

Company No.: 811010-H

FIBON BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUG 2014

	Unaudited As at 31.08.2014 RM'000	Audited As at 31.05.2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,883	5,960
Intangible assets	1,163	1,187
	<u>7,046</u>	<u>7,147</u>
Current assets		
Inventories	1,282	989
Trade receivables	5,062	5,450
Other receivables, deposits and prepayments	905	937
Tax recoverable	418	314
Fixed deposits with licensed bank	11,944	14,020
Cash and bank balances	11,500	8,022
	<u>31,111</u>	<u>29,732</u>
TOTAL ASSETS	<u>38,157</u>	<u>36,879</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	9,800	9,800
Share premium	707	707
Other reserve	(2,600)	(2,600)
Translation reserve	(28)	(15)
Retained earnings	28,137	27,302
	<u>36,016</u>	<u>35,194</u>
Total equity	<u>36,016</u>	<u>35,194</u>
Non-current liabilities		
Deferred tax liabilities	706	645
	<u>706</u>	<u>645</u>
Current liabilities		
Trade payables	855	472
Other payables and accruals	528	529
Tax payable	52	39
	<u>1,435</u>	<u>1,040</u>
Total liabilities	<u>2,141</u>	<u>1,685</u>
TOTAL EQUITY AND LIABILITIES	<u>38,157</u>	<u>36,879</u>
Net assets per share (RM)	<u>0.37</u>	<u>0.36</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 May 2014 and the accompanying explanatory notes attached to the interim financial statements.

Company No.: 811010-H

FIBON BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 AUG 2014**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31.08.2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31.08.2013 RM'000	CURRENT YEAR- TO-DATE 31.08.2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.08.2013 RM'000
Revenue	3,625	3,564	3,625	3,564
Cost of sales	-1,292	-1,059	-1,292	-1,059
Gross Profit	2,333	2,505	2,333	2,505
Other income	99	80	99	80
Selling & distribution costs	-65	-53	-65	-53
Administrative expenses	-1,125	-288	-1,125	-288
Profit Before Taxation	1,242	2,244	1,242	2,244
Income tax expense	-407	-416	-407	-416
Profit After Taxation	835	1,828	835	1,828
Other Comprehensive Income,	-	-	-	-
Foreign currency translation	(13)	-	(13)	-
Total Comprehensive Income For The Period	822	1,828	822	1,828
Profit Attributable to:				
Equity holders of the parent	835	1,828	835	1,828
Minority interest	-	-	-	-
	835	1,828	835	1,828
Total Comprehensive Income Attributable To :				
Equity holders of the parent	822	1,828	822	1,828
Minority interest	-	-	-	-
	822	1,828	822	1,828
Earnings per share attributable to equity holders of the Company:				
- Basic (Sen)	0.85	1.87	0.85	1.87
- Diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 May 2014 and the accompanying explanatory notes attached to the interim financial statement.

Company No.: 811010-H

FIBON BERHAD
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 AUG 2014**

(The figures have not been audited)

	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Translation Reserve RM'000	Retained Profits RM'000	Total RM'000
<u>3 months period ended 31 Aug 2014</u>						
As at 1 June 2014	9,800	707	(2,600)	(15)	27,302	35,194
Total comprehensive income for the period	-	-	-	(13)	835	822
As at 31 Aug 2014	<u>9,800</u>	<u>707</u>	<u>(2,600)</u>	<u>(28)</u>	<u>28,137</u>	<u>36,016</u>
	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Translation Reserve RM'000	Retained Profits RM'000	Total RM'000
<u>3 months period ended 31 Aug 2013</u>						
As at 1 June 2013	9,800	707	(2,600)	(29)	24,524	32,402
Total comprehensive income for the period	-	-	-	-	1,828	1,828
As at 31 Aug 2013	<u>9,800</u>	<u>707</u>	<u>(2,600)</u>	<u>(29)</u>	<u>26,352</u>	<u>34,230</u>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2014 and the accompanying explanatory notes attached to the interim financial statements.

Company No.: 811010-H

FIBON BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 AUG 2014
(The figures have not been audited)

	CURRENT YEAR- TO-DATE 31.08.2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.08.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for the financial period	1,242	2,244
Adjustments for:		
Amorisation of development expenditure	25	24
Depreciation of property, plant and equipment	108	90
Goodwill written off	-	46
Unrealised foreign exchange loss/(gain)	59	(261)
Interest income	(90)	(71)
Operating profit before changes in working capital	<u>1,344</u>	<u>2,072</u>
Changes in working capital:		
(Increase)/decrease in inventories	(298)	188
Decrease in receivables	411	1,103
Increase/(decrease) in payables	<u>371</u>	<u>(87)</u>
Cash generated from operations	1,828	3,276
Taxation paid	(436)	(450)
Net cash from operating activities	<u>1,392</u>	<u>2,826</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(33)	(60)
Interest received	90	71
Investment in subsidiary	-	(40)
Net cash from/(used in) investing activities	<u>57</u>	<u>(29)</u>
Effect of exchange rate changes	(47)	258
Net Change in Cash & Cash Equivalents	1,402	3,055
Cash and Cash Equivalents at beginning of period	22,042	20,053
Cash and Cash Equivalents at end of period	<u>23,444</u>	<u>23,108</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
	31.08.2014 RM'000	31.08.2013 RM'000
Fixed deposits with licensed bank	11,944	17,366
Cash and bank balances	11,500	5,742
	<u>23,444</u>	<u>23,108</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 May 2014 and the accompanying explanatory notes attached to the interim financial statements.

FIBON BERHAD (Company No. 811010-H)

(Incorporated in Malaysia)

***EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2014***

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

1. Corporate Information

Fibon Berhad is a public limited liability company incorporated and domiciled in Malaysia and is listed on Bursa Malaysia Securities Berhad.

2. Basis of preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134 Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 May 2014. These explanatory notes attached to the interim financial statements provide an explanation of the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2014.

3. Summary of significant accounting policies

The significant accounting policies adopted are consistent with those used in the preparation of the audited financial statements for the financial year ended 31 May 2014.

3.1 Changes in accounting policies and effects arising from adoption of new MFRSs, amendments to MFRSs and IC Interpretations

At beginning of current financial period, the Group has adopted the following new MFRSs, amendments to MFRSs and IC Interpretations:

Effective for financial periods beginning on or after 1 January 2014

- Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities
- Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities
The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities. There will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.
- Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets
The amendments to MFRS 136 remove the requirement to disclose the recoverable amount when a cash-generating unit (CGU) contains goodwill or intangible assets with indefinite useful lives but there has been no impairment. Therefore, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.
- Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting
The amendments to MFRS 139 allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated (i.e. parties have agreed to replace their original counterparty with a new one) to effect clearing with a central counterparty as a result of laws or regulations, if specific conditions are met. There will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.
- IC Interpretation 21 Levies
IC Interpretation 21 clarifies the accounting for an obligation to pay a levy that is not income tax. The obligation event that gives rise to a liability is the event identified by the legislation that triggers the obligation to pay the levy. The fact that an entity is economically compelled to continue operating in a future period, or prepares its financial statements under the going concern assumption, does not create an obligation. The application of the interpretation to liabilities arising from emissions trading schemes is optional.

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2014**

3. Summary of significant accounting policies (continued)

3.2 Standards and Interpretations issued but not yet effective

The following new and amended MFRSs and IC Interpretations were issued but not yet effective and have not been applied by the Group:

Effective for financial periods beginning on or after 1 July 2014

- **Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions**
The amendments to MFRS 119 simplify the accounting treatment of contributions from employees and third parties to defined benefit plans. Contributions that are independent of the number of years of service shall be recognised as a reduction in the service cost in the period in which the related service is rendered. For contributions that are dependent on the number of years of service, the Group is required to attribute those contributions to periods of service using either based on the plan's contribution formula or on a straight-line basis, as appropriate. There will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.
- **Annual Improvements to MFRSs 2010 – 2012 Cycle**
The Annual Improvements to MFRSs 2010 – 2012 Cycle contain amendments to MFRS 2, MFRS 3, MFRS 8, MFRS 13, MFRS 116, MFRS 124 and MFRS 138. These amendments have no material impact on the financial statements of the Group upon their initial application but may impact its future disclosures.
- **Annual Improvements to MFRSs 2011 – 2013 Cycle**
The Annual Improvements to MFRSs 2011 – 2013 Cycle contain amendments to MFRS 1, MFRS 3, MFRS 13, MFRS 140. These amendments have no material impact on the financial statements of the Group upon their initial application but may impact its future disclosures.

Effective for financial periods beginning on or after 1 January 2016

- **MFRS 14 Regulatory Deferral Accounts**
- **Amendments to MFRS 11 : Accounting for Acquisitions of Interests in Joint Operations**
- **Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation**
The amendments to MFRS 116 and MFRS 138 prohibit revenue-based depreciation/amortization because revenue does not, as a matter of principle, reflect the way in which an item of property, plant and equipment/intangible assets is used or consumed. Therefore, the Group will be changing its current depreciation/amortisation policy that based on revenue to the straight-line method, upon its initial application of the amendments. There will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

4. Audit Report

The auditor's report of the annual financial statements for the financial year ended 31 May 2014 did not contain any qualification.

5. Seasonal or Cyclical Factors

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

6. Items of Unusual Nature or Amount

There were no items affecting the assets, liabilities, equity, net income or cash flow during the current financial quarter under review that are unusual by reason of their size, nature or incidence.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2014**

7. Changes in Estimates

There were no changes to the estimates of amounts reported in prior financial years that may have a material effect in the current financial quarter.

8. Debts and Equity Securities

There were no issuance, repurchase, or repayment of debts and equity securities for the current financial period ended 31 August 2014.

9. Acquisition and Disposal of Property, Plant and Equipment

Acquisitions

Below are the property, plant and equipment acquired by the Group during the period under review:

	Cost RM'000
Plant and machinery	18
Furniture, fittings and office equipment	2
Capital work in progress	13
	<u>33</u>

10. Inventories

During the 3 months ended 31 August 2014, there was no write-down of inventories.

11. Fair Value Hierarchy

No transfers between any levels of the fair value hierarchy took place during the current interim period and the comparative period. There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

The Group does not hold credit enhancements or collateral to mitigate credit risk. The carrying amount of financial assets therefore represents the potential credit risk.

12. Provisions for Cost of Restructuring

There was no provision for, or reversal of, costs of restructuring during the reporting period.

13. Dividends paid

There were no dividends paid during the current quarter under review.

14. Segmental Information

The segment information in respect of the Group's operating segments are as follows:

- i) Sales of goods – manufacturing & trading of electrical insulators, electrical enclosures & metre boards.
- ii) Financing income – engaging in financial business of leasing, factoring, development finance & building credit activities.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2014****14. Segmental Information (Cont'd)**

Period ended 31.8.2014	Sales of Goods (RM'000)	Financing Income (RM'000)	Eliminations (RM'000)	Consolidated (RM'000)
Revenue:				
External customers	3,569	56	-	3,625
Results:				
Interest income	90	-	-	90
Depreciation and amortisation	133	-	-	133
Segment profit	1,222	20	-	1,242
Assets:				
Capital expenditure	33	-	-	33
Segment assets	37,233	2,089	(1,165)	38,157
Segment Liabilities	1,912	229	-	2,141

There were no comparative information required due to the Group derived its financing income starting from this financial year.

15. Material Events Subsequent to the end of the Reporting Period

There were no material events subsequent to the end of the current financial quarter under review that has not been reflected.

16. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter.

17. Changes in Contingent Liabilities and Contingent Assets

There were no material changes in the contingent liabilities and contingent assets since the end of the last annual balance sheet date.

18. Capital Commitments

	<u>As at</u> <u>31/08/2014</u> RM'000	<u>As at</u> <u>31/05/2014</u> RM'000
Property, plant and equipment		
- Approved and contracted for	7,101	7,101
- Approved and not contracted for	-	-
	<u>7,101</u>	<u>7,101</u>

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2014****B. Additional information required by BMSB Listing Requirements****1. Review of Performance**

In the current quarter ended 31 August 2014, the Group registered higher revenue of RM3,625,000 compared to previous corresponding quarter ended 31 August 2013 of RM3,564,000 mainly due to increase in trading sales. Profit before tax has decreased from RM2,244,000 to RM1,242,000 as a result of lower foreign exchange gain and higher administrative expenses incurred.

2. Comparison With the Preceding Quarter's Results

The Group posted a higher revenue in the current quarter of RM3,625,000 as compared to the preceding quarter ended 31 May 2014 of RM3,482,000 representing an increase of RM143,000. Profit before tax has decreased from RM1,491,000 to RM1,242,000 mainly due to lower foreign exchange gain and higher administrative expenses incurred.

3. Commentary on the Prospects

Despite facing various general economic challenges, the Board of Directors of Fibon Berhad is of the opinion that the performance of the Group for the financial year ending 31 May 2015 will not be severely affected.

4. Profit Forecast and Profit Estimate

The Group did not issue any profit forecast or profit estimate previously or for the financial year ending 31 May 2015 in any public document and hence this information is not applicable.

5. Profit Before Tax

Profit before tax is arrived at after charging:-

	<u>Current quarter</u> 31/08/2014 RM'000	<u>Preceding year corresponding quarter</u> 31/08/2013 RM'000	<u>Current period to date</u> 31/08/2014 RM'000	<u>Preceding year corresponding period</u> 31/08/2013 RM'000
Audit fee				
- for the financial period	16	15	16	15
Amortisation of development expenditure	25	24	25	24
Depreciation of property, plant and equipment	108	90	108	90
Directors' fees	66	62	66	62
Directors non-fee emoluments	178	120	178	120
Goodwill written off	-	46	-	46
Loss on foreign exchange - unrealised	59	-	59	-
- realised	173	-	173	-
Rental of premises	15	13	15	13
Research and development expenditure	164	146	164	146
and crediting:-				
Gain on foreign exchange - unrealised	-	(261)	-	(261)
- realised	-	(234)	-	(234)
Interest income	(90)	(71)	(90)	(71)

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2014****6. Taxation**

	<u>Current quarter</u> 31/08/2014 RM'000	<u>Preceding year corresponding quarter</u> 31/08/2013 RM'000	<u>Current period to date</u> 31/08/2014 RM'000	<u>Preceding year corresponding period</u> 31/08/2013 RM'000
Income taxation in Malaysia				
- Current year	314	523	314	523
Foreign tax				
- Current year	32	30	32	30
Deferred taxation				
- Current year	(20)	31	(20)	31
- Under/(over) provision in previous year	81	(168)	81	(168)
	<u>407</u>	<u>416</u>	<u>407</u>	<u>416</u>

The effective tax rate of the Group was higher than the statutory tax rate mainly due to certain expenses which are not tax deductible.

8. Group borrowings

As at 31 August 2014, the Group has no borrowings save for banking facilities utilised amounting to RM16,000 in the form of bank guarantee.

9. Realised and Unrealised Profits of the Group

	As at 31/08/2014 RM'000	As at 31/05/2014 RM'000
Realised profits	28,902	27,825
Unrealised losses	(765)	(523)
	<u>28,137</u>	<u>27,302</u>

10. Material Litigation

As at the date of this quarterly report, there are no material litigations against the Group or taken by the Group.

11. Dividend

No dividend has been declared for the quarter under review.

A first and final single tier dividend of 1.10 sen per ordinary share amounting to RM1,078,000 in respect of the financial year ended 31 May 2014 has been approved by shareholders at the Annual General Meeting held on 29 October 2014 and will be paid on 29 December 2014.

12. Disclosure of Nature of Outstanding Derivatives

There were no outstanding derivatives as at the end of the reporting period.

13. Rationale for Entering into Derivatives

The Group did not enter into any derivatives during the period ended 31 August 2014 or the previous financial year ended 31 May 2014.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2014****14. Risks and Policies of Derivatives**

The Group did not enter into any derivatives during the period ended 31 August 2014 or the previous financial year ended 31 May 2014.

15. Disclosure of Gains/Losses Arising from Fair Value Changes of Financial Liabilities

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 August 2014 or the previous financial year ended 31 May 2014.

16. Earnings per Share ("EPS")**(i) Basic EPS**

The basic EPS is calculated by dividing the net profit for the current financial quarter ended 31 August 2014 by the weighted average number of ordinary shares in issue during the period.

(ii) Dilutive EPS

There are no dilutive securities currently issued by Fibon Berhad and hence, no computation on diluted EPS.

	Current Quarter	3 Months Cumulative To Date
Net profit (RM'000)	835	835
Weighted average number of ordinary shares in issue ('000)	98,000	98,000
Basic earnings per share (sen)	0.85	0.85
Diluted earnings per share (sen)	-	-