

**4. INFORMATION ON OUR GROUP (Cont'd)**

**4.4.9 Substitute Products/ Services**

Metal, glass and wood are generally substitutes to plastic. However, plastics are still widely used and are replacing many applications such as packaging, automotive, consumer electronics, computer components and medical components industries due to its lightweight, non-corrosive and low-cost effect. For example, plastics have replaced metal parts in some automotive applications ranging from body panels to under-hood manifolds and cushioned instrument panels. Plastics are increasingly being used in cutting-edge technologies such as medical devices and artificial limbs. It can be therefore concluded that breakthroughs in R&D will continue to result in innovative applications, in particular within the food packaging, medical devices, pharmaceuticals, automotive engineering and E&E sectors.

*(Source: Independent Market Research Report on "The Flexible Plastic Packaging Products Industry in Malaysia" by D&B Malaysia)*

**4.4.10 Reliance on and Vulnerability to Import**

For the financial year ended 31 December 2006 and the nine (9) months period ended 30 September 2007, approximately 35.1% and 28.7% of the plastic resins purchased by our Group are procured directly from Singapore respectively. However, our management mainly purchased the plastic resins locally as Malaysia has most of the raw materials required for the manufacture of a wide variety of resins and to mitigate the potential situations involving sudden termination of supply by overseas suppliers or shortages. This is evidenced by the existence of well-established relationships with major local resin producers such as Titan and Malaysian International Trading Corporation Sdn Bhd. Coupled with our Group's strong reputation within the local Plastics Industry, we had successfully obtained voluminous purchase discounts for large volumes of plastic resins purchased, enabling us to supply resins which are in excess of our production requirements to smaller plastic product manufacturers.

With the implementation of AFTA, the reduction of import duties would encourage local plastic resin producers to be more price competitive and this in turn would benefit plastic packaging manufacturers such as our Group. Local prices of plastic resins are expected to be close to the international free market level as import duties are low at 5% or free for plastic resins imported from ASEAN countries.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

**4. INFORMATION ON OUR GROUP (Cont'd)****4.5 MAJOR CUSTOMERS**

Our Group's major customers (i.e. those individually contributing 10% or more of our Group's total revenue for the past three (3) financial years ended 31 December 2004 to 2006 and the nine (9) months period ended 30 September 2007) are as depicted in the table below:-

Customers Name	Financial Year Ended 31 December 2004		Financial Year Ended 31 December 2005		Financial Year Ended 31 December 2006		9 Months Period Ended 30 September 2007	
	Revenue RM'000	Proportion of Group Revenue (%)	Revenue RM'000	Proportion of Group Revenue (%)	Revenue RM'000	Proportion of Group Revenue (%)	Revenue RM'000	Proportion of Group Revenue (%)
Okura	12,980	14	7,230	6	11,452	8	4,144	3
Aicello (M) Sdn Bhd	10,888	11	12,840	11	19,156	13	16,233	13

The combined total of our top (2) customers accounted for approximately 21.0% and 16.0% of our Group's total revenue for the financial year ended 31 December 2006 and the nine (9) months period ended 30 September 2007 respectively. Save for Aicello (M) Sdn Bhd, who has been a customer of our Group for more than 16 years and accounted for more than 10% of our Group's total revenue for the financial years ended 31 December 2004 to 2006 and the nine (9) months period ended 30 September 2007, our Group is not overly dependent on any single customer.

Our Group generally enjoys long-term business relationships with our customers. This is reflected by the fact that approximately 80.0% of our top ten (10) customers have been dealing with our Group for ten (10) or more years. Majority of our customers are in diverse markets across major developed countries such as Japan, Norway, UK, Australia, Denmark and Germany.

Our Group's long-standing relationships with our major customers serve as an endorsement of the quality of our products and services. More importantly, it indicates that our Group has a stable customer base to sustain and grow business in the future.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

**4. INFORMATION ON OUR GROUP (Cont'd)****4.6 MAJOR SUPPLIERS**

Our Group's major suppliers (i.e. those individually contributing 10% or more of our Group's total purchases for the past three (3) financial years ended 31 December 2004 to 2006 and the nine (9) months period ended 30 September 2007) are as depicted in the table below:-

Suppliers Name	Financial Year Ended 31 December 2004		Financial Year Ended 31 December 2005		Financial Year Ended 31 December 2006		9 Months Period Ended 30 September 2007	
	Purchases RM'000	Proportion of Group Purchases (%)	Purchases RM'000	Proportion of Group Purchases (%)	Purchases RM'000	Proportion of Group Purchases (%)	Purchases RM'000	Proportion of Group Purchases (%)
Titan	38,856	48	47,521	49	52,895	46	53,124	50
ExxonMobil	25,278	31	29,949	31	27,984	24	23,721	22

Our Group's top two (2) suppliers, Titan and ExxonMobil accounted for approximately 70.0% and 72.0% of our Group's total purchases for the financial year ended 31 December 2006 and the (9) nine months period ended 30 September 2007 respectively. This was mainly for the purchase of plastic resins, the main raw material for the production of FPP products.

Although there is dependency on our top two (2) suppliers, the following are some of the mitigation factors:-

- (i) Our Group has at least two (2) suppliers for the sourcing of any one (1) type of raw materials so as not to be excessively dependent on any one (1) single supplier for any particular raw materials;
- (ii) Our Group has been dealing with Titan and ExxonMobil for the last sixteen (16) and eighteen (18) years respectively. This long-term and established business relationships would provide the basis for reliable and continuous support from the top two (2) suppliers for the supply of plastic resins; and
- (iii) Our Group has other plastic resins suppliers such as Sabc Asia Pacific Pte Ltd, Mitsubishi Corporation (Singapore), Mitsubishi Corporation (Hong Kong) Ltd, Malaysian International Trading Corporation Sdn Bhd and Polyethylene Malaysia Sdn Bhd. As such, if there is any shortage of plastic resins from any particular supplier, our Group can easily source from alternative suppliers.

Our Group is aware of the risk of being too dependent on top two (2) suppliers of plastic resins and will continue to take the initiatives to source for comparable suppliers. We believe that we can easily source for new or alternative suppliers as most of our raw materials can be readily sourced worldwide.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

**4. INFORMATION ON OUR GROUP (Cont'd)****4.7 FUTURE PLANS, STRATEGIES AND PROSPECTS**

With the drive to meet customers' requirements, our Group will continue to create more innovations in the production of our products. The future plans of our Group are focused in the four (4) key areas as set out below:-

**(i) Product Expansion**

Our Group plans to expand on our existing range of products to include new products and applications. Some of the new areas of opportunities that our Group intends to venture into includes the following:-

**(a) Medical Packaging Industry**

Our Group plans to produce the film used to package medical gloves. Currently, a sample of the medical film is being tested by Food and Drug Administration ("FDA") US before it can be commercialised for production.

Another bag sample has also been sent to the test facilities of our customers in Singapore and US for testing and validation. This bag is used as sterilisation liner for manufacturing of healthcare product such as contact lenses. Upon obtaining approval from FDA US and the customers' testing facilities including the decision to commence commercial production by the customers, we expect to produce approximately 40 mt to 50 mt a month, accounting for approximately 25% of the total capacity of our Group's existing extruder machines.

**(b) Food Processing Industry**

The food processing industry is highly regulated in the EU countries as well as Japan due to considerable public concern about the safety of food packaging. Legislators as well as the public are concern about the potential migration of compounding ingredients, monomers or additives from the plastics into the food. Thus, unlike the manufacturing of polybags, food packaging will entail greater technical knowledge and experience in the packaging industry.

In line with our Group's plan to move into this market, our Group plans to include lamination as part of our production process in the manufacturing of packaging film products. Lamination is a crucial process in food packaging as it creates better barrier properties and a more appealing appearance to the packaging of food products. Currently, we are supplying films to lamination film suppliers who are servicing the food processing industry. Our Group envisions that this would be a strategic move for our Group and at the same time, to provide an opportunity for our customers to benefit from cost savings by outsourcing this process to companies like us.

**(c) Other Industries**

As part of our production expansion strategy, our Group also plans to make biodegradable bag products, which will be primarily customer-driven. Our Group is currently sourcing for the appropriate machinery and equipment, mainly from US, to cater for the production.

**4. INFORMATION ON OUR GROUP (Cont'd)**

Besides plastic packaging for medical and food industries, our Group also plans to expand our current product lines to cater for other industries. The proposed product expansions are as follows:-

Product	Description
Kitchen bag	Our Group plans to capitalise on the increasing demand for plastics packaging by producing more specialised products such as down-gauge standard bag in the retail sector, especially for the Japan market.
Refuse sacks/ Garbage bag	Garbage bags for proper disposal purposes have become a necessity in Japan due to its environmental issues. With this, our Group plans to produce stronger down-gauge refuse sacks for the Japanese market.
Newspaper wrapping films	This will cater to our overseas market like Australia, Korea, USA and EU countries with initial export to Japan.
Inflatable bag	<p>Our Group plans to develop inflatable bag to replace Expanded Polystyrene ("EPS") foam blocks. The environmental concerns on EPS foam block will trigger demand for alternative materials.</p> <p>In Japan, Korea, Taiwan, Europe and America, converters are using PE/ Nylon laminated substrates to produce inflatable bag. However, it is still not environmental friendly due to the fact that they are not recyclable.</p> <p>Our Group will formulate our own substrates to replace the Nylon (PA) layers so that the new substrates are with combinations of polyolefin resins only and this will make the inflatable bag 100% recyclable.</p>

**(ii) Expansion of Manufacturing Facilities****(a) Development of New/ Modified Machineries**

Part of our Group's plans also involves the development of new/ modified machineries mainly to cater for future business growth and expansion of our Group including the production of a new range of products.

Our Group plans to design and develop the following machineries:-

**Cutting Machines**

The cutting machines are to cater for the production of plastic packaging products in accordance with customers' stringent requirements and specifications. Our Group expects to commence and complete the design of a simple cutting machine for side-seal shopping bags. As at 31 December 2007, the engineering drawing is 100% completed and is expected to be fabricated in 2<sup>nd</sup> quarter of 2008. This machine is able to produce normal side-seal bag and punch out bag, which is also designed to produce wicketed bag.

The cost of this machine is estimated to be approximately 50% and 85% lesser as compared to the cost of a Taiwanese machine and a medium range European machine respectively.

---

**4. INFORMATION ON OUR GROUP (Cont'd)**


---

This machine is designed in-house by our R&D Department to cater specifically for simple cutting jobs to achieve significant capital cost-savings (targeted to reach up to approximately 45%) as compared with purchasing a standard cutting machine from overseas vendors, which does not bring about optimal results in terms of cost-benefit ratio.

**New Slit-seal Winding System**

Our R&D Department has established an initial draft to customise a standard plastic packaging machine for the production of slit-seal winding plastic packaging products for our existing overseas customers. A customised machine is required to produce the film roll efficiently as ordinary slit-sealing machines could not make small rolls. In addition, this customised machine could slit-seal the film continuously with minimum labour involved. Currently, our Group is conducting a feasibility study on this new slit-seal winding system from our customised machinery. If positive feedback is received from this study, we will be able to further enhance our competitive edge as other plastics packaging manufacturers will find it difficult to produce such system with their machinery.

**(b) Upgrade of Laboratory Facility**

In line with our Group's plans to research and develop new products, we plan to upgrade our laboratory facility by procuring new laboratory and testing equipment to conduct more complex analysis and tests.

Our Group intends to invest approximately RM1 million to purchase the following testing equipment in 2008 to further enhance and strengthen our R&D activities:-

- (aa) Wvtr or O2tr (Wvtr is used to test water-vapour transmission while O2tr is used to test oxygen transmission rate);
- (bb) Light transmission test;
- (cc) Seal strength test;
- (dd) Surface gloss test; and
- (ee) Shrinkage test.

Our factory will also be upgraded to produce hygienic/ medical packaging products with "positive room pressure". This creates a cleaner environment which is essential to produce packaging material for medical products. We will also move towards GMP, which is one of the international standards/ certification requirements to supply medical packaging products.

**(iii) Investment in Capital Expenditures**

To facilitate the production of new products for new application markets and to cater for the expansion of existing products, our Group plans to invest approximately RM11 million into new machineries and factory expansion over the next three (3) years.

**4. INFORMATION ON OUR GROUP (Cont'd)**

We plan to invest in a five (5) to seven (7)-layer specialised barrier type machine which will enable our Group to manufacture food packaging for products such as cheese, sausages as well as other products such as stand-up packaging and refill bags. The existing barrier films used within the food packaging industry are primarily imported. Hence, this market would pose a huge opportunity for our Group to diversify our end application markets. We have also identified the need to acquire a flexo-graphic printing machine which features some technological advantages (as compared to the gravure printer used by our Group for other products) such as reduced ink consumption requirements and ability to print at higher speeds.

We expect the investments into new machineries to increase our Group's current capacity of approximately 1,350 mt per month to approximately 1,550 mt per month next year with an average increase of approximately 200 mt for the next few years.

To cater for the anticipated increase in demand for our products, our Group has constructed an extension on the Phase 2 of the Plant 2. The extension of the plant has been completed in July 2007 and now pending for the issuance of certificate of fitness for occupation. The total cost of the said extension is expected to be approximately RM3.30 million.

**(iv) Expansion into New Markets**

As part of our Group's intention to increase export revenue, we intend to target opportunities in the following regions and countries:-

- (a) Europe such as Denmark and Belgium;
- (b) the Middle East such as Jordan; and
- (c) South East Asia such as Philippines.

The focus of these markets will mainly be for shipping bags and promotional bags.

Our Group has also started to export VFFS packaging films to Indonesia in mid May 2006 and plans to further expand our export sales of VFFS packaging films to Indonesia and other ASEAN countries as well as Europe as part of our market expansion plan.

In addition, our Group intends to concentrate on the local market in order to ensure a balanced portfolio of local as well as overseas customers. The local market still poses a great potential for growth especially in the areas of food packaging and medical packaging as Malaysia is one (1) of the largest producers of medical gloves.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

## 5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

### 5.1 PROMOTERS

#### 5.1.1 Particulars and Shareholdings of Promoters

The details of our Promoters and their shareholdings in SLP before and after the IPO are as follows:-

Promoters	Nationality	No. of Shares Held Before the IPO				No. of Shares Held After the IPO <sup>(a)</sup>			
		Direct	%	Indirect	%	Direct	%	Indirect	%
Khaw Khoon Tee	Malaysian	12,858,498	16.07	<sup>(b)</sup> 42,400,000	53.00	7,400,000	6.98	<sup>(b)</sup> 42,400,000	40.00
Ong Peik Joo	Malaysian	11,623,226	14.53	<sup>(b)</sup> 42,400,000	53.00	5,770,000	5.44	<sup>(b)</sup> 42,400,000	40.00

Notes:-

(a) Including his/her respective entitlement for the Pink Form Shares allocation pursuant to the IPO.

(b) Deemed interested by virtue of his/her shareholding of not less than 15% in KTFSB pursuant to Section 6A of the Act.

#### 5.1.2 Profiles of Promoters

The profiles of our Promoters, Khaw Khoon Tee and Ong Peik Joo who are also our Directors are disclosed in Section 5.3.2 of this Prospectus.

#### 5.1.3 Directorships and Substantial Shareholdings of Promoters in All Other Public Companies for the Past Two (2) Years Preceding the Date Hereof

Our Promoters do not have any directorships and substantial shareholdings in all other public companies for the past two (2) years preceding the date of this Prospectus.

### 5.2 SUBSTANTIAL SHAREHOLDERS

#### 5.2.1 Particulars and Shareholdings of Substantial Shareholders

The details of our substantial shareholders and their shareholdings in SLP before and after the IPO are as follows:-

Substantial Shareholders	Nationality	No. of Shares Held Before the IPO				No. of Shares Held After the IPO <sup>(a)</sup>			
		Direct	%	Indirect	%	Direct	%	Indirect	%
KTFSB	Malaysia	42,400,000	53.00	-	-	42,400,000	40.00	-	-
Khaw Khoon Tee	Malaysian	12,858,498	16.07	<sup>(b)</sup> 42,400,000	53.00	7,400,000	6.98	<sup>(b)</sup> 42,400,000	40.00
Ong Peik Joo	Malaysian	11,623,226	14.53	<sup>(b)</sup> 42,400,000	53.00	5,770,000	5.44	<sup>(b)</sup> 42,400,000	40.00
Khaw Seang Chuan	Malaysian	4,385,575	5.48	<sup>(b)</sup> 42,400,000	53.00	470,000	0.44	<sup>(b)</sup> 42,400,000	40.00

Notes:-

(a) Including his/her respective entitlement for the Pink Form Shares allocation pursuant to the IPO.

(b) Deemed interested by virtue of his/her shareholding of not less than 15% in KTFSB pursuant to Section 6A of the Act.



## 5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

### 5.2.2 Profiles of Substantial Shareholders

The profiles of our substantial shareholders, Khaw Khoon Tee, Ong Peik Joo and Khaw Seang Chuan who are also our Directors are disclosed in Section 5.3.2 of this Prospectus. The profile of KTFBS is set out below:-

#### (a) Background Information

KTFBS is principally an investment holding company. It was incorporated in Malaysia under the Act on 19 August 2005 as a private limited company under its present name.

The authorised and issued and paid-up share capital of KTFBS as at 31 December 2007 (being the latest practicable date prior to the printing of this Prospectus) is as follows:-

Type (Ordinary Shares)	No. of Shares	Par Value RM	Total RM
Authorised	100,000	1.00	100,000
Issued and fully paid-up	100,000	1.00	100,000

#### (b) Directors and Substantial Shareholders

The particulars of the Directors, substantial shareholders and their shareholdings in KTFBS as at 31 December 2007 (being the latest practicable date prior to the printing of this Prospectus) is as follows:-

Name	No. of Ordinary Shares of RM1.00 Each Held in KTFBS			
	Direct	%	Indirect	%
<b>Directors and Substantial Shareholders</b>				
Khaw Khoon Tee	22,790	22.79	-	-
Ong Peik Joo	22,790	22.79	-	-
Khaw Seang Chuan	17,130	17.13	-	-
Khaw Choon Hoong	11,430	11.43	-	-
Khaw Seang Ghee	9,860	9.86	-	-
Khaw Choon Choon	8,000	8.00	-	-
Khaw Seang Seng	8,000	8.00	-	-

### 5.2.3 Directorships and Substantial Shareholdings of Substantial Shareholders in All Other Public Companies for the Past Two (2) Years Preceding the Date Hereof

None of our substantial shareholders has any directorships and substantial shareholdings in all other public companies for the past two (2) years preceding the date of this Prospectus.

## 5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

### 5.3 DIRECTORS

#### 5.3.1 Particulars and Shareholdings of Directors

The details of our Directors and their shareholdings in SLP before and after the IPO are as follows:-

Director	Designation	No. of Shares Held Before the IPO				No. of Shares Held After the IPO <sup>(a)</sup>			
		Direct	%	Indirect	%	Direct	%	Indirect	%
Y.T.M. Tunku Dato' Dr Ismail Ibni Almarhum Tunku Mohammad Jawa	Independent Non-Executive Chairman	-	-	-	-	20,000	0.02	-	-
Khaw Khoon Tee	Managing Director	12,858,498	16.07	<sup>(b)</sup> 42,400,000	53.00	7,400,000	6.98	<sup>(b)</sup> 42,400,000	40.00
Ong Peik Joo	Executive Director	11,623,226	14.53	<sup>(b)</sup> 42,400,000	53.00	5,770,000	5.44	<sup>(b)</sup> 42,400,000	40.00
Khaw Seang Chuan	Executive Director	4,385,575	5.48	<sup>(b)</sup> 42,400,000	53.00	470,000	0.44	<sup>(b)</sup> 42,400,000	40.00
Khaw Choon Hoong	Executive Director	2,914,591	3.64	-	-	470,000	0.44	-	-
Leow Chan Kiang	Non-Independent Non-Executive Director	-	-	-	-	50,000	0.05	-	-
Mary Geraldine Phipps	Independent Non-Executive Director	-	-	-	-	20,000	0.02	-	-

Notes:-

(a) Including his/her respective entitlement for the Pink Form Shares allocation pursuant to the IPO.

(b) Deemed interested by virtue of his/her shareholding of not less than 15% in KTFB pursuant to Section 6A of the Act.

#### 5.3.2 Profiles of Directors

**Y.T.M. Tunku Dato' Dr Ismail Ibni Almarhum Tunku Mohammad Jawa**, aged 71, is our Independent Non-Executive Chairman and was appointed to the Board on 26 October 2007. He obtained his Bachelor Degree in Arts from University of Malaya, Kuala Lumpur in 1967, Master Degree in Education from the Pennsylvania State University, USA in 1972, PhD in Educational Administration from University of Malaya, Kuala Lumpur in 1979 and Post Doctoral Special Auditor from Harvard University, USA in 1984. He is a leading academician with an array of working experience. He began his career as a teacher with the Ministry of Education in 1961 and was the Senior Assistant of Sekolah Abdullah Munshi in Penang in 1968 before being promoted to a Principal in 1969. He was the Dean of Educational Studies in Universiti Sains Malaysia from 1979 to 1992 and also the Professor of Educational Administration in Universiti Sains Malaysia from 1988 to 1995. He has been the President of the State of Penang Family Planning Association since 1979. He is the Chairman and Senior Independent Non-Executive Director of P.I.E. Industrial Berhad and the Independent Non-Executive Directors of Oriental Holdings Berhad and CAB Cakaran Corporation Berhad, all of which are listed on the Main Board of the Bursa Securities. He is also a Director of Merrill Lynch (K.L) Sdn Bhd, an investment research company.

**5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**

**Khaw Khoon Tee**, aged 58, is our Managing Director and was appointed to the Board on 26 October 2007. He has been in the plastic packaging business since 1965, having assisted his father in the family business in plastic packaging under the name of Lean Lee Trading Co Sdn Bhd. After twenty two (22) years of experience in the plastic packaging business, he ventured out on his own and was responsible for setting up Sin Lee Plastic Manufacturing & Trading Co, a sole-proprietorship involved in the manufacturing of plastic packaging products in 1987. As the business of Sin Lee Plastic Manufacturing & Trading Co grew, he incorporated SSB in 1989 to take over the business of Sin Lee Plastic Manufacturing & Trading Co. In 1991, after realising the potential of the export market of plastic packaging films, he incorporated SHSB to primarily involve in the manufacturing of plastic packaging films for the export markets. He is instrumental in transforming our Group from a backyard outfit involved in the manufacturing of plastics packaging films for the local market to our current size of operations, especially in 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. His current responsibilities include developing the overall business strategies and directions, managing the day-to-day operations and strategic decision-making of our Group.

In 1994, Khaw Khoon Tee was appointed as the Treasurer of MPMA and in May 2000, he was elected as the Chairman of MPMA for northern region of Malaysia. Upon retiring from his chairmanship in MPMA in May 2004, he was then appointed as the Adviser to MPMA. During his involvement in MPMA, he had attended annual conferences at the Asia Plastics Forum and the ASEAN Federation of Plastic Industries in relation to the growth of plastic industry in ASEAN. He had also represented MPMA in various discussions and meetings with the Malaysian government authorities in respect of policies such as import duties, legislation framework and new developments within the Plastics Industry. He is also a Director of a few other private limited companies.

**Ong Peik Joo**, aged 56, is our Executive Director and was appointed to the Board on 26 October 2007. She is the co-founder of SSB and SHSB. Prior to this, she was the registered sole proprietor of Sin Lee Plastic Manufacturing & Trading Co and her main responsibilities include the financial management and administration of the company. She is responsible in the day-to-day operations of SSB and SHSB especially in the financial management and administration of SSB since 1989 and SHSB since 1991. She is also instrumental in transforming our Group from a backyard plastics packaging manufacturer to our current size of operations especially in accomplishing the implementation of various expansion projects of our Group over the past seventeen (17) years. Her primary roles include monitoring the fund transactions, supervising financial related agreements with bankers and cost management. She is also a Director of a few other private limited companies.

**5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**

**Khaw Seang Chuan**, aged 38, is our Executive Director and was appointed to the Board on 26 October 2007. He completed his lower secondary education in Singapore in 1987 and started his career in the same year when he joined Sin Lee Plastic Manufacturing & Trading Co as a production apprentice. He was appointed as the Managing Director of SSB in 1989 and an Executive Director of SHSB in 1991. He has more than twenty (20) years of working experience in new products development through technology innovations especially in customising some of the standard plastics packaging machinery to suit the production requirements of our Group. He has been working very closely with our Group's customers especially the Japanese customers. He is also our Group's project leader for joint-cooperation projects for new product lines, such as the production line for "Baran" or artificial leaves in 1998, grocery bag line in 2001 and the latest VFFS packaging films in 2005. Currently, besides overseeing our Group's overall production, he also leads the R&D team. He is also a Director of a private limited company.

**Khaw Choon Hoong**, aged 37, is our Executive Director and was appointed to the 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 started her career as Marketing Director for SSB and SHSB. During her career in our Group, she has participated in various trade exhibitions and promotions for our Group. She is also the management representative for our Group's QMS which led to the successful achievement of ISO 9002 quality system certification awarded by Lloyd's Register Quality Assurance to SSB and SHSB in 1998 and successful upgrading of ISO 9002:1994 to ISO 9001:2000 in 2004. Currently, she is responsible for our Group's business development functions which include new market development especially expansion into the overseas markets. She is also a Director of a private limited company.

**Leow Chan Kiang**, aged 42, is our Non-Independent Non-Executive Director and was appointed to the Board on 26 October 2007. He obtained his Bachelor Degree in Economics from University of Malaya, Kuala Lumpur in 1990, Masters Degree in Business Administration from Universiti Utara Malaysia, Kedah in 1999 and the Association of Chartered Certified Accountants, UK in 2006. He is a member of the Association of Chartered Certified Accountants, UK and Malaysian Institute of Accountants. Upon his graduation in 1990, he joined Hong Leong Finance Berhad (now known as Hong Leong Bank Berhad) as an Executive in the Corporate Loans Department and was subsequently promoted to Assistant Manager in the same department in 1995. In 1996, he joined Malaysian International Merchant Bankers Berhad as a Senior Executive in Debt Capital Market and was subsequently promoted to Assistant Manager in 1999. In March 2001, he joined Ayza Industries Sdn Bhd, a local logistics company as Senior Manager in Corporate Finance. In 2002, he joined CAB Cakaran Sdn Bhd, a wholly-owned subsidiary of CAB Cakaran Corporation Berhad ("**CAB**"), which is listed on the Main Board of the Bursa Securities as Finance Director. In August 2003, he was appointed to the board of CAB as an Executive Director in Corporate Finance and was subsequently promoted to Group Executive Director in 2006. He was also the Chairman of the Employees Share Option Scheme Committee and a member of the Audit Committee of CAB. He left CAB in April 2007 to concentrate on his own business in business consultancy. He is also a Director of a few other private limited companies.

## 5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

**Mary Geraldine Phipps**, aged 59, is our Independent Non-Executive Director and was appointed to the Board on 26 October 2007. 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 a Director of a private limited company.

### 5.3.3 Directorships and Substantial Shareholdings of Directors in All Other Public Companies for the Past Two (2) Years Preceding the Date Hereof

As at 31 December 2007 (being the latest practicable date prior to the printing of this Prospectus), the directorships and substantial shareholdings of our Directors in other public companies for the past two (2) years are as follows:-

Name	Name of Corporation Involved	Designation	Date of Appointment to/ Resignation from the Board	Substantial Shareholdings as at 31 December 2007			
				Direct	%	Indirect	%
Y.T.M. Tunku Dato' Dr Ismail Ibni Almarhum Tunku Mohammad Jawa	P.I.E. Industrial Berhad	Chairman/ Senior Independent Non-Executive Director	02.06.1997/ -	*	*	-	-
	Oriental Holdings Berhad	Independent Non-Executive Director	02.07.2001/ -	-	-	-	-
	Luster Industries Berhad	Independent Non-Executive Director	23.04.2003/ 29.06.2007	-	-	-	-
	CAB Cakaran Corporation Berhad	Senior Independent Non-Executive Director	06.10.2003/ -	*	*	-	-
Leow Chan Khiang	CAB Cakaran Corporation Berhad	Executive Director	11.08.2003/ 18.04.2007	-	-	-	-

Note:-

\* Shareholding of less than 5%.

## 5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

### 5.3.4 Directors' Remuneration and Benefits

The aggregate remuneration and benefits paid to our Directors for services rendered in all capacities to our Group for the financial year ended 31 December 2006 and the current financial year ended 31 December 2007 are as follows:-

Directors	Financial Year Ended 31 December 2006	Financial Year Ended 31 December 2007
	Remuneration Band RM	Remuneration Band RM
Y.T.M. Tunku Dato' Dr Ismail Ibni Almarhum Tunku Mohammad Jawa	-	-
Khaw Khoon Tee	200,001 – 250,000	200,001 – 250,000
Ong Peik Joo	200,001 – 250,000	200,001 – 250,000
Khaw Seang Chuan	200,001 – 250,000	200,001 – 250,000
Khaw Choon Hoong	150,001 – 200,000	150,001 – 200,000
Leow Chan Khiang	-	Up to 50,000
Mary Geraldine Phipps	-	-

### 5.3.5 Board Practices

According to the Articles, all of our Directors shall retire from office at our first annual general meeting, and at the annual general meeting in every subsequent year, one third (1/3) of our Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) shall retire from office and shall be eligible for re-appointment. Further, all Directors shall retire from office at least once in every three (3) years but are eligible for re-appointment. Our Directors to retire in each year are those who have been in office longest since their last appointment.

In connection thereto, all of our Directors shall hold office only until the next annual general meeting, and shall then be eligible for re-appointment.

## 5.4 AUDIT COMMITTEE/ REMUNERATION COMMITTEE/ NOMINATION COMMITTEE

### 5.4.1 Audit Committee

The main functions of the Audit Committee fall within the ambit of the Listing Requirements, which include the review of audit plans and audit reports with our Group's auditors, review of the auditors' evaluation of internal accounting controls and management information systems, review of the scope of internal audit procedures, review of the balance sheet and income statement, and nomination of the auditors. The Audit Committee comprises the following individuals:-

Name	Designation	Directorship
Mary Geraldine Phipps	Chairman	Independent Non-Executive Director
Y.T.M. Tunku Dato' Dr Ismail Ibni Almarhum Tunku Mohammad Jawa	Member	Independent Non-Executive Chairman
Leow Chan Khiang	Member	Non-Independent Non-Executive Director

## 5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

### 5.4.2 Remuneration Committee

The members of our Remuneration Committee are appointed annually by our Board. The committee is responsible for recommending the remuneration framework for Executive Directors, including their remuneration framework. The Executive Director does not participate in any way in determining his individual remuneration.

The policy adopted by our Remuneration Committee is to provide the remuneration package necessary to attract, retain and motivate the Executive Directors of the quality required to manage our business and to align the interest of the Executive Directors with those of the shareholders.

Our Remuneration Committee comprises of the following members:-

Name	Designation	Directorship
Y.T.M. Tunku Dato' Dr Ismail Ibni Almarhum Tunku Mohammad Jawa	Chairman	Independent Non-Executive Chairman
Mary Geraldine Phipps	Member	Independent Non-Executive Director
Khaw Khoon Tee	Member	Managing Director

### 5.4.3 Nomination Committee

The main functions of our Nomination Committee include recommending to our Board all board appointments, including re-nominations, having regard to the Director's contribution and performance as well as assisting our Board in reviewing on an annual basis the appropriate balance and size of non-executive participation. This requires a review of the required mix of skills and experience including core competencies which Non-Executive Directors should bring to the Board and other qualities for the Board to function effectively and efficiently.

Our Nomination Committee comprises of the following members:-

Name	Designation	Directorship
Y.T.M. Tunku Dato' Dr Ismail Ibni Almarhum Tunku Mohammad Jawa	Chairman	Independent Non-Executive Chairman
Mary Geraldine Phipps	Member	Independent Non-Executive Director
Leow Chan Khiang	Member	Non-Independent Non-Executive Director

## 5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

### 5.5 KEY MANAGEMENT

#### 5.5.1 Particulars and Shareholdings of Key Management

The details of our key management and their shareholdings in SLP before and after the IPO are as follows:-

Name	Designation	No. of Shares Held Before the IPO				No. of Shares Held After the IPO <sup>(a)</sup>			
		Direct	%	Indirect	%	Direct	%	Indirect	%
Khaw Seang Ghee	Technical Director	2,472,424	3.09	-	-	500,000	0.47	-	-
Khaw Choon Choon	Logistics Manager	1,672,843	2.09	-	-	500,000	0.47	-	-
Khaw Seang Seng	Mechanical and Electrical Engineer	1,672,843	2.09	-	-	500,000	0.47	-	-
Lim Joo Min	Administration Manager	-	-	-	-	160,000	0.15	-	-
Ong Nyin Pey	Assistant Accountant	-	-	-	-	4,000	<sup>(b)</sup>	-	-
Chuah Tee Lin	QA Manager	-	-	-	-	60,000	0.06	-	-
Chew Sheau Ching	Production Planning Manager	-	-	-	-	120,000	0.11	-	-

Notes:-

- (a) Including his/her respective entitlement for the Pink Form Shares allocation pursuant to the IPO.
- (b) Immaterial.

#### 5.5.2 Profiles of Key Management

**Khaw Seang Ghee**, aged 34, is our Technical Director. He graduated with a Diploma in Sound Engineering from Columbia Academy of Recording Art, Vancouver, Canada in 1996. In 1997, he joined SSB as Mechanical Engineer in the Maintenance Department. Some of his key roles include monitoring of machine performances and the maintenance of machinery of our Group. Currently, he is responsible for providing technical services to our Group's local and overseas customers as well as to assist our Group in developing new products. He is also responsible for compiling information on product innovation to explore the development of new products for existing markets as well as for new markets of our Group. He is also a Director of a private limited company.

**Khaw Choon Choon**, aged 35, is our Logistics Manager. She completed her Sijil Rendah Pelajaran in 1983 prior to joining SSB as Sales Coordinator in 1989 and SHSB in 1991. Her responsibilities include coordination of customer orders and logistics arrangements. In 1995, she left our Group to assist her spouse in the retail business. In 2003, she re-joined our Group as an Assistant Marketing Manager. She is presently responsible for the logistic planning and servicing the customers of our Group. She is also a Director of a private limited company.



---

**5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**

---

**Khaw Seang Seng**, aged 30, is our Mechanical and Electrical Engineer. He graduated with an Advanced Diploma in Robotic Engineering from the First Robotic Institution, Penang in 2000. Thereafter, he joined SHSB as Mechanical and Electrical Engineer, where he is entrusted with the role of supervising the maintenance team and is responsible for the customisation, modification and upgrading of existing production machinery of SSB and SHSB. He is also the Design Engineer for certain R&D activities, which entail the design and fabrication of equipment or mechanical attachments to new production lines. Among his notable achievements in this aspect are some R&D designs with patents filed but pending approval. He is also a Director of a private limited company.

**Lim Joo Min**, aged 58, is our Administration Manager. He completed his London Chamber of Commerce in Chung Ling High School, Penang in 1969. He began his career as an Audit Assistant in S.S. Chew, an accounting firm in 1970. In 1973, he joined Multidev Sdn Bhd as Manager, a company principally involved in housing development and civil construction. Between 1978 and 1983, he was involved in his personal business in civil construction works. He later joined Hee Choon Corporation in 1983 as Project Manager, where he was assigned to manage housing development projects. He then moved to join Lunas Garden Sdn Bhd in 1986 as Project Manager in housing development activities. Prior to joining SSB, he was with Ewein Winery Sdn Bhd as Manager, where he was in-charge of general administration from 1989 to 1990. He later joined SSB in 1990 as Administration Manager. Currently, he oversees the administrative functions as well as plant expansion projects of our Group.

**Ong Nyin Pey**, aged 29, is our Assistant Accountant. Upon her graduation from Ungku Omar Polytechnic with a Diploma of Accounting in 2001, she joined FA Technology Sdn Bhd as an Accounts Clerk. In 2002, she continued her studies and obtained a Bachelor Degree in Accounting from Universiti Utara Malaysia, Kedah in 2005. Prior to joining SHSB, she was the Management Trainee in Kulim Advance Management, Kulim, Kedah. She joined SHSB in December 2005 as Accounts Executive and was promoted to Assistant Accountant in January 2007. She is mainly responsible for the financial and management accounting records of SHSB including monitoring of accounting transactions and credit control.

**Chuah Tee Lin**, aged 38, is our QA Manager. She graduated from University of Florida, Gainesville, USA with a Bachelor of Science Degree in Chemical Engineering in 1994 and further obtained her Master of Science Degree in Chemical Engineering from Rice University, Houston, USA in 1996. Upon graduation, she began her career as a Contamination Control Engineer with Komag (M) Sdn Bhd, Penang, where she was appointed to lead the contamination control team in conducting laboratory tests and analysis, as well as to collaborate with other departments in addressing product quality issues. In August 2000, she left Komag (M) Sdn Bhd to join SHSB as QA Engineer. She is primarily responsible for conducting QA procedures, testing and analysis on the products developed by our Group as well as an Internal Auditor for QMS.

**5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**

**Chew Sheau Ching**, aged 32, is our Production Planning Manager. In 1993, she completed her Malaysian Certificate of Examination in Chung Ling High School, Penang. In 1994, she obtained certificate of Business Management in CIMA College, Penang. Thereafter, she joined SSB as Logistic Officer. She was subsequently transferred to the Planning Department in 1997 as Sales Coordinator, where she was in charge of production planning. In 2000, she was promoted to Production Planning Manager to oversee the Planning Department. Her key roles include monitoring of the planning process, product specifications control as well as coordination of customers' orders.

**5.6 INVOLVEMENT OF EXECUTIVE DIRECTORS/ KEY MANAGEMENT IN OTHER BUSINESSES/ CORPORATIONS**

None of our Executive Directors/ key management is involved in any full-time executive position or full-time employment in other business or corporations.

**5.7 DECLARATION OF DIRECTORS AND KEY MANAGEMENT**

No Promoter, Director, key management or person nominated to become a Director or key management is or has been involved in any of the following events (whether in or outside Malaysia):-

- (i) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (ii) disqualified from acting as a Director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) any judgement was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (v) the subject of any order, judgement or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

**5.8 FAMILY RELATIONSHIPS**

The following are the family relationships among the Directors, shareholders and key management of our Group:-

- (i) Ong Peik Joo is the spouse of Khaw Khoon Tee;
- (ii) Khaw Seang Chuan, Khaw Choon Hoong, Khaw Choon Choon, Khaw Seang Ghee and Khaw Seang Seng are children of Khaw Khoon Tee and Ong Peik Joo;
- (iii) Chuah Tee Lin is the spouse of Khaw Seang Chuan; and
- (iv) Chew Sheau Ching is the spouse of Khaw Seang Ghee.

**5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**

Save as disclosed above, there is no family relationship (as defined in Section 122A of the Act) or associations between the Promoters, substantial shareholders, Directors and key management of our Group.

**5.9 EXISTING OR PROPOSED SERVICE AGREEMENTS**

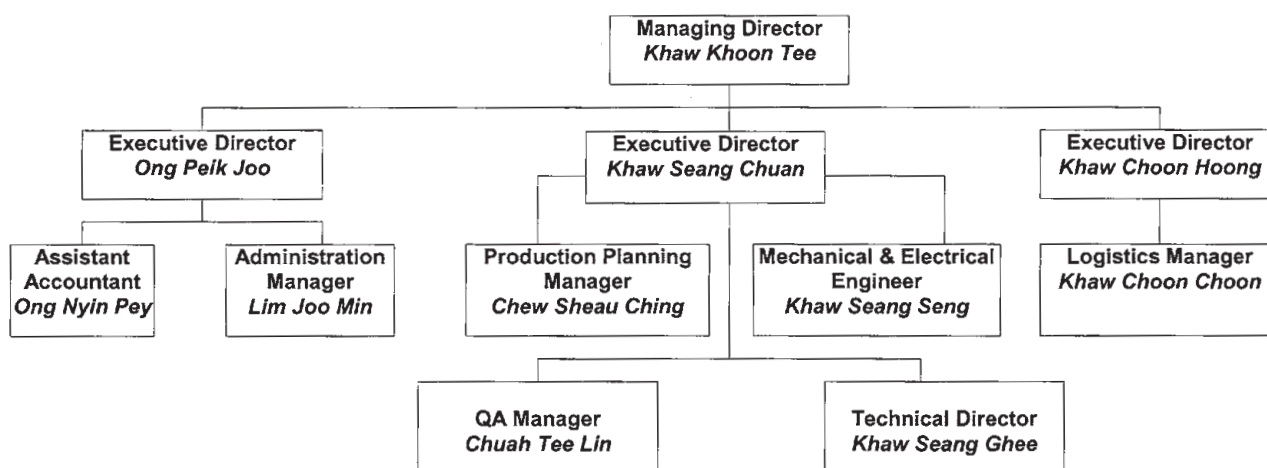
There is no existing or proposed service agreement between our Group and our Directors and key management or key technical personnel.

**5.10 CONTINUITY IN MANAGEMENT**

As in any other business, our Board believes that the continued success of our Group will depend on the ability and dedication of our Directors and key management. The loss of any key members of our Group could adversely affect our Group's continued ability to compete. However, our Group has made efforts to train our staff and has the support of long-term management staff. Our Group's future success will also depend on our ability to attract and retain skilled personnel.

**5.11 MANAGEMENT SUCCESSION PLAN**

The organisation structure of our Group is as follows:-



The Executive Directors and key management of our Group are in the age group of 29 to 58 and are well entrenched in the industry. Our key management comprise of personnel who possess relevant experience who are employed to head various departments. The management understands the importance of having the experienced personnel in our Group who will be responsible for their respective departments to ensure smooth running of our business operations as well as to ensure that the business decisions of our Group are implemented efficiently and effectively.

The clear and well defined job responsibilities as well as proper reporting structure also enables smooth running of our Group's day-to-day operations with minimum intervention from the Executive Directors. Thus, in the absence of the Executive Directors, the active participation of the respective Heads of Department/ Manager of our Group will ensure the smooth running of our Group's operations and management.

## 5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

### 5.12 CHANGES IN SHAREHOLDINGS IN OUR COMPANY FOR THE PAST THREE (3) YEARS

We were only incorporated on 25 August 2004. The significant changes of our Promoters' and substantial shareholders' shareholdings since our incorporation on 25 August 2004 to the date of the Prospectus are as follows:-

Shareholders	No. of Shares Held as at 25 August 2004 <sup>(a)</sup>		No. of Share Held as at 31 December 2005 <sup>(a)</sup>		No. of Shares Held as at 31 December 2006 <sup>(a)</sup>		Accumulated No. of Shares Held Before IPO <sup>(b)</sup>		Accumulated No. of Shares Held After IPO <sup>(b)/(c)</sup>	
	Direct	%	Indirect	%	Direct	%	Indirect	%	Direct	%
Yeoh Chooi Ean	1	50.00	-	-	1	50.00	-	-	-	-
Vimleswari A/ P M Ganesan	1	50.00	-	-	1	50.00	-	-	-	-
KTFSB	-	-	-	-	-	-	-	-	42,400,000	40.00
Khaw Khoon Tee	-	-	-	-	-	-	-	-	7,400,000	6.98
Ong Peik Joo	-	-	-	-	-	-	-	-	5,770,000	5.44
Khaw Seang Chuan	-	-	-	-	-	-	-	-	470,000	0.44
									(d)42,400,000	40.00
									(d)42,400,000	40.00
									(d)42,400,000	40.00

Notes:-

- (a) Represents ordinary shares of RM1.00 each.  
 (b) Represents ordinary shares of RM0.50 each.  
 (c) Including his/her respective entitlement for the Pink Form Shares allocation pursuant to the IPO.  
 (d) Deemed interested by virtue of his/her shareholding of not less than 15% in KTFSB pursuant to Section 6A of the Act.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

## 6. APPROVAL AND CONDITIONS

### 6.1 APPROVALS AND CONDITIONS

The Subdivision, Acquisition, Rights Issue, Transfer, Public Issue, Offer For Sale and Listing were approved by the following authorities:-

Authorities	Date
MITI	11 September 2007
SC and SC (under the Guidelines on Acquisition of Interests, Mergers and Take-overs by Local and Foreign Interests)	10 October 2007

Conditions Imposed by the MITI	Status of Compliance
<b><u>MITI's letter dated 11 September 2007</u></b>	
(i) To obtain the SC's approval for the Listing Scheme and compliance with the Guidelines on Acquisition of Interests, Merger and Take-overs by Local and Foreign Interests; and	Complied. The SC had approved the Listing Scheme via SC's letter dated 10 October 2007 subject to certain conditions. Please refer below for the conditions imposed by the SC
(ii) MITI's approval is required for the disposal/ transfer of Shares recognised by MITI (" <b>Bumi Shares</b> ") save for Tier 1 Bumiputera institutional investors. However, disposal/ transfer of up to 30% of the total Bumi Shares is allowed without obtaining MITI's prior approval.	Noted. To be complied by the respective recognised Bumiputera investors

Conditions Imposed by the SC	Status of Compliance
<b><u>SC's letter dated 10 October 2007</u></b>	
(i) The proceeds from the Offer For Sale must be put into a trust account until the listing of SLP on Bursa Securities;	To be complied. Proceeds from the Offer Shares will be held by the Managing Underwriter on behalf of the Offerors until the Listing of SLP
(ii) SLP to disclose in its Prospectus the following:-	
(a) Price of plastic resins has been on an increasing trend, its effects on SLP's gross profit margins and steps taken by the SLP Group to mitigate the risk of its gross profit margin being adversely affected by the increase in cost of plastic resins; and	Please refer to Section 3(iii) of this Prospectus
(b) The SLP Group's dependency on the Khaw Family for their business and technical expertise, the risks to the business should KTFBS dispose its shareholdings in SLP and steps taken by the Group to mitigate the risks of dependency on the Khaw Family;	Please refer to Section 3(iv) of this Prospectus

**6. APPROVAL AND CONDITIONS (Cont'd)**

Conditions Imposed by the SC		Status of Compliance			
(iii)	Bumiputera investors holding 30% of the enlarged share capital of SLP, for the purpose of complying with the National Development Policy ("NDP") requirement, must be approved/ recognised by MITI;	Complied. MITI has vide its letter dated 4 January 2008 approved and recognised the allocation of 31,800,000 IPO Shares to identified Bumiputera investors			
(iv)	AmInvestment Bank/ SLP must inform the SC of the status of compliance with the NDP requirement upon completion of the listing exercise;	To be complied			
(v)	Moratorium on the sale of SLP Shares is imposed on the following shareholders, whereby they are not allowed to sell, transfer or assign their shareholdings in SLP for one year from the date of admission of SLP to the Second Board of Bursa Securities:-	Complied via letters of undertaking dated 21 January 2008 furnished to the SC on the same date by the respective shareholders (including shareholders of KTFSB) whose Shares are subjected to the moratorium as detailed in Section 6.2 of this Prospectus			
	<b>After the Listing</b>				
	<b>No. of SLP Shares Held</b>				
	<b>% of Enlarged Share Capital</b>				
	<b>No. of SLP Shares Under Moratorium</b>				
	<b>% of Enlarged Share Capital</b>				
	Shareholder				
	KTFSB	42,400,000	40.00	42,400,000	40.00
	Khaw Khoon Tee	7,400,000	6.98	5,300,000	5.00
		49,800,000	46.98	47,700,000	45.00
(vi)	AmInvestment Bank/ SLP must fully comply with the relevant requirements relating to the implementation of the proposals as stipulated in the Policies and Guidelines on Issue/ Offer of Securities; and	To be complied			
(vii)	AmInvestment Bank/ SLP must inform the SC upon completion of the proposals.	To be complied			

The SC (under the Guidelines on Acquisition of Interests, Mergers and Take-overs by Local and Foreign Interests) has noted that the equity structure relating to Bumiputera, non-Bumiputera and foreign shareholdings in SLP would change arising from the implementation of the IPO as follows:-

	Before the IPO (%)	After the IPO (%)
<b>Malaysian</b>		
- Bumiputera	-	^30.00
- Non-Bumiputera	100.00	70.00
	<b>100.00</b>	<b>100.00</b>

Note:-

^ 6.04% and 23.96% from the Public Issue and Offer For Sale portion respectively are subject to the approval of MITI.

**6. APPROVAL AND CONDITIONS (Cont'd)****6.2 MORATORIUM ON SHARES**

In accordance with the SC Guidelines, certain of our shareholders will not be allowed to sell, transfer or assign their shareholdings amounting to 45% of our enlarged issued and paid-up capital for one (1) year from the date of our admission to the Official List of the Second Board of the Bursa Securities.

Our existing shareholders whose Shares are subjected to the moratorium as imposed by the SC are as follows:-

Name of Shareholders	No. of Shares Held After IPO	% of Enlarged Issued and Paid-up Capital <sup>(a)</sup> (%)	No. of Shares Held Under Moratorium	% of Enlarged Issued and Paid-up Capital <sup>(a)</sup> (%)
KTFBSB	42,400,000	40.00	42,400,000	40.00
Khaw Khoon Tee	<sup>(b)</sup> 7,400,000	6.98	5,300,000	5.00
	<b>49,800,000</b>	<b>46.98</b>	<b>47,700,000</b>	<b>45.00</b>

Notes:-

- (a) Computed based on our enlarged issued and paid-up share capital of 106,000,000 Shares.  
 (b) Including his entitlement for the Pink Form Shares allocation pursuant to the IPO.

The restriction, which is fully accepted by our shareholders, is specifically endorsed on the share certificates representing the shareholdings of our shareholders which are under moratorium to ensure that our registrars do not register any transfer not in compliance with the restriction imposed by the SC. Our shareholders have provided an undertaking that they shall not sell, transfer or assign their shareholdings under moratorium in accordance with the SC Guidelines.

The endorsement affixed on the share certificates is as follows:-

*"The Shares comprised herein are not capable of being sold, transferred or assigned for the period as determined by the SC ("**moratorium period**"). The Shares comprised herein will not constitute good delivery pursuant to the Rules of the Exchange during the moratorium period. No share certificates will be issued to replace this certificate during the moratorium period unless the same shall be endorsed with this restriction".*

KTFBSB and Khaw Khoon Tee have provided undertakings that they shall comply with the abovementioned terms relating to the sale of their Shares under moratorium as outlined above. The shareholders of KTFBSB, namely Khaw Khoon Tee, Ong Peik Joo, Khaw Seang Chuan, Khaw Choon Hoong, Khaw Seang Ghee, Khaw Choon Choon and Khaw Seang Seng have also provided an undertaking that they shall not sell, transfer or assign their shareholdings in KTFBSB during the moratorium period.

## 7. RELATED-PARTY TRANSACTIONS/ CONFLICT OF INTEREST

## 7.1 EXISTING AND PROPOSED RELATED-PARTY TRANSACTIONS AND CONFLICT OF INTEREST

Save as disclosed below, there are no existing or proposed related party transactions and conflict of interest between our Group, the Promoters, substantial shareholders, Directors, key management of our Group and/or persons connected with them as defined under Section 122A of the Act for the past three (3) financial years ended 31 December 2004 to 31 December 2006 and the subsequent financial period up to 31 December 2007 (being the latest practicable date prior to the printing of this Prospectus).

No.	Related Party	Interested Promoters/ Director/ Substantial Shareholder/ Key Management	Interest in the Group	Nature of Interest in Related Party	Principal Activities	Nature of Transaction	Financial Year Ended 31 December 2004 RM'000	Financial Year Ended 31 December 2005 RM'000	Financial Year Ended 31 December 2006 RM'000	Financial Period Ended 31 December 2007 RM'000
1.	Apro Industries Sdn Bhd	Khaw Khoon Tee	Promoter, substantial shareholder and Director	Substantial shareholder*	Manufacturing of tubing and supplying of farming equipment	Sales of plastic products	100	55	64	-
		Khaw Seang Ghee	Key management	Substantial shareholder*						
2.	Khoon Holdings Bhd	Khaw Khoon Tee	Promoter, substantial shareholder and Director	Substantial shareholder and Director	Investment holding	Disposal by SHSB of ½ share of property located at No. G.M. 423, Lot No. 352, Mukim 7, Daerah Seberang Perai Tengah, Negeri Pulau Pinang	300	-	-	-
		Ong Peik Joo	Promoter, substantial shareholder and Director	Substantial shareholder and Director						
		Khaw Seang Chuan	Substantial shareholder and Director	Substantial shareholder and Director						
		Khaw Choon Hoong	Director	Substantial shareholder and Director						



## 7. RELATED-PARTY TRANSACTIONS/ CONFLICT OF INTEREST (Cont'd)

No.	Related Party	Interested Promoters/ Director/ Substantial Shareholder/ Key Management	Interest in the SLP Group	Nature of Interest in Related Party	Principal Activities	Nature of Transaction	Financial Year Ended 31 December 2004 RM'000	Financial Year Ended 31 December 2005 RM'000	Financial Year Ended 31 December 2006 RM'000	Financial Period Ended 31 December 2007 RM'000
		Khaw Seang Ghee	Key management	Substantial shareholder and Director						
		Khaw Choon Choon	Key management	Substantial shareholder and Director						
		Khaw Seang Seng	Key management	Substantial shareholder and Director						
3.	Khaw Khoon Tee and Ong Peik Joo	Khaw Khoon Tee  Ong Peik Joo	Promoter, substantial shareholder and Director  Promoter, substantial shareholder and Director	-	-	Disposal by SHSB of property located at P.T. 1057, H.S. (D) 751, Mukim Padang China, Daerah Kulim, Negeri Kedah Darul Aman	715	-	-	-
4.	Khaw Seang Chuan	Khaw Seang Chuan	Substantial shareholder and Director	-	-	Disposal by SHSB of property located at P.T. 1056, H.S. (D) 750, Mukim Padang China, Daerah Kulim, Negeri Kedah Darul Aman	170	-	-	-

## 7. RELATED-PARTY TRANSACTIONS/ CONFLICT OF INTEREST (Cont'd)

No.	Related Party	Interested Promoters/ Director/ Substantial Shareholder/ Key Management	Interest in the Group	Nature of Interest in Related Party	Principal Activities	Nature of Transaction	Financial Year Ended 31 December 2004 RM'000	Financial Year Ended 31 December 2005 RM'000	Financial Year Ended 31 December 2006 RM'000	Financial Period Ended 31 December 2007 RM'000
5.	Khaw Choon Hoong	Khaw Choon Hoong	Director	-	-	Disposal by SHSB of property located at P.T. 1058, H.S. (D) 752, Mukim Padang China, Daerah Kulim, Negeri Kedah Darul Aman	140	-	-	-
6.	Khaw Seang Ghee	Khaw Seang Ghee	Key management	-	-	Disposal by SHSB of property located at P.T. 1095, H.S. (D) 789, Mukim Padang China, Daerah Kulim, Negeri Kedah Darul Aman	160	-	-	-
7.	Khaw Choon Choon	Khaw Choon Choon	Key management	-	-	Disposal by SHSB of property located at P.T. 1097, H.S. (D) 791, Mukim Padang China, Daerah Kulim, Negeri Kedah Darul Aman	140	-	-	-
8.	Khaw Seang Seng	Khaw Seang Seng	Key management	-	-	Disposal by SHSB of property located at P.T. 1098, H.S. (D) 792, Mukim Padang China, Daerah Kulim, Negeri Kedah Darul Aman	126	-	-	-

Note:-

\* They have disposed off their respective interests in Apro Industries Sdn Bhd on 31 December 2006.

The related-party transactions mentioned above were entered into at arm's length basis and on commercial terms not more favourable to the related party than those generally available to the public.

**7. RELATED-PARTY TRANSACTIONS/ CONFLICT OF INTEREST (Cont'd)****7.2 TRANSACTIONS OF UNUSUAL NATURE OR CONDITIONS**

There is no transaction that is unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which we or any of our parent or subsidiaries was a party in the past three (3) financial years ended 31 December 2004 to 31 December 2006 and the subsequent financial period up to 31 December 2007 (being the latest practicable date prior to the printing of this Prospectus).

**7.3 OUTSTANDING LOANS MADE BY OUR COMPANY OR ANY OF OUR PARENT OR SUBSIDIARIES TO/ FOR THE BENEFIT OF RELATED PARTIES**

There is no outstanding loan (including guarantees of any kind) made by us or any of our parent or subsidiaries to or for the benefit of the related party(ies) for the past three (3) financial years ended 31 December 2004 to 31 December 2006 and the subsequent financial period up to 31 December 2007 (being the latest practicable date prior to the printing of this Prospectus).

**7.4 INTEREST IN SIMILAR BUSINESS**

None of the Promoters, Directors and/or substantial shareholders and/or key management of our Group are interested, directly or indirectly in any business carrying on a similar trade as our Group.

**7.5 PROMOTIONS OF ANY MATERIAL ASSET ACQUIRED/ TO BE ACQUIRED WITHIN THREE (3) YEARS PRECEDING THE DATE OF THIS PROSPECTUS**

Save as disclosed below, none of the Directors and/or substantial shareholders has any interest, direct or indirect, in the promotion of or in any material assets acquired or proposed to be acquired or disposed or proposed to be disposed of or leased or proposed to be leased to us or any of our subsidiaries within the past three (3) financial years ended 31 December 2004 to 31 December 2006 and the subsequent financial period up to 31 December 2007 (being the latest practicable date prior to the printing of this Prospectus):-

- (i) Memorandum of Transfer (Borang 14A) dated 22 May 2004 for the disposal of ½ share of property located at No. G.M. 423, Lot No. 352, Mukim 7, Daerah Seberang Perai Tengah, Negeri Pulau Pinang from SHSB to Khoon Tee Holdings Sdn Bhd for a cash consideration of RM300,000;
- (ii) Memorandum of Transfer (Borang 14A) dated 7 May 2004 for the disposal of property located at P.T. 1057, H.S.(D) 751, Mukim Padang China, Daerah Kulim, Negeri Kedah Darul Aman from SHSB to Khaw Khoon Tee and Ong Peik Joo for a cash consideration of RM715,000;
- (iii) Memorandum of Transfer (Borang 14A) dated 7 May 2004 for the disposal of property located at P.T. 1056, H.S.(D) 750, Mukim Padang China, Daerah Kulim, Negeri Kedah Darul Aman from SHSB to Khaw Seang Chuan for a cash consideration of RM170,000;
- (iv) Memorandum of Transfer (Borang 14A) dated 7 May 2004 for the disposal of property located at P.T. 1058, H.S.(D) 752, Mukim Padang China, Daerah Kulim, Negeri Kedah Darul Aman from SHSB to Khaw Choon Hoong for a cash consideration of RM140,000;

**7. RELATED-PARTY TRANSACTIONS/ CONFLICT OF INTEREST (Cont'd)**

- (v) Memorandum of Transfer (Borang 14A) dated 7 May 2004 for the disposal of property located at P.T. 1095, H.S.(D) 789, Mukim Padang China, Daerah Kulim, Negeri Kedah Darul Aman from SHSB to Khaw Seang Ghee for a cash consideration of RM160,000;
- (vi) Memorandum of Transfer (Borang 14A) dated 7 May 2004 for the disposal of property located at P.T. 1097, H.S.(D) 791, Mukim Padang China, Daerah Kulim, Negeri Kedah Darul Aman from SHSB to Khaw Choon Choon for a cash consideration of RM140,000;
- (vii) Memorandum of Transfer (Borang 14A) dated 7 May 2004 for the transfer of property located at P.T. 1098, H.S.(D) 792, Mukim Padang China, Daerah Kulim, Negeri Kedah Darul Aman from SHSB to Khaw Seang Seng for a cash consideration of RM126,000;
- (viii) On 17 May 2007, we entered into a conditional share sale agreement with Khaw Khoon Tee, Ong Peik Joo, Khaw Seang Chuan, Khaw Choon Hoong, Khaw Seang Ghee, Khaw Choon Choon and Khaw Seang Seng to acquire the entire issued and paid-up share capital of SSB comprising 2,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM8,345,684 satisfied by the issuance of 16,691,368 new Shares at an issue price of RM0.50 per Share. The purchase consideration of SSB was based on the audited NTA of SSB as at 31 December 2006 of RM8,345,684.

Acquisition of SSB by SLP		
Name	Nature of Interest in SLP After the Acquisition of SSB	Nature of Interest in SSB Prior to the Acquisition of SSB
Khaw Khoon Tee	Promoter, Director and substantial shareholder	Director and substantial shareholder
Ong Peik Joo	Promoter, Director and substantial shareholder	Director and substantial shareholder
Khaw Seang Chuan	Director and substantial shareholder	Director and substantial shareholder
Khaw Choon Hoong	Director and shareholder	Director and substantial shareholder
Khaw Seang Ghee	Shareholder and key management	Director and substantial shareholder

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

**7. RELATED-PARTY TRANSACTIONS/ CONFLICT OF INTEREST (Cont'd)**

- (ix) On 17 May 2007, we entered into a conditional share sale agreement with Khaw Khoon Tee, Ong Peik Joo, Khaw Seang Chuan, Khaw Choon Hoong, Khaw Seang Ghee, Khaw Choon Choon and Khaw Seang Seng to acquire the entire issued and paid-up share capital of SHSB comprising 5,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM31,639,689 satisfied by the issuance of 63,279,378 new Shares at an issue price of RM0.50 per Share. The purchase consideration of SHSB was based on the audited NTA of SHSB as at 31 December 2006 of RM31,639,689.

Acquisition of SHSB by SLP		
Name	Nature of Interest in SLP After the Acquisition of SHSB	Nature of Interest in SHSB Prior to the Acquisition of SHSB
Khaw Khoon Tee	Promoter, Director and substantial shareholder	Director and substantial shareholder
Ong Peik Joo	Promoter, Director and substantial shareholder	Director and substantial shareholder
Khaw Seang Chuan	Director and substantial shareholder	Director and substantial shareholder
Khaw Choon Hoong	Director and shareholder	Director and substantial shareholder
Khaw Seang Ghee	Shareholder and key management	Director and substantial shareholder
Khaw Choon Choon	Shareholder and key management	Substantial shareholder
Khaw Seang Seng	Shareholder and key management	Substantial shareholder

**7.6 CONTRACTS OR ARRANGEMENTS IN WHICH THE DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS ARE INTERESTED AND SIGNIFICANT IN RELATION TO THE BUSINESS OF OUR GROUP**

None of our Directors and/or substantial shareholders and/or key management of SLP and our subsidiaries, and/or persons connected to them has material interest, directly and indirectly in any contract or arrangement, which is significant in relation to the business of our Group and subsisting at the date of this Prospectus.

**7.7 RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE**

Pursuant to Paragraph 10.09 of the Listing Requirements, a listed issuer may seek the shareholders' mandate in respect of related party transactions involving recurrent transactions of revenue or trading in nature subject to the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or exceeds the applicable prescribed threshold under paragraph 2.1 of PN12/ 2001; and

## **7. RELATED-PARTY TRANSACTIONS/ CONFLICT OF INTEREST (Cont'd)**

- (iii) in a meeting to obtain shareholders' mandate, the interested Director, interested major shareholder or interested person connected with a Director or major shareholder and where it involves the interest of an interested person connected with a Director or major shareholder, such Director or major shareholder, must not vote on the resolution approving the transactions. An interested Director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

In anticipation that our Group would, in the ordinary course of its business, enter into transactions, including but not limited to the transactions described in related party transactions set out in Section 7.1 of this Prospectus, with persons which are considered "related party" as defined in Chapter 10 of the Listing Requirements, it is likely that such transactions will occur with some degree of frequency and could arise at any time and from time to time.

Under Chapter 10 of the Listing Requirements, a listed company may seek a shareholders' mandate for recurrent transactions of a revenue or trading nature or those necessary for its day to day operations such as supplies and materials, which may be carried out with the listed company's interested persons.

Due to the time-sensitive nature of commercial transactions, the shareholders' mandate will enable our Group, in its normal course of business, to enter into the categories of related party transactions, provided such interested person transactions are made at arm's length and on normal commercial terms.

Transactions, which do not fall within the ambit of the shareholders' mandate, shall be subject to the relevant provisions of the Listing Requirements.

### **7.8 DECLARATION BY THE ADVISERS**

- (i) AmInvestment Bank hereby confirms that as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Adviser, Managing Underwriter, Underwriter and Sole Placement Agent to our Group for the IPO.
- (ii) Messrs Ong and Manecksha hereby confirm that as at the date of this Prospectus, there is no existing or potential conflict of interest in their capacity as Solicitors to our Group for the IPO.
- (iii) Messrs KPMG hereby confirms that as at the date of this Prospectus, there is no existing or potential conflict of interest in their capacity as Auditors and Reporting Accountants to our Group for the IPO.
- (iv) Dun & Bradstreet (D&B) Malaysia Sdn Bhd hereby confirms that as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Independent Market Researcher to our Group for the IPO.
- (v) Henry Butcher Malaysia (Seberang Perai) Sdn Bhd hereby confirms that as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Independent Registered Valuers to our Group for the IPO.

## 8. OTHER INFORMATION CONCERNING OUR COMPANY/ GROUP

## 8.1 INFORMATION ON LAND AND BUILDINGS

A summary of the land and buildings owned by our Group is as follows:-

No.	Registered Owner/Beneficial Owner	Postal Address/Title Identification	Approximate Age of Building/Tenure	Description/Existing Use	Approximate Land Area/Built-up Area (Sq ft)	Restriction in Interest/Major Encumbrances	Date of Issuance of Certificate of Fitness	Audited Net Book Value as at 31 December 2006 (RM)	Audited Net Book Value as at 30 September 2007 (RM)	Market Value/Date of Valuation (RM)	Revaluation Surplus as at 31 December 2006 (RM)
1.	Perbadanan Kemajuan Negeri Kedah/SHSB	P.T. 1, Lot 57A, Lorong Perusahaan 5, Kawasan Perumahan Kulim, 09000 Kulim, Kedah/2052 Lot Nos.1339 & 1340 held under GRN Nos. 51494 & 51495 respectively, Section 38, both of Bandar Kulim (formerly P.T. 6380 & 6381 held under H.S.(D) Nos. 1543 & 1544, both of Mukim Sungai Seluang), Daerah Kulim, Kedah Darul Aman	2 - 12 years <sup>(a)</sup> /60 years lease expiring on 30 June 2052	A three-storey office block annexed with a single-storey detached factory (Plant 1), a single-storey detached factory (Plant 2) <sup>(b)</sup> , a canteen, a guard house and other buildings and ancillary structures/Office, production and warehouse	471,082/204,360	Any calculation (dealings) on the land to be developed into industrial area is forbidden, unless the owner of the land builds and preserve the roads by filling in rocks and tar in accordance with Jabatan Kerja Raya ("JKR") requirements together with constructing the drainage which fulfil the local authority and JKR requirements or assurance given by the local authority or JKR that the roads and drainage can be completed/Charged to Hong Leong Bank Berhad	7 November 1995, 26 June 2005 and 30 November 2005	11,812,588 <sup>(c)</sup>	20,650,000 <sup>(d)</sup>	21,000,000/25 February 2007	9,187,412 <sup>(e)</sup>
2.	Perbadanan Kemajuan Negeri Kedah/SHSB	Not applicable/H.S.(M) No. 11813, P.T. 81, Kawasan Perumahan Kulim, Kedah	Not applicable/60 years lease commencing from 13 December 1989 expiring on 12 December 2049	Vacant land	165,528/Not applicable	No restriction/Charged to Hong Leong Bank Berhad	-	-	1,454,256	-	-

**8. OTHER INFORMATION CONCERNING OUR COMPANY/ GROUP**

Notes:-

- (a) *The age of the three-storey office block, front portion of the production area of the single-storey detached factory (Plant 1) and guard house is approximately 12 years while the age of the rear extension and mezzanine floor of the single-storey detached factory, single-storey detached factory (Plant 2) and canteen is approximately 2 years.*
- (b) *The approval from Majlis Perbandaran Kulim for the extension works carried out at the rear portion of the single-storey detached factory (Plant 2) has been obtained on 31 May 2007. The said extension has been completed in July 2007 and is now pending for the issuance of certificate of fitness for occupation.*
- (c) *Prior to the incorporation of the revaluation surplus as mentioned in note (e) below.*
- (d) *Excluding the net book value of the extension mentioned in note (b) above.*
- (e) *The revaluation surplus totalling RM9,187,412 (computed based on the audited net book value as at 31 December 2006) pursuant to the valuation carried out on 5 January 2007 has been incorporated in the financial statements of SHSB for the financial year ended 31 December 2006. For the purpose of submission to the SC for the Listing of SLP, an updated valuation has been carried out on 25 February 2007 ("**Updated Valuation**"). Please refer to Section 11 of this Prospectus for the details of the Valuation Certificate from Henry Butcher (Seberang Perai) Sdn Bhd in relation to the Updated Valuation.*
- (f) *The existing use of all the land set out above is not in breach of the land-use conditions/ permissible land use whilst for the buildings mentioned above, there is no violation of building by-laws.*

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**



**8. OTHER INFORMATION CONCERNING THE CORPORATION/ GROUP (Cont'd)****8.2 ACQUISITIONS OF PROPERTIES**

Save as disclosed below, there are no other properties as set out in Section 8.1 above which was acquired during the two (2) years preceding the date of this Prospectus.

Registered Owner/ Location	Date of Transaction	Prices Paid (RM)
<b>SHSB<sup>(a)</sup></b> Perbadanan Kemajuan Negeri Kedah/ H.S.(M) No. 11813, P.T. 81, Kawasan Perusahaan Kulim, Kulim, Kedah	2 February 2007	<sup>(b)</sup> 1,468,626
<b>Total</b>		<b>1,468,626</b>

Notes:-

- (a) SHSB has purchased the lease for the said land from Miyao-Toki (Malaysia) Sdn Bhd pursuant to the Sale and Purchase Agreement dated 2 February 2007.
- (b) Inclusive of stamp duty, quit rent and assessment, solicitors' fee and transfer premium paid to Perbadanan Kemajuan Negeri Kedah.

The details of the sale and purchase agreement are set out in Section 14.4 of this Prospectus.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

## 9. FINANCIAL INFORMATION

### 9.1 HISTORICAL FINANCIAL INFORMATION

The summarised proforma consolidated results of SLP for the financial years ended 31 December 2004 to 2006 and the nine (9) months period ended 30 September 2007 have been prepared for illustrative purposes only based on the audited financial statements of the companies in our Group and on the assumption that the current structure of our Group has been in existence throughout the financial years/ period under review. The proforma consolidated results of SLP for the nine (9) months period ended 30 September 2006 has not been audited and has also been prepared for illustrative purposes only based on the same abovementioned assumption as a comparison to the consolidated results of SLP for the nine (9) months period ended 30 September 2007.

The proforma consolidated results should be read in conjunction with the accompanying notes and assumptions included in the Proforma Consolidated Financial Information set out in Section 9.13 of this Prospectus.

	Financial Years Ended 31 December			9 Months Periods Ended 30 September	
	2004 RM'000	2005 RM'000	2006 RM'000	2006 RM'000	2007 RM'000
Revenue	94,767	118,203	142,855	99,529	128,700
GP	9,992	13,039	13,181	8,989	13,301
Earnings before interest, depreciation and taxation	11,054	13,346	16,711	11,181	14,562
Depreciation	(3,168)	(3,970)	(5,092)	(3,811)	(4,055)
Interest expense	(1,288)	(1,546)	(1,855)	(1,478)	(1,346)
PBT	6,598	7,830	9,764	5,892	9,161
Taxation	(1,368)	(1,425)	(1,168)	(857)	(880)
PAT	5,230	6,405	8,596	5,035	8,281
Proforma no. of Shares in issue ('000)	106,000	106,000	106,000	106,000	106,000
GP margin (%)	10.54	11.03	9.23	9.03	10.33
PAT margin (%)	5.52	5.42	6.02	5.06	6.43
Gross EPS (sen) <sup>(i)</sup>	6.22	7.39	9.21	5.56	8.64
Net EPS (sen) <sup>(i)</sup>	4.93	6.04	8.11	4.75	7.81

Notes:-

- (i) Based on our enlarged issued and paid-up Shares after the Listing.
- (ii) There were no exceptional items and extraordinary items during the financial years/ periods under review.
- (iii) There were no discontinuing operations for all the financial years/ periods under review.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

**9. FINANCIAL INFORMATION (Cont'd)****9.2 ANALYSIS OF HISTORICAL FINANCIAL INFORMATION****9.2.1 Segmental Analysis of Proforma Revenue and Operating Profit****Revenue****(i) Analysis of Proforma Revenue by Companies**

The table below sets forth the breakdown of our Group's proforma revenue by companies for the respective financial years/ periods:-

	Financial Years Ended 31 December			9 Months Periods Ended 30 September	
	2004 RM'000	2005 RM'000	2006 RM'000	2006 RM'000	2007 RM'000
SLP	-	-	-	-	-
SSB	47,733	64,661	74,774	53,028	77,900
SHSB	47,034	53,542	68,081	46,501	50,800
<b>Proforma Consolidated Revenue</b>	<b>94,767</b>	<b>118,203</b>	<b>142,855</b>	<b>99,529</b>	<b>128,700</b>

**(ii) Analysis of Proforma Revenue by Products and Services**

The table below sets forth the breakdown of our Group's proforma revenue by products and services for the respective financial years/ periods:-

	Financial Years Ended 31 December			9 Months Periods Ended 30 September	
	2004 RM'000	2005 RM'000	2006 RM'000	2006 RM'000	2007 RM'000
Newspaper wrapping films	-	-	-	-	8
Plain polybags	492	504	359	252	7,526
Printed polybags	6,100	11,142	14,523	10,713	15,460
Kitchen bags	8,280	12,377	14,624	9,705	8,626
T-shirt bags	17,839	10,525	16,976	12,091	8,426
Garbage bags	12,047	16,274	15,549	10,642	5,650
"Baran" or artificial leave	1,297	1,623	1,574	1,138	1,398
Plastic tubings	2,557	3,736	4,383	3,432	1,996
Medical pouches	826	670	605	460	489
VFFS packaging films	411	1,209	5,886	2,529	7,104
Trading items	44,894	60,097	68,348	48,545	71,912
Others	24	46	28	22	105
<b>Proforma Consolidated Revenue</b>	<b>94,767</b>	<b>118,203</b>	<b>142,855</b>	<b>99,529</b>	<b>128,700</b>

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

**9. FINANCIAL INFORMATION (Cont'd)****(iii) Analysis of Proforma Revenue by Activities**

The table below sets forth the breakdown of our Group's proforma revenue by activities for the respective financial years/ periods:-

	Financial Years Ended 31 December			9 Months Periods Ended 30 September	
	2004 RM'000	2005 RM'000	2006 RM'000	2006 RM'000	2007 RM'000
Manufacturing	49,873	58,105	74,507	50,984	56,788
Trading	44,894	60,098	68,348	48,545	71,912
<b>Proforma Consolidated Revenue</b>	<b>94,767</b>	<b>118,203</b>	<b>142,855</b>	<b>99,529</b>	<b>128,700</b>

**(iv) Analysis of Proforma Revenue by Export and Local**

The table below sets forth the breakdown of our Group's proforma revenue by markets for the respective financial years/ periods:-

	Financial Years Ended 31 December			9 Months Periods Ended 30 September	
	2004 RM'000	2005 RM'000	2006 RM'000	2006 RM'000	2007 RM'000
Export	47,034	53,542	68,081	46,501	51,979
Local	47,733	64,661	74,774	53,028	76,721
<b>Proforma Consolidated Revenue</b>	<b>94,767</b>	<b>118,203</b>	<b>142,855</b>	<b>99,529</b>	<b>128,700</b>

**PBT****(v) Analysis of Proforma PBT by Companies**

The table below sets forth the breakdown of our Group's proforma PBT by companies for the respective financial years/ periods:-

	Financial Years Ended 31 December			9 Months Periods Ended 30 September	
	2004 RM'000	2005 RM'000	2006 RM'000	2006 RM'000	2007 RM'000
SLP	-	(5)	(2)	-	(4)
SSB	1,878	2,688	1,111	1,275	2,487
SHSB	4,720	5,147	8,655	4,617	6,678
<b>Proforma Consolidated PBT</b>	<b>6,598</b>	<b>7,830</b>	<b>9,764</b>	<b>5,892</b>	<b>9,161</b>

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

**9. FINANCIAL INFORMATION (Cont'd)****(vi) Analysis of Proforma PBT by Products and Services**

The table below sets forth the breakdown of our Group's proforma PBT by products and services for the respective financial years/ periods:-

	Financial Years Ended 31 December			9 Months Periods Ended 30 September	
	2004 RM'000	2005 RM'000	2006 RM'000	2006 RM'000	2007 RM'000
Newspaper wrapping films	-	-	-	-	2
Plain polybags	57	54	39	25	928
Printed polybags	897	1,469	2,323	1,453	2,327
Kitchen bags	1,293	1,742	2,498	1,408	1,377
T-shirt bags	976	416	1,152	492	504
Garbage bags	725	727	1,145	492	367
"Baran" or artificial leave	257	296	336	214	281
Plastic tubings	247	339	333	274	131
Medical pouches	501	406	390	289	304
VFFS packaging films	44	133	896	328	984
Trading items	1,595	2,242	648	916	1,939
Others	6	11	6	1	21
Other expenses	-	(5)	(2)	-	(4)
<b>Proforma Consolidated PBT</b>	<b>6,598</b>	<b>7,830</b>	<b>9,764</b>	<b>5,892</b>	<b>9,161</b>

**(vii) Analysis of Proforma PBT by Activities**

The table below sets forth the breakdown of our Group's proforma PBT by activities for the respective financial years/ periods:-

	Financial Years Ended 31 December			9 Months Periods Ended 30 September	
	2004 RM'000	2005 RM'000	2006 RM'000	2006 RM'000	2007 RM'000
Manufacturing	5,003	5,593	9,118	4,976	7,226
Trading	1,595	2,242	648	916	1,939
Other expenses	-	(5)	(2)	-	(4)
<b>Proforma Consolidated PBT</b>	<b>6,598</b>	<b>7,830</b>	<b>9,764</b>	<b>5,892</b>	<b>9,161</b>

**(viii) Analysis of Proforma PBT by Export and Local**

The table below sets forth the breakdown of our Group's proforma PBT by markets for the respective financial years/ periods:-

	Financial Years Ended 31 December			9 Months Periods Ended 30 September	
	2004 RM'000	2005 RM'000	2006 RM'000	2006 RM'000	2007 RM'000
Export	4,720	5,147	8,655	4,617	6,678
Local	1,878	2,688	1,111	1,275	2,487
Other expenses	-	(5)	(2)	-	(4)
<b>Proforma Consolidated PBT</b>	<b>6,598</b>	<b>7,830</b>	<b>9,764</b>	<b>5,892</b>	<b>9,161</b>

---

**9. FINANCIAL INFORMATION (Cont'd)**

---

**9.2.2 Overview of Revenue and PBT****Financial Year Ended 31 December 2004**

For the financial year ended 31 December 2004, our Group recorded revenue of approximately RM94.77 million which is equivalent to an increase of approximately 58.29% (Financial year ended 31 December 2003: RM59.87 million). The increase in sales was mainly due to higher demand from existing customers as well as new customers secured during the year. The increase in the prices of plastic resins has also resulted in the increase in selling price for the trading division.

Our Group's PBT improved by approximately 56.03% to approximately RM6.60 million (Financial year ended 31 December 2003: RM4.23 million) in line with the higher revenue recorded.

**Financial Year Ended 31 December 2005**

Our Group's revenue of approximately RM118.20 million represented an increase of approximately 24.72% as compared to the financial year ended 31 December 2004. The increase was mainly due to increase in sales of manufactured products such as printed polybags, kitchen bags, garbage bags and VFFS packaging films, as well as trading sales of plastic resins in line with the higher demand from the existing customers as well as newly secured customers. The increase in the prices of plastic resins has also resulted in the higher selling price for the trading division.

Our Group's PBT increased by approximately 18.64% to RM7.83 million mainly due to the increase in sales as well as change in product mix, which resulted in higher sales of products such as printed polybags and kitchen bags that commanded better profit margins.

**Financial Year Ended 31 December 2006**

Our Group's revenue rose to approximately RM142.86 million which was equivalent to an increase of approximately 20.86% mainly due to increase in sales of manufactured products such as printed polybags, kitchen bags, T-shirt bags and VFFS packaging films, as well as trading sales of plastic resins. The increase in manufacturing sales was mainly due higher demand from our existing customers from Japan while the increase in trading sales was mainly due to the increase in prices of plastic resins during the year.

Our Group's PBT improved by approximately 24.65% to RM9.76 million mainly due to the increase in sales. The unrealised gain of approximately RM0.65 million from foreign currency loans following the strengthening of RM against USD and JPY had also contributed to the higher PBT.

**Financial Period Ended 30 September 2007**

Our Group's revenue for the 9 months period ended 30 September 2007 increased by approximately 29.31% to approximately RM128.70 million from approximately RM99.53 million in the corresponding 9 months period ended 30 September 2006. This was mainly due to the increase in the prices of plastic resins as a result of the recent increase in the prices of crude oil which has resulted in the increase in selling price for the trading division as well as the selling prices of our manufactured products.

---

**9. FINANCIAL INFORMATION (Cont'd)**

---

The improvement in our Group's PBT by approximately 55.52% from approximately RM5.89 million in the 9 months period ended 30 September 2006 to approximately RM9.16 million in the 9 months period ended 30 September 2007 was in line with the increase in revenue. In addition, higher demand for our higher profit margin products such as VFFS has also contributed to the improvement in the PBT.

**9.2.3 Impact of Foreign Exchange/ Interest Rates/ Commodity Prices on Operating Profits**

For the financial year ended 31 December 2006 and the nine (9) months period ended 30 September 2007, approximately 47.7% and 40.4% of our Group's total sales were exported mainly to Japan, Norway and Australia respectively while approximately 37.7% and 35.4% of our Group's raw materials were imported mainly from Singapore respectively. Settlement of these sales and purchases are usually made in foreign currencies such as USD and JPY. As such, our Group is affected by fluctuation in exchange rate through transactions that are carried out in USD and JPY. However, our Group has adopted a prudent approach by hedging our net foreign exchange exposure by entering into short-term forward currency contracts to mitigate the foreign exchange fluctuation risks.

As at 31 December 2007 (being the latest practicable date prior to the printing of this Prospectus), our Group's total short-term and long-term bank borrowings amounted to approximately RM62.10 million. All the bank borrowings of our Group are interest bearing. Given that the interest charged on bank borrowings is dependent on interest rates and the total outstanding loans, future fluctuation of interest rates could affect our Group's profitability.

Plastic resins are the major raw materials used by our Group. As crude oil and natural gas are the two major ingredients for plastic resins, any fluctuation in the prices of these commodities, which are subject to both domestic and international demand and supply, will indirectly have an impact on the overall fluctuation in the prices of plastic resins. In some situations, increase in the prices of raw materials might not be immediately passed onto the end-users. This may impact on the margins of our Group or alternatively, if the increase in cost is passed onto users, the manufacturer may not be price competitive. However, in order to ensure constant supply of our raw materials and to obtain our purchases at competitive rates, our Group endeavours to maintain long-term relationships with our suppliers.

**9.2.4 Taxation**

Lower effective tax rates of our Group for the financial years ended 31 December 2004 to 2006 and the nine (9) months period ended 30 September 2007 were mainly due to the availability of reinvestment allowance.

**9.2.5 Exceptional and Extraordinary Items**

There was no exceptional and extraordinary item for the financial years/ periods under review.

**9. FINANCIAL INFORMATION (Cont'd)****9.2.6 Key Financial Ratios**

The table below sets out the key financial ratios of our Group for the financial years ended 31 December 2004 to 2006 and the nine (9) months period ended 30 September 2007 which have been prepared for illustrative purposes only based on the audited financial statements of the companies in our Group and on the assumption that the current structure of our Group has been in existence throughout the financial years/ period under review. The key financial ratios of our Group for the nine (9) months period ended 30 September 2006 has not been audited and has also been prepared for illustrative purposes only based on the same abovementioned assumption as a comparison to the key financial ratios of our Group for the nine (9) months period ended 30 September 2007.

	Financial Years Ended 31 December			9 Months Periods Ended 30 September	
	2004	2005	2006	2006	2007
Trade receivables turnover period (months)	1.88	2.16	2.68	2.7	1.85
Trade payables turnover period (months)	0.91	1.27	1.01	1.30	1.51
Inventories turnover period (months)	1.91	2.00	1.68	1.74	1.37

**9.3 TREND INFORMATION**

Based on our Group's historical financial performance, our Directors are confident of the future prospects of our Group and believe that the following factors will have a positive impact on our Group's future prospects:-

- (i) Our Group's product expansion plan to the medical and healthcare packaging and food processing industry, coupled with our product line expansion will increase our current production capacity, enabling our Group to venture into new application markets as well as expansion into new export markets; and
- (ii) The FPP Industry is in the growth stages of the industry life-cycle and the outlook for the FPP Industry is favourable as outlined in Sections 4.4.4 and 4.4.5 of this Prospectus.

Our Directors observed that the prices of the main raw materials for FPP products, i.e. plastic resins have generally been increasing in recent years due to a combination of global effects, one of them being the global political instability of oil producing countries which led to rising crude oil prices. Since the prices of crude oil and natural gas are determined principally by market demand and supply conditions, it is not possible to envisage whether the crude oil and natural gas prices will continue to rise in the foreseeable future. Any fluctuation in the prices of crude oil and natural gas will have an impact on the overall fluctuation of plastic resins prices. Nonetheless, in the event of cost fluctuation, our Directors believe that our Group is able to address such costs increase by adjusting our selling price accordingly.



## 9. FINANCIAL INFORMATION (Cont'd)

Due to the nature of the business and industry in which our Group operates, our Group does not have long term secured sales orders from our customers. However, our Group has been obtaining recurring orders from our existing customers and has been enjoying close working relationships with our customers. Our Directors believe that our Group will continue to have the support of our customers in the future due to the long term business relationships established with them.

Save as disclosed above and in Section 3 of this Prospectus, our Directors are not aware of any significant known trends in production, sales, costs and selling prices of products and services, or other known trends, demand, commitments, events or uncertainties that are reasonably likely to have a material effect on our Group's financial performance, position and operations, or that would cause the historical financial information disclosed in this Prospectus to be not indicative of its future operating results or financial condition.

### 9.4 LIQUIDITY AND CAPITAL RESOURCES

Our Group's business growth has been financed through a combination of internal and external source of funds. The internal source of funds is mainly derived from cash generated from operations and the external sources of funds mainly comprises borrowings from financial institutions and capital contribution from shareholders.

As at 31 December 2006, our Group has cash and cash equivalents of approximately RM7.34 million and banking facilities amounting to approximately RM85.82 million, of which approximately RM46.22 million was utilised. As at 30 September 2007, our Group has cash and cash equivalents of approximately RM12.78 million and banking facilities amounting to approximately RM87.55 million, of which approximately RM37.64 million was utilised. Further details of our Group's borrowings are set out in Section 9.6 of this Prospectus.

Our Directors are of the opinion that, after taking into consideration the cash flow position, the banking facilities available and the net proceeds from the Rights Issue and Public Issue, our Group will have adequate working capital for a period of twelve (12) months from the date of this Prospectus.

A summary of our Group's proforma cash flow statement for the financial year ended 31 December 2006 and the nine (9) months period ended 30 September 2007 is as follows:-

Cash Flow	Financial Year Ended 31 December 2006 RM'000	9 Months Period Ended 30 September 2007 RM'000
Net cash generated from operating activities	4,537	24,712
Net cash used in investing activities	(9,843)	(6,988)
Net cash generated/ (used) from financing activities	2,192	(12,288)
Net (decrease)/ increase in cash and cash equivalents	(3,114)	5,436
Cash and cash equivalents at beginning of the year/ period	10,454	7,340
Cash and cash equivalents at end of the year/ period	7,340	12,776

---

**9. FINANCIAL INFORMATION (Cont'd)**

---

The net cash generated from operating activities of approximately RM4.54 million and RM24.71 million for the financial year ended 31 December 2006 and the nine (9) months period ended 30 September 2007 respectively was mainly due to receipts from customers offset by payments to suppliers and employees.

The net cash used in investing activities of approximately RM9.84 million and RM6.99 million for the financial year ended 31 December 2006 and the nine (9) months period ended 30 September 2007 respectively was mainly due to purchases of property, plant and equipment to cater for our Group's expansion plan.

The net cash generated from financing activities of approximately RM2.19 million for the financial year ended 31 December 2006 was mainly due to drawdown of term loan to part-finance the purchase of property, plant and equipment, offset by interest payment and repayment of hire purchase obligations. The net cash used in financing activities of approximately RM12.29 million for the nine (9) months period ended 30 September 2007 was mainly due to payment of dividend and interest, offset by utilisation of bank borrowings.

**9.5 FINANCIAL PERFORMANCE, POSITION AND OPERATIONS**

Save as disclosed in Section 3 and Sections 9.1 to 9.4 of this Prospectus, our Directors are of the view that the financial performance, position and operations of our Group are not affected by any of the following:-

- (i) Any known trend, demand, commitment, event or uncertainty that have had, or that SLP reasonably expects to have, a material favourable or unfavourable impact on financial performance, position and operations of our Group;
- (ii) Any material capital expenditure commitment, the purpose of such commitments and the anticipated source of funds;
- (iii) Any unusual, infrequent event or transaction or any significant economic change that have materially affected the financial performance, position and operations of our Group and the extent to which the financial performance, position and operations of our Group was so affected; and
- (iv) Any known trend, demand, commitment, event or uncertainty that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

**9.6 WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENTS AND MATERIAL LITIGATIONS/ ARBITRATIONS****(i) Working Capital**

Our Directors are of the opinion that after taking into consideration the cash flow position, banking facilities available and the net proceeds from the Rights Issue and Public Issue, our Group will have adequate working capital for a period of twelve (12) months from the date of this Prospectus.

**9. FINANCIAL INFORMATION (Cont'd)****(ii) Borrowings**

As at 31 December 2007 (being the latest practicable date prior to the printing of this Prospectus), the total bank borrowings of our Group in the form of term loans, bank overdrafts and banker's acceptances amounted to approximately RM62.10 million. All the bank borrowings of our Group are interest bearing. Our Group does not have any non-interest bearing borrowings. Our Group's borrowings can be analysed further as follows:-

<b>Borrowings</b>	<b>Amount RM'000</b>	<b>Amount RM'000</b>
<b>Group</b>		
Long term borrowings		
• Interest bearing	14,656	
• Non-interest bearing	-	14,656
Short term borrowings		
• Interest bearing	47,442	
• Non-interest bearing	-	47,442
<b>Total Borrowings</b>		<b>62,098</b>

Included in our Group's bank borrowings are foreign currency borrowings denominated in USD and JPY amounting to approximately RM16.31 million (comprising of approximately USD1.04 million and JPY368.11 million).

Our Group has not defaulted in any payment of either principal and/or interest in respect of any borrowings throughout the past one (1) financial year and the subsequent financial period up to 31 December 2007 (being the latest practicable date prior to the printing of this Prospectus).

As at 31 December 2007 (being the latest practicable date prior to the printing of this Prospectus), our Group's gearing level is approximately 1.2 times.

**(iii) Contingent Liabilities**

Our Directors declare that, as at 31 December 2007 (being the latest practicable date prior to the printing of this Prospectus), our Group has no contingent liabilities.

**(iv) Material Commitments**

Save as disclosed below, as at 31 December 2007 (being the latest practicable date prior to the printing of this Prospectus), there are no material commitment for capital expenditure incurred or known to be incurred by our Group, which may have a substantial impact on the financial position of our Group.

<b>Items</b>	<b>Expected Cost RM'000</b>	<b>Deposit Paid RM'000</b>	<b>Balance RM'000</b>
Extension of factory	3,668	3,447	221
<b>Total</b>	<b>3,668</b>	<b>3,447</b>	<b>221</b>

Our Group will fund the above capital commitment from internally generated funds and credit facilities extended by the financial institutions.

---

**9. FINANCIAL INFORMATION (Cont'd)**

---

**(v) Material Litigations/ Arbitrations**

Save as disclosed in Section 14.5 of this Prospectus, as at 31 December 2007 (being the latest practicable date prior to the printing of this Prospectus), neither the Company nor its subsidiaries are engaged in any material litigation, claim and arbitration, either as plaintiff or defendant, which have a material effect on the business or financial position of the Company and/or its subsidiaries and the Board has no knowledge of any proceeding pending or threatened against the Company and/or its subsidiaries or of any fact likely to give rise to any proceeding which might materially and adversely affect the business or financial position or business of the Company or its subsidiaries.

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

**9. FINANCIAL INFORMATION (Cont'd)**

**9.7 REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST OF SLP FOR THE FINANCIAL YEARS ENDED/ ENDING 31 DECEMBER 2007 AND 2008**  
*(Prepared for inclusion in the Prospectus)*



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

Telephone +60 (4) 227 2288  
Fax +60 (4) 227 1888  
Internet www.kpmg.com.my

The Board of Directors  
SLP Resources Berhad  
Suite 12-A, Level 12 Menara Northam  
No. 55, Jalan Sultan Ahmad Shah  
10050 Penang

Date : 22 January 2008

Dear Sirs

**SLP Resources Berhad (“SLP” or “The Company”)**  
**Reporting accountants' letter on the consolidated profit estimate and forecast for the financial years ended/ending 31 December 2007 and 2008**

We have reviewed the consolidated profit estimate and forecast of SLP and its subsidiaries (“SLP Group” or “the Group”) for the financial years ended/ending 31 December 2007 and 2008 respectively as set out in the accompanying statement (which we have stamped for the purpose of identification) in accordance with the Standard on Auditing AI 3400 – The Examination of Prospective Financial Information (previously known as AI810) applicable to the review of estimate and forecast. The consolidated profit estimate and forecast have been prepared for inclusion in the Prospectus of SLP dated 20 February 2008 in connection with the listing of and quotation for the entire issued and paid-up share capital of SLP, comprising 106,000,000 ordinary shares of RM0.50 each (“Shares”) on the Second Board of Bursa Malaysia Securities Berhad (“Bursa Securities”), which include the public issue of 26,000,000 new Shares and the offer for sale of 25,400,000 SLP Shares to Bumiputera investors approved by the Ministry of International Trade and Industry (“MITI”) at an issue/offer price of RM0.85 per Share payable in full upon application.

Our review has been undertaken to enable us to form an opinion as to whether the consolidated profit estimate and forecast are, in all material respects, properly prepared on the basis of the assumptions made by the Directors and are presented on a basis consistent with the accounting policies to be adopted by SLP Group. The Directors of SLP are solely responsible for the preparation and presentation of the consolidated profit estimate and forecast, and the assumptions on which the consolidated profit estimate and forecast are based.

Estimate and forecast, in this context, mean prospective financial information prepared on the basis of assumptions as to future events which management expects to take place and the actions which management expects to take as of the date the information is prepared (best-estimate assumptions). While information may be available to support the assumptions on which an estimate and forecast are based, such information is generally future oriented and therefore uncertain. Thus, actual results are likely to be different from the estimate and forecast since anticipated events frequently do not occur as expected and the variation could be material.

**9. FINANCIAL INFORMATION (Cont'd)**

---



Subject to the matters stated in the preceding paragraphs:-

- (i) nothing has come to our attention which causes us to believe that the assumptions made by the Directors, as set out in the accompanying statement, do not provide a reasonable basis for the preparation of the consolidated profit estimate and forecast; and
- (ii) in our opinion, the consolidated profit estimate and forecast, so far as the calculations are concerned, are properly prepared on the basis of the assumptions made by the Directors and are presented on a basis consistent with the accounting policies to be adopted by SLP Group.

Yours faithfully

**KPMG**

Firm Number: AF 0758

Chartered Accountants

**Ooi Kok Seng**

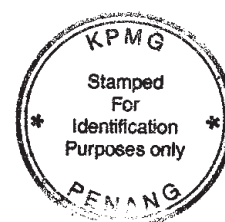
Approval Number : 2432/05/09 (J)

Partner

**9. FINANCIAL INFORMATION (Cont'd)****9.8 CONSOLIDATED PROFIT ESTIMATE AND FORECAST, AND ASSUMPTIONS OF SLP FOR THE FINANCIAL YEARS ENDED/ ENDING 31 DECEMBER 2007 AND 2008***(Prepared for inclusion in the Prospectus)***SLP RESOURCES BERHAD  
AND ITS SUBSIDIARIES  
("SLP Group" or "the Group")****CONSOLIDATED PROFIT ESTIMATE AND FORECAST  
FOR THE FINANCIAL YEARS ENDED/ENDING 31 DECEMBER 2007 AND 2008**

On a proforma basis (assuming that SLP Group had been in existence throughout the financial years ended/ending 31 December 2007 and 2008), the Directors estimate and forecast that the consolidated profit estimate and forecast for the financial years ended/ending 31 December 2007 and 2008 on the assumption that SLP Group had implemented the proposals set out in assumption (x) below will be as follows :-

	Estimate 2007 RM'000	Forecast 2008 RM'000
Revenue	<u>164,591</u>	<u>181,566</u>
Consolidated profit before taxation	11,223	12,895
Taxation	(1,267)	(974)
Consolidated profit after taxation	<u>9,956</u>	<u>11,921</u>
Less : Pre-acquisition profit *	(2,271)	-
Add : Negative goodwill recognised	2,271	-
Consolidated profit after taxation and pre-acquisition profit	<u>9,956</u>	<u>11,921</u>



**9. FINANCIAL INFORMATION (Cont'd)**

	After Public Issue	After Public Issue
Enlarged issued and paid-up share capital after the public issue ('000)	106,000	106,000
- Net earnings per Share (sen) ** Based on enlarged issued and paid-up share capital after the public issue	9.39	11.25
<i>Net price earnings multiple ("PE Multiple") based on the issue price of RM0.85 per ordinary share</i>		
- PE Multiple (times)	9.05	7.56

*Notes :*

- \* The pre-acquisition profit relates to profit generated by a subsidiary (SSB) during the period from 1 January 2007 to the completion date of the acquisition by SLP. SSB is accounted for in SLP Group using the purchase method of accounting.
- \*\* Based on consolidated profit after taxation (before pre-acquisition profit and negative goodwill recognised).





**9. FINANCIAL INFORMATION (Cont'd)**

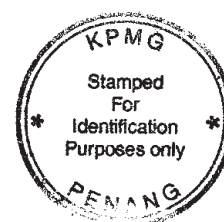
**SLP RESOURCES BERHAD  
AND ITS SUBSIDIARIES  
("SLP Group" or "the Group")**

**CONSOLIDATED PROFIT ESTIMATE AND FORECAST  
FOR THE FINANCIAL YEARS ENDED/ENDING 31 DECEMBER 2007 AND 2008**

**BASES AND ASSUMPTIONS**

The principal bases and assumptions upon which the consolidated profit estimate and forecast have been arrived at are set out below:

- a) There will be no significant changes in the existing and intended principal activities, key management and operating structure of the Group.
- b) There will be no significant changes in the accounting policies adopted by the Group except for the adoption of the new and revised Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board ("MASB") that are effective for the Group's first annual reporting date after the listing of SLP on the Second Board.
- c) There will be no material setback in the growth of the Malaysian and global economy and political conditions which will adversely affect the operations of the Group.
- d) There will be no significant changes in the present government regulations and legislations, direct or indirect taxes and duties, which will adversely affect the operations of the Group or the markets in which it operates.
- e) There will be no major breakdown or disruption in the manufacturing facilities, industrial disputes or any abnormal circumstances, which will adversely affect the achievement of sales at their forecast levels, and/or disrupt the planned operations of the Group.
- f) There will be no unexpected problems that may affect the Group's various manufacturing programme.
- g) There will be no significant changes in the existing key personnel and management of the Group that will adversely affect the marketing capability and level of activities of the Group.
- h) There will be no significant changes in operating expenses including wages, cost of supplies, administrative and overhead expenses and other costs other than as estimate and forecast.
- i) There will be no significant changes in the current pricing of Group's products.



**9. FINANCIAL INFORMATION (Cont'd)****BASES AND ASSUMPTIONS (Cont'd)**

- j) The estimate and forecast turnover and related costs are based on the estimates and forecasts of directors after taking into consideration the present conditions of selling prices and related costs of the Group. There will be no material changes to the estimate and forecast selling price, sales mix, sales volume and profit margins. The sales analysis by products for the financial year ending 31 December 2007 and 2008 of the Group is estimated and forecasted as follows:

	2007 %	2008 %
Newspaper wrapping films	0.63	1.21
VFFS packaging films	4.29	5.12
Medical pouches	0.44	0.48
Plastic tubings	3.20	8.99
Plain polybags	0.26	8.89
Printed polybags	10.54	12.10
Kitchen bags	10.66	7.64
T-shirt bags	11.75	4.05
“Baran” or artificial leaves	1.15	1.31
Garbage bags	11.38	5.46
Others	0.02	0.03
Trading- resins	45.55	44.60
Trading- others	0.13	0.12
Total	100.00	100.00

- k) Production/processing costs will not be adversely affected by any abnormal circumstances or events. There will be no significant disruptions in the supply of raw materials and no material fluctuations in raw materials costs.
- l) There will be no significant changes in current demand and in the prevailing market conditions other than those included in the estimate and forecast which will adversely affect the performance of the Group.
- m) Existing financing facilities will remain available to the Group with no significant changes in the interest rates from those presently prevailing. In addition, the Group will be able to obtain sufficient financing facilities for working capital purposes, if necessary.
- n) The bases of taxation will be consistent with their present levels. The Malaysian income tax rate relevant to the Group is expected to be at 27% for 2007 and 26% for 2008.
- o) There will be no material contingent liabilities arising during the estimate and forecast period which may materially affect the estimate and forecast. The Group will not be engaged in any material litigation and there will be no legal proceedings against the Group which will adversely affect the results of the Group.



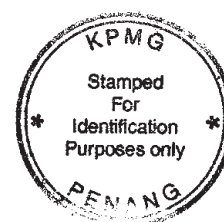
**9. FINANCIAL INFORMATION (Cont'd)**

**BASES AND ASSUMPTIONS (Cont'd)**

- p) Capital expenditure program will be implemented and incurred on schedule and there will be no material acquisitions or disposal of property, plant and equipment other than those in the estimate and forecast.
- q) There will be no major capital and revenue cost item variations that are beyond the control of the Group and there will be no significant changes in labour and other operating costs.
- r) Negative goodwill of RM2,270,906 arising on completion date of the acquisition of SSB, will be recognised in the profit estimate.
- s) There will be no significant fluctuation in foreign currency exchange rates from the prevailing rates against Ringgit Malaysia.
- t) All trade debts arising from the sale of goods or services are collectible and those known to be doubtful have been adequately provided for.
- u) The existing terms and conditions of contracts and agreements entered into by the Group will remain in force.
- v) The Group's turnover for the financial years ended/ending 31 December 2007 and 2008 are estimated and forecasted to be RM164.6 million and RM181.6 million respectively and the average consolidated gross profit margin is estimated and forecasted at 10.5% and 10.4% respectively.
- w) Interest rates will remain at the present level.
- x) In conjunction with, and as an integral part of SLP's listing scheme, SLP has implemented/will implement the following proposals:

Subdivision

SLP has effected a change in the par value of its ordinary shares from RM1.00 each to RM0.50 by way of subdivision of its ordinary shares. The change in par value of its ordinary shares in SLP has resulted in the issued and paid-up share capital of SLP being revised from 2 ordinary shares of RM1.00 each to 4 Shares of RM0.50 each.



**9. FINANCIAL INFORMATION (Cont'd)****BASES AND ASSUMPTIONS (Cont'd)**Acquisitions

SLP has acquired the following companies:

Name of Company	No. of Ordinary Shares of RM1.00 Each	Interest %	Purchase Consideration RM	No. of SLP Shares Issued
SHSB	5,000,000	100	31,639,689	63,279,378
SSB	2,000,000	100	8,345,684	16,691,368
Total	7,000,000		39,985,373	79,970,746

The issued and paid-up share capital of SLP was increased from 4 Shares to 79,970,750 Shares after the acquisitions.

The Acquisitions are accounted for using the reverse acquisition accounting principles except for the acquisition of SSB which is accounted for using the purchase method of accounting.

The acquisitions of SHSB and SSB ("Acquisitions") were completed on 25 October 2007.

Rights Issue

Rights issue of 29,250 new Shares at the issue price of RM0.50 per rights Share in SLP on the basis of approximately thirty seven (37) new Shares for every existing one hundred thousand (100,000) Shares held in SLP after the Acquisitions ("Rights Issue").

The Rights Issue has resulted in the issued and paid-up share capital of SLP being further increased from 79,970,750 Shares to 80,000,000 Shares.

The Rights Issue was completed on 26 October 2007.



**9. FINANCIAL INFORMATION (Cont'd)****BASES AND ASSUMPTIONS (Cont'd)**Transfer

Following the Acquisitions and Rights Issue, the following shareholders have transferred part of their Shares in SLP to Khoon Tee & Family Sdn Bhd, an investment holding company:-

Shareholders	No. of Shares	%
Khaw Khoon Tee	4,963,539	11.71
Ong Peik Joo	9,237,328	21.79
Khaw Seang Chuan	9,427,264	22.23
Khaw Choon Hoong	6,265,223	14.78
Khaw Seang Ghee	5,314,736	12.53
Khaw Choon Choon	3,595,955	8.48
Khaw Seang Seng	3,595,955	8.48
<b>Total</b>	<b>42,400,000</b>	<b>100.00</b>

Public Issue

The public issue of 26,000,000 new Shares at the issue price of RM0.85 per Share ("Public Issue Shares") ("Public Issue") allocated in the following manner:-

**(a) Malaysian Public**

6,000,000 Public Issue Shares representing approximately 5.66% of the enlarged issued and paid-up share capital will be made available for application by Malaysian citizens, companies, societies, co-operatives and institutions, of which at least 30% is to be set aside strictly for Bumiputera individuals, companies, societies, co-operatives and institutions.

**(b) Private Placement**

8,300,000 Public Issue Shares representing approximately 7.83% of the enlarged issued and paid-up share capital will be reserved by way of private placement to selected investors (who are deemed public).

**(c) Eligible Directors, Employees and Business Associates of SLP Group**

5,300,000 Public Issue Shares representing 5.0% of the enlarged issued and paid-up share capital will be reserved for the eligible Directors, employees and business associates (which include the suppliers, sales agents, customers and others) of the Group.



**9. FINANCIAL INFORMATION (Cont'd)**

**BASES AND ASSUMPTIONS (Cont'd)**

**(d) Bumiputera Investors**

6,400,000 Public Issue Shares representing approximately 6.04% of the enlarged issued and paid-up share capital will be reserved for Bumiputera investors to be approved by MITI.

Offer For Sale

The offer for sale of 25,400,000 Shares representing approximately 23.96% of the enlarged issued and paid-up share capital at the offer price of RM0.85 per Share will be reserved for Bumiputera investors to be approved by MITI ("Offer for Sale").

Listing

Listing of and quotation for the entire enlarged issued and paid-up share capital comprising 106,000,000 Shares on the Second Board of the Bursa Securities.

- y) There will be no changes in the SLP Group structure for the years ended/ending 31 December 2007 and 2008 other than the Acquisitions mentioned in paragraph (x) above which are assumed to be implemented as planned.
- z) The estimated share issue expenses of RM2,000,000 will be set off against share premium account.



**9. FINANCIAL INFORMATION (Cont'd)****9.9 DIRECTORS' COMMENTS ON THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST**

The Board expects our Group's revenue to increase for the financial years ended/ ending 31 December 2007 and 2008 resulting from the expected rise in demand for our Group's products. Henceforth, as compared to the financial year ended 31 December 2006, our Group's revenue for the financial year ended 31 December 2007 is estimated to reach approximately RM164.59 million representing an increase of approximately 15.21%. For the financial year ending 31 December 2008, our Group's revenue is forecasted to increase by approximately 10.32% to approximately RM181.57 million as compared to the financial year ended 31 December 2007.

As compared to the financial year ended 31 December 2006, our Group's PBT are estimated to increase by approximately 14.96% to approximately RM11.22 million for the financial year ended 31 December 2007. For the financial year ending 31 December 2008, our Group's PBT is forecasted to increase by approximately 14.97% to approximately RM12.90 million as compared to the financial year ended 31 December 2007. The increase is in tandem with the expected increase in sales of plastic packaging products produced by our Group.

Our Board confirms that the consolidated profit estimate and forecast of SLP and the underlying bases and assumptions stated herein have been reviewed by our Directors after due and careful inquiries, and that our Directors, having taken into account the future prospects of the industry, the future direction of our Group and our Group's level of gearing, liquidity and working capital requirements, are of the opinion that the profit estimate and forecast of our Group are achievable and the assumptions made are reasonable. Due to the nature of our business and operations, as mentioned in Section 9.3 of this Prospectus, we do not rely on any secured contracts or orders in arriving at the consolidated profit estimate and forecast of SLP.

Nevertheless, these bases and assumptions cover future periods for which there are inherent risks, and therefore, should be treated with caution. These bases and assumptions are subject to significant uncertainties and contingencies, which are often outside the control of our Group. In the light of the current economic environment in Malaysia, regionally and globally, certain assumptions, including interest and exchange rates, may differ significantly from the date of this Prospectus and this may have a material impact on our Group's profit estimate and forecast.

**9.10 DIVIDEND ESTIMATE AND FORECAST**

It will be the policy of our Directors in recommending dividends to allow shareholders to participate in the profits of our Group as well as leaving adequate reserves for the future growth of our Group. In considering the level of dividend payments, if any, upon recommendation by our Directors, we intend to take into account, amongst others, the following factors:-

- (a) The availability of adequate distributable reserves and cash flows of the Company;
- (b) The availability of sufficient tax credits under Section 108 of the Malaysia Income Tax Act, 1967 to enable the Company to distribute dividend to the shareholders without incurring any tax liability;
- (c) The operating cash flow requirements, financing commitments and level of indebtedness;
- (d) Our estimated and projected levels of capital expenditure and other investment plans; and
- (e) Our working capital requirements.

**9. FINANCIAL INFORMATION (Cont'd)**

Our Company is not expected to declare any dividend for the financial year ended 31 December 2007 as the Listing is expected to be completed in the first quarter of financial year ending 31 December 2008. However, our Company intends to propose a gross dividend of 5.0 sen per Share for the financial year ending 31 December 2008 amounting to a gross amount of RM5.30 million based on our enlarged issued and paid-up share capital of 106,000,000 Shares, subject to the performance of our Group during the said financial year.

The declaration of interim dividends and the recommendation of final dividend are subject to the discretion of our Board of Directors and any final dividend for the year is subject to shareholders' approval.

The intended appropriation of the consolidated PAT estimate and forecast for the financial years ended/ ending 31 December 2007 and 2008 would be as follows:-

Financial Years Ended/ Ending 31 December	Estimate 2007 RM'000	Forecast 2008 RM'000
Revenue	164,591	181,566
Consolidated PBT	11,223	12,895
Taxation	(1,267)	(974)
Consolidated PAT	9,956	11,921
Less: Pre-acquisition profit <sup>(a)</sup>	(2,271)	-
Add: Negative goodwill recognised	2,271	-
Consolidated PAT and pre-acquisition profit	9,956	11,921
Enlarged issued and paid-up share capital ('000 Shares)	106,000	106,000
- Gross EPS (sen)	10.59	12.17
- Net EPS (sen) <sup>(b)</sup>	9.39	11.25
Gross PE Multiple based on the IPO Price (times)	8.03	6.98
Net PE Multiple based on the IPO Price (times) <sup>(b)</sup>	9.05	7.56
Gross dividend per Share (%)	<sup>(c)</sup>	10.00
Dividend yield based on the IPO Price (%)	-	5.88
Net dividend cover (times)	-	3.04

Notes:-

- (a) The pre-acquisition profit relates to profit generated by SSB during the period from 1 January 2007 to the completion date of the Acquisition SSB.
- (b) Based on the consolidated PAT.
- (c) No dividend will be declared for the financial year ended 31 December 2007 as it is assumed that the listing exercise will only be completed by the first quarter of financial year ending 31 December 2008.

Future dividends may be waived if:-

- (a) our Group is in a loss position for the relevant financial year; or
- (b) our Group has insufficient cash flows to meet any dividend payments.

Notwithstanding the above, our Directors have full discretion not to propose any future dividend payment as and when deemed necessary, if it is in the best interest of our Company.



**9. FINANCIAL INFORMATION (Cont'd)****9.11 SENSITIVITY ANALYSIS**

The following sensitivity analysis is prepared by the management of our Group and has not been independently verified by the Reporting Accountants. It is based on the estimate and forecast assumptions set out in Section 9.8 above and assuming all factors remaining unchanged except for the 5% and 10% upward or downward variations in the revenue and cost of sales. Notwithstanding the impact of the variations in the revenue and cost of sales as outlined here, there may be other factors which have not been taken into account, the variations of which may have a significant effect, either positively or negatively, on the financials of our Group. The sensitivity analysis is as follows:-

**9.11.1 Variations in Revenue**

The sensitivity analysis on revenue is prepared based on the assumption that all other things remain unchanged except for the 5% and 10% upward and downward variations in the revenue by the our Group.

Estimate for the financial year ended 31 December 2007

	<b>Consolidated Revenue RM'000</b>	<b>Consolidated PBT RM'000</b>	<b>Consolidated PAT RM'000</b>
As Estimated	164,591	11,223	9,956
Up to 10%	181,050	27,682	26,415
Up to 5%	172,821	19,453	18,186
Down 5%	156,361	2,993	1,726
Down 10%	148,132	(5,236)	(6,503)

Forecast for the financial year ending 31 December 2008

	<b>Consolidated Revenue RM'000</b>	<b>Consolidated PBT RM'000</b>	<b>Consolidated PAT RM'000</b>
As Forecasted	181,566	12,895	11,921
Up to 10%	199,723	31,052	30,078
Up to 5%	190,644	21,973	20,999
Down 5%	172,488	3,817	2,843
Down 10%	163,409	(5,262)	(6,236)

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

**9. FINANCIAL INFORMATION (Cont'd)****9.11.2 Variations in Cost of Sales**

The sensitivity analysis on cost of sales is prepared based on the assumption that all other things remain unchanged except for the 5% and 10% upward and downward variations in the cost of sales of our Group.

Estimate for the financial year ended 31 December 2007

	<b>Consolidated Revenue RM'000</b>	<b>Consolidated PBT RM'000</b>	<b>Consolidated PAT RM'000</b>
As Estimated	164,591	11,223	9,956
Up to 10%	164,591	(3,516)	(4,783)
Up to 5%	164,591	3,854	2,587
Down 5%	164,591	18,772	17,455
Down 10%	164,591	25,962	24,695

Forecast for the financial year ending 31 December 2008

	<b>Consolidated Revenue RM'000</b>	<b>Consolidated PBT RM'000</b>	<b>Consolidated PAT RM'000</b>
As Forecasted	181,566	12,895	11,921
Up to 10%	181,566	(3,375)	(4,349)
Up to 5%	181,566	4,760	3,786
Down 5%	181,566	21,030	20,056
Down 10%	181,566	29,165	28,191

**THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

**9. FINANCIAL INFORMATION (Cont'd)**

**9.12 REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION OF SLP**  
*(Prepared for inclusion in the Prospectus)*



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

Telephone +60 (4) 227 2288  
Fax +60 (4) 227 1888  
Internet www.kpmg.com.my

The Board of Directors  
SLP Resources Berhad  
Suite 12-A, Level 12, Menara Northam  
No. 55, Jalan Sultan Ahmad Shah  
10050 Penang

Our ref LYC/OKS/SLP-pfi 2

Contact 604-227 2288

Date : 22 January 2008

Dear Sirs

**SLP Resources Berhad ("SLP" or "The Company")**  
**Reporting accountants' letter on the proforma consolidated financial information**

We report on the proforma consolidated financial information of SLP and its subsidiaries ("SLP Group" or "the Group"). The proforma consolidated financial information has been prepared for illustrative purposes only and based on basis of assumptions (as set out in Section 9 of this report) and after making certain adjustments to show what:

- i) the financial results of SLP Group for the financial years ended 31 December 2004 to 31 December 2006 and for the period ended 30 September 2006 and 2007 would have been if the group structure as of the date of issuance of the Prospectus had been in place since the beginning of the periods being reported on;
- ii) the financial position of SLP Group as of the date of the balance sheet as at 30 September 2007 would have been if the group structure as of the date of issuance of the Prospectus had been in place on that date adjusted for the Rights Issue and Public Issue (as defined herein) and proposed utilisation of funds; and
- iii) the cash flows of SLP Group for the financial period ended 30 September 2007 would have been if the group structure as of the date of issuance of the Prospectus had been in place since the beginning of the financial period ended 30 September 2007 adjusted for the proceeds of the Rights Issue and Public Issue (as defined herein) and proposed utilisation of funds.

It is the sole responsibility of the Board of Directors of SLP to prepare the proforma consolidated financial information. Our responsibility is to form an opinion on the proforma consolidated financial information and to report our opinion to you based on our work. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the proforma information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

**9. FINANCIAL INFORMATION (Cont'd)**



Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the proforma consolidated financial information to the audited financial statements of SLP and its subsidiaries for the financial years ended 31 December 2004 to 2006 and for the period ended 30 September 2007 and considering the evidence supporting the adjustments, and discussing the proforma consolidated financial information with the Directors of SLP.

The proforma consolidated financial information has been compiled based on hypothetical assumption that SLP Group existed as at the beginning of the financial year ended 31 December 2004, although in fact it had not been. Hence, users of the financial information should take note of the following:

- The proforma consolidated financial information should not in anyway be regarded as audited;
- The proforma consolidated financial information, because of its nature, may not give a true and fair view of SLP Group's actual financial results, financial position and cashflows;
- The issuance of this letter by us should not in anyway indicate that the proforma consolidated financial information may be used as a valid basis for assessing the future performance of SLP Group.

Users of the proforma consolidated financial information should therefore take note of the above limitations and use the financial information entirely at their own risk.

Except for the matters discussed in the preceding paragraphs, in our opinion,

- i) the proforma consolidated financial information has been properly prepared from audited financial statements of SLP and its subsidiaries, which were prepared in accordance with approved accounting standards in Malaysia;
- ii) such basis is consistent with the accounting policies (as set out in Section 6.1 of this report) adopted by SLP Group, except for the effects of any adjustments to the value of the assets and liabilities of the subsidiaries which will have a corresponding effect on the positive/negative goodwill on consolidation and net tangible assets thereon;
- iii) each material adjustment made to the information used in the preparation of the proforma consolidated financial information is appropriate for the purposes of preparing the proforma consolidated financial information; and
- iv) the proforma consolidated financial information has been properly prepared on the basis of assumptions stated.

Yours faithfully

**KPMG**

Firm Number: AF 0758

Chartered Accountants