

PLASTRADE TECHNOLOGY BERHAD

Company No. 591077-X
(Incorporated in Malaysia)

UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

Notes to the Interim Financial Statements

1. Basis of Preparation

The interim financial statements have been prepared under the historical cost convention.

The interim financial statements are unaudited and had been prepared in accordance with the FRS 134 – Interim Financial Reporting and the requirements of the Appendix 9B of the Listing Requirements for the ACE Market.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions 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 2010.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2010, except for the adoption of the following new FRSs, Amendments to FRSs and IC Interpretations that are effective for the Group from 1 January 2011:

FRS 1 (Revised) First-time Adoption of Financial Reporting Standards
FRS 3 (Revised) Business Combinations
FRS 127 (Revised) Consolidated and Separate Financial Statements
Amendments to FRS 1 (Revised) : Limited Exemption From Comparative FRS 7 Disclosures for the First-time Adopters
Amendments to FRS 1 : Additional Exemptions for First-time Adopters
Amendments to FRS 2 : Scope of FRS 2 and FRS 3 (Revised)
Amendments to FRS 2 : Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5 : Plan to Sell the Controlling Interest in a Subsidiary
Amendments to FRS 7 : Improving Disclosures about Financial Instruments
Amendments to FRS 138 : Consequential Amendments Arising from FRS 3 (Revised)
Amendments to IC Interpretation 14 : Prepayments of Minimum Funding Requirement
IC Interpretation 4 Determining Whether An Arrangement Contains a Lease
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17 Distributions of Non-cash Assets to Owners
IC Interpretation 18 Transfers of Assets from Customers
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
Annual Improvements to FRSs (2010)

The adoptions of the above do not have any significant impact on the interim financial statements upon their initial application.

3. Audit Report of Preceding Annual Financial Statements

The auditors' report of the preceding annual financial statements was not subjected to any qualification.

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There were no seasonal or cyclical factors affecting the results of the Group for the current quarter under review.

5. Unusual Items

There were no other items which were unusual because of their nature, size, or incidence that has affected the assets, liabilities, equity, net income or cashflow of the Group for the financial period under review.

6. Material Changes in Estimates

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

7. Issuances and Repayment of Debt and Securities

There were no issuance and repayment of debt and equity securities for the quarter under review.

8. Dividend Paid

The Board of Directors do not recommend any dividend payment in respect of the financial period ended 30 June 2011.

9. Segmental Information

Segmental reporting of the Group's result for the financial year-to-date is as follows:

	Investment Holding	Resin compound for wire and cable insulation & jacketing	Resin compound for other industries	Total
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
- External	-	19,300	11,106	30,406
Segment Result	33	469	(0)	502
Finance Cost	-	(430)	(165)	(595)
Share of profit of associate				57
Loss before Tax				(36)
Taxation				(85)
Net Loss after Tax				(121)
Segment assets	5,848	27,614	21,799	55,261
Segment liabilities	55	20,356	7,320	27,731

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Geographical reporting of the Group's revenue and assets for the financial year-to-date is as follows:

	SEGMENT REVENUE RM'000	SEGMENT ASSETS RM'000
Malaysia	17,966	55,261
Other ASEAN countries	954	-
Other Asian countries	3,697	-
Other countries	7,789	-
Total	30,406	55,261

10. Revaluation of Property, Plant and Equipment

The Group did not revalue any of its property, plant and equipment for the quarter under review.

11. Material Events subsequent to the End of the Current Quarter

There were no other events materially affecting the results of the Group for the current quarter and financial year-to-date, which might have occurred between 30 June 2011 and the date of this announcement.

12. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year-to-date.

13. Changes in Contingent Liabilities and Contingent Assets

There were no changes in the material contingent liabilities or assets of the Group as at the date of this announcement.

14. Capital Commitments

There were no material capital commitments as at the date of this announcement.

15. Significant Related Party Transactions

The related party transactions are taken under normal course of business and on terms that are not more favourable than those available to other third parties.

Companies in which certain directors have Interest:-	Current Quarter RM'000	Financial Year-to-date RM'000
Sales of goods	2,260	4,385
Purchase of goods	1,404	4,095
Rental	24	48

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Additional information required by the Listing Requirements for the ACE Market of the Bursa Malaysia Securities Berhad

1. Review of Performance for the Individual Quarter and Year-to-date

For the quarter under review, PTB Group recorded a revenue of RM14.594 million, representing an increase of approximately 10.46% as compared to the preceding year corresponding quarter ended 30 June 2010 of RM13.212 million. The Group recorded a profit after taxation of RM0.024 million for the current quarter ended 30 June 2011 as compared to a loss after taxation of RM0.047 million for the preceding year corresponding quarter ended 30 June 2010.

For the current year to date, PTB Group recorded a revenue of RM30.406 million, representing an increase of approximately 19.86% as compared to the preceding year corresponding year ended 30 June 2010 of RM25.368 million. The Group recorded a loss after taxation of RM0.121 million for the current year to date compared with a loss after taxation of RM0.541 million for the preceding year corresponding period ended 30 June 2010. The decrease in loss was mainly due to higher demand of the Group's products.

2. Comparison with previous quarter's results

For the current quarter ended 30 June 2011, the Group recorded a revenue of RM14.594 million, representing a decrease of approximately 7.7% as compared to the previous quarter ended 31 March 2011 of RM15.812 million. The Group recorded a profit after taxation of RM0.024 million in the current quarter ended 30 June 2011 compared to the previous quarter ended 31 March 2011 of loss after taxation of RM0.145 million. The increase in profit after taxation was mainly due to lower operating expenses and higher profit contribution by the associate company in the current quarter.

3. Current Year's Prospect

The Board of Directors of PTB is of the view that the Group's financial performance for the financial year ending 2011 will be more encouraging in the light of the current level of operations and prevailing market conditions. The Group will still maintain its best effort to ensure the business of the Group remains competitive by adopting costs saving measures and market the products to other territories.

4. Variance of Profit Forecast

Not applicable as no profit forecast has been issued.

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The taxation charge for the quarter under review includes the following:

	Current Quarter 30/06/2011 RM'000	Financial Year-to-date 30/06/2011 RM'000
Estimated current tax payable	27	70
Overprovision in prior year	-	-
Deferred tax	14	15
	<u>41</u>	<u>85</u>

The Group's effective tax rate is lower than statutory tax rate of 25% mainly due to the utilisation of brought forward unutilised capital allowance by the subsidiaries not recognised as tax credit in previous financial years.

6. Profit on sale of Investments and/or Properties

There were no disposal of unquoted investments and/or properties during the financial period under review.

7. Purchase and Disposal of Quoted Securities

There were no purchase or disposal of quoted securities during the financial period under review.

8. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this announcement.

9. Group Borrowings and Debt Securities

The Group's borrowings as at 30 June 2011 are shown below: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Term Loan	115	-	115
Trade Line	18,338	-	18,338
Hire Purchase Payables	24	-	24
	<u>18,477</u>	<u>-</u>	<u>18,477</u>
Long Term Borrowings			
Term Loan	260	-	260
	<u>260</u>	<u>-</u>	<u>260</u>
Total	<u>18,737</u>	<u>-</u>	<u>18,737</u>

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	As At 30/06/2011	As At 31/12/2010
	RM'000	RM'000
Total retained profits/(accumulated losses):		
- realised	12,313	12,538
- unrealised	(1,348)	(1,426)
	<u>10,965</u>	<u>11,112</u>
Total share of retained profits of associate:		
- realised	1,932	1,875
- unrealised	(375)	(344)
Less: Consolidation adjustments	(5,739)	(5,739)
Total Retained Profits	<u>6,783</u>	<u>6,904</u>

11. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at the date of this report.

12. Material Litigation

The Group is not engaged in any material litigation either as plaintiff or defendant and the directors do not have any knowledge of any proceedings pending or threatened against the Group as at 05 August 2011 being a date not earlier than 7 days from the date of this quarterly report.

13. Loss Per Share

- **Basic loss per share**

The basic loss per share of the Group is calculated by dividing the loss after taxation of RM0.121 million by the weighted average number of ordinary shares in issue for the current financial year-to-date ended 30 June 2011.

	Current Year To Date	Preceding Year Corresponding Period
	30/06/2011	30/06/2010
	RM'000	RM'000
Net Loss attributable to equity holders of the Company	(121)	(541)
Weighted average number of ordinary shares ('000)	150,400	150,365
Basic loss per share (sen)	(0.08)	(0.36)

Diluted loss per share is equal to the basic loss per share as there were no potential ordinary shares outstanding in both the previous and current period under review.

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2011**

By Order of the Board

Pua Kong Hoi
Managing Director