

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 30 NOVEMBER 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 30 Nov 13 RM'000	Preceding Year Quarter 30 Nov 12 RM'000	Current Year To Date 30 Nov 13 RM'000	Preceding Year To Date 30 Nov 12 RM'000
<u>Revenue</u>				
Fibre glasswool and related Products	10,483	6,303	31,344	23,726
Property development Investment Holding	-	-	-	-
	10,483	6,303	31,344	23,726
<u>Profit before tax</u>				
Fibre glasswool and related Products	1,830	(1,265)	5,399	(421)
Property development Investment Holding	(333)	25,814	(679)	25,393
	(75)	(31)	(288)	(102)
	1,422	24,518	4,432	24,870

Group

The Group revenue for the current quarter increased by 66.32% to RM10.48 million as compared to the preceding year quarter ended 30 November 2012. The current quarter registered profit before tax of RM1.42 million as compared to the preceding year quarter's profit before tax of RM24.52 million.

For the current financial year to-date 30 November 2013, the Group achieved revenue of RM31.34 million as compared to preceding year to-date of RM23.73 million. The Group has registered profit before tax of RM4.43 million for the current financial year to-date as compared to the preceding year to-date's profit before tax of RM24.87 million.

The higher revenue is mainly due to fibre glasswool plant shutdown for equipment upgrades by its glasswool insulation division in preceding year. The lower profit before tax is mainly due to the reversal of impairment loss on land held for property development previously provided for by its wholly owned subsidiary, Golden Approach Sdn. Bhd., of RM26 million in preceding year.

Fibre glasswool and related products segment

The revenue for the current quarter has increased by 66.32% to RM10.48 million as compared to the preceding year quarter ended 30 November 2012. The current quarter registered a profit before tax of RM1.83 million as compared to the preceding year quarter's loss before tax of RM1.27 million.

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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 (cont'd)

For the current financial year to-date 30 November 2013, the revenue achieved of RM31.34 million as compared to preceding year to-date of RM23.73 million. The profit before tax registered of RM5.40 million for the current financial year to-date as compared to the preceding year to-date's loss before tax of RM0.42 million. This was mainly due to plant shutdown for equipment upgrades by its glasswool manufacturing division in preceding year.

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. The higher profit before tax in preceding year mainly due to the reversal of impairment loss on land held for property development previously provided for by its wholly owned subsidiary, Golden Approach Sdn. Bhd., of RM26 million.

Investment holding segment

The loss before tax 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 RM1.42 million for the current quarter ended 30 November 2013 as compared to the immediate preceding quarter profit before tax of RM1.57 million. This was mainly due to higher legal fee by its wholly owned subsidiary, Golden Approach Sdn. Bhd.

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. Prices of many domestic products and services have been on a steep upward trend due to the recent announcements of price hike in few necessity items. The Company is likely to be significantly impacted by the electricity price hike. Due to its special tariff status, The Company will see an increase of 18.72% in electricity bill. This cost increase is unlikely to be passed onto the customers due to market competition. To mitigate this, The Company will continue to control its cost to minimize loss of profit margin.

Market demand for both domestic and export market is expected to slow down significantly in the following quarter due to Christmas, New Year and Lunar New Year holiday seasons. Longer plant shutdown for scheduled maintenance will be planned to upkeep and upgrade equipment.

As a result, the Company will see a slowdown in revenue as well as profit in the fourth quarter as compared to current quarter.

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

Not Applicable.

5. Income Tax

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30 Nov 13 RM'000	Preceding Year Quarter 30 Nov 12 RM'000	Current Year To Date 30 Nov 13 RM'000	Preceding Year To Date 30 Nov 12 RM'000
Malaysian Taxation	# 16	# 22	# 21	# 71
Deferred Taxation	-	6,305	-	6,305
	16	6,327	21	6,376

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.

* Deferred tax provided on reversal of impairment loss on land held for property development previously provided for.

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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2013 (Cont'd)**

9. Group Borrowings

	As at 30 Nov 2013 RM'000	As at 28 Feb 2013 RM'000
Long term borrowings, secured		
<i>Analysis of repayment</i>		
Between 1 – 2 years	2,598	1,146
Between 2 – 5 years	11,148	2,498
	13,746	3,644
Advance from a shareholder, unsecured	19,527	24,827
Short term borrowings		
<i>Secured</i>		
Bank overdraft	-	-
Other borrowings	2,566	1,197
	2,566	1,197
<i>Unsecured</i>		
Bank overdrafts	118	653
Other borrowings	22	2,480
	140	3,133
	2,706	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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2013 (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 re-fixed 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.

The Plaintiff has filed a Notice of Motion on the 14 November 2013 for leave to appeal to the Federal Court. The court has originally fixed 24 December 2013 for case management but it was re-fixed to 12 March 2014 to allow the Plaintiff to apply for grounds of judgement from the COA.

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11. Dividend

The Board of Directors does not recommend any dividend for the period ended 30 November 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 RM4,411,141 (2012: net profit RM18,494,288) 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

	As at 30 Nov 2013 RM'000	As at 28 Feb 2013 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- realised	(161,902)	(165,954)
- unrealised	<u>(12,006)</u>	<u>(11,942)</u>
	(173,908)	(177,896)
Less: Consolidation adjustments	<u>83,901</u>	<u>83,478</u>
Total accumulated losses as per consolidated accounts	<u>(90,007)</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 20th day of January 2014