

Company No.: 811010-H

FIBON BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 28 FEB 2017**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 28.02.2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 29.02.2016 RM'000	CURRENT YEAR- TO-DATE 28.02.2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 29.02.2016 RM'000
Revenue	5,586	4,254	14,685	11,931
Cost of sales	(1,927)	(1,405)	(4,942)	(4,331)
Gross Profit	3,659	2,849	9,743	7,600
Other income	928	184	2,967	2,254
Selling & distribution costs	(122)	(55)	(287)	(214)
Administrative expenses	(2,506)	(2,012)	(5,646)	(4,625)
Profit Before Taxation	1,959	966	6,777	5,015
Income tax expense	(584)	(257)	(1,612)	(1,290)
Profit After Taxation	1,375	709	5,165	3,725
Other Comprehensive Income Net of Tax	-	-	-	-
Foreign currency translation	181	(48)	181	135
Total Comprehensive Income For The Period	1,556	661	5,346	3,860
Profit Attributable to:				
Equity holders of the parent	1,375	709	5,165	3,725
Minority interest	-	-	-	-
	1,375	709	5,165	3,725
Total Comprehensive Income Attributable To :				
Equity holders of the parent	1,556	661	5,346	3,860
Minority interest	-	-	-	-
	1,556	661	5,346	3,860
Earnings per share attributable to equity holders of the Company:				
- Basic (Sen)	1.40	0.72	5.27	3.80
- 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 28 FEB 2017

	Unaudited As at 28.02.2017 RM'000	Audited As at 31.05.2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	12,989	4,993
Intangible assets	918	991
Trade receivables	-	-
	<u>13,907</u>	<u>5,984</u>
Current assets		
Inventories	1,716	1,078
Trade receivables	9,590	8,071
Other receivables, deposits and prepayments	334	982
Fixed deposits with licensed bank	8,599	12,459
Cash and bank balances	<u>15,526</u>	<u>15,800</u>
	<u>35,765</u>	<u>38,390</u>
TOTAL ASSETS	<u>49,672</u>	<u>44,374</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	247	66
Retained earnings	<u>37,788</u>	<u>33,848</u>
	<u>45,942</u>	<u>41,821</u>
Total equity	<u>45,942</u>	<u>41,821</u>
Non-current liabilities		
Deferred tax liabilities	<u>751</u>	<u>655</u>
	<u>751</u>	<u>655</u>
Current liabilities		
Trade payables	1,485	578
Other payables and accruals	873	1,045
Tax payable	<u>621</u>	<u>275</u>
	<u>2,979</u>	<u>1,898</u>
Total liabilities	<u>3,730</u>	<u>2,553</u>
TOTAL EQUITY AND LIABILITIES	<u>49,672</u>	<u>44,374</u>
	-	-
Net assets per share (RM)	0.47	0.43

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 THIRD QUARTER ENDED 28 FEB 2017**

(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>9 months period ended 28 Feb 2017</u>						
As at 1 June 2016	9,800	707	(2,600)	66	33,848	41,821
Total comprehensive income for the period	-	-	-	181	5,165	5,346
Dividend paid	-	-	-	-	(1,225)	(1,225)
As at 28 Feb 2017	9,800	707	(2,600)	247	37,788	45,942
<u>9 months period ended 29 Feb 2016</u>						
As at 1 June 2015	9,800	707	(2,600)	(69)	29,875	37,713
Total comprehensive income for the period	-	-	-	135	3,725	3,860
Dividend paid	-	-	-	-	(1,030)	(1,030)
As at 29 Feb 2016	9,800	707	(2,600)	66	32,570	40,543

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 THIRD QUARTER ENDED 28 FEB 2017
(The figures have not been audited)

	CURRENT YEAR- TO-DATE 28.02.2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 29.02.2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for the financial period	6,777	5,015
Adjustments for:		
Amortisation of development expenditure	74	74
Depreciation of property, plant and equipment	313	320
Property, plant & equipment written off	5	11
Unrealised foreign exchange loss/(gain)	(413)	91
Interest income	(299)	(454)
Operating profit before changes in working capital	<u>6,457</u>	<u>5,057</u>
Changes in working capital:		
(Increase)/decrease in inventories	(588)	40
(Increase)/decrease in development expenditure	-	24
(Increase)/decrease in receivables	(828)	(2,097)
Increase/(decrease) in payables	280	189
Cash generated from operations	<u>5,321</u>	<u>3,213</u>
Tax refund	55	-
Taxation paid	(1,232)	(1,168)
Net cash from operating activities	<u>4,144</u>	<u>2,045</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(8,308)	(83)
Interest received	299	454
Net cash from/(used in) investing activities	<u>(8,009)</u>	<u>371</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(1,225)	(1,030)
Net cash from/(used in) financing activities	<u>(1,225)</u>	<u>(1,030)</u>
Effect of exchange rate changes	956	132
Net Change in Cash & Cash Equivalents	(4,134)	1,518
Cash and Cash Equivalents at beginning of period	28,259	26,038
Cash and Cash Equivalents at end of period	<u>24,125</u>	<u>27,556</u>
Cash and cash equivalents at the end of the financial period comprise the following:	28.02.2017 RM'000	29.02.2016 RM'000
Fixed deposits with licensed bank	8,599	14,035
Cash and bank balances	15,526	13,521
	<u>24,125</u>	<u>27,556</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 28 FEBRUARY 2017***

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 28 FEBRUARY 2017**

3. Summary of significant accounting policies (continued)

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

The abovementioned 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 28 February 2017.

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
Freehold land	8,168
Plant and machinery	10
Motor Vehicles	113
Furniture, fittings and office equipment	17
	<u>8,308</u>

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	5	5

FIBON BERHAD (Company No. 811010-H)

(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2017****10. Inventories**

During the 9 months ended 28 February 2017, 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

A single tier final dividend of 1.25 sen per ordinary share amounting to RM1,225,481 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)
Period ended 28.02.2017				
Revenue:				
External customers	14,387	298	-	14,685
Results :				
Interest income	299	-	-	299
Depreciation and amortisation	387	-	-	387
Segment profit/ (loss)	6,618	159	-	6,777
Assets:				
Capital expenditure	8,308	-	-	8,308
Segment assets	44,244	5,428	-	49,672
Segment Liabilities	3,479	251	-	3,730

FIBON BERHAD (Company No. 811010-H)

(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2017**

	Sales of Goods (RM'000)	Financing Income (RM'000)	Eliminations (RM'000)	Consolidated (RM'000)
Period ended 29.02.2016				
Revenue:				
External customers	11,748	183	-	11,931
Results :				
Interest income	454	-	-	454
Depreciation and amortisation	394	-	-	394
Segment profit	4,963	52	-	5,015
Assets:				
Capital expenditure	83	-	-	83
Segment assets	39,216	3,409	-	42,625
Segment Liabilities	419	1,663	-	2,082

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>28/02/2017</u> RM'000	<u>As at</u> <u>29/02/2016</u> RM'000
Property, plant and equipment		
- Approved and contracted for	-	7,101
- Approved and not contracted for	-	-
	-	7,101

FIBON BERHAD (Company No. 811010-H)

(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2017****B. Additional information required by BMSB Listing Requirements****1. Review of Performance**

In the current quarter ended 28 February 2017, the Group registered higher revenue of RM5,586,000 compared to previous corresponding quarter ended 29 February 2016 of RM4,254,000 as a result of increase in manufacturing sales. Profit before tax has increased from RM966,000 to RM1,959,000 as a result of higher revenue generated and decrease in administrative expenses.

2. Comparison With the Preceding Quarter's Results

The Group posted a higher revenue in the current quarter of RM5,586,000 as compared to the preceding quarter ended 30 November 2016 of RM5,266,000 representing an increase of RM320,000. Profit before tax has decreased from RM3,657,000 to RM1,959,000 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 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> 28/02/2017 RM'000	<u>Preceding year corresponding quarter</u> 29/02/2016 RM'000	<u>Current period to date</u> 28/02/2017 RM'000	<u>Preceding year corresponding period</u> 29/02/2016 RM'000
Audit fee				
- for the financial period	20	20	59	57
Amortisation of development expenditure	25	25	74	74
Depreciation of property, plant and equipment	104	106	313	320
Directors' fees	72	76	217	229
Directors' non-fee emoluments	1,068	798	2,864	1,635
Loss on foreign exchange - unrealised	75	301	89	91
Rental of premises	25	23	73	55
Property, plant and equipment written off	5	3	5	11
Research and development expenditure	330	199	717	548
and crediting:-				
Gain on foreign exchange - unrealised	(172)	-	(502)	-
- realised	(614)	(70)	(2,237)	(1,486)
Interest income	(82)	(164)	(299)	(454)

FIBON BERHAD (Company No. 811010-H)

(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2017****6. Taxation**

	<u>Current quarter</u> <u>28/02/2017</u> RM'000	<u>Preceding year corresponding quarter</u> <u>29/02/2016</u> RM'000	<u>Current period to date</u> <u>28/02/2017</u> RM'000	<u>Preceding year corresponding period</u> <u>29/02/2016</u> RM'000
Income taxation in Malaysia				
- Current year	522	304	1,568	1,260
- Under/ (Over) provision in previous year	-	-	(111)	-
Foreign tax				
- Current year	27	13	79	50
- Under provision in previous year	-	-	-	-
Deferred taxation				
- Current year	35	(60)	136	(20)
- (Over)/under provision in previous year	-	-	(60)	-
	<u>584</u>	<u>257</u>	<u>1,612</u>	<u>1,290</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 28 February 2017, 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 28/02/2017</u> RM'000	<u>As at 31/05/2016</u> RM'000
Realised profits	38,091	34,521
Unrealised profits/(losses)	(303)	(673)
	<u>37,788</u>	<u>33,848</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.

11. Disclosure of Nature of Outstanding Derivatives

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

FIBON BERHAD (Company No. 811010-H)

(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2017****12. Rationale for Entering into Derivatives**

The Group did not enter into any derivatives during the period ended 28 February 2017 or the previous financial year ended 31 May 2016.

13. Risks and Policies of Derivatives

The Group did not enter into any derivatives during the period ended 28 February 2017 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 28 February 2017 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 28 February 2017 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	9 Months Cumulative To Date
Net profit (RM'000)	1,375	5,165
Weighted average number of ordinary shares in issue ('000)	98,000	98,000
Basic earnings per share (sen)	1.40	5.27
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 25 April 2017.