

**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 30 NOVEMBER 2018**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30 November 2018 RM'000 (Unaudited)	Preceding Year Quarter 30 November 2017 RM'000 (Unaudited)	Current Year To Date 30 November 2018 RM'000 (Unaudited)	Preceding Year To Date 30 November 2017 RM'000 (Unaudited)
Revenue	21,507	16,200	54,503	42,738
Operating Expenses	(16,921)	(13,324)	(46,107)	(39,029)
Other operating income	533	592	666	1,182
Results from operating activities	5,119	3,468	9,062	4,891
Interest income	16	41	35	57
Interest expenses	(447)	(477)	(1,400)	(1,460)
Profit before taxation	4,688	3,032	7,697	3,488
Tax expenses	(433)	(133)	(470)	(160)
Profit after taxation	4,255	2,899	7,227	3,328
Other comprehensive income for the period	-	-	-	-
Total comprehensive income/(loss) for the period attributable to owners of the Company	4,255	2,899	7,227	3,328
Earnings per share:				
Basic (based on ordinary shares of RM1 each) (sen )	2.66	1.81	4.52	2.08
<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**

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 30 NOVEMBER 2018**

	<b>As at end of Current Quarter 30 November 2018 RM'000 (Unaudited)</b>	<b>As at Preceding Financial Year End 28 February 2018 RM'000 (Audited)</b>
<b>Assets</b>		
Property, plant and equipment	59,488	61,384
Investment property	5,768	5,865
Land held for property development	133,257	133,785
Deferred tax assets	1,387	1,387
<b>Total non-current assets</b>	<b>199,900</b>	<b>202,421</b>
Inventories	11,429	15,895
Trade and other receivables	15,594	11,581
Current tax assets	-	10
Cash and cash equivalents	4,711	699
<b>Total current assets</b>	<b>31,734</b>	<b>28,185</b>
<b>Total assets</b>	<b>231,634</b>	<b>230,606</b>
<b>Equity</b>		
Share capital	202,762	202,762
Reserves	(34,381)	(41,608)
<b>Equity attributable to owners of the Company</b>	<b>168,381</b>	<b>161,154</b>
<b>Liabilities</b>		
Loans and borrowings	17,520	17,927
Advances from a shareholder	8,817	11,167
Deferred tax liabilities	23,089	23,089
<b>Total non-current liabilities</b>	<b>49,426</b>	<b>52,183</b>
Loans and borrowings	4,249	7,965
Trade and other payables	9,248	9,272
Current tax liabilities	330	32
<b>Total current liabilities</b>	<b>13,827</b>	<b>17,269</b>
<b>Total liabilities</b>	<b>63,253</b>	<b>69,452</b>
<b>Total equity and liabilities</b>	<b>231,634</b>	<b>230,606</b>
<b>Net assets per share (sen)</b>	<b>105.25</b>	<b>100.74</b>

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**POLY GLASS FIBRE (M) BHD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 NOVEMBER 2018**

	← Attributable to owners of the Company →				<b>Total RM'000</b>
	<b>Share capital RM'000</b>	<b>Capital reserve RM'000</b>	<b>Accumulated losses RM'000</b>	<b>Capital reserve RM'000</b>	
At 1 March 2017	202,762	181	(44,271)	670	159,342
Total comprehensive income for the period	-	-	3,328	-	3,328
At 30 November 2017	202,762	181	(40,943)	670	162,670
At 1 March 2018	202,762	181	(42,459)	670	161,154
Total comprehensive income for the period	-	-	7,227	-	7,227
At 30 November 2018	202,762	181	(35,232)	670	168,381

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**POLY GLASS FIBRE (M) BHD**

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 NOVEMBER 2018**

	30 November 2018 RM'000 (Unaudited)	30 November 2017 RM'000 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	7,697	3,488
<b>Adjustments for :</b>		
Depreciation of property, plant and equipment	3,970	4,118
Depreciation of investment property	97	95
Plant and equipment written off	3	-
Interest income	(35)	(57)
Interest expense	1,400	1,460
Gain on disposal of property, plant and equipment	(29)	(23)
<b>Operating profit before changes in working capital</b>	<u>13,103</u>	<u>9,081</u>
<i>Changes in working capital :</i>		
Inventories	4,466	(283)
Trade and other receivables	(3,483)	226
Trade and other payables	(25)	1,312
<b>Cash generated from operations</b>	<u>14,061</u>	<u>10,336</u>
Tax paid	(161)	(231)
<b>Net cash from operating activities</b>	<u>13,900</u>	<u>10,105</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	35	57
Proceeds from disposal of property, plant and equipment	42	1,550
Purchase of plant and equipment	(2,091)	(4,599)
<b>Net cash used in investing activities</b>	(2,014)	(2,992)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 NOVEMBER 2018**

	30 November 2018 RM'000 (Unaudited)	30 November 2017 RM'000 (Unaudited)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Repayment)/Advances from a shareholder	(2,350)	1,350
Interest paid	(1,400)	(1,460)
(Drawdown)/Repayment of finance lease liabilities	49	(110)
Short term borrowings, net	(2,692)	(2,367)
Repayment of term loans, net	(107)	(1,915)
<b>Net cash used in financing activities</b>	<b>(6,500)</b>	<b>(4,502)</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,386</b>	<b>2,611</b>
<b>Cash and cash equivalents at 1 March 2018/2017</b>	<b>(777)</b>	<b>1,457</b>
<b>Cash and cash equivalents at end of period</b>	<b>4,609</b>	<b>4,068</b>

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this interim financial report*

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

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2018**

**1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in compliance with MFRS 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 2018. 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 2018.

The interim financial report of the Group for the period ended 31 May 2018 are the first set of financial statements prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) Framework. The date of transition to the MFRS Framework was on 1 March 2018.

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 2018 except for the adoption of the following new and revised MFRSs, IC Interpretations and Amendments which are effective from the annual period on or after 1 January 2018:-

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*
- Clarifications to MFRS 15, *Revenue from Contracts with Customers*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 2, *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 4, *Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 140, *Investment Property – Transfers of Investment Property*

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)**  
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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30  
NOVEMBER 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**

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.

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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2018 (cont'd)**

**9. Segmental Reporting**

Financial data by business segment for the Group

	← Current Year To-date → 30 November 2018			
	Fibre glasswool and related products RM'000	Property development RM'000	Investment Holding RM'000	Consolidated RM'000
Revenue from external customers	53,532	701	270	54,503
<b>Segment results</b>	8,763	(310)	609	9,062
Interest income				35
Interest expense				(1,400)
Net profit before taxation				7,697
Taxation				(470)
<b>Net profit after taxation</b>				<u>7,227</u>
<b>Segment assets</b>	<u>78,551</u>	<u>134,481</u>	<u>18,602</u>	<u>231,634</u>
	← Preceding Year To-date → 30 November 2017			
	Fibre glasswool and related products RM'000	Property development RM'000	Investment Holding RM'000	Consolidated RM'000
Revenue from external customers	42,826	(358)	270	42,738
<b>Segment results</b>	4,856	(577)	612	4,891
Interest income				57
Interest expense				(1,460)
Net profit before taxation				3,488
Taxation				(160)
<b>Net profit after taxation</b>				<u>3,328</u>
<b>Segment assets</b>	<u>79,100</u>	<u>134,884</u>	<u>19,733</u>	<u>233,717</u>



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 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 22 January 2019.

**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
Interest payable and paid	<u>560</u>

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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 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	545
Approved but not contracted for	299
	299

**16. Profit for the Period**

This is arrived at after crediting / (charging):

	<b>Current Year Quarter 30 Nov 2018 RM'000</b>	<b>Current Year To Date 30 Nov 2018 RM'000</b>
Interest income	16	35
Interest expense	(447)	(1,400)
Depreciation and amortisation	(1,353)	(4,067)
Foreign exchange loss (realised and unrealised)	68	(176)

**POLY GLASS FIBRE (M) BHD (Company No. 42138-X)**  
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**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES  
BERHAD'S ("BURSA MALAYSIA") LISTING REQUIREMENTS FOR THE PERIOD  
ENDED 30 NOVEMBER 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 30 Nov 18 RM'000	Preceding Year Quarter 30 Nov 17 RM'000	Changes Increase/ (Decrease) %	Current Year To Date 30 Nov 18 RM'000	Preceding Year To Date 30 Nov 17 RM'000	Changes Increase/ (Decrease) %
<b>Revenue</b>						
Fibre glasswool and related products	20,789	16,468	26.24	53,532	42,826	25
Property development	628	(358)	(275.42)	701	(358)	(295.81)
Investment holding	90	90	-	270	270	-
	<u>21,507</u>	<u>16,200</u>	<u>32.76</u>	<u>54,503</u>	<u>42,738</u>	<u>27.53</u>
<b>Profit/(loss) before tax</b>						
Fibre glasswool and related products	4,518	3,000	50.60	7,792	3786	105.81
Property development	95	(41)	(331.71)	(304)	(520)	(41.54)
Investment holding	75	73	2.74	209	222	(5.86)
	<u>4,688</u>	<u>3,032</u>	<u>54.62</u>	<u>7,697</u>	<u>3,488</u>	<u>120.67</u>

**Group**

The Group revenue for the current quarter increased by 32.76% to RM21.51 million as compared to the preceding year quarter ended 30 November 2017. The current quarter registered profit before tax of RM4.69 million as compared to the preceding year quarter's profit before tax of RM3.03 million.

For the current financial year to-date 30 November 2018, the Group achieved revenue of RM54.50 million as compared to preceding year to-date of RM42.74 million. The Group has registered profit before tax of RM7.70 million for the current financial year to-date as compared to the preceding year to-date's profit before tax of RM3.49 million.

The better performance was mainly due to higher sales revenue achieved by its glasswool manufacturing division.

**Fibre glasswool and related products segment**

The revenue for the current quarter has increased by 26.24% to RM20.79 million as compared to the preceding year quarter ended 30 November 2017. The current quarter registered a profit before tax of RM4.52 million as compared to the preceding year quarter's profit before tax of RM3.00 million.

For the current financial year to-date 30 November 2018, the revenue achieved of RM53.53 million as compared to preceding year to-date of RM42.83 million. The profit before tax registered of RM7.79 million for the current year to-date as compared to the preceding year to-date's profit before tax of RM3.79 million.

The better performance was mainly due to higher sales revenue achieved.

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**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S ("BURSA MALAYSIA") LISTING REQUIREMENTS FOR THE PERIOD ENDED 30 NOVEMBER 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)**

**Property development segment**

The development has been suspended and delayed for a prolonged period of time. The revenue made in this quarter is due to some properties and land sold. The cumulative 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 30 Nov 18 RM'000	Immediate Preceding Quarter 31 Aug 18 RM'000	Changes Increase/ (Decrease) %
Revenue	21,507	15,977	34.61
Profit/(loss) before tax	4,688	1,503	211.91

The Group recorded a profit before tax of RM4.69 million for the current quarter ended 30 November 2018 as compared to the immediate preceding quarter profit before tax of RM1.50 million. This was mainly due to higher sales revenue achieved by its glasswool manufacturing 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.

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

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.

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**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S ("BURSA MALAYSIA") LISTING REQUIREMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2018 (Cont'd)**

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

On the local front, the property development industry is expected to be dampened by weak market sentiment. The delay of several mega projects is expected to have short term impact on domestic sales for next six to twelve months. 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 30 Nov 18 <b>RM'000</b>	Preceding Year Quarter 30 Nov 17 <b>RM'000</b>	Current Year To Date 30 Nov 18 <b>RM'000</b>	Preceding Year To Date 30 Nov 17 <b>RM'000</b>
<b>Malaysian Taxation</b>	# 433	# 133	# 470	# 160
<b>Deferred Taxation</b>	-	-	-	-
	433	133	470	160

# 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.

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**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES  
BERHAD'S ("BURSA MALAYSIA") LISTING REQUIREMENTS FOR THE PERIOD  
ENDED 30 NOVEMBER 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**

	<b>As at 30 November 2018</b>		
	<b>Long term</b>	<b>Short term</b>	<b>Total borrowings</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Secured</b>			
<i>Term loans</i>	16,153	3,474	19,627
<i>Other borrowings</i>	74	50	124
	16,227	3,524	19,751
<b>Unsecured</b>			
<i>Bank overdrafts</i>	-	102	102
<i>Term loans</i>	1,293	350	1,643
<i>Other borrowings</i>	-	273	273
	1,293	725	2,018
	<b>17,520</b>	<b>4,249</b>	<b>21,769</b>
	<b>As at 28 February 2018</b>		
	<b>Long term</b>	<b>Short term</b>	<b>Total borrowings</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Secured</b>			
<i>Term loans</i>	16,439	3,150	19,589
<i>Other borrowings</i>	29	46	75
	16,468	3,196	19,664
<b>Unsecured</b>			
<i>Bank overdrafts</i>	-	1,476	1,476
<i>Term loans</i>	1,459	328	1,787
<i>Other borrowings</i>	-	2,965	2,965
	1,459	4,769	6,228
	<b>17,927</b>	<b>7,965</b>	<b>25,892</b>

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BERHAD'S ("BURSA MALAYSIA") LISTING REQUIREMENTS FOR THE PERIOD  
ENDED 30 NOVEMBER 2018 (Cont'd)**

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

Details of the borrowings denominated in each currency:

	<b>As at 30 Nov 2018</b>	<b>As at 28 Feb 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysian Ringgit	10,624	15,954
United States Dollar	11,145	9,938
	21,769	25,892
 Advance from a shareholder, unsecured	 8,817	 11,167

**10. Dividend**

The Board of Directors does not recommend any dividend for the period ended 30 November 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 RM7,227,287 (2017: net profit RM3,327,921) 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 (2017: 159,974,948).

By Order of the Board

Ch'ng Lay Hoon  
Company Secretary

Dated this 25 January 2019