

Company No.: 811010-H

FIBON BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUG 2015

| | Unaudited As at 31.08.2015 RM'000 | Audited As at 31.05.2015 RM'000 |
|--|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 5,508 | 5,563 |
| Intangible assets | 1,091 | 1,139 |
| Trade receivables | - | 229 |
| | <u>6,599</u> | <u>6,931</u> |
| Current assets | | |
| Inventories | 1,437 | 1,546 |
| Trade receivables | 5,176 | 3,927 |
| Other receivables, deposits and prepayments | 900 | 907 |
| Tax recoverable | 93 | 338 |
| Fixed deposits with licensed bank | 21,196 | 16,650 |
| Cash and bank balances | 6,344 | 9,388 |
| | <u>35,146</u> | <u>32,756</u> |
| TOTAL ASSETS | <u>41,745</u> | <u>39,687</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 | 74 | (69) |
| Retained earnings | 31,753 | 29,875 |
| | <u>39,734</u> | <u>37,713</u> |
| Total equity | <u>39,734</u> | <u>37,713</u> |
| Non-current liabilities | | |
| Deferred tax liabilities | 770 | 692 |
| | <u>770</u> | <u>692</u> |
| Current liabilities | | |
| Trade payables | 578 | 728 |
| Other payables and accruals | 663 | 499 |
| Tax payable | - | 55 |
| | <u>1,241</u> | <u>1,282</u> |
| Total liabilities | <u>2,011</u> | <u>1,974</u> |
| TOTAL EQUITY AND LIABILITIES | <u>41,745</u> | <u>39,687</u> |
| Net assets per share (RM) | <u>0.41</u> | <u>0.38</u> |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 May 2015 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 2015
(The figures have not been audited)

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--|---|--|---|
| | CURRENT YEAR QUARTER ENDED 31.08.2015 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER ENDED 31.08.2014 RM'000 | CURRENT YEAR- TO-DATE 31.08.2015 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 31.08.2014 RM'000 |
| Revenue | 3,615 | 3,625 | 3,615 | 3,625 |
| Cost of sales | (1,404) | (1,292) | (1,404) | (1,292) |
| Gross Profit | 2,211 | 2,333 | 2,211 | 2,333 |
| Other income | 1,517 | 99 | 1,517 | 99 |
| Selling & distribution costs | (75) | (65) | (75) | (65) |
| Administrative expenses | (1,129) | (1,125) | (1,129) | (1,125) |
| Profit Before Taxation | 2,524 | 1,242 | 2,524 | 1,242 |
| Income tax expense | (646) | (407) | (646) | (407) |
| Profit After Taxation | 1,878 | 835 | 1,878 | 835 |
| Other Comprehensive Income | - | - | - | - |
| Foreign currency translation | 143 | (13) | 143 | (13) |
| Total Comprehensive Income For The Period | 2,021 | 822 | 2,021 | 822 |
| Profit Attributable to: | | | | |
| Equity holders of the parent | 1,878 | 835 | 1,878 | 835 |
| Minority interest | - | - | - | - |
| | 1,878 | 835 | 1,878 | 835 |
| Total Comprehensive Income Attributable To : | | | | |
| Equity holders of the parent | 2,021 | 822 | 2,021 | 822 |
| Minority interest | - | - | - | - |
| | 2,021 | 822 | 2,021 | 822 |
| Earnings per share attributable to equity holders of the Company: | | | | |
| - Basic (Sen) | 1.92 | 0.85 | 1.92 | 0.85 |
| - 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 2015 and the accompanying explanatory notes attached to the interim financial statement.

Company No.: 811010-H

FIBON BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 AUG 2015**

(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 2015</u> | | | | | | |
| As at 1 June 2015 | 9,800 | 707 | (2,600) | (69) | 29,875 | 37,713 |
| Total comprehensive income for the period | - | - | - | 143 | 1,878 | 2,021 |
| As at 31 Aug 2015 | 9,800 | 707 | (2,600) | 74 | 31,753 | 39,734 |
| <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 | 9,800 | 707 | (2,600) | (28) | 28,137 | 36,016 |

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2015 and the accompanying explanatory notes attached to the interim financial statements.

Company No.: 811010-H

FIBON BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 AUG 2015
(The figures have not been audited)

| | CURRENT YEAR- TO-DATE 31.08.2015 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 31.08.2014 RM'000 |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax for the financial period | 2,524 | 1,242 |
| Adjustments for: | | |
| Amortisation of development expenditure | 25 | 25 |
| Depreciation of property, plant and equipment | 107 | 108 |
| Property, plant & equipment written off | 8 | - |
| Unrealised foreign exchange (gain)/loss | (343) | 59 |
| Interest income | (127) | (90) |
| Operating profit before changes in working capital | <u>2,194</u> | <u>1,344</u> |
| Changes in working capital: | | |
| Decrease/(Increase) in inventories | 203 | (298) |
| Decrease in development expenditure | 24 | - |
| (Increase)/decrease in receivables | (1,006) | 411 |
| Increase in payables | 22 | 371 |
| Cash generated from operations | <u>1,437</u> | <u>1,828</u> |
| Taxation paid | (380) | (436) |
| Net cash from operating activities | <u>1,057</u> | <u>1,392</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipments | (56) | (33) |
| Interest received | 127 | 90 |
| Net cash from/(used in) investing activities | <u>71</u> | <u>57</u> |
| Effect of exchange rate changes | 374 | (47) |
| Net Change in Cash & Cash Equivalents | 1,502 | 1,402 |
| Cash and Cash Equivalents at beginning of period | 26,038 | 22,042 |
| Cash and Cash Equivalents at end of period | <u>27,540</u> | <u>23,444</u> |
| Cash and cash equivalents at the end of the financial period | | |
| comprise the following: | 31.08.2015 | 31.08.2014 |
| | RM'000 | RM'000 |
| Fixed deposits with licensed bank | 21,196 | 11,944 |
| Cash and bank balances | 6,344 | 11,500 |
| | <u>27,540</u> | <u>23,444</u> |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 May 2015 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 2015***

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 2015. 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 2015.

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 2015.

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 2016

- Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.
- Amendments to MFRS 11: Accounting for Acquisition on Interests in Joint Operations.
- Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception.
- Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative.
- Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation.
- Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants.
- Amendments to MFRS 127 (2011): Equity Method in Separating Financial Statements.
- Annual Improvements to MFRSs 2012-2014 Cycle.

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 2015***

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 January 2018

- MFRS 9 (2009) Financial Instruments (IFRS 9 issued by IASB in July 2014).
- MFRS 15 Revenue from Contract with Customers.

The above mentioned accounting standards and interpretations (including the consequential amendments, if any) are not expected to have any material impact on the Group's financial statements upon their initial application.

4. Audit Report

The auditor's report of the annual financial statements for the financial year ended 31 May 2015 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.

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 2015.

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 |
| Motor vehicle | 11 |
| Furniture, fittings and office equipment | 19 |
| Capital work in progress | 8 |
| | <hr/> 56 <hr/> |

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2015**Written off

Below is the plant and equipment disposed by the Group during the period under review:

| | Cost RM'000 | Net carrying amount RM'000 |
|--|----------------|-------------------------------------|
| Plant and machinery | 3 | 1 |
| Furniture, fittings and office equipment | 25 | 7 |
| | <u>28</u> | <u>8</u> |

10. Inventories

During the 3 months ended 31 August 2015, 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.

| | Sales of Goods (RM'000) | Financing Income (RM'000) | Eliminations (RM'000) | Consolidated (RM'000) |
|--------------------------------|-------------------------------|---------------------------------|--------------------------|--------------------------|
| Period ended 31.08.2015 | | | | |
| Revenue: | | | | |
| External customers | 3,615 | - | - | 3,615 |
| Results : | | | | |
| Interest income | 127 | - | - | 127 |
| Depreciation and amortisation | 132 | - | - | 132 |
| Segment profit/ (loss) | 2,574 | (50) | | 2,524 |

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2015**

| | | | | |
|-------------------------------|------------------------------------|--|----------------------------------|----------------------------------|
| Assets: | | | | |
| Capital expenditure | 56 | - | - | 56 |
| Segment assets | 40,017 | 1,728 | - | 41,745 |
| Segment Liabilities | | | | |
| | 1,933 | 78 | - | 2,011 |
| | Sales of Goods (RM'000) | Financing Income (RM'000) | Eliminations (RM'000) | Consolidated (RM'000) |
| Year ended 31.08.2014 | | | | |
| 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 |

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>31/08/2015</u> RM'000 | <u>As at</u> <u>31/05/2015</u> RM'000 |
|-----------------------------------|---|---|
| Property, plant and equipment | | |
| - Approved and contracted for | 7,101 | 7,101 |
| - Approved and not contracted for | - | - |
| | 7,101 | 7,101 |

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2015****B. Additional information required by BMSB Listing Requirements****1. Review of Performance**

In the current quarter ended 31 August 2015, the Group registered lower revenue of RM3,615,000 compared to previous corresponding quarter ended 31 August 2014 of RM3,625,000 as a result of decrease in trading sales. Profit before tax has increased from RM1,242,000 to RM2,524,000 as a result of higher foreign exchange gain.

2. Comparison With the Preceding Quarter's Results

The Group posted a higher revenue in the current quarter of RM3,615,000 as compared to the preceding quarter ended 31 May 2015 of RM3,511,000 representing an increase of RM104,000. Profit before tax has increased from RM1,637,000 to RM2,524,000 mainly due to higher foreign exchange gain.

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 2016 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 ended 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> 31/08/2015 RM'000 | <u>Preceding year corresponding quarter</u> 31/08/2014 RM'000 | <u>Current period to date</u> 31/08/2015 RM'000 | <u>Preceding year corresponding period</u> 31/08/2014 RM'000 |
|--|--|---|---|--|
| Audit fee | | | | |
| - for the financial period | 19 | 16 | 19 | 16 |
| Amortisation of development expenditure | 25 | 25 | 25 | 25 |
| Depreciation of property, plant and equipment | 107 | 108 | 107 | 108 |
| Directors' fees | 74 | 66 | 74 | 66 |
| Directors' non-fee emoluments | 320 | 178 | 320 | 178 |
| Loss on foreign exchange - unrealised | - | 59 | - | 59 |
| - realised | - | 173 | - | 173 |
| Rental of premises | 16 | 15 | 16 | 15 |
| Property, plant and equipment written off | 8 | - | 8 | - |
| Research and development expenditure | 163 | 164 | 163 | 164 |
| and crediting:- | | | | |
| Gain on foreign exchange - unrealised | (343) | - | (343) | - |
| - realised | (1,006) | - | (1,006) | - |
| Interest income | (127) | (90) | (127) | (90) |

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2015****6. Taxation**

| | <u>Current quarter</u> 31/08/2015 RM'000 | <u>Preceding year corresponding quarter</u> 31/08/2014 RM'000 | <u>Current period to date</u> 31/08/2015 RM'000 | <u>Preceding year corresponding period</u> 31/08/2014 RM'000 |
|--|--|---|---|--|
| Income taxation in Malaysia | | | | |
| - Current year | 563 | 314 | 563 | 314 |
| Foreign tax | | | | |
| - Current year | 5 | 32 | 5 | 32 |
| Deferred taxation | | | | |
| - Current year | 78 | (20) | 78 | (20) |
| - Under/(over) provision in previous year | - | 81 | - | 81 |
| | <u>646</u> | <u>407</u> | <u>646</u> | <u>407</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.

7. Group borrowings

As at 31 August 2015, the Group has no borrowings save for banking facilities utilised amounting to RM16,000 in the form of bank guarantee.

8. Realised and Unrealised Profits of the Group

| | <u>As at 31/08/2015</u> RM'000 | <u>As at 31/05/2015</u> RM'000 |
|-----------------------------|-----------------------------------|-----------------------------------|
| Realised profits | 32,509 | 30,522 |
| Unrealised profits/(losses) | (756) | (647) |
| | <u>31,753</u> | <u>29,875</u> |

9. Material Litigation

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

10. Dividend

No dividend has been declared for the quarter under review.

A first and final single tier dividend of 1.05 sen per ordinary share amounting to RM1,029,000 in respect of the financial year ended 31 May 2015 has been approved by shareholders at the Annual General Meeting held on 30 October 2015.

11. Disclosure of Nature of Outstanding Derivatives

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

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FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2015

12. Rationale for Entering into Derivatives

The Group did not enter into any derivatives during the period ended 31 August 2015 or the previous financial year ended 31 May 2015.

13. Risks and Policies of Derivatives

The Group did not enter into any derivatives during the period ended 31 August 2015 or the previous financial year ended 31 May 2015.

14. 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 2015 or the previous financial year ended 31 May 2015.

15. 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 2015 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) | 1,878 | 1,878 |
| Weighted average number of ordinary shares in issue ('000) | 98,000 | 98,000 |
| Basic earnings per share (sen) | 1.92 | 1.92 |
| Diluted earnings per share (sen) | - | - |