

**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 AUGUST 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 Year Quarter 31 Aug 13 <b>RM'000</b>	Preceding Year Quarter 31 Aug 12 <b>RM'000</b>	Current Year To Date 31 Aug 13 <b>RM'000</b>	Preceding Year To Date 31 Aug 12 <b>RM'000</b>
<u>Revenue</u>				
Fibre glasswool and related products	10,573	8,491	20,861	17,422
Property development Investment Holding	-	-	-	-
	<u>10,573</u>	<u>8,491</u>	<u>20,861</u>	<u>17,422</u>
<u>Profit before tax</u>				
Fibre glasswool and related products	1,834	265	3,569	844
Property development Investment Holding	(173)	(214)	(346)	(421)
	<u>(93)</u>	<u>(31)</u>	<u>(213)</u>	<u>(71)</u>
	<u>1,568</u>	<u>20</u>	<u>3,010</u>	<u>352</u>

**Group**

The Group revenue for the current quarter has increased by 24.52% to RM10.57 million as compared to the preceding year quarter ended 31 August 2012. The current quarter registered profit before taxation of RM1.57 million as compared to the preceding year quarter's profit before taxation of RM0.02 million.

For the current financial year to-date 31 August 2013, the Group achieved revenue of RM20.86 million as compared to preceding year to-date of RM17.42 million. The Group has registered profit before tax of RM3.01 million for the current financial year to-date as compared to the preceding year to-date's profit before tax of RM0.35 million.

This was mainly due to higher sales revenue achieved by its glasswool insulation division.

**Fibre glasswool and related products segment**

The revenue for the current quarter has increased by 24.52% to RM10.57 million as compared to the preceding year quarter ended 31 August 2012. The current quarter registered a profit before taxation of RM1.83 million as compared to the preceding year quarter's profit before taxation of RM0.27 million.

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(Cont'd)**

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

**Fibre glasswool and related products segment**

For the current financial year to-date 31 August 2013, the revenue achieved of RM20.86 million as compared to preceding year to-date of RM17.42 million. The profit before tax registered of RM3.57 million for the current financial year to-date as compared to the preceding year to-date's profit before tax of RM0.84 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 legal fees, land & building contributions and financing interest.

**Investment holding segment**

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

**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 recorded a profit before tax of RM1.57 million for the current quarter ended 31 August 2013 as compared to the immediate preceding quarter profit before tax of RM1.44 million. This was mainly due to higher sales revenue achieved by its glasswool insulation division.

**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. The Company expects a slower demand in domestic market for the next quarter as selling price was elevated due to expiry of sales tax exemption. Reduction in diesel subsidy will also contribute to higher transportation cost and hence the selling price. The Company expects that the trend will continue as the Government continues to rationalize subsidies of electricity, fuel and natural gas in near future. In response, the Company will monitor the sales volume closely and adjust the selling price to maintain market share.

Export market sales 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 continue to build on the cost savings achieved through upgrades completed.

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

Not Applicable.

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**(Cont'd)**

**5. Income Tax**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 Aug 13 <b>RM'000</b>	Preceding Year Quarter 31 Aug 12 <b>RM'000</b>	Current Year To Date 31 Aug 13 <b>RM'000</b>	Preceding Year To Date 31 Aug 12 <b>RM'000</b>
<b>Malaysian Taxation</b>	-	# 31	# 5	# 49
<b>Deferred Taxation</b>	-	-	-	-
	<u>-</u>	<u>31</u>	<u>5</u>	<u>49</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.

**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

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**(Cont'd)**

**9. Group Borrowings**

	<b>As at 31 Aug 2013 RM'000</b>	<b>As at 28 Feb 2013 RM'000</b>
Long term borrowings, secured		
<i>Analysis of repayment</i>		
Between 1 – 2 years	2,636	1,146
Between 2 – 5 years	11,753	2,498
	14,389	3,644
Advance from a shareholder, unsecured	19,527	24,827
Short term borrowings		
<i>Secured</i>		
Bank overdraft	-	-
Other borrowings	2,557	1,197
	2,557	1,197
<i>Unsecured</i>		
Bank overdrafts	305	653
Other borrowings	1,631	2,480
	1,936	3,133
	4,493	4,331

**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.

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(Cont'd)**

**10. Material Litigation**

*Golden Approach Sdn Bhd ("GASB")*

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.

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. When the matter came up for case management on 23 July 2013, the COA proceeded to fix the hearing of the appeal which is fixed for 17 October 2013.

On the 17 October 2013, the COA after hearing submissions from both counsels unanimously allowed GASB's appeal and set aside the KLHC's order given on 12 June 2012 with cost of RM10,000.00 awarded to GASB. The Court has also ordered the sum of RM6,309,564.76 paid into KLHC be released to GASB.

**11. Dividend**

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

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**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 RM3,004,544 (2012: net profit RM303,117) 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).

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

	<b>As at 31 Aug 2013 RM'000</b>	<b>As at 28 Feb 2013 RM'000</b>
Total accumulated losses of the Company and its subsidiaries:		
- realised	(163,195)	(165,954)
- unrealised	<u>(11,979)</u>	<u>(11,942)</u>
	(175,174)	(177,896)
Less: Consolidation adjustments	<u>83,760</u>	<u>83,478</u>
Total accumulated losses as per consolidated accounts	<u><u>(91,414)</u></u>	<u><u>(94,418)</u></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 28<sup>th</sup> day of October 2013