

**FIBON BERHAD**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 28 FEB 2018**

	Unaudited As at 28.02.2018 RM'000	Audited As at 31.05.2017 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	13,043	12,961
Intangible assets	877	877
	<u>13,920</u>	<u>13,838</u>
<b>Current assets</b>		
Inventories	1,691	1,337
Trade receivables	4,525	6,108
Other receivables, deposits and prepayments	152	168
Tax recoverable	598	24
Fixed deposits with licensed bank	18,691	16,064
Cash and bank balances	8,797	9,479
	<u>34,454</u>	<u>33,180</u>
<b>TOTAL ASSETS</b>	<u><b>48,374</b></u>	<u><b>47,018</b></u>
<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	150	192
Treasury shares	(1)	(1)
Retained earnings	37,778	36,943
	<u>45,834</u>	<u>45,041</u>
<b>Total equity</b>	<u><b>45,834</b></u>	<u><b>45,041</b></u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	613	599
	<u>613</u>	<u>599</u>
<b>Current liabilities</b>		
Trade payables	466	251
Other payables and accruals	1,461	889
Tax payable	-	238
	<u>1,927</u>	<u>1,378</u>
<b>Total liabilities</b>	<u><b>2,540</b></u>	<u><b>1,977</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>48,374</b></u>	<u><b>47,018</b></u>
<b>Net assets per share (RM)</b>	<u><b>0.47</b></u>	<u><b>0.46</b></u>

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.

**FIBON BERHAD**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER ENDED 28 FEB 2018**  
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 28.02.2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 28.02.2017 RM'000	CURRENT YEAR- TO-DATE 28.02.2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 28.02.2017 RM'000
Revenue	3,240	5,586	11,002	14,685
Cost of sales	(1,295)	(1,927)	(3,985)	(4,942)
<b>Gross Profit</b>	<b>1,945</b>	<b>3,659</b>	<b>7,017</b>	<b>9,743</b>
Other income	522	928	2,631	2,967
Selling & distribution costs	(56)	(122)	(259)	(287)
Administrative expenses	(2,893)	(2,506)	(7,098)	(5,646)
<b>(Loss)/Profit Before Taxation</b>	<b>(482)</b>	<b>1,959</b>	<b>2,291</b>	<b>6,777</b>
Income tax expense	120	(584)	(377)	(1,612)
<b>(Loss)/Profit After Taxation</b>	<b>(362)</b>	<b>1,375</b>	<b>1,914</b>	<b>5,165</b>
<b>Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Foreign currency translation	(10)	19	(42)	181
<b>Total Comprehensive (Expense)/Income For The Period</b>	<b>(372)</b>	<b>1,394</b>	<b>1,872</b>	<b>5,346</b>
(Loss)/Profit Attributable to: Equity holders of the parent	(362)	1,375	1,914	5,165
Minority interest	-	-	-	-
	<b>(362)</b>	<b>1,375</b>	<b>1,914</b>	<b>5,165</b>
Total Comprehensive (Expense)/Income Attributable To : Equity holders of the parent	(372)	1,394	1,872	5,346
Minority interest	-	-	-	-
	<b>(372)</b>	<b>1,394</b>	<b>1,872</b>	<b>5,346</b>
<b>Earnings per share attributable to equity holders of the Company:</b>				
- Basic (Sen)	(0.37)	1.40	1.95	5.27
- 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 CHANGES IN EQUITY**  
**FOR THE THIRD QUARTER ENDED 28 FEB 2018**  
(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
<b><u>9 months period ended 28 Feb 2018</u></b>							
As at 1 June 2017	9,800	707	(1)	(2,600)	192	36,943	45,041
Total comprehensive income for the period	-	-		-	(42)	1,914	1,872
Dividends paid						(1,079)	(1,079)
As at 28 Feb 2018	9,800	707	(1)	(2,600)	150	37,778	45,834
	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
<b><u>9 months period ended 28 Feb 2017</u></b>							
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

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 THIRD QUARTER ENDED 28 FEB 2018**  
(The figures have not been audited)

	<b>CURRENT YEAR- TO-DATE 28.02.2018 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 28.02.2017 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax for the financial period	2,291	6,777
Adjustments for:		
Amortisation of development expenditure	-	74
Depreciation of property, plant and equipment	288	313
Property, plant & equipment written off	-	5
Unrealised foreign exchange loss/(gain)	391	(413)
Interest income	(436)	(299)
Operating profit before changes in working capital	<u>2,534</u>	<u>6,457</u>
Changes in working capital:		
(Increase)/decrease in inventories	(459)	(588)
(Increase)/decrease in receivables	1,177	(828)
Increase/(decrease) in payables	829	280
Cash generated from operations	<u>4,081</u>	<u>5,321</u>
Tax refund	4	55
Taxation paid	(1,188)	(1,232)
Net cash from operating activities	<u>2,897</u>	<u>4,144</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipments	(387)	(8,308)
Interest received	436	299
Net cash from/(used in) investing activities	<u>49</u>	<u>(8,009)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(1,079)	(1,225)
Net cash from/(used in) financing activities	<u>(1,079)</u>	<u>(1,225)</u>
Effect of exchange rate changes	78	956
Net Change in Cash & Cash Equivalents	1,945	(4,134)
Cash and Cash Equivalents at beginning of period	25,543	28,259
Cash and Cash Equivalents at end of period	<u>27,488</u>	<u>24,125</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
	<b>28.02.2018 RM'000</b>	<b>28.02.2017 RM'000</b>
Fixed deposits with licensed bank	18,691	8,599
Cash and bank balances	8,797	15,526
	<u>27,488</u>	<u>24,125</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 28 FEB 2018**

**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 Annual Improvements to MFRS Standards 2014 - 2016 Cycle	1 January 2018
MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 128 Annual Improvements to MFRS Standards 2014 - 2016 Cycle	1 January 2018
Amendments to MFRS 140 Transfers of Investment Property	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 28 FEB 2018**

**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 28 February 2018.

**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	24
Motor vehicle	295
Furniture, fittings and office equipment	32
Freehold land	36
	<hr/>
	387

**10. Inventories**

During the 9 months ended 28 Feb 2018, there was no write-down of inventories.

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

(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 28 FEB 2018****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 RM1,078,582 in respect of the financial year ended 31 May 2017 has been approved by shareholders at the Annual General Meeting held on 27 September 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)
<b>Period ended 28.02.2018</b>					
<b>Revenue:</b>					
External customers	-	10,715	287	-	11,002
<b>Results :</b>					
Interest income	16	411	9	-	436
Depreciation and amortisation	-	288	-	-	288
Segment profit/(loss)	659	1,493	1,217	(1,078)	2,291
<b>Assets:</b>					
Capital expenditure	-	387	-	-	387
Segment assets	14,778	46,301	2,306	(15,011)	48,374
<b>Segment Liabilities</b>	62	3,030	59	(611)	2,540

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 28 FEB 2018****14. Segmental Information (continued)**

	Investment holding (RM'000)	Sales of Goods (RM'000)	Financing Income (RM'000)	Eliminations (RM'000)	Consolidated (RM'000)
<b>Period ended 28.02.2017</b>					
<b>Revenue:</b>					
External customers	-	14,387	298	-	14,685
<b>Results :</b>					
Interest income	51	248	-	-	299
Depreciation and amortisation	-	387	-	-	387
Segment profit/(loss)	1,598	6,932	159	(1,912)	6,777
<b>Assets:</b>					
Capital expenditure	-	8,308	-	-	8,308
Segment assets	15,226	48,112	5,428	(19,094)	49,672
<b>Segment Liabilities</b>	23	5,029	3,321	(4,643)	3,730

**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.



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

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 28 FEB 2018****B. Additional information required by BMSB Listing Requirements****1. Review of Performance**

	Individual Period (2 <sup>nd</sup> Quarter)		Changes (%)	Cumulative Period		Changes (%)
	Current Quarter	Preceding Year Corresponding Quarter		Current Year To-date	Preceding Year Corresponding Period	
	28/02/2018	28/02/2017		28/02/2018	28/02/2017	
	RM'000	RM'000		RM'000	RM'000	
Revenue	3,240	5,586	(42)	11,002	14,685	(25)
Operating profit	1,945	3,659	(47)	7,017	9,743	(28)
Profit before tax	(482)	1,959	(125)	2,291	6,777	(66)
Profit after tax	(362)	1,375	(126)	1,914	5,165	(63)

In the current quarter ended 28 Feb 2018, the Group registered lower revenue of RM3,240,000 compared to previous corresponding quarter ended 28 Feb 2017 of RM5,586,000 as a result of decrease in manufacturing sales. Profit before tax has decreased from RM1,959,000 to a loss of RM482,000 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 28/02/2018 (RM'000)	Immediate Preceding Quarter 30/11/2017 (RM'000)	Changes (%)
Revenue	3,240	3,864	(16)
Operating profit	1,945	2,438	(20)
Profit before tax	(482)	1,200	(140)
Profit after tax	(362)	1,013	(136)

The Group posted a lower revenue in the current quarter of RM3,240,000 as compared to the preceding quarter ended 30 Nov 2017 of RM3,864,000 representing a decrease of RM624,000. Profit before tax has decreased from RM1,200,000 to a loss of RM482,000 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 2017 in any public document and hence this information is not applicable.

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

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 28 FEB 2018****5. Profit Before Tax**

Profit before tax is arrived at after charging:-

	<u>Current quarter</u> 28/02/2018 RM'000	<u>Preceding year corresponding quarter</u> 28/02/2017 RM'000	<u>Current period to date</u> 28/02/2018 RM'000	<u>Preceding year corresponding period</u> 28/02/2017 RM'000
Audit fee				
- for the financial period	23	20	67	59
Amortisation of development expenditure	-	25	-	74
Depreciation of property, plant and equipment	99	104	288	313
Directors' fees	83	72	249	217
Directors' non-fee emoluments	1,216	1,068	2,864	2,864
Loss on foreign exchange – unrealised	55	75	415	89
- realised	183	-	473	-
Property, plant and equipment written off	-	5	-	5
Rental of premises	21	25	71	73
Research and development expenditure	258	330	703	717
<b>and crediting:-</b>				
Gain on foreign exchange - unrealised	-	(172)	(32)	(502)
- realised	(46)	(614)	(789)	(2,237)
Reversal of impairment loss on receivables	(299)	-	(1,216)	-
Interest income	(160)	(82)	(436)	(299)

**6. Taxation**

	<u>Current quarter</u> 28/02/2018 RM'000	<u>Preceding year corresponding quarter</u> 28/02/2017 RM'000	<u>Current period to date</u> 28/02/2018 RM'000	<u>Preceding year corresponding period</u> 28/02/2017 RM'000
<b>Income taxation in Malaysia</b>				
- Current year	(136)	522	360	1,568
- Under/(Over) provision in previous year	(17)	-	(17)	(111)
<b>Foreign tax</b>				
- Current year	(13)	27	33	79
- Under/(Over) provision in previous year	-	-	-	-
<b>Deferred taxation</b>				
- Current year	46	35	3	136
- (Over)/under provision in previous year	-	-	(2)	(60)
	<u>(120)</u>	<u>584</u>	<u>377</u>	<u>1,612</u>

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 28 FEB 2018****7. Group borrowings**

As at 28 February 2018, 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 28/02/2018 RM'000	As at 31/05/2017 RM'000
Realised profits	38,782	37,261
Unrealised profits/(losses)	(1,004)	(318)
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	37,778	36,943
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**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 28 February 2018 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 28 February 2018 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 28 February 2018 or the previous financial year ended 31 May 2017.

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

(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 28 FEB 2018****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 2018 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>9 Months Cumulative To Date</b>
Net (loss)/profit (RM'000)	(362)	1,914
Weighted average number of ordinary shares in issue ('000)	98,000	98,000
Basic earnings per share (sen)	(0.37)	1.95
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 April 2018.