

PLASTRADE TECHNOLOGY BERHAD

(Company No.: 200201023414 (591077-X))

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2020

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
		30/06/2020	30/06/2019	30/06/2020	30/06/2019
		RM'000	RM'000	RM'000	RM'000
Revenue		30,837	20,169	53,801	53,984
Cost of sales		(30,599)	(19,471)	(53,325)	(52,677)
Gross profit		238	698	476	1,307
Other income		109	331	579	582
Administrative expenses		(897)	(1,251)	(1,711)	(2,034)
Selling and distribution expenses		(154)	(287)	(237)	(583)
Other operating expenses		-	-	(286)	-
Finance costs		(43)	(81)	(60)	(176)
Loss before tax	19	(747)	(590)	(1,239)	(904)
Tax expense	20	(40)	(193)	(91)	(247)
Loss after tax		(787)	(783)	(1,330)	(1,151)
Other comprehensive income for the period, net of tax		-	-	-	-
Total other comprehensive expense		(787)	(783)	(1,330)	(1,151)
Loss after tax attributable to:					
Equity holder of the Company		(787)	(783)	(1,330)	(1,151)
Non-controlling interest		-	-	-	-
Loss per share attributable to equity holders of the Company (sen):					
- Basic and diluted	27	(0.30)	(0.42)	(0.51)	(0.62)

(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 2019 and the accompanying explanatory notes attached to the Quarterly Report.)

PLASTRADE TECHNOLOGY BERHAD

(Company No.: 200201023414 (591077-X))

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	(UNAUDITED) AS AT 30/06/2020 RM'000	(AUDITED) AS AT 31/12/2019 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		8,830	9,157
Investment in unquoted share		4,000	4,000
Goodwill on consolidation		15,413	5,275
Right of use asset		84	139
Intangible assets		46	49
		<u>28,373</u>	<u>18,620</u>
Current Assets			
Inventories		4,132	4,966
Trade receivables		4,240	2,255
Other receivables, deposit and prepayments		4,900	1,037
Income tax assets		225	195
Fixed deposits with licensed banks		1,672	164
Cash and bank balances		4,427	6,769
		<u>19,596</u>	<u>15,386</u>
TOTAL ASSETS		<u>47,969</u>	<u>34,006</u>
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Company			
Share capital		35,731	27,722
Retained (loss)/profits		(299)	1,031
Total equity		<u>35,432</u>	<u>28,753</u>
Non-Current Liabilities			
Contingent consideration		1,374	-
Lease liability		-	36
Long term borrowings	25	245	300
Deferred tax liabilities		4	27
		<u>1,623</u>	<u>363</u>
Current Liabilities			
Trade payables		1,135	1,426
Other payables and accruals		7,142	2,165
Contingent consideration		2,351	916
Income tax liabilities		14	47
Lease liability		89	105
Short term borrowings	25	183	231
		<u>10,914</u>	<u>4,890</u>
Total liabilities		<u>12,537</u>	<u>5,253</u>
TOTAL EQUITY AND LIABILITIES		<u>47,969</u>	<u>34,006</u>
Net assets per share (sen) attributable to equity holders of the Company		<u>13.49</u>	<u>15.43</u>

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019 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 30 JUNE 2020

	< ----- Attributable to equity holders of the Company ----- >		
	Non-Distributable	Distributable	
	SHARE CAPITAL RM'000	RETAINED (LOSS)/PROFITS RM'000	TOTAL RM'000
Balance at 01 January 2020	27,722	1,031	28,753
Loss after tax, representing total comprehensive expense	-	(1,330)	(1,330)
Contribution by and distributions to owner of the Company:			
- Issuance of shares	8,009	-	8,009
Balance at 30 June 2020	35,731	(299)	35,432
Balance at 01 January 2019	27,722	3,262	30,984
Loss after tax, representing total comprehensive expense	-	(1,151)	(1,151)
Balance at 30 June 2019	27,722	2,111	29,833

(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 2019 and the accompanying explanatory notes attached to the Quarterly Report.)

PLASTRADE TECHNOLOGY BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 JUNE 2020

	6 MONTHS ENDED	
	CURRENT YEAR TO DATE 30/06/2020 RM'000	PRECEDING YEAR TO DATE 30/06/2019 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Loss before tax	(1,239)	(904)
Adjustments for :-		
Depreciation of property, plant and equipment	335	360
Depreciation of right of use asset	48	18
Amortisation of intangible assets	3	-
Gain on disposal of property, plant and equipment	-	(20)
Impairment loss on trade receivables	4	67
Reversal of impairment loss on trade receivables	(427)	(183)
Reversal of inventories previously written down	(37)	-
Interest expense	13	175
Interest income	(13)	(60)
Property, plant and equipment written off	-	5
Unrealised gain on foreign exchange	10	-
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES	(1,303)	(542)
Inventories	872	(57)
Trade and other receivables	(5,356)	(2,400)
Trade and other payables	4,608	5,372
CASH (FOR)/FROM OPERATIONS	(1,179)	2,373
Interest received	13	60
Tax refund	-	31
Tax paid	(177)	(361)
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(1,343)	2,103
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Fixed deposits pledged to licensed banks	-	1,180
Purchase of property, plant and equipment	(9)	(82)
Payment of contingent consideration	-	(2,010)
Acquisition of business undertaking, net of cash and cash equivalents acquired	679	-
NET CASH FROM/(FOR) INVESTING ACTIVITIES	670	(912)
CASH FLOWS FOR FINANCING ACTIVITIES		
Interest paid	(13)	(175)
Repayment of hire purchase payables	(53)	(337)
Repayment of lease liability	(44)	-
Net repayment of bankers' acceptance	-	(1,172)
NET CASH FOR FINANCING ACTIVITIES	(110)	(1,684)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(783)	(493)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	6,645	2,858
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5,862	2,365

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019 and the accompanying explanatory notes attached to the Quarterly Report.)

PLASTRADE TECHNOLOGY BERHAD

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2020

1. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2019. The explanatory notes attached to the condensed consolidated 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 2019.

2. Significant Accounting Policies

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2019 except for the adoption of the following Amendments to MFRSs during the current financial period:

- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3: Definition of a Business
- Amendments to MFRS 101 and MFRS 108: Definition of Material
- Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
- Amendments to MFRS 16: Covid-19-Related Rent Concessions

The initial application of the above Amendments to MFRSs does not have any significant financial impact to the Group’s results.

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.

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 flows of the Group for the current financial quarter.

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. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial quarter except the following under financial period-to-date:

On 18 March 2020, the Company issued 76,266,000 new ordinary shares at RM0.105 per share for a total consideration of RM8.009 million as part of purchase consideration for acquisition of the business undertakings in EA Comtronix Sdn Bhd (“EAC”) as disclosed in Note 24.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2020

8. Dividend Paid

There was no dividend paid during the current financial quarter.

9. Segmental Information

Quarter Ended 30 June 2020	Investment Holding	ICT products	Resin compound for wire and cable	Resin compound for other industries	Inter-company elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	-	29,873	862	102	-	30,837
Inter-segment revenue	30	-	11	46	(87)	-
Total revenue	30	29,873	873	148	(87)	30,837
Segment result	(368)	175	(99)	(381)	(31)	(704)
Finance cost	(3)	(23)	(14)	(35)	32	(43)
(Loss)/Profit before tax	(371)	152	(113)	(416)	1	(747)

Quarter Ended 30 June 2019	Investment Holding	ICT products	Resin compound for wire and cable	Resin compound for other industries	Inter-company elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	-	14,146	5,199	824	-	20,169
Inter-segment revenue	30	-	11	563	(604)	-
Total revenue	30	14,146	5,210	1,387	(604)	20,169
Segment result	(296)	294	(390)	(82)	(35)	(509)
Finance cost	(3)	(2)	(57)	(54)	35	(81)
(Loss)/Profit before tax	(299)	292	(447)	(136)	-	(590)

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2020

9. Segmental Information (cont'd)

6 Months Ended 30 June 2020	Investment Holding	ICT products	Resin compound for wire and cable	Resin compound for other industries	Inter-company elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	-	51,569	2,086	146	-	53,801
Inter-segment revenue	60	1	11	283	(355)	-
Total revenue	60	51,570	2,097	429	(355)	53,801
Segment result	(769)	489	(128)	(708)	(63)	(1,179)
Finance cost	(6)	(28)	(15)	(74)	63	(60)
(Loss)/Profit before tax	(775)	461	(143)	(782)	-	(1,239)
Segment assets	38,434	20,744	15,296	9,336	(35,841)	47,969
Segment liabilities	8,192	16,814	1,634	7,163	(21,266)	12,537

6 Months Ended 30 June 2019	Investment Holding	ICT products	Resin compound for wire and cable	Resin compound for other industries	Inter-company elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	-	39,357	12,810	1,817	-	53,984
Inter-segment revenue	60	-	19	1,491	(1,570)	-
Total revenue	60	39,357	12,829	3,308	(1,570)	53,984
Segment result	(499)	465	(322)	(295)	(77)	(728)
Finance cost	(9)	(3)	(127)	(114)	77	(176)
(Loss)/Profit before tax	(508)	462	(449)	(409)	-	(904)
Segment assets	26,507	2,794	20,060	11,589	(22,092)	38,858
Segment liabilities	2,687	23	6,038	7,793	(7,516)	9,025

Geographical reporting:

	Quarter Ended			6 Months Ended		
	30/06/2020	30/06/2019	Changes	30/06/2020	30/06/2019	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Malaysia	1,044	9,457	-88.96%	4,412	22,777	-80.63%
ASEAN countries	8,346	9,373	-10.96%	22,338	28,299	-21.06%
China (including Hong Kong)	8,607	250	3342.80%	12,094	1,152	949.83%
USA	10,311	-	100.00%	10,311	-	100.00%
Others	2,529	1,089	132.23%	4,646	1,756	164.58%
	30,837	20,169	52.89%	53,801	53,984	-0.34%

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2020

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

Save for those disclosed in Note 24, there were no events materially affecting the results of the Group for the financial period-to-date, which might have occurred between 30 June 2020 and the date of this announcement.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current financial quarter except the following under financial period-to-date:

On 18 March 2020, the Company and its new wholly owned subsidiary, Artronix Sdn Bhd (“Artronix”) have completed its acquisition of the business undertakings in EAC as disclosed in Note 24. Artronix commenced its business in 2nd quarter of 2020 and its principal activity is involved in importer and exporter of information and communication technology (“ICT”) products.

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.

Save as disclosed in the below, there were no significant related party transactions of the Group for the financial period-to-date:

	Quarter Ended 30/06/2020 RM'000	6 Months Ended 30/06/2020 RM'000
Transaction in which the Major shareholder, Mr. Pua Kong Hoi, of the Company has interest: <i>Plastrade Materials Technology Sdn Bhd</i>		
- Purchase of goods	(150)	(150)
- Handling fees	9	9

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS FOR THE ACE MARKET OF THE BURSA MALAYSIA SECURITIES BERHAD

15. Review of Group Performance

Current Financial Quarter

The Group recorded a revenue of RM30.837 million for the current quarter ended 30 June 2020 (2Q2020), representing an increase of approximately 53% as compared to the preceding year corresponding quarter ended 30 June 2019 (2Q2019) of RM20.169 million. The Group also recorded a loss before tax of RM0.747 million for 2Q2020 as compared to a loss before tax of RM0.59 million for 2Q2019.

Resin compound for wire and cable:

Revenue decreased by 83% to RM0.862 million in 2Q2020 as compared to 2Q2019. This segment recorded a loss before tax of RM0.113 million for 2Q2020 as compared with a loss before tax of RM0.447 million for 2Q2019. The decrease in loss was mainly due to reversal of impairment loss on trade receivables due to debts recovery and reduction of factory overhead.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2020

15. Review of Group Performance (cont'd)

Current Financial Quarter (cont'd)

Resin compound for other industries:

Revenue decreased by 88% to RM0.102 million in 2Q2020 as compared to 2Q2019. This segment recorded a loss before tax of RM0.416 million for 2Q2020 as compared with a loss before tax of RM0.136 million for 2Q2019. The increase in loss was mainly due to massive competition and lower demand for the current financial quarter.

ICT products:

Revenue increased by 111% to RM29.873 million in 2Q2020 as compared to 2Q2019 was due to contribution from new subsidiary, Artronix. This segment recorded a profit before tax of RM0.152 million for 2Q2020 as compared with a profit before tax of RM0.292 million for 2Q2019. The decrease in profit was mainly due to change in geographical sales mix with supply chain disruption and foreign exchange loss from depreciation of US Dollar against Ringgit Malaysia for the current financial quarter.

Cumulative Quarter: 6 months ended 30 June 2020 compared to 6 months ended 30 June 2019

The Group's revenue had slightly decreased by 0.3% to RM53.801 million from RM53.984 million as compared to the preceding year ended 30 June 2019. The Group also recorded a loss before tax of RM1.239 million for YTD 2Q2020 as compared to a loss before tax of RM0.904 million for 2Q2019. The increase in loss was mainly due to lower demand from manufacturing segments and provision of litigation claim as disclosed in Note 26.

16. Comparison with Previous Quarter's Results

Segment	Revenue			(Loss)/Profit before tax		
	Current Quarter	Preceding Quarter		Current Quarter	Preceding Quarter	
	30/06/2020	31/03/2020	Changes	30/06/2020	31/03/2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Investment holding	-	-	0.00%	(371)	(404)	8.17%
ICT products	29,873	21,696	37.69%	152	309	-50.81%
Resin compound for wire and cable	862	1,224	-29.58%	(112)	(31)	-261.29%
Resin compound for other industries	102	44	131.82%	(416)	(366)	-13.66%
Total	30,837	22,964	34.28%	(747)	(492)	-51.83%

For 2Q2020, the Group recorded a revenue of RM30.837 million, representing an increase of approximately 34% as compared to the previous quarter ended 31 March 2020 (1Q2020) of RM22.964 million. However, the Group recorded a loss before tax of RM0.747 million in 2Q2020 as compared to 1Q2020 of loss before tax of RM0.492 million. The increase in loss for 2Q2020 was mainly due to lower demand from manufacturing segments and lesser margin from product mix of ICT segment.

17. Prospects

The Board of Directors foresees the performance of the Group for financial year 2020 to remain competitive for its manufacturing business which is mainly affected by the commodity prices, intense competition and the uncertain global economic environment.

The global economy has been in uncharted territory with the fallout from the COVID-19 pandemic. Nevertheless, with major economies gradually reopening since June 2020, business activities have begun starting-up and expected to normalize and improve in the second half of 2020. The Board will continuously assess the impact of COVID-19 on its operations and financial performance of the Group for the financial year 2020.

18. Variance of Profit Forecast

Not applicable as no profit forecast has been issued.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2020

19. Loss Before Tax

Loss before tax is arrived at after charging/(crediting):

	Quarter Ended		6 Months Ended	
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	167	172	335	360
Depreciation of right of use asset	22	-	48	-
Amortisation of intangible assets	2	-	3	-
Gain on disposal of property, plant and equipment	-	(20)	-	(20)
Property, plant and equipment written off	-	5	-	5
Impairment loss on trade receivables	-	67	4	67
Provision of litigation claim (Note 1)	-	-	286	-
Reversal of impairment loss on trade receivables	(152)	(136)	(427)	(136)
Reversal of inventories previously written down	(6)	-	(37)	-
Interest expense	5	52	13	117
Interest income	(7)	(50)	(13)	(53)
Net loss/(gain) on foreign exchange	42	(21)	(97)	(6)

*Note 1: Provision amount is arising from disclosure in Note 26.***20. Tax Expense**

Tax expense/(income) comprise of the following:

	Quarter Ended		6 Months Ended	
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- current year	35	70	109	124
- prior year	5	123	5	123
Deferred tax:				
- current year	-	-	-	-
- prior year	-	-	(23)	-
	40	193	91	247

The Group's effective tax rate for financial period ended 30 June 2020 is within the range of statutory tax rate of 24%. Income tax expense is recognised based on management's best estimation.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2020

21. Financial instruments**Classification**

The following table analyses the financial assets and financial liabilities of the Group in the condensed consolidated statement of financial position by the classes and categories of financial instruments to which they are assigned by their measurement basis.

	As At 30/06/2020 RM'000	As At 31/12/2019 RM'000
Financial Assets		
<i><u>Fair value through profit or loss</u></i>		
Investment in unquoted share	4,000	4,000
<i><u>At amortised cost</u></i>		
Trade receivables	4,240	2,255
Other receivables and deposits	4,808	772
Fixed deposits with licensed banks	1,672	164
Cash and bank balances	4,427	6,769
	<u>15,147</u>	<u>9,960</u>
Total financial assets	<u>19,147</u>	<u>13,960</u>
Financial Liabilities		
<i><u>At amortised cost</u></i>		
Trade payables	1,135	1,426
Other payables and accruals	7,142	2,142
Contingent consideration	3,725	916
Lease liability	89	141
Bank borrowings	428	531
Total financial liabilities	<u>12,519</u>	<u>5,156</u>

22. Fair Value Information

At the end of the reporting period, except for disclosed in Note 21 there were no financial instruments carried at fair values in the statement of financial position.

The carrying amount of financial assets and financial liabilities at amortised cost are reasonable approximation of their fair values.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2020

23. Cash and Cash Equivalents

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

	As At 30/06/2020 RM'000	As At 30/06/2019 RM'000
Fixed deposits with licensed banks	1,672	905
Cash and bank balances	4,427	2,365
Bank overdrafts	(73)	-
	<u>6,026</u>	<u>3,270</u>
Less: Fixed deposits pledged to licensed banks	(164)	(905)
	<u>5,862</u>	<u>2,365</u>

Fixed deposits of the Group totaling of RM0.164 million, which have been pledged to banks for banking facilities granted to a subsidiary are not available for general use by the Group other than to meet the obligations under the banking facilities.

24. Status of Corporate Proposals Announced

On 6 January 2020, the Company and its wholly owned subsidiary, Artronix have entered into a sale of business agreement (“SBA”) with EAC for the proposed acquisition of the business undertakings of EAC including the identified assets and liabilities for a purchase consideration of RM12 million, to be satisfied via a combination of new ordinary shares and cash. The cash consideration will only be fully satisfied provided Artronix shall achieve a profit after tax of RM1.5 million for the financial year ended 31 December 2020 and 31 December 2021 respectively. The acquisition has been completed on 18 March 2020 in accordance with the terms of the SBA.

On 23 July 2020, Plascable Polymer Sdn Bhd, a wholly owned subsidiary of the Company, has entered into a conditional sale and purchase agreement with Actgen Industry Sdn Bhd for the proposed disposal of the Property held under H.S.(D) 493851, Lot PTD 76050, Mukim Tebrau, Daerah Johor Bahru, for a cash consideration of RM10.65 million. The proposed disposal is expected to be completed by the end of the 4th quarter of 2020.

On 30 July 2020, the Company proposed to undertake a private placement of up to 26,266,600 new ordinary shares, representing not more than 10% of its issued ordinary shares of the Company. The proceeds from the private placement will be utilised in the manner of purchase inventories for the expansion of ICT business. The proposed private placement is expected to be completed during the 3rd quarter of 2020.

25. Group Borrowings and Debt Securities

The Group borrowings as at 30 June 2020 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings			
Hire purchase payables	245	-	245
	<u>245</u>	<u>-</u>	<u>245</u>
Short term borrowings			
Hire purchase payables	110	-	110
Bank overdrafts	73	-	73
	<u>183</u>	<u>-</u>	<u>183</u>
Total borrowings			
Hire purchase payables	355	-	355
Bank overdrafts	73	-	73
	<u>428</u>	<u>-</u>	<u>428</u>

No borrowing in foreign currency.

PLASTRADE TECHNOLOGY BERHAD

(Company No.: 200201023414 (591077-X))

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2020

26. Material Litigation

On 29 June 2020, the Board of Directors wishes to inform that the Company had received a legal opinion from Company's solicitors, K.S. Ong & Co., informing that a sealed copy of Writ of Summons and Statement of Claim via Johor Bahrui Sessions Court Civil Suit No: JA-A52NCC-134-06/2020 was served to MHT Manufacturing Sdn Bhd ("MHT" or "the Defendant"), a wholly owned subsidiary, by Messrs Lee & Tengku Azrina, the Advocates & Solicitors for Ravago Hong Kong Limited ("Ravago" or "the Plaintiff"). The Plaintiff claims damages and losses on rejection of the goods against the Defendant for sum of USD66,825.55 (equivalent of RM286,347 at rate USD 1 = RM4.285).

Subsequent to the Writ of Summons and Statement of Claim filed by the Plaintiff, K.S. Ong & Co. have filed the Memorandum of Appearance on 6 July 2020, filed the Defence on 16 July 2020 and filed the Notice of Application of Security for Costs together with the Affidavit in Support on 20 July 2020. The Court has fixed on 3 September 2020 for further case management for Parties to settle the terms of the Consent Order in respect of the Notice of Application of Security for Costs.

The above litigation case has no material impact to the Group.

27. Loss Per Share

	Quarter Ended		6 Months Ended	
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
Earnings				
Net loss attributable to equity holders of the Company (RM'000)	(787)	(783)	(1,330)	(1,151)
Basic				
Weighted average number of the ordinary shares in issue ('000)	262,666	186,400	262,666	186,400
Basic Loss per ordinary share (sen)	(0.30)	(0.42)	(0.51)	(0.62)

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.

28. Proposed Dividend

No dividend was declared or proposed during the current financial quarter.

29. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 August 2020.

BY ORDER OF THE BOARD OF
PLASTRADE TECHNOLOGY BERHAD