

Company No.: 811010-H

**FIBON BERHAD**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 30 NOV 2016**  
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 30.11.2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30.11.2015 RM'000	CURRENT YEAR- TO-DATE 30.11.2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.11.2015 RM'000
<b>Revenue</b>	5,266	4,062	9,083	7,677
Cost of sales	(1,699)	(1,522)	(3,015)	(2,926)
<b>Gross Profit</b>	<u>3,567</u>	<u>2,540</u>	<u>6,068</u>	<u>4,751</u>
Other income	1,902	551	2,039	2,068
Selling & distribution costs	(109)	(84)	(166)	(159)
Administrative expenses	(1,703)	(1,484)	(3,139)	(2,613)
<b>Profit Before Taxation</b>	<u>3,657</u>	<u>1,523</u>	<u>4,802</u>	<u>4,047</u>
Income tax expense	(709)	(387)	(1,027)	(1,033)
<b>Profit After Taxation</b>	<u>2,948</u>	<u>1,136</u>	<u>3,775</u>	<u>3,014</u>
<b>Other Comprehensive Income Net of Tax</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Foreign currency translation	162	40	162	183
<b>Total Comprehensive Income For The Period</b>	<u>3,110</u>	<u>1,176</u>	<u>3,937</u>	<u>3,197</u>
Profit Attributable to:				
Equity holders of the parent	2,948	1,136	3,775	3,014
Minority interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,948</u>	<u>1,136</u>	<u>3,775</u>	<u>3,014</u>
Total Comprehensive Income Attributable To :				
Equity holders of the parent	3,110	1,176	3,937	3,197
Minority interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>3,110</u>	<u>1,176</u>	<u>3,937</u>	<u>3,197</u>
<b>Earnings per share attributable to equity holders of the Company:</b>				
- Basic (Sen)	3.01	1.16	3.85	3.08
- 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 2016 and the accompanying explanatory notes attached to the interim financial statement.

Company No.: 811010-H

**FIBON BERHAD**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 NOV 2016**

	<b>Unaudited</b> <b>As at</b> <b>30.11.2016</b> <b>RM'000</b>	<b>Audited</b> <b>As at</b> <b>31.05.2016</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	12,976	4,993
Intangible assets	942	991
Trade receivables	-	-
	<u>13,918</u>	<u>5,984</u>
<b>Current assets</b>		
Inventories	1,141	1,078
Trade receivables	8,214	8,071
Other receivables, deposits and prepayments	258	982
Tax recoverable	-	-
Fixed deposits with licensed bank	8,953	12,459
Cash and bank balances	17,661	15,800
	<u>36,227</u>	<u>38,390</u>
<b>TOTAL ASSETS</b>	<b><u>50,145</u></b>	<b><u>44,374</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	9,800	9,800
Share premium	707	707
Other reserve	(2,600)	(2,600)
Translation reserve	228	66
Retained earnings	37,623	33,848
	<u>45,758</u>	<u>41,821</u>
<b>Total equity</b>	<b><u>45,758</u></b>	<b><u>41,821</u></b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	706	655
	<u>706</u>	<u>655</u>
<b>Current liabilities</b>		
Trade payables	849	578
Other payables and accruals	2,217	1,045
Tax payable	615	275
	<u>3,681</u>	<u>1,898</u>
<b>Total liabilities</b>	<b><u>4,387</u></b>	<b><u>2,553</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>50,145</u></b>	<b><u>44,374</u></b>
<b>Net assets per share (RM)</b>	<b><u>0.47</u></b>	<b><u>0.43</u></b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 May 2016 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 CHANGES IN EQUITY**  
**FOR THE SECOND QUARTER ENDED 30 NOV 2016**  
(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
<b><u>6 months period ended 30 Nov 2016</u></b>						
As at 1 June 2016	9,800	707	(2,600)	66	33,848	41,821
Total comprehensive income for the period	-	-	-	162	3,775	3,937
As at 30 Nov 2016	9,800	707	(2,600)	228	37,623	45,758
<b><u>6 months period ended 30 Nov 2015</u></b>						
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

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2016 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 SECOND QUARTER ENDED 30 NOV 2016**  
(The figures have not been audited)

	<b>CURRENT YEAR- TO-DATE 30.11.2016 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 30.11.2015 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax for the financial period	4,802	4,047
Adjustments for:		
Amortisation of development expenditure	49	49
Depreciation of property, plant and equipment	209	214
Property, plant & equipment written off	-	8
Unrealised foreign exchange loss/(gain)	(316)	(210)
Interest income	(217)	(290)
Operating profit before changes in working capital	<u>4,527</u>	<u>3,818</u>
Changes in working capital:		
(Increase)/decrease in inventories	(51)	272
(Increase)/decrease in development expenditure	-	24
(Increase)/decrease in receivables	1,008	(974)
Advance from director		
Increase/(decrease) in payables	<u>1,503</u>	<u>398</u>
Cash generated from operations	<u>6,987</u>	<u>3,538</u>
Taxation paid	(644)	(760)
Net cash from operating activities	<u><u>6,343</u></u>	<u><u>2,778</u></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipments	(8,186)	(33)
Interest received	217	290
Net cash from/(used in) investing activities	<u>(7,969)</u>	<u>257</u>
Effect of exchange rate changes	(19)	42
<b>Net Change in Cash &amp; Cash Equivalents</b>	<b>(1,645)</b>	<b>3,077</b>
<b>Cash and Cash Equivalents at beginning of period</b>	<b>28,259</b>	<b>26,038</b>
<b>Cash and Cash Equivalents at end of period</b>	<u><u>26,614</u></u>	<u><u>29,115</u></u>
<b>Cash and cash equivalents at the end of the financial period comprise the following:</b>		
	<b>30.11.2016 RM'000</b>	<b>30.11.2015 RM'000</b>
Fixed deposits with licensed bank	8,953	20,908
Cash and bank balances	17,661	8,207
	<u><u>26,614</u></u>	<u><u>29,115</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 May 2016 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 30 NOV 2016***

**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 2016. 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 2016.

**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 2016.

**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, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception.

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.

**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 2017*

- Amendments to MFRS 107: Disclosure Initiative.
- Amendments to MFRS 112: Recognition of Deferred Tax Assets for unrealised losses.

*Effective for financial periods beginning on or after 1 January 2018*

- MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014).
- MFRS 15 Revenue from Contract with Customers.
- Amendments to MFRS 15: Effective Date of MFRS 15.

*Effective for financial periods beginning on or after 1 January 2019*

- MFRS 16: Leases.

**FIBON BERHAD (Company No. 811010-H)**

(Incorporated in Malaysia)

***EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 NOV 2016***

**3. Summary of significant accounting policies (continued)**

**3.2 Standards and Interpretations issued but not yet effective (continued)**

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 2016 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 2016.

**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:

	<b>Cost RM'000</b>
Freehold land	8,168
Plant and machinery	10
Furniture, fittings and office equipment	8
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	8,186

**10. Inventories**

During the 6 months ended 30 November 2016, 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.

**FIBON BERHAD (Company No. 811010-H)**

(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 NOV 2016**

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**

A single tier final dividend of 1.25 sen per ordinary share amounting to RM1,225,000 in respect of the financial year ended 31 May 2016 has been approved by shareholders at the Annual General Meeting held on 25 October 2016 and has been paid on 29 December 2016.

**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)
<b>Period ended 30.11.2016</b>				
<b>Revenue:</b>				
External customers	8,888	195	-	9,083
<b>Results :</b>				
Interest income	217	-	-	217
Depreciation and amortisation	258	-	-	258
Segment profit/ (loss)	4,696	106	-	4,802
<b>Assets:</b>				
Capital expenditure	8,186	-	-	8,186
Segment assets	44,373	5,772	-	50,145
<b>Segment Liabilities</b>	<b>3,613</b>	<b>774</b>	<b>-</b>	<b>4,387</b>

	Sales of Goods (RM'000)	Financing Income (RM'000)	Eliminations (RM'000)	Consolidated (RM'000)
<b>Period ended 30.11.2015</b>				
<b>Revenue:</b>				
External customers	7,677	-	-	7,677
<b>Results :</b>				
Interest income	290	-	-	290
Depreciation and amortisation	263	-	-	263
Segment profit	4,112	(65)	-	4,047
<b>Assets:</b>				
Capital expenditure	33	-	-	33

**FIBON BERHAD (Company No. 811010-H)**

(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 NOV 2016**

Segment assets	41,503	1,815	-	43,318
<b>Segment Liabilities</b>	2,221	187	-	2,408

**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>30/11/2016</u> RM'000	<u>As at</u> <u>31/05/2016</u> RM'000
Property, plant and equipment		
- Approved and contracted for	-	7,101
- Approved and not contracted for	-	-
	<hr/>	<hr/>
	-	7,101

**FIBON BERHAD (Company No. 811010-H)**

(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 NOV 2016****B. Additional information required by BMSB Listing Requirements****1. Review of Performance**

In the current quarter ended 30 November 2016, the Group registered higher revenue of RM5,266,000 compared to previous corresponding quarter ended 30 November 2015 of RM4,062,000 as a result of increase in manufacturing sales. Profit before tax has increased from RM1,523,000 to RM3,657,000 as a result of foreign exchange gain.

**2. Comparison With the Preceding Quarter's Results**

The Group posted a higher revenue in the current quarter of RM5,266,000 as compared to the preceding quarter ended 31 August 2016 of RM3,817,000 representing an increase of RM1,449,000. Profit before tax has increased from RM1,145,000 to RM3,657,000 mainly due to higher revenue generated and 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 2017 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 2016 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> 30/11/2016 RM'000	<u>Preceding year corresponding quarter</u> 30/11/2015 RM'000	<u>Current period to date</u> 30/11/2016 RM'000	<u>Preceding year corresponding period</u> 30/11/2015 RM'000
Audit fee				
- for the financial period	20	18	39	37
Amortisation of development expenditure	24	25	49	49
Depreciation of property, plant and equipment	104	107	209	214
Directors' fees	73	79	145	153
Directors' non-fee emoluments	1,273	550	1,796	870
Loss on foreign exchange - unrealised	-	133	14	-
Rental of premises	26	15	48	32
Property, plant and equipment written off	-	8	-	8
Research and development expenditure	208	187	387	350
<b>and crediting:-</b>				
Gain on foreign exchange - unrealised	(196)	-	(330)	(210)
- realised	(1,564)	(411)	(1,623)	(1,416)
Interest income	(94)	(163)	(217)	(290)

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(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 NOV 2016****6. Taxation**

	<u>Current quarter</u> 30/11/2016 RM'000	<u>Preceding year corresponding quarter</u> 30/11/2015 RM'000	<u>Current period to date</u> 30/11/2016 RM'000	<u>Preceding year corresponding period</u> 30/11/2015 RM'000
<b>Income taxation in Malaysia</b>				
- Current year	771	393	1,046	956
- Under/ (Over) provision in previous year	(111)	-	(111)	-
<b>Foreign tax</b>				
- Current year	30	32	51	37
- Under provision in previous year	-	-	-	-
<b>Deferred taxation</b>				
- Current year	79	(38)	101	40
- (Over)/under provision in previous year	(60)	-	(60)	-
	709	387	1,027	1,033

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 2016, 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**

	<b>As at 30/11/2016 RM'000</b>	<b>As at 31/05/2016 RM'000</b>
Realised profits	38,134	34,521
Unrealised profits/(losses)	(511)	(673)
	37,623	33,848

**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.

**11. Disclosure of Nature of Outstanding Derivatives**

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

**12. Rationale for Entering into Derivatives**

The Group did not enter into any derivatives during the period ended 30 November 2016 or the previous financial year ended 31 May 2016.

**FIBON BERHAD (Company No. 811010-H)**

(Incorporated in Malaysia)

***EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 NOV 2016***

**13. Risks and Policies of Derivatives**

The Group did not enter into any derivatives during the period ended 30 November 2016 or the previous financial year ended 31 May 2016.

**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 2016 or the previous financial year ended 31 May 2016.

**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 2016 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.

	<b>Current Quarter</b>	<b>6 Months Cumulative To Date</b>
Net profit (RM'000)	2,948	3,775
Weighted average number of ordinary shares in issue ('000)	98,000	98,000
Basic earnings per share (sen)	3.01	3.85
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 24 January 2017.