



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 fourth quarter ended 31 December 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 FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2008

	Note	Individual Quarter (3 months)		Cumulative Quarter (12 months)	
		Current Quarter Ended 31.12.2008 RM'000	Preceding Year Corresponding Quarter Ended 31.12.2007 RM'000	Current Year Ended 31.12.2008 RM'000	Preceding Year Corresponding Period Ended 31.12.2007 RM'000
Revenue		43,872	44,415	183,915	95,615
Operating profit		507	2,910	7,918	10,478
Interest income		247	115	672	218
Finance costs		(469)	(478)	(2,192)	(1,479)
Negative goodwill		-	2,271	-	2,271
Profit before tax		285	4,818	6,398	11,488
Tax expense	B5	(541)	(206)	(1,158)	(870)
Profit for the period		(256)	4,612	5,240	10,618
Attributable to:					
Equity holders of the Company		(256)	4,612	5,240	10,618
Minority interests		-	-	-	-
		(256)	4,612	5,240	10,618
Earnings per share:					
Basic (sen)	B13	(0.24)	6.11	5.19	16.00
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) The financial results of the Group for the financial year ended 31 December 2007 were consolidated based on full financial year results of Sinliplas Holding Sdn Bhd (“SHSB”), the accounting acquirer and the post acquisition financial results of Sinliplas Sdn Bhd (“SSB”) and SLP under the reverse acquisition accounting. Based on the pro-forma consolidated results and on the assumption that the current structure of the Group had been in existence from 1 January 2007, the Group recorded revenue of RM173.515 million for the financial year ended 31 December 2007.



SLP RESOURCES BERHAD

(Company No.: 663862-H)

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

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008

		UNAUDITED As at 31.12.2008 RM'000	AUDITED As at 31.12.2007 RM'000
ASSETS	Note		
Non-current Assets			
Property, plant and equipment		48,993	48,707
Prepaid lease payments		7,820	7,312
Other investments		75	177
Intangible assets		829	-
Goodwill on consolidation		11	11
		<u>57,728</u>	<u>56,207</u>
Current Assets			
Inventories		19,069	25,650
Receivables, deposits and prepayments		32,567	34,410
Current tax assets		203	245
Cash and cash equivalents		14,053	15,211
		<u>65,892</u>	<u>75,516</u>
TOTAL ASSETS		123,620	131,723
EQUITY AND LIABILITIES			
Equity			
Share capital		53,000	40,000
Reserves		17,221	6,618
Shareholders' equity		<u>70,221</u>	<u>46,618</u>
Minority interests		-	-
TOTAL EQUITY		<u>70,221</u>	<u>46,618</u>
Non-current Liabilities			
Long-term borrowings	B9	12,041	14,586
Deferred taxation	B5	6,054	5,425
		<u>18,095</u>	<u>20,011</u>
Current Liabilities			
Payables and accruals		7,777	16,943
Current tax liabilities		-	432
Short-term bank borrowings	B9	27,527	47,719
		<u>35,304</u>	<u>65,094</u>
TOTAL LIABILITIES		<u>53,399</u>	<u>85,105</u>
TOTAL EQUITY AND LIABILITIES		123,620	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 statements.



SLP RESOURCES BERHAD

(Company No.: 663862-H)

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR TWELVE MONTHS ENDED 31 DECEMBER 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	(26,640)	6,707	-	26,551	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	-	-	-	-	5,240	5,240	-	5,240	
Dividend paid	-	-	-	-	(2,120)	(2,120)	-	(2,120)	
Balance as at 31 December 2008	53,000	(26,640)	6,707	7,483	29,671	70,221	-	70,221	
Balance as at 1 January 2007	5,000	-	6,707	-	19,933	31,640	-	31,640	
Adjustment arising from reverse acquisition	26,640	(26,640)	-	-	-	-	-	-	
Share issue for the acquisitions of subsidiary	8,345	-	-	-	-	8,345	-	8,345	
Rights issue	15	-	-	-	-	15	-	15	
Profit for the period	-	-	-	-	10,618	10,618	-	10,618	
Dividend paid to existing shareholders of a subsidiary before acquisition	-	-	-	-	(4,000)	(4,000)	-	(4,000)	
Balance as at 31 December 2007	40,000	(26,640)	6,707	-	26,551	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.



SLP RESOURCES BERHAD

(Company No.: 663862-H)

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

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR TWELVE MONTHS ENDED 31 DECEMBER 2008

	Current Year Ended 31.12.2008 RM'000	Preceding Year Corresponding Period Ended 31.12.2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	6,398	11,488
Adjustments:		
Amortisation and depreciation	6,142	4,934
Negative goodwill recognised	-	(2,271)
Allowance of doubtful debts	518	400
Provision for diminution in value of other investment	102	-
Interest income	(672)	(218)
Interest expense	2,192	1,479
Dividend income	(3)	(8)
	14,677	15,804
Changes in working capital:		
Inventories	6,581	(12,534)
Receivables	1,537	(3,366)
Payables	(9,167)	989
Cash generated from operations	13,628	893
Tax paid	(920)	(529)
Net cash from operating activities	12,708	364
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	460	218
Dividend received	3	8
Withdrawal/ placement of fixed deposits	2,273	(43)
Purchase of intangible assets	(829)	-
Purchase of plant, property and equipment	(6,934)	(15,510)
Net cash inflow from acquisition of subsidiaries	-	7,587
Net cash used in investing activities	(5,027)	(7,740)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue	22,100	15
Share issue/ listing expenses	(1,617)	-
Net increase/ (decrease) in short-term borrowings	(19,487)	19,189
Net increase/ (decrease) in hire purchase	(348)	(378)
Net increase/ (decrease) in term loans	(2,627)	4,825
Dividend paid	(2,120)	(8,000)
Interest paid	(2,192)	(1,479)
Net cash (used)/ from financing activities	(6,291)	14,172
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,390	6,796
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	12,663	5,867
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	14,053	12,663

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.



SLP RESOURCES BERHAD

(Company No.: 663862-H)

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

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. Changes in Accounting Policies

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2007 except for the adoption of the following FRS, Amendment to FRS and IC Interpretations issued by MASB that is effective for the Group and the Company’s annual financial period commencing 1 January 2008:

- FRS 107 Cash Flow Statements
- FRS 111 Construction Contracts
- FRS 112 Income Taxes
- FRS 118 Revenue
- FRS 120 Accounting for Government Grants and Disclosure of Government Assistance
- FRS 134 Interim Financial Reporting
- FRS 137 Provisions, Contingent Liabilities and Contingent Assets
- Amendment to FRS 121 The effects of Change in Foreign Exchange Rates – Net Investment in a Foreign Operation
- IC Interpretation 1 Changes in Existing Decommissioning Restoration and Similar Liabilities
- IC Interpretation 2 Members’ Shares in Co-operative Entities and Similar Instruments
- IC Interpretation 5 Rights to Interest arising from Decommissioning, Restoration and Environment Rehabilitation Funds
- IC Interpretation 6 Liabilities arising from Participating in Specific Market – waste Electrical and Electronic Equipment
- IC Interpretation 7 Applying the Restatement Approach under FRS 129 Financial Reporting in Hyperinflationary Economies
- IC interpretation 8 Scope of FRS 2



SLP RESOURCES BERHAD

(Company No.: 663862-H)

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

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

As at the date of this report, the Group has not adopted FRS 139, Financial Instruments: Recognition and Measurement and the consequential amendments resulting from FRS 139 which is effective for financial periods beginning on or after 1 January 2010. The adoption of the above FRS, Amendments to FRS and IC Interpretation does not have any material impact on the financial statements of the Group and the Company.

A3. 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.

A4 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.

A5 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.

A6. 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.

A7. 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 31 December 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.

A8. Dividend Paid

No dividend was paid in the current quarter ended 31 December 2008.

The dividend paid in the financial year to-date is as follows:-

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 paid (RM'000)	2,120



SLP RESOURCES BERHAD

(Company No.: 663862-H)

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

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

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 31.12.2008		Year-To-Date Ended 31.12.2008	
	Revenue RM'000		Revenue RM'000	
Malaysia	22,863	52.1%	114,565	62.3%
Japan	11,123	25.3%	36,822	20.0%
UK, Germany and Denmark	3,127	7.1%	11,847	6.4%
Australia	1,626	3.7%	5,983	3.3%
Norway	1,472	3.4%	5,259	2.9%
Thailand	214	0.5%	1,745	0.9%
Indonesia	1,218	2.8%	3,813	2.1%
Others*	2,229	5.1%	3,881	2.1%
Total	43,872	100.0%	183,915	100.0%

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

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.



SLP RESOURCES BERHAD

(Company No.: 663862-H)

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

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

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.

A15. Cash and Cash Equivalents

	Current Year Ended 31.12.2008 RM'000	Preceding Year Corresponding Period Ended 31.12.2007 RM'000
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	-	2,274
Short-term deposits placed with licensed banks	5,339	10,723
Cash and bank balances	8,714	2,214
	14,053	15,211



SLP RESOURCES BERHAD

(Company No.: 663862-H)

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

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

B1. Review of Performance

Performance in current quarter compared with preceding year corresponding quarter

The Group recorded a lower consolidated profit before tax of approximately RM0.285 million in the current quarter ended 31 December 2008 compared with the consolidated profit before tax of approximately RM4.818 million recorded in the preceding year corresponding quarter ended 31 December 2007. The lower consolidated profit before tax was achieved on the back of stable revenue of approximately RM43.872 million in the current quarter compared with the revenue of approximately RM44.415 million recorded in the preceding year corresponding quarter. This was mainly due to the provision of unrealised loss in foreign currency term loans of approximately RM1.919 million in the current quarter as a result of strengthening of USD and JPY versus Ringgit Malaysia (“RM”) as at the close of current quarter ended 31 December 2008 and the provision of doubtful debts of RM0.518 million. The recognition of negative goodwill on consolidation of approximately RM2.271 million in the preceding year corresponding quarter had also contributed to the higher profit before tax in the preceding year corresponding quarter.

Performance in current financial year compared with preceding financial year

The Group recorded a lower consolidated profit before tax of approximately RM6.398 million in the current financial year ended 31 December 2008 compared with the consolidated profit before tax of approximately RM11.496 million recorded in the preceding financial year ended 31 December 2007. The lower consolidated profit before tax was achieved on the back of higher consolidated revenue of approximately RM183.915 million compared with the proforma revenue of approximately RM173.515 million recorded in the preceding financial year. The lower consolidated profit before tax was attributed mainly to higher cost of sales due to higher average price of plastic resins consumed, higher depreciation of fixed assets, provision of unrealised loss in foreign currency term loans of approximately RM2.656 million, the provision of doubtful debts of RM0.518 million and higher finance costs as higher bankers’ acceptances were utilised to finance the purchase of higher costs of plastic resins during the first eight (8) months from 1 January 2008 to 31 August 2008. The recognition of negative goodwill on consolidation of approximately RM2.271 million in the preceding year had also contributed to higher profit before tax in the preceding financial year.

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

	Current Quarter ended 31.12.2008 RM’000	Preceding Quarter ended 30.9.2008 RM’000	Variance RM’000	
Revenue	43,872	46,831	(2,959)	(6.3%)
Profit Before Tax	285	1,653	(1,368)	(82.8%)

The Group recorded slightly lower revenue of approximately RM43.872 million in the current quarter compared with the revenue of approximately RM46.831 million recorded in the preceding quarter due to lower domestic sales and lower selling prices of polymer products namely plastic resins as domestic customers held back their purchases in anticipation of the continued slide of the prices of plastic resins. The Group recorded lower consolidated profit before tax of approximately RM0.285 million in the current quarter ended 31 December 2008 compared with the consolidated profit before tax of approximately RM1.653 million recorded in the preceding quarter due mainly to the provision of unrealised loss in foreign currency term loans of approximately RM1.919 million and the provision of doubtful debts of RM0.518 million in the current quarter.



SLP RESOURCES BERHAD

(Company No.: 663862-H)

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

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

B3. Commentary on Prospects

The Board is of the view that the financial year ending 31 December 2009 is a very challenging year in view of the anticipated slower demand for the Group's products, in particular, the polymer products due largely to global economic downturn. The Board, however, anticipates that the food and healthcare industries, the main users of the Group's flexible plastic packaging films will continue to grow in line with the population growth despite the challenges of global economic downturn. With the Group's on-going research and development of new plastic packaging films coupled with the current stable and lower prices of plastic resins, the main raw materials for the Group's products, the Board expects the performance of the Group in the financial year ending 31 December 2009 to remain satisfactory given the present economic situation.

B4. Variance between Actual Profit and Forecast Profit

The summarised comparison between the actual results and the forecast results for the financial year ended 31 December 2008 as disclosed in the Prospectus dated 20 February 2008 is as follows:

	Actual RM'000	Forecast RM'000	Variance RM'000	%
Revenue	183,915	181,566	2,349	1.3%
Gross Profit	16,676	18,866	(2,190)	(11.6%)
Profit Before Tax	6,398	12,895	(6,497)	(50.4%)
Profit After Tax	5,240	11,921	(6,681)	(56.0%)

The Group's actual revenue of approximately RM183.915 million for the financial year ended 31 December 2008 was approximately 1.3% higher than its forecasted revenue of approximately RM181.566 million. However, the Group's actual profit after tax of approximately RM5.240 million was approximately 56.0% lower than its forecasted profit after tax of approximately RM11.921 million. This was due mainly to the following:

- (i) the actual cost of sales was higher by approximately RM2.190 million as compared to the forecast due to higher average price of plastic resins which comprised the core ingredient of the manufactured products of the Group;
- (ii) the provision of unrealised loss in the foreign currency term loans of approximately RM2.656 million due to strengthening of USD and JPY versus RM as at the close of financial year ended 31 December 2008;
- (iii) the actual finance costs were higher by approximately RM0.776 million as compared to the forecast due to higher short-term bank borrowings, in particular the bankers' acceptances, were utilised to finance the purchase of higher costs of plastic resins during the first eight (8) months from 1 January 2008 to 31 August 2008; and
- (iv) the provision for doubtful debts of approximately RM0.518 million on the on-going legal case (as mentioned in Note B11) of which the judgement has not been obtained and the provision of RM0.102 million for diminution in the value of investment in quoted shares.



SLP RESOURCES BERHAD

(Company No.: 663862-H)

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

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

B5. Taxation

	Current Quarter Ended 31.12.2008 RM'000	Current Year-To-Date Ended 31.12.2008 RM'000
Income tax	78	530
Deferred tax	463	628
	<u>541</u>	<u>1,158</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 higher than the statutory tax rate due mainly to higher deferred tax liabilities. The effective tax rate of the Group for the current year-to-date 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:-

	30.12.2008 RM'000	31.12.2007 RM'000
At cost	177	177
At book value	75	177
At market value	75	134

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.



SLP RESOURCES BERHAD

(Company No.: 663862-H)

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

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

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 RM22.115 million. The status of utilisation of the proceeds as at 18 February 2009 (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

Notes:

- The actual share issue/ listing expenses were lower than the budget. As such, the unutilised balance of proceeds of approximately RM383,000 was utilised for working capital purposes.
- The Board had on, 25 February 2009, approved the variation in the unutilised balance of the proceeds of RM2.173 million for the purchase of machinery/ equipment to working capital purposes. The excess balance of RM2.173 million for the purchase of machinery/ equipment was because of lower actual price paid for a machine acquired as compared to the initial estimated price. The Company will immediately notify the Securities Commission on the variation of the utilisation of proceeds.

B9. Borrowings and Debt Securities

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

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings:-			
Bankers' acceptances/ export credit refinancing/ OFCL	10,687	10,990	21,677
Bank overdraft	-	-	-
Hire purchase	220	-	220
Term loans	5,630	-	5,630
	<u>16,537</u>	<u>10,990</u>	<u>27,527</u>
Long term borrowings:-			
Hire purchase	75	-	75
Term loans	11,966	-	11,966
	<u>12,041</u>	<u>-</u>	<u>12,041</u>
Total	<u>28,578</u>	<u>10,990</u>	<u>39,568</u>

Included in the Group's bank borrowings are foreign currency borrowings denominated in USD and JPY of approximately RM15.13 million (comprising approximately USD659,620 and JPY334.4 million).



SLP RESOURCES BERHAD

(Company No.: 663862-H)

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

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 18 February 2009 (being the latest practicable date), the Group's contracted amount of forward foreign exchange contracts was USD2.800 million with Ringgit Malaysia ("RM") equivalent of approximately RM9.091 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:-

Sinliplas Holding Sdn Bhd ("SHSB") (Plaintiff) versus Paolo Sandro AG (Defendant)

On 14 December 2006, the Plaintiff via its solicitors, Ong & Manecksha issued a notice of demand to the Defendant claiming for outstanding sum of USD397,082.18 for goods sold. On 5 February 2006, the Defendant paid a sum of USD177,567.03 to the Plaintiff. On 1 November 2007, the Plaintiff 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.

The Plaintiff's Solicitors are of the opinion that the Plaintiff is entitled to the payment claimed as the delivery of the Plaintiff's goods to the Defendant was properly executed. Factual and legal defects were not sufficiently substantiated by the Defendant. Ancillary obligations were not violated by the Plaintiff, especially in the context of the delivery. The payment claims therefore exist. The legal situation is to be seen under Malaysian law because the typical performance is to be effected by the producer, i.e. the Plaintiff. Decisive, therefore, is the laws of the headquarters of the Plaintiff, according to Art 28 (2) German Rules of Conflict of Laws. Since Malaysia is not a contracting party of the UN-Sales Convention (CISG), the claims of the Plaintiff are to be decided exclusively under Malaysian law. According thereto the claims of the plaintiff exist. The Defendant is not entitled to any reduction for damages. This is especially so, since under Malaysian Law goods have to be rejected immediately when the defects are first known.

Pending the judgement of the above legal case, the Group has made the provision for doubtful debts of RM400,000 in its audited financial statements for the financial year ended 31 December 2007 and a further provision for the balance sum of RM396,824 in the interim financial statements for the current quarter and current year-to-date ended 31 December 2008.

B12. Proposed Dividend

A single-tier final dividend of 2 sen per ordinary share on 106,000,000 ordinary shares of RM0.50 each, amounting to a dividend payable of approximately RM2,120,000 in respect of the financial year ended 31 December 2008 will be proposed and recommended by the Board for shareholders' approval at the forthcoming Annual General Meeting.

The proposed final dividend, if approved, together with the interim single-tier dividend of 2 sen per ordinary share paid on 18 September 2008 would amount to a total dividend of 4 sen or 8.0% per ordinary share of RM0.50 each in respect of the financial year ended 31 December 2008.



SLP RESOURCES BERHAD

(Company No.: 663862-H)

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

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 31.12.2008	Preceding Year Corresponding Quarter Ended 31.12.2007	Current Year Ended 31.12.2008	Preceding Year Corresponding Period Ended 31.12.2007
BASIC EARNINGS PER SHARE				
Profit attributable to ordinary equity holders of the Company (RM)	(256)	4,612	5,240	10,618
Weighted average number of ordinary shares in issue ('000)	106,000	75,456	101,014	66,348
Basic Earnings per Share (Sen)	(0.24)	6.11	5.19	16.00

There was no dilutive earnings per share as there were no potential dilutive ordinary shares outstanding as at the end of the current quarter and the financial year.

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

	Number of Shares '000	Date of Issue	Number of days to 31.12.2008	Weighted average number of shares '000
At 1 January 2008	80,000		365	80,000
New ordinary shares issued pursuant to the Public Issue	26,000	12.3.2008	295	21,014
Weighted average number of RM0.50 each				101,014
				101,014
	Number of Shares	Date of Issue	Number of days to 31.12.2007	Weighted average number of shares
At 1 January 2007	#		365	#
New ordinary shares issued pursuant to the acquisition of SHSB	63,279	25.10.2007	365	63,279
New ordinary shares issued pursuant to the acquisition of SSB	16,691	25.10.2007	67	3,064
New ordinary shares issued pursuant to the Rights Issue	29	26.10.2007	66	5
Weighted average number of RM0.50 each				66,348
				66,348

Four (4) ordinary shares of RM0.50 each

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.