

PLASTRADE TECHNOLOGY BERHAD

Company No. 591077-X
(Incorporated in Malaysia)

UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 (2011) : Employee Benefits

MFRS 127 (2011) : Separate Financial Statements

MFRS 128 (2011) : Investments in Associates and Joint Ventures

Amendments to MFRS 10, MFRS 11 and MFRS 12 : Transition Guidance

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

Annual Improvements to MFRSs 2009 – 2011 Cycle

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 Financial Instruments	1 January 2015
Amendments to MFRS 9 and MFRS 7 : Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011) : Investment Entities	1 January 2014

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Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21: Levies	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.

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 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	Resin compound for other industries	Total
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
- External	-	46,240	16,614	62,854
Segment Result	(223)	2,161	661	2,599
Finance Cost	-	(439)	(184)	(623)
Share of profit of associate				(227)
Profit before Tax				1,749
Taxation				(550)
Net Profit after Tax				1,199
Segment assets	7,596	26,715	16,081	50,392
Segment liabilities	81	13,732	5,532	19,345

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	45,696	50,392
Other ASEAN countries	4,644	-
Other Asian countries	5,916	-
Europe	4,787	-
Others	1,811	-
Total	62,854	50,392

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 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	959	6,884
Purchase of goods	599	4,556
<i>Associate Company:-</i>		
Sales of goods	722	2,466

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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 RM12.254 million for the current quarter ended 31 December 2013 (4Q2013), representing a decrease of approximately 27.2% as compared to the preceding year corresponding quarter ended 31 December 2012 (4Q2012) of RM16.828 million. The Group recorded a loss after taxation of RM0.564 million for 4Q2013 as compared to a profit after taxation of RM0.580 million for 4Q2012.

PTB Group recorded a revenue of RM62.854 million for the current financial year to date ended 31 December 2013 (YTD 4Q2013), representing an increase of approximately 13.8% as compared to the preceding year corresponding period ended 31 December 2012 (YTD 4Q2012) of RM55.208 million. The Group recorded a profit after taxation of RM1.199 million for YTD 4Q2013 compared with a profit after taxation of RM1.201 million for YTD 4Q2012. The result was relatively unchanged mainly due to a higher operating expenses and share of losses from the Associate Company for the financial year under review.

Segment:	Revenue			
	Individual Quarter		Financial Year-to-Date	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	RM'000	RM'000	RM'000	RM'000
Resin compound for wire and cable	9,844	11,551	46,240	37,073
Resin compound for other industries	2,410	5,277	16,614	18,135
Total	12,254	16,828	62,854	55,208

Segment:	Profit/(Loss) after Taxation			
	Individual Quarter		Financial-Year-to-Date	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	RM'000	RM'000	RM'000	RM'000
Resin compound for wire and cable	30	384	1,300	898
Resin compound for other industries	(354)	161	354	216
Investment Holding	(64)	(45)	(228)	(202)
Associate company	(176)	80	(227)	289
Total	(564)	580	1,199	1,201

Resin compound for wire and cable:

Revenue decreased by 14.8% to RM9.844 million in 4Q2013 compared to 4Q2012. This segment recorded a profit after taxation of RM0.030 million for 4Q2013 compared with a profit after taxation of RM0.384 million for 4Q2012. The decrease in profit was mainly due to lower demand of the products and higher operating expenses for the financial quarter under review.

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For YTD 4Q2013, revenue increased by 24.7% to RM46.240 million as compared to YTD 4Q2012. This segment recorded a profit after taxation of RM1.300 million for YTD 4Q2013 compared with a profit after taxation of RM0.898 million for YTD 4Q2012. The increase in profit was mainly due to higher demand of the products for the financial year under review.

Resin compound for other industries:

Revenue decreased by 54.3% to RM2.410 million in 4Q2013 compared to 4Q2012. This segment recorded a loss after taxation of RM0.354 million for 4Q2013 compared with a profit after taxation of RM0.161 million for 4Q2012. The decrease in profit was mainly due to lower demand of the products and higher operating expenses for the financial quarter under review.

For YTD 4Q2013, revenue decreased by 8.4% to RM16.614 million as compared to YTD 4Q2012. This segment recorded a profit after taxation of RM0.354 million for YTD 4Q2013 compared with a profit after taxation of RM0.216 million for YTD 4Q2012. The increase in profit was mainly due to lower cost of materials incurred for the financial year under review.

2. Comparison with previous quarter's results

For 4Q2013, the Group recorded a revenue of RM12.254 million, representing a decrease of approximately 9.5% as compared to the previous quarter ended 30 September 2013 (3Q2013) of RM13.538 million. The Group recorded a loss after taxation of RM0.564 million in 4Q2013 compared to 3Q2013 of profit after taxation of RM0.195 million. The decrease in profit was mainly due to lower demand of the Group's products, higher operating expenses and share of losses from Associate Company for the financial quarter under review.

3. 2014 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 demanding due to rising costs of doing business and prevailing market conditions. The Group will still continue to adopt cost 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 31/12/2013 RM'000	Financial Year-to-date 12/12/2013 RM'000
Estimated current tax payable	47	(605)
Overprovision in prior year	-	2
Deferred tax	119	53
	<u>166</u>	<u>(550)</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.

7. Group Borrowings and Debt Securities

The Group's borrowings as at 31 December 2013 are shown below: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Trade Line	11,053	-	11,053
	<u>11,053</u>	<u>-</u>	<u>11,053</u>
Long Term Borrowings	-	-	-
Total	<u>11,053</u>	<u>-</u>	<u>11,053</u>

8. Realised and Unrealised Profits or Losses of the Group

	As At 31/12/2013 RM'000	As At 31/12/2012 RM'000
Total retained profits:		
- realised	13,656	12,861
- unrealised	(1,231)	(1,284)
	<u>12,425</u>	<u>11,577</u>
Total share of retained profits of associate:		
- realised	2,301	2,528
- unrealised	469	(109)
Less: Consolidation adjustments	(5,739)	(5,739)
Total Retained Profits	<u>9,456</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 17 February 2014 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 RM1.199 million by the weighted average number of ordinary shares in issue for the current financial year-to-date ended 31 December 2013.

	Current Year To Date 31/12/2013 RM'000	Preceding Year Corresponding Period 31/12/2012 RM'000
Net Profit attributable to equity holders of the Company	1,199	1,201
Weighted average number of ordinary shares ('000)	150,400	150,400
Basic earnings per share (sen)	0.80	0.80

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