

## PLASTRADE TECHNOLOGY BERHAD (“PTB” OR THE “COMPANY”)

### PROPOSED PRIVATE PLACEMENT OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF PTB (“PROPOSED PRIVATE PLACEMENT”)

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#### 1. INTRODUCTION

On behalf of the Board of Directors of PTB (“**Board**”), RHB Investment Bank Berhad (“**RHB Investment Bank**”) wishes to announce that the Company proposes to undertake a private placement of up to 15,040,000 new ordinary shares in PTB (“**PTB Shares**”), representing up to 10% of the total number of issued shares of the Company (“**Placement Shares**”), to investors to be identified later and at an issue price to be determined by the Board and announced later (“**Proposed Private Placement**”).

The Proposed Private Placement shall be undertaken in accordance with the general mandate in relation to Section 132D of the Companies Act, 1965 (“**Act**”) approved by the shareholders of PTB at the Annual General Meeting (“**AGM**”) of the Company held on 20 May 2016 which authorises the Board to issue new PTB Shares not exceeding 10% of the total number of issued shares of the Company (“**General Mandate**”). The said approval shall continue to be in force, unless revoked or varied by the Company at a general meeting, until the conclusion of the next AGM of the Company.

#### 2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

##### 2.1 Size of the Proposed Private Placement

As at 20 April 2017, being the latest practicable date prior to this announcement (“**LPD**”), the share capital of PTB is RM15,040,000 comprising 150,400,000 PTB Shares. Accordingly, a total of up to 15,040,000 Placement Shares may be issued arising from the Proposed Private Placement.

The actual number of Placement Shares to be issued in relation to the Proposed Private Placement will depend on the total number of issued shares of the Company on a date to be determined later after obtaining all relevant approvals as set out in **Section 5** of this announcement.

##### 2.2 Basis of determining and justification for the issue price of the Placement Shares

The issue price of the Placement Shares will be determined and fixed by the Board at a later date after receipt of all relevant approvals for the Proposed Private Placement.

Based on Rule 6.05(a) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”), the Placement Shares may be issued at a discount of not more than 10% to the 5-day weighted average market price (“**WAMP**”) of PTB Shares immediately preceding the price-fixing date.

As the Proposed Private Placement may be implemented in 1 or more tranches, there could potentially be several price fixing dates and issue prices.

### **2.3 Ranking of the Placement Shares**

The Placement Shares shall, upon allotment and issuance, rank equally in all respects with the existing PTB Shares in issue, save and except that the Placement Shares will not be entitled to any dividends, rights, allotment and/or other distributions that may be declared, made or paid prior to the date of allotment of the Placement Shares.

### **2.4 Listing of and quotation for the Placement Shares**

An application will be made to Bursa Securities for the listing of and quotation for the Placement Shares on the ACE Market of Bursa Securities.

### **2.5 Allocation to placees**

The Placement Shares will be placed out to 3<sup>rd</sup> party investor(s) to be identified at a later stage. In accordance with Rule 6.05(c) of the Listing Requirements, the Placement Shares will not be placed to the following parties:

- (a) a director, major shareholder or chief executive officer of PTB or a holding company of PTB ("**Interested Person**");
- (b) a person connected with an Interested Person; and/or
- (c) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

The Proposed Private Placement may be implemented in 1 or more tranches, depending on the prevailing market conditions, within 6 months after the receipt of all relevant approvals for the Proposed Private Placement or any extended period as may be approved by Bursa Securities, subject to the expiry of the General Mandate or a new mandate being obtained from shareholders of the Company.

### **2.6 Utilisation of proceeds**

The Company is unable to determine the actual amount of proceeds to be raised from the Proposed Private Placement at this juncture as the amount to be raised will depend on the actual issue price and the actual number of Placement Shares to be issued.

For illustrative purposes, assuming an issue price of RM0.37 per Placement Share, which represents a discount of approximately 8.23% to the 5-day WAMP of PTB Shares up to and including 20 April 2017 of RM0.4032 per PTB Share, the Proposed Private Placement is expected to raise gross proceeds of approximately RM5.56 million.

The proceeds raised are intended to be utilised in the manner as set out below:

Details of utilisation	RM'000	Estimated timeframe for utilisation of proceeds
Working capital <sup>(1)</sup>	5,395	Within twenty four (24) months from the date of completion of the Proposed Private Placement
Estimated expenses <sup>(2)</sup>	170	Within one (1) month from the date of completion of the Proposed Private Placement
<b>Total</b>	<b>5,565</b>	

**Notes:**

- (1) *The proceeds will be utilised to fund day-to-day operations of PTB which includes, labour cost, material cost as well as operating and administration costs.*
- (2) *The estimated incidental expenses in relation to the Proposed Private Placement comprising professional fees, fees payable to relevant authorities and other related expenses are estimated to cost up to RM170,000. Any excess/shortfall in funds for estimated expenses will be adjusted to/from funds allocated for working capital of PTB and its subsidiary companies ("PTB Group").*

The actual gross proceeds to be raised from the Proposed Private Placement are dependent on the issue price of the Placement Shares and the actual number of Placement Shares to be issued. Any variance in the actual gross proceeds raised and the intended gross proceeds to be raised will be adjusted against amount allocated for the working capital of PTB Group.

Pending utilisation of proceeds from the Proposed Private Placement, the said proceeds will be placed in interest bearing deposit account(s) with financial institutions or investments in money market instruments as the Board may deem fit. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of PTB Group.

### 3. RATIONALE FOR THE PROPOSED PRIVATE PLACEMENT

The Proposed Private Placement will enable the Company to raise funds for the working capital for PTB Group as part of the business plan of PTB to grow its business without incurring additional interest cost as compared to other means of financing such as bank borrowings or issuance of debt instruments. The issuance of the Placement Shares would increase the Company's capital base after taking into account PTB Group's intended business operations as well as enhancing its shareholders' funds.

The Board is of the view that the Proposed Private Placement is currently the more appropriate avenue of fund raising after taking into consideration, among others, the following factors:

- (a) the more expeditious way for PTB Group to raise additional funds as compared to other forms of conventional fund raising; and
- (b) the enlarged share base is also expected to enhance the liquidity of PTB Shares on the ACE Market of Bursa Securities.

#### 4. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

##### 4.1 Share capital

The proforma effects of the Proposed Private Placement on the share capital of PTB are set out below:

	No. of PTB Shares	RM
Share capital as at the LPD	150,400,000	21,122,453 <sup>(1)</sup>
To be issued in relation to the Proposed Private Placement <sup>(2)</sup>	15,040,000	5,564,800
<b>Enlarged share capital</b>	<b>165,440,000</b>	<b>26,687,253</b>

**Notes:**

- (1) Assuming that the share capital is fully credited to the share capital account in accordance with the Companies Act, 2016 ("CA2016").
- (2) Assuming the Placement Shares are issued at an illustrative issue price of RM0.37 per Placement Share and the amount is fully credited to the share capital account in accordance with CA2016.

##### 4.2 Net assets ("NA") and gearing

Based on the latest audited consolidated financial statements of PTB as at 31 December 2016, the proforma effects of the Proposed Private Placement on the NA per share and gearing of PTB Group are set out below:

	Audited as at 31 December 2016	Proforma I After the Proposed Private Placement
	RM	RM
Share capital	15,040,000	26,687,253 <sup>(1)</sup>
Share premium	6,082,453	— <sup>(1)</sup>
Foreign exchange translation reserve	1,618,709	1,618,709
Retained profits	12,061,483	11,891,483 <sup>(2)</sup>
<b>Shareholders' equity/ NA</b>	<b>34,802,645</b>	<b>40,197,445</b>
No. of PTB Shares	150,400,000	165,440,000
NA per PTB Share (sen)	23.14	24.30
Total borrowings	11,005,419	11,005,419
Gearing (times)	0.32	0.27

**Notes:**

- (1) Assuming that the share capital is fully credited to the share capital account in accordance with CA2016.
- (2) After deducting the estimated expenses for the Proposed Private Placement of RM170,000.

#### 4.3 Earnings and earnings per share (“EPS”)

The Proposed Private Placement is not expected to have any material effect on the earnings of PTB Group for the financial year ending 31 December 2017. However, the EPS of PTB Group may initially be reduced correspondingly as a result of the increase in the number of PTB Shares in issue arising from the Proposed Private Placement.

The proceeds from the Proposed Private Placement are expected to contribute positively to PTB Group for the future financial years when benefits from the proposed utilisation (as set out in **Section 2.6** of this announcement) are realised.

#### 4.4 Substantial shareholders’ shareholdings

The proforma effects of the Proposed Private Placement on the substantial shareholders’ shareholdings as at the LPD are set out below:

Shareholders	As at the LPD				Proforma I After the Proposed Private Placement			
	Direct		Indirect		Direct		Indirect	
	No. of PTB Shares	%	No. of PTB Shares	%	No. of PTB Shares	%	No. of PTB Shares	%
Pua Kong Hoi	55,669,156	37.01	-	-	55,669,156	33.65	-	-
AXD System Global Sdn Bhd	21,791,100	14.49	-	-	21,791,100	13.17	-	-
Lui Leong Eng	-	-	21,791,100 <sup>(1)</sup>	14.49	-	-	21,791,100 <sup>(1)</sup>	13.17

**Note:**

(1) Deemed interested by virtue of his interest in AXD System Global Sdn Bhd pursuant to Section 8(4) of CA2016.

#### 4.5 Convertible securities

As at the LPD, the Company does not have any convertible securities.

**5. APPROVALS REQUIRED**

The Proposed Private Placement is subject to approvals being obtained from the following:

- (a) Bursa Securities for the listing of and quotation for the Placement Shares on the ACE Market of Bursa Securities; and
- (b) approvals of any relevant authorities and/or parties, if required.

At the last AGM of the Company convened on 20 May 2016, the Company had obtained approval from its shareholders authorising the Board to issue new PTB Shares not exceeding 10% of the total number of issued shares of the Company in relation to Section 132D of the Act. The said approval shall continue to be in force, unless revoked or varied by the Company at a general meeting, until the conclusion of the next AGM of the Company.

The Proposed Private Placement is not conditional upon any other corporate exercise undertaken by PTB.

**6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

None of the Directors, major shareholders of PTB and/or persons connected to them have any interests, direct or indirect, in the Proposed Private Placement.

**7. DIRECTORS' RECOMMENDATION**

The Board, after having considered all aspects of the Proposed Private Placement, including the rationale, utilisation of proceeds and financial effects of the Proposed Private Placement, is of the opinion that the Proposed Private Placement is in the best interest of the Company.

**8. APPLICATION TO THE AUTHORITIES**

The applications to the relevant authorities for the Proposed Private Placement will be made within 1 month from the date of this announcement.

**9. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances, the Proposed Private Placement is expected to be completed by the 4<sup>th</sup> quarter of calendar year 2017.

**10. ADVISER**

RHB Investment Bank has been appointed as the Adviser for the Proposed Private Placement.

**This announcement is dated 21 April 2017.**