

PLASTRADE TECHNOLOGY BERHAD

Company No. 591077-X
(Incorporated in Malaysia)

UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

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 2012. 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 2012.

2. Changes in Accounting Policies

The Group’s financial statements 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”). The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2012, except for the adoption of the following MFRSs, Amendments to MFRSs and IC interpretation during the current financial period:-

MFRS 10 : Consolidated Financial Statements

MFRS 11 : Joint Arrangements

MFRS 12 : Disclosure of Interests in Other Entities

MFRS 13 : Fair Value Measurement

MFRS 119 : Employee Benefits

MFRS 127 : Separate Financial Statements

MFRS 128 : Investments in Associates and Joint Ventures

Amendments to MFRS 1 : Government Loans

Amendments to MFRS 7 : Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 101 : Presentation of Items of Other Comprehensive Income

IC Interpretation 20 : Stripping Costs in the Production Phase of a Surface Mine

The adoption of the MFRSs, IC interpretation and Amendments did not have financial impact to the Group.

The Group have not early adopted the following MFRSs and Amendments to MFRS, 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>
Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014

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.

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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 June 2013.

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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	-	27,457	9,605	37,062
Segment Result	(133)	1,942	860	2,669
Finance Cost	-	(257)	(96)	(353)
Share of profit of associate				(77)
Profit before Tax				2,239
Taxation				(671)
Net Profit after Tax				1,568
Segment assets	7,367	34,530	17,142	59,039
Segment liabilities	69	22,095	5,703	27,867

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	28,570	59,039
Other ASEAN countries	2,661	-
Other Asian countries	2,200	-
Europe	2,565	-
Others	1,066	-
Total	37,062	59,039

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 June 2013 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.

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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.

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	2,042	4,365
Purchase of goods	1,928	2,765
<i>Associate Company:-</i>		
Sales of goods	528	692

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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 RM18.996 million for the current quarter ended 30 June 2013 (2Q2013), representing an increase of approximately 57.2% as compared to the preceding year corresponding quarter ended 30 June 2012 (2Q2012) of RM12.084 million. The Group recorded a profit after taxation of RM0.786 million for 2Q2013 as compared to a profit after taxation of RM0.290 million for 2Q2012.

PTB Group recorded a revenue of RM37.062 million for the current financial year to date ended 30 June 2013 (YTD 2Q2013), representing an increase of approximately 32.8% as compared to the preceding year corresponding period ended 30 June 2012 (YTD 2Q2012) of RM27.900 million. The Group recorded a profit after taxation of RM1.568 million for YTD 2Q2013 compared with a profit after taxation of RM0.675 million for YTD 2Q2012. The increase in profit was mainly due to higher demand for the Group's products for the financial quarter under review.

Segment:	Revenue			
	Individual Quarter		Financial Year-to-Date	
	30/06/2013	30/06/2012	30/06/2013	30/06/2012
	RM'000	RM'000	RM'000	RM'000
Resin compound for wire and cable insulation & jacketing	14,035	8,308	27,457	18,557
Resin compound for other industries	4,961	3,776	9,605	9,343
Total	18,996	12,084	37,062	27,900

Segment:	Profit after Taxation			
	Individual Quarter		Financial-Year-to-Date	
	30/06/2013	30/06/2012	30/06/2013	30/06/2012
	RM'000	RM'000	RM'000	RM'000
Resin compound for wire and cable insulation & jacketing	654	207	1,213	509
Resin compound for other industries	254	90	570	193
Investment Holding	(85)	(73)	(138)	(140)
Associate company	(37)	66	(77)	113
Total	786	290	1,568	675

Resin compound for wire and cable insulation & jacketing:

Revenue increased by 68.9% to RM14.035 million in 2Q2013 compared to 2Q2012. Segment recorded a profit after taxation of RM0.654 million for 2Q2013 compared with a profit after taxation of RM0.207 million for 2Q2012. The increase in profit was mainly due to higher demand of the products for the financial quarter under review.

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For YTD 2Q2013, revenue increased by 48% to RM27.457 million as compared to YTD 2Q2012. Segment recorded a profit after taxation of RM1.213 million for YTD 2Q2013 compared with a profit after taxation of RM0.509 million for YTD 2Q2012. The increase in profit was mainly due to higher demand of the products for the period under review.

Resin compound for other industries:

Revenue increased by 31.4% to RM4.961 million in 2Q2013 compared to 2Q2012. Segment recorded a profit after taxation of RM0.254 million for 2Q2013 compared with a profit after taxation of RM0.090 million for 2Q2012. The increase in profit was mainly due to higher demand of the products for the financial quarter under review.

For YTD 2Q2013, revenue increased by 2.8% to RM9.605 million as compared to YTD 2Q2012. Segment recorded a profit after taxation of RM0.570 million for YTD 2Q2013 compared with a profit after taxation of RM0.193 million for YTD 2Q2012. The increase in profit was mainly due to higher demand of the products and lower cost of materials incurred for the period under review.

2. Comparison with previous quarter's results

For 2Q2013, the Group recorded a revenue of RM18.996 million, representing an increase of approximately 5.1% as compared to the previous quarter ended 31 March 2013 (1Q2013) of RM18.066 million. The Group recorded a profit after taxation of RM0.786 million in 2Q2013 compared to 2Q2013 of profit after taxation of RM0.782 million. The result was relatively unchanged 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 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 30/06/2013 RM'000	Financial Year-to-date 30/06/2013 RM'000
Estimated current tax payable	(389)	(655)
(Under)/Overprovision in prior year	-	-
Deferred tax	20	(16)
	<u>(369)</u>	<u>(671)</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 30 June 2013 are shown below: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Term Loan	65	-	65
Trade Line	19,888	-	19,888
	<u>19,953</u>	<u>-</u>	<u>19,953</u>
Long Term Borrowings	-	-	-
Total	<u>19,953</u>	<u>-</u>	<u>19,953</u>

8. Realised and Unrealised Profits or Losses of the Group

	As At 30/06/2013 RM'000	As At 31/12/2012 RM'000
Total retained profits:		
- realised	14,188	12,861
- unrealised	(1,300)	(1,284)
	<u>12,888</u>	<u>11,577</u>
Total share of retained profits of associate:		
- realised	2,451	2,528
- unrealised	225	(109)
Less: Consolidation adjustments	(5,739)	(5,739)
Total Retained Profits	<u>9,825</u>	<u>8,257</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 29 July 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 RM1.568 million by the weighted average number of ordinary shares in issue for the current financial year-to-date ended 30 June 2013.

	Current Year To Date 30/06/2013 RM'000	Preceding Year Corresponding Period 30/06/2012 RM'000
Net Profit attributable to equity holders of the Company	1,568	675
Weighted average number of ordinary shares ('000)	150,400	150,400
Basic earnings per share (sen)	1.04	0.45

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