

FIBON BERHAD
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOV 2019

	Unaudited As at 30.11.2019 RM'000	Audited As at 31.05.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	13,177	12,700
Intangible assets	877	877
Deferred tax assets	25	25
Trade receivables	-	225
	<u>14,079</u>	<u>13,827</u>
Current assets		
Inventories	1,134	1,193
Trade receivables	4,689	5,828
Other receivables, deposits and prepayments	54	162
Tax recoverable	483	650
Fixed deposits with licensed bank	27,861	25,571
Cash and bank balances	3,887	3,251
	<u>38,108</u>	<u>36,655</u>
TOTAL ASSETS	<u>52,187</u>	<u>50,482</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	10,507	10,507
Other reserve	(2,600)	(2,600)
Translation reserve	79	102
Treasury shares	(135)	(83)
Retained earnings	41,890	40,866
	<u>49,741</u>	<u>48,792</u>
Total equity	<u>49,741</u>	<u>48,792</u>
Non-current liabilities		
Deferred tax liabilities	496	503
	<u>496</u>	<u>503</u>
Current liabilities		
Trade payables	500	521
Other payables and accruals	1,440	666
Tax payable	10	-
	<u>1,950</u>	<u>1,187</u>
Total liabilities	<u>2,446</u>	<u>1,690</u>
TOTAL EQUITY AND LIABILITIES	<u>52,187</u>	<u>50,482</u>
Net assets per share (RM)	0.51	0.50

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 May 2019 and the accompanying explanatory notes attached to the interim financial statements.

FIBON BERHAD

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 NOV 2019**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 30.11.2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30.11.2018 RM'000	CURRENT YEAR- TO-DATE 30.11.2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.11.2018 RM'000
Revenue	3,357	3,674	7,244	7,590
Cost of sales	(1,300)	(1,358)	(2,404)	(2,603)
Gross Profit	<u>2,057</u>	<u>2,316</u>	<u>4,840</u>	<u>4,987</u>
Other income	334	448	469	778
Selling & distribution costs	(67)	(108)	(147)	(169)
Administrative expenses	(1,522)	(1,769)	(3,651)	(3,534)
Profit Before Taxation	<u>802</u>	<u>887</u>	<u>1,511</u>	<u>2,062</u>
Income tax expense	(265)	(165)	(487)	(654)
Profit After Taxation	<u>537</u>	<u>722</u>	<u>1,024</u>	<u>1,408</u>
Other Comprehensive Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Foreign currency translation	(23)	21	(23)	13
Total Comprehensive Income For The Period	<u>514</u>	<u>743</u>	<u>1,001</u>	<u>1,421</u>
Profit Attributable to:				
Equity holders of the parent	537	722	1,024	1,408
Minority interest	-	-	-	-
	<u>537</u>	<u>722</u>	<u>1,024</u>	<u>1,408</u>
Total Comprehensive Income Attributable To :				
Equity holders of the parent	514	743	1,001	1,421
Minority interest	-	-	-	-
	<u>514</u>	<u>743</u>	<u>1,001</u>	<u>1,421</u>
Earnings per share attributable to equity holders of the Company:				
- Basic (Sen)	0.55	0.74	1.05	1.44
- 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 2019 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 SECOND QUARTER ENDED 30 NOV 2019**
(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 2019</u>							
As at 1 June 2019	10,507	-	(83)	(2,600)	102	40,866	48,792
Total comprehensive income for the period	-	-	-	-	(23)	1,024	1,001
Shares repurchased	-	-	(52)	-	-	-	(52)
As at 30 Nov 2019	10,507	-	(135)	(2,600)	79	41,890	49,741
<u>6 months period ended 30 Nov 2018</u>							
As at 1 June 2018	9,800	707	(1)	(2,600)	141	38,794	46,841
Total comprehensive income for the period	-	-	-	-	13	1,408	1,421
Shares repurchased	-	-	(82)	-	-	-	(82)
As at 30 Nov 2018	9,800	707	(83)	(2,600)	154	40,202	48,180

**Pursuant to the Companies Act 2016, the credit balance in the share premium account had been transferred to the share capital account.*

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2019 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 2019
(The figures have not been audited)

	CURRENT YEAR- TO-DATE 30.11.2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.11.2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for the financial period	1,511	2,062
Adjustments for:		
Depreciation of property, plant and equipment	178	204
Unrealised foreign exchange (gain)/loss	31	(155)
Interest income	(291)	(305)
Operating profit before changes in working capital	<u>1,429</u>	<u>1,806</u>
Changes in working capital:		
Decrease/(increase) in inventories	67	56
(Increase)/decrease in receivables	1,409	(713)
(Decrease)/Increase in payables	<u>781</u>	<u>313</u>
Cash generated from operations	3,686	1,462
Tax refund	255	54
Taxation paid	(580)	(709)
Net cash from operating activities	<u>3,361</u>	<u>807</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(655)	(53)
Interest received	291	305
Net cash (used in) / from investing activities	<u>(364)</u>	<u>252</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares repurchased	(52)	(82)
Net cash used in financing activities	<u>(52)</u>	<u>(82)</u>
Effect of exchange rate changes	(19)	11
Net Change in Cash & Cash Equivalents	2,926	988
Cash and Cash Equivalents at beginning of period	28,822	27,914
Cash and Cash Equivalents at end of period	<u>31,748</u>	<u>28,902</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
	30.11.2019 RM'000	30.11.2018 RM'000
Fixed deposits with licensed bank	27,861	20,118
Cash and bank balances	<u>3,887</u>	<u>8,784</u>
	31,748	28,902
Less: Deposits with licensed bank (more than 3 months)	-	-
	<u>31,748</u>	<u>28,902</u>
	-	-

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 May 2019 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 2019****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 2019. 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 2019.

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 2019.

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
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Admndments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015-2017 Cycle</i>	1 January 2019
Admndments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015-2017 Cycle</i>	1 January 2019
Admndments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015-2017 Cycle</i>	1 January 2019
Admndments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015-2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019

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>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
<i>Amendments to MFRS 3 Definition of a Business</i>	1 January 2020

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOV 2019****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 101 and MFRS 108 Definition of Material</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 2019 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 was no issuance, cancellation, repurchases, resale and repayment of debts and equity securities during the financial period under review except for the followings:-

- (i) Repurchases of 130,700 ordinary shares from open market at an average price of RM0.40.

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	1
Motor vehicle	-
Plant and machinery	29
Land and building	625
	<hr/>
	655

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOV 2019****10. Inventories**

During the 6 months ended 30 Nov 2019, 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 0.72 sen per ordinary share amounting to RM705,600 in respect of the financial year ended 31 May 2019 has been approved by shareholders at the Annual General Meeting held on 29 October 2019 and has been paid on 27 December 2019.

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 30.11.2019					
Revenue:					
External customers	-	7,163	81	-	7,244
Results :					
Interest income	5	267	19	-	291
Depreciation and amortisation	-	178	-	-	178
Segment profit/(loss)	938	1,623	75	(1,125)	1,511
Assets:					
Capital expenditure	-	655	-	-	655
Segment assets	16,823	49,940	2,389	(16,965)	52,187
Segment Liabilities	150	3,808	9	(1,521)	2,446

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOV 2019**

	Investment holding (RM'000)	Sales of Goods (RM'000)	Financing Income (RM'000)	Eliminations (RM'000)	Consolidated (RM'000)
Period ended 30.11.2018					
Revenue:					
External customers	-	7,540	50	-	7,590
Results :					
Interest income	3	278	24	-	305
Depreciation and amortisation	-	204	-	-	204
Segment profit/(loss)	934	2,225	56	(1,153)	2,062
Assets:					
Capital expenditure	-	53	-	-	53
Segment assets	16,600	47,906	2,299	(16,438)	50,367
Segment Liabilities	81	3,003	14	(911)	2,187

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 (2nd Quarter)		Changes (%)	Cumulative Period		Changes (%)
	Current Quarter	Preceding Year Corresponding Quarter		Current Year To-date	Preceding Year Corresponding Period	
	30/11/2019	30/11/2018		30/11/2019	30/11/2018	
	RM'000	RM'000		RM'000	RM'000	
Revenue	3,357	3,674	(9)	7,244	7,590	(5)
Operating profit	2,057	2,316	(11)	4,840	4,987	(3)
Profit/(loss) before tax	802	887	(9)	1,511	2,062	(27)
Profit/(loss) after tax	537	722	(25)	1,024	1,408	(27)

In the current quarter ended 30 Nov 2019, the Group registered lower revenue of RM3,357,000 compared to previous corresponding quarter ended 30 Nov 2018 of RM3,674,000 as a result of decrease in trading sales. Profit after tax has decreased from RM722,000 to RM537,000 due to lower revenue.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOV 2019****2. Comparison With the Preceding Quarter's Results**

	Current Quarter 30/11/2019 (RM'000)	Immediate Preceding Quarter 31/08/2019 (RM'000)	Changes (%)
Revenue	3,357	3,887	(14)
Operating profit	2,057	2,783	(26)
Profit before tax	802	710	13
Profit after tax	537	488	11

The Group posted a lower revenue in the current quarter of RM3,357,000 as compared to the preceding quarter ended 31 Aug 2019 of RM3,887,000 representing a decrease of RM530,000 due to decrease in manufacturing sales. Profit after tax has increased from RM488,000 to RM537,000 mainly due to lower 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 2020 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 ending 31 May 2020 in any public document and hence this information is not applicable.

5. Profit Before Tax

Profit before tax is arrived at after charging / (crediting) :-

	<u>Current quarter</u> 30/11/2019 RM'000	<u>Preceding year corresponding quarter</u> 30/11/2018 RM'000	<u>Current year to date</u> 30/11/2019 RM'000	<u>Preceding year corresponding period</u> 30/11/2018 RM'000
Audit fee				
- for the financial period	22	22	44	49
Depreciation of property, plant and equipment	87	103	178	204
Directors' fees	83	83	166	166
Directors' non-fee emoluments	406	772	1,367	1,522
Inventories written down	-	-	-	-
Inventories written off	-	-	-	-
Loss on foreign exchange – unrealised	76	-	31	*
- realised	-	-	-	20
Property, plant and equipment written off	-	-	-	-
Rental of premises	13	20	26	40
Research and development expenditure	262	246	515	481
and crediting:-				
Gain on foreign exchange - unrealised	-	(106)	-	(155)
- realised	(72)	(142)	(89)	(244)
Reversal of impairment loss on receivables	-	-	-	-
Interest income	(188)	(175)	(291)	(305)

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOV 2019****6. Taxation**

	<u>Current quarter</u>	<u>Preceding year corresponding quarter</u>	<u>Current year to date</u>	<u>Preceding year corresponding period</u>
	<u>30/11/2019</u>	<u>30/11/2018</u>	<u>30/11/2019</u>	<u>30/11/2018</u>
	RM'000	RM'000	RM'000	RM'000
Income taxation in Malaysia				
- Current year	266	234	491	573
- Under/(Over) provision in previous year	-	(6)	-	(6)
Foreign tax				
- Current year	9	11	21	19
- Under/(Over) provision in previous year	-	(10)	-	(10)
Deferred taxation				
- Current year	(10)	(64)	(25)	78
- (Over)/under provision in previous year		-		-
	<u>265</u>	<u>165</u>	<u>487</u>	<u>654</u>

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

7. Group borrowings

As at 30 Nov 2019, 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 30 Nov 2019 or the previous financial year ended 31 May 2019.

12. Risks and Policies of Derivatives

The Group did not enter into any derivatives during the period ended 30 Nov 2019 or the previous financial year ended 31 May 2019.

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 30 Nov 2019 or the previous financial year ended 31 May 2019.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOV 2019**

14. Earnings per Share (“EPS”)

(i) Basic EPS

The basic EPS is calculated by dividing the net profit for the current financial quarter ended 30 Nov 2019 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)	537	1,024
Weighted average number of ordinary shares in issue ('000)	97,717	97,847
Basic earnings per share (sen)	0.55	1.05

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 22 January 2020.