

PLASTRADE TECHNOLOGY BERHAD

Company No. 591077-X
(Incorporated in Malaysia)

UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 Financial Instruments (2014)	1 January 2018
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 10 and MFRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138 : Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141 : Agriculture: Bearer Plants	1 January 2016

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Amendments to MFRS 10, MFRS 12 and MFRS 128 : Investment entities Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101 : Disclosure Initiative	1 January 2016
Amendments to MFRS 119 (2011) : Defined Benefits Plans - Employee Contributions	1 July 2014
Amendments to MFRS 127 : Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2016

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 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	-	39,870	11,705	51,575
Segment Result	(244)	1,076	(546)	286
Finance Cost	-	(401)	(189)	(590)
Share of profit of associate				69
Profit before Tax				(235)
Taxation				88
Net Profit after Tax				(147)
Segment assets	7,811	21,501	15,649	44,961
Segment liabilities	89	9,022	4,659	13,770

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	36,012	44,961
Other ASEAN countries	5,226	-
Other Asian countries	4,975	-
Europe	4,026	-
Others	1,336	-
Total	51,575	44,961

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 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	812	4,426
Purchase of goods	821	6,381
<i>Associate Company:-</i>		
Sales of goods	395	2,576

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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 RM10.858 million for the current quarter ended 31 December 2014 (4Q2014), representing a decrease of approximately 11.4% as compared to the preceding year corresponding quarter ended 31 December 2013 (4Q2013) of RM12.254 million. The Group recorded a loss after taxation of RM0.121 million for 4Q2014 as compared to a loss after taxation of RM0.515 million for 4Q2013.

PTB Group recorded a revenue of RM51.575 million for the current financial year to date ended 31 December 2014 (YTD 4Q2014), representing an decrease of approximately 17.9% as compared to the preceding year corresponding period ended 31 December 2013 (YTD 4Q2013) of RM62.854 million. The Group recorded a loss after taxation of RM0.147 million for YTD 4Q2014 compared with a profit after taxation of RM1.248 million for YTD 4Q2013. The decrease in profit was mainly due to lower demand of the Group's products and higher cost of sales for the financial period under review.

Segment:	Revenue			
	Individual Quarter		Financial Year-to-Date	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	RM'000	RM'000	RM'000	RM'000
Resin compound for wire and cable	8,023	9,844	39,870	46,240
Resin compound for other industries	2,835	2,410	11,705	16,614
Total	10,858	12,254	51,575	62,854

Segment:	Profit/(Loss) after Taxation			
	Individual Quarter		Financial-Year-to-Date	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	RM'000	RM'000	RM'000	RM'000
Resin compound for wire and cable	7	56	479	1,326
Resin compound for other industries	(34)	(331)	(446)	377
Investment Holding	(77)	(64)	(249)	(228)
Associate company	(17)	(176)	69	(227)
Total	(121)	(515)	(147)	1,248

Resin compound for wire and cable:

Revenue decreased by 18.5% to RM8.023 million in 4Q2014 compared to 4Q2013. This segment recorded a profit after taxation of RM0.007 million for 4Q2014 compared with a profit after taxation of RM0.056 million for 4Q2013. The decrease in profit was mainly due to lower demand of the products for the financial quarter under review.

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For YTD 4Q2014, revenue decreased by 13.8% to RM39.870 million as compared to YTD 4Q2013. This segment recorded a profit after taxation of RM0.479 million for YTD 4Q2014 compared with a profit after taxation of RM1.326 million for YTD 4Q2013. The decrease in profit was mainly due to lower demand of the products and higher cost of sales for the period under review.

Resin compound for other industries:

Revenue increased by 17.6% to RM2.835 million in 4Q2014 compared to 4Q2013. This segment recorded a loss after taxation of RM0.034 million for 4Q2014 compared with a loss after taxation of RM0.331 million for 3Q2013. The decrease in loss was mainly due to the adjustment of deferred taxation for the financial quarter under review.

For YTD 4Q2014, revenue decreased by 29.5% to RM11.705 million as compared to YTD 4Q2013. This segment recorded a loss after taxation of RM0.446 million for YTD 4Q2014 compared with a profit after taxation of RM0.377 million for YTD 4Q2013. The decrease in profit was mainly due to lower demand of the products and higher cost of sales for the period under review.

2. Comparison with previous quarter's results

For 4Q2014, the Group recorded a revenue of RM10.858 million, representing an decrease of approximately 4% as compared to the previous quarter ended 30 September 2014 (3Q2014) of RM11.321 million. The Group recorded a loss after taxation of RM0.121 million in 4Q2014 compared to 3Q2014 of loss after taxation of RM0.228 million. The decrease in loss was mainly due to adjustment of deferred taxation for the financial quarter under review.

3. 2015 Prospect

The Board of Directors of PTB is of the view that the Group's financial performance for the financial year ending 2015 will improve in the light of the current level of operations 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.

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

	Current Quarter 31/12/2014 RM'000	Financial Year-to-date 31/12/2014 RM'000
Estimated current tax payable	1	(315)
Overprovision in prior year	-	2
Deferred tax	199	401
	<u>200</u>	<u>88</u>

The Group's tax income position is due to the reduction of deferred tax liability as a result of losses incurred during the year.

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 2014 are shown below: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Trade Line	9,244	-	9,244
	<u>9,244</u>	<u>-</u>	<u>9,244</u>
Long Term Borrowings			
	-	-	-
Total	<u>9,244</u>	<u>-</u>	<u>9,244</u>

8. Realised and Unrealised Profits or Losses of the Group

	As At 31/12/2014 RM'000	As At 31/12/2013 RM'000
Total retained profits:		
- realised	12,798	13,657
- unrealised	(781)	(1,182)
	<u>12,017</u>	<u>12,475</u>
Total share of retained profits of associate:		
- realised	2,370	2,301
- unrealised	711	469
Less: Consolidation adjustments	(5,740)	(5,740)
Total Retained Profits	<u>9,358</u>	<u>9,505</u>

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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 19 February 2015 being a date not earlier than 7 days from the date of this quarterly report.

10. (Loss)/Earnings Per Share

▪ **Basic (loss)/earnings per share**

The basic loss per share of the Group is calculated by dividing the loss after taxation of RM0.147 million by the weighted average number of ordinary shares in issue for the current financial year-to-date ended 31 December 2014.

	Current Year To Date 31/12/2014 RM'000	Preceding Year Corresponding Period 31/12/2013 RM'000
Net (Loss)/Profit attributable to equity holders of the Company	(147)	1,248
Weighted average number of ordinary shares ('000)	150,400	150,400
Basic (loss)/earnings per share (sen)	(0.10)	0.83

Diluted (loss)/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