

Company No.: 811010-H

FIBON BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2015

	Unaudited As at 30.11.2015 RM'000	Audited As at 31.05.2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,416	5,563
Intangible assets	1,066	1,139
Trade receivables	-	229
	<u>6,482</u>	<u>6,931</u>
Current assets		
Inventories	1,374	1,546
Trade receivables	5,328	3,927
Other receivables, deposits and prepayments	923	907
Tax recoverable	96	338
Fixed deposits with licensed bank	20,908	16,650
Cash and bank balances	8,207	9,388
	<u>36,836</u>	<u>32,756</u>
TOTAL ASSETS	<u>43,318</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	114	(69)
Retained earnings	32,889	29,875
	<u>40,910</u>	<u>37,713</u>
Total equity	<u>40,910</u>	<u>37,713</u>
Non-current liabilities		
Deferred tax liabilities	731	692
	<u>731</u>	<u>692</u>
Current liabilities		
Trade payables	568	728
Other payables and accruals	1,058	499
Tax payable	51	55
	<u>1,677</u>	<u>1,282</u>
Total liabilities	<u>2,408</u>	<u>1,974</u>
TOTAL EQUITY AND LIABILITIES	<u>43,318</u>	<u>39,687</u>
Net assets per share (RM)	0.42	0.38

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 SECOND QUARTER ENDED 30 NOVEMBER 2015
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 30.11.2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30.11.2014 RM'000	CURRENT YEAR- TO-DATE 30.11.2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.11.2014 RM'000
Revenue	4,062	3,754	7,677	7,379
Cost of sales	(1,522)	(1,089)	(2,926)	(2,381)
Gross Profit	2,540	2,665	4,751	4,998
Other income	551	97	2,068	196
Selling & distribution costs	(84)	(48)	(159)	(113)
Administrative expenses	(1,484)	(946)	(2,613)	(2,071)
Profit Before Taxation	1,523	1,768	4,047	3,010
Income tax expense	(387)	(428)	(1,033)	(835)
Profit After Taxation	1,136	1,340	3,014	2,175
Other Comprehensive Income Net of Tax	-	-	-	-
Foreign currency translation	40	(34)	183	(34)
Total Comprehensive Income For The Period	1,176	1,306	3,197	2,141
Profit Attributable to:				
Equity holders of the parent	1,136	1,340	3,014	2,175
Minority interest	-	-	-	-
	1,136	1,340	3,014	2,175
Total Comprehensive Income Attributable To :				
Equity holders of the parent	1,176	1,306	3,197	2,141
Minority interest	-	-	-	-
	1,176	1,306	3,197	2,141
Earnings per share attributable to equity holders of the Company:				
- Basic (Sen)	1.16	1.37	3.08	2.22
- 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.

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FIBON BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 NOVEMBER 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>6 months period ended 30 Nov 2015</u>						
As at 1 June 2015	9,800	707	(2,600)	(69)	29,875	37,713
Total comprehensive income for the period	-	-	-	183	3,014	3,197
As at 30 Nov 2015	9,800	707	(2,600)	114	32,889	40,910
<u>6 months period ended 30 Nov 2014</u>						
As at 1 June 2014	9,800	707	(2,600)	(15)	27,302	35,194
Total comprehensive income for the period	-	-	-	(34)	2,175	2,141
Dividend payable	-	-	-	-	(1,078)	(1,078)
As at 30 Nov 2014	9,800	707	(2,600)	(49)	28,399	36,257

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.

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FIBON BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 NOVEMBER 2015
(The figures have not been audited)

	CURRENT YEAR- TO-DATE 30.11.2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.11.2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for the financial period	4,047	3,010
Adjustments for:		
Amortisation of development expenditure	49	49
Depreciation of property, plant and equipment	214	216
Property, plant & equipment written off	8	-
Unrealised foreign exchange (gain)/loss	(210)	(57)
Interest income	(290)	(180)
Operating profit before changes in working capital	<u>3,818</u>	<u>3,038</u>
Changes in working capital:		
Decrease/(Increase) in inventories	272	(331)
Decrease in development expenditure	24	(50)
(Increase)/decrease in receivables	(974)	(1,158)
Increase in payables	398	320
Cash generated from operations	<u>3,538</u>	<u>1,819</u>
Taxation paid	(760)	(885)
Net cash from operating activities	<u>2,778</u>	<u>934</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(33)	(146)
Interest received	290	180
Net cash from/(used in) investing activities	<u>257</u>	<u>34</u>
Effect of exchange rate changes	42	18
Net Change in Cash & Cash Equivalents	3,077	986
Cash and Cash Equivalents at beginning of period	26,038	22,042
Cash and Cash Equivalents at end of period	<u>29,115</u>	<u>23,028</u>
Cash and cash equivalents at the end of the financial period comprise the following:	30.11.2015	30.11.2014
	RM'000	RM'000
Fixed deposits with licensed bank	20,908	13,960
Cash and bank balances	8,207	9,068
	<u>29,115</u>	<u>23,028</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)

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***EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 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
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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 30 November 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	10
Furniture, fittings and office equipment	17
Capital work in progress	6
	<u>33</u>

Written off

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

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	Cost RM'000	Net carrying amount RM'000
Plant and machinery	3	1
Furniture, fittings and office equipment	<u>27</u>	<u>7</u>
	<u>30</u>	<u>8</u>

10. Inventories

During the 6 months ended 30 November 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 30.11.2015				
Revenue:				
External customers	7,677	-	-	7,677
Results :				
Interest income	290	-	-	290
Depreciation and amortisation	263	-	-	263
Segment profit/ (loss)	4,112	(65)		4,047
Assets:				
Capital expenditure	33	-	-	33

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2015**

Segment assets	41,503	1,815	-	43,318
Segment Liabilities	2,221	187	-	2,408
	Sales of Goods (RM'000)	Financing Income (RM'000)	Eliminations (RM'000)	Consolidated (RM'000)
Year ended 30.11.2014				
Revenue:				
External customers	7,302	77	-	7,379
Results :				
Interest income	180	-	-	180
Depreciation and amortisation	265	-	-	265
Segment profit	3,021	(11)	-	3,010
Assets:				
Capital expenditure	146	-	-	146
Segment assets	38,478	1,899	(945)	39,432
Segment Liabilities	3,105	70	-	3,175

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>30/11/2015</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 30 NOVEMBER 2015****B. Additional information required by BMSB Listing Requirements****1. Review of Performance**

In the current quarter ended 30 November 2015, the Group registered higher revenue of RM4,062,000 compared to previous corresponding quarter ended 30 November 2014 of RM3,754,000 as a result of increase in manufacturing sales and trading sales. Profit before tax has decreased from RM1,768,000 to RM1,523,000 as a result of lower operating margin.

2. Comparison With the Preceding Quarter's Results

The Group posted a higher revenue in the current quarter of RM4,062,000 as compared to the preceding quarter ended 31 August 2015 of RM3,615,000 representing an increase of RM447,000. Profit before tax has decreased from RM2,524,000 to RM1,523,000 mainly due to lower 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> 30/11/2015 RM'000	<u>Preceding year corresponding quarter</u> 30/11/2014 RM'000	<u>Current period to date</u> 30/11/2015 RM'000	<u>Preceding year corresponding period</u> 30/11/2014 RM'000
Audit fee				
- for the financial period	18	16	37	32
Amortisation of development expenditure	25	25	49	50
Depreciation of property, plant and equipment	107	107	214	215
Directors' fees	79	66	153	132
Directors' non-fee emoluments	550	511	870	689
Loss on foreign exchange - unrealised	133	-	-	-
- realised	-	-	-	-
Rental of premises	15	15	32	30
Property, plant and equipment written off	8	-	8	-
Research and development expenditure	187	163	350	327
and crediting:-				
Gain on foreign exchange - unrealised	-	(116)	(210)	(57)
- realised	(411)	(200)	(1,416)	(27)
Interest income	(116)	(90)	(290)	(180)

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
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	<u>Current quarter</u> 30/11/2015 RM'000	<u>Preceding year corresponding quarter</u> 30/11/2014 RM'000	<u>Current period to date</u> 30/11/2015 RM'000	<u>Preceding year corresponding period</u> 30/11/2014 RM'000
Income taxation in Malaysia				
- Current year	393	404	956	718
- Over provision in previous year		(6)		(6)
Foreign tax				
- Current year	32	35	37	67
- Under provision in previous year		3		3
Deferred taxation				
- Current year	(38)	21	40	1
- (Over)/under provision in previous year	-	(29)	-	52
	<u>387</u>	<u>428</u>	<u>1,033</u>	<u>835</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 30 November 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

	As at 30/11/2015 RM'000	As at 31/05/2015 RM'000
Realised profits	33,597	30,522
Unrealised profits/(losses)	(708)	(647)
	<u>32,889</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 and has been paid on 29 December 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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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2015****12. Rationale for Entering into Derivatives**

The Group did not enter into any derivatives during the period ended 30 November 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 30 November 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 30 November 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 30 November 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	6 Months Cumulative To Date
Net profit (RM'000)	1,136	3,014
Weighted average number of ordinary shares in issue ('000)	98,000	98,000
Basic earnings per share (sen)	1.16	3.08
Diluted earnings per share (sen)	-	-

16. Authorisation for Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board on 29 January 2016.