

POLY GLASS FIBRE (M) BHD

(Company No. 197801005142 (42138-X))

(Incorporated in Malaysia)

and its subsidiaries

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MAY 2021**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 May 2021 RM'000 (Unaudited)	Preceding Year Quarter 31 May 2020 RM'000 (Unaudited)	Current Year To Date 31 May 2021 RM'000 (Unaudited)	Preceding Year To Date 31 May 2020 RM'000 (Unaudited)
Revenue	17,060	11,694	17,060	11,694
Operating Expenses	(14,548)	(11,390)	(14,548)	(11,390)
Other operating income	2	174	2	174
Results from operating activities	2,514	478	2,514	478
Share of (loss)/profit of equity - accounted associate	(35)	3	(35)	3
Interest income	44	22	44	22
Interest expenses	(183)	(250)	(183)	(250)
Profit before taxation	2,340	253	2,340	253
Tax expense	(340)	-	(340)	-
Profit after taxation	2,000	253	2,000	253
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period attributable to owners of the Company	2,000	253	2,000	253
Earnings per share:				
Basic (based on ordinary shares of RM1 each) (sen)	1.25	0.16	1.25	0.16
<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

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2021

	As at end of Current Quarter 31 May'2021 RM'000 (Unaudited)	As at Preceding Financial Year End 28 February 2021 RM'000 (Audited)
Assets		
Property, plant and equipment	49,369	52,026
Right-of-use assets	4,073	4,263
Investment property	5,448	5,480
Investment in an associate	462	479
Investment in joint venture	593	461
Inventories	135,702	135,696
Other investment	768	356
Total non-current assets	196,415	198,761
Inventories	11,315	12,781
Trade and other receivables	15,845	15,268
Current tax assets	183	498
Cash and cash equivalents	14,250	14,651
Total current assets	41,593	43,198
Total assets	238,008	241,959
Equity		
Share capital	202,762	202,762
Reserves	(25,754)	(27,754)
Equity attributable to owners of the Company	177,008	175,008
Liabilities		
Contract liabilities	4,919	5,022
Loans and borrowings	12,855	12,751
Deferred tax liabilities	24,364	24,364
Total non-current liabilities	42,138	42,137
Contract liabilities	257	835
Loans and borrowings	7,240	7,236
Advances from a shareholder	3,000	3,000
Trade and other payables	8,356	13,723
Current tax liabilities	9	20
Total current liabilities	18,862	24,814
Total liabilities	61,000	66,951
Total equity and liabilities	238,008	241,959
Net assets per share (sen)	110.65	109.40

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MAY 2021

	Share capital RM'000	Accumulated losses RM'000	Capital reserve RM'000	Total RM'000
At 1 March 2020	202,762	(34,893)	670	168,539
Total comprehensive income for the period	-	253	-	253
At 31 May 2020	<u>202,762</u>	<u>(34,640)</u>	<u>670</u>	<u>168,792</u>
At 1 March 2021	202,762	(28,424)	670	175,008
Total comprehensive income for the period	-	2,000	-	2,000
At 31 May 2021	<u>202,762</u>	<u>(26,424)</u>	<u>670</u>	<u>177,008</u>

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POLY GLASS FIBRE (M) BHD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MAY 2021

	31 May 2021	31 May 2020
	RM'000	RM'000
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,340	253
Adjustments for :		
Depreciation of property, plant and equipment	1,685	1,322
Depreciation of right-of-use assets	80	81
Depreciation of investment property	32	32
Interest income	(44)	(22)
Interest expense	183	250
Share of loss/(profit) of equity accounted associate and joint venture	35	(3)
Operating profit before changes in working capital	4,311	1,913
<i>Changes in working capital :</i>		
Inventories	1,172	1,479
Trade and other receivables	(699)	2,159
Contract liabilities	(680)	-
Trade and other payables	(1,101)	(2,036)
Cash generated from operations	3,003	3,515
Tax paid	(656)	(99)
Net cash from operating activities	2,347	3,416
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	44	22
Purchase of plant and equipment	(227)	(16)
Additions of investment in joint venture	(150)	-
Net cash (used in)/generated from investing activities	(333)	6

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MAY 2021

	31 May 2021 RM'000 (Unaudited)	31 May 2020 RM'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(183)	(250)
Repayment of hire purchase creditors	(5)	(5)
Repayment of short term borrowings, net	(163)	(920)
(Repayment)/Drawdown of term loans, net	(426)	1,603
Dividend paid	(1,600)	-
Net cash (used in)/generated from financing activities	(2,377)	428
Net (decrease)/increase in cash and cash equivalents	(363)	3,850
Cash and cash equivalents at 1 March 2021/2020	14,583	4,961
Cash and cash equivalents at end of period	<u>14,220</u>	<u>8,811</u>

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

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POLY GLASS FIBRE (M) BHD (Company No. 197801005142 (42138-X))
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AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31MAY 2021

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 2021. 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 2021.

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 29 February 2020 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 2019:-

- * MFRS 16, *Leases*
- * IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- * Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- * Amendments to MFRS 9, *Financial Instruments- Prepayment Features with Negative Compensation*
- * Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- * Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- * Amendments to MFRS 119, *Employee Benefits- Plan Amendment, Curtailment or Settlement*
- * Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- * Amendments to MFRS 128, *Long-term Interests in Associates and Joint Ventures*

The initial application of the accounting standards, amendments or interpretations do not expected to have any material financial impacts on this interim financial report of the Group except as mentioned below:

MFRS 16, *Leases*

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2021 (cont'd)

1. Basis of Preparation (Cont'd)

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

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 expects 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.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2021 (cont'd)

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

In the quarter under review, a first interim dividend amounting RM1,599,749 was paid on 19 March 2021 for the financial year ended 28 February 2021.

9. Segmental Reporting

Financial data by business segment for the Group

	← Current Year To-date → 31 May 2021				Consolidated RM'000
	Fibre glasswool and related products RM'000	Property development RM'000	Investment Holding RM'000	Others RM'000	
Revenue from external customers	16,956	-	104		17,060
Segment results	2,662	(235)	150	(63)	2,514
Share of losst of equity-accounted associate and joint venture					(35)
Interest income					44
Interest expense					(183)
Net profit before taxation					2,340
Taxation					(340)
Net profit after taxation					2,000
Segment assets	80,036	138,480	18,401	1,091	238,008

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2021 (cont'd)

9. Segmental Reporting (Cont'd)

	← Preceding Year To-date →			
	31 May 2020			
	Fibre glasswool and related products RM'000	Property development RM'000	Investment Holding RM'000	Consolidated RM'000
Revenue from external customers	11597	-	97	11,694
Segment results	383	(111)	206	478
Share of profit of equity-accounted associate				3
Interest income				22
Interest expense				(250)
Net profit before taxation				253
Taxation				-
Net profit after taxation				253
Segment assets	75,148	138,004	18,342	231,494

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 15 July 2021.

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.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2021 (cont'd)

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	41

15. Capital Commitments

Contractual but not provided for in the financial statements.

	RM'000
Property, Plant & Equipment	13,102

16. Profit for the Period

This is arrived at after crediting / (charging):

	Current Year Quarter 31 May 2021 RM'000	Current Year To Date 31 May 2021 RM'000
Interest income	44	44
Interest expense	(183)	(183)
Depreciation and amortisation	(1,797)	(1,797)
Foreign exchange loss (realised and unrealised)	(82)	(82)

POLY GLASS FIBRE (M) BHD (Company No. 197801005142 (42138-X))
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ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S ("BURSA MALAYSIA") LISTING REQUIREMENTS FOR THE PERIOD ENDED 31 MAY 2021

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 May 21 RM'000	Preceding Year Quarter 31 May20 RM'000	Changes Increase/ (Decrease) %	Current Year To Date 31 May 21 RM'000	Preceding Year To Date 31May20 RM'000	Changes Increase/ (Decrease) %
<u>Revenue</u>						
Fibre glasswool and related products	16,956	11,597	46.21	16,956	11,597	46.21
Property development	-	-	-	-	-	-
Investment holding	104	97	7.22	104	97	7.22
Others	-	-	-	-	-	-
	17,060	11,694	45.89	17,060	11,694	45.89
<u>Profit/(loss) before tax</u>						
Fibre glasswool and related products	2,590	255	915.69	2,590	255	915.69
Property development	(234)	(111)	110.81	(234)	(111)	110.81
Investment holding	47	109	(56.88)	47	109	(56.88)
Others	(63)	-	(100)	(63)	-	(100)
	2,340	253	824.90	2,340	253	824.90

Group

The Group revenue for the current quarter increased by 45.89% to RM17.06 million as compared to the preceding year quarter ended 31 May 2020. The current quarter registered profit before tax of RM2.34 million as compared to the preceding year quarter's profit before tax of RM0.25 million.

This was mainly due to higher sales revenue attributed to its glasswool manufacturing division, thereby recording a higher profit for the Group in the current quarter.

Fibre glasswool and related products segment

The revenue for the current quarter has increased by 46.21% to RM16.96 million as compared to the preceding year quarter ended 31 May 2020. The current quarter registered a profit before tax of RM2.59 million as compared to the preceding year quarter's profit before tax of RM0.26 million.

This was mainly due to higher sales revenue, and lower cost production due to higher production output. Higher sales revenue and lower production cost and overhead have contributed to higher profit for current quarter under review.

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S ("BURSA MALAYSIA") LISTING REQUIREMENTS FOR THE PERIOD ENDED 31 MAY 2021 (Cont'd)

Property development segment

Malaysia's MCO since 18 March 2020 arising from the Covid-19 pandemic had impacted the property development segment activities across the country. No revenue for this segment in current quarter under review.

Investment holding segment

The profit before taxation is mainly due to the rental received by its investment property.

Others

Mainly due to expenditures incurred by agriculture activities before harvesting.

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 31 May 21 RM'000	Immediate Preceding Quarter 28 Feb 21 RM'000	Changes Increase/ (Decrease) %
Revenue	17,060	17,478	(2.39)
Profit/(loss) before tax	2,340	3,366	(30.48)

The Group recorded a lower profit before tax of RM2.34 million for the current quarter ended 31 May 2021 as compared to the immediate preceding quarter profit before tax of RM3.37 million. The sales revenue from fibre glasswool, RM16.9 million is higher compare to RM16.2 million immediate preceding quarter. But due to high freight cost internationally and increasing of some overhead in new financial year, the profit achieved in current quarter RM2.3 million is lower than RM3.4 million achieved in immediate preceding 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. The sales for fibre glasswool has been encouraging, but the ocean freight issue still persists and continues to pose challenges to our supply chain. Lack of containers and shipments are causing shipment delays and escalated freight cost in next quarter and quarter after.

The full movement control order ("FMCO") and the subsequent National Recovery Plan ("NRP") Phase 1 implemented since 1 June 2021 by the Malaysian government has also added onto the difficult operating environment. Even though the manufacturing and agriculture divisions are able to operate during this period, production output and progress of ongoing projects are slowed down due to less manpower and suppliers being allowed to operate.

The Group will pass on the cost increment to customers whenever possible and monitor the situation and take necessary action that best suits the interests of all stakeholders.

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S ("BURSA MALAYSIA") LISTING REQUIREMENTS FOR THE PERIOD ENDED 31 MAY 2021 (Cont'd)

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

Not Applicable.

5. Income Tax

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 May 21 RM'000	Preceding Year Quarter 31 May 20 RM'000	Current Year To Date 31 May 21 RM'000	Preceding Year To Date 31 May 20 RM'000
Malaysian Taxation	340	-	340	-
Deferred Taxation	-	-	-	-
	<u>340</u>	<u>-</u>	<u>340</u>	<u>-</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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ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S ("BURSA MALAYSIA") LISTING REQUIREMENTS FOR THE PERIOD ENDED 31MAY 2021 (Cont'd)

9. Group Borrowings

	As at 31 May 2021		
	Long term	Short term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
<i>Term loans</i>	11,287	4,162	15,449
<i>Other borrowings</i>	215	66	281
	11,502	4,228	15,730
Unsecured			
<i>Term loans</i>	569	345	914
<i>Bank overdrafts</i>	-	30	30
<i>Other borrowings</i>	784	2,637	3,421
	1,353	3,012	4,365
	12,855	7,240	20,095
	As at 28 February 2021		
	Long term	Short term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
<i>Term loans</i>	11,770	4,002	15,772
<i>Other borrowings</i>	28	18	46
	11,798	4,020	15,818
Unsecured			
<i>Term loans</i>	953	338	1,291
<i>Bank overdrafts</i>	-	68	68
<i>Other borrowings</i>	-	2,810	2,810
	953	3,216	4,169
	12,751	7,236	19,987

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**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES
BERHAD'S ("BURSA MALAYSIA") LISTING REQUIREMENTS FOR THE PERIOD
ENDED 31 MAY 2021 (Cont'd)**

9. Group Borrowings (Cont'd)

Details of the borrowings denominated in each currency:

	As at 31 May 2021 RM'000	As at 28 Feb 2021 RM'000
Malaysian Ringgit	8,015	8,035
United States Dollar	<u>12,080</u>	<u>11,952</u>
	<u>20,095</u>	<u>19,987</u>
Advance from a shareholder, unsecured	<u>3,000</u>	<u>3,000</u>

10. Dividend

The Board of Directors does not recommend any dividend for the period ended 31 May 2021.

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 RM2,000,068 (2020: net profit RM252,464) 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 (2020: 159,974,948).

By Order of the Board

Ch'ng Lay Hoon
Company Secretary

Dated this 15 July 2021