

Company No.: 811010-H

FIBON BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUG 2018

	Unaudited As at 31.08.2018 RM'000	Audited As at 31.05.2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	12,846	12,943
Intangible assets	877	877
Deferred tax assets	27	27
Trade receivables	-	250
	<u>13,750</u>	<u>14,097</u>
Current assets		
Inventories	1,440	1,511
Trade receivables	4,841	4,328
Other receivables, deposits and prepayments	111	356
Tax recoverable	443	431
Fixed deposits with licensed bank	19,910	18,946
Cash and bank balances	8,944	8,968
	<u>35,689</u>	<u>34,540</u>
TOTAL ASSETS	<u>49,439</u>	<u>48,637</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	133	141
Treasury shares	(1)	(1)
Retained earnings	39,479	38,794
	<u>47,518</u>	<u>46,841</u>
Total equity	<u>47,518</u>	<u>46,841</u>
Non-current liabilities		
Deferred tax liabilities	547	403
	<u>547</u>	<u>403</u>
Current liabilities		
Trade payables	355	419
Other payables and accruals	1,011	973
Tax payable	8	1
	<u>1,374</u>	<u>1,393</u>
Total liabilities	<u>1,921</u>	<u>1,796</u>
TOTAL EQUITY AND LIABILITIES	<u>49,439</u>	<u>48,637</u>
Net assets per share (RM)	<u>0.48</u>	<u>0.48</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 May 2018 and the accompanying explanatory notes attached to the interim financial statements.

Company No.: 811010-H

FIBON BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 AUG 2018**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31.08.2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31.08.2017 RM'000	CURRENT YEAR- TO-DATE 31.08.2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.08.2017 RM'000
Revenue	3,916	3,898	3,916	3,898
Cost of sales	(1,245)	(1,264)	(1,245)	(1,264)
Gross Profit	2,671	2,634	2,671	2,634
Other income	330	894	330	894
Selling & distribution costs	(61)	(106)	(61)	(106)
Administrative expenses	(1,765)	(1,849)	(1,765)	(1,849)
(Loss)/Profit Before Taxation	1,175	1,573	1,175	1,573
Income tax expense	(490)	(309)	(490)	(309)
(Loss)/Profit After Taxation	685	1,264	685	1,264
Other Comprehensive Income	-	-	-	-
Foreign currency translation	(8)	61	(8)	61
Total Comprehensive (Loss)/Income For The Period	677	1,325	677	1,325
(Loss)/Profit Attributable to: Equity holders of the parent	685	1,264	685	1,264
Minority interest	-	-	-	-
	685	1,264	685	1,264
Total Comprehensive (Loss)/Income Attributable To : Equity holders of the parent	677	1,325	677	1,325
Minority interest	-	-	-	-
	677	1,325	677	1,325
Earnings per share attributable to equity holders of the Company:				
- Basic (Sen)	0.70	1.29	0.70	1.29
- 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 2018 and the accompanying explanatory notes attached to the interim financial statement.

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FIBON BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 AUG 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
<u>3 months period ended 31 Aug 2018</u>							
As at 1 June 2018	9,800	707	(1)	(2,600)	141	38,794	46,841
Total comprehensive income for the period	-	-	-	-	(8)	685	677
As at 31 Aug 2018	9,800	707	(1)	(2,600)	133	39,479	47,518
	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>3 months period ended 31 Aug 2017</u>							
As at 1 June 2017	9,800	707	(1)	(2,600)	192	36,943	45,041
Total comprehensive income for the period	-	-	-	-	61	1,264	1,325
As at 31 Aug 2017	9,800	707	(1)	(2,600)	253	38,207	46,366

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2018 and the accompanying explanatory notes attached to the interim financial statements.

FIBON BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 AUG 2018
(The figures have not been audited)

	CURRENT YEAR- TO-DATE 31.08.2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.08.2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for the financial period	1,175	1,573
Adjustments for:		
Depreciation of property, plant and equipment	101	95
Unrealised foreign exchange loss/(gain)	(49)	112
Reversal of impairment loss on trade receivables	-	(150)
Interest income	(130)	(100)
Operating profit before changes in working capital	<u>1,097</u>	<u>1,530</u>
Changes in working capital:		
(Increase)/decrease in inventories	71	(124)
(Increase)/decrease in receivables	26	696
Increase/(decrease) in payables	(25)	661
Cash generated from operations	<u>1,169</u>	<u>2,763</u>
Tax refund	-	4
Taxation paid	(357)	(365)
Net cash from operating activities	<u>812</u>	<u>2,402</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(5)	(38)
Interest received	130	100
Net cash from/(used in) investing activities	<u>125</u>	<u>62</u>
Effect of exchange rate changes	3	9
Net Change in Cash & Cash Equivalents	940	2,473
Cash and Cash Equivalents at beginning of period	27,914	25,543
Cash and Cash Equivalents at end of period	<u>28,854</u>	<u>28,016</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
	31.08.2018 RM'000	31.08.2017 RM'000
Fixed deposits with licensed bank	19,910	19,040
Cash and bank balances	8,944	8,976
	<u>28,854</u>	<u>28,016</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 May 2018 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 31 AUG 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 2018. 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 2018.

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 2018.

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:

Title	Effective date
<i>Amendments to MFRS 1 Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
<i>MFRS 15 Revenue from Contracts with Customers</i>	1 January 2018
<i>Clarifications to MFRS 15</i>	1 January 2018
<i>MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)</i>	1 January 2018
<i>Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
<i>Amendments to MFRS 128 Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
<i>IC Interpretation 22 Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
<i>Amendments to MFRS 140 Transfers of Investment Property</i>	1 January 2018
<i>Amendments to MFRS 4 Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48

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 are Standards of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group:

Title	Effective date
<i>MFRS 16 Leases</i>	1 January 2019
<i>IC Interpretation 23 Uncertainty over Income Tax Treatments</i>	1 January 2019

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FOR THE FINANCIAL PERIOD ENDED 31 AUG 2018

3. Summary of significant accounting policies (continued)

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

Title	Effective date
<i>Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
<i>Amendments to MFRS 9 Prepayment Features with Negative Compensation</i>	1 January 2019
<i>Amendments to MFRS 3 Annual Improvements to MFRS Standards 2015-2017 Cycle</i>	1 January 2019
<i>Amendments to MFRS 11 Annual Improvements to MFRS Standards 2015-2017 Cycle</i>	1 January 2019
<i>Amendments to MFRS 112 Annual Improvements to MFRS Standards 2015-2017 Cycle</i>	1 January 2019
<i>Amendments to MFRS 123 Annual Improvements to MFRS Standards 2015-2017 Cycle</i>	1 January 2019
<i>Amendments to MFRS 119 Plan Amendment, Curtailment or Settlement</i>	1 January 2019
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
<i>MFRS 17 Insurance Contracts</i>	1 January 2021
<i>Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate 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 auditors' report of the annual financial statements for the financial year ended 31 May 2018 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.

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FOR THE FINANCIAL PERIOD ENDED 31 AUG 2018

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 or repayment of debts and equity securities for the current financial period ending 31 May 2019.

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
Furniture, fittings and office equipment	5
	<hr/>
	<u>5</u>

10. Inventories

During the 3 months ended 31 Aug 2018, 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

There were no dividends paid during the current quarter under review.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUG 2018****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 31.08.2018					
Revenue:					
External customers	-	3,887	29	-	3,916
Results :					
Interest income	1	122	7	-	130
Depreciation and amortisation	-	(101)	-	-	(101)
Segment profit/(loss)	(17)	1,245	51	(104)	1,175
Assets:					
Capital expenditure	-	5	-	-	5
Segment assets	15,762	47,431	2,297	(16,051)	49,439
Segment Liabilities	84	2,238	17	(418)	1,921

	Investment holding (RM'000)	Sales of Goods (RM'000)	Financing Income (RM'000)	Eliminations (RM'000)	Consolidated (RM'000)
Period ended 31.08.2017					
Revenue:					
External customers	-	3,775	123	-	3,898
Results :					
Interest income	1	99	-	-	100
Depreciation and amortisation	-	95	-	-	95
Segment profit/(loss)	1	1,362	211	(1)	1,573
Assets:					
Capital expenditure	-	37	1	-	38
Segment assets	15,193	46,561	1,309	(14,155)	48,908
Segment Liabilities	35	2,442	65	-	2,542

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUG 2018****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.

B. Additional information required by BMSB Listing Requirements**1. Review of Performance**

	Individual Period (1 st Quarter)		Changes (%)	Cumulative Period		Changes (%)
	Current Quarter	Preceding Year Corresponding Quarter		Current Year To-date	Preceding Year Corresponding Period	
	31/08/2018	31/08/2017		31/08/2018	31/08/2017	
	RM'000	RM'000		RM'000	RM'000	
Revenue	3,916	3,898	0	3,916	3,898	0
Operating profit	2,671	2,634	1	2,671	2,634	1
Profit/(loss) before tax	1,175	1,573	(25)	1,175	1,573	(25)
Profit/(loss) after tax	685	1,264	(46)	685	1,264	(46)

In the current quarter ended 31 Aug 2018, the Group registered higher revenue of RM3,916,000 compared to previous corresponding quarter ended 31 Aug 2017 of RM3,898,000 as a result of increase in manufacturing sales. Profit before tax has decreased from RM1,573,000 to RM1,175,000 due to decrease in other income.

2. Comparison With the Preceding Quarter's Results

	Current Quarter 31/08/2018 (RM'000)	Immediate Preceding Quarter 31/05/2018 (RM'000)	Changes (%)
Revenue	3,916	3,622	8
Operating profit	2,671	2,305	16
Profit before tax	1,175	1,426	(18)
Profit after tax	685	1,045	(34)

The Group posted a higher revenue in the current quarter of RM3,916,000 as compared to the preceding quarter ended 31 May 2018 of RM3,622,000 representing an increase of RM294,000. Profit before tax has decreased from RM1,426,000 to RM1,175,000 mainly due to 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 2019 will not be severely affected.

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FOR THE FINANCIAL PERIOD ENDED 31 AUG 2018

4. Profit Forecast and Profit Estimate

The Group did not issue any profit forecast or profit estimate previously or for the financial year ending 31 May 2019 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> 31/08/2018 RM'000	<u>Preceding year corresponding quarter</u> 31/08/2017 RM'000	<u>Current year to date</u> 31/08/2018 RM'000	<u>Preceding year corresponding period</u> 31/08/2017 RM'000
Audit fee				
- for the financial period	27	13	27	13
Depreciation of property, plant and equipment	101	95	101	95
Directors' fees	83	83	83	83
Directors' non-fee emoluments	750	801	750	801
Loss on foreign exchange – unrealised	*	144	*	144
- realised	20	52	20	52
Rental of premises	20	25	20	25
Research and development expenditure	235	209	235	209
and crediting:-				
Gain on foreign exchange - unrealised	(49)	(32)	(49)	(32)
- realised	(102)	(572)	(102)	(572)
Reversal of impairment loss on receivables	-	(150)	-	(150)
Interest income	(130)	(100)	(130)	(100)
Less than RM1,000.				

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUG 2018****6. Taxation**

	<u>Current quarter</u> <u>31/08/2018</u> RM'000	<u>Preceding year corresponding quarter</u> <u>31/08/2017</u> RM'000	<u>Current year to date</u> <u>31/08/2018</u> RM'000	<u>Preceding year corresponding period</u> <u>31/08/2017</u> RM'000
Income taxation in Malaysia				
- Current year	339	330	339	330
- Under/(Over) provision in previous year	-	-	-	-
Foreign tax				
- Current year	8	22	8	22
- Under/(Over) provision in previous year	-	-	-	-
Deferred taxation				
- Current year	143	-	143	-
- (Over)/under provision in previous year	-	(43)	-	(43)
	<u>490</u>	<u>309</u>	<u>490</u>	<u>309</u>

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

7. Group borrowings

As at 31 Aug 2018, the Group has no borrowings.

8. Material Litigation

As at the date of this quarterly report, there are no material litigations against the Group or taken by the Group.

9. Dividend

No dividend has been declared for the quarter under review.

10. Disclosure of Nature of Outstanding Derivatives

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

11. Rationale for Entering into Derivatives

The Group did not enter into any derivatives during the period ended 31 Aug 2018 or the previous financial year ended 31 May 2018.

12. Risks and Policies of Derivatives

The Group did not enter into any derivatives during the period ended 31 Aug 2018 or the previous financial year ended 31 May 2018.

13. 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 Aug 2018 or the previous financial year ended 31 May 2018.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUG 2018****14. Earnings per Share (“EPS”)****(i) Basic EPS**

The basic EPS is calculated by dividing the net profit for the current financial quarter ended 31 Aug 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.

	Current Quarter	3 Months Cumulative To Date
Net (loss)/profit (RM'000)	685	685
Weighted average number of ordinary shares in issue ('000)	98,000	98,000
Basic earnings per share (sen)	0.70	0.70
Diluted earnings per share (sen)	-	-

15. 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 30 Oct 2018.