

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

**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S  
("BURSA MALAYSIA") LISTING REQUIREMENTS FOR THE PERIOD ENDED 31 MAY 2013**

**1. Review of Performance of the Company and its Principal Subsidiaries for the current quarter and financial period to-date**

|   | Individual Quarter                                       |  | Cumulative Quarters                                      |  |
|---|--|--|--|--|
|   | Current<br>Year<br>Quarter<br>31 May 13<br><b>RM'000</b> | Preceding<br>Year<br>Quarter<br>31 May 12<br><b>RM'000</b> | Current<br>Year<br>To Date<br>31 May 13<br><b>RM'000</b> | Preceding<br>Year<br>To Date<br>31 May 12<br><b>RM'000</b> |
| <u>Revenue</u>                          |  |  |  |  |
| Fibre glasswool and related products    | 10,288   | 8,931  | 10,288   | 8,931  |
| Property development Investment Holding | -  | -  | -  | -  |
|   | 10,288   | 8,931  | 10,288   | 8,931  |
| <u>Profit before tax</u>                |  |  |  |  |
| Fibre glasswool and related products    | 1,735  | 579  | 1,735  | 579  |
| Property development                    | (173)  | (207)  | (173)  | (207)  |
| Investment Holding                      | (120)  | (40)   | (120)  | (40)   |
|   | 1,441  | 332  | 1,441  | 332  |

**Group**

The Group revenue for the current quarter has increased by 15.19% to RM10.29 million as compared to the preceding year quarter ended 31 May 2012. The current quarter registered profit before taxation of RM1.44 million as compared to the preceding year quarter's profit before taxation of RM0.33 million. This was mainly due to higher sales revenue achieved by its glasswool insulation division.

**Fibre glasswool and related products segment**

For the current quarter to-date 31 May 2013, the segment achieved a revenue of RM10.29 million as compared to preceding year to-date of RM8.93 million. The current quarter registered a profit before taxation of RM1.74 million as compared to the preceding year quarter's profit before taxation of RM0.58 million. This was mainly due to higher sales revenue achieved.

**Property development segment**

The development has been suspended and delayed for a prolonged period of time. The loss before taxation was mainly a rescission of sales, legal fees, land & building contributions and financing interest.

**Investment holding segment**

The loss before taxation is mainly the expenses to maintain the investment property.

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**2. Material Change in the Profit Before Taxation ("PBT") for the quarter reported on as compared to the results of the immediate preceding quarter**

The Group maintained a profit before tax of RM1.44 million for the current quarter ended 31 May 2013 as compared to the immediate preceding quarter.

**3. Prospects for the Current Financial Year**

Fibre glasswool business is expected to be the major revenue contributor of the Group in the immediate and near future. Demand for insulation is expected to pick up on the domestic front, but the Company will be under the pressure of margin erosion due to the end of sales tax exemption provided by the Malaysian Government. The Company might have to absorb the sales tax partially to defend its market share.

Export market will continue to be driven by neighbouring regional growth and exchange rate. The Company is optimistic about the growth in export market, especially in the sector of high performance fibre glasswool and its demand in developed countries like Japan, Australia and New Zealand. The Company will also continue to build on the cost savings achieved through upgrades completed.

**4. Variance of Actual Profit from Forecast Profit/Profit Guarantee**

Not Applicable.

**5. Income Tax**

|                           | Individual Quarter                                       |  | Cumulative Quarters                                      |  |
|---------------------------|--|--|--|--|
|                           | Current<br>Year<br>Quarter<br>31 May 13<br><b>RM'000</b> | Preceding<br>Year<br>Quarter<br>31 May 12<br><b>RM'000</b> | Current<br>Year<br>To Date<br>31 May 13<br><b>RM'000</b> | Preceding<br>Year<br>To Date<br>31 May 12<br><b>RM'000</b> |
| <b>Malaysian Taxation</b> | # 5  | # 18   | # 5  | # 18   |
| <b>Deferred Taxation</b>  | -  | -  | -  | -  |
|                           | <u>5</u>   | <u>18</u>  | <u>5</u>   | <u>18</u>  |

# The effective tax rate of the Group is lower than the statutory tax rate as the tax charge relates to tax on profits of certain subsidiaries is set-off against the unutilised capital and investment tax allowance.

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**6. Profits/(Losses) on sale of unquoted investments and/or properties**

There were no profits/(losses) on sale of unquoted investments and/or properties for the current quarter and financial period to-date.

**7. Quoted Securities**

There were no purchases or disposals of quoted securities for the current quarter and financial period to-date.

**8. Status of Corporate Proposals**

Not Applicable

**9. Group Borrowings**

|                                       | <b>As at<br/>31 May 2013<br/>RM'000</b> | <b>As at<br/>28 Feb 2013<br/>RM'000</b> |
|---------------------------------------|---|---|
| Long term borrowings, secured         |   |   |
| <i>Analysis of repayment</i>          |   |   |
| Between 1 – 2 years                   | 1,816                                   | 1,146                                   |
| Between 2 – 5 years                   | 8,898                                   | 2,498                                   |
|                                       | 10,714                                  | 3,644                                   |
| Advance from a shareholder, unsecured | 22,827                                  | 24,827                                  |
| Short term borrowings                 |   |   |
| <i>Secured</i>                        |   |   |
| Bank overdraft                        | -                                       | -                                       |
| Other borrowings                      | 1,770                                   | 1,197                                   |
|                                       | 1,770                                   | 1,197                                   |
| <i>Unsecured</i>                      |   |   |
| Bank overdrafts                       | 928                                     | 653                                     |
| Other borrowings                      | 2,841                                   | 2,480                                   |
|                                       | 3,769                                   | 3,133                                   |
|                                       | 5,539                                   | 4,331                                   |

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**10. Material Litigation**

*Golden Approach Sdn Bhd ("GASB")*

- i) GASB has been served a court summon in August 2003 by one of its purchasers claiming liquidated damages for late delivery of the property. The solicitors for GASB have filed the Statement of Defence for the suit.
- ii) On 17 September 2002, GASB filed a Writ of Summons and Statement of Claim in the Shah Alam High Court ("SAHC") against Diamond Power Bhd ("DPB") for the recovery of a debt of RM1,687,928.98 owing by DPB to GASB for various works done and cost incurred by GASB on DPB's behalf. Judgment was granted by the SAHC on 2 July 2004 in favour of GASB for the sum of RM1,687,928.98 together with interest of 8% per annum from the date of the writ of summons until full realisation.

On 10 October 2002, GASB filed a Writ of Summons and Statement of Claim in the SAHC against DPB for the recovery of RM5,250,000.00. The said sum has been paid by GASB to DPB as a commitment fee for the issuance of 1,500 memberships to the club to be built by DPB at RM3,500.00 for each membership prior to the procurement of the approval by the authorities for the issuance of such membership. DPB has failed to obtain any approval from the relevant authorities for the issuance of such membership to date. Judgment was granted by the SAHC on 27 June 2003 in favour of GASB for the sum RM5,250,000.00 together with interest of 8% per annum from the date of the writ of summons until full realisation.

Based on information that DPB has been wound-up, GASB has filed two proof of debts on 16 January 2004 for the sums RM1,687,928.98 and RM5,250,000.00 with the Official Receiver.

- iii) On 20 July 2005, GASB has been served a Writ of Summons and a Statement of Claim issued from the Kuala Lumpur High Court ("KLHC") by a contractor of GASB for claims of RM3,212,688.78 (being outstanding sum on Interim Certificates issued by the Engineer and a further amount derived from the Plaintiff's final claim amounting to RM1,316,783.76 and RM1,895,905.02 respectively). GASB disputed the claims.

On the application of GASB the KLHC has struck out the claim by Tasja 2006 and the decision was affirmed by the Court of Appeal ("COA") on 13 August 2009. The Federal Court however has on the 22 November 2010 allowed the Plaintiff's appeal with costs and remitted the matter to the KLHC for full trial.

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The KLHC has heard the evidence of both Plaintiff and Defendant and on 13 June 2012 the KLHC has allowed the Plaintiff's claim for the sum of RM3,212,688.78 with interest and cost of RM20,000.00 awarded to the Plaintiff. An appeal against the KLHC decision has been lodged with the Court of Appeal. On the hearing of the appeal on 22 May 2013 the COA has directed that the case be refixed for hearing before another panel of judges as a member of the COA has heard the appeal in the KLHC. The COA has fixed case management on 23 July 2013 to fix a hearing date.

On the 17 April 2013 the COA has granted a conditional stay of execution of the KLHC judgment including the Sale of the GASB's land subject to payment of RM6,112,635.07 with interest and cost into KLHC. GASB has deposited a total sum of RM6,309,564.76 into KLHC.

**11. Dividend**

The Board of Directors does not recommend any dividend for the period ended 31 May 2013.

**12. Earnings Per Share**

Basic Earnings Per Share - The basic earnings per ordinary share has been calculated by dividing the Group's net profit for the current year to date of RM1,436,456 (2012: net profit RM313,810) by the weighted average number of ordinary shares of the Company in issue during the current financial year to date of 159,974,948 shares (2012: 159,974,948).

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**13. Disclosure of Realised And Unrealised Losses**

|   | <b>As at<br/>31 May 2013<br/>RM'000</b> | <b>As at<br/>28 Feb 2013<br/>RM'000</b> |
|---|---|---|
| Total accumulated losses of the Company and its subsidiaries: |   |   |
| - realised  | (164,659)                               | (165,954)                               |
| - unrealised  | (11,942)                                | (11,942)                                |
|   | <u>(176,601)</u>                        | <u>(177,896)</u>                        |
| Less: Consolidation adjustments                               | 83,619                                  | 83,478                                  |
| Total accumulated losses as per consolidated accounts         | <u>(92,982)</u>                         | <u>(94,418)</u>                         |

The determination of realised and unrealised losses is compiled based on Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised losses above is solely for the purposes of complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

By Order of the Board

Ch'ng Lay Hoon  
Company Secretary

Dated this 11<sup>th</sup> day of July 2013