

PLASTRADE TECHNOLOGY BERHAD

Company No. 591077-X
(Incorporated in Malaysia)

UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2008

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 FRS 134 – Interim Financial Reporting and the requirements of the amended Appendix 9B of the Listing Requirements for the MESDAQ Market.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007. 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 2007.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2007 except for the adoption of the following new/revised Financial Reporting Standards (FRS) that are effective for the Group's annual reporting date, 31 December 2008.

FRS 107: Cash Flow Statements

FRS 112: Incomes Taxes

FRS 118: Revenue

FRS 134: Interim Financial Reporting

FRS 137: Provisions, Contingent Liabilities and Contingent Assets

The adoption of the FRS above does not have significant financial impact on the Group.

3. Audit Report of Preceding Annual Financial Statements

The auditors' report of the preceding annual financial statements was not subjected to any qualification.

4. Seasonal or Cyclical Factors

There were no seasonal or cyclical factors affecting the results of the Group for the current quarter under review.

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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 period 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 quarter under review.

8. Dividend Paid

The Board of Directors do not recommend any dividend payment in respect of the financial period ended 30 June 2008.

9. Segmental Information

Segmental reporting of the Group's result for the financial year-to-date is as follows:

	Investment Holding	Resin compound for wire and cable insulation & jacketing	Resin compound for other industries	Total
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
- External	-	18,836	8,829	27,665
Segment Result	(23)	1,032	(198)	811
Finance Cost	-	(422)	(361)	(783)
Profit before Tax				28
Taxation	-	-	-	(8)
Net Profit after Tax	-	-	-	20
Consolidated Balance Sheets				
Segment assets	1,056	31,920	23,421	56,397
Segment liabilities	325	19,529	8,981	28,835

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Geographical reporting of the Group's revenue and assets for the financial year-to-date is as follows:

	SEGMENT REVENUE RM'000	SEGMENT ASSETS RM'000
Malaysia	23,514	56,397
Other ASEAN countries	2,836	-
Other Asian countries	1,315	-
Total	27,665	56,397

10. Revaluation of Property, Plant and Equipment

The Group did not revalue any of its property, plant and equipment for the quarter under review.

11. 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 quarter and financial year-to-date, which might have occurred between 30 June 2008 and the date of this announcement.

12. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year-to-date.

13. Changes in Contingent Liabilities and Contingent Assets

Save as disclosed below, there were no changes in the material contingent liabilities or assets of the Group as at the date of this announcement.

- (i) On 02 July 2008, PTB has provided a fresh corporate guarantee to Bangkok Bank Berhad in respect of the credit facilities granted to its wholly-owned subsidiaries, MHT Manufacturing Sdn Bhd and Plascable Polymer Sdn Bhd, for the total amount of RM6.45 million. As at the date of this announcement, the said facilities have not been utilised.

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

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

For the period under review, the PTB Group recorded a decrease in its Group revenue of RM2.762 million to RM12.147 million, representing a decrease of approximately 18.53% as compared to the corresponding financial period ended 30 June 2007. Consequently, the Group recorded a loss after taxation of RM0.160 million for the current quarter ended 30 June 2008 compared with a profit after taxation of RM0.204 million for the corresponding financial period ended 30 June 2007.

For the current year to date, PTB Group recorded a decrease in its Group revenue of RM2.091 million to RM27.665 million, representing a decrease of approximately 7.03% as compared to the preceding year corresponding period ended 30 June 2007. As a result of this, the Group recorded a profit after taxation of RM0.020 million for the current year to date compared with a profit after taxation of RM0.422 million for the preceding year corresponding period ended 30 June 2007. The decrease in profit was mainly due to higher cost of sales and lower demand of the products.

2. Comparison with previous quarter's results

For the current quarter ended 30 June 2008, the Group recorded a decrease in its Group revenue of RM3.371 million to RM12.147 million, representing a decrease of approximately 21.72% as compared to the previous quarter ended 31 March 2008 of RM15.518 million. The Group recorded a loss after taxation of RM0.160 million in the current quarter ended 30 June 2008, representing a decrease of more than 100% compared to the previous quarter ended 31 March 2008 of RM0.180 million. The decrease in profit was mainly due to higher cost of sales and lower demand of the products.

3. Current Year's Prospect

The Group expects that the financial performance to be challenging for the financial year 2008 after taking into consideration of the current level of operations and prevailing market conditions. With the possibility of delay in certain infrastructure projects under the 9th Malaysia Plan, and also due to the slowdown in the global economy and inflationary costs pressures, the Board of Directors is of the view that the Group's operational results for the financial year ending 2008 will be challenging.

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 30/06/2008 RM'000	Financial Year-to-date 30/06/2008 RM'000
Estimated current tax payable	24	47
Overprovision in prior year	-	-
Deferred tax	(59)	(39)
	<u>(35)</u>	<u>8</u>

The Group's effective tax rate is lower than statutory tax rate of 26% mainly due to the utilisation of reinvestment allowance by the subsidiary.

6. Profit on sale of Investments and/or Properties

There were no disposal of unquoted investments and/or properties during the financial period under review.

7. Purchase and Disposal of Quoted Securities

There were no purchase or disposal of quoted securities during the financial period under review.

8. Status of Corporate Proposals

- (i) Save as disclosed below, there was no other corporate proposals announced but not completed as at the date of this announcement:
- a. PTB had, on 8 August 2007 announced that the Company was proposing to implement a private placement of up to 10% of the issued and paid-up share capital of the Company, to investors to be identified ("Proposed Private Placement"). The Company had on 22 February 2008, sought an extension of time for a further six (6) months period from Securities Commission to implement the Proposed Private Placement. The Securities Commission had on 29 February 2008 approved the Company's application for the said extension of time.
 - b. The Proposed acquisition of a 25% equity interest in Shanghai Quasar Polymer Technology Co. Ltd for a total cash consideration of RM3,948,000. The shareholders have approved the Proposed Acquisition during the Extraordinary General Meeting held on 26 June 2008.

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- (ii) Status of the Utilisation of the Listing Proceeds
- a. The RM9,750,000 gross proceeds raised from the Public Issue of 32,500,000 PTB shares of RM0.10 each at an issue price of RM0.30 each pursuant to the listing of PTB shares on the MESDAQ Market of Bursa Securities has been fully utilised to date; and
 - b. The RM2,340,000 gross proceeds raised from the Private Placement of 13,000,000 PTB shares of RM0.10 each at an issue price of RM0.18 each, which was completed on 16 June 2006, has been fully utilised to date.

9. Group Borrowings and Debt Securities

The Group's borrowings as at 30 June 2008 are shown below: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Term Loan	760	-	760
Trade Line	16,849	-	16,849
Bank Overdraft	-	-	-
Hire Purchase Payables	623	-	623
	18,232	-	18,232
Long Term Borrowings			
Term Loan	2,158	-	2,158
Hire Purchase Payables	965	-	965
	3,123	-	3,123
Total	21,355	-	21,355

10. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at the date of this report.

11. Material Litigation

Saved as below, the Group is not engaged in any other 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 the date of this announcement:-

Messrs Yoong & Partners has on behalf of the wholly owned subsidiaries of the Company namely PPSB and MHT together with PESB as the Plaintiffs, begun under the Writ of Summons dated 10 April 2007 bearing Civil Suit No. 22 - 208 of 2007(MT2) against Johor Corporation, Dato' Abdul Ghani Bin Othman as Chairman of Johor Corporation, Majlis Bandaraya Johor Bahru and Jabatan Pengairan Dan Saliran Johor as the Defendants.

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In Summary:-

The First and Second Plaintiffs are the wholly-owned subsidiaries of the Company. The Third Plaintiff is owned by one of the current directors of the Company, namely Mr. Pua Kong Hoi.

The First Defendant is a statutory government body having an address for service at Level 13, Menara Johor Corporation, Kotaraya, 80000 Johor Bahru, Johor.

The Second Defendant is the Chief Minister of Johor and the Chairman of the First Defendant in which capacity he is summoned.

The Third Defendant is a statutory government body and having an address for service at P.O. Box 232, 80720 Johor Bahru, Johor.

The Fourth Defendant is a statutory government body and having an address for service at Aras 3, Bangunan Sultan Ibrahim, Karung Berkunci No. 712, 80990 Johor Bahru, Johor.

On or about 19 December 2006, the Plastrade factory land known as PLO 264, Jalan Firma 3, Tebrau Industrial Estate IV, Mukim of Tebrau, District of Johor Bahru, State of Johor ("**the said Land**") was flooded and the Plaintiffs suffered loss and damage, including damage to machinery and disruption to production activities.

In the course of getting machinery repaired and/or replacing with new machinery and before production activities could be fully resumed, the said Land was again flooded on 11 January 2007, causing further and more severe loss and damage.

According to reports of engineers, hydrologists and surveyors engaged by the Plaintiffs, there exists massive design flaw in the external (main) drainage system designed by the First Defendant and/or approved by the Third Defendant and Fourth Defendants and their engineers and advisors.

The Plaintiffs have been advised by their solicitors that their exposure to liabilities will only be limited to costs of the action if the Plaintiffs are unsuccessful in the action.

The solicitors are of the opinion that the drainage designs are massively flawed and as these were done/submitted/approved and built by the Defendants, the Plaintiffs should win, with the only question being the quantum.

The First Defendant had filed and served a Memorandum of Appearance dated 9 May 2007. The First Defendant filed a Statement of Defence dated 25 June 2007. The First Defendant filed an application on 30 August 2007 to strike out the Writ of Summons and Statement of Claim against the First Defendant. This application was fixed for hearing on 2 June 2008. The Plaintiffs have now withdrawn this Civil Suit against the First Defendant on 2 June 2008.

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The Third Defendant had filed and served a Memorandum of Conditional Appearance dated 11 May 2007. The Third Defendant filed an application on 22 May 2007 to strike out the Writ of Summons and Statement of Claim against the Third Defendant. This application was heard by the Deputy Registrar and allowed with costs on 24 September 2007. Against the Deputy Registrar's decision, the Plaintiffs have filed a Notice of Appeal to Judge in Chambers on 28 September 2007. The Appeal to Judge in Chambers is now fixed for hearing on 5 November 2008.

The Second and Fourth Defendants had filed and served a Memorandum of Appearance dated 21 May 2007. This Memorandum of Appearance was filed out of time. The Plaintiffs filed an application on 26 July 2007 for leave to enter judgment in default of defence against the Second and Fourth Defendants. This application was fixed for hearing on 26 October 2007 and the Court granted the Second and Fourth Defendants an adjournment for them to file their Affidavit in Reply. The Second and Fourth Defendants have through the State Legal Advisor filed the Affidavit in Reply on 1 November 2007. The mention date is now fixed on 21 August 2008. The Second and Fourth Defendants have also filed in an application on 1 November 2007 for an extension of time to file their Statement of Defence. The mention date for this application is now fixed on 21 August 2008.

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

The basic earnings per share of the Group is calculated by dividing the profit after taxation of RM0.020 million by the weighted average number of ordinary shares in issue for the current financial year-to-date ended 30 June 2008.

	Current Year To Date 30/06/2008 RM'000	Preceding Year Corresponding Period 30/06/2007 RM'000
Net profit attributable to ordinary shareholders	20	422
Weighted average number of ordinary shares ('000)	143,000	143,000
Basic earning per share (sen)	0.01	0.29

Diluted earning 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.

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2008**

We hereby confirm that we have seen and approved the content of this announcement and we collectively and individually accept full responsibility for the accuracy of the information contained herein. We confirm, having made all reasonable enquiries, and to the best of our knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

PLASTRADE TECHNOLOGY BERHAD

Authorised Signatory	Authorised Signatory
Name: PUA KONG HOI	TENG CHEE KUAN
Designation: MANAGING DIRECTOR	EXECUTIVE DIRECTOR
Date: 15 AUGUST 2008	15 AUGUST 2008