

PLASTRADE TECHNOLOGY BERHAD

Company No. 591077-X
(Incorporated in Malaysia)

UNAUDITED QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2010

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 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 2009. 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 2009.

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 2009, except for the adoption of the following new FRSs, Amendments to FRSs and IC Interpretations that are effective for the Group from 1 January 2010:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
Revised FRS 101 (2009)	Presentation of Financial Statements
Revised FRS 123 (2009)	Borrowing Costs
Revised FRS 139 (2010)	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Other than the above new accounting standards and interpretations, the Group has also adopted the various amendments to existing accounting standards.

The adoption of the above did not have any significant effects on the interim financial statements upon their initial application, other than as discussed below:

Revised FRS 101 (2009)

Revised FRS 101 (2009) introduces terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position in the event that the entity has applied new accounting policies retrospectively. There is no impact on the Group's financial statements as this change in accounting policy affects only the presentation of the Group's financial statements.

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Amendments to FRS 117 Leases (effective for annual periods beginning on or after 1 January 2010). The amendments to FRS 117 requires entities with existing leases of land and buildings (combined) to reassess the classification of land as a finance or operating lease. The Group has reclassified the existing leasehold land to property, plant and equipment following this reassessment, with no effect on reported profit or equity. However, as a result of the adoption of the Amendments to FRS 117, comparative balances have been restated as follows:

	As previously reported	Effects of changes in accounting policy	As restated
	RM'000	RM'000	RM'000
Property, plant and equipment	19,908	2,072	21,980
Leasehold land	2,072	(2,072)	-

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.

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 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

On 26 January 2010, the Company issued 250,000 shares at par to Bumiputera investors recognised by MITI.

8. Dividend Paid

The Board of Directors do not recommend any dividend payment in respect of the financial period ended 30 September 2010.

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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 insulation & jacketing	Resin compound for other industries	Total
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
- External	-	23,554	16,782	40,336
Segment Result	(80)	371	(179)	112
Finance Cost	-	(471)	(242)	(713)
Share of profit of associates	-	-	-	65
Loss before Tax				(536)
Taxation	-	-	-	(58)
Net Loss after Tax	-	-	-	(594)
Consolidated Statement of Financial Position				
Segment assets	5,899	29,302	21,259	56,460
Segment liabilities	82	20,086	8,601	28,769

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	30,010	56,460
Other ASEAN countries	1,482	-
Other Asian countries	4,457	-
Other countries	4,387	-
Total	40,336	56,460

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 September 2010 and the date of this announcement.

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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

There were no changes in the material contingent liabilities or assets of the Group as at the date of this announcement.

14. Capital Commitments

There were no material capital commitments as at the date of this announcement.

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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

For the period under review, PTB Group recorded a revenue of RM14.968 million, representing an increase of approximately 64.83% as compared to the preceding year corresponding quarter ended 30 September 2009 of RM9.081 million. Hence, the Group recorded a loss after taxation of RM0.053 million for the current quarter ended 30 September 2010 compared with a loss after taxation of RM0.561 million for the preceding year corresponding quarter ended 30 September 2009.

For the current year to date, PTB Group recorded a revenue of RM40.336 million, representing an increase of approximately 49.23% as compared to the preceding year corresponding period ended 30 September 2009 of RM27.030 million. The Group recorded a loss after taxation of RM0.594 million for the current year to date compared with a loss after taxation of RM0.917 million for the preceding year corresponding period ended 30 September 2009. The increase in profit was mainly due to higher demand of the Group's products and a lower materials cost incurred by the Group under the period review.

2. Comparison with previous quarter's results

For the current quarter ended 30 September 2010, the Group recorded a revenue of RM14.968 million, representing an increase of approximately 13.29% as compared to the previous quarter ended 30 June 2010 of RM13.212 million. Meanwhile, the Group recorded a loss after taxation of RM0.053 million in the current quarter ended 30 September 2010, representing a 12.77% decrease of profit compared to the previous quarter ended 30 June 2010 of loss after taxation of RM0.047 million. The decrease in profit after taxation was mainly due to the adjustment of deferred taxation.

3. Current Year's Prospect

The Board of Directors of PTB is of the view that its financial performance for the financial year ending 2010 would be challenging after taking into consideration of the current level of operations and prevailing market conditions. The Group will still maintain its best effort to ensure the Group remains competitive 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.

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

	Current Quarter 30/09/2010 RM'000	Financial Year-to-date 30/09/2010 RM'000
Estimated current tax payable	4	26
Overprovision in prior year	(33)	(33)
Deferred tax	236	65
	<u>207</u>	<u>58</u>

The Group's effective tax rate is lower than statutory tax rate of 25% mainly due to the utilisation of capital allowance by the subsidiaries.

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

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

9. Group Borrowings and Debt Securities

The Group's borrowings as at 30 September 2010 are shown below: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings			
Term Loan	247	-	247
Trade Line	18,803	-	18,803
Hire Purchase Payables	198	-	198
	<u>19,248</u>	<u>-</u>	<u>19,248</u>
Long Term Borrowings			
Term Loan	620	-	620
Hire Purchase Payables	136	-	136
	<u>756</u>	<u>-</u>	<u>756</u>
Total	<u>20,004</u>	<u>-</u>	<u>20,004</u>

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	As at 30/09/2010 RM'000
Realised Profits	6,549
Unrealised Profits	20
Total Retained Profits	<u>6,569</u>

The unrealised portion within the retained profits was mainly related to foreign currency translation gain of receivables and payables as at 30 September 2010.

11. Off Balance Sheet Financial Instruments

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

12. 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 the date of this announcement.

13. (Loss)/Earnings Per Share

- **Basic (loss)/earnings per share**

The basic (loss)/earnings per share of the Group is calculated by dividing the loss after taxation of RM0.594 million by the weighted average number of ordinary shares in issue for the current financial year-to-date ended 30 September 2010.

	Current Year To Date 30/09/2010 RM'000	Preceding Year Corresponding Period 30/09/2009 RM'000
Net (Loss)/Profit attributable to equity holders of the Company	(594)	(917)
Weighted average number of ordinary shares ('000)	150,377	150,150
Basic (loss)/earning per share (sen)	(0.40)	(0.61)

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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By Order of the Board

Pua Kong Hoi
Managing Director