

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 MARCH 2019

	Note	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		CURRENT YEAR QUARTER 31/03/2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2018 RM'000	CURRENT YEAR TO DATE 31/03/2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2018 RM'000
Revenue		33,815	16,831	33,815	16,831
Cost of sales		(33,206)	(15,663)	(33,206)	(15,663)
Gross (loss)/profit		609	1,168	609	1,168
Other income		251	50	251	50
Administrative expenses		(783)	(1,122)	(783)	(1,122)
Selling and distribution expenses		(296)	(215)	(296)	(215)
Finance costs		(95)	(122)	(95)	(122)
Share of result in an associate		-	(59)	-	(59)
Loss before tax	19	(314)	(300)	(314)	(300)
Tax income	20	(54)	(86)	(54)	(86)
Loss after tax		(368)	(386)	(368)	(386)
Other comprehensive income/(expense) for the period, net of tax					
Share of associate's other comprehensive expense		-	(84)	-	(84)
Total other comprehensive income/(expense)		(368)	(470)	(368)	(470)
Loss after tax attributable to:		(368)	(470)	(368)	(470)
Equity holder of the Company					
Non-controlling interest		-	-	-	-
Loss per share attributable to equity holders of the Company (sen):	25				
- Basic and diluted		(0.20)	(0.26)	(0.22)	(0.26)

(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 2018 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 MARCH 2019

	(UNAUDITED)	(AUDITED)
	AS AT 31/03/2019	AS AT 31/12/2018
Note	RM'000	RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, plant and equipment	9,994	10,120
Investment	4,000	4,000
Goodwill on consolidation	5,275	5,275
	19,269	19,395
<u>Current Assets</u>		
Inventories	8,806	9,417
Trade receivables	8,894	10,240
Other receivables, deposit and prepayments	582	1,894
Current tax assets	1,082	980
Fixed deposits with licensed banks	2,092	2,084
Cash and bank balances	2,546	3,182
	24,002	27,797
TOTAL ASSETS	43,271	47,192
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	27,722	27,722
Reserves	2,894	3,262
Total equity	30,616	30,984
<u>Non-Current Liabilities</u>		
Contingent consideration	916	916
Long term borrowings	23 391	629
Deferred tax liabilities	28	28
	1,335	1,573
<u>Current Liabilities</u>		
Trade payables	1,931	3,244
Other payables and accruals	1,148	1,846
Amount owing to related parties	310	-
Contingent consideration	1,923	1,923
Current tax liabilities	191	151
Short term borrowings	23 5,551	7,147
Bank overdrafts	266	324
	11,320	14,635
Total liabilities	12,655	16,208
TOTAL EQUITY AND LIABILITIES	43,271	47,192
Net assets per share (sen) attributable to equity holders of the Company	16.42	16.62

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying explanatory notes attached to the Quarterly Report.)

PLASTRADE TECHNOLOGY BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2019

	< ----- Attributable to equity holders of the Company ----- >			
	SHARE CAPITAL RM'000	Non-Distributable	Distributable	TOTAL RM'000
		FOREIGN TRANSLATION RESERVE RM'000	RETAINED PROFITS RM'000	
Balance at 01.01.2018	21,122	1,383	8,582	31,087
Change in accounting policies	-	-	(255)	(255)
Balance at 01.01.2018, as restate	21,122	1,383	8,327	30,832
Loss after tax for the year	-	-	(5,065)	(5,065)
Other comprehensive expense for the year:				
- Foreign translation reserve reclassified to profit of loss	-	(1,299)	-	(1,299)
- Foreign currency translation differences	-	(84)	-	(84)
Total comprehensive expense for the year:	-	(1,383)	(5,065)	(6,448)
Contribution by and distributions to owner of the Company:				
- Issuance of shares	6,600	-	-	6,600
Balance at 31.12.2018	27,722	-	3,262	30,984
Balance at 1.1.2019	27,722	-	3,262	30,984
Loss after tax for the year	-	-	(368)	(368)
Balance at 31.12.2018	27,722	-	2,894	30,616

(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 2018 and the accompanying explanatory notes attached to the Quarterly Report.)

PLASTRADE TECHNOLOGY BERHAD

(Company No. : 591077-X)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 MARCH 2019

	CURRENT YEAR TO DATE 31/03/2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2018 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Loss before tax	(314)	(300)
Adjustments for: -		
Depreciation of property, plant and equipment	188	139
Interest expense	96	99
Interest income	(22)	(29)
Property, plant and equipment written off	-	2
Share of results of an associate	-	59
Operating (loss)/profit before working capital changes	(52)	(30)
Decrease/(Increase) in inventories	481	2,294
Decrease/(Increase) in trade and other receivables	378	1,667
Decrease/(Increase) in trade and other payables	401	(2,199)
Decrease/(Increase) in amount owing to related parties	310	(18)
CASH (FOR)/FROM OPERATIONS	1,518	1,714
Tax paid	(117)	(157)
NET CASH (FOR)/FROM OPERATING ACTIVITIES	1,401	1,557
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(63)	(65)
Interest received	22	29
Interest received in pledged fixed deposits	(8)	-
NET CASH FROM/(FOR) INVESTING ACTIVITIES	(49)	(36)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Interest paid	(96)	(99)
Repayment of hire purchase creditor	(317)	-
Net repayment of bankers' acceptance	(1,517)	(964)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	(1,930)	(1,063)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(578)	458
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	2,858	5,273
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	2,280	5,731

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying explanatory notes attached to the Quarterly Report.)

1. Basis of Preparation

The interim financial statements have been prepared under the historical cost convention.

The interim statements are unaudited and had been prepared in accordance with the requirements of MFRS 134 – Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018. 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 2018.

2. Significant 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 2018. The Group has adopted the following applicable MFRSs, Amendments to MFRSs and IC interpretation (including the consequential amendments, if any) during the current financial period: -

MFRSs and/or IC Interpretations (Including the Consequential Amendments)

MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)
MFRS 15 Revenue from Contracts with Customers
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration
Amendments to MFRS 15: Effective Date of MFRS 15
Amendments to MFRS 15: Clarifications to MFRS 15 ‘Revenue from Contracts with Customers’
Annual Improvements to MFRS Standards 2014 – 2016 Cycles
Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact.

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

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective Dates for Financial Period Beginning on or After
MFRS 16 - Leases	1 January 2019
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2019
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019
Amendments to MFRS 9	
- Prepayments Features with Negative Compensation	1 January 2019
Amendments to MFRS 2: Share-based payment	1 January 2020
Amendments to MFRS 3: Business Combinations	1 January 2020
Amendments to MFRS 101: Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020
MFRS 17 - Insurance Contracts	1 January 2021

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material

3. Auditors' 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.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2019

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 cash flow 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.

7. Issuance and Repayment of Debt and Securities

There were no changes in estimates of amounts reported in prior interim periods that have a material effect on the current financial quarter.

8. Dividends Paid

The Board of Directors does not recommend any dividend payment in respect of the financial period ended 31 March 2019.

9. Segmental Information

1st Quarter Ended 31/03/2019	Investment Holding	Resin compound for wire and cable	Resin compound for other industries	Computer hardware and accessories	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
External Revenue	-	7,611	993	25,211	33,815
Segment Result	(256)	58	(191)	171	(218)
Finance cost	(7)	(62)	(25)	(1)	(95)
Profit/Loss before tax	(263)	(4)	(216)	170	(313)

1st Quarter Ended 31/03/2018	Investment Holding	Resin compound for wire and cable	Resin compound for other industries	Total
	RM'000	RM'000	RM'000	RM'000
External Revenue	-	12,463	4,368	16,831
Segment Result	(48)	84	(155)	(119)
Finance cost	-	(74)	(48)	(122)
Share of loss of associate	(59)			(59)
	(107)	10	(203)	(300)

Assets and Liabilities as at 31/03/2019	Investment Holding	Resin compound for wire and cable	Resin compound for other industries	Computer hardware product	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	10,836	15,651	11,272	5,512	43,271
Segment liabilities	3,477	4,099	2,238	2,841	12,655

Geographical reporting: -

Financial Year Ended	Segment Revenue 31/03/2019	Segment Revenue 31/03/2018
	RM'000	RM'000
Malaysia	13,321	13,120
Other ASEAN countries	18,123	3,294
Other Asian countries	2,371	31
Others	-	386
Total	33,815	16,831

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2019

10. Material Events Subsequent to the End of the Current Quarter

There were no events materially affecting the results of the Group for the current financial quarter and financial year-to-date, which might have occurred between 31 March 2019 and the date of this announcement.

11. Changes in Composition of the Group

There were no changes in the composition of the Group for the current financial quarter.

On 17 December 2018, the Group has completed its acquisition of the entire equity interest in EA Global Integrated Sdn. Bhd. for consideration of RM8,000,000 satisfied via a combination of issued of 21,000,000 new ordinary shares and cash with a condition of minimum of profit after tax of RM1.0 million for the financial year ended 31 December 2018 and 31 December 2019.

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.

Companies in which certain directors have interest: -	1st Quarter Ended 31/03/2019 RM'000	Financial Year Ended 31/03/2019 RM'000
Sales of goods	-	474
Purchase of goods	-	27
Amount owing to director of Plastrade Technology Berhad	310	-
Associate Company: -	-	-
Sales of goods	-	18

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**

Segment:	Revenue		
	1st Quarter Ended		
	31/03/2019	31/03/2018	Changes
	RM'000	RM'000	%
Resin compound for wire and cable	7,611	12,463	-38.9%
Resin compound for other industries	993	4,368	-77.3%
Computer hardware product	25,211	-	100.0%
Total	33,815	16,831	100.9%

Segment:	Profit/(Loss) before tax		
	1st Quarter Ended		
	31/03/2019	31/03/2018	Changes
	RM'000	RM'000	%
Resin compound for wire and cable	(4)	10	-140.0%
Resin compound for other industries	(216)	(203)	-0.06%
Investment holding	(263)	(48)	-447.9%
Computer hardware product	170	-	100.0%
Associate company	-	(59)	100.0%
Total	(313)	(300)	-4.3%

PTB Group recorded a revenue of RM33.815 million for the current quarter ended 31 March 2019 (1Q2019), representing an increase of approximately 100.9% as compared to the preceding year corresponding quarter ended 31 March 2018 (1Q2018) of RM16.831 million. The Group also recorded a loss before tax of RM0.313 million for 1Q2019 as compared to a loss before tax of RM0.300 million for 1Q2018.

Resin compound for wire and cable:

Revenue decreased by 38.9% to RM7.611 million in 1Q2019 compared to 1Q2018. This segment recorded a loss before tax of RM0.004 million for 1Q2019 compared with a profit before tax of RM10 million for 1Q2018. The increase in loss was mainly due to reduction in sales for the financial quarter under review.

Resin compound for other industries:

Revenue decreased by 77.3% to RM0.993 million in 1Q2019 compared to 1Q2018. This segment recorded a loss before tax of RM0.216 million for 1Q2019 compared with a loss before tax of RM0.203 million for 1Q2018. The increase in loss was mainly due to lower demand and higher cost of materials reported for the financial quarter under review.

Computer hardware product

Revenue achieved of RM25.211 million in 1Q2019 after the acquisition. This segment recorded a profit before tax of RM0.170 million for 1Q2019.

16. Comparison with Previous Quarter's Results

Segment:	Revenue			Profit/(Loss) before tax		
	Current Quarter	Preceding Quarter	Changes	Current Quarter	Preceding Quarter	Changes
	31/03/2019	31/12/2018		31/03/2019	30/12/2018	
	RM'000	RM'000	%	RM'000	RM'000	%
Resin compound for wire and cable	7,611	6,731	13.1%	(4)	(1,661)	99.8%
Resin compound for other industries	993	448	121.7%	(216)	(616)	64.9%
Computer hardware product	25,211	-	100.0%	170	-	100.0%
Investment holding	-	-	0.0%	(263)	(3,861)	93.2%
Total	33,815	7,179	371.0%	(313)	(6,138)	94.9%

For 1Q2019, the Group recorded a revenue of RM33.815 million, representing an increase of approximately 371.0% as compared to the previous quarter ended 31 December 2018 (4Q2018) of RM7.179 million. However, the Group recorded a loss before tax of RM0.313 million in 1Q2019 compared to 4Q2018 of loss before tax of RM6.138 million. The decrease loss for 1Q2019 was due to the sales derived from new subsidiaries and due to some impairment of trade receivable & stock written off from last quarter.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2019

17. Prospects

The Board of Directors of PTB expects the Group's financial performance for the financial year ending 31 December 2019 to be very difficult and challenging. Intense competition and fluctuation in materials prices will continue to impact the performance of all the Group's segments.

18. Variance of Profit Forecast

Not applicable as no profit forecast has been issued.

19. Loss Before Tax

Loss before tax is arrived at after (crediting)/charging:	1st Quarter Ended	
	31/03/2019	31/03/2018
	RM'000	RM'000
Interest income	(22)	(29)
Foreign exchange (gain)/loss	(216)	48
Depreciation of property, plant and equipment	188	139
Property, plant and equipment written off	-	2
Impairment loss recognized under MFRS 9	-	336

20. Tax Income/(Expense)

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

	1st Quarter Ended		Financial Year Ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	RM'000	RM'000	RM'000	RM'000
Current tax (expense)/income	(54)	(86)	(54)	(86)
Under provision in prior period	-	-	-	-
Deferred tax	-	-	-	-
	(54)	(86)	(54)	(86)

The Group's effective tax rate is lower than statutory tax rate of 24% mainly due to certain income which were not taxable for tax purposes.

21. Cash and Cash Equivalents

Cash and cash equivalents included in the statement of cash flows comprise of the following:

	31/03/2019	31/03/2018
	RM'000	RM'000
Fixed deposits with licensed banks	2,092	4,419
Cash and bank balances	2,546	3,213
-Bank overdraft	(266)	-
	4,372	7,632
Less: Fixed deposits pledged to licensed banks	(2,092)	(1,901)
	2,280	5,731

Fixed deposits of the Group totaling of RM2.092 million, which have been pledged to banks for banking facilities granted to all subsidiaries are not available for general use by the Group other than to meet the obligations under the banking facilities.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2019

22. Status of Corporate Proposals Announced

The status of the utilisation of the proceeds raised from the private placement of 15,000,000 shares at an issue price of RM0.174 per share amounting to RM2,610,000 is as follow: -

Purposes:	Amount Raised	Amount Utilised	Balance Unutilise	Timeframe for utilisation
	RM'000	RM'000	RM'000	
Repayment of bank borrowings	2,510	2,080	430	Within 12 months
Private placement costs	100	100	-	Immediately
	2,610	2,180	430	

23. Group Borrowings and Debt Securities

The Group borrowings as at 31 March 2019 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings			
Hire purchase payables	391	-	391
	391	-	391
Short term borrowings			
Hire purchase payables	83	-	83
Banker's acceptance	5,468	-	5,468
	5,551	-	5,551
Total borrowings			
Hire purchase payables	474	-	474
Banker's acceptance	5,468	-	5,468
	5,942	-	5,942

No borrowing in foreign currency.

24. Material Litigation

The Group has 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 27 May 2019 being a date not earlier than 7 days from the date of this quarterly report.

25. Loss Per Share

	Current Year Quarter 31/03/2019	Preceding Year Corresponding Quarter 31/03/2018	Current Year To Date 31/03/2019	Preceding Year Corresponding Period 31/03/2018
Earnings				
Net loss attributable to equity holders of the Company (RM'000)	(368)	(386)	(368)	(386)
Basic				
Weighted average number of ordinary shares in issue ('000)	186,400	150,400	166,871	150,400
Basic Loss per ordinary share (sen)	(0.20)	(0.26)	(0.22)	(0.26)

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.

26. Dividend

No dividend was declared or proposed during the quarter under review

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2019

27. Authorisation for issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 27 May 2019.

BY ORDER OF THE BOARD OF
PLASTRADE TECHNOLOGY BERHAD