

## PLASTRADE TECHNOLOGY BERHAD

Company No. 591077-X  
(Incorporated in Malaysia)

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

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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 2013.

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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	-	36,396	14,204	50,600
<b>Segment Result</b>	(159)	2,094	1,093	3,028
Finance Cost	-	(352)	(146)	(498)
Share of profit of associate				(51)
<b>Profit before Tax</b>				<b>2,479</b>
Taxation				(716)
<b>Net Profit after Tax</b>				<b>1,763</b>
Segment assets	7,671	26,407	16,951	<b>51,029</b>
Segment liabilities	60	13,541	5,886	<b>19,487</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	36,923	51,029
Other ASEAN countries	3,849	-
Other Asian countries	4,498	-
Europe	3,870	-
Others	1,460	-
<b>Total</b>	<b>50,600</b>	<b>51,029</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 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.

<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	1,560	5,925
Purchase of goods	1,192	3,957
<b><i>Associate Company:-</i></b>		
Sales of goods	1,052	1,744

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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 RM13.538 million for the current quarter ended 30 September 2013 (3Q2013), representing an increase of approximately 29.2% as compared to the preceding year corresponding quarter ended 30 September 2012 (3Q2012) of RM10.480 million. The Group recorded a profit after taxation of RM0.195 million for 3Q2013 as compared to a loss after taxation of RM0.054 million for 3Q2012.

PTB Group recorded a revenue of RM50.600 million for the current financial year to date ended 30 September 2013 (YTD 3Q2013), representing an increase of approximately 31.8% as compared to the preceding year corresponding period ended 30 September 2012 (YTD 3Q2012) of RM38.380 million. The Group recorded a profit after taxation of RM1.763 million for YTD 3Q2013 compared with a profit after taxation of RM0.621 million for YTD 3Q2012. The increase in profit was mainly due to higher demand for the Group's products for the financial period under review.

Segment:	Revenue			
	Individual Quarter		Financial Year-to-Date	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM'000	RM'000	RM'000	RM'000
Resin compound for wire and cable insulation & jacketing	8,939	6,965	36,396	25,522
Resin compound for other industries	4,599	3,515	14,204	12,858
<b>Total</b>	<b>13,538</b>	<b>10,480</b>	<b>50,600</b>	<b>38,380</b>

Segment:	Profit after Taxation			
	Individual Quarter		Financial-Year-to-Date	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM'000	RM'000	RM'000	RM'000
Resin compound for wire and cable insulation & jacketing	57	5	1,270	514
Resin compound for other industries	138	(138)	708	55
Investment Holding	(26)	(17)	(164)	(157)
Associate company	26	96	(51)	209
<b>Total</b>	<b>195</b>	<b>(54)</b>	<b>1,763</b>	<b>621</b>

Resin compound for wire and cable insulation & jacketing:

Revenue increased by 28.3% to RM8.939 million in 3Q2013 compared to 3Q2012. This segment recorded a profit after taxation of RM0.057 million for 3Q2013 compared with a profit after taxation of RM0.005 million for 3Q2012. 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 3Q2013, revenue increased by 42.6% to RM36.396 million as compared to YTD 3Q2012. This segment recorded a profit after taxation of RM1.270 million for YTD 3Q2013 compared with a profit after taxation of RM0.514 million for YTD 3Q2012. 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 30.8% to RM4.599 million in 3Q2013 compared to 3Q2012. This segment recorded a profit after taxation of RM0.138 million for 3Q2013 compared with a loss after taxation of RM0.138 million for 3Q2012. The increase in profit was mainly due to higher demand of the products for the financial quarter under review.

For YTD 3Q2013, revenue increased by 10.5% to RM14.204 million as compared to YTD 3Q2012. This segment recorded a profit after taxation of RM0.708 million for YTD 3Q2013 compared with a profit after taxation of RM0.055 million for YTD 3Q2012. 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 3Q2013, the Group recorded a revenue of RM13.538 million, representing an decrease of approximately 28.7% as compared to the previous quarter ended 30 June 2013 (2Q2013) of RM18.996 million. The Group recorded a profit after taxation of RM0.195 million in 3Q2013 compared to 2Q2013 of profit after taxation of RM0.786 million. The decrease in profit was mainly due to 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 2013 will remain positive 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:

	<b>Current Quarter</b> <b>30/09/2013</b> <b>RM'000</b>	<b>Financial Year-to-date</b> <b>30/09/2013</b> <b>RM'000</b>
Estimated current tax payable	3	(652)
(Under)/Overprovision in prior year	2	2
Deferred tax	(50)	(66)
	<u>(45)</u>	<u>(716)</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 September 2013 are shown below: -

	<b>Secured</b> <b>RM'000</b>	<b>Unsecured</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>Short Term Borrowings</b>			
Trade Line	13,425	-	13,425
	<u>13,425</u>	<u>-</u>	<u>13,425</u>
<b>Long Term Borrowings</b>	-	-	-
<b>Total</b>	<u>13,425</u>	<u>-</u>	<u>13,425</u>

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

	<b>As At 30/09/2013</b> <b>RM'000</b>	<b>As At 31/12/2012</b> <b>RM'000</b>
Total retained profits:		
- realised	14,232	12,861
- unrealised	(1,350)	(1,284)
	<u>12,882</u>	<u>11,577</u>
Total share of retained profits of associate:		
- realised	2,477	2,528
- unrealised	400	(109)
Less: Consolidation adjustments	(5,739)	(5,739)
<b>Total Retained Profits</b>	<u>10,020</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 15 November 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 RM1.763 million by the weighted average number of ordinary shares in issue for the current financial year-to-date ended 30 September 2013.

	<b>Current Year To Date 30/09/2013 RM'000</b>	<b>Preceding Year Corresponding Period 30/09/2012 RM'000</b>
Net Profit attributable to equity holders of the Company	1,763	621
Weighted average number of ordinary shares ('000)	150,400	150,400
Basic earnings per share (sen)	1.17	0.41

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