



SLP Resources Berhad

(Company No.: 663862-H)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

INTERIM FINANCIAL REPORT 31 MARCH 2008

ANNOUNCEMENT

The Board of Directors of SLP Resources Berhad (“SLP” or “the Company”) is pleased to announce the following unaudited consolidated results of SLP and its subsidiaries (collectively known as “the Group”) for the first quarter ended 31 March 2008.

The Company is principally involved in investment holding and provision of management services whilst the subsidiaries of the Company are principally involved in the manufacturing, distributing and exporting of plastic packaging products and plastic related goods, as well as trading of polymer products such as plastic resins.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	Individual Quarter (3 months)		Cumulative Quarters (3 months)	
		Current Quarter Ended 31 March 2008 RM'000	Preceding Year Corresponding Quarter Ended 31 March 2007 RM'000	Current Year Ended 31 March 2008 RM'000	Preceding Year Corresponding Period Ended 31 March 2007 RM'000
Revenue		48,030	N/A	48,030	N/A
Operating profit		2,481	N/A	2,481	N/A
Interest income		258	N/A	258	N/A
Finance costs		(635)	N/A	(635)	N/A
Profit before tax		2,104	N/A	2,104	N/A
Tax expense	B5	(103)	N/A	(103)	N/A
Profit for the period		2,001	N/A	2,001	N/A
Attributable to:					
Equity holders of the parent		2,001	N/A	2,001	N/A
Minority interests		-	N/A	-	N/A
		2,001	N/A	2,001	N/A
Earnings per share (sen)					
Basic	B13	2.33	N/A	2.33	N/A
Diluted		N/A	N/A	N/A	N/A

Notes:

- (i) The condensed consolidated income statement should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial report.
- (ii) This is the second interim financial report on the consolidated results for the first quarter ended 31 March 2008 announced by the Company in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). As this is the second quarterly report being drawn up after the Group was constituted on 25 October 2007, there are no comparative consolidated figures for the preceding year’s corresponding quarter and period to date.



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CONDENSED CONSOLIDATED BALANCE SHEET

		UNAUDITED As at 31 March 2008 RM'000	AUDITED As at 31 December 2007 RM'000
	Note		
ASSETS			
Non-current Assets			
Property, plant and equipment		49,123	48,707
Prepaid lease payments		7,270	7,312
Other investments		177	177
Goodwill on consolidation		11	11
		56,581	56,207
Current Assets			
Inventories		26,458	25,650
Receivables, deposits and prepayments		36,705	34,410
Current tax assets		287	245
Cash and cash equivalents		35,186	15,211
		98,636	75,516
TOTAL ASSETS		155,217	131,723
EQUITY AND LIABILITIES			
Equity			
Share capital		53,000	40,000
Reserves		16,245	6,618
Shareholders' equity		69,245	46,618
Minority interests		-	-
TOTAL EQUITY		69,245	46,618
Non-current Liabilities			
Long term borrowings	B9	13,653	14,586
Deferred taxation	B5	5,361	5,425
		19,014	20,011
Current Liabilities			
Payables and accruals		18,143	16,943
Current tax liabilities		554	432
Short-term bank borrowings	B9	48,261	47,719
		66,958	65,094
TOTAL LIABILITIES		85,972	85,105
TOTAL EQUITY AND LIABILITIES		155,217	131,723
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)		0.65	0.58

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial report.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<-----Attributable to equity holders of the parent ----->				Retained Profits RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
	Non Distributable Reserves		Distributable					
	Share Capital RM'000	Reverse Acquisition Reserve RM'000	Revaluation Reserve RM'000	Share Premium RM'000				
Balance as at 1 January 2008	40,000	(26,639)	6,707	-	26,550	46,618	-	46,618
Public Issue of 26,000,000 shares at issue price of RM0.85 each	13,000	-	-	9,100	-	22,100	-	22,100
Share issue expenses	-	-	-	(1,474)	-	(1,474)	-	(1,474)
Profit for the period	-	-	-	-	2,001	2,001	-	2,001
Balance as at 31 March 2008	53,000	(26,639)	6,707	7,626	28,551	69,245	-	69,245
Balance as at 1 January 2007	5,000	-	6,707	-	19,933	31,640	-	31,640
Adjustment arising from reverse acquisition	26,639	(26,639)	-	-	-	-	-	-
Share issue for the acquisitions of subsidiary	8,346	-	-	-	-	8,346	-	8,346
Rights issue	15	-	-	-	-	15	-	15
Profit after tax for the period	-	-	-	-	10,617	10,617	-	10,617
Dividend paid to existing shareholders before acquisitions	-	-	-	-	(4,000)	(4,000)	-	(4,000)
Balance as at 31 December 2007	40,000	(26,639)	6,707	-	26,550	46,618	-	46,618

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial report.



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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Year Ended 31 March 2008 RM'000	Preceding Year Corresponding Period Ended 31 March 2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,104	N/A
Adjustments:		
Amortisation and depreciation	1,436	N/A
Interest income	(258)	N/A
Interest expense	635	N/A
	3,917	N/A
Changes in working capital		
Inventories	(808)	N/A
Receivables	(2,294)	N/A
Payables	1,199	N/A
Cash generated from operations	2,014	N/A
Tax paid	(86)	N/A
Net cash from operating activities	1,928	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant, property and equipment	(1,811)	N/A
Net cash used in investing activities	(1,811)	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue	22,100	N/A
Share issue expenses	(1,474)	N/A
Net increase/ (decrease) in short-term borrowings	114	N/A
Net increase/ (decrease) in hire purchase	(98)	N/A
Net increase/ (decrease) in term loans	(782)	N/A
Interest received	258	N/A
Interest paid	(635)	N/A
Net cash from financing activities	19,483	N/A
NET INCREASE IN CASH AND CASH EQUIVALENTS	19,600	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	12,663	N/A
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	32,263	N/A
Cash and cash equivalents comprise:		
Fixed and short-term deposits with licensed banks	32,723	N/A
Cash and bank balances	2,463	N/A
Bank overdraft	(650)	N/A
	34,536	N/A
Fixed deposits with licensed banks	(2,273)	N/A
	32,263	N/A

The condensed consolidated cashflow statement should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial report. As this is the second quarterly report being drawn up after the Group was constituted on 25 October 2007, there are no comparative consolidated figures for the preceding year's corresponding quarter and period to date.



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (“FRS”) 134 – Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial report.

The preparation of an interim financial report in conformity with FRS 134 – Interim Financial Report, requires management and the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group. The interim consolidated financial report and notes thereon do not include all the information required for a full set of financial statements prepared in accordance with FRSs.

A2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the preceding audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2007 were not subject to any qualification.

A.3 Seasonal or Cyclical Factors

The Group’s business was not significantly affected by seasonal or cyclical factors during the period under review. However, export sales are seasonally lower in the first quarter of the financial year.

A.4 Unusual Items

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence in the current period under review.

A5. Changes in Estimates

There were no material changes in estimates of amount reported in prior interim period or financial period that have a material effect in the current period under review.



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

A6. Changes in Debt and Equity Securities

In conjunction with, and as integral part of the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company on the Second Board of Bursa Securities on 12 March 2008, the Company undertook a Public Issue of 26,000,000 new ordinary shares of RM0.50 each at an issue price of RM0.85 per ordinary share.

Save for the above Public Issue, there have been no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current period under review.

A7. Dividend Paid

There were no dividends paid by the Company in the current period under review.

A9. Segment Reporting

The Group's business is mainly confined to one business segment in the manufacturing, distributing and exporting of plastic packaging products and plastic related goods, as well as trading of polymer.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers as follows:-

Countries	Current Quarter Ended 31 March 2008		Preceding Year Corresponding Period Ended 31 March 2007	
	Revenue RM'000		Revenue RM'000	
Malaysia	30,828	64.2%	n/a	n/a
Japan	8,099	16.9%	n/a	n/a
UK, Germany and Denmark	2,747	5.7%	n/a	n/a
Australia	2,377	5.0%	n/a	n/a
Norway	1,401	2.9%	n/a	n/a
Thailand	1,509	3.1%	n/a	n/a
Indonesia	494	1.0%	n/a	n/a
Others*	575	1.2%	n/a	n/a
Total	48,030	100.0%	n/a	n/a

* Others include export to New Zealand, United States of America and free trade zones and licensed manufacturer and warehouse.



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A10. Valuation of Property, Plant and Equipment

The valuations of land and building have been brought forward, without amendment from the annual financial statements for the year ended 31 December 2007. The carrying value is based on a valuation carried out on 5 January 2007 and 25 February 2007 by independent qualified valuers in conjunction with the listing exercise as disclosed in the Prospectus of the Company dated 20 February 2008.

A11. Events subsequent to the Balance Sheet date

There were no material events subsequent to the end of the financial period/ year ended 31 December 2007 that have not been reflected in the interim financial statements as at the date of this report.

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

A13. Changes in contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

A14. Capital Commitments outstanding not provided for in the Interim Financial Report

	31 March 2008
	RM'000
Approved and contracted for	3,955
Approved and not contracted for	-
	<hr/>
	3,955



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

For the current quarter under review, the Group recorded profit before tax of approximately RM2.1 million on the back of revenue of approximately RM48.0 million. Export sales contributed approximately RM17.2 million or 35.8% with the remainder contributed by domestic sales which included trading of polymers and sales of manufactured plastic packaging products.

B2. Variation of Results against Preceding Quarter

	Current Quarter ended 31 Mar 2008 RM'000	Preceding Quarter ended 31 Dec 2007 RM'000	Variance RM'000	%
Revenue	48,030	44,815	3,215	7.2
Profit Before Tax*	2,104	2,547	(443)	(17.4)

* After adjustment for negative goodwill recognised of approximately RM2.3 million in the preceding quarter.

For the current quarter under review, the Group's revenue of approximately RM48.0 million was 7.2% higher than the revenue of approximately RM44.8 million recorded in the preceding quarter due largely higher trading sales of polymers and polymer products. The Group's profit before tax (after adjustment for negative goodwill recognised in the preceding quarter) of approximately RM2.1 million was, however, 17.4% lower than the profit before tax recorded in the preceding quarter due largely to seasonally lower export sales of manufactured plastic packaging products in the current quarter under review. The negative goodwill of approximately RM2.3 million recognised in the preceding quarter was a "one-off" transaction and it arose from the consolidation of financial statements of a newly acquired subsidiary in the preceding quarter/ year ended 31 December 2007.

B3. Current Year Prospects

Barring any unforeseen circumstances, the Board expects export sales of the Group to pick up strongly in the second half of 2008 due largely to its seasonal trend. As the Group's export sales comprises mainly manufactured plastic packaging products with higher profit margin, coupled with new products to be launched in the second half of 2008, the Board is optimistic that the Group is likely to achieve its profit after tax forecast of RM11.9 million for the financial year ending 31 December 2008 as disclosed in the Company's Prospectus dated 20 February 2008.

B4. Variance between Actual Profit and Forecast Profit

Not applicable in the current quarter under review.



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

B5. Taxation

	Current Quarter Ended 31 March 2008 RM'000	Current Year To Date Ended 31 March 2008 RM'000
Income tax		
Current year	167	167
Prior year	-	-
	167	167
Deferred tax		
Current year	(64)	(64)
Prior year	-	-
	103	103

The deferred tax liabilities arose from capital allowances over depreciation of qualifying plant and equipment. The effective tax rate of the Group for the current quarter was lower than the statutory tax rate due mainly to utilisation of available reinvestment allowances by the subsidiaries of the Group under the Income Tax Act, 1967.

B6. Unquoted investments and properties

There were no purchases or sale of unquoted investments or properties for the current quarter and financial period to date.

B7. Quoted Investments

There was no purchase or disposal of quoted securities for the current quarter and financial period to date.

B8. Status of Corporate Proposals

There was no corporate proposal announced or not completed as at the date of this interim financial report. The Rights Issue and Public Issue totaling approximately RM22.11 million raised from the Company's listing on 12 March 2008 have been utilised in the following manner:-

	Timeframe for Utilisation from the Date of Listing	Proposed Utilisation RM'000	Utilised as at 31.03.08 RM'000	Balance RM'000
Repayment of bank borrowings	Within 3 months	5,000	3,000	2,000
Purchase of machinery/ equipment	Within 12 months	6,000	-	6,000
Working capital	Within 6 months	9,115	-	9,115
Share issue expenses	Within 3 months	2,000	1,474	526
Total		22,115	4,474	17,641



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B9. Borrowings and debt Securities

The Group's borrowings as at 31 March 2008 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings:-			
Bankers' acceptances and export credit refinancing	23,472	17,806	41,278
Bank Overdraft	650	-	650
Hire Purchase	311	-	311
Term loans	6,021	-	6,021
	<u>30,454</u>	<u>17,806</u>	<u>48,260</u>
Long term borrowings:-			
Hire Purchase	234	-	234
Term loans	13,420	-	13,420
	<u>13,654</u>	<u>-</u>	<u>13,654</u>
 Total	 <u>44,108</u>	 <u>17,806</u>	 <u>61,914</u>

Included in the Group's bank borrowings are foreign currency borrowings denominated in USD and JPY of approximately RM13.99 million (comprising approximately USD879,850 and JPY363.61 million).

B10. Off Balance Sheet Financial Instruments

Forward Foreign Exchange Contracts

Forward foreign exchange contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency assets or liability will be settled. Exchange gains and losses arising on contracts entered into hedges of anticipated future transactions are deferred until the date of such transaction, at which time they are included in the measurement of such transactions. At the latest practicable date, 9 May 2008, the Group has hedged USD4.4 million by way of forward contracts.

B11. Material Litigation

As at the date of this interim financial report, there are no material litigations against the Group or taken by the Group save for SHSB, a wholly-owned subsidiary of SLP, which had on 14 December 2006 via its solicitors, Ong & Manecksha issued a notice of demand to PAOLO SANDRO AG, at Georg - Wiesbock - Ring 10, D - 83115 Neubeuern, Germany ("PAOLO") claiming for outstanding sum of USD397,082.18, being payment for goods sold to PAOLO. The dispute arised from disagreement on product specifications for goods sold by SHSB to PAOLO. PAOLO had subsequently on 5 February 2006 settled the sum of USD177,567.03. On 1 November 2007, SHSB via the advice of its solicitors, Ong & Manecksha, appointed a foreign solicitors, Seitz, Weckbach, Fent & Fackler in Germany to continue with legal proceedings to recover the balance outstanding sum. As at the date of this interim financial report, the German solicitors are compiling their facts for presenting the translated documents for filing in German Court.



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B12. Proposed Dividend

There was no dividend proposed for the current period under review.

B13. Earnings Per Share

	Individual Quarter		Cumulative Quarters	
	Current Quarter Ended 31.03.2008	Preceding Year Corresponding Quarter Ended 31.03.2007	Current Year Ended 31.03.2008	Preceding Year Corresponding Period Ended 31.03.2007
BASIC EARNINGS PER SHARE				
Profit attributable to ordinary Equity holders of the Company (RM)	2,001	N/A	2,001	N/A
Weighted average number of Ordinary shares in issue ('000)	85,714	N/A	85,714	N/A
Basic Earnings per Share (sen)	2.33	N/A	2.33	N/A

There was no dilutive earnings per share as there were no potential dilutive ordinary shares outstanding as at the end of the current period under review.

The weighted average number of shares in issue is calculated as follows:-

	Number of Shares '000	Date of Issue	Number of days to 31.03.2008	Weighted average number of shares '000
At 1 January 2008	80,000		91	80,000
New ordinary shares issued pursuant to the Public Issue	26,000	12.03.2008	20	5,714
Weighted average number of RM0.50 each				<u>85,714</u>

B14. Authorisation for issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Board.