

PLASTRADE TECHNOLOGY BERHAD

Company No. 591077-X
(Incorporated in Malaysia)

UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 January 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 31 December 2012.

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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	-	37,073	18,135	55,208
Segment Result	(189)	1,771	509	2,091
Finance Cost	-	(564)	(206)	(770)
Share of profit of associate				289
Profit before Tax				1,610
Taxation				(409)
Net Profit after Tax				1,201
Segment assets	6,989	25,573	17,166	49,728
Segment liabilities	92	15,171	5,194	20,457

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	37,690	49,728
Other ASEAN countries	2,837	-
Other Asian countries	6,353	-
Europe	5,908	-
Others	2,420	-
Total	55,208	49,728

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 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.

<i>Companies in which certain directors have Interest:-</i>	Current Quarter RM'000	Financial Year-to-date RM'000
Sales of goods	2,630	7,699
Purchase of goods	1,239	7,541
Rental	24	96
<i>Associate Company:-</i>		
Sales of goods	1,150	2,666

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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 RM16.828 million for the current quarter ended 31 December 2012 (4Q2012), representing a increase of approximately 10.2% as compared to the preceding year corresponding quarter ended 31 December 2011 (4Q2011) of RM15.268 million. The Group recorded a profit after taxation of RM0.580 million for 4Q2012 as compared to a profit after taxation of RM0.619 million for 4Q2011.

PTB Group recorded a revenue of RM55.208 million for the current financial year to date ended 31 December 2012 (YTD 4Q2012), representing a decrease of approximately 1.3% as compared to the preceding year corresponding period ended 31 December 2011 (YTD 4Q2011) of RM55.909 million. The Group recorded a profit after taxation of RM1.201 million for YTD 4Q2012 compared with a profit after taxation of RM0.153 million for YTD 4Q2011. 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	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM'000	RM'000	RM'000	RM'000
Resin compound for wire and cable insulation & jacketing	11,551	8,737	37,073	33,641
Resin compound for other industries	5,277	6,531	18,135	22,268
Total	16,828	15,268	55,208	55,909

Segment:	Profit after Taxation			
	Individual Quarter		Financial-Year-to-Date	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM'000	RM'000	RM'000	RM'000
Resin compound for wire and cable insulation & jacketing	389	76	898	(271)
Resin compound for other industries	342	628	216	293
Investment Holding	(231)	(274)	(202)	(234)
Associate company	80	189	289	365
Total	580	619	1,201	153

Resin compound for wire and cable insulation & jacketing:

Revenue increased by 32.2% to RM11.551 million in 4Q2012 compared to 4Q2011. Segment recorded a profit after taxation of RM0.389 million for 4Q2012 compared with a profit after taxation of RM0.076 million for 4Q2011. The increase in profit was mainly due to higher demand of the products, lower materials cost and lower operating expenses incurred for the financial quarter under review.

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For YTD 4Q2012, revenue increased by 10.2% to RM37.073 million as compared to YTD 4Q2011. Segment recorded a profit after taxation of RM0.898 million for YTD 4Q2012 compared with a loss after taxation of RM0.271 million for YTD 4Q2011. The increase in profit was mainly due to higher demand of the products, lower materials cost and lower operating expenses incurred for the period under review.

Resin compound for other industries:

Revenue decreased by 19.2% to RM5.277 million in 4Q2012 compared to 4Q2011. Segment recorded a profit after taxation of RM0.342 million for 4Q2012 compared with a profit after taxation of RM0.628 million for 4Q2011. The decrease in profit was mainly due to lower demand of the product for the financial quarter under review.

For YTD 4Q2012, revenue decreased by 18.6% to RM18.135 million as compared to YTD 4Q2011. Segment recorded a profit after taxation of RM0.216 million for YTD 4Q2012 compared with a profit after taxation of RM0.293 million for YTD 4Q2011. The decrease in profit was mainly due to lower demand of the product for the period under review.

2. Comparison with previous quarter's results

For 4Q2012, the Group recorded a revenue of RM16.828 million, representing an increase of approximately 60.6% as compared to the previous quarter ended 31 September 2012 (3Q2012) of RM10.480 million. The Group recorded a profit after taxation of RM0.580 million in 4Q2012 compared to 3Q2012 of loss after taxation of RM0.054 million. The turnaround from loss to profit was mainly due to a lower cost of sales and higher demand of the Group's products for the financial quarter under review.

3. 2013 Prospect

The Board of Directors of PTB is of the view that the Group's financial performance for the financial year ending 2013 will improve in the light of the current level of operations and prevailing market conditions. The Group will still adopt costs saving measures and market the products to new markets to ensure that the business of the Group remains viable.

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 31/12/2012 RM'000	Financial Year-to-date 31/12/2012 RM'000
Estimated current tax payable	(168)	(432)
(Under)/Overprovision in prior year	1	1
Deferred tax	56	22
	<u>(111)</u>	<u>(409)</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. Status of Corporate Proposals

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

7. Group Borrowings and Debt Securities

The Group's borrowings as at 31 December 2012 are shown below: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Term Loan	57	-	57
Trade Line	13,168	-	13,168
	<u>13,225</u>	<u>-</u>	<u>13,225</u>
Long Term Borrowings			
Term Loan	63	-	63
	<u>63</u>	<u>-</u>	<u>63</u>
Total	<u>13,288</u>	<u>-</u>	<u>13,288</u>

8. Realised and Unrealised Profits or Losses of the Group

	As At 31/12/2012 RM'000	As At 31/12/2011 RM'000
Total retained profits:		
- realised	12,861	11,915
- unrealised	(1,284)	(1,306)
	<u>11,577</u>	<u>10,609</u>
Total share of retained profits of associate:		
- realised	2,529	2,240
- unrealised	(109)	(53)
Less: Consolidation adjustments	(5,739)	(5,739)
Total Retained Profits	<u>8,258</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 22 February 2013 being a date not earlier than 7 days from the date of this quarterly report.

10. Earnings Per Share**▪ Basic earnings per share**

The basic earnings per share of the Group is calculated by dividing the profit after taxation of RM1.201 million by the weighted average number of ordinary shares in issue for the current financial year-to-date ended 31 December 2012.

	Current Year To Date 31/12/2012 RM'000	Preceding Year Corresponding Period 31/12/2011 RM'000
Net Profit attributable to equity holders of the Company	1,201	153
Weighted average number of ordinary shares ('000)	150,400	150,400
Basic earnings per share (sen)	0.80	0.10

Diluted earnings per share is equal to the basic earnings 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