

PLASTRADE TECHNOLOGY BERHAD

(Company No : 591077-X)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2016

| | Note | <u>INDIVIDUAL QUARTER</u> | | <u>CUMULATIVE QUARTER</u> | |
|---|------|--|--|--|---|
| | | CURRENT YEAR QUARTER 31/12/2016 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 31/12/2015 RM'000 | CURRENT YEAR TO DATE 31/12/2016 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 31/12/2015 RM'000 |
| Revenue | | 12,883 | 15,908 | 57,639 | 56,226 |
| Cost of Sales | | (12,314) | (15,052) | (52,695) | (51,656) |
| Gross Profit | | <u>569</u> | <u>856</u> | <u>4,944</u> | <u>4,570</u> |
| Other Income | | 135 | 287 | 372 | 1,088 |
| Administrative Expenses | | (640) | (687) | (2,557) | (2,025) |
| Selling and Distribution Expenses | | (173) | (210) | (769) | (884) |
| Finance Costs | | (130) | (167) | (608) | (542) |
| Share of Profit/(Loss) of Associate | | 129 | (132) | 29 | (225) |
| (Loss)/Profit before Tax | 19 | <u>(110)</u> | <u>(53)</u> | <u>1,411</u> | <u>1,982</u> |
| Tax Income/(Expense) | 20 | 293 | 120 | (254) | (436) |
| Profit after Tax | | <u>183</u> | <u>67</u> | <u>1,157</u> | <u>1,546</u> |
| Other Comprehensive Income /(Expense) for the period, net of tax | | | | | |
| Share of associate's other comprehensive Income/(Expense) | | 215 | (482) | (167) | 1,075 |
| Total Comprehensive Income /(Expense) for the period | | <u>398</u> | <u>(415)</u> | <u>990</u> | <u>2,621</u> |
| Profit After Tax Attributable to: | | | | | |
| Equity Holders of The Company | | 183 | 67 | 1,157 | 1,546 |
| Non-controlling interests | | - | - | - | - |
| | | <u>183</u> | <u>67</u> | <u>1,157</u> | <u>1,546</u> |
| Total Comprehensive Income /(Expense) attributable to: | | | | | |
| Equity Holders of The Company | | 398 | (415) | 990 | 2,621 |
| Non-controlling interests | | - | - | - | - |
| | | <u>398</u> | <u>(415)</u> | <u>990</u> | <u>2,621</u> |
| Earnings per share attributable to equity holders of the Company (sen): | | | | | |
| Basic and Diluted | 26 | <u>0.12</u> | <u>0.04</u> | <u>0.77</u> | <u>1.03</u> |

The Unaudited Condensed Consolidated Statement of Profit Or Loss And Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2015 and the accompanying explanatory notes attached to the Quarterly Report.

PLASTRADE TECHNOLOGY BERHAD

(Company No : 591077-X)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

| | <u>(UNAUDITED)</u> | <u>(AUDITED)</u> |
|--|----------------------|----------------------|
| | <u>AS AT</u> | <u>AS AT</u> |
| | <u>31/12/2016</u> | <u>31/12/2015</u> |
| | <u>RM'000</u> | <u>RM'000</u> |
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 10,206 | 11,187 |
| Goodwill on consolidation | 1,792 | 1,792 |
| Investment in an associate | 8,008 | 8,146 |
| | <u>20,006</u> | <u>21,125</u> |
| Current Assets | | |
| Inventories | 10,116 | 10,468 |
| Trade receivables | 9,687 | 7,494 |
| Other receivables, deposit and prepayments | 509 | 331 |
| Amount owing by related parties | 1,089 | 1,673 |
| Tax recoverable | 88 | - |
| Fixed deposits with licensed banks | 7,587 | 10,986 |
| Cash and cash equivalents | 2,552 | 2,922 |
| | <u>31,628</u> | <u>33,874</u> |
| TOTAL ASSETS | <u>51,634</u> | <u>54,999</u> |
| EQUITY AND LIABILITIES | | |
| Equity Attributable to Equity Holders of the Company | | |
| Share capital | 15,040 | 15,040 |
| Reserves | 19,762 | 18,772 |
| Total equity | <u>34,802</u> | <u>33,812</u> |
| Non-Current Liability | | |
| Deferred taxation | 238 | 535 |
| | <u>238</u> | <u>535</u> |
| Current Liabilities | | |
| Trade payables | 4,664 | 4,852 |
| Other payables and accruals | 925 | 1,352 |
| Short term borrowings | 11,005 | 14,147 |
| Bank overdrafts | - | 229 |
| Current tax liabilities | - | 72 |
| | <u>16,594</u> | <u>20,652</u> |
| Total Liabilities | <u>16,832</u> | <u>21,187</u> |
| TOTAL EQUITY AND LIABILITIES | <u>51,634</u> | <u>54,999</u> |
| Net assets per share (sen) attributable to equity holders of the Company | <u>23.14</u> | <u>22.48</u> |

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2015 and the accompanying explanatory notes attached to the Quarterly Report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2016**

| | SHARE CAPITAL RM'000 | Attributable to Equity Holders of the Company | | | TOTAL RM'000 |
|---|----------------------------|---|---|--|-----------------|
| | | SHARE PREMIUM RM'000 | Non-Distributable FOREIGN TRANSLATION RESERVE RM'000 | Distributable RETAINED PROFITS RM'000 | |
| Balance at 01.01.2016 | 15,040 | 6,082 | 1,786 | 10,904 | 33,812 |
| Total comprehensive income for the year | - | - | (167) | 1,157 | 990 |
| Balance at 31.12.2016 | <u>15,040</u> | <u>6,082</u> | <u>1,619</u> | <u>12,061</u> | <u>34,802</u> |

| | SHARE CAPITAL RM'000 | Attributable to Equity Holders of the Company | | | TOTAL RM'000 |
|---|----------------------------|---|---|--|-----------------|
| | | SHARE PREMIUM RM'000 | Non-Distributable FOREIGN TRANSLATION RESERVE RM'000 | Distributable RETAINED PROFITS RM'000 | |
| Balance at 01.01.2015 | 15,040 | 6,082 | 711 | 9,358 | 31,191 |
| Total comprehensive income for the year | - | - | 1,075 | 1,546 | 2,621 |
| Balance at 31.12.2015 | <u>15,040</u> | <u>6,082</u> | <u>1,786</u> | <u>10,904</u> | <u>33,812</u> |

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2015 and the accompanying explanatory notes attached to the Quarterly Report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 31 DECEMBER 2016**

| | Note | CURRENT YEAR TO DATE 31/12/2016 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 31/12/2015 RM'000 |
|---|------|--|---|
| CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES | | | |
| Profit before taxation | | 1,411 | 1,982 |
| Adjustment for:- | | | |
| Allowance for doubtful debts | | 200 | - |
| Inventories written down to net realisable value | | 468 | 88 |
| Depreciation of property, plant and equipment | | 1,337 | 1,470 |
| Equipment written off | | - | 13 |
| Interest expense | | 523 | 446 |
| Interest income | | (272) | (130) |
| Reversal of previously written down inventories | | (170) | (108) |
| Share of results of an associates | | (29) | 225 |
| Operating profit before working capital changes | | 3,468 | 3,986 |
| Decrease/(increase) in inventories | | 54 | (431) |
| Increase in trade and other receivables | | (2,570) | (1,619) |
| Decrease in amount owing by related parties | | 584 | 526 |
| (Decrease)/Increase in trade and other payables | | (616) | 2,912 |
| CASH FROM OPERATIONS | | 920 | 5,374 |
| Interest paid | | (523) | (446) |
| Tax paid | | (814) | (467) |
| Tax refund | | 103 | 4 |
| NET CASH (FOR)/ FROM OPERATING ACTIVITIES | | (314) | 4,465 |
| CASH FLOWS FOR INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | | (356) | (1,183) |
| Interest received | | 272 | 130 |
| NET CASH FOR INVESTING ACTIVITIES | | (84) | (1,053) |
| CASH FLOWS (FOR)/FROM FINANCING ACTIVITY | | | |
| Net (repayment)/drawdown of bankers' acceptances | | (3,142) | 5,104 |
| NET CASH (FOR)/FROM FINANCING ACTIVITY | | (3,142) | 5,104 |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | | (3,540) | 8,516 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD | | | |
| | | 13,679 | 5,163 |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD | | | |
| | 21 | 10,139 | 13,679 |

The Unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 December 2015 and the accompanying explanatory notes attached to the Quarterly Report.

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UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016

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 2015. 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 2015.

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 2015, except for the adoption of the following MFRSs, Amendments to MFRSs and IC interpretation during the current financial period:-

MFRS 14 Regulatory Deferral Accounts

Amendments to MFRS 10, MFRS 12 and MFRS 128 : Investment entities - Applying the Consolidation Exception

Amendments to MFRS 11 : Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS 101 : Disclosure Initiative

Amendments to MFRS 116 and MFRS 138 : Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 127 : Equity Method in Separate Financial Statements

Annual Improvements to MFRSs 2012 - 2014 Cycle

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

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by MASB but are not yet effective for the current financial period:-

| | <i>Effective date for financial periods beginning on or after</i> |
|--|---|
| MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014) | 1 January 2018 |
| MFRS 15 Revenue from Contracts with Customers | 1 January 2018 |
| MFRS 16 Leases | 1 January 2019 |
| IC Interpretation 22 Foreign Currency Transactions and Advance Consideration | 1 January 2018 |

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| | |
|---|-------------------------------|
| Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions | 1 January 2018 |
| Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts | 1 January 2018 |
| Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred until further notice |
| Amendments to MFRS 15: Effective Date of MFRS 15 | 1 January 2018 |
| Amendments to MFRS 15: Clarification to MFRS 15 'Revenue from Contracts with Customers' | 1 January 2018 |
| Amendments to MFRS 107: Disclosure Initiative | 1 January 2017 |
| Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses | 1 January 2017 |
| Amendments to MFRS 140 - Transfers of Investment Property | 1 January 2018 |
| Annual Improvements to MFRS Standards 2014 – 2016 Cycles | 1 January 2017 |
| • Amendments to MFRS 12: Clarification of the Scope of Standard | |
| Annual Improvements to MFRS Standards 2014 – 2016 Cycles | 1 January 2018 |
| • Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters | |
| • Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value | |

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.

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UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**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 2016.

9. Segmental Information

Segmental reporting:-

| Financial Year Ended 31 December 2016 | 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 | - | 45,912 | 11,727 | 57,639 |
| Segment Result | (99) | 2,130 | (41) | 1,990 |
| Finance Cost | - | (383) | (225) | (608) |
| Share of profit/(loss) of associate | | | | 29 |
| Profit before Tax | | | | 1,411 |
| Taxation | | | | (254) |
| Net Profit after Tax | | | | 1,157 |
| Segment assets | 8,479 | 29,577 | 13,578 | 51,634 |
| Segment liabilities | 100 | 13,232 | 3,500 | 16,832 |

Geographical reporting:-

| Financial Year Ended 31 December 2016 | SEGMENT REVENUE RM'000 | SEGMENT ASSETS RM'000 |
|--|-----------------------------------|----------------------------------|
| Malaysia | 46,352 | 51,634 |
| Other ASEAN countries | 7,279 | - |
| Other Asian countries | 2,066 | - |
| Europe | 1,633 | - |
| Others | 309 | - |
| Total | 57,639 | 51,634 |

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UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**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 2016 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.

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> | 4th Quarter Ended 31/12/2016 RM'000 | Financial Year Ended 31/12/2016 RM'000 |
|--|--|---|
| Sales of goods | 214 | 753 |
| Purchase of goods | 26 | 1,051 |
| <i>Associate Company:-</i> | | |
| Sales of goods | - | 2,004 |

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UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016

Additional information required by the Listing Requirements for the ACE Market of the Bursa Malaysia Securities Berhad

15. Review of Performance for the Individual Quarter and Year-to-date

PTB Group recorded a revenue of RM12.883 million for the current quarter ended 31 December 2016 (4Q2016), representing a decrease of approximately 19% as compared to the preceding year corresponding quarter ended 31 December 2015 (4Q2015) of RM15.908 million. The Group recorded a profit after taxation of RM0.183 million for 4Q2016 as compared to a profit after taxation of RM0.067 million for 4Q2015.

PTB Group recorded a revenue of RM57.639 million for the current financial year ended 31 December 2016 (FY2016), representing an increase of approximately 2.5% as compared to the financial year ended 31 December 2015 (FY2015) of RM56.226 million. The Group recorded a profit after taxation of RM1.157 million for FY2016 compared with a profit after taxation of RM1.546 million for FY2015. The decrease in profit was mainly due to higher operating costs, higher staff costs, foreign exchange loss and provision for doubtful debt for the financial year under review.

| Segment: | Revenue | | | |
|-------------------------------------|-------------------|---------------|----------------------|---------------|
| | 4th Quarter Ended | | Financial Year Ended | |
| | 31/12/2016 | 31/12/2015 | 31/12/2016 | 31/12/2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Resin compound for wire and cable | 11,303 | 12,689 | 45,912 | 40,583 |
| Resin compound for other industries | 1,580 | 3,219 | 11,727 | 15,643 |
| Total | 12,883 | 15,908 | 57,639 | 56,226 |

| Segment: | Profit/(Loss) after Taxation | | | |
|-------------------------------------|------------------------------|------------|----------------------|--------------|
| | 4th Quarter Ended | | Financial Year Ended | |
| | 31/12/2016 | 31/12/2015 | 31/12/2016 | 31/12/2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Resin compound for wire and cable | 288 | 115 | 1,502 | 1,405 |
| Resin compound for other industries | (199) | 130 | (272) | 469 |
| Investment Holding | (35) | (46) | (102) | (103) |
| Associate company | 129 | (132) | 29 | (225) |
| Total | 183 | 67 | 1,157 | 1,546 |

Resin compound for wire and cable:

Revenue decreased by 11% to RM11.303 million in 4Q2016 compared to 4Q2015. This segment recorded a profit after taxation of RM0.288 million for 4Q2016 compared with a profit after taxation of RM0.115 million for 4Q2015. The increase in profit was mainly due to adjustment of deferred taxation for the financial quarter under review.

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For FY2016, revenue increased by 13.1% to RM45.912 million as compared to FY2015. This segment recorded a profit after taxation of RM1.502 million for FY2016 compared with a profit after taxation of RM1.405 million for FY2015. The increase in profit was mainly due to adjustment of deferred taxation for the financial year under review.

Resin compound for other industries:

Revenue decreased by 51% to RM1.580 million in 4Q2016 compared to 4Q2015. This segment recorded a loss after taxation of RM0.199 million for 4Q2016 compared with a profit after taxation of RM0.130 million for 4Q2015. The decrease in profit was mainly due to lower demand of the products for the financial quarter under review.

For FY2016, revenue decreased by 25% to RM11.727 million as compared to FY2015. This segment recorded a loss after taxation of RM0.272 million for FY2016 compared with a profit after taxation of RM0.469 million for FY2015. The decrease in profit was mainly due to lower demand of the products and provision for doubtful debt for the financial year under review.

16. Comparison with previous quarter's results

For 4Q2016, the Group recorded a revenue of RM12.883 million, representing a decrease of approximately 0.7% as compared to the previous quarter ended 30 September 2016 (3Q2016) of RM12.970 million. The Group recorded a profit after taxation of RM0.183 million in 4Q2016 compared to 3Q2016 of profit after taxation of RM0.111 million. The increase in profit was mainly due to adjustment for deferred taxation for the financial quarter under review.

17. 2017 Prospect

The Board of Directors of PTB is of the view that the Group's financial performance for the financial year ending 2017 will continue to be challenging due to the subdued global economy. The Group will continue to maintain its costs saving measures and market the products to new territories to ensure that the business of the Group remains viable.

18. Variance of Profit Forecast

Not applicable as no profit forecast has been issued.

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UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**19. (Loss)/Profit Before Tax**

(Loss)/Profit before tax is arrived at after (crediting)/charging:

| | 4th Quarter Ended | | Financial Year Ended | |
|--|-------------------|------------|----------------------|------------|
| | 31/12/2016 | 31/12/2015 | 31/12/2016 | 31/12/2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Interest income | (98) | (92) | (272) | (130) |
| Foreign exchange loss/(gain) | (116) | (175) | 23 | (866) |
| Depreciation of property, plant and equipment | 337 | 390 | 1,337 | 1,470 |
| Interest expenses | 105 | 98 | 523 | 446 |
| Staff costs | 1,166 | 1,115 | 4,276 | 3,756 |

20. Tax Income/(Expense)

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

| | 4th Quarter Ended | | Financial Year Ended | |
|--------------------------------------|-------------------|------------|----------------------|------------|
| | 31/12/2016 | 31/12/2015 | 31/12/2016 | 31/12/2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Estimated current tax payable | (24) | (105) | (559) | (678) |
| Over/(Under) provision in prior year | - | 10 | 8 | (4) |
| Deferred tax | 317 | 215 | 297 | 246 |
| | 293 | 120 | (254) | (436) |

The Group's effective tax rate is lower than statutory tax rate of 24% mainly due to overprovision of deferred tax in prior year.

21. Cash and Cash Equivalents

Cash and cash equivalents included in the cash flow statements comprise of the following:

| | 31/12/2016 |
|------------------------------------|---------------|
| | RM'000 |
| Fixed deposits with licensed banks | 7,587 |
| Cash and bank balances | 2,552 |
| | <u>10,139</u> |

Included in fixed deposits are RM1.844 million (2015: RM2.289 million) which have been pledged to banks for banking facilities made available to the Group.

22. Status of Corporate Proposals

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

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UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**23. Group Borrowings and Debt Securities**

The Group's borrowings as at 31 December 2016 are shown below: -

| | Secured RM'000 | Unsecured RM'000 | Total RM'000 |
|------------------------------|---------------------------|-----------------------------|-------------------------|
| Short Term Borrowings | | | |
| Bankers' acceptance | 11,005 | - | 11,005 |
| | 11,005 | - | 11,005 |
| Long Term Borrowings | - | - | - |
| Total | 11,005 | - | 11,005 |

24. Realised and Unrealised Profits or Losses of the Group

| | As At 31/12/2016 RM'000 | As At 31/12/2015 RM'000 |
|---|------------------------------------|------------------------------------|
| Total retained profits: | | |
| - realised | 14,246 | 13,248 |
| - unrealised | (238) | (535) |
| | <u>14,008</u> | <u>12,713</u> |
| Total share of retained profits of associate: | | |
| - realised | 2,174 | 2,145 |
| - unrealised | 1,619 | 1,786 |
| Less: Consolidation adjustments | (5,740) | (5,740) |
| Total Retained Profits | <u>12,061</u> | <u>10,904</u> |

25. Material Litigation

Save as disclosed below, 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 20 February 2017 being a date not earlier than 7 days from the date of this quarterly report:

Plascable Polymer Sdn Bhd ("PPSB"), a wholly-owned subsidiary of PTB had initiated legal proceedings against Power Cables Malaysia Sdn Bhd ("PCM") pursuant to a Writ and Statement of Claim dated 3.8.2016.

This legal suit is in relation to unpaid invoices in the amount of RM199,700.92 together with interest at the rate of 1.5% per month from the date the invoices were outstanding till full and final settlement of the same, in regard to PPSB's supply of goods to PCM. The unpaid invoices were issued pursuant to PCM's purchase orders and PPSB's delivery orders.

PCM responded by denying PPSB's claim and further initiated a counter-claim against PPSB pursuant to their Defence and Counter-Claim dated 13.9.2016. PCM's alleged counter-claim is in the amount of RM8,269,816.00 together with interest at 5% per annum for amongst others:-

- i) voltage failures caused by the goods supplied by PPSB to PCM;
- ii) loss of sales of the end product of the goods supplied by PPSB to PCM; and
- iii) losses due to the cancellation of retention of funds with PCM's vendors.

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PPSB had pursuant to its Reply and Defence to the Counter-Claim dated 5.10.2016 denied PCM's counter-claim above as amongst others, being an afterthought and/or frivolous. Having considered the facts and documentary evidence and based on the advice of PPSB's external legal advisors, the Board of Directors of PTB are of the view that PPSB has a complete defence against PCM's alleged counter claim and PPSB will defend the counter-claim by PCM and pursue recovery of the debt due from PCM vigorously.

Further, PPSB had on 1.12.2016 filed an application for Summary Judgment of its Statement of Claim dated 3.8.2016 and for Further and Better Particulars of PCM's Counter-Claim dated 13.9.2016. PPSB has been informed by its lawyer that the decision as regards the abovementioned applications is expected to be handed down by the Sessions Court of Shah Alam on 13.3.2017. The Company will make further announcement with regards to this matter once the information is available.

In addition, notwithstanding the amount counter-claimed by PCM, the Board of Directors of PTB are of the view that PCM's counter claim will have no significant impact on PTB's or PPSB's operation, business activity and/or financial condition.

26. Earnings Per Share**▪ Basic earnings per share**

The basic earnings per share of the Group is calculated by dividing the profit after taxation of RM1.157 million by the weighted average number of ordinary shares in issue for the current financial year ended 31 December 2016.

| | Financial Year Ended | |
|--|-----------------------------|-------------------|
| | 31/12/2016 | 31/12/2015 |
| | RM'000 | RM'000 |
| Net Profit attributable to equity holders of the Company | 1,157 | 1,546 |
| Weighted average number of ordinary shares ('000) | 150,400 | 150,400 |
| Basic earnings per share (sen) | 0.77 | 1.03 |

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