

PLASTRADE TECHNOLOGY BERHAD

Company No. 591077-X
(Incorporated in Malaysia)

UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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)
IC Interpretation 4 Determining Whether An Arrangement Contains a Lease
Amendments to IC Interpretation 9 : Scope of IC Interpretation 9 and FRS 3 (Revised)
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
IC Interpretation 18 Transfers of Assets from Customers
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 except as follows:-

- (i) FRS 3 (Revised) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

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(ii) FRS 127 (Revised) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent. The Group will apply the major changes of FRS 127 (Revised) prospectively and therefore will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting of its future transactions or arrangements.

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 31 December 2011.

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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	-	33,641	22,268	55,909
Segment Result	23	492	440	955
Finance Cost	-	(885)	(299)	(1,184)
Share of profit of associate				365
Profit before Tax				136
Taxation				17
Net Profit after Tax				153
Segment assets	6,629	26,868	19,298	52,795
Segment liabilities	73	19,120	5,476	24,669

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

	SEGMENT REVENUE	SEGMENT ASSETS
	RM'000	RM'000
Malaysia	33,668	52,795
Other ASEAN countries	2,594	-
Other Asian countries	8,426	-
Other countries	11,221	-
Total	55,909	52,795

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 31 December 2011 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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DECEMBER 2011**

13. Capital Commitments

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.

<i>Companies in which certain directors have Interest:-</i>	Current Quarter RM'000	Financial Year-to-date RM'000
Sales of goods	3,953	10,411
Purchase of goods	585	5,308
Rental	24	96

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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 RM15.268 million for the current quarter ended 31 December 2011 (4Q2011), representing an increase of approximately 22% as compared to the preceding year corresponding quarter ended 31 December 2010 (4Q2010) of RM12.555 million. The Group recorded a profit after taxation of RM0.619 million for 4Q2011 as compared to a profit after taxation of RM0.334 million for 4Q2010.

PTB Group recorded a revenue of RM55.909 million for the current financial year to date ended 31 December 2011 (YTD 4Q2011), representing an increase of approximately 6% as compared to the preceding year corresponding period ended 31 December 2010 (YTD 4Q2010) of RM52.891 million. The Group recorded a profit after taxation of RM0.153 million for YTD 4Q2011 compared with a loss after taxation of RM0.260 million for YTD 4Q2010. The increase in profit was mainly due to a better margin in the current quarter for the Resin Compound for other industries, lower operating expenses of the Group.

Segment:	Revenue			
	Individual Quarter		Financial Year-to-Date	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
Resin compound for wire and cable insulation & jacketing	8,737	7,328	33,641	30,882
Resin compound for other industries	6,531	5,227	22,268	22,009
Total	15,268	12,555	55,909	52,891

Segment:	Profit after Taxation			
	Individual Quarter		Financial-Year-to-Date	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
Resin compound for wire and cable insulation & jacketing	62	192	(285)	18
Resin compound for other industries	393	(215)	58	(608)
Investment Holding	(25)	113	15	21
Associate company	189	244	365	309
Total	619	334	153	(260)

Resin compound for wire and cable insulation & jacketing:

Revenue increased by 19% to RM8.737 million in 4Q2011 compared to 4Q2010. However, segment recorded a profit after taxation of RM0.062 million for 4Q2011 compared with a profit after taxation of RM0.192 million for 4Q2010. The decrease in profit was mainly due to higher materials cost incurred for the financial quarter under review.

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For YTD 4Q2011, revenue increased by 9% to RM33.641 million as compared to YTD 4Q2010. However segment recorded a loss after taxation of RM0.285 million for YTD 4Q2011 compared with a profit after taxation of RM0.018 million for YTD 4Q2010. The decrease in profit was mainly due to higher materials cost incurred for the period under review.

Resin compound for other industries:

Revenue increased by 25% to RM6.531 million in 4Q2011 compared to 4Q2010. Profit after taxation increased by more than 100% in 4Q2011 as compared to 4Q2010. The increase in profit was mainly due to a better margin for the financial quarter under review.

For YTD 4Q2011, revenue increased by 1% to RM22.268 million as compared to YTD4Q2010. Segment recorded a profit after taxation of RM0.058 million for YTD 4Q2011 compared with a loss after taxation of RM0.608 million for YTD 4Q2010. The increase in profit was mainly due to a better margin for the period under review.

2. Comparison with previous quarter's results

For 4Q2011, the Group recorded a revenue of RM15.268 million, representing an increase of approximately 49% as compared to the previous quarter ended 30 September 2011 (3Q2011) of RM10.235 million. The Group recorded a profit after taxation of RM0.619 million in 4Q2011 compared to 3Q2011 of loss after taxation of RM0.345 million. The increase in profit after taxation was mainly due to higher demand of Group's products, a better margin for the resin compound for other industries and higher profit contribution by the associate company for the financial quarter under review.

3. 2012 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:

	Current Quarter 31/12/2011 RM'000	Financial Year-to-date 31/12/2011 RM'000
Estimated current tax payable	(5)	(24)
(Under)/Overprovision in prior year	(2)	11
Deferred tax	(6)	30
	<u>(13)</u>	<u>17</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 31 December 2011 are shown below: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Term Loan	134	-	134
Trade Line	15,758	-	15,758
	<u>15,892</u>	<u>-</u>	<u>15,892</u>
Long Term Borrowings			
Term Loan	131	-	131
	<u>131</u>	<u>-</u>	<u>131</u>
Total	<u>16,023</u>	<u>-</u>	<u>16,023</u>

10. Realised and Unrealised Profits or Losses of the Group

	As At 31/12/2011 RM'000	As At 31/12/2010 RM'000
Total retained profits:		
- realised	11,915	12,538
- unrealised	(1,306)	(1,426)
	<u>10,609</u>	<u>11,112</u>
Total share of retained profits of associate:		
- realised	2,240	1,875
- unrealised	(53)	(344)
Less: Consolidation adjustments	(5,739)	(5,739)
Total Retained Profits	<u>7,057</u>	<u>6,904</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 23 February 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 RM0.153 million by the weighted average number of ordinary shares in issue for the current financial year-to-date ended 31 December 2011.

	Current Year To Date 31/12/2011 RM'000	Preceding Year Corresponding Period 31/12/2010 RM'000
Net Profit/(Loss) attributable to equity holders of the Company	153	(260)
Weighted average number of ordinary shares ('000)	150,400	150,383
Basic earnings/(loss) per share (sen)	0.10	(0.17)

Diluted earnings/(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.

By Order of the BoardPua Kong Hoi
Managing Director