

POLY GLASS FIBRE (M) BHD (Company No. 42138-X)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2013

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with FRS 134, Interim Financial Reporting and the additional disclosure requirements as in Part A of Appendix 9B of the Revised Listing Requirements.

The interim financial report should be read in conjunction with the most recent annual audited financial statements of the Group for the year ended 29 February 2012. These explanatory notes 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 year ended 29 February 2012.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with the most recent annual audited financial statements for the year ended 29 February 2012 except for the adoption of the following new and revised FRSS, IC Interpretations and Amendments :-

- FRS 124, Related Party Disclosures (revised)
- Amendments to FRS 1, First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- Amendments to FRS 7, Financial Instruments: Disclosures – Transfers of Financial Assets
- Amendments to FRS 112, Income Taxes – Deferred Tax: Recovery of Underlying Assets

The initial application of the above standards, amendments or interpretations are not expected to have any material impact on the Group's financial statements.

2. Audit Report For Preceding Financial Year

Not applicable. No qualification on the audit report of the preceding annual financial statements of Poly Glass Fibre (M) Bhd.

3. Seasonal or Cyclical Factors

The fibre glasswool insulation business normally expect a fall in revenue of about 30% during the festive holiday season.

4. Unusual Items

There were no unusual items for the current quarter and financial period to-date.

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5. Exceptional Items

There were no exceptional items for the current quarter and financial period-to-date.

6. Changes in Estimates

There were no changes in estimates in the prior interim periods and the prior years that have a material effect in the current quarter and financial period to-date.

7. Equity Structure

There were no issuance and repayment of debt and equity shares, shares buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter and financial period to-date.

8. Dividends Paid

There was no dividend paid for the current quarter and financial period to-date.

9. Segmental Reporting

Financial data by business segment for the Group

	Current Year To-date			
	28 February 2013			
	Fibre glasswool and related products RM'000	Property development RM'000	Investment Holding RM'000	Consolidated RM'000
Revenue from external customers	34,266	(340)	-	33,926
Segment results	2,785	25,505	71	28,360
Interest expense				(2,049)
Net profit before tax				26,311
Taxation				(3,372)
Net profit after taxation				22,939

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10. Valuation of Property, Plant and Equipment

Not applicable. No valuation policy was adopted for property, plant and equipment. The Group availed the transitional provisions issued by the Malaysian Accounting Standards Board upon adoption of International Accounting Standard No 16 (Revised) to have the 1992 revalued assets of land and buildings continue to be stated at their existing carrying amounts less accumulated depreciation.

11. Material events subsequent to the end of the period reported on not reflected in the financial statements for the said period

There were no material events subsequent to the end of the period reported on which have not been reflected in the financial statements as at 22 April 2013.

12. Changes in Composition of the Group

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

13. Contingent Liabilities

There were no changes in the contingent liabilities (other than material litigations disclosed in Note 10 of the Additional Information Required by the Bursa Malaysia's Listing Requirements) since the last annual balance sheet date.

14. Related Party Transactions

Transactions with the substantial shareholder, Equaplus Sdn Bhd: -

	RM'000
Advances granted	<u>2,000</u>
Interest payable and paid	<u>1,643</u>

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15. Capital Commitments

Contractual but not provided for in the financial statements.

	RM'000
Capital commitment	
- Property	195
- Plant & Equipment	470
	665
	665

16. Profit for the Period

This is arrived at after crediting / (charging):

	Current Year Quarter 28 Feb 2013 RM'000	Current Year To Date 28 Feb 2013 RM'000
Interest income	25	184
Interest expense	(497)	(2,049)
Depreciation and amortisation	(1,295)	(4,245)
Provision for and written off receivables	-	-
Provision for and written off inventories	-	-
Reversal of impairment loss	-	26,004
Foreign exchange gain (realised and unrealised)	86	346