

PLASTRADE TECHNOLOGY BERHAD

Company No. 591077-X
(Incorporated in Malaysia)

UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 31 December 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	-	35,818	14,696	50,514
Segment Result	(35)	1,860	(470)	1,355
Finance Cost	-	(924)	(540)	(1,464)
Share of profit of associates	-	-	-	606
Profit before Tax				497
Taxation	-	-	-	6
Net Profit after Tax	-	-	-	503
Consolidated Balance Sheets				
Segment assets	4,770	28,678	20,808	54,256
Segment liabilities	115	18,720	6,759	25,594

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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	40,424	54,256
Other ASEAN countries	7,123	-
Other Asian countries	2,967	-
Total	50,514	54,256

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 31 December 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, RM2.39 million of the said facilities had been drawn down.

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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 financial period ended 31 December 2008, the PTB Group recorded a decrease in its Group revenue of RM9.480 million to RM10.110 million, representing a decrease of approximately 48.39% as compared to the corresponding financial period ended 31 December 2007 of RM19.590 million. Consequently, the Group recorded a profit after taxation of RM0.706 million for the current quarter ended 31 December 2008 compared with a profit after taxation of RM1.024 million for the corresponding financial period ended 31 December 2007.

For the current year to date, PTB Group recorded a decrease in its Group revenue of RM21.003 million to RM50.514 million, representing a decrease of approximately 29.37% as compared to the preceding year corresponding period ended 31 December 2007 of RM71.517 million. As a result of this, the Group recorded a profit after taxation of RM0.503 million for the current year to date compared with a profit after taxation of RM2.263 million for the preceding year corresponding period ended 31 December 2007. The decrease in revenue and profit after taxation was mainly due to lower demand of the Group's products.

2. Comparison with previous quarter's results

For the current quarter ended 31 December 2008, the Group recorded a decrease in its Group revenue of RM2.629 million to RM10.110 million, representing a decrease of approximately 20.64% as compared to the previous quarter ended 30 September 2008 of RM12.739 million. Nevertheless, the Group recorded a profit after taxation of RM0.706 million in the current quarter ended 31 December 2008, representing an increase of more than 100% compared to the previous quarter ended 30 September 2008 of loss after taxation of RM0.223 million. The increase in profit in this current quarter was mainly due to lower production and operating costs, and financial charges incurred for the period under review. In addition, share of profits of its 25% shareholding in Shanghai Quasar Polymer Technology Co., Ltd ("SHQuasar"), as an associate company of PTB, also contribute positively to the profits of the PTB Group for the current quarter under review.

3. Current Year's Prospect

In September 2008, PTB has successfully acquired 25% equity interest in SHQuasar, a Company incorporate in China. The Board of Directors of PTB expects that the said acquisition is expected to contribute positively to the earnings of PTB. In addition, the said acquisition is able to strengthen the Group's marketing position in China.

Notwithstanding the above, the Board of Directors of PTB is of the view that its financial performance to be challenging for the financial year ending 2009 after taking

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into consideration of the current level of operations and prevailing market conditions, in view of the uncertainties facing the global economy and the slow down in the domestic economy. However, the Group will use its best effort to ensure the Group remain profitable by adopting costs saving measure and marketing its products to other jurisdictions.

4. Variance of Profit Forecast

Not applicable as no profit forecast has been issued.

5. Taxation

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

	Current Quarter	Financial Year-to-date
	31/12/2008	31/12/2008
	RM'000	RM'000
Estimated current tax payable	254	363
Overprovision in prior year	-	(47)
Deferred tax	(276)	(322)
	<u>(22)</u>	<u>(6)</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) There were no other corporate proposals announced but not completed as at the date of this announcement.

(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

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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.
- c. The RM715,000 gross proceeds raised from the Private Placement of 7,150,000 PTB shares of RM0.10 each at an issue price of RM0.10 each, which was completed on 26 August 2008, has been fully utilised for the following purposes: -

Description	Proposed Utilisation RM'000	Actual Utilisation to date RM'000	Balance RM'000
Working capital	565	617	52
Estimated expenses	150	98	(52)
TOTAL	715	715	-

Note:-

- * *The amount of RM52,000 which were originally intended to be used to defray the expenses incidental to the private placement exercise has been utilised as working capital to the Group.*

9. Group Borrowings and Debt Securities

The Group's borrowings as at 31 December 2008 are shown below: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Term Loan	937	-	937
Trade Line	13,596	-	13,596
Bank Overdraft	2,389	-	2,389
Hire Purchase Payables	670	-	670
	17,592	-	17,592
Long Term Borrowings			
Term Loan	1,545	-	1,545
Hire Purchase Payables	643	-	643
	2,188	-	2,188
Total	19,780	-	19,780

10. Off Balance Sheet Financial Instruments

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

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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 the date of this announcement.

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 RM0.503 million by the weighted average number of ordinary shares in issue for the current financial year-to-date ended 31 December 2008.

	Current Year To Date 31/12/2008 RM'000	Preceding Year Corresponding Period 31/12/2007 RM'000
Net profit attributable to ordinary shareholders	503	2,263
Weighted average number of ordinary shares ('000)	145,605	143,000
Basic earning per share (sen)	0.35	1.58

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.

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

Name: PUA KONG HOI

Designation: MANAGING DIRECTOR

Date: 26 FEBRUARY 2009

Authorised Signatory

TENG CHEE KUAN

EXECUTIVE DIRECTOR

26 FEBRUARY 2009