

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 AUGUST 2021**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31 August 2021 RM'000 (Unaudited)	Preceding Year Quarter 31 August 2020 RM'000 (Unaudited)	Current Year To Date 31 August 2021 RM'000 (Unaudited)	Preceding Year To Date 31 August 2020 RM'000 (Unaudited)
Revenue	10,173	18,294	27,233	29,988
Operating Expenses	(11,029)	(14,597)	(25,577)	(25,985)
Other operating income	34	45	36	218
Results from operating activities	(822)	3,742	1,692	4,221
Share of (loss)/profit of equity - accounted associate	93	145	58	148
Interest income	26	33	70	54
Interest expenses	(150)	(213)	(333)	(463)
Profit before taxation	(853)	3,707	1,487	3,960
Tax expense	(141)	(670)	(481)	(670)
Profit after taxation	(994)	3,037	1,006	3,290
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period attributable to owners of the Company	(994)	3,037	1,006	3,290
Earnings per share:				
Basic (based on ordinary shares of RM1 each) (sen)	(0.62)	1.90	0.63	2.06
<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
AS AT 31 AUGUST 2021

	As at end of Current Quarter 31 August'2021 RM'000 (Unaudited)	As at Preceding Financial Year End 28 February 2021 RM'000 (Audited)
Assets		
Property, plant and equipment	48,404	52,026
Right-of-use assets	3,993	4,263
Investment property	5,415	5,480
Investment in an associate	590	479
Investment in joint venture	558	461
Inventories	135,702	135,696
Other investment	768	356
Total non-current assets	195,430	198,761
Inventories	10,635	12,781
Trade and other receivables	21,078	15,268
Current tax assets	544	498
Cash and cash equivalents	6,974	14,651
Total current assets	39,231	43,198
Total assets	234,661	241,959
Equity		
Share capital	202,762	202,762
Reserves	(26,748)	(27,754)
Equity attributable to owners of the Company	176,014	175,008
Liabilities		
Contract liabilities	4,698	5,022
Loans and borrowings	14,188	12,751
Deferred tax liabilities	24,364	24,364
Total non-current liabilities	43,250	42,137
Contract liabilities	684	835
Loans and borrowings	7,720	7,236
Advances from a shareholder	-	3,000
Trade and other payables	6,941	13,723
Current tax liabilities	52	20
Total current liabilities	15,397	24,814
Total liabilities	58,647	66,951
Total equity and liabilities	234,661	241,959
Net assets per share (sen)	110.03	109.40

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 AUGUST 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	-	3,290	-	3,290
At 31 August 2020	<u>202,762</u>	<u>(31,603)</u>	<u>670</u>	<u>171,829</u>
At 1 March 2021	202,762	(28,424)	670	175,008
Total comprehensive income for the period	-	1,006	-	1,006
At 31 August 2021	<u>202,762</u>	<u>(27,418)</u>	<u>670</u>	<u>176,014</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 AUGUST 2021**

	31 August 2021 RM'000 (Unaudited)	31 August 2020 RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,487	3,960
Adjustments for :		
Depreciation of property, plant and equipment	3,383	2,711
Depreciation of right-of-use assets	159	161
Depreciation of investment property	64	64
Plant and equipment written off	1	-
Interest income	(70)	(54)
Interest expense	333	463
Gain on disposal of property, plant and equipment	-	(34)
Share of loss/(profit) of equity accounted associate and joint venture	(58)	(148)
Operating profit before changes in working capital	<u>5,299</u>	<u>7,123</u>
<i>Changes in working capital :</i>		
Inventories	1,467	2,892
Trade and other receivables	(6,431)	(3,845)
Contract liabilities	(475)	-
Trade and other payables	(4,115)	(2,853)
Cash (use in)/generated from operations	<u>(4,255)</u>	<u>3,317</u>
Tax paid	(1,116)	(132)
Net cash (used in)/generated from operating activities	<u>(5,371)</u>	<u>3,185</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	70	54
Proceeds from disposal of property, plant and equipment	-	34
Purchase of plant and equipment	(575)	(191)
Additions of investment in joint venture	(150)	-
Net cash (used in) investing activities	(655)	(103)

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

	31 August 2021 RM'000 (Unaudited)	31 August 2020 RM'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in advances from a shareholder	(3,000)	-
Interest paid	(333)	(463)
Repayment of hire purchase creditors	(21)	(9)
Repayment of short term borrowings, net	(461)	(921)
Drawdown of term loans, net	1,929	2,897
Net cash (used in)/generated from financing activities	(1,886)	1,504
Net (decrease)/increase in cash and cash equivalents	(7,912)	4,586
Cash and cash equivalents at 1 March 2021/2020	14,583	4,961
Cash and cash equivalents at end of period	6,671	9,547

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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 31 AUGUST 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 28 February 2021 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*.

**POLY GLASS FIBRE (M) BHD (Company No. 197801005142 (42138-X))
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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31
AUGUST 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 AUGUST 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

There was no dividend paid for the current quarter and financial period to-date.

9. Segmental Reporting

Financial data by business
segment for the Group

	← Current Year To-date → 31 August 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	26,510	-	209	514	27,233
Segment results	1,925	(410)	392	(215)	1,692
Share of loss of equity- accounted associate and joint venture					58
Interest income					70
Interest expense					(333)
Net profit before taxation					1487
Taxation					(481)
Net profit after taxation					1,006
Segment assets	76,958	137,992	18,029	1,682	234,661

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

9. Segmental Reporting (Cont'd)

	← Preceding Year To-date 31 August 2020 →				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	29,680	-	194	114	29,988
Segment results	4,162	(347)	403	3	4,221
Share of profit of equity-accounted associate					148
Interest income					54
Interest expense					(463)
Net profit before taxation					3,960
Taxation					(670)
Net profit after taxation					3,290
Segment assets	77,271	138,166	19,796	-	235,233

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 29 October 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 AUGUST 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	50

15. Capital Commitments

Contractual but not provided for in the financial statements.

	RM'000
Property, Plant & Equipment	9,223

16. Profit for the Period

This is arrived at after crediting / (charging):

	Current Year Quarter 31 August 2021 RM'000	Current Year To Date 31 August 2021 RM'000
Interest income	26	70
Interest expense	(150)	(333)
Depreciation and amortisation	(1,809)	(3,606)
Foreign exchange loss (realised and unrealised)	(22)	(60)

**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 AUGUST 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	Preceding	Changes	Current	Preceding	Changes
	Year Quarter	Year Quarter	Increase/ (Decrease)	Year To Date	Year To Date	Increase/ (Decrease)
	31 Aug 21	31 Aug 20		31 Aug 21	31 Aug 20	
	RM'000	RM'000	%	RM'000	RM'000	%
<u>Revenue</u>						
Fibre glasswool and related products	9,884	18,083	(45.34)	26,510	29,680	(10.68)
Property development	-	-	-	-	-	-
Investment holding	105	97	8.25	209	194	7.73
Others	184	114	61.40	514	114	350.88
	<u>10,173</u>	<u>18,294</u>	<u>(44.39)</u>	<u>27,233</u>	<u>29,988</u>	<u>(9.19)</u>
<u>Profit/(loss) before tax</u>						
Fibre glasswool and related products	(798)	3,664	(121.78)	1,792	3,919	(54.27)
Property development	(176)	(237)	(25.74)	(410)	(348)	17.82
Investment holding	228	262	(12.98)	319	370	(13.78)
Others	(107)	19	(663.16)	(214)	19	(1226.32)
	<u>(853)</u>	<u>3,708</u>	<u>(123.00)</u>	<u>1,487</u>	<u>3,960</u>	<u>(62.45)</u>

Group

The Group revenue for the current quarter decreased by 44.39% to RM10.17 million as compared to the preceding year quarter ended 31 Aug 2020. The current quarter registered loss before tax of RM0.85 million as compared to the preceding year quarter's profit before tax of RM3.71 million.

This was mainly due to lower output and lower sales revenue attributed to its glasswool manufacturing division, thereby recording a loss for the Group in the current quarter.

Fibre glasswool and related products segment

The revenue for the current quarter has decreased by 45.34% to RM9.88 million as compared to the preceding year quarter ended 31 Aug 2020. The current quarter registered loss before tax of RM0.80 million as compared to the preceding year quarter's profit before tax of RM3.66 million.

This was mainly due to Full Movement Control Order ("FMCO") lockdown implemented by the government in Malaysia that began on the 1st of June 2021, the plant had to work with reduced workforce and shut down for COVID-19 related cases. During the same period of time, key export markets for the business were under lockdown as well, therefore the management has decided to shut down the plant and brought forward the furnace rebuild and the plant upgrading projects which was initially planned at the end of 3rd Quarter. As majority of the construction projects in Malaysia and key export markets were not allowed to operate or with reduced workforce, therefore we have recorded low sales revenue.

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**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES
BERHAD'S ("BURSA MALAYSIA") LISTING REQUIREMENTS FOR THE PERIOD
ENDED 31 AUGUST 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 Aug 21 RM'000	Immediate Preceding Quarter 31 May 21 RM'000	Changes Increase/ (Decrease) %
Revenue	10,173	17,060	(40.37)
Profit/(loss) before tax	(853)	2,340	(136.45)

The Group recorded a loss before tax of RM0.85 million for the current quarter ended 31 Aug 2021 as compared to the immediate preceding quarter profit before tax of RM2.34 million. The sales revenue from the fibre glasswool of RM9.9 million is lower compared to RM16.6 million in the immediate preceding quarter. The fibre glasswool business experienced reduced output and lower sales due of FMCO lockdown, furnace rebuild and plant upgrading in the current quarter under review, resulting to lower revenue and contributed to loss before tax for the current quarter ended 31 August 2021 for the Group.

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 furnace rebuild and plant upgrading projects have successfully completed and production has commenced on the 8th of October 2021 with a larger capacity. As Malaysia and key export markets are ending their lockdowns, sales are expected to be higher for subsequent quarters.

All employees of the Group have achieved 100% vaccination rate and the Group is operating at 100% capacity. Under the Malaysia's National Recovery Plan ("NRP") Phase 3 and 4, the Group expects the Malaysia's economy to be able to recover at a reasonable pace.

For the meltblown non-woven fabric business, the use of face mask will remain high as Malaysia will enter into the "Endemic" period. The use of face mask will be part of living with COVID-19, therefore the Group expects meltblown non-woven fabric will continue to have strong demand from the face mask manufacturers. The meltblown non-woven fabric business will contribute to the Group's revenue and profit in the immediate and near future.

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S ("BURSA MALAYSIA") LISTING REQUIREMENTS FOR THE PERIOD ENDED 31 AUGUST 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 Aug 21 RM'000	Preceding Year Quarter 31 Aug 20 RM'000	Current Year To Date 31 Aug 21 RM'000	Preceding Year To Date 31 Aug 20 RM'000
Malaysian Taxation	141	670	481	670
Deferred Taxation	-	-	-	-
	<u>141</u>	<u>670</u>	<u>481</u>	<u>670</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 31 AUGUST 2021 (Cont'd)

9. Group Borrowings

	As at 31 August 2021		
	Long term	Short term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
<i>Term loans</i>	13,282	4,967	18,249
<i>Other borrowings</i>	199	66	265
	13,481	5,033	18,514
Unsecured			
<i>Term loans</i>	-	-	-
<i>Bank overdrafts</i>	-	302	302
<i>Other borrowings</i>	707	2,385	3,092
	707	2,687	3,394
	14,188	7,720	21,908
	As at 28 February 2021		
	Long term	Short term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
<i>Term loans</i>	12,062	4,105	16,167
<i>Other borrowings</i>	28	18	46
	12,090	4,123	16,213
Unsecured			
<i>Term loans</i>	661	338	999
<i>Bank overdrafts</i>	-	68	68
<i>Other borrowings</i>	-	2,707	2,707
	661	3,113	3,774
	12,751	7,236	19,987

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("BURSA MALAYSIA") LISTING REQUIREMENTS FOR THE PERIOD ENDED 31 AUGUST 2021
(Cont'd)**

9. Group Borrowings (Cont'd)

Details of the borrowings denominated in each currency:

	As at 31 Aug 2021 RM'000	As at 28 Feb 2021 RM'000
Malaysian Ringgit	7,833	8,035
United States Dollar	<u>14,075</u>	<u>11,952</u>
	<u>21,908</u>	<u>19,987</u>
Advance from a shareholder, unsecured	<u>-</u>	<u>3,000</u>

10. Dividend

The Board of Directors does not recommend any dividend for the period ended 31 August 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 RM1,006,234 (2020: net profit RM3,290,945) 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 29 October 2021