SLP RESOURCES BERHAD
(663321-T)

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

The Board of SLP Resources Berhad ("SLP" or "the Company") is pleased to announce the following unaudited consolidated results for the fourth quarter and financial period ended 31 December 2010.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2010

		Individual Quarter (3 months)		Cumulative Quarter (12 months)	
	Note	Current Quarter Ended 31.12.2010 RM'000	Preceding Year Corresponding Quarter Ended 31.12.2009 RM'000	Current Period Ended 31.12.2010 RM'000	Preceding Year Corresponding Period Ended 31.12.2009 RM'000
Revenue	A10	38,008	37,324	156,092	130,446
Operating profit		2,114	233	10,611	8,195
Interest income		1	18	69	181
Finance costs		(47)	(80)	(289)	(552)
Profit before tax		2,068	171	10,391	7,824
Income tax expenses	B5	(81)	(119)	(1,073)	(1,219)
Profit for the period		1,987	52	9,318	6,605
Other comprehensive income, net of tax		1	-	1	-
Total comprehensive income for the period		1,988	52	9,319	6,605
Profit and total comprehensive income attributable to:					
Equity holders of the Company		1,988	52	9,319	6,605
Minority interests		-	-	-	-
Profit for the period		1,988	52	9,319	6,605
Earnings per share					
Basic (Sen)	B15	0.80	0.02#	3.77	2.67#
Diluted (Sen)		N/A	N/A	N/A	N/A

Note:

The Condensed Consolidated Statement of Comprehensive Income is unaudited and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

The weighted average number of ordinary shares in issue of the comparative quarter/ preceding year to date has adjusted for the effect of Share Split involving the subdivision of every existing one (1) ordinary share of RM0.50 each into two (2) ordinary shares of RM0.25 each and Bonus Issue involving the issuance of 35,333,333 new ordinary shares on the basis of one (1) Bonus Share for every six (6) Ordinary Shares, which was completed on 26 April 2010.

SLP RESOURCES BERHAD
(663862-H)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

	Note	UNAUDITED As at 31.12.2010 RM'000	AUDITED As at 31.12.2009 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment		53,890	54,330
Other investments		219	1,352
Intangible assets		670	1,000
		54,779	56,682
Current Assets			
Inventories		20,943	16,485
Receivables, deposits and prepayments		28,760	25,145
Current tax assets		254	235
Cash and cash equivalents		5,766	8,620
		55,723	50,485
TOTAL ASSETS		**110,502**	**107,167**
EQUITY AND LIABILITIES			
Equity			
Share capital		61,833	53,000
Reserves		13,890	19,585
Total equity attributable to equity holders of the Company		75,723	72,585
Minority interests		-	-
TOTAL EQUITY		75,723	72,585
Non-current Liabilities			
Loans and borrowings	B9	2,740	5,922
Deferred taxation		6,378	6,350
		9,118	12,272
Current Liabilities			
Payables and accruals		18,892	12,037
Loans and borrowings	B9	6,517	9,978
Current tax liabilities		252	295
		25,661	22,310
TOTAL LIABILITIES		34,779	34,582
TOTAL EQUITY AND LIABILITIES		**110,502**	**107,167**
Net assets per ordinary share attributable to ordinary equity holders of the Company (Sen)		30.6	29.3#

Note:

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

The number of ordinary shares in issue of the comparative preceding year has adjusted for the effect of Share Split involving the subdivision of every existing one (1) ordinary share of RM0.50 each into two (2) ordinary shares of RM0.25 each and Bonus Issue involving the issuance of 35,333,333 new ordinary shares on the basis of one (1) Bonus Share for every six (6) Ordinary Shares, which was completed on 26 April 2010.

SLP RESOURCES BERHAD
(663862-H)
(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2010

	<---Attributable to equity holders of the Company--->								
	<--- Non Distributable			--->	Distributable				
	Share Capital RM'000	Reverse Acquisition Reserve RM'000	Revaluation Reserve RM'000	Share Premium RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
Balance as at 1 January 2010	**53,000**	**(26,639)**	**6,707**	**7,483**	**-**	**32,035**	**72,586**	**-**	**72,586**
Effect of adopting FRS 139 (**Note A2**)	-	-	-	-	-	(1,235)	(1,235)	-	(1,235)
Balance as at 1 January 2010, restated	**53,000**	**(26,639)**	**6,707**	**7,483**	**-**	**30,800**	**71,351**	**-**	**71,351**
Bonus Issue of 35,333,333 new ordinary shares of RM0.25 each	8,833	-	-	(7,483)	-	(1,350)	-	-	-
Total comprehensive income for the period	-	-	-	-	1	9,318	9,319	-	9,319
Dividend paid	-	-	-	-	-	(4,947)	(4,947)	-	(4,947)
Balance as at 31 December 2010	61,833	(26,639)	6,707	-	1	33,821	**75,723**	-	**75,723**
Balance as at 1 January 2009	**53,000**	**(26,639)**	**6,707**	**7,483**	**-**	**29,670**	**70,221**	**-**	**70,221**
Total comprehensive income for the period	-	-	-	-	-	6,605	6,605	-	6,605
Dividend paid	-	-	-	-	-	(4,240)	(4,240)	-	(4,240)
Balance as at 31 December 2009	**53,000**	**(26,639)**	**6,707**	**7,483**	**-**	**32,035**	**72,586**	**-**	**72,586**

Note:

The Condensed Consolidated Statement of Changes in Equity is unaudited and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

SLP RESOURCES BERHAD

(663032-I)

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2010

	AUDITED Current Period Ended 31.12.2010 RM'000	AUDITED Preceding Year Corresponding Period Ended 31.12.2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	10,391	7,823
Adjustments:		
Amortisation and depreciation	6,300	6,218
Interest income	(69)	(181)
Interest expense	289	552
Property, plant and equipment written off	2	-
Gain on disposal of other investment	-	(41)
(Gain)/ Loss on disposal of property, plant and equipment	(27)	1
Operating profit before changes in working capital	**16,886**	**14,372**
Inventories	(4,458)	2,584
Receivables	(3,615)	7,425
Payables	6,856	4,260
Cash generated from operations	15,669	28,641
Tax paid	(1,106)	(663)
Net cash from operating activities	**14,563**	**27,978**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,532)	(3,438)
Purchase of other investment	(101)	(1,352)
Proceeds from disposal of property, plant and equipment	27	1
Proceeds from disposal of other investment	-	115
Additions of intangible assets	-	(159)
Interest received	68	181
Net cash used in investing activities	**(5,538)**	**(4,652)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase/ (decrease) in other borrowings	(1,836)	(16,601)
Repayment of finance lease liabilities	(175)	(220)
Repayment of term loans	(4,632)	(7,146)
Interest paid	(289)	(552)
Dividend paid	(4,947)	(4,240)
Net cash used in financing activities	**(11,879)**	**(28,759)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,854)	(5,433)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	8,620	14,053
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	**5,766**	**8,620**
Cash and cash equivalents comprise:		
Fixed and short-term deposits with licensed banks	3,300	1,700
Cash and bank balances	2,466	6,920
	5,766	**8,620**

Note:

The condensed consolidated cash flow statement is unaudited and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

SLP RESOURCES BERHAD
(663032-D)
(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2010

A COMPLIANCE WITH FINANCIAL REPORTING STANDARD (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 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements. 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 significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009, except for the adoption of the following new Financial Reporting Standards ("FRSs"), Amendments to FRSs and Interpretations by the Group with effect from 1 January 2010.

FRSs, Amendments to FRSs and Interpretations

- FRS 4: Insurance Contracts
- FRS 7: Financial Instruments: Disclosures
- FRS 8: Operating Segments
- FRS 101: Presentation of Financial Statements (revised)
- FRS 123: Borrowing Costs
- FRS 139: Financial Instruments: Recognition and Measurement
- Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2: Share-based Payment – Vesting Conditions and Cancellations
- Amendments to FRS 132: Financial Instruments: Presentation
- Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
- Amendments to FRSs "Improvements to FRSs (2009)"
- IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 10: Interim Financial Reporting and Impairment
- IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions
- IC Interpretation 13: Customer Loyalty Programmes
- IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

A2. Changes in Accounting Policies (cont'd)

Other than the application of FRS 101 and FRS 139, the application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in accounting policies and presentation of the financial results of the Group.

FRS 101 : Presentation of Financial Statements (revised)
FRS 101 (revised in 2009), which supersedes FRS 101 *Presentation of Financial Statements* (revised in 2005), affects the presentation of owner changes in equity and comprehensive income. It requires an entity to present all owner changes in equity in a statement of changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or two statements (a separate income statement and a statement of comprehensive income). FRS 101 (revised in 2009) also changes the titles of the financial statements to reflect their function more closely, for example, the titles "balance sheet" and "cash flow statement" are renamed as "statement of financial position" and "statement of cash flows" respectively. The Group has elected to present other comprehensive income in one statement.

FRS 139: Financial Instruments: Recognition and Measurement
The adoption of FRS 139 has resulted in changes to the accounting policies relating to recognition and measurement of financial instruments. A financial instrument is recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instrument. A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition or issue of the financial instruments.

<u>Financial Assets</u>
Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available for sale financial assets or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group's financial assets include cash and short-term deposits, loans and receivables.

i. Loans and receivables
Prior to 1 January 2010, loans and receivables were stated at gross proceeds receivables less provision for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated income statement when the loans and receivables are derecognised, impaired or through the amortisation process.

Prior to 1 January 2010, allowances for doubtful debts were recognised when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 January 2010, the Group has remeasured the allowance for impairment losses as at that date in accordance with FRS 139 and this standard did not have any significant impact on the financial position and results of the Group.

ii. Available for sale
Prior to 1 January 2010, available for sale financial assets such as other investments were accounted for at cost less impairment losses. Under FRS 139, available for sale financial asset is measured at fair value initially and subsequently with unrealised gains or losses recognised directly in equity until the investment is derecognised or impaired.

A2. Changes in Accounting Policies (cont'd)

Financial Liabilities
Financial liabilities are initially recognised at fair value through profit or loss. All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit of loss. The Group's financial liabilities include trade and other payables and borrowings.

Derivatives
Prior to the adoption of FRS 139, derivative financial instruments were recognised in the financial statements on settlement date. With the adoption of FRS 139, derivative financial instruments are now categorised as fair value through profit or loss and measured at their fair value with the gain or loss recognised in the profit or loss. Derivatives are carried as assets when fair value is positive and liabilities when fair value is negative.

In accordance with the transitional provisions of FRS 139 for first-time adoption, adjustments arising from the change in accounting policies and remeasuring the financial instruments at the beginning of the financial period are recognised as adjustments to the opening balance of retained earnings as follows, whilst adjustment to comparatives are not required:-

	Retained Earnings RM'000
At 1 January 2010, as previously stated	32,035
Adjustments arising from adoption of FRS 139:	
- Fair value of financial assets classified as other investments	(1,235)
At 1 January 2010, as restated	30,800

FRS 8: Operating Segments
FRS 8 requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. As the Group's chief operating decision maker, the Group's Board of Directors, relies on internal reports which are similar to those currently disclosed externally, no further segmental information disclosures will be necessary.

Amendment to FRS 117: Leases
The amendment clarifies the classification of lease of land and requires entities with existing leases of land and buildings to reassess the classification of land as finance or operating lease. Leasehold land which in substance is a finance lease will be reclassified to property, plant and equipment. The adoption of this amendment will result in a change in accounting policy which will be applied retrospectively in accordance with the transitional provisions. The reclassification of leasehold land from prepaid land lease payments to property, plant and equipment has been accounted for retrospectively and certain comparatives have been restated as disclosed in Note A3.

A2. Changes in Accounting Policies (cont'd)

At the date of authorisation of these financial statements, the following new FRSs and Interpretations, and amendments to certain Standards and Interpretations were issued but not yet effective and have not been applied by the Group, which are:

Effective for financial periods beginning on or after 1 March 2010:
- Amendments to FRS 132: Financial Instruments: Presentation, relating to Classification of Rights Issues.

Effective for financial periods beginning on or after 1 July 2010:
- FRS 1: First-time Adoption of Financial Reporting Standards
- FRS 3: Business Combinations (revised)
- FRS 127: Consolidated and Separate Financial Statements (amended)
- Amendments to FRS 2: Share-based Payment
- Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 138: Intangible Assets
- Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 12: Service Concession Arrangements
- IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17: Distributions of Non-cash Assets to Owners Effective for financial periods beginning on or after 1 January 2011
- Limited Exemption from Comparative FRS 7: Disclosures for First-time Adopters (Amendments to FRS1) Improving Disclosures about Financial Instruments (Amendments to FRS 7)
- FRS 1: Additional Exemptions for First-time Adopters (Amendments to FRS 1)
- FRS 2: Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2)
- IC Interpretation 4: Determining Whether an Arrangement contains a Lease
- IC Interpretation 18: Transfers of Assets from Customers
- Technical Release 3: Guidance on Disclosures of Transition to IFRSs
- Amendments to FRSs „Improvements to FRSs (2010)"

Effective for financial periods beginning on or after 1 July 2011:
- Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement
- IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments Effective for financial periods beginning on or after 1 January 2012
- IC Interpretation 15: Agreements for the Construction of Real Estate
- FRS 124 : Related Party Disclosures

The initial application of the above new FRSs and interpretations, and amendments to FRSs and Interpretations is not expected to have any significant impact on the Group.

SLP RESOURCES BERHAD

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

A3. Comparatives

The following comparative figures have been restated following the adoption of the amendment to FRS 117 :

	31.12.2009	
Group	**As restated**	**As previously reported**
Cost	**RM'000**	**RM'000**
Property, plant and equipment	54,330	46,053
Prepaid lease payments	-	8,277

A4 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 2009 were not subject to any qualification.

A5 Seasonal or Cyclical Factors

The operations of the Group during the current quarter and financial period under review have not been materially affected by any seasonal or cyclical factors.

A6 Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter.

A7 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 quarter.

A8 Changes in Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

A9 Dividend Paid

The amount of dividend paid during the financial year ended 31 December 2010 was as follows:

	RM'000
In respect of the financial year ended 31 December 2009 as reported in the directors' report of that year:	
- A single-tier final dividend of 4% or 1 sen per ordinary share, paid on 28 July 2010	2,473
In respect of the financial year ended 31 December 2010:	
- A single-tier interim dividend of 4% or 1 sen per ordinary share, 20 October 2010	2,473
	4,946

A10 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:-

	Individual Quarter (3 months)			
	Current Quarter Ended 31.12.2010 RM'000		Preceding Year Corresponding Quarter Ended 31.12.2009 RM'000	
Countries				
Malaysia	22,889	60.2%	22,658	60.7%
Japan	10,538	27.7%	10,755	28.8%
UK, Germany and Denmark	1,137	3.0%	1,445	3.9%
Australia	1,978	5.2%	677	1.8%
Norway	395	1.1%	588	1.6%
Thailand	12	0.0%	46	0.1%
Indonesia	387	1.0%	698	1.9%
Others*	672	1.8%	457	1.2%
Total	**38,008**	**100.0%**	**37,324**	**100.0%**

	Cumulative Quarters (12 months)			
	Current Period Ended 31.12.2010 RM'000		Preceding Year Corresponding Period Ended 31.12.2009 RM'000	
Countries				
Malaysia	98,483	63.0%	76,918	58.97%
Japan	40,832	26.1%	36,600	28.06%
UK, Germany and Denmark	5,814	3.7%	6,195	4.75%
Australia	3,862	2.5%	3,040	2.33%
Norway	1626	1.1%	2,887	2.21%
Thailand	269	0.2%	188	0.14%
Indonesia	1,806	1.2%	1,167	0.89%
Others*	3,400	2.2%	3,451	2.65%
Total	**156,092**	**100.0%**	**130,446**	**100.0%**

* Others include export to Singapore, Myanmar, Slovakia and free trade zones and licensed manufacturer and warehouse ("LMW").

A11 Valuations of Property, Plant and Equipment

The valuations of land and building have been brought forward, without amendments from the audited financial statements for the year ended 31 December 2009.

A12 Events Subsequent to the Balance Sheet Date

There were no material events subsequent to the end of the current quarter that have not been reflected in the interim financial statements as at the date of this report.

A13 Changes in the Composition of the Group

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

A14 Changes in contingent liabilities or contingent assets

The Company has issued corporate guarantee to financial institutions for banking facilities granted to its subsidiaries up to limits of RM99.2 million as at 31 December 2010, of which, approximately RM9.3 million was utilised as at 31 December 2010. The Company has also issued corporate guarantee to a non-financial institution for the supply of goods and services provided to a subsidiary up to limit of RM9.0 million, of which RM7.8 million was outstanding as at 31 December 2010.

A15 Capital Commitments outstanding not provided for in the Interim Financial Report

	RM'000
Approved and Contracted for	-
Approved and Not Contracted for	-

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2010

B COMPLIANCE WITH APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of Performance

For the current quarter ended 31 December 2010, the Group recorded slightly higher revenue of RM38.0 million as compared to the revenue of RM37.3 million recorded in the preceding year corresponding quarter. This was mainly due to higher sales volume in line with the improvement in demand particularly from the domestic demand for the Group's products. The Group's profit before tax ("PBT") of RM2.1 million for the current quarter was significantly higher than the PBT of RM171,000 achieved in the preceding year corresponding quarter. This was attributed to less volatility in the prices of resins, the core component of raw materials consumed by the Group.

For the twelve (12) months period ended 31 December 2010, the Group recorded revenue of RM156.1 million, representing 19.7% higher than the revenue of RM130.4 million recorded in the preceding year corresponding period. This was mainly due to higher sales volume in line with the improvement in demand from both the domestic and export markets for the Group's products. In tandem with the higher revenue, the Group recorded PBT of RM10.4 million, representing 32.8% higher than the PBT of RM7.8 million recorded in the preceding year corresponding period.

B2 Variation of Results against Preceding Quarter

	Current Quarter ended 31.12.2010 RM'000	Preceding Quarter ended 30.09.2010 RM'000	Variance RM'000	%
Revenue	38,008	38,973	(965)	(2.5)
Profit Before Tax	2,068	2,157	(89)	(3.8)

The Group recorded relatively stable level of revenue and PBT for the current quarter versus the same in the preceding quarter.

B3 Prospects

The Group will continue to innovate and introduce new plastic packaging products for various types of applications in the various sectors in particular the growing industries such as food and beverages and healthcare. With the addition production installed via the investment of new machinery in the financial year ended 31 December 2010 in anticipation of higher demand for the Group's products especially from overseas markets, the Board is optimistic that the Group will continue to achieve satisfactory financial results for the financial year ending 31 December 2011.

B4 Variance between Actual Profit and Forecast Profit

Not applicable.

B5 Taxation

	Current Quarter 31.12.2010 RM'000	Current Year To Date 31.12.2010 RM'000
Income tax		
Current year	203	1,031
Prior year	-	14
	203	1,045
Deferred tax		
Current year	69	219
Prior year	(191)	(191)
	81	**1,073**

The effective tax rate of the Group for the current quarter and year-to-date was lower than the statutory tax rate due mainly to utilisation of available reinvestment allowances by the subsidiaries of the Group.

B6 Unquoted investments and properties

There were no purchases or sale of unquoted investment or properties for the current quarter.

B7 Available-for-sales financial assets

	Current Year 31.12.2010 RM'000	Preceding Year 31.12.2009 RM'000
Total Quoted Investment at:		
- Fair value	110	-

B8 Status of Corporate Proposals

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

B9 Borrowings and debt Securities

The Group's loans and borrowings as at 31 December 2010 are as follows:-

	Payable Within 12 Months RM'000	Payable After 12 Months RM'000	Total RM'000
Finance lease liabilities	108	92	200
Onshore foreign currency loan	3,238	-	3,238
Term loans	3,171	2,648	5,819
	6,517	2,740	9,257

Included in the Group's loans and borrowings are foreign currency borrowings denominated in USD and JPY of approximately RM9.0 million (comprising approximately USD1.0 million and JPY148.9 million).

B10 Derivative financial instruments

The Group is exposed to risks arising from foreign currency exposure. The Group enters into forward contracts as a hedge against fluctuation in its foreign currency collection and payment for future commercial transactions.

As at 31 December 2010, the foreign currency contracts which have been entered into by the Group to hedge its foreign receivables and payables in foreign currencies are as follows:

	Contract Value RM'000	Fair Value RM'000	Gain/ (Loss) RM'000
Foreign Currency Forward Contracts			
Buy EUR	1,662	1,662	-

Prior to the adoption of FRS 139, derivative financial instruments were recognised in the financial statements on settlement date. With the adoption of FRS 139, derivative financial instruments are now categorised as fair value through profit or loss and measured at their fair value with the gain or loss recognised in the profit or loss.

B11. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 21 February 2011, the latest practicable date which is not earlier than 7 days from the date of this quarterly report

B12 Material Litigation

Sinliplas Holding Sdn Bhd ("SHSB"), a wholly-owned subsidiary of SLP (Plaintiff) versus Paolo Sandro AG (Defendant)

On 14 December 2006, the Plaintiff via its solicitors, Ong & Maneckshа 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 & Maneckshа, 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.

B12 Material Litigation (cont'd)

The case has been transferred from the Court in Memingen, Germany to the Court in Traunstein, Germany due to internal court reasons. The Defendant had filed an appearance and the Plaintiff had filed the reply as per solicitor confirmation dated 27 July 2009. The Court hearing in Traunstein, Germany was held on 17 November 2009. Subsequent thereto, the judge raised various questions especially about the production process that the Plaintiff's solicitors had responded in January 2010. The case was heard in June 2010 and product expert opinion was subsequently sought after. Based on the expert report, the bags produced by the Plaintiff was confirmed defective and the Defendant is entitled for 50% price deduction. A further court hearing is fixed on 22 March 2011 in Traunstein.

Pending the judgement of the above legal case, the Group has made full provision for the above long overdue debts in its audited financial statements for the years ended 31 December 2007 and 2008.

B13 Proposed Dividend

The Company is pleased to propose a single-tier final dividend of 4% or 1 sen per ordinary share in respect of the financial year ended 31 December 2010. This final dividend will be proposed for shareholders' approval at the forthcoming Annual General Meeting and the entitlement and payment dates will be announced at later date.

B14 Earnings Per Share

	Individual Quarter		**Cumulative Quarters**	
	Current Quarter Ended 31.12.2010	**Preceding Year Corresponding Quarter Ended 31.12.2009**	**Current Period Ended 31.12.2010**	**Preceding Year Corresponding Period Ended 31.12.2009**
BASIC EARNINGS PER SHARE				
Profit attributable to ordinary equity holders of the Company (RM)	1,988	52	9,319	6,605
Weighted average number of ordinary shares in issue ('000)	247,333	247,333	247,333	247,333
Basic Earnings per Share (sen)	0.80	0.02	3.77	2.67

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

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

	Weighted Average Number of Shares '000
Issued ordinary shares at beginning of year	106,000
Share Split	106,000
Bonus Issue	35,333
	247,333

B15 Disclosure of realised and unrealised profits

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits or losses is as follows:

	As at 31.12.2010	As at 30.09.2010
Total retained profits of the Company and its subsidiaries:-		
Realised	37,541	36,943
Unrealised	(3,720)	(3,943)
	33,821	33,000
Less : Consolidation adjustments	-	-
Total Group retained profits as per consolidated financial statements	33,821	33,000

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by the Malaysian Institute of Accountants on 20 December 2010. The disclosure of realised and unrealised profits or losses is made solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia Securities Bhd and is not made for any other purposes.

B16 Authorisation for issue

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