

Company No.: 811010-H

FIBON BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 NOV 2017**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 30.11.2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30.11.2016 RM'000	CURRENT YEAR- TO-DATE 30.11.2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.11.2016 RM'000
Revenue	3,864	5,266	7,762	9,083
Cost of sales	(1,426)	(1,699)	(2,690)	(3,015)
Gross Profit	2,438	3,567	5,072	6,068
Other income	1,215	1,902	2,109	2,039
Selling & distribution costs	(97)	(109)	(203)	(166)
Administrative expenses	(2,356)	(1,703)	(4,205)	(3,139)
Profit Before Taxation	1,200	3,657	2,773	4,802
Income tax expense	(187)	(709)	(497)	(1,027)
Profit After Taxation	1,013	2,948	2,276	3,775
Other Comprehensive Income Net of Tax	-	-	-	-
Foreign currency translation	(32)	162	(32)	162
Total Comprehensive Income For The Period	981	3,110	2,244	3,937
Profit Attributable to:				
Equity holders of the parent	1,013	2,948	2,276	3,775
Minority interest	-	-	-	-
	1,013	2,948	2,276	3,775
Total Comprehensive Income Attributable To :				
Equity holders of the parent	981	3,110	2,244	3,937
Minority interest	-	-	-	-
	981	3,110	2,244	3,937
Earnings per share attributable to equity holders of the Company:				
- Basic (Sen)	1.03	3.01	2.32	3.85
- 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 2017 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 2017

	Unaudited As at 30.11.2017 RM'000	Audited As at 31.05.2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	12,799	12,961
Intangible assets	877	877
	<u>13,676</u>	<u>13,838</u>
Current assets		
Inventories	1,380	1,337
Trade receivables	5,505	6,108
Other receivables, deposits and prepayments	183	168
Tax recoverable	14	24
Fixed deposits with licensed bank	19,970	16,064
Cash and bank balances	9,154	9,479
	<u>36,206</u>	<u>33,180</u>
TOTAL ASSETS	<u>49,882</u>	<u>47,018</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	160	192
Treasury shares	(1)	(1)
Retained earnings	39,219	36,943
	<u>47,285</u>	<u>45,041</u>
Total equity	<u>47,285</u>	<u>45,041</u>
Non-current liabilities		
Deferred tax liabilities	567	599
	<u>567</u>	<u>599</u>
Current liabilities		
Trade payables	316	251
Other payables and accruals	1,625	889
Tax payable	89	238
	<u>2,030</u>	<u>1,378</u>
Total liabilities	<u>2,597</u>	<u>1,977</u>
TOTAL EQUITY AND LIABILITIES	<u>49,882</u>	<u>47,018</u>
Net assets per share (RM)	0.48	0.46

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 May 2017 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 2017
(The figures have not been audited)

	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Merger Deficit RM'000	Translation Reserve RM'000	Retained Profits RM'000	Total RM'000
<u>6 months period ended 30 Nov 2017</u>							
As at 1 June 2017	9,800	707	(1)	(2,600)	192	36,943	45,041
Total comprehensive income for the period	-	-		-	(32)	2,276	2,244
As at 30 Nov 2017	9,800	707	(1)	(2,600)	160	39,219	47,285
<u>6 months period ended 30 Nov 2016</u>							
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

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2017 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 2017
(The figures have not been audited)

	CURRENT YEAR- TO-DATE 30.11.2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.11.2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for the financial period	2,773	4,802
Adjustments for:		
Amortisation of development expenditure	-	49
Depreciation of property, plant and equipment	189	209
Unrealised foreign exchange loss/(gain)	328	(316)
Interest income	(276)	(217)
Operating profit before changes in working capital	<u>3,014</u>	<u>4,527</u>
Changes in working capital:		
(Increase)/decrease in inventories	(54)	(51)
(Increase)/decrease in receivables	235	1,008
Increase/(decrease) in payables	842	1,503
Cash generated from operations	<u>4,037</u>	<u>6,987</u>
Tax refund	4	-
Taxation paid	(682)	(644)
Net cash from operating activities	<u>3,359</u>	<u>6,343</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(45)	(8,186)
Interest received	276	217
Net cash from/(used in) investing activities	<u>231</u>	<u>(7,969)</u>
Effect of exchange rate changes	(9)	(19)
Net Change in Cash & Cash Equivalents	3,581	(1,645)
Cash and Cash Equivalents at beginning of period	25,543	28,259
Cash and Cash Equivalents at end of period	<u>29,124</u>	<u>26,614</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
	30.11.2017 RM'000	30.11.2016 RM'000
Fixed deposits with licensed bank	19,970	8,953
Cash and bank balances	9,154	17,661
	<u>29,124</u>	<u>26,614</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 May 2017 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 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 2017. 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 2017.

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 2017.

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 2017

- Amendments to MFRS 12: Annual Improvements to MFRS Standards 2014 – 2016 Cycle.
- Amendments to MFRS 107: Disclosure Initiative.
- Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses.

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:

Title	Effective Date
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

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOV 2017****3. Summary of significant accounting policies (continued)****3.2 Standards and Interpretations issued but not yet effective (continued)**

Title	Effective Date
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
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</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

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for future financial years.

4. Audit Report

The auditor's report of the annual financial statements for the financial year ended 31 May 2017 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 2017.

9. Acquisition and Disposal of Property, Plant and Equipment

Below are the property, plant and equipment acquired by the Group during the period under review:

	Cost RM'000
Plant and machinery	22
Furniture, fittings and office equipment	23
	<u>45</u>

10. Inventories

During the 6 months ended 30 November 2017, there was no write-down of inventories.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOV 2017****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 1.10 sen per ordinary share amounting to RM1,078,000 in respect of the financial year ended 31 May 2017 has been approved by shareholders at the Annual General Meeting held on 27 October 2017 and has been paid on 29 December 2017.

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 30.11.2017					
Revenue:					
External customers	-	7,543	219	-	7,762
Results :					
Interest income	11	265	-	-	276
Depreciation and amortisation	-	189	-	-	189
Segment profit/(loss)	929	1,812	1,032	(1,000)	2,773
Assets:					
Capital expenditure	-	44	1	-	45
Segment assets	16,125	45,762	2,126	(14,131)	49,882
Segment Liabilities	68	2,467	62	-	2,597

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOV 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 30.11.2016					
Revenue:					
External customers	-	8,888	195	-	9,083
Results :					
Interest income	48	169	-	-	217
Depreciation and amortisation	-	258	-	-	258
Segment profit/(loss)	1,158	4,638	106	(1,100)	4,802
Assets:					
Capital expenditure	-	8,186	-	-	8,186
Segment assets	16,060	42,894	5,772	(14,581)	50,145
Segment Liabilities	92	3,521	774	-	4,387

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.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOV 2017****B. Additional information required by BMSB Listing Requirements****1. Review of Performance**

	Individual Period (2 nd Quarter)		Changes (%)	Cumulative Period		Changes (%)
	Current Quarter	Preceding Year Corresponding Quarter		Current Year To-date	Preceding Year Corresponding Period	
	30/11/2017	30/11/2016		30/11/2017	30/11/2016	
	RM'000	RM'000		RM'000	RM'000	
Revenue	3,864	5,266	(26)	7,762	9,083	(15)
Operating profit	2,438	3,567	(32)	5,072	6,068	(16)
Profit before tax	1,200	3,657	(67)	2,773	4,802	(42)
Profit after tax	1,013	2,948	(66)	2,276	3,775	(40)

In the current quarter ended 30 November 2017, the Group registered lower revenue of RM3,864,000 compared to previous corresponding quarter ended 30 November 2016 of RM5,266,000 as a result of decrease in manufacturing sales. Profit before tax has decreased from RM3,657,000 to RM1,200,000 as a result of higher loss on foreign exchange as well as increase in administrative expenses.

2. Comparison With the Preceding Quarter's Results

	Current Quarter 30/11/2017 (RM'000)	Immediate Preceding Quarter 31/08/2017 (RM'000)	Changes (%)
Revenue	3,864	3,898	(1)
Operating profit	2,438	2,634	(7)
Profit before tax	1,200	1,573	(24)
Profit after tax	1,013	1,264	(20)

The Group posted a slightly lower revenue in the current quarter of RM3,864,000 as compared to the preceding quarter ended 31 August 2017 of RM3,898,000 representing a decrease of RM34,000. Profit before tax has decreased from RM1,573,000 to RM1,200,000 mainly due to higher loss of foreign exchange and increase in administrative expenses.

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 2018 in any public document and hence this information is not applicable.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOV 2017****5. Profit Before Tax**

Profit before tax is arrived at after charging:-

	<u>Current quarter</u> 30/11/2017 RM'000	<u>Preceding year corresponding quarter</u> 30/11/2016 RM'000	<u>Current period to date</u> 30/11/2017 RM'000	<u>Preceding year corresponding period</u> 30/11/2016 RM'000
Audit fee				
- for the financial period	31	20	44	39
Amortisation of development expenditure	-	24	-	49
Depreciation of property, plant and equipment	94	104	189	209
Directors' fees	83	73	166	145
Directors' non-fee emoluments	847	1,273	1,648	1,796
Loss on foreign exchange - unrealised	216	-	360	14
- realised	238	-	290	-
Rental of premises	25	26	50	48
Research and development expenditure	236	208	445	387

and crediting:-

Gain on foreign exchange - unrealised	-	(196)	(32)	(330)
- realised	(171)	(1,564)	(743)	(1,623)
Reversal of impairment loss on receivables	(767)	-	(917)	-
Interest income	(176)	(94)	(276)	(217)

6. Taxation

	<u>Current quarter</u> 30/11/2017 RM'000	<u>Preceding year corresponding quarter</u> 30/11/2016 RM'000	<u>Current period to date</u> 30/11/2017 RM'000	<u>Preceding year corresponding period</u> 30/11/2016 RM'000
Income taxation in Malaysia				
- Current year	166	771	496	1,046
- Under/(Over) provision in previous year	-	(111)	-	(111)
Foreign tax				
- Current year	24	30	46	51
- Under/(Over) provision in previous year	-	-	-	-
Deferred taxation				
- Current year	(44)	79	(43)	101
- (Over)/under provision in previous year	41	(60)	(2)	(60)
	187	709	497	1,027

The effective tax rate of the Group in preceding year corresponding quarter was higher than the statutory tax rate mainly due to certain expenses which are not tax deductible.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOV 2017****7. Group borrowings**

As at 30 November 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 30/11/2017	As at 31/05/2017
	RM'000	RM'000
Realised profits	40,114	37,261
Unrealised profits/(losses)	(895)	(318)
	<hr/>	<hr/>
	39,219	36,943
	<hr/> <hr/>	<hr/> <hr/>

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 2017 or the previous financial year ended 31 May 2017.

13. Risks and Policies of Derivatives

The Group did not enter into any derivatives during the period ended 30 November 2017 or the previous financial year ended 31 May 2017.

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 2017 or the previous financial year ended 31 May 2017.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOV 2017****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 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	6 Months Cumulative To Date
Net profit (RM'000)	1,013	2,276
Weighted average number of ordinary shares in issue ('000)	98,000	98,000
Basic earnings per share (sen)	1.03	2.32
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 23 January 2018.