

# PLASTRADE TECHNOLOGY BERHAD

Company No. 591077-X  
(Incorporated in Malaysia)

## UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012

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 MFRS 134 – Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) 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 2011. 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 2011.

### 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 2011. The Group’s financial statements for the annual period beginning on 1 January 2012 is prepared in accordance with the Malaysian Financial Reporting Standards (“MFRSs”) issued by the MASB that will also comply with International Financial Reporting Standards (“IFRS”).

This set of condensed interim financial statements is the Group's first MFRS compliant condensed financial statements and hence MFRS1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied.

The Group have not early adopted the following MFRSs, Amendments to MFRS and IC Interpretation, which have been issued and will be effective for the financial periods as stated below:-

	<i>Effective date for financial periods beginning on or after</i>
MFRS 9 : Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10 : Consolidated Financial Statements	1 January 2013
MFRS 11 : Joint Arrangements	1 January 2013
MFRS 12 : Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 : Fair Value Measurement	1 January 2013
MFRS 119 : Employee Benefits	1 January 2013
MFRS 127 : Separate Financial Statements	1 January 2013
MFRS 128 : Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 1 : Government Loans	1 January 2013
Amendments to MFRS 7 : Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101 : Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132 : Offsetting Financial Assets and Financial Liabilities	1 July 2014
IC Interpretation 20 : Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

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The possible change of the accounting policies is expected to have no material impact on the financial statements of the Group upon their initial application.

**3. Audit Report of Preceding Annual Financial Statements**

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

**4. Seasonal or Cyclical Factors**

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

**8. Dividend Paid**

The Board of Directors do not recommend any dividend payment in respect of the financial period ended 30 September 2012.

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

	<b>Investment Holding</b>	<b>Resin compound for wire and cable insulation &amp; jacketing</b>	<b>Resin compound for other industries</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Segment Revenue</b> - External	-	25,522	12,858	38,380
<b>Segment Result</b>	(59)	1,133	250	1,324
Finance Cost	-	(444)	(170)	(614)
Share of profit of associate				209
<b>Profit before Tax</b>				<b>919</b>
Taxation				(298)
<b>Net Profit after Tax</b>				<b>621</b>
Segment assets	6,847	23,605	17,228	<b>47,680</b>
Segment liabilities	70	13,989	4,965	<b>19,024</b>

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

	<b>SEGMENT REVENUE</b>	<b>SEGMENT ASSETS</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysia	26,661	47,680
Other ASEAN countries	2,249	-
Other Asian countries	3,931	-
Europe	3,711	-
Others	1,828	-
<b>Total</b>	<b>38,380</b>	<b>47,680</b>

**10. 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 financial quarter and financial year-to-date, which might have occurred between 30 September 2012 and the date of this announcement.

**11. Changes in the Composition of the Group**

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

**12. 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.

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

**14. 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.

<b><i>Companies in which certain directors have Interest:-</i></b>	<b>Current Quarter RM'000</b>	<b>Financial Year-to-date RM'000</b>
Sales of goods	1,447	5,069
Purchase of goods	2,416	6,302
Rental	24	72
<b><i>Associate Company:-</i></b>		
Sales of goods	679	1,516

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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**

PTB Group recorded a revenue of RM10.480 million for the current quarter ended 30 September 2012 (3Q2012), representing a increase of approximately 2.4% as compared to the preceding year corresponding quarter ended 30 September 2011 (3Q2011) of RM10.235 million. The Group recorded a loss after taxation of RM0.054 million for 3Q2012 as compared to a loss after taxation of RM0.345 million for 3Q2011.

PTB Group recorded a revenue of RM38.380 million for the current financial year to date ended 30 September 2012 (YTD 3Q2012), representing a decrease of approximately 5.6% as compared to the preceding year corresponding period ended 30 September 2011 (YTD 3Q2011) of RM40.641 million. The Group recorded a profit after taxation of RM0.621 million for YTD 3Q2012 compared with a loss after taxation of RM0.466 million for YTD 3Q2011. The increase in profit was mainly due to lower cost of materials and lower operating expenses of the Group for the period under review.

Segment:	Revenue			
	Individual Quarter		Financial Year-to-Date	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	RM'000	RM'000	RM'000	RM'000
Resin compound for wire and cable insulation & jacketing	6,965	5,604	25,522	24,904
Resin compound for other industries	3,515	4,631	12,858	15,737
<b>Total</b>	<b>10,480</b>	<b>10,235</b>	<b>38,380</b>	<b>40,641</b>

Segment:	Profit after Taxation			
	Individual Quarter		Financial-Year-to-Date	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	RM'000	RM'000	RM'000	RM'000
Resin compound for wire and cable insulation & jacketing	3	(330)	509	(347)
Resin compound for other industries	(198)	(147)	(126)	(335)
Investment Holding	45	13	29	40
Associate company	96	119	209	176
<b>Total</b>	<b>(54)</b>	<b>(345)</b>	<b>621</b>	<b>(466)</b>

Resin compound for wire and cable insulation & jacketing:

Revenue increased by 24.3% to RM6.965 million in 3Q2012 compared to 3Q2011. Segment recorded a profit after taxation of RM0.003 million for 3Q2012 compared with a loss after taxation of RM0.330 million for 3Q2011. The increase in profit was mainly due to lower materials cost and lower operating expenses incurred for the financial quarter under review.

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For YTD 3Q2012, revenue increased by 2.5% to RM25.522 million as compared to YTD 3Q2011. Segment recorded a profit after taxation of RM0.509 million for YTD 3Q2012 compared with a loss after taxation of RM0.347 million for YTD 3Q2011. The increase in profit was mainly due to lower materials cost and lower operating expenses incurred for the period under review.

#### Resin compound for other industries:

Revenue decreased by 24% to RM3.515 million in 3Q2012 compared to 3Q2011. Segment recorded a loss after taxation of RM0.198 million for 3Q2012 compared with a loss after taxation of RM0.147 million for 3Q2011. The decrease in profit was mainly due to lower demand of the product for the financial quarter under review.

For YTD 3Q2012, revenue decreased by 18.3% to RM12.858 million as compared to YTD 3Q2011. Segment recorded a loss after taxation of RM0.126 million for YTD 3Q2012 compared with a loss after taxation of RM0.335 million for YTD 3Q2011. The increase in profit was mainly due to a better margin and lower operating expenses incurred for the period under review.

## **2. Comparison with previous quarter's results**

For 3Q2012, the Group recorded a revenue of RM10.480 million, representing an decrease of approximately 13.3% as compared to the previous quarter ended 30 June 2012 (2Q2012) of RM12.084 million. The Group recorded a loss after taxation of RM0.054 million in 3Q2012 compared to 2Q2012 of profit after taxation of RM0.290 million. The decrease in profit after taxation was mainly due to a higher cost of sales and lower demand of the Group's products for the financial quarter under review.

## **3. Prospect**

The Board of Directors of PTB is of the view that the Group's financial performance for the financial year ending 2012 will still be challenging 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:

	<b>Current Quarter 30/09/2012 RM'000</b>	<b>Financial Year-to-date 30/09/2012 RM'000</b>
Estimated current tax payable	(109)	(264)
(Under)/Overprovision in prior year	-	-
Deferred tax	69	(34)
	<u>(40)</u>	<u>(298)</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.

**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 September 2012 are shown below: -

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>Short Term Borrowings</b>			
Term Loan	87	-	87
Trade Line	12,300	-	12,300
	<u>12,387</u>	<u>-</u>	<u>12,387</u>
<b>Long Term Borrowings</b>			
Term Loan	70	-	70
	<u>70</u>	<u>-</u>	<u>70</u>
<b>Total</b>	<u>12,457</u>	<u>-</u>	<u>12,457</u>

**10. Realised and Unrealised Profits or Losses of the Group**

	<b>As At 30/09/2012 RM'000</b>	<b>As At 31/12/2011 RM'000</b>
Total retained profits:		
- realised	12,452	11,915
- unrealised	(1,340)	(1,306)
	<u>11,112</u>	<u>10,609</u>
Total share of retained profits of associate:		
- realised	2,449	2,240
- unrealised	(144)	(53)
Less: Consolidation adjustments	(5,739)	(5,739)
<b>Total Retained Profits</b>	<u>7,678</u>	<u>7,057</u>

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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 16 November 2012 being a date not earlier than 7 days from the date of this quarterly report.

**13. Earnings/(Loss) Per Share****▪ Basic earnings/(loss) per share**

The basic earnings/(loss) per share of the Group is calculated by dividing the profit after taxation of RM0.621 million by the weighted average number of ordinary shares in issue for the current financial year-to-date ended 30 September 2012.

	<b>Current Year To Date 30/09/2012 RM'000</b>	<b>Preceding Year Corresponding Period 30/09/2011 RM'000</b>
Net Profit/(Loss) attributable to equity holders of the Company	621	(466)
Weighted average number of ordinary shares ('000)	150,400	150,400
Basic earnings/(loss) per share (sen)	0.41	(0.31)

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

**By Order of the Board**

Pua Kong Hoi  
Managing Director