



SLP RESOURCES BERHAD

[663862-H]

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

The Board of SLP Resources Berhad (öSLPö or öthe Companyö) is pleased to announce the following unaudited consolidated results for the fourth quarter and financial year ended 31 December 2015.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND FINANCIAL YEAR
ENDED 31 DECEMBER 2015**

	Note	3 months ended		12 months ended	
		31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Revenue	A9	45,827	40,389	172,432	174,444
Profit from operations		8,485	4,454	34,748	14,957
Finance income		40	18	125	101
Finance costs		(8)	(20)	(32)	(85)
Profit before tax		8,517	4,452	34,841	14,973
Income tax expense	B5	(1,524)	(472)	(7,591)	(2,817)
Profit for the period/year		6,993	3,980	27,250	12,156
Other comprehensive income, net of tax		36	(29)	36	(29)
Total comprehensive income for the period/year		7,029	3,951	27,286	12,127
Profit and total comprehensive income attributable to:					
Owners of the Company		7,029	3,951	27,286	12,127
Non-controlling interests		-	-	-	-
Total comprehensive income for the period/year		7,029	3,951	27,286	12,127
Earnings per share					
Basic (Sen)	B14	2.83	1.61	11.02	4.91
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 2014 and the accompanying explanatory notes attached to the interim financial statements.



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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	Note	Unaudited As at 31.12.2015 RM'000	Audited As at 31.12.2014 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment		52,254	49,070
Other investments		255	219
Intangible assets		22	22
		52,531	49,311
Current Assets			
Inventories		25,513	24,475
Trade and other receivables		36,171	33,101
Current tax assets		6	184
Cash and cash equivalents		26,720	13,387
		88,410	71,147
TOTAL ASSETS		140,941	120,458
EQUITY AND LIABILITIES			
Equity			
Share capital		61,833	61,833
Reserves		51,981	34,588
Total equity attributable to owners of the Company		113,814	96,421
Non-controlling interests		-	-
TOTAL EQUITY		113,814	96,421
Non-current Liabilities			
Loans and borrowings	B9	-	758
Deferred taxation		6,770	5,876
		6,770	6,634
Current Liabilities			
Trade and other payables		11,131	13,277
Derivative financial liabilities		-	670
Loans and borrowings	B9	2,111	2,450
Current tax liabilities		3,405	1,006
Dividend payable		3,710	-
		20,357	17,403
TOTAL LIABILITIES		27,127	24,037
TOTAL EQUITY AND LIABILITIES		140,941	120,458
Net assets per ordinary share attributable to ordinary equity holders of the Company (Sen)		46.0	39.0

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 2014 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	←-----Attributable to owners of the Company-----→			
	←Non Distributable Reserve→	Fair Value Reserve	Distributable Retained Earnings	Total
	Share Capital RM'000	RM'000	RM'000	RM'000
At 1 January 2015	61,833	9	34,579	96,421
Total comprehensive income for the year	-	36	27,250	27,286
Dividends	-	-	(9,893)	(9,893)
At 31 December 2015	61,833	45	51,936	113,814
At 1 January 2014	61,833	38	27,370	89,241
Total comprehensive income for the year	-	(29)	12,156	12,127
Dividend	-	-	(4,947)	(4,947)
At 31 December 2014	61,833	9	34,579	96,421

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 2014 and the accompanying explanatory notes attached to the interim financial statements.



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**CONDENSED CONSOLIDATED CASH FLOWS STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	Unaudited Current Year Ended 31.12.2015 RM'000	Audited Preceding Year Ended 31.12.2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	34,841	14,973
Adjustments:		
Depreciation of property, plant and equipment	3,857	4,227
Gain on disposal of plant and equipment	(11)	(68)
Dividend income	(3)	(4)
Allowance of impairment on trade receivables	90	
Finance costs	31	85
Finance income	(125)	(101)
Operating profit before changes in working capital	38,680	19,112
Changes in working capital:		
Inventories	(1,038)	(1,301)
Trade and other receivables	(3,160)	(13)
Trade and other payables	(2,816)	(1,043)
Cash generated from operations	31,666	16,755
Income tax paid	(4,121)	(2,954)
Net cash generated from operating activities	27,545	13,801
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	B6 (7,040)	(1,029)
Proceeds from disposal of plant and equipment	11	68
Dividend received	3	4
Interest received	125	101
Net cash used in investing activities	(6,901)	(856)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net decrease in other bank borrowings	180	(1,770)
Repayment of term loans	(1,277)	(1,235)
Interest paid	(31)	(85)
Dividend paid	(6,183)	(4,947)
Net cash used in financing activities	(7,311)	(8,037)
NET INCREASE IN CASH AND CASH EQUIVALENTS	13,333	4,908
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	13,387	8,479
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	26,720	13,387
Cash and cash equivalents comprise:		
Short-term deposits with licensed banks	7,000	5,038
Cash and bank balances	19,720	8,349
	26,720	13,387

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 2014 and the accompanying explanatory notes attached to the interim financial statements.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOURTH QUARTER ENDED 31 DECEMBER 2015

A COMPLIANCE WITH MALAYSIA FINANCIAL REPORTING STANDARD (MFRS) 134 : INTERIM FINANCIAL REPORTING AND BURSA LISTING REQUIREMENTS

A1 Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This condensed report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014. The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transaction that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2014.

A2 Changes in Accounting Policies

The significant accounting policies adopted in these quarterly financial statements are consistent with those of the most recent audited financial statements for the year ended 31 December 2014, except for the adoption of Amendments and Annual Improvements to Standards effective as of 1 January 2015

Adoption of Amendments and Annual Improvements to Standards

The Group has adopted the following Amendments and Annual Improvements to Standards with a date of initial application of 1 January 2015.

- Annual improvements to MFRSs 2010-2012 cycle
- Annual improvements to MFRSs 2011-2013 cycle
- Amendments to MFRS 119, Employee Benefits ó Defined Benefit Plans: Employee Contributions

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

Standards issues but not yet effective

At the date of authorization of the Condensed Report, the following Standards, Amendments and Annual Improvements were issued but not yet effective and have not been adopted by the Group.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- Amendments to MFRS 5, Non-current Assets Held for Sales and Discontinued Operations (Annual Improvements 2012-2014 Cycle) #
- Amendments to MFRS 7, Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)
- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures ó Sale or Contribution of Assets between an Investor and its Associate or Joint Venture #



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2015**

A2 Changes in Accounting Policies (cont'd)

Standards issues but not yet effective (cont'd)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016 (cont'd)

- Amendments to MFRS 10, Consolidated Financial Statements, MFRS 12, Disclosure of Interests in Other Entities and MFRS 128, Investments in Associates and Joint Venture ó Investment Entities: Applying the Consolidation Exception #
- Amendments to MFRS 11, Joint Arrangements ó Accounting for Acquisitions of Interests in Joint Operations #
- MFRS 14, Regulatory Deferral Accounts #
- Amendments to MFRS 101, Presentation of Financial Statements ó Disclosure Initiative
- Amendments to MFRS 116, Property, Plant and Equipment and MFRS 138, Intangible Assets ó Clarification of Acceptance Methods of Depreciation and Amortisation
- Amendments to MFRS 116, Property, Plant and Equipment and MFRS 141, Agriculture ó Agriculture: Bearer Plants #
- Amendments to MFRS 119, Employee Benefits (Annual Improvements 2012 ó 2014 Cycle)
- Amendments to MFRS 127, Separate Financial Statements ó Equity Method in Separate Financial Statements
- Amendments to MFRS 134, Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- MFRS 15, Revenue from Contracts with Customers

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, Financial Instruments (2014)

The initial application of the above mentioned standards and amendments are not expected to have any material financial impacts to the current and prior periods financial statements of the Group except as the mentioned below:

MFRS 15, Revenue from Contracts with Customers

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 15.

MFRS 9, Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities and on hedge accounting.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2015**

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 2014 were not subject to any qualification.

A4 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.

A5 Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and current financial year ended 31 December 2015.

A6 Changes in Estimates

There were no material changes in estimates of amounts reported in prior interim period or financial year that have a material effect in the current quarter.

A7 Changes in Debt and Equity Securities

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

A8 Dividends Paid

The following dividend was paid during the current and previous corresponding quarter:

	31.12.2015	31.12.2014
First Interim Dividend for the financial year	31 December 2015	31 December 2014
Approved and declared on	7 August 2015	7 August 2014
Date paid	8 October 2015	17 October 2014
Number of ordinary shares of RM0.25 each	247,333,333	247,333,333
Dividend per share (single-tier)	1.5 sen	1.0 sen
Net dividend paid	RM3,709,998	RM2,473,333

A9 Operating segments

The Group is principally involved in the manufacturing and sale of plastic packaging and its related products and trading of polymer products. Operating segment information has therefore not been prepared as the Group's revenue and operating profit before tax are mainly confined to one operating segment.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOURTH QUARTER ENDED 31 DECEMBER 2015

A9 Operating segments (Cont'd)

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

	3 months ended		12 months ended	
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Malaysia	14,982	17,193	70,449	94,177
Japan	19,246	15,962	67,370	53,630
European countries	1,950	2,278	7,686	6,018
Australia	5,909	2,363	14,761	10,140
Other countries	3,740	2,593	12,166	10,479
Total	45,827	40,389	172,432	174,444

A10 Valuation of Property, Plant and Equipment

There were no valuations of property, plant and equipment during the current quarter.

A11 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 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.

A13 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 RM85 million as at 31 December 2015, of which, approximately RM8.3 million was utilised as at 31 December 2015. The Company has also issued corporate guarantee to a non-financial institution for the supply of goods and services provided to subsidiaries up to limit of RM34.8 million, of which, RM5.9 million was outstanding as at 31 December 2015.

A14 Capital Commitments

There are no material capital commitments as at the date of this report.

A15 Significant related party transactions

There were no transactions entered into between the Group and other related parties during the current quarter under review.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOURTH QUARTER ENDED 31 DECEMBER 2015

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 2015, the Group recorded higher revenue of RM45.8 million, an increase of approximately 13.5% from RM40.4 million recorded in preceding year corresponding quarter due mainly to higher sales volume of flexible plastic packaging products for export markets. In tandem with higher revenue, the Group recorded higher profit before tax (öPBTö) of RM8.5 million, a significant increase of 91.3% from RM4.5 million recorded in the preceding year corresponding quarter due mainly to higher production capacity of flexible plastic packaging products after the installation of a new extrusion line in October 2015. Greater production efficiencies through automation in the Group's manufacturing processes and better sales mix have also contributed to higher PBT and PBT margin in the current quarter as compared to preceding year corresponding quarter.

For the financial year ended 31 December 2015, the Group recorded slightly lower revenue of RM172.4 million, a decrease of approximately 1.15% from RM174.4 million recorded in preceding year. This was due mainly to lower volume for domestic sales.. Despite at lower revenue, the Group recorded a significant increase in PBT to RM34.8 million in the current financial year, representing an increase of approximately 132.7% from RM15.0 million in the preceding year. Such a significant growth in PBT was achieved on higher PBT margins in tandem with the Group's proactive strategies in introducing new products range with ultra-thin plastic films and bags for food packaging. The Group's continuous initiatives to further automate its manufacturing processes for greater cost efficiency and higher productivity had also led to profit margins expansion in the current financial year.

B2 Comment on material change in profit before tax

	Current Quarter 31.12.2015 RM'000	Preceding Quarter 30.09.2015 RM'000	Variance RM'000	%
Revenue	45,827	42,661	3,166	7.4
Profit Before Tax	8,517	11,637	(3,120)	(26.8)

The Group recorded slightly higher revenue for the current quarter as compared to the revenue in the preceding quarter mainly due to higher export sales. Despite at higher revenue, the Group recorded a lower PBT in the current quarter as compared to preceding quarter due mainly to losses in foreign currency exchange as compared to gain in foreign currency exchange in the preceding quarter.

B3 Current year prospects

The Group will remain vigilant especially on the current volatility of crude oil and currency, particularly our Ringgit Malaysia which could bring direct impact on the operational costs and profitability of the Group. With the installation of the Group's new extrusion line in October 2015 to boost production capacity as well as on-going automation in manufacturing processes, the Board is confident that the Group is in a good position to achieve greater operational efficiency and profit margins expansion. Coupled with the encouraging response and demand for the Group's MaxInflax range of products for food packaging and hygienic packaging, the Board is of the view that the Group is able to deliver satisfactory financial results for the financial year ending 31 December 2016.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2015****B4 Variance between Actual Profit and Forecast Profit**

Not applicable.

B5 Taxation

	3 months ended		12 months ended	
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Income tax				
Current year	1,707	971	6,737	3,119
Prior year	-	(315)	(40)	(476)
	<u>1,707</u>	<u>656</u>	<u>6,697</u>	<u>2,643</u>
Deferred tax				
Current year	(183)	(185)	1,001	206
Prior year	-	1	(107)	(32)
	<u>1,524</u>	<u>472</u>	<u>7,591</u>	<u>2,817</u>

Income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the current quarter and financial year.

The effective tax rates of the Group for the current quarter and current year-to-date were lower than the Malaysia statutory tax rate due mainly to utilisation of reinvestment allowances by a subsidiary of the Group.

B6 Unquoted investments and properties

There were no purchases or sale of unquoted investment or properties for the current quarter. Included in the acquisition of property, plant and equipment is the adjustment to the cost of leasehold land of the Group of RM0.8 million. This adjustment was due to the reduction in the premium for the extension of the leasehold land of the Group from RM5.1 million to RM4.3 million as per the Agreements dated 4 January 2013 and 23 March 2015 signed between the Company's wholly-owned subsidiary, Sinliplas Holding Sdn Bhd (öSHSBö) and Kedah State Development Corporation.

B7 Quoted securities

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

B8 Status of Corporate Proposals

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

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2015****B9 Borrowings and debt Securities**

The Group's loans and borrowings as at 31 December 2015 are as follows:-

	Payable Within 12 Months RM'000	Payable After 12 Months RM'000	Total RM'000
Bankers' acceptance	1,180	-	1,180
Term loans	931	-	931
	2,111	-	2,111

Included in the Group's loans and borrowings are foreign currency borrowings denominated in USD of approximately RM0.9 million (approximately USD 0.2 million).

B10 Derivative financial instruments

As at the date of the statement of financial position 31 December 2015, the Group has the following outstanding derivative financial instruments:

Derivatives	Contract or Notional Amount (RM'000)	Fair Value Net gain / (loss) (RM'000)
Currency forward contract: Less than 1 year	23,185	54

For the year ended 31 December 2015, there is no change to the Group's financial risk management policies and objectives in managing these derivative financial instruments and its related accounting policies. Forward contract currency contracts are entered into by the Group in currencies other than the functional currency to manage exposure to the fluctuations in foreign currency exchange rates.

B11 Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at the end of current quarter to the date of the interim financial report.

B12 Material Litigation

There was no pending material litigation against the Group as at the date of this quarterly report.

B13 Proposed Dividend

The Board is pleased to declare a second interim single tier dividend of 1.5 sen per ordinary share of RM0.25 each for the financial year ended 31 December 2015. The entitlement date is fixed on 10 March 2016 and the payment date is on 8 April 2016.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2015**

B14 Earnings Per Share

	3 months ended		12 months ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
BASIC EARNINGS PER SHARE				
Profit attributable to owners of the Company (RM'000)	6,993	3,980	27,250	12,156
Weighted average number of ordinary shares in issue ('000)	247,333	247,333	247,333	247,333
Basic Earnings per Share (sen)	2.83	1.61	11.02	4.91

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

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, pursuant to the directive, is as follows:

	As at 31.12.2015 RM'000	As at 31.12.2014 RM'000
Total retained profits of the Company and its subsidiaries:-		
Realised	56,315	39,898
Unrealised	1,973	1,036
	<u>58,288</u>	<u>40,934</u>
Less: Consolidation adjustments	(6,352)	(6,355)
Total group retained profits as per consolidated financial statements	<u>51,936</u>	<u>34,579</u>

B16 Notes to the Statement of Comprehensive Income

	3 months ended 31.12.2015 RM'000	12 months ended 31.12.2015 RM'000
Profit from operations for the period/year is arrived at after charging:		
Depreciation and amortisation	920	3,857
Interest expenses	8	31
Allowance of impairment on trade receivable	90	90
Unrealised exchange loss	1,172	-
And after crediting:		
Net foreign exchange gain		
- Realised	795	3,924
- Unrealised	-	1,313
Gain on derivative - unrealised	54	54
Gain on disposal of property, plant & equipment	11	11
Interest income	40	125

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2015**

B17 Authorisation for issue

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