

**POLY GLASS FIBRE (M) BHD**

(Company No. 42138-X)  
(Incorporated in Malaysia)  
and its subsidiaries

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 28 FEBRUARY 2018**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 28 February 2018 RM'000 (Unaudited)	Preceding Year Quarter 28 February 2017 RM'000 (Unaudited)	Current Year To Date 28 February 2018 RM'000 (Unaudited)	Preceding Year To Date 28 February 2017 RM'000 (Audited)
Revenue	11,318	10,491	54,055	47,889
Operating Expenses	(12,104)	(10,245)	(51,133)	(44,473)
Other operating income	486	41,064	1,668	41,397
Results from operating activities	(300)	41,310	4,590	44,813
Interest income	10	20	68	99
Interest expenses	(457)	(468)	(1,917)	(1,641)
Profit/(loss) before taxation	(747)	40,862	2,741	43,271
Tax expenses	(619)	(8,716)	(779)	(8,907)
Profit/(loss) after taxation	(1,366)	32,146	1,962	34,364
Other comprehensive income for the period	-	-	-	-
Total comprehensive (expenses)/income for the period attributable to owners of the Company	(1,366)	32,146	1,962	34,364
Earnings per share:				
Basic (based on ordinary shares of RM1 each) (sen)	(0.85)	20.09	1.23	21.48
<i>(Calculated based on the weighted average number of shares in issue during the period)</i>	159,975	159,975	159,975	159,975

The selected explanatory notes form an integral part of, and, should be read in conjunction with, this interim financial report

**POLY GLASS FIBRE (M) BHD**

(Company No. 42138-X)  
(Incorporated in Malaysia)  
and its subsidiaries

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 28 FEBRUARY 2018**

	<b>As at end of Current Quarter 28 February 2018 RM'000 (Unaudited)</b>	<b>As at Preceding Financial Year End 28 February 2017 RM'000 (Audited)</b>
<b>Assets</b>		
Property, plant and equipment	61,384	63,413
Investment property	5,865	5,856
Land held for property development	131,832	133,398
Deferred tax assets	1,537	1,916
<b>Total non-current assets</b>	<b>200,618</b>	<b>204,583</b>
Inventories	15,895	14,733
Trade and other receivables	11,500	10,305
Cash and cash equivalents	699	1,871
<b>Total current assets</b>	<b>28,094</b>	<b>26,909</b>
<b>Total assets</b>	<b>228,712</b>	<b>231,492</b>
<b>Equity</b>		
Share capital	202,762	202,762
Reserves	(41,458)	(43,420)
<b>Equity attributable to owners of the Company</b>	<b>161,304</b>	<b>159,342</b>
<b>Liabilities</b>		
Loans and borrowings	17,935	19,102
Advances from a shareholder	11,167	9,817
Deferred tax liabilities	23,089	23,089
<b>Total non-current liabilities</b>	<b>52,191</b>	<b>52,008</b>
Loans and borrowings	7,957	9,981
Trade and other payables	7,238	10,057
Current tax liabilities	22	104
<b>Total current liabilities</b>	<b>15,217</b>	<b>20,142</b>
<b>Total liabilities</b>	<b>67,408</b>	<b>72,150</b>
<b>Total equity and liabilities</b>	<b>228,712</b>	<b>231,492</b>
<b>Net assets per share (sen)</b>	<b>100.83</b>	<b>99.60</b>

*The selected explanatory notes form an integral part of, and, should be read in conjunction with, this interim financial report*

**POLY GLASS FIBRE (M) BHD**  
**(Company No 42138-X)**  
**(Incorporated in Malaysia)**  
**and its subsidiaries**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 28 FEBRUARY 2018**

	← Attributable to owners of the Company →					Total RM'000
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Accumulated losses RM'000	Capital reserve RM'000	
At 1 March 2016	159,975	42,787	181	(78,635)	670	124,978
Total comprehensive income for the period	-	-	-	34,364	-	34,364
Transfer in accordance with section 618(2) of the Companies Act 2016	42,787	(42,787)				
At 28 February 2017/1 March 2017	202,762	-	181	(44,271)	670	159,342
Total comprehensive income for the period	-	-	-	1,962	-	1,962
At 28 February 2018	202,762	-	181	(42,309)	670	161,304

*The selected explanatory notes form an integral part of, and, should be read in conjunction with, this interim financial report*

**POLY GLASS FIBRE (M) BHD**

(Company No. 42138-X)  
(Incorporated in Malaysia)  
and its subsidiaries

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 28 FEBRUARY 2018**

	28 February 2018 RM'000 (Unaudited)	28 February 2017 RM'000 (Audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	2,741	43,271
<b>Adjustments for :</b>		
Depreciation of property, plant and equipment	5,427	5,111
Depreciation of investment property	127	126
Plant and equipment written off	2	1
Interest income	(68)	(100)
Interest expense	1,917	1,641
(Gain)/loss on disposal of property, plant and equipment	(150)	142
Reversal of provision for impairment loss on land held for property development	-	(40,937)
<b>Operating profit before changes in working capital</b>	<u>9,996</u>	<u>9,255</u>
<i>Changes in working capital :</i>		
Inventories	(1,162)	(6,494)
Land held for property development	1,566	-
Trade and other receivables	(1,195)	544
Trade and other payables	(2,819)	(3,352)
<b>Cash generated from/(used in) operations</b>	<u>6,386</u>	<u>(47)</u>
Tax paid	(482)	(253)
<b>Net cash from/(used in) operating activities</b>	<u>5,904</u>	<u>(300)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	68	100
Proceeds from disposal of property, plant and equipment	1,677	37
Purchase of plant and equipment	(4,927)	(7,943)
Purchase of investment property	(136)	-
<b>Net cash used in investing activities</b>	<u>(3,318)</u>	<u>(7,806)</u>

**POLY GLASS FIBRE (M) BHD**

(Company No. 42138-X)  
(Incorporated in Malaysia)  
and its subsidiaries

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 28 FEBRUARY 2018**

	<b>28 February 2018</b> <b>RM'000</b> <b>(Unaudited)</b>	<b>28 February 2017</b> <b>RM'000</b> <b>(Audited)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advances from a shareholder	1,350	-
Interest paid	(1,917)	(1,641)
Repayment of finance lease liabilities	(141)	(149)
Short term borrowings, net	(1,128)	2,006
(Repayment)/Drawdown of term loans, net	(2,984)	6,230
<b>Net cash (used in)/from financing activities</b>	<b>(4,820)</b>	<b>6,446</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,234)</b>	<b>(1,660)</b>
<b>Cash and cash equivalents at 1 March 2017/2016</b>	<b>1,457</b>	<b>3,117</b>
<b>Cash and cash equivalents at end of period</b>	<b>(777)</b>	<b>1,457</b>

*The selected explanatory notes form an integral part of, and, should be read in conjunction with,  
this interim financial report*

**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 2018**

**1. Basis of Preparation**

The Group falls within the scope definition of Transitioning Entities. Transitioning Entities are allowed to defer the adoption of Malaysian Financial Reporting Standard (“MFRS”) Framework.

For the financial year ended 28 February 2018, the Group will continue to prepare its financial statements using Financial Reporting Standards (“FRS”).

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 28 February 2017. 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 28 February 2017.

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 28 February 2017 except for the adoption of the following new and revised FRSs, Interpretations and Amendments :-

- Amendments to FRS 12, *Disclosure of Interests in Other Entities (Annual Improvements to FRS Standards 2014-2016 Cycle)*
- Amendments to FRS 107, *Statement of Cash Flows – Disclosure Initiative*
- Amendments to FRS 112, *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*

The initial application of the above standards, amendments or interpretations do not have any material impact on this interim financial report of the Group.

**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 2018 (cont'd)**

**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.

**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**

Other than investment of 20% equity interest in Ecowool Insulation Pty. Ltd., Australia on 27 February 2018, 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.

**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 2018 (cont'd)**

**9. Segmental Reporting**

Financial data by business segment for the Group

	← Current Year To-date → 28 February 2018			
	Fibre glasswool and related products RM'000	Property development RM'000	Investment Holding RM'000	Consolidated RM'000
Revenue from external customers	54,019	(324)	360	54,055
<b>Segment results</b>	4,476	(700)	814	4,590
Interest income				68
Interest expense				(1,917)
Net profit before taxation				2,741
Taxation				(779)
<b>Net profit after taxation</b>				<u>1,962</u>
<b>Segment assets</b>	<u>76,597</u>	<u>132,873</u>	<u>19,242</u>	<u>228,712</u>
	← Preceding Year To-date → 28 February 2017			
	Fibre glasswool and related products RM'000	Property development RM'000	Investment Holding RM'000	Consolidated RM'000
Revenue from external customers	47,829	-	60	47,889
<b>Segment results</b>	4,458	40,083	272	44,813
Interest income				99
Interest expense				(1,641)
Net profit before taxation				43,271
Taxation				(8,907)
<b>Net profit after taxation</b>				<u>34,364</u>
<b>Segment assets</b>	<u>77,313</u>	<u>134,961</u>	<u>19,218</u>	<u>231,492</u>



**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 2018 (cont'd)**

**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 25 April 2018.

**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 since the last annual balance sheet date.

**14. Related Party Transactions**

Transactions with the substantial shareholder, Equaplus Sdn Bhd: -

	RM'000
Advances granted	<u>1,350</u>
Interest payable and paid	<u>738</u>

**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 2018 (cont'd)**

**15. Capital Commitments**

Contractual but not provided for in the financial statements.

	RM'000
Capital commitment	
- Plant & Equipment	
Contracted but not provided for	977
Approved but not contracted for	449
	449

**16. Profit for the Period**

This is arrived at after crediting / (charging):

	<b>Current Year Quarter 28 Feb 2018 RM'000</b>	<b>Current Year To Date 28 Feb 2018 RM'000</b>
Interest income	10	68
Interest expense	(457)	(1,917)
Depreciation and amortisation	(1,341)	(5,554)
Foreign exchange gain (realised and unrealised)	311	1,350

**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 28 FEBRUARY 2018**

**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 28 Feb 18 RM'000	Preceding Year Quarter 28 Feb 17 RM'000	Changes Increase/ (Decrease) %	Current Year To Date 28 Feb 18 RM'000	Preceding Year To Date 28 Feb 17 RM'000	Changes Increase/ (Decrease) %
<b>Revenue</b>						
Fibre glasswool and related products	11,193	10,431	7.31	54,019	47,829	12.94
Property development	35	-	100.00	(324)	-	100.00
Investment Holding	90	60	50.00	360	60	500.00
	<u>11,318</u>	<u>10,491</u>	<u>7.88</u>	<u>54,055</u>	<u>47,889</u>	<u>12.88</u>
<b>Profit/(Loss) before tax</b>						
Fibre glasswool and related products	(640)	247	(359.11)	3,146	3,272	(3.85)
Property development	(180)	40,678	(100.44)	(700)	40,083	(101.75)
Investment Holding	73	(63)	(215.87)	295	(85)	(447.06)
	<u>(747)</u>	<u>40,862</u>	<u>(101.83)</u>	<u>2,741</u>	<u>43,271</u>	<u>(93.67)</u>

**Group**

The Group revenue for the current quarter increased by 7.88% to RM11.32 million as compared to the preceding year quarter ended 28 February 2017. The current quarter registered loss before tax of RM0.75 million as compared to the preceding year quarter's profit before tax of RM40.87 million.

For the current financial year to-date 28 February 2018, the Group achieved revenue of RM54.06 million as compared to preceding year to-date of RM47.89 million. The Group has registered profit before tax of RM2.74 million for the current financial year to-date as compared to the preceding year to-date's profit before tax of RM43.27 million.

The higher revenue is attributed by its glasswool insulation division. The lower profit before tax is mainly due to reversal of impairment loss on development properties previously provided by its wholly owned subsidiary, Golden Approach Sdn. Bhd., of RM40.94 million in preceding year.

**Fibre glasswool and related products segment**

The revenue for the current quarter has increased by 7.31% to RM11.19 million as compared to the preceding year quarter ended 28 February 2017. The current quarter registered a loss before tax of RM0.64 million as compared to the preceding year quarter's profit before tax of RM0.25 million.

**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 28 FEBRUARY 2018 (Cont'd)**

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

**Fibre glasswool and related products segment (Cont'd)**

For the current financial year to-date 28 February 2018, the revenue achieved of RM54.02 million as compared to preceding year to-date of RM47.83 million. The profit before tax registered of RM3.15 million for the current year to-date as compared to the preceding year to-date's profit before tax of RM3.27 million.

This was 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 land & building contributions.

**Investment holding segment**

The profit before taxation is mainly the rental received by its 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**

	Current Quarter 28 Feb 18 <b>RM'000</b>	Immediate Preceding Quarter 30 Nov 17 <b>RM'000</b>	Changes <b>Increase/ (Decrease)</b>  %
Revenue	11,318	16,200	(30.14)
Profit/(loss) before tax	(747)	3,032	(124.64)

The Group recorded a loss before tax of RM0.75 million for the current quarter ended 28 February 2018 as compared to the immediate preceding quarter profit before tax of RM3.03 million. This was mainly due to festive holiday season in current 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.

Internally, the Company will continue to focus on improving operation in order to achieve consistent output to lower production cost.

**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 28 FEBRUARY 2018 (Cont'd)**

**3. Prospects for the Current Financial Year (Cont'd)**

The Group is focusing on expanding its export market in line with the improvement of production output. In order to achieve that, we will intensify our efforts to work with strategic partners in targeted countries to promote our brands.

On the local front, the property development industry is expected to be dampened by weak market sentiment. Domestic sales is expected to be slower this year as compared to previous year. However, long term demand for insulation is expected to increase consistently, albeit slowly, in tandem with the housing demand and increasing awareness of the importance insulation in energy efficiency.

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

Not Applicable.

**5. Income Tax**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 28 Feb 18 <b>RM'000</b>	Preceding Year Quarter 28 Feb 17 <b>RM'000</b>	Current Year To Date 28 Feb 18 <b>RM'000</b>	Preceding Year To Date 28 Feb 17 <b>RM'000</b>
<b>Malaysian Taxation</b>	240	# 80	# 400	# 271
<b>Deferred Taxation</b>	379	* 8,636	379	* 8,636
	619	8,716	779	8,907

# 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 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.

**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 28 FEBRUARY 2018 (Cont'd)**

**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**

	As at 28 February 2018		
	Long term	Short term	Total borrowings
	RM'000	RM'000	RM'000
<b>Secured</b>			
<i>Term loans</i>	16,476	3,143	19,619
<i>Other borrowings</i>	-	46	46
	16,476	3,189	19,665
<b>Unsecured</b>			
<i>Bank overdrafts</i>	-	1,475	1,475
<i>Term loans</i>	1,459	328	1,787
<i>Other borrowings</i>	-	2,965	2,965
	1,459	4,768	6,227
	<b>17,935</b>	<b>7,957</b>	<b>25,892</b>
	As at 28 February 2017		
	Long term	Short term	Total borrowings
	RM'000	RM'000	RM'000
<b>Secured</b>			
<i>Term loans</i>	17,190	4,838	22,028
<i>Other borrowings</i>	76	141	217
	17,266	4,979	22,245
<b>Unsecured</b>			
<i>Bank overdrafts</i>	-	414	414
<i>Term loans</i>	1,836	495	2,331
<i>Other borrowings</i>	-	4,093	4,093
	1,836	5,002	6,838
	<b>19,102</b>	<b>9,981</b>	<b>29,083</b>

**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 28 FEBRUARY 2018 (Cont'd)**

**9. Group Borrowings (Cont'd)**

Details of the borrowings denominated in each currency:

	<b>As at 28 Feb 2018</b>	<b>As at 28 Feb 2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysian Ringgit	15,954	16,406
United States Dollar	9,938	12,677
	25,892	29,083
 Advance from a shareholder, unsecured	 11,167	 9,817

**10. Dividend**

The Board of Directors does not recommend any dividend for the period ended 28 February 2018.

**11. 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 RM1,962,064 (2017: net profit RM34,364,172) 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 (2016: 159,974,948).

By Order of the Board

Ch'ng Lay Hoon  
Company Secretary

Dated this 27 April 2018