



SLP RESOURCES BERHAD

(Company No.: 663862-H)

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

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 third quarter ended 30 September 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 FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2008

	Note	Individual Quarter (3 months)		Cumulative Quarter (9 months)	
		Current Quarter Ended 30.9.2008 RM'000	Preceding Year Corresponding Quarter Ended 30.9.2007 RM'000	Current Year Ended 30.9.2008 RM'000	Preceding Year Corresponding Period Ended 30.9.2007 RM'000
Revenue		46,831	N/A	140,043	N/A
Operating profit		2,160	N/A	7,411	N/A
Interest income		12	N/A	425	N/A
Finance costs		(519)	N/A	(1,723)	N/A
Profit before tax		1,653	N/A	6,113	N/A
Tax expense	B5	(277)	N/A	(617)	N/A
Profit for the period		1,376	N/A	5,496	N/A
Attributable to:					
Equity holders of the Company		1,376	N/A	5,496	N/A
Minority interests		-	N/A	-	N/A
		1,376	N/A	5,496	N/A
Earnings per share:					
Basic (sen)	B13	1.56	N/A	5.54	N/A
Diluted (sen)		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 statements.
- (ii) This is the fourth interim financial report on the consolidated results of the Group announced by the Company in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) after the Group was constituted on 25 October 2007. As such, 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 AS AT 30 SEPTEMBER 2008

		UNAUDITED As at 30.9.2008 RM'000	AUDITED As at 31.12.2007 RM'000
ASSETS	Note		
Non-current Assets			
Property, plant and equipment		50,429	48,707
Prepaid lease payments		7,186	7,312
Other investments		177	177
Intangible assets		756	-
Goodwill on consolidation		11	11
		58,559	56,207
Current Assets			
Inventories		29,660	25,650
Receivables, deposits and prepayments		37,174	34,410
Current tax assets		337	245
Cash and cash equivalents		18,488	15,211
		85,659	75,516
TOTAL ASSETS		144,218	131,723
EQUITY AND LIABILITIES			
Equity			
Share capital		53,000	40,000
Reserves		17,477	6,618
Shareholders' equity		70,477	46,618
Minority interests		-	-
TOTAL EQUITY		70,477	46,618
Non-current Liabilities			
Long-term borrowings	B9	11,839	14,586
Deferred taxation	B5	5,591	5,425
		17,430	20,011
Current Liabilities			
Payables and accruals		17,218	16,943
Current tax liabilities		168	432
Short-term bank borrowings	B9	38,925	47,719
		56,311	65,094
TOTAL LIABILITIES		73,741	85,105
TOTAL EQUITY AND LIABILITIES		144,218	131,723
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)		0.66	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 statements.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008

	<-----Attributable to equity holders of the Company ----->							
	Non-distributable Reserves			Distributable				
	Share Capital RM'000	Acquisition Reserve RM'000	Revaluation Reserve RM'000	Share Premium RM'000	Retained Profits RM'000	Total RM'000	Minority Interests RM'000	Total Equity 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/ listing expenses	-	-	-	(1,617)	-	(1,617)	-	(1,617)
Profit for the period	-	-	-	-	5,496	5,496	-	5,496
Dividend paid	-	-	-	-	(2,120)	(2,120)	-	(2,120)
Balance as at 30 September 2008	53,000	(26,639)	6,707	7,483	29,926	70,477	-	70,477
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 for the period	-	-	-	-	10,617	10,617	-	10,617
Dividend paid to existing shareholders of a subsidiary before acquisition	-	-	-	-	(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 statements.



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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008

	Current Year Ended 30.9.2008 RM'000	Preceding Year Corresponding Period Ended 30.9.2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	6,113	N/A
Adjustments:		
Amortisation and depreciation	4,535	N/A
Interest income	(425)	N/A
Interest expense	1,723	N/A
Dividend income	(3)	N/A
	11,943	N/A
Changes in working capital:		
Inventories	(4,010)	N/A
Receivables	(2,743)	N/A
Payables	542	N/A
Cash generated from operations	5,732	N/A
Tax paid	(807)	N/A
Net cash from operating activities	4,925	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	3	N/A
Withdrawal of pledged fixed deposits	1,040	N/A
Purchase of intangible assets	(756)	N/A
Purchase of plant, property and equipment	(6,132)	N/A
Net cash used in investing activities	(5,845)	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue	22,100	N/A
Share issue/ listing expenses	(1,617)	N/A
Net increase/ (decrease) in short-term borrowings	(7,632)	N/A
Net increase/ (decrease) in hire purchase	(278)	N/A
Net increase/ (decrease) in term loans	(3,363)	N/A
Dividend paid	(2,120)	N/A
Interest received	405	N/A
Interest paid	(1,990)	N/A
Net cash from financing activities	5,505	N/A
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,585	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	12,663	N/A
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	17,248	N/A



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Cash and cash equivalents comprise:

Short-term deposits placed with licensed banks	8,562	N/A
Cash and bank balances	8,692	N/A
Bank overdraft	(6)	N/A
	17,248	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 statements. As this is the fourth interim financial report on the consolidated results 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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PART A : EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134) : INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial statements are unaudited and have 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 statements 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 statements.

The preparation of the interim financial statements 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 statements contain 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 statements 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 performance is not significantly affected by seasonal or cyclical factors. However, export sales are seasonally lower in the first half of the financial year.

A.4 Unusual Items

There was no unusual item affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial year-to-date.

A5. Significant Estimates and Changes in Estimates

There was no material change in estimates of amount reported in prior interim period or financial period that have a material effect in the current quarter and financial year-to-date results.



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

A6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial year-to-date ended 30 September 2008 other than the Public Issue of 26,000,000 new ordinary shares of RM0.50 each at an issue price of RM0.85 per ordinary share pursuant to 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.

A7. Dividend Paid

The following dividend was paid during the current quarter:-

	Current Quarter Ended 30.9.2008
A single tier interim dividend	
Approved and declared on	19 August 2008
Date of payment	18 September 2008
Number of ordinary shares on which dividend were paid ('000)	106,000
Amount per ordinary share	2 sen
Total dividend amount paid (RM'000)	2,120

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:-

	Current Quarter Ended 30.9.2008		Year-To-Date Ended 30.9.2008	
	Revenue RM'000		Revenue RM'000	
Countries				
Malaysia	30,620	65.4%	91,702	65.5%
Japan	9,359	20.0%	25,698	18.4%
UK, Germany and Denmark	3,421	7.3%	8,799	6.3%
Australia	753	1.6%	4,357	3.1%
Norway	605	1.3%	3,787	2.7%
Thailand	22	0.0%	1,531	1.1%
Indonesia	1,542	3.3%	2,595	1.8%
Others*	509	1.1%	1,574	1.1%
Total	46,831	100.0%	140,043	100.0%

* Others include export to New Zealand, United States of America, Singapore, Lithuania and free trade zones and licensed manufacturers and warehouses ("LMW").



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

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 during the current quarter and financial year-to-date.

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 the interim financial statements.

A14. Capital Commitments

There were no outstanding amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at the balance sheet date.



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

B1. Review of Performance

The Group recorded a profit before tax of approximately RM1.6 million and RM6.1 million on the back of revenue of approximately RM46.8 million and RM140.0 million for the current quarter and nine (9) months period ended 30 September 2008 respectively. The Group's performance especially in the current quarter was affected by higher cost of operations especially the cost of raw materials due mainly to sharp increase in the average price of plastic resins which hit all time high in July/ August 2008. The higher cost of raw materials resulted in lower profit and profit margin recorded by the Group as such drastic increase in the cost of raw materials could not be immediately passed on to customers.

B2. Material Change in Profit Before Tax of Current Quarter compared with Preceding Quarter

	Current Quarter ended 30.9.2008 RM'000	Preceding Quarter ended 30.6.2008 RM'000	Variance RM'000	
Revenue	46,831	45,181	(1,650)	3.5%
Profit Before Tax	1,653	2,356	(703)	(29.8%)

The Group recorded slightly higher revenue of approximately RM46.8 million in the current quarter as compared to RM45.2 million in the preceding quarter. This was attributed to higher export sales of flexible plastic packaging products. Albeit at slightly higher revenue, the Group recorded a lower profit before tax due mainly to higher cost of raw materials caused by the sharp increase in the average price of plastic resins especially in July/ August 2008.

B3. Current Year Prospects

The financial performance of the Group for the past nine (9) months ended 30 September 2008 was affected by higher cost of operations especially the cost of raw materials due mainly to sharp increase in the average price of plastic resins which hit all time high in July/ August 2008. With lower actual profit compared to the expected profit in the past nine (9) months ended 30 September 2008, the Board expects great challenges for the Group to achieve sufficient profit from the remaining last quarter ending 31 December 2008 to meet the overall profit after tax forecast of RM11.9 million as disclosed in the Company's Prospectus dated 20 February 2008. The average price of plastic resins has decreased sharply in October 2008. Barring any unforeseen circumstances and on the assumption that the current lower average price of plastic resins to stay, the Board expects the profit of the Group for the last quarter of 2008 to be better than the current quarter ended 30 September 2008.

B4. Variance between Actual Profit and Forecast Profit

Not applicable in the current quarter.



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

B5. Taxation

	Current Quarter Ended 30.9.2008 RM'000	Current Year-To-Date Ended 30.9.2008 RM'000
Income tax	135	451
Deferred tax	142	166
	<u>277</u>	<u>617</u>

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 save for the acquisition of an adjacent industrial land, known as Lot 67 held under H.S. (M) 14113, PT 341, Kulim Industrial Estate, 09000 Kulim, Kedah for RM679,677 by Sinliplas Holding Sdn Bhd ("SHSB"), a wholly-owned subsidiary.

B7. Quoted Investments

There were no purchases or disposals of quoted securities for the current quarter and financial period to date.

Details of quoted investment:-

	30.9.2008 RM'000	31.12.2007 RM'000
At cost	177	177
At book value	177	177
At market value	103	134



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

B8. Corporate Proposals

Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of the interim financial statements.

Status of Utilisation of IPO proceeds

The Rights Issue and Public Issue in conjunction with the Company's listing on Bursa Securities raised total proceeds of RM22.11 million. The status of utilisation of the proceeds as at 12 November 2008 (being the latest practicable date) was as follows:-

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

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

B9. Borrowings and Debt Securities

The Group's borrowings as at 30 September 2008 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings:-			
Bankers' acceptances/ export credit refinancing/ OFCL	19,909	13,623	33,532
Bank overdraft	6	-	6
Hire purchase	241	-	241
Term loans	5,146	-	5,146
	<u>25,302</u>	<u>13,623</u>	<u>38,925</u>
Long term borrowings:-			
Hire purchase	123	-	123
Term loans	11,716	-	11,716
	<u>11,839</u>	<u>-</u>	<u>11,839</u>
Total	<u>37,141</u>	<u>13,623</u>	<u>50,764</u>

Included in the Group's bank borrowings are foreign currency borrowings denominated in USD and JPY of approximately RM14.1 million (comprising approximately USD0.7 million and JPY355.4 million).



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

B10. Off Balance Sheet Financial Instruments

Forward foreign exchange contracts are entered into by the Group in currencies other than its functional currency to hedge against fluctuations in foreign currency exchange rate on specific transactions. As at 12 November 2008 (being the latest practicable date), the Group's contracted amount of forward foreign exchange contracts was USD4.8 million with Ringgit Malaysia ("RM") equivalent of approximately RM15.5 million. There are no significant market risks associated with the disclosed instruments while the exchange gains or losses on forward contracts are recognised in the Income Statements upon realisation.

B11. Material Litigation

As at the date of the interim financial statements, there were no material litigations against the Group or taken by the Group except the following:-

On 14 December 2006, Sinliplas Holding Sdn Bhd ("SHSB"), a wholly-owned subsidiary of SLP, via its solicitors, Ong & Manecksha issued a notice of demand to PAOLO SANDRO AG of Germany ("PAOLO") claiming for outstanding sum of USD397,082.18 for goods sold to PAOLO. Subsequently, on 5 February 2006, PAOLO paid a sum of USD177,567.03 to SHSB. On 1 November 2007, SHSB via the advice of its solicitors, Ong & Manecksha, appointed Seitz, Weckbach, Fent & Fackler, the solicitors based in Germany to continue with legal proceedings to recover the balance outstanding sum. As at the date of the interim financial statements, the Germany solicitors have drafted a statement of claim and are compiling some legal documents for filing at Germany Court in due course. Pending the outcome of the claim, SHSB had made a specific provision for doubtful debt of RM400,000.00 in its audited financial statements for the financial year ended 31 December 2007.

B12. Proposed Dividend

There was no dividend proposed in the current quarter save for the single tier interim dividend of 2 sen as disclosed in Note A7.



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

B13. Earnings Per Share

	Individual Quarter		Cumulative Quarters	
	Current Quarter Ended 30.9.2008	Preceding Year Corresponding Quarter Ended 30.9.2007	Current Year Ended 30.9.2008	Preceding Year Corresponding Period Ended 30.9.2007
BASIC EARNINGS PER SHARE				
Profit attributable to ordinary equity holders of the Company (RM)	1,653	N/A	5,496	N/A
Weighted average number of ordinary shares in issue ('000)	106,000	N/A	99,263	N/A
Basic Earnings per Share (sen)	1.56	N/A	5.54	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 quarter.

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

	Number of Shares '000	Date of Issue	Number of days to 30.9.2008	Weighted average number of shares '000
At 1 January 2008	80,000		274	80,000
New ordinary shares issued pursuant to the Public Issue	26,000	12.3.2008	203	19,263
Weighted average number of RM0.50 each				<u>99,263</u>

B14. Authorisation for issue

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