

Company No.: 811010-H

FIBON BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 MAY 2017**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31.05.2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31.05.2016 RM'000	CURRENT YEAR- TO-DATE 31.05.2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.05.2016 RM'000
Revenue	3,796	4,806	18,481	16,904
Cost of sales	(1,718)	(1,815)	(6,660)	(6,158)
Gross Profit	2,078	2,991	11,821	10,746
Other income	391	1,840	3,358	2,140
Selling & distribution costs	(113)	(77)	(400)	(296)
Administrative expenses	(3,184)	(2,944)	(8,830)	(5,764)
(Loss)/Profit Before Tax	(828)	1,810	5,949	6,826
Income tax expense	(18)	(529)	(1,630)	(1,824)
(Loss)/Profit After Tax	(846)	1,281	4,319	5,002
Other Comprehensive Income Net of Tax	-	-	-	-
Foreign currency translation	(55)	(18)	126	135
Total Comprehensive (Loss)/ Income For The Period	(901)	1,263	4,445	5,137
Profit Attributable to:				
Equity holders of the parent	(846)	1,281	4,319	5,002
Minority interest	-	-	-	-
	(846)	1,281	4,319	5,002
Total Comprehensive Income Attributable To :				
Equity holders of the parent	(901)	1,263	4,445	5,137
Minority interest	-	-	-	-
	(901)	1,263	4,445	5,137
Earnings per share attributable to equity holders of the Company:				
- Basic (Sen)	(0.86)	1.31	4.41	5.10
- Diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement 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 31 MAY 2017

	Unaudited As at 31.05.2017 RM'000	Audited As at 31.05.2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	12,961	4,993
Intangible assets	877	991
	<u>13,838</u>	<u>5,984</u>
Current assets		
Inventories	1,337	1,078
Trade receivables	6,108	8,071
Other receivables, deposits and prepayments	168	982
Tax recoverable	24	-
Fixed deposits with licensed bank	16,064	12,459
Cash and bank balances	9,479	15,800
	<u>33,180</u>	<u>38,390</u>
TOTAL ASSETS	<u>47,018</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	192	66
Retained earnings	36,942	33,848
	<u>45,041</u>	<u>41,821</u>
Total equity	<u>45,041</u>	<u>41,821</u>
Non-current liabilities		
Deferred tax liabilities	599	655
	<u>599</u>	<u>655</u>
Current liabilities		
Trade payables	251	578
Other payables and accruals	889	1,045
Tax payable	238	275
	<u>1,378</u>	<u>1,898</u>
Total liabilities	<u>1,977</u>	<u>2,553</u>
TOTAL EQUITY AND LIABILITIES	<u>47,018</u>	<u>44,374</u>
	-	-
Net assets per share (RM)	0.46	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.

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FIBON BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 MAY 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>12 months period ended 31 May 2017</u>						
As at 1 June 2016	9,800	707	(2,600)	66	33,848	41,821
Total comprehensive income for the period	-	-	-	126	4,319	4,445
Dividend paid	-	-	-	-	(1,225)	(1,225)
As at 31 May 2017	9,800	707	(2,600)	192	36,942	45,041
<u>12 months period ended 31 May 2016</u>						
As at 1 June 2015	9,800	707	(2,600)	(69)	29,875	37,713
Total comprehensive income for the period	-	-	-	135	5,002	5,137
Dividend paid	-	-	-	-	(1,029)	(1,029)
As at 31 May 2016	9,800	707	(2,600)	66	33,848	41,821

The Condensed Consolidated Statement 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.

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FIBON BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 MAY 2017
(The figures have not been audited)

	CURRENT YEAR- TO-DATE 31.05.2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.05.2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for the financial period	5,949	6,826
Adjustments for:		
Amortisation of development expenditure	98	98
Depreciation of property, plant and equipment	443	413
Property, plant and equipment written off	-	6
Impairment of property, plant and equipment	22	248
Impairment loss on receivables	1,442	-
Inventories written down	146	-
Impairment of development expenditure	16	49
Unrealised foreign exchange (gain)/loss	(281)	18
Interest income	(442)	(573)
Operating profit before changes in working capital	7,393	7,085
Changes in working capital:		
(Increase)/Decrease in inventories	(381)	562
Decrease/(Increase) in receivables	872	(4,030)
(Increase)/Decrease in payables	(544)	331
Cash generated from operations	7,340	3,948
Tax refund	58	326
Tax paid	(1,799)	(1,629)
Net cash from operating activities	5,599	2,645
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposits with licensed banks with original maturity of more than three month	(713)	-
Purchase of property, plant and equipments	(7,627)	(96)
Interest received	442	573
Net cash (used in)/from investing activities	(7,898)	477
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of treasury shares	(1)	-
Dividend paid	(1,225)	(1,029)
Net cash used in financing activities	(1,226)	(1,029)
Effect of exchange rate changes	96	128
Net (Decrease)/Increase in Cash & Cash Equivalents	(3,429)	2,221
Cash and Cash Equivalents at beginning of financial period	28,259	26,038
Cash and Cash Equivalents at end of financial period	24,830	28,259
Cash and cash equivalents at the end of the financial period comprise the following:	31.05.2017 RM'000	31.05.2016 RM'000
Fixed deposits with licensed bank	16,064	12,459
Cash and bank balances	9,479	15,800
	25,543	28,259
Less: Deposits with licensed banks (more than three months)	(713)	-
	24,830	28,259

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.

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***EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 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. The following standards and interpretation were issued but not yet effective and have not been applied by the Group:

Standards and Interpretations issued but not yet effective

Title	Effective date
Amendments to MFRS 12 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2017
Amendments to MFRS 107 <i>Disclosure Initiative</i>	1 January 2017
Amendments to MFRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
MFRS 9 <i>Financial Instruments (IFRS 9 as issued by IASB in July 2014)</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48
MFRS 16 <i>Leases</i>	1 January 2019
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred

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.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2017**

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 May 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	8,187
Plant and machinery	21
Motor Vehicles	168
Furniture, fittings and office equipment	49
Machine under construction	5
	<u>8,430</u>

During the financial year, the Group made the following cash payments to purchase property, plant and equipment.

	RM'000
Purchase of property, plant and equipment	8,430
Cash paid in respect of purchase, deposit made in the prior financial years	<u>(803)</u>
Cash payments on purchase of property, plant and equipment	<u>7,627</u>

10. Inventories

During the 12 months ended 31 May 2017, there was write-down of RM146,000 in 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.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2017****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) Investment holding
- ii) Sales of goods – manufacturing & trading of electrical insulators, electrical enclosures & metre boards.
- iii) Financing income – engaging in financial business of leasing, factoring, development finance & building credit activities.

	Investment holding (RM'000)	Sales of Goods (RM'000)	Financing Income (RM'000)	Eliminations (RM'000)	Consolidated (RM'000)
Period ended 31.05.2017					
Revenue:					
External customers	-	17,997	484	-	18,481
Results :					
Interest income	58	375	9	-	442
Depreciation and amortisation	*	541	*	-	541
Segment profit/(loss) before tax	1,590	7,153	(923)	(1,871)	5,949
Assets:					
Capital expenditure	-	8,430	-	-	8,430
Segment assets	15,221	46,307	1,731	(16,241)	47,018
Segment Liabilities	61	3,116	699	(1,899)	1,977

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2017****14. Segmental Information (continued)**

	Investment holding (RM'000)	Sales of Goods (RM'000)	Financing Income (RM'000)	Eliminations (RM'000)	Consolidated (RM'000)
Period ended 31.05.2016					
Revenue:					
External customers	-	16,262	642	-	16,904
Results :					
Interest income	128	418	27	-	573
Depreciation and amortisation	*	511	*	-	511
Segment profit/(loss) before tax	1,035	6,526	325	(1,060)	6,826
Assets:					
Capital expenditure	-	91	5	-	96
Segment assets	14,987	38,916	2,790	(12,319)	44,374
Segment Liabilities	136	4,612	801	(2,996)	2,553

* Less than RM1,000

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>31/05/2017</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	-	-
	-	7,101

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2017****B. Additional information required by BMSB Listing Requirements****1. Review of Performance**

In the current quarter ended 31 May 2017, the Group registered lower revenue of RM3,796,000 compared to previous corresponding quarter ended 31 May 2016 of RM4,806,000 as a result of decrease in both manufacturing and trading sales. Profit before tax has decreased from RM1,810,000 to a loss of RM828,000 as a result of lower revenue and other income generated as well as higher administrative expenses incurred.

2. Comparison With the Preceding Quarter's Results

The Group posted a lower revenue in the current quarter of RM3,796,000 as compared to the preceding quarter ended 28 February 2017 of RM5,586,000 representing a decrease of RM1,790,000. Profit before tax has decreased from RM1,959,000 to a loss of RM828,000 mainly due to lower revenue and other income, higher administrative expenses incurred and addition impairment losses.

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 2018 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> 31/05/2017 RM'000	<u>Preceding year corresponding quarter</u> 31/05/2016 RM'000	<u>Current period to date</u> 31/05/2017 RM'000	<u>Preceding year corresponding period</u> 31/05/2016 RM'000
Audit fee				
- for the financial period	29	19	88	76
Amortisation of development expenditure	24	24	98	98
Depreciation of property, plant and equipment	130	102	443	413
Directors' fees	75	72	292	301
Directors' non-fee emoluments	761	305	3,625	1,938
Impairment of property, plant and equipment	22	248	22	248
Impairment of development expenditure	16	-	16	-
Impairment loss on receivables	1,442	-	1,442	-
Inventories written down	146	-	146	-
Loss on foreign exchange - unrealised	(89)	-	-	18
Rental of premises	(8)	29	81	89
Property, plant and equipment written off	-	-	*	6
Research and development expenditure	(581)	179	136	734
and crediting:-				
Gain on foreign exchange - unrealised	221	(73)	(281)	-
- realised	(140)	(35)	(2,377)	(1,521)
Interest income	(143)	(119)	(442)	(573)

* Less than RM1,000.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2017****6. Taxation**

	<u>Current quarter</u> 31/05/2017 RM'000	<u>Preceding year corresponding quarter</u> 31/05/2016 RM'000	<u>Current period to date</u> 31/05/2017 RM'000	<u>Preceding year corresponding period</u> 31/05/2016 RM'000
Income taxation in Malaysia				
- Current year	105	499	1,673	1,747
- Under/ (Over) provision in previous year	31	-	(80)	19
Foreign tax				
- Current year	12	34	91	95
Deferred taxation				
- Current year	(184)	(4)	(48)	(17)
- (Over)/under provision in previous year	54	-	(6)	(20)
	18	529	1,630	1,824

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 May 2017, the Group has no borrowings save for banking facilities utilised amounting to RM45,000 in the form of bank guarantee.

8. Realised and Unrealised Profits of the Group

	As at 31/05/2017 RM'000	As at 31/05/2016 RM'000
Realised profits	37,260	34,521
Unrealised losses	(318)	(673)
	36,942	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 31 May 2017 or the previous financial year ended 31 May 2016.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2017**

13. Risks and Policies of Derivatives

The Group did not enter into any derivatives during the period ended 31 May 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 31 May 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 31 May 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	12 Months Cumulative To Date
Net (loss)/ profit (RM'000)	(846)	4,319
Weighted average number of ordinary shares in issue ('000)	98,000	98,000
Basic earnings per share (sen)	(0.86)	4.41
Diluted earnings per share (sen)	-	-

The diluted earnings per share are the same as the basis earning per ordinary shares as the Company has no dilutive ordinary shares.

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 27 July 2017.