

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 2014**

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 14 RM'000	Preceding Year Quarter 31 Aug 13 RM'000	Current Year To Date 31 Aug 14 RM'000	Preceding Year To Date 31 Aug 13 RM'000
<u>Revenue</u>				
Fibre glasswool and related products	10,764	10,573	22,912	20,861
Property development	-	-	-	-
Investment Holding	-	-	-	-
	10,764	10,573	22,912	20,861
<u>Profit/(Loss) before tax</u>				
Fibre glasswool and related products	984	1,834	3,272	3,569
Property development	(128)	(173)	(251)	(346)
Investment Holding	(44)	(93)	(76)	(213)
	812	1,568	2,945	3,010

Group

The Group revenue for the current quarter increased by 1.81% to RM10.76 million as compared to the preceding year quarter ended 31 August 2013. The current quarter registered profit before tax of RM0.81 million as compared to the preceding year quarter's profit before tax of RM1.57 million.

For the current financial year to-date 31 August 2014, the Group achieved revenue of RM22.91 million as compared to preceding year to-date of RM20.86 million. The Group has registered profit before tax of RM2.94 million for the current financial year to-date as compared to the preceding year to-date's profit before tax of RM3.01 million.

The higher revenue is achieved by its glasswool insulation business. The lower in profit before tax is mainly due to higher unit cost of production.

Fibre glasswool and related products segment

The revenue for the current quarter has increased by 1.81% to RM10.76 million as compared to the preceding year quarter ended 31 August 2013. The current quarter registered a profit before tax of RM0.98 million as compared to the preceding year quarter's profit before tax of RM1.83 million.

For the current financial year to-date 31 August 2014, the revenue achieved of RM22.91 million as compared to preceding year to-date of RM20.86 million. The profit before tax registered of RM3.27

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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

million for the current financial year to-date as compared to the preceding year to-date's profit before tax of RM3.57 million.

Higher revenue is due to better sales. The lower profit before tax is mainly due to higher unit cost of production.

Property development segment

The development has been suspended and delayed for a prolonged period of time. The loss before taxation was mainly due to legal fees and land & building contributions.

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 RM0.81 million for the current quarter ended 31 August 2014 as compared to the immediate preceding quarter profit before tax of RM2.13 million. This was mainly due to lower sales revenue and higher unit cost of production 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 will continue to maximise utilization of its manufacturing capacity and control cost to keep the manufacturing cost low.

Market competition will continue to be challenging due to additional capacity by competitors around this region. Downward pressure on price of fibre glasswool is expected. Revenue is expected to be impacted if Japanese Yen and US Dollar weakened against Ringgit Malaysia.

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

Not Applicable.

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5. Income Tax

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 Aug 14 RM'000	Preceding Year Quarter 31 Aug 13 RM'000	Current Year To Date 31 Aug 14 RM'000	Preceding Year To Date 31 Aug 13 RM'000
Malaysian Taxation	# 10	-	# 17	# 5
Deferred Taxation	-	-	-	-
	10	-	17	5

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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9. Group Borrowings

	As at 31 Aug 2014 RM'000	As at 28 Feb 2014 RM'000
Long term borrowings, secured		
<i>Analysis of repayment</i>		
Between 1 – 2 years	2,304	2,420
Between 2 – 5 years	9,291	10,565
	11,595	12,985
Advance from a shareholder, unsecured	13,817	16,327
Short term borrowings		
<i>Secured</i>		
Bank overdraft	-	-
Other borrowings	2,219	2,318
	2,219	2,318
<i>Unsecured</i>		
Bank overdrafts	287	395
Other borrowings	436	1,126
	723	1,521
	2,942	3,839

10. Material Litigation

Golden Approach Sdn Bhd ("GASB")

- i) 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

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10. Material Litigation (Cont'd)

Golden Approach Sdn Bhd ("GASB")

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.

The Plaintiff has filed a Notice of Motion on the 14 November 2013 for leave to appeal to the Federal Court and the court fixed 28 May 2014 for hearing of the Motion. On the date of hearing one of the judges in the panel the Chief Judge of Malaya Tan Sri Zulkefli Bin Ahmad Makinudin has recused himself as he was one of the panel judges in the Federal Court which allowed Tasja's Appeal in the striking out proceeding. The court adjourned the hearing to 8th of July, 2014 which was adjourned again for case management as the ground of judgment of the Court of Appeal was not available. The court has now fixed 13 January 2015 for another case management before fixing the hearing date.

11. Dividend

The Board of Directors does not recommend any dividend for the period ended 31 August 2014.

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 RM2,928,119 (2013: net profit RM3,004,544) 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 (2013: 159,974,948).

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13. Disclosure of Realised And Unrealised Losses

	As at 31 May 2014 RM'000	As at 28 Feb 2014 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- realised	(142,331)	(145,366)
- unrealised	(12,256)	(12,180)
	<u>(154,587)</u>	<u>(157,546)</u>
Less: Consolidation adjustments	69,011	69,042
Total accumulated losses as per consolidated accounts	<u>(85,576)</u>	<u>(88,504)</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 29th day of October 2014