

PLASTRADE TECHNOLOGY BERHAD

Company No. 591077-X
(Incorporated in Malaysia)

UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

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 2013. 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 2013.

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 2013, except for the adoption of the following MFRSs, Amendments to MFRSs and IC interpretation during the current financial period:-

Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011) : Investment Entities
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21: Levies

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>
MFRS 9 (2009) Financial Instruments)
MFRS 9 (2010) Financial Instruments) To be
MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139)) announced) by MASB
Amendments to MFRS 9 and MFRS 7 : Mandatory Effective Date of MFRS 9 and Transition Disclosures))
Amendments to MFRS 119 (2011) : Defined Benefits Plans - Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014

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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 March 2014.

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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	Resin compound for other industries	Total
	RM'000	RM'000	RM'000	RM'000
Segment Revenue - External	-	14,112	2,608	16,720
Segment Result	(70)	779	(170)	539
Finance Cost	-	(90)	(41)	(131)
Share of profit of associate				(18)
Profit before Tax				390
Taxation				(191)
Net Profit after Tax				199
Segment assets	7,647	31,132	15,582	54,361
Segment liabilities	140	18,597	4,559	23,296

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	13,359	54,361
Other ASEAN countries	1,321	-
Other Asian countries	1,099	-
Europe	558	-
Others	383	-
Total	16,720	54,361

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 March 2014 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	1,328	1,328
Purchase of goods	2,309	2,309
<i>Associate Company:-</i>		
Sales of goods	259	259

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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 RM16.720 million for the current quarter ended 31 March 2014 (1Q2014), representing a decrease of approximately 7.45% as compared to the preceding year corresponding quarter ended 31 March 2013 (1Q2013) of RM18.066 million. The Group recorded a profit after taxation of RM0.199 million for 1Q2014 as compared to a profit after taxation of RM0.782 million for 1Q2013. The decrease in profit was mainly due to lower demand of the resin compound for other industries and higher cost of sales for the financial quarter under review.

Segment:	Revenue			
	Individual Quarter		Financial Year-to-Date	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	RM'000	RM'000	RM'000	RM'000
Resin compound for wire and cable	14,112	13,422	14,112	13,422
Resin compound for other industries	2,608	4,644	2,608	4,644
Total	16,720	18,066	16,720	18,066

Segment:	Profit/(Loss) after Taxation			
	Individual Quarter		Financial-Year-to-Date	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	RM'000	RM'000	RM'000	RM'000
Resin compound for wire and cable	501	559	501	559
Resin compound for other industries	(211)	316	(211)	316
Investment Holding	(73)	(53)	(73)	(53)
Associate company	(18)	(40)	(18)	(40)
Total	199	782	199	782

Resin compound for wire and cable:

Revenue increased by 5.1% to RM14.112 million in 1Q2014 compared to 1Q2013. This segment recorded a profit after taxation of RM0.501 million for 1Q2014 compared with a profit after taxation of RM0.559 million for 1Q2013. The decrease in profit was mainly due to higher cost of sales for the financial quarter under review.

Resin compound for other industries:

Revenue decreased by 43.8% to RM2.608 million in 1Q2014 compared to 1Q2013. This segment recorded a loss after taxation of RM0.211 million for 1Q2014 compared with a profit after taxation of RM0.316 million for 1Q2013. The decrease in profit was mainly due to lower demand of the products and higher cost of sales for the financial quarter under review.

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2. Comparison with previous quarter's results

For 1Q2014, the Group recorded a revenue of RM16.720 million, representing an increase of approximately 36.4% as compared to the previous quarter ended 31 December 2013 (4Q2013) of RM12.254 million. The Group recorded a profit after taxation of RM0.199 million in 1Q2014 compared to 4Q2013 of loss after taxation of RM0.515 million. The increase in profit was mainly due to higher demand of the Group's products and lower operating expenses 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 2014 will be challenging due to rising costs of doing business and prevailing market conditions. The Group will still continue to 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.

5. Taxation

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

	Current Quarter	Financial Year-to-date
	31/03/2014	31/03/2014
	RM'000	RM'000
Estimated current tax payable	(223)	(223)
Overprovision in prior year	-	-
Deferred tax	32	32
	<u>(191)</u>	<u>(191)</u>

The Group's effective tax rate is higher than statutory tax rate of 25% mainly due to certain expenses which were not deductible for tax purposes.

6. Status of Corporate Proposals

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

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The Group's borrowings as at 31 March 2014 are shown below: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Trade Line	14,644	-	14,644
	14,644	-	14,644
Long Term Borrowings	-	-	-
Total	14,644	-	14,644

8. Realised and Unrealised Profits or Losses of the Group

	As At 31/03/2014 RM'000	As At 31/12/2013 RM'000
Total retained profits:		
- realised	14,072	13,657
- unrealised	(1,150)	(1,182)
	<u>12,922</u>	<u>12,475</u>
Total share of retained profits of associate:		
- realised	2,283	2,301
- unrealised	239	469
Less: Consolidation adjustments	(5,740)	(5,740)
Total Retained Profits	<u>9,704</u>	<u>9,505</u>

9. 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 22 May 2014 being a date not earlier than 7 days from the date of this quarterly report.

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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 RM0.199 million by the weighted average number of ordinary shares in issue for the current financial year-to-date ended 31 March 2014.

	Current Year To Date 31/03/2014 RM'000	Preceding Year Corresponding Period 31/03/2013 RM'000
Net Profit attributable to equity holders of the Company	199	782
Weighted average number of ordinary shares ('000)	150,400	150,400
Basic earnings per share (sen)	0.13	0.52

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