regular meetings held throughout the financial year. Kindly refer to pages 30 and 31 of the Annual Report on the Statement on Risk Management and Internal Control for more information.

6.2 Internal Audit Function

The Company has out sourced its internal audit function to an independent internal audit services provider for the financial year, which reports directly to the AC on the results of audit reviews. The AC oversees and appraises the quality of the audits conducted by the Company's internal auditors; maintain open lines of communication between the Board of Directors and the internal auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and assesses the adequacy of the risk management systems and internal control environment as well as the financial reporting systems based on audit feedback from the internal auditors.

Key features underlying the relationship between the AC and the internal auditors are included in the AC's Report as detailed on pages 32 to 34 of the Annual Report. The Statement of Risk Management and Internal Control furnished on pages 30 to 31 of the Annual Report provides an overview of the system of internal controls of the Group. The cost incurred for the internal audit function for the financial year ended 31 December 2013 was RM23,460.

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policy ("CDP")

The Company is committed to provide clear, accurate and timely disclosure of all material information pertaining to its performance and operations to its stakeholders and the general public. The Board does not have a Corporate Disclosure Policy. However, the Company ensures compliance with the disclosure requirements as set out in the MMLR at all times.

7.2 Leveraging on Information Technology for Effective Dissemination of Information

The Company has established a website at www.sinliplas.com.my from which shareholders as well as members of the public may access the latest information on the operations and activities of the Group; all the information required by Bursa Malaysia Securities Berhad; Corporate Governance and financial information.

The Company ensures timely release of the financial results on a quarterly basis to provide an overview of the Group's performance and operations to its shareholders. The Company also makes timely announcements for the information of its shareholders and the general public of any corporate manoeuvres in accordance with the MMLR.

8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1 Encourage Shareholder Participation at General Meetings

The Company recognizes the importance of accountability to its shareholders through proper communication with them. The AGM is the principal forum for dialogue with the shareholders. Shareholders are notified of the meeting and provided with a copy of the Company's Annual Report at least twenty-one (21) days prior to the scheduled AGM. All shareholders are encouraged to attend the AGM and participate in its proceedings. Every opportunity is given to the shareholders to ask questions on the resolutions being proposed and seek clarification on the business and performance of the Group.

8.2 Poll Voting

The Chairman of the general meeting would inform the shareholders, proxies and corporate representatives on their rights to demand for a poll vote at the commencement of the general meeting for any resolution in accordance with the provisions of the Articles of Association of the Company on the voting for any resolutions.

The voting process at each meeting shall be by way of show of hands unless a poll is demanded or specifically required. The Chairman may demand for a poll for any resolutions put forward for voting at the shareholders' meeting, if so required.

8.3 Effective Communication and Proactive Engagement

At the previous AGM, all directors were present in person to engage directly with the shareholders. The Chairman invited shareholders to raise questions before putting a resolution to vote. The Directors, management and external auditors were in attendance to respond to the shareholders' queries.

This Statement on Corporate Governance was approved in accordance with the resolution of the Board on 15 April 2014.

DIRECTORS' RESPONSIBILITY STATEMENT

In Respect of the Preparation of the Audited Financial Statements

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013 and of their profit or loss and cash flows for the year then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been adhered to.

In preparing the financial statements, the Directors have applied consistently suitable accounting policies and have made reasonable and prudent judgements and estimates.

The Directors also have a general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and to prevent fraud and other irregularities.

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.

RISK MANAGEMENT (Cont'd)

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:

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.

The internal control and risk management process are in place for the period under review and up to the date of insurance of the statement on risk management and internal control.

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 2013, 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.

The Board is of the view that the risk management and system of internal controls in place for the year under review were sound and sufficient to safeguard the shareholders' interests and the Group assets. There were no material internal control weaknesses which had resulted in material losses, uncertainties or contingencies that would require disclosure in this Annual Report.

This statement is issued in accordance with a resolution of the Directors dated 28 April 2014.

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.

3.0 Quorum and Committee's Procedures (Cont'd)

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.

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 2013, 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 2013, 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 2013 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 2013;

(iii) reviewed the external auditors' scope of work and the audit planning memorandum for the financial year ended 31 December 2013;

(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 2013;

(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 2013; and

(viii) reviewed of the Statement on Risk Management and Internal Control 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.

This report is made in accordance with a resolution of the Board of Directors dated 25 February 2014.

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 RM22,600 to a company related to the 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 RM23,460.

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 26 of this Annual Report.

FINANCIAL STATEMENTS

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 2013.

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	Company
	RM	RM
Profit for the year attributable to owners of the Company	11,229,101	4,809,387

Reserves and Provisions

There were no material transfers to or from reserves and provisions during the financial year under review 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 2012 on 18 July 2013; 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 2013 on 18 October 2013.

A single-tier final dividend of 1 sen per ordinary share totalling RM2,473,333 in respect of the financial year ended 31 December 2013 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' Interests in Shares

The interests and deemed interests in the shares of the Company of those who were Directors at financial 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 1.1.2013	**Bought**	**(Sold)**	**At 31.12.2013**
Khaw Khoon Tee				
Interest in the Company:				
- own	31,170,121	-	-	31,170,121
- others #	2,298,332	-	-	2,298,332
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, Mr. Khaw Seang Chuan and Ms. Khaw Choon Hoong 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 2013 had any interest in the ordinary shares of the Company or its subsidiaries during the financial year.

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 financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that :

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

ii) 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.

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 2013 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 : 28 April 2014

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 44 to 90 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 2013 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 91 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 : 28 April 2014

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 44 to 91 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 28 April 2014.

Khaw Khoon Tee

Before me :

Chan Kam Chee (No.P120)
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 2013 of the Group and of the Company and the statements of profit or loss and other 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 44 to 90.

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 2013 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.

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 91 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

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

Date : 28 April 2014

Petaling Jaya

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

	Note	2013 RM	2012 RM
Assets			
Property, plant and equipment	3	**52,268,348**	50,567,179
Investments	4	**247,958**	237,558
Intangible assets	5	**22,235**	22,235
Total non-current assets		**52,538,541**	50,826,972
Inventories	6	**23,173,736**	23,220,688
Trade and other receivables	7	**32,990,794**	27,071,051
Derivative financial assets	8	**96,925**	-
Current tax assets		**249,777**	80,355
Cash and cash equivalents	9	**8,479,082**	11,330,152
Total current assets		**64,990,314**	61,702,246
Total assets		**117,528,855**	112,529,218
Equity			
Share capital	10	**61,833,333**	61,833,333
Reserves	11	**27,407,285**	21,114,450
Total equity attributable to owners of the Company		**89,240,618**	82,947,783
Liabilities			
Deferred tax liabilities	12	**5,702,000**	5,940,000
Loans and borrowings	13	**2,068,520**	19,134
Other payables	14	**-**	1,539,993
Total non-current liabilities		**7,770,520**	7,499,127
Loans and borrowings	13	**4,144,949**	3,703,278
Trade and other payables	14	**14,989,768**	17,002,530
Current tax liabilities		**1,383,000**	1,376,500
Total current liabilities		**20,517,717**	22,082,308
Total liabilities		**28,288,237**	29,581,435
Total equity and liabilities		**117,528,855**	112,529,218

The notes on pages 53 to 91 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2013

	Note	2013 RM	2012 RM
Revenue	15	**161,842,653**	151,207,914
Changes in work-in-progress and manufactured inventories		**4,134,443**	1,228,251
Raw materials and consumables used		**(128,202,462)**	(116,346,582)
Employee benefits expenses	16	**(8,644,607)**	(7,401,686)
Depreciation and amortisation	3, 5	**(5,121,506)**	(5,714,281)
Other operating expenses		**(10,490,682)**	(10,749,232)
Other operating income		**1,008,178**	522,341
Results from operating activities		**14,526,017**	12,746,725
Finance costs	17	**(53,970)**	(65,398)
Profit before tax	18	**14,472,047**	12,681,327
Income tax expense	20	**(3,242,946)**	(3,241,621)
Profit for the year		**11,229,101**	9,439,706
Other comprehensive income for the year			
Item that may be reclassified subsequently to profit or loss			
- Fair value of available-for-sale financial assets		**10,400**	4,000
Total other comprehensive income for the year		**10,400**	4,000
Total comprehensive income for the year attributable to owners of the Company		**11,239,501**	9,443,706
Basic earnings per ordinary share (sen)	21	**4.54**	3.82

The notes on pages 53 to 91 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December 2013

	Note	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 2012		61,833,333	23,200	16,594,210	78,450,743
Fair value of available- for-sale financial assets		-	4,000	-	4,000
Total 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
At 1 January 2013		**61,833,333**	**27,200**	**21,087,250**	**82,947,783**
Fair value of available-for-sale financial assets		**-**	**10,400**	**-**	**10,400**
Total other comprehensive income for the year		**-**	**10,400**	**-**	**10,400**
Profit for the year		**-**	**-**	**11,229,101**	**11,229,101**
Total comprehensive income for the year		**-**	**10,400**	**11,229,101**	**11,239,501**
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 2013		**61,833,333**	**37,600**	**27,369,685**	**89,240,618**

The notes on pages 53 to 91 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended 31 December 2013

	Note	2013 RM	2012 RM
Cash flows from operating activities			
Profit before tax		**14,472,047**	12,681,327
Adjustments for :			
Depreciation of property, plant and equipment	3	**5,121,506**	5,385,556
Amortisation of intangible assets	5	**-**	328,725
Gain on disposal of plant and equipment		**-**	(42,975)
Plant and equipment written off		**5**	3
Dividend income		**(4,400)**	(3,200)
Finance costs	17	**53,970**	65,398
Finance income		**(122,420)**	(77,653)
Operating profit before changes in working capital		**19,520,708**	18,337,181
Changes in working capital :			
Inventories		**46,952**	(7,424,894)
Trade and other receivables and other financial assets		**(6,016,668)**	229,226
Trade and other payables		**(3,552,755)**	5,239,875
Cash generated from operations		**9,998,237**	16,381,388
Income tax paid		**(3,643,868)**	(2,105,285)
Net cash from operating activities		**6,354,369**	14,276,103
Cash flows from investing activities			
Acquisition of property, plant and equipment	3	**(6,822,680)**	(6,798,078)
Proceeds from disposal of plant and equipment		**-**	96,000
Dividend received		**4,400**	3,200
Interest received		**122,420**	77,653
Net cash used in investing activities		**(6,695,860)**	(6,621,225)

The notes on pages 53 to 91 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

For the Year Ended 31 December 2013

	Note	2013 RM	2012 RM
Cash flows from financing activities			
Repayment of finance lease liabilities		-	(105,434)
Drawdown of :			
- bank loans, net		**2,391,057**	166,049
- other bank borrowings, net		**100,000**	700,000
Dividends paid to owners of the Company	22	**(4,946,666)**	(4,946,666)
Interest paid		**(53,970)**	(65,398)
Net cash used in financing activities		**(2,509,579)**	(4,251,449)
Net (decrease)/increase in cash and cash equivalents		**(2,851,070)**	3,403,429
Cash and cash equivalents at 1 January		**11,330,152**	7,926,723
Cash and cash equivalents at 31 December	A	**8,479,082**	11,330,152

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	2013 RM	2012 RM
Short term deposits with licensed banks	9	**2,500,000**	5,900,000
Cash and bank balances	9	**5,979,082**	5,430,152
		8,479,082	11,330,152

The notes on pages 53 to 91 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

	Note	2013 RM	2012 RM
Assets			
Investments in subsidiaries	4	**58,985,373**	58,985,373
Total non-current assets		**58,985,373**	58,985,373
Trade and other receivables	7	**2,860,140**	2,722,060
Current tax assets		**5,947**	80,355
Cash and cash equivalents	9	**2,627,254**	2,816,474
Total current assets		**5,493,341**	5,618,889
Total assets		**64,478,714**	64,604,262
Equity			
Share capital	10	**61,833,333**	61,833,333
Reserves	11	**2,577,329**	2,714,608
Total equity attributable to owners of the Company		**64,410,662**	64,547,941
Liabilities			
Trade and other payables	14	**68,052**	56,321
Total current liabilities		**68,052**	56,321
Total equity and liabilities		**64,478,714**	64,604,262

The notes on pages 53 to 91 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2013

	Note	2013 RM	2012 RM
Revenue	15	**5,350,000**	5,700,000
Other operating income		**51,563**	5,310
Other operating expenses		**(337,785)**	(301,250)
Profit before tax	18	**5,063,778**	5,404,060
Income tax expense	20	**(254,391)**	(386,114)
Profit/Total comprehensive income for the year		**4,809,387**	5,017,946

The notes on pages 53 to 91 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December 2013

	Note	Share capital RM	Distributable Retained earnings RM	Total equity RM
At 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 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 / 1 January 2013		**61,833,333**	**2,714,608**	**64,547,941**
Profit / Total comprehensive income for the year		**-**	**4,809,387**	**4,809,387**
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 2013		**61,833,333**	**2,577,329**	**64,410,662**

The notes on pages 53 to 91 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the Year Ended 31 December 2013

	Note	2013 RM	2012 RM
Cash flows from operating activities			
Profit before tax		**5,063,778**	5,404,060
Adjustments for :			
Dividend income	18	**(5,350,000)**	(5,700,000)
Finance income		**(51,563)**	(5,310)
Operating loss before changes in working capital		**(337,785)**	(301,250)
Changes in working capital :			
Trade and other receivables		**11,920**	3,619,767
Trade and other payables		**11,731**	9,821
Cash (used in)/generated from operations		**(314,134)**	3,328,338
Dividends received		**4,950,000**	5,375,000
Income tax refunded		**70,017**	19,146
Net cash from operating activities		**4,705,883**	8,722,484
Cash flows from investing activities			
Acquisition of a subsidiary		**-**	(100)
Addition to investment in a subsidiary		**-**	(999,900)
Interest received		**51,563**	5,310
Net cash from/(used in) investing activities		**51,563**	(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 (decrease)/increase in cash and cash equivalents		**(189,220)**	2,781,128
Cash and cash equivalents at 1 January		**2,816,474**	35,346
Cash and cash equivalents at 31 December	A	**2,627,254**	2,816,474

NOTE

A. *Cash and cash equivalents*

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

	Note	2013 RM	2012 RM
Short term deposits with licensed banks	9	**2,500,000**	2,700,000
Cash and bank balances	9	**127,254**	116,474
		2,627,254	2,816,474

The notes on pages 53 to 91 are an integral part of these financial statements.

SLP Resources Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the 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 2013 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 28 April 2014.

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.

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 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*
- Amendments to MFRS 136, *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*
- Amendments to MFRS 139, *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting**
- IC Interpretation 21, *Levies**

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

- Amendments to MFRS *1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)#*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)#*

1. Basis of Preparation (Cont'd)

(A) Statement of Compliance (Cont'd)

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

- MFRS 9, *Financial Instruments (2009)*
- MFRS 9, *Financial Instruments (2010)*
- MFRS 9, *Financial Instruments - Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139*
- 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 2014 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2014, except for those marked "*" which are not applicable to the Group and the Company.
- from the annual period beginning on 1 January 2015 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2014, except for those marked "#" which are not applicable to the Group and the Company.

The initial application of the abovementioned 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 Note 2 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.

(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 have been applied consistently by Group entities, unless otherwise stated.

(A) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities, including structure 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.

The Group adopted MFRS 10, *Consolidated Financial Statements* in the current financial year. This resulted in changes to the following policies:

- Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In the previous financial years, control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

2. Significant Accounting Policies (Cont'd)

(A) Basis of Consolidation (Cont'd)

(i) Subsidiaries (Cont'd)

- Potential voting rights are considered when assessing control only when such rights are substantive. In the previous financial years, potential voting rights are considered when assessing control when such rights are presently exercisable.
- The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return. In the previous financial years, the Group did not consider de facto power in its assessment of control.

The change in accounting policy has been made retrospectively and in accordance with the transitional provision of MFRS 10. The adoption of MFRS 10 has no impact to the financial statements of the Group.

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.

For new acquisitions, 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.

(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.

(iv) Loss of Control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former 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 former 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 profit or loss and other 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.

2. Significant Accounting Policies (Cont'd)

(A) Basis of Consolidation (Cont'd)

(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 statement 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.

(ii) Financial Instrument Categories and Subsequent Measurement

The Group and the Company categorise financial instruments as follows:

Financial Assets

(a) Financial Assets at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) 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.

2. Significant Accounting Policies (Cont'd)

(C) Financial Instruments (Cont'd)

(ii) Financial Instrument Categories and Subsequent Measurement (Cont'd)

Financial Assets (Cont'd)

(c) 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, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 2(i)(i)).

Financial Liabilities

All financial liabilities are subsequently measured at amortised cost, other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of equity instruments that do not have a quoted price in an active market for identical instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(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.

Fair value arising from 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.

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 is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" or "other 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.

(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.

2. Significant Accounting Policies (Cont'd)

(D) Property, Plant and Equipment (Cont'd)

(iii) Depreciation (Cont'd)

The depreciation rates for the current and comparative periods based on the estimated useful lives of the assets are as follows :

	%
Leasehold land	1.28 - 1.33
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 recognitions 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, or as investment property if held to earn rental income or for capital appreciation or for both.

(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 on 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.

(F) Intangible Assets

(i) Goodwill

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

2. Significant Accounting Policies (Cont'd)

(F) Intangible Assets (Cont'd)

(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 as 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 and intangible assets 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.

(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.

2. Significant Accounting Policies (Cont'd)

(l) 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 investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

An impairment loss in respect of loans and receivables 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) 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.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. 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.

2. Significant Accounting Policies (Cont'd)

(I) Impairment (Cont'd)

(ii) Other Assets (Cont'd)

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 financial 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 of disposal.

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.

(ii) State Plans

The Group's contributions to statutory pension funds are charged to profit or loss in the year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(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) Contingencies

(i) 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.

2. Significant Accounting Policies (Cont'd)

(N) Contingencies (Cont'd)

(ii) Contingent Assets

Where it is not probable that there is an inflow of economic benefits, or the amount cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as a contingent asset, unless the probability of inflow 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 assets unless the probability of inflow 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.

(iv) Rental Income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as other income.

(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.

(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.

2. Significant Accounting Policies (Cont'd)

(Q) Income Tax (Cont'd)

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, (adjusted for own shares held).

(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.

(T) Fair Value Measurement

From 1 January 2013, the Group adopted MFRS 13, *Fair Value Measurement* which prescribed that fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In accordance with the transitional provision of MFRS 13, the Group applied the new fair value measurement guidance prospectively, and has not provided any comparative fair value information for new disclosures. The adoption of MFRS 13 has not significantly affected the measurements of the Group's assets or liabilities other than the additional disclosures.

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 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 27)	-	2,800,827	-	-	-	-	2,800,827
Written off	-	-	-	-	(20,318)	-	(20,318)
At 31 December 2012/1 January 2013	**18,731,429**	**13,934,476**	**119,000**	**71,012,762**	**1,279,253**	**3,170,095**	**108,247,015**
Additions	**23,000**	**-**	**-**	**6,156,136**	**55,000**	**588,544**	**6,822,680**
Written off	**-**	**-**	**-**	**(2,104,728)**	**(23,130)**	**-**	**(2,127,858)**
At 31 December 2013	**18,754,429**	**13,934,476**	**119,000**	**75,064,170**	**1,311,123**	**3,758,639**	**112,941,837**
Accumulated depreciation							
At 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 27)	-	241,276	-	-	-	-	241,276
Written off	-	-	-	-	(20,315)	-	(20,315)
At 31 December 2012/1 January 2013	**2,394,202**	**1,125,350**	**10,514**	**51,079,561**	**1,126,890**	**1,943,319**	**57,679,836**
Depreciation for the year	**416,930**	**181,146**	**2,380**	**4,069,194**	**77,909**	**373,947**	**5,121,506**
Written off	**-**	**-**	**-**	**(2,104,727)**	**(23,126)**	**-**	**(2,127,853)**
At 31 December 2013	**2,811,132**	**1,306,496**	**12,894**	**53,044,028**	**1,181,673**	**2,317,266**	**60,673,489**
Carrying amounts							
At 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 2012/1 January 2013	16,337,227	12,809,126	108,486	19,933,201	152,363	1,226,776	50,567,179
At 31 December 2013	**15,943,297**	**12,627,980**	**106,106**	**22,020,142**	**129,450**	**1,441,373**	**52,268,348**

3. Property, Plant and Equipment - Group (Cont'd)

3.1 Security

Certain machinery amounting to RM4,867,570 as of 31 December 2013 (2012 : RM5,657,157) are charged to banks as security for loans granted to the subsidiaries of the Company (see Note 13).

4. Investments

Investments comprise the following :

(i) Investment in Subsidiaries

	Company	
	2013 RM	2012 RM
Non-current		
Unquoted shares, at cost	**58,985,373**	58,985,373

Details of the subsidiaries are as follows :

Name of subsidiaries	Effective ownership interest		Principal activities
	2013 %	2012 %	
Sinliplas Holding Sdn. Bhd. ("SHSB")	**100**	100	Manufacture and sale of plastic packaging and its related products
Sinliplas Sdn. Bhd. ("SSB")	**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**	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 RM	Quoted RM	Total RM
Non-current			
2013			
Available-for-sale financial assets	**109,558**	**138,400**	**247,958**
Representing items :			
At cost	**109,558**	**-**	**109,558**
At fair value	**-**	**138,400**	**138,400**
	109,558	**138,400**	**247,958**
Market value of quoted shares	**-**	**138,400**	**138,400**
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

5. Intangible Assets - Group

	Goodwill RM	Development costs RM	Total RM
Cost			
At 1 January 2012	11,330	988,302	999,632
Addition during the year	-	8,580	8,580
At 31 December 2012/1 January 2013/31 December 2013	**11,330**	**996,882**	**1,008,212**
Amortisation and impairment loss			
At 1 January 2012	-	657,252	657,252
Amortisation for the year	-	328,725	328,725
At 31 December 2012/1 January 2013/31 December 2013	**-**	**985,977**	**985,977**
Carrying amounts			
At 1 January 2012	11,330	331,050	342,380
At 31 December 2012/1 January 2013	11,330	10,905	22,235
At 31 December 2013	**11,330**	**10,905**	**22,235**

Developments costs

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

6. Inventories - Group

	2013 RM	2012 RM
Raw materials	**11,705,468**	15,886,863
Work-in-progress	**5,685,329**	5,210,402
Manufactured inventories	**5,782,939**	2,123,423
	23,173,736	23,220,688

7. Trade and Other Receivables

Group	2013 RM	2012 RM
Trade		
Trade receivables	**32,539,784**	26,291,296
Non-trade		
Other receivables	**332,173**	164,728
Deposits	**55,175**	52,305
Prepayments	**63,662**	562,722
	451,010	779,755
	32,990,794	27,071,051

Company	2013 RM	2012 RM
Non-trade		
Other receivables	**890**	5,310
Deposits	**3,000**	3,000
Prepayments	**6,250**	13,750
Dividend receivable from subsidiaries	**2,850,000**	2,700,000
	2,860,140	2,722,060

8. Derivative Financial Assets - Group

	2013	
	Nominal value RM	**Assets RM**
Derivative held for trading at fair value through profit or loss		
- Forward exchange contracts	**3,275,500**	**96,925**

Forward exchange contracts are used to manage the foreign currency exposures arising from the Group's receivables and payables denominated in currencies other than the functional currency of the subsidiaries. Most of the forward exchange contracts have maturities of less than one year as of the end of the reporting date. Where necessary, the forward contracts are rolled over at maturity.

9. Cash and Cash Equivalents

	2013 RM	2012 RM
Group		
Short term deposits with licensed banks	**2,500,000**	5,900,000
Cash and bank balances	**5,979,082**	5,430,152
	8,479,082	11,330,152
Company		
Short term deposits with licensed banks	**2,500,000**	2,700,000
Cash and bank balances	**127,254**	116,474
	2,627,254	2,816,474

10. Share Capital – Group/Company

	Amount RM	Number of shares
Ordinary shares of RM0.25 each		
Authorised :		
Balance at 31 December 2012/31 December 2013	**100,000,000**	**400,000,000**
Issued and fully paid classified as equity instruments :		
Balance at 31 December 2012/31 December 2013	**61,833,333**	**247,333,333**

11. Reserves

	Note	2013 RM	2012 RM
Group			
Non-distributable			
Fair value reserve	11.1	**37,600**	27,200
Distributable			
Retained earnings		**27,369,685**	21,087,250
		27,407,285	21,114,450
Company			
Distributable			
Retained earnings		**2,577,329**	2,714,608

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 :

	2013 RM	2012 RM
Deferred tax assets (before offsetting)		
- Unutilised reinvestment allowances	**528,000**	-
Offsetting	**(528,000)**	-
Deferred tax assets (after offsetting)	**-**	-
Deferred tax liabilities (before offsetting)		
- Property, plant and equipment	**6,158,100**	5,940,000
- Others	**71,900**	-
	6,230,000	5,940,000
Offsetting	**(528,000)**	-
Deferred tax liabilities (after offsetting)	**5,702,000**	5,940,000

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

	At 1 January 2012 RM	**Recognised in profit or loss (Note 20) RM**	**At 31 December 2012/ 1 January 2013 RM**	**Recognised in profit or loss (Note 20) RM**	**At 31 December 2013 RM**
Unutilised reinvestment allowances	374,160	(374,160)	-	528,000	**528,000**
Property, plant and equipment	(6,312,000)	372,000	(5,940,000)	(218,100)	**(6,158,100)**
Others	2,000	(2,000)	-	(71,900)	**(71,900)**
	(5,935,840)	(4,160)	(5,940,000)	238,000	**(5,702,000)**

13. Loans and Borrowings - Group

	2013 RM	2012 RM
Current :		
Secured :		
Bank loans	**3,344,949**	3,003,278
Bankers' acceptance	**800,000**	700,000
	4,144,949	3,703,278
Non-current :		
Secured :		
Bank loans	**2,068,520**	19,134

13.1 Securities

The secured loans and borrowings are secured against the debentures or fixed charges over certain machinery of the Group (Note 3.1).

14. Trade and Other Payables

	Note	2013 RM	2012 RM
Group			
Current			
Trade			
Trade payables		**10,364,653**	13,063,990
Non-trade			
Other payables		**3,817,697**	2,521,398
Accrued expenses		**807,418**	1,417,142
		4,625,115	3,938,540
		14,989,768	17,002,530
Non-current			
Other payable	14.1	**-**	1,539,993
Company			
Current			
Non-trade			
Accrued expenses		**68,052**	56,321

14.1 Other Payables

The non-current other payable was in respect of the premium payable to Kedah State Development Corporation in year 2012 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 RM407,802 (2012 : RM377,249).

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

17. Finance Costs - Group

	2013 RM	2012 RM
Interest paid and payable :		
Finance lease liabilities	**-**	8,400
Term loans	**26,783**	37,032
Bankers' acceptances	**13,020**	18,041
Onshore foreign currency loan	**14,167**	1,925
	53,970	65,398

18. Profit Before Tax

Profit before tax has been arrived at :

	Group		Company	
	2013 RM	2012 RM	**2013 RM**	2012 RM
After charging :				
Auditors' remuneration				
- statutory audit fees	**74,000**	68,000	**21,000**	19,000
- non-audit fees				
- KPMG Malaysia	**5,000**	5,000	**5,000**	5,000
- Local affiliate of KPMG Malaysia	**22,600**	42,500	**2,500**	2,500
Directors' emoluments				
- Directors of the Company				
- fees	**132,000**	132,000	**132,000**	132,000
- remuneration	**1,586,780**	1,460,940	**5,400**	5,400
Rental of premises	**3,600**	3,600	**-**	-
Research expenses	**27,735**	36,802	**-**	-
Plant and equipment written off	**5**	3	**-**	-
Loss on foreign exchange - realised (net)	**667,499**	888,579	**-**	-
Bad debts written off	**2,000**	-	**-**	-
and after crediting :				
Rental income	**49,598**	12,881	**-**	-
Dividend income from :				
- shares quoted in Malaysia	**4,400**	3,200	**-**	-
- subsidiaries (unquoted)	**-**	-	**5,350,000**	5,700,000
Gain on foreign exchange - unrealised (net)	**545,869**	241,989	**-**	-
Finance income	**122,420**	77,653	**51,563**	5,310
Gain on disposal of plant and equipment	**-**	42,975	**-**	-

19. Key Management Personnel Compensations

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

	Group		Company	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Directors of the Company				
- fee	**132,000**	132,000	**132,000**	132,000
- remunerations	**1,586,780**	1,460,940	**5,400**	5,400
Total short-term employee benefits	**1,718,780**	1,592,940	**137,400**	137,400

The estimated monetary value of Directors' benefits-in-kind is RM59,350 (2012 : RM53,125).

20. Income Tax Expense

Recognised in profit or loss

	Group		Company	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Income tax expense on continuing operations	**3,242,946**	3,241,621	**254,391**	386,114

Major components of income tax expense include :

	Group		Company	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Current tax expense				
- Current year	**3,092,553**	3,190,103	**254,053**	366,103
- Prior year	**388,393**	47,358	**338**	20,011
Total current tax recognised in profit or loss	**3,480,946**	3,237,461	**254,391**	386,114
Deferred tax expense				
- Origination and reversed of temporary differences	**(113,000)**	86,160	**-**	-
- Prior year	**(125,000)**	(82,000)	**-**	-
Total deferred tax recognised in profit or loss	**(238,000)**	4,160	**-**	-
Total income tax expense	**3,242,946**	3,241,621	**254,391**	386,114

Reconciliation of effective income tax expense

	Group		Company	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Profit for the year	**11,229,101**	9,439,706	**4,809,387**	5,017,946
Total income tax expense	**3,242,946**	3,241,621	**254,391**	386,114
Profit excluding tax	**14,472,047**	12,681,327	**5,063,778**	5,404,060
Income tax calculated using Malaysian tax rate of 25%	**3,618,012**	3,170,332	**1,265,945**	1,351,015
Non-deductible expenses	**245,453**	228,142	**75,608**	65,088
Tax incentives	**(883,958)**	(120,805)	**-**	-
Non-taxable income	**(1,100)**	(800)	**(1,087,500)**	(1,050,000)
Other items	**1,146**	(606)	**-**	-
Under/(Over) provided in prior years	**263,393**	(34,642)	**338**	20,011
Income tax expense	**3,242,946**	3,241,621	**254,391**	386,114

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 RM11,229,101 (2012 : RM9,439,706) and on the weighted average number of ordinary shares outstanding during the financial year of 247,333,333 (2012 : 247,333,333).

22. Dividends

Dividends recognised by the Company are :

	2013 RM	2012 RM
In respect of the financial year ended 31 December 2011		
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
Single-tier final dividend of 1 sen per ordinary share paid on 18 July 2013	**2,473,333**	-
In respect of the financial year ended 31 December 2013		
Single-tier interim dividend of 1 sen per ordinary share paid on 18 October 2013	**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 was proposed by the Directors. This dividend will be recognised in subsequent financial period upon approval by the owners of the Company.

	Sen per share	Total amount RM
Single-tier final 2013 ordinary	1.00	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.

23. Operating Segments - Group (Cont'd)

	Revenue RM	Non-current assets RM
Geographical information		
2013		
Malaysia	**95,380,322**	**52,290,583**
Japan	**40,754,071**	**-**
European countries	**6,924,881**	**-**
Australia	**8,519,453**	**-**
Other countries	**10,263,926**	**-**
	161,842,653	**52,290,583**
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

Major customers

The Group does not have any major customers with revenue equal or more than 10% of the Group's total revenue for 2013 and 2012.

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 or jointly 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. 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	
	2013 RM	2012 RM
Subsidiaries		
Dividends received/receivable	**5,350,000**	5,700,000

The balances related to the above transactions 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

	2013 RM	2012 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");

(c) Fair value through profit or loss ("FVTPL") - Held for trading ("HFT");

(d) Financial liabilities measured at amortised cost ("FL")

	Carrying amount RM	**L&R RM**	**AFS RM**	**FVTPL -HFT RM**
Group				
2013				
Financial assets				
Other investments	**247,958**	**-**	**247,958**	**-**
Trade and other receivables, excluding prepayments and non-refundable deposits	**32,871,957**	**32,871,957**	**-**	**-**
Derivative financial assets	**96,925**	**-**	**-**	**96,925**
Cash and cash equivalents	**8,479,082**	**8,479,082**	**-**	**-**
	41,695,922	**41,351,039**	**247,958**	**96,925**
2012				
Financial assets				
Other investments	237,558	-	237,558	-
Trade and other receivables, excluding prepayments and non-refundable deposits	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)

	Carrying amount RM	L&R RM	AFS RM
Company			
2013			
Financial assets			
Trade and other receivables, excluding prepayments and non-refundable deposits	**2,850,890**	**2,850,890**	**-**
Cash and cash equivalents	**2,627,254**	**2,627,254**	**-**
	5,478,144	**5,478,144**	**-**
2012			
Financial assets			
Trade and other receivables, excluding prepayments and non-refundable deposits	2,705,310	2,705,310	-
Cash and cash equivalents	2,816,474	2,816,474	-
	5,521,784	5,521,784	-

	Carrying amount RM	FL RM
Group		
2013		
Financial liabilities		
Loan and borrowings	**6,213,469**	**6,213,469**
Trade and other payables	**14,989,768**	**14,989,768**
	21,203,237	**21,203,237**
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

26. Financial Instruments (Cont'd)

26.1 Categories of Financial Instruments (Cont'd)

	Carrying amount RM	FL RM
Company		
2013		
Financial liabilities		
Trade and other payables	**68,052**	**68,052**
2012		
Financial liabilities		
Trade and other payables	56,321	56,321

26.2 Net Gains and Losses Arising from Financial Instruments

	Group		Company	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Net gains/(loss) on :				
Available-for-sale financial assets				
- recognised in other comprehensive income	**10,400**	4,000	**-**	-
Fair value through profit or loss :				
- held for trading	**96,925**	-	**-**	-
Loans and receivables (net)	**(53,180)**	(634,335)	**51,563**	5,310
	54,145	(630,335)	**51,563**	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.

26. Financial Instruments (Cont'd)

26.4 Credit Risk (Cont'd)

Trade 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 range 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 trade 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 stated 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 120 days, which are deemed to have higher credit risk, are monitored individually.

Receivables amounting to RM Nil (2012 : RM420,012) 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 location was :

	Group	
	2013 RM	2012 RM
Domestic	**21,703,082**	16,031,720
Japan	**7,108,806**	7,173,617
Australia	**2,281,892**	1,905,478
European countries	**683,571**	459,741
Others	**762,433**	720,740
	32,539,784	26,291,296

Impairment losses

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

	Gross RM	**Individual impairment RM**	**Net RM**
Group			
2013			
Not past due	**18,878,194**	**-**	**18,878,194**
Past due 1 - 30 days	**8,859,415**	**-**	**8,859,415**
Past due 31 - 120 days	**4,737,156**	**-**	**4,737,156**
Past due more than 120 days	**65,019**	**-**	**65,019**
	32,539,784	**-**	**32,539,784**

26. Financial Instruments (Cont'd)

26.4 Credit Risk (Cont'd)

Trade Receivables (Cont'd)

Impairment Losses (Cont'd)

	Gross RM	Individual impairment RM	Net RM
Group			
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

The allowance account in respect of trade 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.

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 the results of the subsidiaries on an ongoing basis and repayments made by the subsidiaries.

Exposure to Credit Risk, Credit Quality and Collateral

The maximum exposure to credit risk amounts to RM10.6 million (2012 : RM4.7 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.

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.

26. Financial Instruments (Cont'd)

26.5 Liquidity Risk (Cont'd)

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 :

	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
Group							
2013							
Non-derivative financial liabilities							
Secured bankers' acceptance	**800,000**	**3.64**	**801,675**	**801,675**	**-**	**-**	**-**
Secured bank loans							
- USD	**5,396,698**	**1.19 - 1.60**	**5,471,820**	**3,376,746**	**1,381,394**	**713,680**	**-**
Secured bank loans							
- JPY	**16,771**	**2.05**	**16,799**	**16,799**	**-**	**-**	**-**
Trade and other payables	**14,989,768**	**-**	**14,989,768**	**14,989,768**	**-**	**-**	**-**
	21,203,237		**21,280,062**	**19,184,988**	**1,381,394**	**713,680**	**-**
Derivative financial liabilities							
Forward exchange contracts (gross settled) :							
- outflow	**-**	**-**	**3,178,575**	**3,178,575**	**-**	**-**	**-**
- inflow	**(96,925)**	**-**	**(3,275,500)**	**(3,275,500)**	**-**	**-**	**-**
	21,106,312		**21,183,137**	**19,088,063**	**1,381,394**	**713,680**	**-**
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	-	-

26. Financial Instruments (Cont'd)

26.5 Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

	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
Company							
2013							
Non-derivative financial liabilities							
Trade and other payables	**68,052**	**-**	**68,052**	**68,052**	**-**	**-**	**-**
2012							
Non-derivative financial liabilities							
Trade and other payables	56,321	-	56,321	56,321	-	-	-

26. Financial Instruments (Cont'd)

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 (JPY), European Dollar (EURO), Thai Baht (THB) and Swedish Krona (SEK).

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. Most of the forward exchange contracts have maturity of less than one year after the end of the reporting period where necessary, the forward exchange contracts are rolled over at maturity.

Exposure to Foreign Currency Risk

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

	Denominated in			
	USD RM	**JPY RM**	**THB RM**	**SEK RM**
Group				
2013				
Trade receivables	**10,836,702**	**-**	**-**	**-**
Cash and cash equivalents	**1,649,829**	**317,757**	**84**	**-**
Forward exchange contracts	**96,925**	**-**	**-**	**-**
Secured bank loans	**(5,396,698)**	**(16,771)**	**-**	**-**
Trade and other payables	**(3,721,541)**	**-**	**-**	**(46,048)**
Net exposure	**3,465,217**	**300,986**	**84**	**(46,048)**
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

26. Financial Instruments (Cont'd)

26.6 Market Risk (Cont'd)

26.6.1 Currency Risk (Cont'd)

Currency Risk Sensitivity Analysis

A 10% (2012 : 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	
	2013 RM	2012 RM
Group		
USD	**(498,285)**	(408,519)
JPY	**(22,574)**	(245,080)
THB	**(6)**	(7)
EURO	**-**	812
SEK	**3,454**	-

A 10% (2012 : 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.

26.6.2 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:

	2013 RM	2012 RM
Group		
Fixed rate instruments		
Financial assets	**2,500,000**	5,900,000
Financial liabilities	**(2,769,920)**	(2,996,354)
	(269,920)	2,903,646
Floating rate instruments		
Financial liabilities	**(3,443,549)**	(726,058)
Company		
Fixed rate instruments		
Financial assets	**2,500,000**	2,700,000

26. Financial Instruments (Cont'd)

26.6 Market Risk (Cont'd)

26.6.2 Interest Rate Risk (Cont'd)

Interest Rate Risk Sensitivity Analysis

(a) *Fair Value Sensitivity Analysis for Fixed Rate Instruments*

The Group does not account for any fixed rate financial assets and 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	
	100 bp increase RM	**100 bp decrease RM**
Group		
2013		
Floating rate instruments	**(25,827)**	**25,827**
2012		
Floating rate instruments	(5,445)	5,445

26. Financial Instruments (Cont'd)

26.7 Fair Value Information

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

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Group										
2013										
Financial assets										
Quoted shares	138	-	-	138	-	-	-	-	138	138
Unquoted share	-	-	-	-	-	-	-	-	#	110
Forward exchange contracts	-	96	-	96	-	-	-	-	96	96
Bank loans	-	-	-	-	-	-	2,024	2,024	2,024	2,068
	138	96	-	234	-	-	2,024	2,024	2,258	2,412
2012										
Financial assets										
Quoted shares	128	-	-	128	-	-	-	-	128	128
Unquoted share	-	-	-	-	-	-	-	-	#	110
Bank loans	-	-	-	-	-	-	18	18	18	19
	128	-	-	128	-	-	18	18	146	257

The fair value of the investment in unquoted shares cannot be reliably measured and hence is not disclosed.

26. Financial Instruments (Cont'd)

26.7 Fair Value Information (Cont'd)

Policy on Transfer Between Levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 Fair Value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 Fair Value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Transfers Between Level 1 and Level 2 Fair Values

There has been no transfer between Level 1 and 2 fair values during the financial year. (2012 : no transfer in either directions).

Level 3 Fair Value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The fair value of loans and borrowings is calculated using discounted cash flows where the market rate of interest is determined by reference to similar borrowing arrangements.

27. Assets Classified as Held for Sale - Group

Non-current assets held for sale comprise the following :

	Leasehold land RM
Balance at 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 had been classified as held for sale as the Group had on 4 October 2012 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 had been reclassified to property, plant and equipment for own use.

28. 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.

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 2013 and 31 December 2012 were as follows :

	2013 RM'000	2012 RM'000
Total loans and borrowings (Note 13)	**6,213**	3,722
Less : Cash and cash equivalents (Note 9)	**(8,479)**	(11,330)
Net debt	**#**	#
Total equity	**89,241**	82,948
Debt-to-equity ratios	**#**	#

\# Not applicable due to net cash position

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

29. Supplementary Financial 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	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Total retained earnings of the Company and its subsidiaries				
- realised	**32,177**	26,438	**2,577**	2,715
- unrealised	**1,551**	1,009	**-**	-
	33,728	27,447	**2,577**	2,715
Less: Consolidation adjustments	**(6,358)**	(6,360)	**-**	-
Total retained earnings	**27,370**	21,087	**2,577**	2,715

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.

SHAREHOLDINGS STATISTIC

As at 08 April 2014

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

No. of Holders	Size of Holdings	Total Holdings	%
45	less than 100	1,670	0.00
505	100 - 1,000 shares	128,900	0.05
352	1,001 - 10,000 shares	1,933,794	0.78
333	10,001 - 100,000 shares	11,199,354	4.53
76	100,001 to less than 5% of issued shares	65,975,991	26.68
3	5% and above of issued shares	168,093,624	67.96
1,314	**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	1.89
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.	LEE CHEONG KEAT @ LEE CHONG KEAT	1,255,000	0.51
14.	KHAW SIANG HEE	1,220,000	0.49
15.	KHAW CHOON CHOON	1,149,166	0.46
16.	KHAW SEANG GHEE	1,149,166	0.46
17.	KHAW SEANG SENG	1,149,166	0.46
18.	KHAW CHOON HOONG	1,096,666	0.44
19.	DING HONG SING	988,800	0.40
20.	YEOH SEW JIN	775,000	0.31
21.	CHUAH HOO JIN	774,600	0.31
22.	LIAM LYE HOCK	700,000	0.28
23.	MASUDA TOSHIO	700,000	0.28
24.	OKI TOSHIO	700,000	0.28
25.	ONG SAW KEOK	679,533	0.27
26.	TEH BEE CHEONG	416,000	0.17
27.	LEE SOO LAM	410,000	0.17
28.	FONG SUI WENG	401,400	0.16
29.	ALLIANCE GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH HONG HWA (8116001)	333,600	0.13
30.	CHUAH HOO JIN	333,400	0.13
	TOTAL	223,296,052	90.23

LIST OF PROPERTIES

Held by the Group as at 31 December 2013

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	8 – 19 years	471,082/ 303,320	24,089	1992&1994/ 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	2,315	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	1,094	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	1,073	2009/ -

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 Ninth Annual General Meeting ("AGM") of the Company, to be held at Sunway Hotel, Studio 1&2,11 Lebuh Tenggiri Dua, Pusat Bandar Seberang Jaya, Prai, 13700 Penang on Wednesday, 18 June 2014 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 Seang Chuan as Director		
3.	To re-elect Ms Khaw Choon Hoong 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 ____________ 2014

____
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 Ninth 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 2014. Only a depositor whose name appears on the Record of Depositors as at 11 June 2014 shall be entitled to the said meeting or appoint proxies to attend and/or vote on his/her behalf.

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THE COMPANY SECRETARY

SLP RESOURCES BERHAD **(663862-H)**
Suite 12-A, Level 12 Menara Northam,
No. 55, Jalan Sultan Ahmad Shah,
10050 Penang, Malaysia.

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E : info@sinliplas.com.my