

FIBON BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 29 FEB 2020

	Unaudited As at 29.02.2020 RM'000	Audited As at 31.05.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	13,103	12,700
Intangible assets	877	877
Deferred tax assets	24	25
Trade receivables	-	225
	<u>14,004</u>	<u>13,827</u>
Current assets		
Inventories	1,380	1,193
Trade receivables	4,704	5,828
Other receivables, deposits and prepayments	42	162
Tax recoverable	588	650
Fixed deposits with licensed bank	28,433	25,571
Cash and bank balances	2,866	3,251
	<u>38,013</u>	<u>36,655</u>
TOTAL ASSETS	<u>52,017</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	55	102
Treasury shares	(135)	(83)
Retained earnings	41,483	40,866
	<u>49,310</u>	<u>48,792</u>
Total equity	<u>49,310</u>	<u>48,792</u>
Non-current liabilities		
Deferred tax liabilities	465	503
	<u>465</u>	<u>503</u>
Current liabilities		
Trade payables	506	521
Other payables and accruals	1,736	666
	<u>2,242</u>	<u>1,187</u>
Total liabilities	<u>2,707</u>	<u>1,690</u>
TOTAL EQUITY AND LIABILITIES	<u>52,017</u>	<u>50,482</u>
Net assets per share (RM)	<u>0.50</u>	<u>0.50</u>

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 THIRD QUARTER ENDED 29 FEB 2020
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 29.02.2020 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 28.02.2019 RM'000	CURRENT YEAR- TO-DATE 29.02.2020 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 28.02.2019 RM'000
Revenue	3,392	3,504	10,637	11,094
Cost of sales	(1,140)	(1,165)	(3,544)	(3,767)
Gross Profit	2,252	2,339	7,093	7,327
Other income	204	237	673	1,015
Selling & distribution costs	(70)	(59)	(218)	(228)
Administrative expenses	(1,917)	(2,647)	(5,568)	(6,180)
Profit / (Loss) Before Taxation	469	(130)	1,980	1,934
Income tax expense	(171)	(42)	(658)	(696)
Profit / (Loss) After Taxation	298	(172)	1,322	1,238
Other Comprehensive Income Net of Tax	-	-	-	-
Foreign currency translation	(24)	(37)	(47)	(37)
Total Comprehensive Income / (Loss) For The Period	274	(209)	1,275	1,201
Profit / (Loss) Attributable to: Equity holders of the parent	298	(172)	1,322	1,238
Minority interest	-	-	-	-
	298	(172)	1,322	1,238
Total Comprehensive Income / (Loss) Attributable To : Equity holders of the parent	274	(209)	1,275	1,201
Minority interest	-	-	-	-
	274	(209)	1,275	1,201
Earnings per share attributable to equity holders of the Company:				
- Basic (Sen)	0.30	(0.18)	1.35	1.26
- 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.

Registration No. 200801009722 (811010-H)

FIBON BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 29 FEB 2020
(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>9 months period ended 29 Feb 2020</u>							
As at 1 June 2019	10,507	-	(83)	(2,600)	102	40,866	48,792
Total comprehensive income for the period	-	-	-	-	(47)	1,322	1,275
Shares repurchased	-	-	(52)	-	-	-	(52)
Dividends paid	-	-	-	-	-	(705)	(705)
As at 29 Feb 2020	10,507	-	(135)	(2,600)	55	41,483	49,310
	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>9 months period ended 28 Feb 2019</u>							
As at 1 June 2018	9,800	707	(1)	(2,600)	141	38,794	46,841
Total comprehensive income for the period	-	-	-	-	(37)	1,238	1,201
Dividend paid	-	-	-	-	-	(735)	(735)
Shares repurchased	-	-	(82)	-	-	-	(82)
Reclassification	707	(707)	-	-	-	-	-
As at 28 Feb 2019	10,507	-	(83)	(2,600)	104	39,297	47,225

**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.

FIBON BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 29 FEB 2020
(The figures have not been audited)

	CURRENT YEAR- TO-DATE 29.02.2020 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 28.02.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for the financial period	1,980	1,934
Adjustments for:		
Depreciation of property, plant and equipment	261	305
Unrealised foreign exchange (gain)/loss	43	(40)
Interest income	(469)	(488)
Operating profit before changes in working capital	1,815	1,711
Changes in working capital:		
Decrease/(increase) in inventories	(177)	122
(Increase)/decrease in receivables	1,382	(346)
(Decrease)/increase in payables	1,061	174
Cash generated from operations	4,081	1,661
Tax refund	255	305
Taxation paid	(872)	(1,042)
Net cash from operating activities	3,464	924
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(664)	(138)
Interest received	469	488
Net cash (used in) / from investing activities	(195)	350
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares repurchased	(52)	(82)
Dividends paid	(705)	(735)
Net cash used in financing activities	(757)	(817)
Effect of exchange rate changes	(35)	(27)
Net Change in Cash & Cash Equivalents	2,477	430
Cash and Cash Equivalents at beginning of period	28,822	27,914
Cash and Cash Equivalents at end of period	31,299	28,344
Cash and cash equivalents at the end of the financial period comprise the following:	29.02.2020	28.02.2019
	RM'000	RM'000
Fixed deposits with licensed bank	28,433	22,469
Cash and bank balances	2,866	5,875
	31,299	28,344

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 (Registration No. 200801009722 (811010-H))
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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 29 FEB 2020

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
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015-2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015-2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015-2017 Cycle</i>	1 January 2019
Amendments 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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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	634
	664

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10. Inventories

During the 9 months ended 29 Feb 2020, 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 29.02.2020					
Revenue:					
External customers	-	10,516	121	-	10,637
Results :					
Interest income	9	428	32	-	469
Depreciation and amortisation	-	260	1	-	261
Segment profit/(loss)	858	2,184	62	(1,124)	1,980
Assets:					
Capital expenditure	-	664	-	-	664
Segment assets	16,065	49,924	2,365	(16,337)	52,017
Segment Liabilities					
	178	3,411	11	(893)	2,707

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	Investment holding (RM'000)	Sales of Goods (RM'000)	Financing Income (RM'000)	Eliminations (RM'000)	Consolidated (RM'000)
Period ended 28.02.2019					
Revenue:					
External customers	-	10,996	98	-	11,094
Results :					
Interest income	7	440	41	-	488
Depreciation and amortisation	-	304	1	-	305
Segment profit/(loss)	671	2,264	81	(1,082)	1,934
Assets:					
Capital expenditure	-	138	-	-	138
Segment assets	15,626	47,444	2,313	(16,117)	49,266
Segment Liabilities	77	2,598	9	(643)	2,041

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 (3rd Quarter)		Changes (%)	Cumulative Period		Changes (%)
	Current Quarter	Preceding Year Corresponding Quarter		Current Year To-date	Preceding Year Corresponding Period	
	29/02/2020	28/02/2019		29/02/2020	28/02/2019	
	RM'000	RM'000		RM'000	RM'000	
Revenue	3,392	3,504	(3)	10,637	11,094	(4)
Operating profit	2,252	2,339	(4)	7,093	7,327	(3)
Profit/(loss) before tax	469	(130)	461	1,980	1,934	2
Profit/(loss) after tax	298	(172)	274	1,322	1,238	7

In the current quarter ended 29 Feb 2020, the Group registered lower revenue of RM3,392,000 compared to previous corresponding quarter ended 28 Feb 2019 of RM3,504,000 as a result of decrease in trading sales. Profit after tax has increased from loss of RM172,000 to profit of RM298,000 due to lower administrative expenses incurred.

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2. Comparison With the Preceding Quarter's Results

	Current Quarter 29/02/2020 (RM'000)	Immediate Preceding Quarter 30/11/2019 (RM'000)	Changes (%)
Revenue	3,392	3,357	1
Operating profit	2,252	2,057	9
Profit before tax	469	802	(42)
Profit after tax	298	537	(45)

The Group posted higher revenue in the current quarter of RM3,392,000 as compared to the preceding quarter ended 30 Nov 2019 of RM3,357,000 representing an increase of RM35,000 due to increase in manufacturing sales. Profit after tax has decreased from RM537,000 to RM298,000 mainly due to higher administrative expenses and lower other income.

3. Commentary on the Prospects

Following the imposition of Movement Control Order (MCO) due to COVID-19 global pandemic, the Ministry of Finance (MOF) had revised its projection for Gross Domestic Product (GDP) at between -2% to 0.5% against highly challenging global economic outlook mainly due to the pandemic, sharp decline in crude oil price, continued supply chain disruption and surging unemployment.

The Group will continue strengthen its core business segments and maintain healthy cash flow position in facing the various economic challenges.

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> 29/02/2020 RM'000	<u>Preceding year corresponding quarter</u> 28/02/2019 RM'000	<u>Current year to date</u> 29/02/2020 RM'000	<u>Preceding year corresponding period</u> 28/02/2019 RM'000
Audit fee				
- for the financial period	22	22	66	71
Depreciation of property, plant and equipment	83	101	261	305
Directors' fees	78	83	244	249
Directors' non-fee emoluments	699	1,055	2,066	2,577
Loss on foreign exchange – unrealised	12	115	43	115
- realised	7	109	7	129
Rental of premises	13	20	39	60
Research and development expenditure	266	263	781	744
and crediting:-				
Gain on foreign exchange - unrealised	-	-	-	(155)
- realised	-	(48)	(89)	(292)
Interest income	(178)	(183)	(469)	(488)

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6. Taxation

	<u>Current quarter</u> 29/02/2020 RM'000	<u>Preceding year corresponding quarter</u> 28/02/2019 RM'000	<u>Current year to date</u> 29/02/2020 RM'000	<u>Preceding year corresponding period</u> 28/02/2019 RM'000
Income taxation in Malaysia				
- Current year	180	45	671	618
- Under/(Over) provision in previous year	-	-	-	(6)
Foreign tax				
- Current year	(2)	3	19	22
- Under/(Over) provision in previous year	-	-	-	(10)
Deferred taxation				
- Current year	(7)	(6)	(32)	72
- (Over)/under provision in previous year	-	-	-	-
	<u>171</u>	<u>42</u>	<u>658</u>	<u>696</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 28 Feb 2020, 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 28 Feb 2020 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 28 Feb 2020 or the previous financial year ended 31 May 2019.

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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 28 Feb 2020 or the previous financial year ended 31 May 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	9 Months Cumulative To Date
Net profit (RM'000)	298	1,322
Weighted average number of ordinary shares in issue ('000)	97,717	97,717
Basic earnings per share (sen)	0.30	1.35

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 14 May 2020.