

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 2006

1. Review of Performance of the Company and its Principal Subsidiaries for the current quarter and financial period to-date

The Group turnover for the current quarter has increased by 25.58% to RM8.29 million for the current quarter as compared to the preceding year quarter ended 28 February 2005. For the current financial year to-date 28 February 2006, the Group turnover reduced by 3.98% to RM31.36 million as compared to preceding year to-date of RM32.66 million. This was mainly due to the lower sales performance by its glasswool manufacturing division.

The current quarter registered a loss before taxation of RM98.61 million as compared to the preceding year quarter's loss before taxation of RM0.49 million due mainly to the recognition of impairment losses in respect of development properties held by Golden Approach Sdn. Bhd. of RM102.1 million and investment property held by Clover Sdn. Bhd. of RM1.1 million. For the current financial year to-date 28 February 2006, the Group registered a loss before tax of RM97.82 million as compared to the preceding year to-date's profit before tax of RM1.16 million. This was attributed to the recognition of impairment losses stated above.

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 loss before tax of RM97.82 million for the current quarter ended 28 February 2006 as compared to the immediate preceding quarter profit before tax of RM0.19 million. This was attributed to the recognition of impairment losses in respect of development properties held by Golden Approach Sdn. Bhd. of RM102.1 million and investment property held by Clover Sdn. Bhd. of RM1.1 million.

3. Prospects for the Current Financial Year

Barring unforeseen circumstances, the Group's manufacturing division is expected to improve its performance marginally with higher revenue, mainly due to increase exports demand for its glasswool products.

The property division is not expected to achieve any positive results until recommencement of development activities in Diamond Creeks Country Retreat ("DCCR"). The Board will consider all opportunities to enhance the value of its development properties in DCCR.

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 28 Feb 06 RM'000	Preceding Year Quarter 28 Feb 05 RM'000	Current Year To Date 28 Feb 06 RM'000	Preceding Year To Date 28 Feb 05 RM'000
Malaysian Taxation	(269)	* (5,540)	#472	* (4,460)
Foreign Taxation	-	-	-	-
Deferred Taxation	** (31,115)	2,815	** (31,115)	3,030
	<u>(31,384)</u>	<u>#(2,725)</u>	<u>(30,643)</u>	<u>#(1,430)</u>

* The Inland Revenue Board has agreed to tax discharge of RM6.067 million for the Year of Assessment 1997 to 1999 for the subsidiary GASB.

** Reversal of deferred tax at 28% due to impairment loss of development properties held by Golden Approach Sdn. Bhd.

The effective tax rate of the Group for the year to-date is higher than the statutory tax rate as the tax charge relates to tax on profits of certain subsidiaries which cannot be set-off against losses of other subsidiaries for tax purposes as group relief is not available.

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 28 Feb 2006 RM'000	As at 28 Feb 2005 RM'000
Long term borrowings, secured		
<i>Analysis of repayment</i>		
Between 1 - 2 years	914	533
Between 2 - 5 years	4,512	244
	5,426	777
Long term borrowings, unsecured		
<i>Analysis of repayment</i>		
Between 1 – 2 years	415	
Advance from a shareholder, unsecured	14,512	14,562
	<u>20,353</u>	<u>15,339</u>
Short term borrowings		
<i>Secured</i>		
Short term loans	1,237	485
Bank overdraft	3,752	6,009
Other borrowings	4,338	5,685
	9,327	12,179
<i>Unsecured</i>		
Short term loans	644	-
Bank overdrafts	1,474	1,397
Other borrowings	3,762	3,862
	5,880	5,259
	<u>15,207</u>	<u>17,438</u>

10. Off Balance Sheet Financial Instruments

There was no off Balance Sheet financial instruments as at 24 April 2006.

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11. Material Litigation

Golden Approach Sdn Bhd ("GASB")

- i) Some purchasers of the properties of DCCR have made various demands against GASB claiming, inter-alia, the following:
 - a) Liquidated damages for late delivery of their respective properties; and/or
 - b) Termination of their respective sale and purchase agreements and refund of the monies paid pursuant thereto.

GASB has been served two court summons by purchasers claiming liquidated damages for late delivery of their properties. The solicitors for GASB have filed the Statement of Defence in the respective suits in Courts. GASB has been served three writs of summons from Kuala Lumpur High Court by two purchasers claiming for specific performance of the sale and purchase agreement and damages or alternatively for a declaration for rescission of the sale and purchase agreements and for consequential orders for the refund of the amount paid and for damages for breach of contract. The court has on the application of the Plaintiff granted an order to consolidate two cases to be heard in Civil Court 5 on 6 December 2005 and fixed 15 May 2006 for mention pending extraction of the sealed application for consolidation of the third case.

GASB has provided for liquidated damages in the financial statement as per the terms and conditions of the Sale and Purchase Agreements in question until 31 May 2003. The Company is of the view that the provision for RM10.92 million as at 31 May 2003 is sufficient and no further provision will be made for this current financial year.

There have been complaints lodged by several purchasers, inter-alia, demanding for rectification of certain defects in the properties purchased and/or alleging misrepresentation by GASB for failure to complete the construction of a golf course and recreational club. GASB has been served a court summons by one of its purchasers demanding damages in lieu of the undertaking to deliver a Resident Golf and Country Club membership in the Penang Session Court. On 8 April 2005, the Court dismissed the purchaser's application for summary judgment to enter final judgment and directed that the case is to be set down for trial on 7 July 2005 which has been adjourned at the request of the plaintiff. The plaintiff has made two applications to amend his statement of claim and to transfer the case to Kuala Lumpur Session Court. Both these applications were heard on 28 September 2005 and the court has on 18 October 2005 dismissed both these applications and set 6 December 2005 for full trial. The plaintiff has filed an appeal to the Penang High Court against the decision of the Penang Session Court dismissing the application to amend the statement of claim. As the appeal has not been heard, the Session Court has fixed 9 May 2006 for mention.

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With regard to the Golf Course/Club development, the registered landowner of the Golf Course/Club is Diamond Power Berhad ("DPB") who is also the developer of the facilities. DPB has commenced works on the Golf Course/Club however, has not completed the said works. It is noted that Pengurusan Danaharta Nasional Berhad has offered for sale by tender the Golf Course/Club land belonging to DPB on several occasions in the year 2000, 2001, 2002, 2003 and also in the year 2004. The outcome of the tenders are not made known publicly.

- ii) On 17 September 2002, GASB filed a Writ of Summons and Statement of Claim in the Shah Alam High Court ("SAHC") against Diamond Power Bhd ("DPB") for the recovery of a debt of RM1,687,928.98 owing by DPB to GASB for various works done and cost incurred by GASB on DPB's behalf. Judgement against DPB is pending extraction from SAHC.

On 10 October 2002, GASB filed a Writ of Summons and Statement of Claim in the SAHC against DPB for the recovery of RM5,250,000.00. The said sum has been paid by GASB to DPB as a commitment fee for the issuance of 1,500 memberships to the club to be built by DPB at RM3,500.00 for each membership prior to the procurement of the approval by the authorities for the issuance of such membership. DPB has failed to obtain any approval from the relevant authorities for the issuance of such membership to date. Our solicitors by their letter dated 31 July 2003 advised that on 27 June 2003 Judgement was granted by the SAHC in favour of GASB for the sum of RM5,250,000.00 together with interest of 8% per annum from the date of writ of summons until full realisation.

Based on information that DPB has been wound-up, GASB filed two proof of debts on 16 January 2004 for the sums RM1,687,928.98 and RM5,250,000.00 with the Official Receiver.

- iii) On 20 July 2005, a contractor of GASB has served a Writ of Summon dated 31 May 2005 and a Statement of Claim dated 29 May 2005 issued from the Kuala Lumpur High Court on GASB claiming payment of RM1,316,783.76 and RM1,895,905.02 respectively.

GASB is disputing the claim and GASB's solicitors had on 21 July 2005 filed and served the Memorandum of Appearance and had also on 12 August 2005 filed a Summons in Chamber to strike out the suit. The court has heard the submission of both parties on 23 March 2006 and has on 3 April 2006 allowed GASB's application to strike out the Statement of Claim with cost. On 10 April 2006, the plaintiff served a notice of Appeal to the judge in Chamber against the decision of the Deputy Registrar to strike out the Statement of Claim.

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12. Dividend

The Board of Directors does not recommend any dividend for the period ended 28 February 2006.

13. Earnings Per Share

- a) Basic Earnings Per Share - The basic earnings per ordinary share has been calculated by dividing the Group's net loss for the current year to date of RM67,178,567 (2005: net profit RM2,586,806) 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 (2005: 159,974,948).
- b) Fully Diluted Earnings Per Share – The effects of anti dilutive potential ordinary shares are ignored in calculating diluted loss per share in accordance with FRS Standard No. 133 on Earnings Per Share for the preceding year.

As at year end the fully diluted earnings per share is no longer computed with the expiry of warrants in January 2006 and the Company does not have any other convertibles.

14. Additional Information

The announcement dated 11 July 2005 to Bursa Malaysia Securities Berhad that the Company is an Affected Listed Issuer pursuant to Paragraph 2 of PN 17/2005 due to the external Auditors' qualifications as detailed in Note 2 of the Notes to the Condensed Financial Statements for the period ended 28 February 2006. On 9 March 2006, the Company announced that Bursa Malaysia Securities Berhad has on 8 March 2006 granted the Company up to 30 June 2006 to implement and regularise the Company's financial condition pursuant to paragraph 4.2 of PN 17/2005. In the Monthly Announcement on the Status of Plan to Regularise Condition Pursuant to Practice Note 17/2005 dated 3 April 2006, the Company announced that the Company's financial statements for the year ended 28 February 2006 are being audited for submission to Bursa Malaysia Securities Berhad.

By Order of the Board

Ch'ng Lay Hoon
Company Secretary

Dated this 28th day of April 2006