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FIBON BERHAD

(Company No.: 811010-H)

(Incorporated in Malaysia under the Companies Act, 1965)

Public issue of 3,347,000 new ordinary shares of RM0.10 each at an issue price of RM2.73 per ordinary share payable in full upon application comprising:

- 308,000 new ordinary shares of RM0.10 each reserved for application by the public;
- 15,000 new ordinary shares of RM0.10 each reserved for application by the eligible employees of Fibon Berhad and its subsidiary company; and
- 3,024,000 new ordinary shares of RM0.10 each reserved for placement to identified investors

And

Bonus issue of 67,653,000 new ordinary shares of RM0.10 each to be credited as fully paid-up to the shareholders of Fibon Berhad on the basis of approximately 10,000 new ordinary shares of RM0.10 each for every 4,486 existing ordinary shares of RM0.10 each held in Fibon Berhad after the public issue

In conjunction with the listing of Fibon Berhad on the MESDAQ Market of Bursa Malaysia Securities Berhad

Adviser, Sole Underwriter, Placement Agent and Sponsor



Co – Placement Agent

AmINVESTMENT BANK BERHAD
(Company No. 23742-V)
A member of



AmInvestment Bank
Group

Investors are advised to note that companies listed on the MESDAQ Market may be of high investment risk.

For information concerning certain risk factors which should be considered by prospective investors, see “Risk Factors” in Section 4 of this prospectus.

P R O S P E C T U S

THIS PROSPECTUS IS DATED 24 NOVEMBER 2008

* The pictures depicted at the cover are for illustration only and do not imply that the depictions are assets of or project undertaken by Fibon Berhad and its subsidiary company.



FIBON BERHAD

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OUR DIRECTORS AND THE PROMOTERS (AS DEFINED HEREIN) HAVE SEEN AND APPROVED THIS PROSPECTUS AND WE COLLECTIVELY AND INDIVIDUALLY, ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF OUR KNOWLEDGE AND BELIEF THERE ARE NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING.

ALLIANCE INVESTMENT BANK BERHAD, BEING OUR ADVISER, SOLE UNDERWRITER, PLACEMENT AGENT AND SPONSOR ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE PUBLIC ISSUE (AS DEFINED HEREIN).

THE SECURITIES COMMISSION ("SC") HAS APPROVED THE ISSUE, OFFER OR INVITATION IN RESPECT OF OUR PUBLIC ISSUE AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE PUBLIC ISSUE. THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. **YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE INVITATION, OUR COMPANY OR OF OUR SECURITIES.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT 2007.

CHARACTERISTICS OF THE MESDAQ MARKET OF BURSA SECURITIES

INVESTORS SHOULD BE AWARE THAT MESDAQ IS A DISTINCT MARKET FROM THE MAIN AND SECOND BOARDS IN MANY RESPECTS. IN PARTICULAR, COMPANIES LISTED ON THE MESDAQ MARKET ARE SUBJECT TO DIFFERENT QUANTITATIVE AND QUALITATIVE REQUIREMENTS, WHICH HAVE BEEN PRIMARILY DESIGNED TO ACCOMMODATE HIGH-GROWTH AND/OR TECHNOLOGY COMPANIES.

COMPANIES THAT ARE LISTED ON THE MESDAQ MARKET MAY HAVE A LIMITED OPERATING HISTORY OR MAY NOT HAVE ANY PROFIT TRACK RECORD PRIOR TO LISTING. AS SUCH, THESE COMPANIES MAY BE OF HIGH INVESTMENT RISK.

THE REGULATORY PHILOSOPHY UNDERLYING THE MESDAQ MARKET IS THAT THE MARKET SHOULD BE ALLOWED TO DETERMINE THE MERITS OF THE SECURITIES/INSTRUMENTS IN A PARTICULAR COMPANY. HENCE, AS WITH ALL INVESTMENTS, PROSPECTIVE INVESTORS SHOULD BE AWARE OF ALL POTENTIAL RISKS IN INVESTING IN SUCH COMPANIES AND SHOULD MAKE THE DECISION TO INVEST AFTER DUE AND CAREFUL CONSIDERATION BY REFERRING TO, AMONG OTHERS, THE PROSPECTUS, LATEST FINANCIAL STATEMENTS AND CORPORATE ANNOUNCEMENTS. IN THIS RESPECT, ADVICE FROM A SECURITIES PROFESSIONAL/ADVISER IS STRONGLY RECOMMENDED.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE FORMS OF APPLICATION, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

THIS PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES'S WEBSITE AT WWW.BURSAMALAYSIA.COM.

THIS PROSPECTUS IS PREPARED AND PUBLISHED SOLELY FOR THE PUBLIC ISSUE IN MALAYSIA UNDER THE LAWS OF MALAYSIA. THE PUBLIC ISSUE SHARES ARE OFFERED IN MALAYSIA SOLELY BASED ON THE CONTENTS OF THIS PROSPECTUS. OUR COMPANY AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE POTENTIAL INVESTORS WITH INFORMATION WHICH IS NOT CONTAINED IN THIS PROSPECTUS.

OUR COMPANY WILL NOT, PRIOR TO ACTING ON ANY ACCEPTANCE IN RESPECT OF THE PUBLIC ISSUE, MAKE OR BE BOUND TO MAKE ANY ENQUIRY AS TO WHETHER INVESTORS HAVE A REGISTERED ADDRESS IN MALAYSIA AND WILL NOT ACCEPT OR BE DEEMED TO ACCEPT ANY LIABILITY IN RELATION THERETO WHETHER OR NOT ANY ENQUIRY OR INVESTIGATION IS MADE IN CONNECTION THEREWITH. IT SHALL BE YOUR SOLE RESPONSIBILITY IF YOU ARE OR MAY BE SUBJECT TO THE LAWS OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA AND TO CONSULT YOUR LEGAL AND/OR OTHER PROFESSIONAL ADVISERS AS TO WHETHER YOUR APPLICATION FOR THE PUBLIC ISSUE WOULD RESULT IN THE CONTRAVENTION OF ANY LAWS OF SUCH COUNTRIES OR JURISDICTIONS.

FURTHER, IT SHALL ALSO BE YOUR SOLE RESPONSIBILITY TO ENSURE THAT YOUR APPLICATION FOR THE PUBLIC ISSUE WOULD BE IN COMPLIANCE WITH THE TERMS OF THE PUBLIC ISSUE AND WOULD NOT BE IN CONTRAVENTION OF ANY LAWS OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA TO WHICH YOU MAY BE SUBJECTED. OUR COMPANY WILL FURTHER ASSUME THAT YOU HAD ACCEPTED THE PUBLIC ISSUE IN MALAYSIA AND WILL AT ALL APPLICABLE TIMES BE SUBJECTED ONLY TO THE LAWS OF MALAYSIA IN CONNECTION THEREWITH.

HOWEVER, OUR COMPANY RESERVES THE RIGHT, IN OUR ABSOLUTE DISCRETION TO TREAT ANY ACCEPTANCE AS INVALID IF OUR COMPANY BELIEVES THAT SUCH ACCEPTANCE MAY VIOLATE ANY LAW OR APPLICABLE LEGAL OR REGULATORY REQUIREMENTS.

THIS PROSPECTUS HAS NOT BEEN AND WILL NOT BE MADE TO COMPLY WITH THE LAWS OF ANY JURISDICTION OTHER THAN MALAYSIA AND HAS NOT BEEN AND WILL NOT BE LODGED, REGISTERED OR APPROVED PURSUANT TO OR UNDER ANY APPLICABLE SECURITIES OR EQUIVALENT LEGISLATION OR WITH OR BY ANY REGULATORY AUTHORITY OR OTHER RELEVANT BODY OF ANY JURISDICTION OTHER THAN MALAYSIA.

THE DISTRIBUTION OF THIS PROSPECTUS AND THE ACCOMPANYING DOCUMENTS ARE SUBJECT TO MALAYSIAN LAWS. OUR COMPANY AND ITS ADVISERS TAKE NO RESPONSIBILITY FOR THE DISTRIBUTION OF THIS PROSPECTUS (IN PRELIMINARY OR FINAL FORM) OUTSIDE MALAYSIA. OUR COMPANY AND ITS ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT A PUBLIC ISSUE OF OUR SHARES BASED ON THIS PROSPECTUS OR THE DISTRIBUTION OF THIS PROSPECTUS OUTSIDE MALAYSIA. THIS PROSPECTUS MAY NOT BE USED FOR ANY OFFER TO SELL OR INVITATION TO BUY OUR SHARES IN ANY JURISDICTION OR IN ANY CIRCUMSTANCE IN WHICH SUCH AN OFFER OR INVITATION IS NOT AUTHORISED OR UNLAWFUL. THIS PROSPECTUS SHALL ALSO NOT BE USED TO MAKE AN OFFER OR INVITATION OF OUR COMPANY'S SHARES TO ANY PERSON TO WHOM IT IS UNLAWFUL TO DO SO. OUR COMPANY AND OUR ADVISERS REQUIRE POTENTIAL INVESTORS TO INFORM THEMSELVES OF AND TO OBSERVE SUCH RESTRICTIONS.

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INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative times and dates:

EVENT	TENTATIVE DATE / TIME
Opening of the Public Issue	24 November 2008 at 10.00 a.m.
Closing of the Public Issue	5 December 2008 at 5.00 p.m.
Balloting of applications	10 December 2008
Allotment of Shares (including Bonus Shares)	16 December 2008
Listing of and quotation for our Company's entire enlarged issued and paid-up share capital on the MESDAQ Market	18 December 2008

Our Directors and the Sole Underwriter may mutually decide, at their absolute discretion, to extend the date and time for the closing of applications to any later date or dates. If the date of the closing of applications is extended, the dates of the balloting, allotment and listing would be extended accordingly. We will announce any extension of the date of closing of applications in a widely circulated English and Bahasa Malaysia daily newspapers within Malaysia. **Late applications will not be accepted.**

The success of the Public Issue may be exposed to the risk that it may fail or be delayed should our Company be unable to meet the public spread requirement of at least 25% of our Company's total number of shares for which listing is sought is in the hands of a minimum number of 1,000 public shareholders holding not less than 100 Shares each.

Although Fibon and Alliance will endeavour to secure the Listing and ensure compliance with the Listing Requirements, no assurance can be given that the abovementioned factor will not cause a delay in or failure of the Listing. In the event of a failure of the Listing, monies received from the application for the Issue Shares will be subsequently refunded without interest to the applicants. If any such monies are not repaid within fourteen (14) days after our Company is liable to repay it, the provision of sub-section 243(2) of the CMS Act shall apply accordingly.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to “Company” is to Fibon Berhad (811010-H); references to “Group” is to the Company and its subsidiary company; and references to “we”, “us”, “our” and “ourselves” are to the Company, and, save where the context otherwise requires, our subsidiary company. Unless the context otherwise requires, statements as to our beliefs, expectations, estimates and opinions are those of our management.

Certain abbreviations, acronyms and technical terms used are defined in “Definitions” appearing after this section. Words denoting the singular only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include companies and corporations.

All reference to dates and times are references to dates and times in Malaysia.

Any reference in this Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

This Prospectus includes statistical data provided by the management and various third parties and cites third party projections regarding growth and performance of the industry in which our Group operates. This data is taken or derived from information published by industry sources and from the internal data.

Certain information in this Prospectus is extracted or derived from report(s) prepared by various third parties. As such, we and our advisers do not make any representation as to the correctness, accuracy or completeness of such reports. You should not place undue reliance on the statistical data and third party projections cited in this Prospectus. Third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. The management gives no assurance that the projected figures will be achieved.

The information on our website, or any website directly or indirectly linked to such websites does not form part of this Prospectus and you should not rely on it.

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FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements which include all statements other than those of historical facts, including among others, those regarding our Group's financial position, business strategies, plans and objectives of our management for future operations. Some of these statements can be identified by words that have a bias towards or are forward-looking such as "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond our Group's control that could cause the actual results, performance or achievements of our Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Group's present and future business strategies and the environment in which our Group will operate in the future.

Among the important factors that could cause our Group's actual results, performance or achievements to differ materially from those in forward-looking statements are those in Section 4.0 (Risk Factors) of this Prospectus. We cannot assure you that the forward-looking statements in this Prospectus will be realised.

These forward-looking statements speak only as at the date of this Prospectus. We expressly disclaim any obligation or undertaking to release publicly any update or revision to any forward-looking statements contained in this Prospectus to reflect any change in our expectations with regard thereto or any change events, conditions or circumstances on which any such statements are based.

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DEFINITIONS

The following terms shall apply throughout this Prospectus unless otherwise defined or the context requires otherwise:

Act	: The Companies Act, 1965 or any statutory modification, amendment or re-enactment thereof for the time being in force
Acquisition	: The acquisition by Fibon of the entire issued and paid-up share capital of Hexa Analisa comprising 100,000 ordinary shares of RM1.00 each in Hexa Analisa for a total purchase consideration of RM2,699,998 to be satisfied wholly by the issuance of 26,999,980 new Shares
ADA	: Authorised Depository Agent
ADA Code	: ADA (Broker) Code
Alliance	: Alliance Investment Bank Berhad (21605-D)
Application	: Application for the Issue Shares by way of the Application Forms or by way of ESA
Application Form(s)	: The printed application form(s) accompanying this Prospectus
ASTA	: Association of Short-circuit Testing Authorities Certification Services
ATM(s)	: Automated Teller Machine(s)
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (165570-D)
Board	: Board of Directors of Fibon
Bonus Issue	: The bonus issue of 67,653,000 new Fibon Shares credited as fully paid-up on the basis of approximately 10,000 new Fibon Shares for every 4,486 existing Fibon Shares held after the Public Issue
Bonus Share(s)	: Bonus issue of 67,653,000 new Fibon Shares to be issued pursuant to the Bonus Issue
Bursa Securities	: Bursa Malaysia Securities Berhad (635998-W)
CAGR	: Compound Annual Growth Rate
CCM	: Companies Commission of Malaysia
CDS	: Central Depository System
CDS Account	: An account established by Bursa Depository for a depositor for the recording of securities and for dealing in such securities by the depositor
Central Depositories Act	: The Securities Industry (Central Depositories) Act, 1991 as amended or expanded from time to time
CMS Act	: Capital Markets & Services Act 2007
CPC Polyply	: CPC Polyply Industries (M) Sdn Bhd (241679-D)
EBITDA	: Earnings before interest, taxation, depreciation and amortisation

DEFINITIONS (Cont'd)

ECU	:	Equity Compliance Unit of the SC
EGM	:	Extraordinary general meeting
EPS	:	Earnings per share
ESA	:	Application for the Issue Shares through a Participating Financial Institution's ATM
Excluded Parties	:	(i) Persons who are located in jurisdictions outside Malaysia in which acceptance under the Public Issue and Bonus Issue would result in the contravention of the laws of such jurisdiction (whether in the absence of any necessary consent and/or compliance with any registration of other legal requirements or for any other reason); or (ii) Persons who are, in the opinion of the Board (on the advice of its legal adviser), would be necessary or expedient to be excluded from participating in the Public Issue and Bonus Issue by reason of legal or regulatory requirements
Expedient Equity	:	Expedient Equity Ventures Sdn Bhd (780509-U)
Fibon or Company	:	Fibon Berhad (811010-H)
Fibon Group or Group	:	Fibon and its subsidiary company, collectively
Fibon Share(s) or Share(s)	:	Ordinary share(s) of RM0.10 each in Fibon
FIC	:	Foreign Investment Committee
FYE(s)	:	Financial year(s) ended
GDP	:	Gross Domestic Product
Government	:	Government of Malaysia
Hexa Analisa	:	Hexa Analisa Sdn Bhd (631511-M), a wholly-owned subsidiary company of Fibon
Inflexion	:	Inflexion PEF Sdn Bhd (675855-K)
Issue Price	:	The issue price of RM2.73 per Issue Share
Issue Share(s)	:	Public issue of 3,347,000 new Fibon Shares to be issued pursuant to the Public Issue
Listing	:	The admission to the Official List of Bursa Securities and the listing of and quotation for the entire enlarged issued and paid-up share capital of Fibon of RM9,800,000 comprising 98,000,000 Fibon Shares on the MESDAQ Market
Listing Requirements	:	Listing Requirements of Bursa Securities for the MESDAQ Market
Listing Scheme	:	The Share Split, the Acquisition, the Public Issue, the Bonus Issue and the Listing, collectively
MavCap	:	Malaysia Venture Capital Management Berhad (545466-U)

DEFINITIONS (Cont'd)

MESDAQ Market	:	MESDAQ Market of Bursa Securities
MITI	:	Ministry of International Trade and Industry
Modal Perdana	:	Kumpulan Modal Perdana Sdn Bhd (547734-D)
NA	:	Net assets
NBV	:	Net book value
Participating Financial Institution(s)	:	The participating financial institution(s) participating in the ESA
PAT	:	Profit after tax
PBT	:	Profit before tax
PE Multiple	:	Price-earnings multiple
Promoter(s)	:	Pang Fok Seng, Pang Chee Khiong and Lim Wai Kiew, collectively
Public	:	All persons or members of the public but excluding Directors of the Fibon Group, its substantial shareholders and persons connected or associated with them (as defined in the Listing Requirements)
Public Issue	:	3,347,000 Issue Shares, representing approximately 11.03% of our Company's enlarged issued and paid-up share capital before the Bonus Issue, will be made available for application by the Public and eligible employees of our Group (save for Excluded Parties) and identified investors
R&D	:	Research and development
RM and sen	:	Ringgit Malaysia and sen, respectively
SC	:	Securities Commission
Share Split	:	Subdivision of every one ordinary share of RM1.00 in Fibon into 10 ordinary shares of RM0.10 each
sq. ft.	:	Square feet
USD	:	United States Dollar
Technical Abbreviations		
CNC	:	Computer Numerical Control
DMC	:	Dough Mould Compound

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name/Designation	Address	Occupation	Nationality
Pang Chee Khiong (<i>Executive Chairman</i>)	125, Jalan Besar 86000 Kluang Johor Darul Takzim	Director	Malaysian
Pang Fok Seng (<i>Managing Director</i>)	3, Jalan Pahlawan 1/1 Taman Titiwangsa 86000 Kluang Johor Darul Takzim	Director	Malaysian
Lim Wai Kiew (<i>Executive Director</i>)	3, Jalan Pahlawan 1/1 Taman Titiwangsa 86000 Kluang Johor Darul Takzim	Director	Malaysian
Pang Nyuk Yin (<i>Executive Director</i>)	3, Jalan Pahlawan 1/1 Taman Titiwangsa 86000 Kluang Johor Darul Takzim	Director	Malaysian
Dr. Chen Chaw Min (<i>Independent Non-Executive Director</i>)	14, Jalan BU 3/6 Bandar Utama Damansara 47800 Petaling Jaya Selangor Darul Ehsan	Director	Malaysian
Chong Peng Khang (<i>Independent Non-Executive Director</i>)	No. 12, Lorong 1 Jalan M3, Taman Merak Bukit Baru 75450 Melaka	Director	Malaysian
Datuk Mohamad Saleh Bin Mohd Ghazali (<i>Independent Non-Executive Director</i>)	No. 55, Lorong SS 22/27A Damansara Jaya 47400 Petaling Jaya Selangor Darul Ehsan	Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Datuk Mohamad Saleh Bin Mohd Ghazali	Chairman	Independent Non-Executive Director
Dr. Chen Chaw Min	Member	Independent Non-Executive Director
Chong Peng Khang	Member	Independent Non-Executive Director

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1. CORPORATE DIRECTORY (Cont'd)

COMPANY SECRETARY	: Noriah Binti Md Yusof (LS No. 0009298) 31-04, Level 31 Menara Landmark Mail Box 172 No. 12, Jln Ngee Heng 80000 Johor Bahru Johor Darul Takzim Tel: (607) 278 1338
REGISTERED OFFICE	: 31-04, Level 31 Menara Landmark Mail Box 172 No. 12, Jln Ngee Heng 80000 Johor Bahru Johor Darul Takzim Tel: (607) 278 1338
HEAD OFFICE	: 12A, Jalan 20 Taman Sri Kluang 86000 Kluang Johor Darul Takzim Tel: (607) 773 6918 Fax: (607) 774 2025 E-mail address: hexa@fibon.com.my Website: www.fibon.com.my
AUDITORS AND REPORTING ACCOUNTANTS	: Horwath (AF 1018) 30-04, Level 30 Menara Landmark Mail Box 171 No. 12, Jln Ngee Heng 80000 Johor Bahru Johor Darul Takzim Tel: (607) 278 1268
SOLICITORS FOR THE LISTING EXERCISE	: Winston Wong Law Chambers Unit 25.02, 25 th Floor Public Bank Tower 19, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel: (607) 227 6228
PRINCIPAL BANKER	: OCBC Bank (Malaysia) Berhad (295400-W) 8A Jalan Dato' Haji Hassan 86000 Kluang Johor Darul Takzim Tel: (607) 771 0535
INDEPENDENT MARKET RESEARCHER	: Frost & Sullivan Malaysia Sdn Bhd (522293-W) Suite E-08-15, Block E Plaza Mont Kiara 2 Jalan Kiara, Mont' Kiara 50480 Kuala Lumpur Tel: (603) 6204 5800

1. CORPORATE DIRECTORY (Cont'd)

ISSUING HOUSE	: Malaysian Issuing House Sdn Bhd (258345-X) Level 27, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel: (603) 2693 2075 Fax: (603) 2693 0858
REGISTRAR	: Symphony Share Registrars Sdn Bhd (378993-D) Level 26, Menara Multi-Purpose Capital Square No.8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel: (603) 2721 2222
ADVISER, SOLE UNDERWRITER, PLACEMENT AGENT AND SPONSOR	: Alliance Investment Bank Berhad (21605-D) Level 3, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel: (603) 2692 7788
CO-PLACEMENT AGENT	: AmInvestment Bank Berhad (23742-V) 22nd Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel: (603) 2078 2633
LISTING SOUGHT	: MESDAQ Market

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2. SUMMARY INFORMATION

THIS FOLLOWING INFORMATION SUMMARY SETS OUT THE SALIENT INFORMATION CONTAINED IN THIS PROSPECTUS. YOU SHOULD READ AND UNDERSTAND THIS INFORMATION SUMMARY TOGETHER WITH THE FULL TEXT OF THIS PROSPECTUS BEFORE YOU DECIDE WHETHER TO INVEST IN OUR COMPANY.

2.1 OUR HISTORY AND BUSINESS

Our Company was incorporated in Malaysia under the Act on 25 March 2008 as a public limited company under our present name. Our Company was incorporated as an investment holding company to facilitate our Listing exercise. Our wholly-owned subsidiary, Hexa Analisa, is principally involved in the formulation of advanced polymer matrix fibre composites, manufacturing and sales of electrical insulators, electrical enclosures and meter boards.

Our Managing Director, Pang Fok Seng founded the production of insulation material business in 1992 under CPC Polyply. Hexa Analisa was incorporated on 15 October 2003 and began its operations on 27 August 2004 to formulate and produce another specialised and higher grade of insulation material (i.e. "halogen-free" advanced polymer matrix fibre composites) which was intended to service the high-amperage insulation needs of the electrical industry. Due to higher grades of these insulation materials being produced by Hexa Analisa, the then customers of CPC Polyply preferred such enhanced electrical insulators and had moved to become Hexa Analisa's customers.

With more than 15 years in the advanced polymer matrix fibre composite industry, Pang Fok Seng has been instrumental in the growth and success of CPC Polyply and subsequently Hexa Analisa. Pang Fok Seng has played and continues to be a pivotal role in the R&D of advanced polymer matrix fibre composites in Hexa Analisa.

The advanced polymer matrix fibre composites produced by Hexa Analisa are of higher grade which are halogen-free. Our advanced polymer matrix fibre composites exhibit excellent electrical insulation values such as low water absorption rate, resistance to higher temperature, excellent mechanical properties, high resistance against chemicals and are environmentally friendly. All our advanced polymer matrix fibre composites developed are mainly used to produce insulation components and parts for application in the electrical industry such as insulation components and parts for generators, switchgears, switchboards and circuit breakers.

Based on our established track record, our advanced polymer matrix fibre composites have been approved and are used by multinational customers such as Schneider Electric Group, Siemens Group, Terasaki Electric Group and ABB Group. These advanced polymer matrix fibre composites insulators are mainly used by multinational customers in their development and production of high-amperage switchgears, switchboard systems, circuit breakers and turbines for generators where these high-amperage equipment are usually installed for mission critical applications such as electrical power management systems at airports, hydroelectric dams, power stations, substations, electric train systems and nuclear power plants.

Please refer to Sections 5.0 and 6.0 of this Prospectus for further information.

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2. SUMMARY INFORMATION (Cont'd)

2.2 OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT AND KEY TECHNICAL PERSONNEL

Set out below is the information summary on shareholdings of our Promoters, substantial shareholders, Directors and key management and key technical personnel before and after the Public Issue and Bonus Issue. The information summary is extracted from and should be read in conjunction with Section 8.0 of this Prospectus.

2.2.1 Our Promoters and Substantial Shareholders

Name	<-----Before Public Issue and Bonus Issue ----->			<-----After Public Issue and Bonus Issue ----->		
	Direct No. of Shares held	% held	Indirect No. of Shares held	Direct No. of Shares held	% held	Indirect No. of Shares held
Promoters and substantial shareholders						
Pang Chee Khiong	4,590,000	17.00	-	14,822,552	15.12	-
Pang Fok Seng	7,857,000	29.10	2,459,700 ⁽¹⁾	25,372,722	25.89	7,943,144 ⁽¹⁾
Lim Wai Kiew	2,459,700	9.11	7,857,000 ⁽²⁾	7,943,144	8.11	25,372,722 ⁽²⁾
Substantial shareholders						
Inflexion	2,970,000	11.00	-	9,591,063	9.79	-
Lim Cheng Chooi	-	-	2,970,000 ⁽³⁾	-	-	9,591,063 ⁽³⁾
Mohd Nizar bin Ali	-	-	2,970,000 ⁽³⁾	-	-	9,591,063 ⁽³⁾
Expedient Equity	2,160,000	8.00	-	6,975,319	7.12	-
MavCap	2,700,000	10.00	2,160,000 ⁽⁴⁾	8,719,149	8.90	6,975,319 ⁽⁴⁾
Modal Perdana	1,509,300	5.59	-	4,874,004	4.97*	-

2. SUMMARY INFORMATION (Cont'd)

Notes:

- (1) Deemed interest by virtue of Lim Wai Kiew being his spouse.
 (2) Deemed interest by virtue of Pang Fok Seng being her spouse.
 (3) Deemed interest by virtue of its substantial shareholding in Inflexion.
 (4) Deemed interest by virtue of its substantial shareholding in Expedient Equity.
 * Ceases to be a substantial shareholder of our Group after the Public Issue and Bonus Issue.

2.2.2 Our Directors

Name	Designation	◀-----Before Public Issue and Bonus Issue -----▶			◀----- After Public Issue and Bonus Issue -----▶		
		Direct No. of Shares held	% held	Indirect No. of Shares held	Direct No. of Shares held	% held	Indirect No. of Shares held
Pang Chee Khiong	Executive Chairman	4,590,000	17.00	-	14,822,552	15.12	-
Pang Fok Seng	Managing Director	7,857,000	29.10	2,459,700 ⁽¹⁾	25,372,722	25.89	7,943,144 ⁽¹⁾
Lim Wai Kiew	Executive Director	2,459,700	9.11	7,857,000 ⁽²⁾	7,943,144	8.11	25,372,722 ⁽²⁾
Pang Nyuk Yin	Executive Director	-	-	-	-	-	-
Chong Peng Khang	Independent Non- Executive Director	-	-	-	-	-	-
Dr. Chen Chaw Min	Independent Non- Executive Director	-	-	-	-	-	-
Datuk Mohamad Saleh Bin Mohd Ghazali	Independent Non- Executive Director	-	-	-	-	-	-

Notes:

- (1) Deemed interest by virtue of Lim Wai Kiew being his spouse.
 (2) Deemed interest by virtue of Pang Fok Seng being her spouse.

2. SUMMARY INFORMATION (Cont'd)

2.2.3 Our Key Management and Key Technical Personnel

Name	Designation	<-----Before Public Issue and Bonus Issue ----->		<----- After Public Issue and Bonus Issue ----->	
		Direct No. of Shares held	% held	Direct No. of Shares held	% held
Pang Yoke Wah	Finance Manager	-	-	-	-
Ilamaran A/L Ramamoorthy @ Narayanasamy	Regional Sales Manager	-	-	-	-
Zakaria bin Abd Karim	Technical Consultant	-	-	-	-
Goai Kear Meng	Research Analyst	-	-	-	-
Richard Foster Holly	Applications Consultant	-	-	-	-
Chong Chee Siong	General Manager	-	-	-	-

2. SUMMARY INFORMATION *(Cont'd)*

2.3 FINANCIAL HIGHLIGHTS

2.3.1 Proforma Consolidated Income Statements of our Group

The following table sets out the summary of the proforma consolidated income statements of our Group for the past 3 FYE 31 May 2006 to 31 May 2008, which have been prepared based on the assumption that our current Group structure has been in existence throughout the financial years under review. This proforma consolidated income statements are presented for illustrative purposes only and have been prepared based on the audited financial statements of our subsidiary company, namely Hexa Analisa.

You should read this proforma consolidated income statements in conjunction with the accompanying notes and assumptions included in the Reporting Accountants' Letter on the Proforma Consolidated Financial Information as set out in Section 11.4 of this Prospectus and the Accountants' Report as set out in Section 13 of this Prospectus.

	< ----- Proforma Group ----- >		
	FYE 31.05.2006 RM'000	FYE 31.05.2007 RM'000	FYE 31.05.2008 RM'000
Revenue	4,038	7,910	14,305
Cost of sales	(1,417)	(2,498)	(5,159)
Gross profit	2,621	5,412	9,146
Other income	13	22	180
Operating overheads	(682)	(1,202)	(1,319)
PBT	1,952	4,232	8,007
Depreciation and amortisation	33	57	88
Interest income	(13)	(22)	(52)
EBITDA	1,972	4,267	8,043
Depreciation and amortisation	(33)	(57)	(88)
Interest income	13	22	52
PBT	1,952	4,232	8,007
Taxation			
- Current taxation	(6)	(22)	(107)
- Deferred taxation	(100)	-	(53)
PAT	1,846	4,210	7,847
Gross profit margin (%)	64.91	68.42	63.94
PBT margin (%)	48.34	53.50	55.97
PAT margin (%)	45.72	53.22	54.85
Number of Shares in issue ('000) ⁽¹⁾	27,000	27,000	27,000
Gross EPS (sen)	7.23	15.67	29.66
Net EPS (sen)	6.84	15.59	29.06

Notes:

- (1) Based on the number of Fibon Shares in issue after the Acquisition but before the Public Issue and Bonus Issue.
- (2) There are no exceptional items, extraordinary items or minority interest reported by our Group for the financial years under review.
- (3) There is no share of profits and losses of associated companies and joint venture for the financial years under review.

2. SUMMARY INFORMATION (Cont'd)

2.3.2 Proforma Consolidated Balance Sheets as at FYE 31 May 2008 After Incorporating the Effects of the Listing Scheme

The following table sets out the summary of the proforma consolidated balance sheets of our Group as at 31 May 2008, assuming that the Listing Scheme and utilisation of the proceeds had been effected as at that date, for illustrative purposes only, and should be read in conjunction with the notes and assumptions to the proforma consolidated balance sheets as included in the Reporting Accountants' Letter on the Proforma Consolidated Financial Information as set out in Section 11.4 of this Prospectus.

	(A)	(B)	(C)	(D)	After (D), Bonus Issue and utilisation of proceeds
	As at FYE 31 May 2008 RM'000	After (A) and Share Split RM'000	After (B) and Acquisition RM'000	After (C) and Public Issue RM'000	RM'000
Non-Current Assets					
Plant and equipment	-	-	558	558	2,258
Development expenditure	-	-	542	542	542
	-	-	1,100	1,100	2,800
Current Assets					
Inventories	-	-	1,178	1,178	1,178
Trade receivables	-	-	3,649	3,649	3,649
Other receivables, deposits and prepayments	-	-	167	167	167
Fixed deposits	-	-	583	583	583
Cash and bank balances	*	*	1,907	11,044	4,316
	*	*	7,484	16,621	9,893
Total Assets	*	*	8,584	17,721	12,693
Equity					
Share capital	*	*	2,700	3,035	9,800
Share premium	-	-	-	8,802	37**
Merger deficit	-	-	(2,600)	(2,600)	(2,600)
(Accumulated losses)/ Retained profits	(7)	(7)	2,567	2,567	(461)
Total Equity	(7)	(7)	2,667	11,804	6,776
Non-Current Liabilities					
Deferred taxation	-	-	228	228	228
	-	-	228	228	228
Current Liabilities					
Trade payables	-	-	952	952	952
Other payables and accruals	7	7	173	173	173
Amount owing to a director	-	-	13	13	13
Amount owing to shareholders	-	-	4,000	4,000	4,000
Amount owing to a related party	-	-	476	476	476
Provision for taxation	-	-	75	75	75
	7	7	5,689	5,689	5,689

2. SUMMARY INFORMATION (Cont'd)

	(A)	(B)	(C)	(D)	After (D), Bonus Issue and utilisation of proceeds RM'000
	As at FYE 31 May 2008 RM'000	After (A) and Share Split RM'000	After (B) and Acquisition RM'000	After (C) and Public Issue RM'000	
Total Liabilities	7	7	5,917	5,917	5,917
Total Equity and Liabilities	-	-	8,584	17,721	12,693
Number of Shares in issue ('000)	^	#	27,000	30,347	98,000
Proforma NA	(7)	(7)	2,667	11,804	6,776
Proforma NA per ordinary share (RM)	(3,500)	(350)	0.10	0.39	0.07

Notes:

* *Indicating an amount of RM2.00.*

** *Indicating a net capitalisation of RM6.77 million for the Bonus Issue and estimated listing expenses of RM2.00 million.*

^ *Indicating 2 Fibon Shares of RM1.00 each.*

Indicating 20 Fibon Shares of RM0.10 each.

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2. SUMMARY INFORMATION *(Cont'd)*

2.4 SUMMARY OF THE PUBLIC ISSUE AND BONUS ISSUE

Public Issue Size : 3,347,000 Issue Shares, representing approximately 11.03% of our Company's enlarged issued and paid-up share capital before the Bonus Issue, will be made available for application by the Public and eligible employees of our Group (save for Excluded Parties) and identified investors

Issue Price : RM2.73 per Issue Share

Bonus Issue : 67,653,000 new Shares to be issued to all shareholders of Fibon prior to the Listing on the basis of approximately 10,000 new Shares for every 4,486 Shares held after the Public Issue

Theoretical ex-bonus price : RM0.85 per Public Issue Share

Use of Proceeds : We intend to utilise the gross proceeds from the Public Issue of RM9.14 million in the following manner:

Purpose	RM'000
R&D	1,848
Purchase of machineries	1,700
Geographical expansion	1,180
Working capital	2,409
Estimated listing expenses	2,000
	<u>9,137</u>

Please refer to Section 3.5 of this Prospectus for further information on the Public Issue and Bonus Issue.

2.5 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, the risks and investment considerations as set out in Section 4.0 of this Prospectus (which may not be exhaustive):

Risk relating to our industry and our business:

- General business risks;
- Dependency on existing products;
- Dependency on certain customers;
- Fluctuations in cost of sales;
- Absence of long term contracts;
- Dependency on key personnel;
- Dependency on markets and geographical locations;
- Competition;
- Tax incentives;
- Foreign exchange fluctuations;
- Political, economic, governmental and regulatory considerations;
- Legal uncertainties;
- Intellectual property rights; and
- Uncertainties in our 3-year business development plan.

2. SUMMARY INFORMATION (Cont'd)

Risk relating to investment in our Shares:

- Our Listing may be potentially delayed or aborted;
- The market value of our Shares may be volatile and subject to external factors;
- There has been no prior market for our Shares and an active market for our Shares may not develop;
- Future sale of Shares by our substantial shareholders may adversely affect the market prices of our Shares; and
- Control of existing substantial shareholders may limit your ability to influence the outcome of decisions requiring the approval of shareholders.

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3. PARTICULARS OF THE PUBLIC ISSUE AND BONUS ISSUE

3.1 INTRODUCTION

This Prospectus is dated 24 November 2008.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, Bursa Securities has prescribed our Shares as securities to be deposited into the CDS. Following this, we will deposit the Issue Shares directly with Bursa Depository and any dealings in our Shares will be carried out in accordance with the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository. We will not issue share certificates to successful applicants.

Approval-in-principle has been obtained from Bursa Securities via their letters dated 2 June 2008 and 31 October 2008 for the admission of our Company to the Official List of the MESDAQ Market and for permission to deal in and for the quotation of the entire enlarged issued and paid-up share capital of our Company, including the Issue Shares which are the subject of this Prospectus. Our Shares will be admitted to the Official List of the MESDAQ Market and official quotation will commence after the receipt of confirmation from Bursa Depository that all CDS Accounts of the successful applicants have been duly credited and an undertaking that notices of allotment will be issued and despatched to all successful applicants.

Pursuant to the Listing Requirements, at least 25% of our issued and paid-up share capital must be in the hands of 1,000 public shareholders holding not less than 100 Shares each upon completion of the Public Issue. We expect to meet the public shareholding requirement at the point of Listing. If we do not meet the said requirement, we may not be allowed to proceed with the Listing. In such an event, we will return in full, without interest, all monies paid in respect of all applications. If any such monies are not repaid within 14 days after our Company is liable to repay it, the provision of sub-section 243(2) of the CMS Act shall apply accordingly.

You should rely only on the information contained in this Prospectus or any applicable Prospectus supplement. We or our advisers have not authorised anyone to provide you with information that is different and not contained in this Prospectus. The delivery of this Prospectus or any issue made in connection with this Prospectus shall not, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this Prospectus. Nonetheless, should our Company becomes aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of issue of this Prospectus up to the date of the Listing, our Company shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238 of the CMS Act.

We are not making any invitation to subscribe for any Issue Shares in any jurisdiction and in any circumstances in which such offer or invitation are authorised or lawful to any person to whom it is unlawful to make such an offer or invitation. As the distribution of this Prospectus and the sale of the Issue Shares in certain other jurisdictions may be restricted by law, persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions.

If you are submitting your applications by way of Application Forms or ESA (please refer to Section 16.4 of this Prospectus), you **MUST** have a CDS account. If you presently do not have a CDS account, you should open a CDS account at an ADA prior to making an application for the Issue Shares. A corporation or institution cannot apply for the Issue Shares by way of ESA.

If you are in any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitors, accountants or other professional adviser before applying for our Issue Shares.

This Prospectus can also be viewed or downloaded from Bursa Securities's website at www.bursamalaysia.com.

3. PARTICULARS OF THE PUBLIC ISSUE AND BONUS ISSUE (Cont'd)

The Public Issue and the Bonus Issue are subject to the terms and conditions of this Prospectus and upon acceptance, the Issue Shares and Bonus Shares are expected to be allocated in the manner described below.

3.2 OPENING AND CLOSING OF APPLICATIONS

Applications for our Issue Shares will be accepted from 10.00 a.m. on 24 November 2008 and will be closed at 5.00 p.m. on 5 December 2008 or for such further period or periods as our Directors and our Sole Underwriter in their absolute discretion may mutually decide. **Late applications will not be accepted.**

3.3 IMPORTANT DATES

The indicative timing of events leading up to the listing of and quotation for our entire enlarged issued and paid-up share capital of 98,000,000 Shares on the MESDAQ Market are set out below:

Event	Tentative date / time
Opening of the Public Issue	24 November 2008 at 10.00 a.m.
Closing of the Public Issue	5 December 2008 at 5.00 p.m.
Balloting of applications	10 December 2008
Allotment of Shares (including Bonus Shares)	16 December 2008
Listing of and quotation for our Company's entire enlarged issued and paid-up share capital on the MESDAQ Market	18 December 2008

Our Directors and the Sole Underwriter may mutually decide, at their absolute discretion, to extend the closing date and time for applicants for the Public Issue to any later date or dates. We will announce any extension of the Public Issue in a widely circulated Bahasa Malaysia and English daily newspapers within Malaysia. **Late applications will not be accepted.**

The success of the Public Issue may be exposed to the risks that it may be delayed or aborted should our Company be unable to meet the public spread requirement of at least 25% of our Company's issued and paid-up share capital is in the hands of a minimum number of 1,000 public shareholders holding not less than 100 Shares each.

Although Fibon and Alliance will endeavour to secure the Listing and ensure compliance with the Listing Requirements, no assurance can be given that the abovementioned factor will not cause a delay in or failure of the Listing. In the event of a failure of the Listing, monies received from the application for the Issue Shares will be subsequently refunded without interest to the applicants. If any such monies are not repaid within 14 days after our Company is liable to repay it, the provision of sub-section 243(2) of the CMS Act shall apply accordingly.

3. PARTICULARS OF THE PUBLIC ISSUE AND BONUS ISSUE (Cont'd)

3.4 PURPOSES OF THE PUBLIC ISSUE

The purposes of the Public Issue are as follows:

- (i) To obtain the listing of and quotation for our entire enlarged issued and paid-up share capital on the MESDAQ Market;
- (ii) To enhance our stature and recognition through our listing status for expansion of our Group's services;
- (iii) To provide an opportunity for the Public and eligible employees of our Group (save for Excluded Parties) to participate directly in the equity and continuing growth of our Group;
- (iv) To provide additional funds to meet our Group's capital expenditure and working capital requirements; and
- (v) To provide our Group access to the capital market to raise funds so as to finance our future expansion and continuing growth.

3.5 THE PUBLIC ISSUE AND BONUS ISSUE

The Public Issue and Bonus Issue are subject to the terms and conditions of this Prospectus and upon acceptance, we have allocated the aggregate 3,347,000 Issue Shares and 67,653,000 Bonus Shares respectively in the following manner:

3.5.1 The Public Issue**(i) Public ("Public Tranche")**

308,000 Issue Shares, representing 1.01% of our Company's enlarged issued and paid-up share capital before the Bonus Issue, will be made available for application by the public (save for Excluded Parties), of which at least 30% shall be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions.

Any Issue Shares reserved under the Public Tranche which are not fully subscribed for by the Public (save for Excluded Parties) will be made available for subscription by eligible employees of our Group (save for Excluded Parties). Any shares remaining subsequently will be made available for subscription by the identified placees under the Placement Tranche as described in Section 3.5.1 (iii) below and if undersubscribed, such Issue Shares will be subscribed by the Sole Underwriter based on the terms of the underwriting agreement.

The salient terms of the Underwriting Agreement are set out in Section 3.12 of this Prospectus.

(ii) Pink Form Allocation ("Pink Form Tranche")

In recognition of the contributions of our employees to our Group, we have reserved 15,000 Issue Shares, representing 0.05% of our Company's enlarged and issued paid-up share capital before the Bonus Issue, for subscription by our eligible employees of our Group (save for Excluded Parties).

We will allocate these Issue Shares to the eligible employees of our Group (save for Excluded Parties) based on job grade and length of service. Based on the criteria approved by our Board, 37 eligible employees (save for Excluded Parties) will be allocated an aggregate of 15,000 Issue Shares.

3. PARTICULARS OF THE PUBLIC ISSUE AND BONUS ISSUE (Cont'd)

Any Issue Shares reserved under the Pink Form Tranche which are not fully subscribed for by our identified eligible employees (save for Excluded Parties) will firstly be reoffered to other identified eligible employees of our Group (save for Excluded Parties). Subsequently, if the Issue Shares reoffered are not fully subscribed, such Issue Shares will be made available for application by the Public under the Public Tranche (save for Excluded Parties) and/or by the identified places under the Placement Tranche. Any further Issue Shares not subscribed for will then be subscribed by the Sole Underwriter based on the terms of the underwriting agreement.

The salient terms of the underwriting arrangement are set out in Section 3.12 of this Prospectus.

(iii) Private Placement (“Placement Tranche”)

3,024,000 Issue Shares, representing approximately 9.97% of our Company’s enlarged issued and paid-up share capital before the Bonus Issue, have been reserved for private placement to identified investors.

The Issue Shares reserved under the Placement Tranche are not underwritten as written irrevocable undertakings to subscribe for the Issue Shares have been procured from the respective identified investors.

There is no minimum subscription amount to be raised from the Public Issue. All the Issue Shares will either be underwritten by the Sole Underwriter or subscribed by the identified investors pursuant to their respective written irrevocable undertakings.

3.5.2 The Bonus Issue

As part of the Listing and as an incentive to the shareholders of Fibon, the Company will implement a bonus issue of 67,653,000 new Shares subsequent to the Public Issue. The 67,653,000 new Fibon Shares will be issued to the shareholders of Fibon prior to the Listing on the basis of approximately 10,000 new Shares for every 4,486 Shares held after the Public Issue and will be completed prior to the Listing. The share premium arising from the Public Issue will be capitalised for the Bonus Issue.

Our Directors will deal with fractional entitlements pursuant to the Bonus Issue in such manner as it may decide in its absolute discretion.

Upon completion of the Bonus Issue, the issued and paid-up share capital of our Company will increase from RM3,034,700 comprising 30,347,000 Shares to RM9,800,000 comprising of 98,000,000 Shares.

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3. PARTICULARS OF THE PUBLIC ISSUE AND BONUS ISSUE *(Cont'd)*

3.6 SHARE CAPITAL

	RM
<i>Authorised share capital</i>	
250,000,000 ordinary shares of RM0.10 each	<u>25,000,000</u>
<i>Issued and fully paid-up share capital as at the date of this Prospectus</i>	
27,000,000 ordinary shares of RM0.10 each	2,700,000
<i>To be issued and credited as fully paid-up pursuant to the Public Issue</i>	
3,347,000 new ordinary shares of RM0.10 each	334,700
<i>To be issued and credited as fully paid-up pursuant to the Bonus Issue</i>	6,765,300
67,653,000 new ordinary shares of RM0.10 each	
<i>Enlarged issued and paid-up share capital upon listing</i>	
98,000,000 ordinary shares of RM0.10 each	<u>9,800,000</u>

3.7 MARKET CAPITALISATION

Based on the enlarged issued and paid-up capital of our Company of 98,000,000 Shares and the theoretical ex-bonus price of RM0.85 per Share, our total market capitalisation upon listing of the Issue Shares on the MESDAQ Market shall be RM83,300,000.

3.8 CLASSES OF SHARES, RANKING AND RIGHTS

There is only one class of shares, being ordinary shares of RM0.10 each in Fibon. The Issue Shares and Bonus Shares shall rank equally in all respects with the existing issued and fully paid-up Shares including voting rights and the rights to all dividends and other distributions that may be declared subsequent to the date of allotment of the Issue Shares and Bonus Shares.

Unless there are special rights attached to any shares which may be issued in the future, a shareholder shall be entitled to share in the whole of profits paid out as dividends and other distributions and the whole of any surplus in the event of the Company's liquidation in accordance with the Company's Articles of Association. Such entitlement shall be in proportion to the amount of Fibon Shares held by them.

Each shareholder is entitled to vote at any of our general meeting in person, by proxy or by attorney and on a show of hands. Every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one vote, and, on a poll, every shareholder who is present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary share held. A proxy may but need not be our member.

3. PARTICULARS OF THE PUBLIC ISSUE AND BONUS ISSUE (Cont'd)

3.9 PRICING OF OUR ISSUE SHARES

The Issue Price was determined and agreed upon by our Directors, Promoters and Alliance as amongst others, the Sole Underwriter, taking into account the prevailing market conditions and the following factors:

(i) Financial and Operating History

Based on the proforma consolidated financial statements of our Group as at 31 May 2008, we have recorded PAT of RM7.85 million which translates into a net EPS of RM0.29 based on the issued and paid-up capital of Fibon of 27,000,000 Shares subsequent to the Acquisition. This in turn represents a net PE multiple of 9.41 times based on the Issue Price.

(ii) Proforma Consolidated NA

Based on the proforma consolidated NA of Fibon as at 31 May 2008 of RM6.78 million after adjusting for the effects of the Share Split, the Acquisition, the Public Issue, the Bonus Issue and utilisation of proceeds thereof, the proforma NA per share is RM0.07.

(iii) Future Plans and Potential Growth

The future plans, strategies and prospects of our Group as described in Sections 6.8 and 6.17 of this Prospectus.

Investors should also note that the market price of Fibon Shares upon listing is subject to the vagaries of market forces and other uncertainties, which may affect the price of Fibon Shares being traded.

Prior to this Public Issue, there has been no public market for Fibon Shares. There can be no assurance that an active public market for Fibon Shares will be developed or be sustained after our listing.

There can be no assurance that the market price of the Fibon Shares will commensurate with the fundamentals of the Company or that an active market for the Fibon Shares will develop after listing. Further, we believe that a number of factors could cause the price of the Fibon Shares to fluctuate, including sales of substantial amounts of the Fibon Shares in the public market in the immediate future, announcements of developments relating to our Group's business, fluctuations in our Group's operating results and revenue levels, general industry conditions or the world wide economy, announcements of new products and services by our Group, changes in regulatory requirements and new entrants in the market in which our Group operates.

You should form your own views on the valuation of the Public Issue before deciding to invest in us.

3. PARTICULARS OF THE PUBLIC ISSUE AND BONUS ISSUE (Cont'd)

3.10 USE OF PROCEEDS

Based on the Issue Price, the gross proceeds of approximately RM9.14 million will be raised from the Public Issue. The proceeds shall accrue to the Company who will bear all expenses relating to the Listing. The proceeds are intended to be fully used by our Group in the following manner:

Purposes	RM'000	Timeframe for use (from the listing date)
(i) R&D ⁽¹⁾	1,848	Within 36 months
(ii) Purchase of machineries ⁽²⁾	1,700	Within 36 months
(iii) Geographical expansion ⁽³⁾	1,180	Within 36 months
(iv) Working capital ⁽⁴⁾	2,409	Within 36 months
(v) Estimated listing expenses ⁽⁵⁾	2,000	Within 2 months
Total gross proceeds	9,137	

Notes:

(1) *R&D*

RM1.85 million will be allocated and set aside for ongoing R&D to be conducted over the next 3 years. Our Group believes that continuous research is necessary to ensure development of our overall business growth as we develop further on our existing products to cater for the needs of our customers and to research on other materials which could potentially be used as insulation materials for other industries.

Please refer to Section 6.8 of this Prospectus for further information on our R&D.

(2) *Purchase of machineries*

In addition to our current production facilities, we anticipate that various equipment will be required to increase our manufacturing capacity. The types of equipment that will be purchased will include but not limited to hot press hydraulic machines, vertical CNC, mixers, polyurethane injection machines and the gross proceeds allocated for this purpose is RM1.70 million.

(3) *Geographical expansion*

Our Group is allocating approximately RM1.18 million for the purpose of setting up sales offices in Sydney (Australia), Sharjah (United Arab Emirates) and London (United Kingdom) within the timeframe of 3 years. Our business strategy is to leverage on our products and our brand name within the electrical industry beyond South East Asia. The offices will house sales personnel which will provide a more personal touch to our customers.

(4) *Working capital*

An amount of RM2.41 million will be allocated for working capital purposes which include payment to trade creditors, salaries, purchases and operating expenses and extension of credit to our customers which will improve our Group's liquidity and sales to customers.

3. PARTICULARS OF THE PUBLIC ISSUE AND BONUS ISSUE (Cont'd)

(5) *Estimated listing expenses*

The estimated listing expenses incidental to the listing:

	RM'000
<i>Professional advisory fees</i>	855
<i>Fees to the authorities and the issuing house</i>	240
<i>Underwriting commission, placement fees and brokerage fees</i>	500
<i>Printing and advertising fee</i>	250
<i>Miscellaneous</i>	155
<i>Total</i>	<u>2,000</u>

Any variations to the actual listing expenses from the estimated amount will result in our adjustment to the working capital of our Group.

The use of the proceeds in the above manner is expected to have a positive financial impact on our Group as the proceeds from the Public Issue will enable us to:

- (i) increase our presence in countries beyond South East Asia;
- (ii) increase our capacity and efficiency of our operations with the purchases of machineries;
- (iii) further develop new products and enhance our existing products through R&D; and
- (iv) spur future expansion as a result of carrying out our future plans and strategies as set out in Section 6.17 of this Prospectus.

3.11 BROKERAGE, UNDERWRITING COMMISSION AND PLACEMENT FEE

Brokerage

Brokerage relating to the Issue Shares made available for application by the Public (save for Excluded Parties) will be payable by our Company based on the rate of 1.0% of the Issue Price in respect of successful applications bearing the stamp of Alliance, a member company of Bursa Securities, a member of the Association of Banks in Malaysia, a member of the Malaysian Investment Banking Association or the Issuing House.

Underwriting commission

An underwriting agreement was entered into between our Company and Alliance to underwrite 308,000 Issue Shares reserved for application by the Public and 15,000 Pink Form Shares based on the rate 2.5% of the Issue Price.

Placement fee

The placement agents will arrange for the private placement of 3,024,000 Issue Shares reserved for private placement at the rate between 0.5% to 2.5% of the Issue Price per Fibon Share successfully placed out by Alliance and AmInvestment Bank Berhad.

3. PARTICULARS OF THE PUBLIC ISSUE AND BONUS ISSUE (Cont'd)

3.12 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

Our Company and Alliance have entered into an underwriting agreement on 31 October 2008 ("Underwriting Agreement"). The salient terms (including escape clauses) of the Underwriting Agreement, amongst others, are as follows:

- (i) The obligations of Alliance under the Underwriting Agreement are conditional upon:
- (a) there having been on or prior to the closing date for the Public Issue ("Closing Date"), in the opinion of Alliance (which opinion is final and binding), neither any material adverse change nor any development reasonably likely to result in any material adverse change, in the condition (financial or otherwise) of our Company or our subsidiary, which is material in the context of the Listing from that set forth in this Prospectus, nor the occurrence of any event or the discovery of any fact which is inaccurate, untrue or incorrect to any extent which is or will be material in the opinion of Alliance, which makes any of the representations and warranties contained in Clause 3 of the Underwriting Agreement untrue and incorrect in any respect as though they had been given and made on such date with reference to the facts and circumstances then subsisting, nor the occurrence of any breach of the undertakings contained in Clause 3 of the Underwriting Agreement;
 - (b) the delivery to Alliance:
 - prior to the date of the registration of this Prospectus, a copy certified as a true copy by an authorised officer of our Company of all the resolutions of the Directors and the shareholders in general meeting approving the Underwriting Agreement, this Prospectus, the Listing and authorising the execution of the Underwriting Agreement and the issuance of this Prospectus; and
 - a certificate, in the form or substantially in the form contained in the Second Schedule of the Underwriting Agreement, dated the date of this Prospectus signed by duly authorised officers of our Company stating that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as is referred to in Clause 2.2.1 of the Underwriting Agreement;
 - (c) the delivery to Alliance on the Closing Date of such reports and confirmations dated the Closing Date from the Directors of our Company as Alliance may reasonably require to ascertain that there is no material change subsequent to the date of the Underwriting Agreement that will adversely affect the performance or financial position of our Company or our subsidiaries;
 - (d) Alliance having been satisfied that arrangements have been made by our Company to ensure payment of the costs and expenses referred to in Clause 12 of the Underwriting Agreement;
 - (e) the Listing not being prohibited or impeded by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority in Malaysia including, but not limited to, Bursa Securities;
 - (f) our Company having complied with and that the Listing is in compliance with the CMS Act, policies, guidelines and requirements of Bursa Securities and/or the SC and all revisions, amendments and/or supplements thereto;

3. PARTICULARS OF THE PUBLIC ISSUE AND BONUS ISSUE (Cont'd)

- (g) the acceptance for registration by the SC of this Prospectus and such other documents as may be required in accordance with the CMS Act in relation to the Listing and the lodgement of this Prospectus with the CCM on or before their release under the Listing;
 - (h) the receipt by the Placement Agent/ Issuing House by the Closing Date of all monies payable in relation to the Placement Shares which are not underwritten; and
 - (i) the Underwriting Agreement having been duly executed by the Parties and stamped.
- (ii) If any of the conditions set out above is not satisfied by the Closing Date, Alliance shall thereupon be entitled to terminate this Agreement and in that event except for the liability of our Company for the payment of costs and expenses as provided in Clause 12 of the Underwriting Agreement incurred prior to the termination and any claims pursuant to Clause 3.3.1 of the Underwriting Agreement, there shall be no further claims by Alliance against our Company, and the Parties shall be released and discharged from their respective obligations hereunder PROVIDED THAT Alliance may at its absolute discretion waive compliance with any of the abovementioned provisions except for any conditions required by any laws, rules, regulations and guidelines or by any regulatory or governmental bodies.
- (iii) Notwithstanding anything herein contained, Alliance may by notice in writing to our Company given at any time before the Closing Date, terminate, cancel or withdraw its commitment to underwrite the Underwritten Shares if:
- (a) there is any breach by our Company of any of the representations, warranties or undertakings contained in Clause 3 of the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to our Company to the satisfaction of Alliance, or by the Closing Date, whichever is earlier; or
 - (b) there is withholding of information which is required to be disclosed to Alliance, which is required to be disclosed pursuant to the Underwriting Agreement, and if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to our Company, which, in the opinion of Alliance, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group, the success of the Listing, or the distribution or sale of the Issue Shares; or
 - (c) there shall have occurred, happened or come into effect any of the following circumstances:
 - any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions or the occurrence of any combination of any of the foregoing; or
 - any material change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of Alliance;
 - any material and adverse change to the business or financial condition of our Company or our Group;
 - approval for the Listing is withdrawn, modified and/or subject to terms and conditions not acceptable to Alliance;

which would have or can reasonably be expected to have, a material adverse effect on the success of the Listing, or the distribution or sale of the Issue Shares, or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or

3. PARTICULARS OF THE PUBLIC ISSUE AND BONUS ISSUE (Cont'd)

- (d) there is failure on the part of our Company to perform any of its obligations in the Underwriting Agreement; or
 - (e) if the Closing Date is more than two (2) calendar months from the date of the Underwriting Agreement or any later date as our Company and Alliance may mutually agree upon, the Underwriting Agreement will automatically lapse without the requirement for any notice in writing to be given to such effect and Alliance will be released and discharged from its obligations.
- (iv) Subject to prior consultation with our Company, Alliance may by notice in writing to our Company given at any time before the Closing Date, terminate, cancel or withdraw its commitment to underwrite the Underwritten Shares if any of the following occurs:
- (a) there is a material change in any law, regulation, directive, policy or ruling in any jurisdiction which seriously affects or will seriously affect the business of our Company and/or any other company in our Group;
 - (b) there is a material change in national or international monetary, financial, political or economic conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia or overseas) or exchange control legislation or regulations or currency exchange rates;
 - (c) the Kuala Lumpur Composite Index falls below 750 points and remains below 750 points for 3 consecutive Market Days; or
 - (d) the imposition of any moratorium, suspension or material restriction on trading in all securities generally on Bursa Securities for 3 or more consecutive Market Days.
- (v) Upon such notice(s) being given under Clause 8 of the Underwriting Agreement, Alliance shall be released and discharged of its obligations under the Underwriting Agreement without prejudice to its rights whereby the Underwriting Agreement shall be of no further force or effect and no Party shall be under any liability to any other in respect of the Underwriting Agreement, except that our Company shall remain liable in respect of its obligations and liabilities under Clause 3 of the Underwriting Agreement, any antecedent breaches and under Clause 12 of the Underwriting Agreement for the payment of the costs and expenses already incurred up to the date of termination or in connection with such termination and for the payment of any taxes, duties or levies within 7 days from the date of the same being due.
- (vi) In the event that the Underwriting Agreement is terminated due to our Company taking positive steps not to proceed with the Listing resulting in Alliance not being able to perform its obligations under the Underwriting Agreement, Alliance is entitled to the Underwriting Commission in addition to the costs and expenses incurred thereto. Alliance may confer a waiver of the above with a view to deferring the issuance of the Issue Shares or amending its terms or the terms of the Underwriting Agreement or enter into a new agreement accordingly. However, neither our Company nor Alliance will be under any obligation to enter into a fresh agreement.

4. RISK FACTORS

BEFORE INVESTING IN OUR SHARES, YOU SHOULD RELY ON YOUR OWN EVALUATIONS AND CAREFULLY CONSIDER THE MERITS, RISKS AND INVESTMENT CONSIDERATIONS AS SET OUT BELOW, TOGETHER WITH THE REST OF THE INFORMATION IN THIS PROSPECTUS. THE INFORMATION BELOW MAY NOT BE EXHAUSTIVE. ADDITIONAL RISKS AND UNCERTAINTIES, WHETHER KNOWN OR UNKNOWN, MAY HAVE A MATERIAL ADVERSE EFFECT ON OUR COMPANY OR OUR SHARES IN THE FUTURE.

If you are in any doubt as to the information contained in this section, you should consult your stockbroker, bank manager, solicitors, accountants or other professional adviser.

4.1 RISKS RELATING TO OUR INDUSTRY AND OUR BUSINESS

4.1.1 General business risks

Our business activities revolve around the formulation of advanced polymer matrix fibre composites, manufacturing and sales of insulators mainly in the high-amperage electrical industry. Our Group is subject to certain risks inherent in the business which include, amongst others, general changes in the global, regional and national economic conditions, entry of new players, dependence on certain sectors, namely electrical industries, to sustain demand for our products, increases in cost of labour and raw materials, changes in law and tax legislations and other government policies affecting the industry in Malaysia and other countries, changes in business and credit conditions, fluctuations in foreign exchange rates and raw material prices and introduction of new technology or superior technology or products by our competitors.

In addition, there is also no assurance that we will be profitable in the future, or we will achieve increasing or consistent levels of profitability. Our revenue and operating results have not been forecasted and could be adversely affected by many factors. These include, *inter-alia*, debtors' ageing problems, client order deferrals and changes in our operating expenses and other business risks common to businesses.

Although we seek to limit these risks through, *inter-alia*, increasing the efficiency of operations, diversifying the pool of suppliers, expanding the business through increasing our breadth and depth of customers in the industry, improving our technological competence in R&D and advanced technologies and adopting a prudent cash flow management, no assurance can be given that any changes to these factors will not have a material adverse effect on our business.

4.1.2 Dependency on existing products

The markets for our products are characterised by technological advancement, evolving industry standards and changes in customer requirements for high-amperage equipment in the electrical industry. Hence, our Group's future depends substantially upon our ability to formulate and develop new advanced polymer matrix fibre composite insulation materials to meet the increasingly sophisticated requirements of our customers.

The timely development of new and enhanced insulation materials is a complex and uncertain process. Although we believe that we will have sufficient knowledge and skills to implement our business plan including our R&D, there can be no assurance that we will continue to have sufficient resources to successfully and accurately anticipate the technological and market trends and to successfully manage long development cycles.

4. RISK FACTORS (Cont'd)

In addition, we may also experience design, marketing and other difficulties that could delay or prevent the development, introduction and marketing of any of our new insulation products. To mitigate these risks, we will constantly endeavour to develop new or enhanced insulation products using the latest appropriate R&D technology and employing experienced R&D personnel to deliver a leading product in the market. Although we will try our best to mitigate these risks, there is no assurance that we will not face challenges or low market acceptance towards our insulation products.

4.1.3 Dependency on certain customers

Since our inception, we have established healthy business relationships and rapport with our customers owing to the quality and timely delivery of our insulation products. Based on the FYE 31 May 2008, there was only one major customer which has contributed approximately 22.40% of our sales which had been our customer for more than 3 years. Our ability to maintain continuing relationships with our customers is a testament of our capabilities in producing quality products to the satisfaction of our customers. Our Group also supplies products to multinational customers such as Schneider Electric Group, Siemens Group, Terasaki Electric Group and ABB Group. Although the orders are sizeable, they contribute less than 10% of our sales. Our relationships with our multinational customers have been ongoing since inception. These long-term business relationships are an indicator of the recognition by our multinational customers for the quality and reliability of our products and services and we do not foresee material terminations of orders by our major customers.

Notwithstanding the above, we constantly make efforts to expand our customer base by diversifying our insulation products into other industries requiring high-amperage insulators and expansion to other countries as well as continue to enhance the quality of our insulation products so that our Group is not overly dependent on key customers.

4.1.4 Fluctuations in cost of sales

The major raw materials used by us in the production process are polymer resins, additives and reinforcement materials such as fibres. These materials form part of our cost of sales of approximately 36.06% of revenue in the FYE 31 May 2008. The prices of production materials such as resins are predominantly subject to fluctuations in oil prices. In addition, materials used to produce our insulation products may also leverage on oil-based products or are indirectly driven up by factors such as transportation costs.

We maintain long term relationships with a few principal suppliers of resins since our inception and we have been enjoying prompt supply and competitively priced resins from these principal suppliers. The normal/average credit period granted by our suppliers ranges from cash on delivery up to 90 days.

Notwithstanding the above, our management constantly seeks to effectively control costs in the production process by relying on their extensive experience in purchasing raw materials and understanding of market trends of the raw material prices and availability. In addition, recent increase in oil prices globally are experienced by global industries and have overall spurred reasonable public expectations of increase in price of goods and services due to the rise in costs.

According to Frost & Sullivan, we are the first and only Malaysian company to develop advanced thermoset polymer matrix fibre composites for applications in the high-amperage electrical insulator market in South East Asia.

Although we believe, justified by the above, that any adjustments in sale prices due to the increase in raw material prices of our insulation products will not have an adverse impact on our future business and financial performance, no assurance can be given that any fluctuation in the raw material prices and supply disruptions may materially and adversely affect the future profitability of our Group.

4. RISK FACTORS (Cont'd)

4.1.5 Absence of long term contracts

A lack of long-term agreements with customers is a norm in the industry in which our Group is operating in. Our sales are generally order-based and long-term contracts are not predominantly entered into with our customers. As evidenced by our track record, we believe that our ability to produce quality advanced polymer matrix fibre composites has enabled us to garner the trust of our customers and is translated to repeated orders from our major customers. We are the first and only Malaysian company to develop advanced thermoset polymer matrix fibre composites for applications in the high-ampere electrical insulator market in South East Asia. (Source: *Independent Market Research report dated April 2008 by Frost & Sullivan*)

To mitigate the non-existence of long-term contracts, we will continue with our R&D activities to enhance our existing products and develop new products to meet our customers' specialised needs and requirements. However, there is no assurance that we will not face disruptions in repeat orders from existing customers and orders from new customers in the future.

4.1.6 Dependency on key personnel

We believe that our continued success will depend to a significant extent upon the abilities and continued efforts of our Managing Director, Pang Fok Seng, and our key management and key technical personnel. The Managing Director, the key management and key technical personnel, with a wealth of experience in the R&D and manufacturing of advanced polymer matrix fibre composites, are valuable assets to us. The loss of any of our key members of the Board, key management or key technical personnel could affect our continued ability to compete effectively in the advanced polymer matrix fibre composites industry.

As it is our policy to provide continuous human resource development to reduce our reliance on existing key management and key technical personnel, there is an ongoing effort to groom the middle level executives to ensure smooth succession of our management team, and there is in place a remuneration package which is on par with the industry standards for employees, especially for key management and technical personnel. Further, we will continue to provide a conducive working environment which promotes productivity and loyalty. In addition, we also strive to attract and retain skilled personnel to support our business operations. Notwithstanding the foregoing, there can be no assurance that our Group will be successful in developing and grooming our management team.

4.1.7 Dependency on markets and geographical locations

Based on the FYE 31 May 2008, Singapore was the largest export market, which accounted for approximately 51.72% of the total revenue of our Group. Although there are some dependencies on the sales to the Singapore market to a certain extent, we have taken reasonable steps to diversify our reach by trying to break into other countries previously not ventured into, with different clientele as well as for downstream usage in the electrical industry which requires lower ampere insulators to ensure a continuous growth in sales and revenue stream in the future. Our Group plans to expand beyond South East Asia to countries and regions such as Sydney (Australia), Sharjah (United Arab Emirates) and London (United Kingdom).

Please refer to Sections 3.10 and 6.17 of this Prospectus for further information on our geographical expansion plans as well as future plans, strategies and prospects of our Group.

Notwithstanding that, there is no assurance that any future changes to the economic climates in the local and the export markets as well as the customers' preference will not materially affect our financial performance.

4. RISK FACTORS (Cont'd)

4.1.8 Competition

As high-amperage electrical insulators are specialised products, the markets in Malaysia, Singapore, Thailand and Indonesia have been dealing with, apart from us, players from the European countries through their appointed agents in Singapore, Indonesia and Thailand. In view of this, we face competition from foreign competitors in the local and export markets.

However, based on the independent market research study undertaken by Frost & Sullivan, we are the first and only Malaysian company to develop advanced thermoset polymer matrix fibre composites for applications in the high-amperage electrical insulator market in South East Asia and we believe that we have amongst others, the following competitive advantages:

- (i) we are in possession of technical know-how in the formulation of advanced polymer matrix fibre composites used in insulation materials;
- (ii) we have direct relationships with customers and provide customisation;
- (iii) our products are marketed under an established brand name; and
- (iv) our products' quality meet international standards i.e. ASTA.

Although we strive to remain competitive in providing our products and services, no assurance can be given that we will be able to maintain our existing market share in Malaysia, Singapore, Thailand and Indonesia.

Please refer to Section 6.1 of this Prospectus for further information on our competitive strengths.

4.1.9 Tax Incentives

Hexa Analisa was granted pioneer status by the MITI which entitled us to 100% income tax exemption on profits generated from our manufacturing and sale of advanced polymer matrix fibre composite insulators for a period of 5 years commencing on 1 September 2004 up until 31 August 2009.

Notwithstanding that Hexa Analisa will no longer enjoy the tax exemption upon the expiry of the pioneer status on 31 August 2009, our Group would continue to aim not only to sustain but to excel as a market leader in providing advanced polymer matrix fibre composite insulators. As part of our 3-year business development plan, our core plan is to increase our presence within the countries in which we are operating in as well as to penetrate new markets and regions. The success of our Group's future plans and strategies will allow us to achieve further revenue growth. In addition, we will continue to strengthen our R&D in order to enhance our existing products and produce innovative solutions for new industrial applications. However, there can be no assurance that the steps taken to generate higher revenue and profit are able to substitute the amount of tax incentives enjoyed under the pioneer status.

4.1.10 Foreign exchange fluctuations

Our existing businesses are predominantly export-oriented. For the FYE 31 May 2008, approximately 83.24% of our sales were derived from the export market and are mostly denominated in SGD and USD. Our management would closely monitor the exchange rate fluctuations and will endeavour to reduce material foreign exchange fluctuation risks by entering into hedging or forward contracts, if required. Notwithstanding the above, there is no assurance that any future significant fluctuations in exchange rates will not have a material adverse impact on the financial position of our Group.

4. RISK FACTORS (Cont'd)

4.1.11 Political, economic, governmental and regulatory considerations

Any adverse development in the political situation and economic uncertainties in Malaysia and other countries in which we conduct business, directly or indirectly, could materially and adversely affect the financial performance of our Group. These include risks of war, global economic downturn, expropriation, nationalisation, unfavourable changes in government policy and regulations such as foreign exchange rates and methods of taxation and currency exchange controls. There can be no assurance that any change to these factors will not have a material adverse effect on our business.

Our business operations are subject to the laws and regulations of the jurisdiction where we operate such as the MITI. However, there is no assurance that future changes to the said laws, regulations, rulings, directions, policies and guidelines within and outside Malaysia will not affect the operation and performance of our Group.

4.1.12 Legal uncertainties

Given that we do not purchase product liability insurance, there is a risk that our interests will not be adequately protected in the event of litigation. However, we have never been sued for any product liability claims in respect of our products. Further, this risk is reasonably remote as the onus to establish a cause of action attributing to our products is very high.

As at 20 October 2008, we are not engaged either as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the financial performance and position of our Group.

4.1.13 Intellectual property rights

We are currently selling our products under the registered trademark "*Fibon*", which has gained market recognition for our presence in the electrical industry. However, there may exist some other manufacturers which manufacture and sell counterfeit products under our brand name.

The success of our Group depends on our proprietary know-how developed over the years. As such, we need to protect the concepts, ideas, formulation, production and documentation relating to our proprietary technology. To-date, we have applied for the registration of the patent in respect of the polymer compound formulation in Malaysia and we anticipate registration of additional patents of our other formulations in the future.

In addition to registering the abovementioned patent, we have also signed confidential and non-disclosure agreements with our employees to ensure that our employees agree that all intellectual property rights derived from work performed shall be deemed to be work-for-hire and shall belong to us. In addition, these agreements also restrict employees to use information, confidential or proprietary, for the benefit of subsequent employers.

Notwithstanding the above, there can be no assurance that others will not independently obtain access to our Group's know-how or independently develop products or technologies similar to those of our Group. Furthermore, although our employees have signed confidentiality and non-disclosure agreements with our Group, there can be no assurance that such arrangements will adequately protect our proprietary know-how.

4. RISK FACTORS *(Cont'd)*

4.1.14 Uncertainties in our 3-year business development plan

Our proposed future plan and prospects will be dependent upon, amongst others, our abilities to:

- (i) enter into strategic marketing or other arrangements on a timely basis and on favourable terms;
- (ii) develop new and innovative products via our R&D efforts;
- (iii) hire, retain skilled management as well as financial, technical, marketing and other personnel;
- (iv) successfully manage growth (including monitoring operations, controlling costs and maintaining effective quality and service controls); and
- (v) obtain adequate financing as and when required.

However, there can be no assurance that we will be able to successfully implement our business plan or that unanticipated expenses or problems or technical difficulties will not occur which would result in material delays in our implementation or even deviation from our original plans. In addition, the actual results may deviate from the business plan due to rapid technological changes, as well as competitive pressures.

4.2 RISKS RELATING TO INVESTMENTS IN OUR SHARES

4.2.1 Our Listing may be potentially delayed or aborted

Our Listing may be potentially delayed or aborted in the event of the following:

- (i) our Sole Underwriter exercising its rights pursuant to the Underwriting Agreement to discharge itself from its obligations; or
- (ii) we are unable to meet the public spread requirements of at least 25% of the issued and paid-up share capital of our Company must be held by a minimum of 1,000 public shareholders holding not less than 100 Shares each.

We expect to meet the public shareholding requirement at the point of Listing. However, in the event that we are unable to meet the said requirement, monies paid in respect of any application accepted will be returned to you without interest. If any such monies are not repaid within 14 days after our Company is liable to repay it, the provision of sub-section 243(2) of the CMS Act shall apply accordingly.

4.2.2 The market value of our Shares may be volatile and subject to external factors

The Issue Price was determined and agreed upon between our Board and Alliance as the Adviser and Sole Underwriter, after taking into consideration a number of factors, including but not limited to, our Group's future plans and prospects, the prospects of the electrical industry and the prevailing market conditions. There is no assurance that the market prices for our Shares will remain at or above the Issue Price upon or subsequent to our Listing as the market prices could be affected by several factors, including:

- changes in general market, political and economic conditions;
- changes in recommendations by financial and/or industry analysts;
- changes in market valuation of listed companies in general and other companies engaged in a business similar to our Group;
- gain or loss of major customers or contracts;
- additions or departures of key management and key technical personnel; and
- involvement of our Group in material litigation.

4. RISK FACTORS (Cont'd)

In addition, the performance of Bursa Securities is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiments are also largely driven by internal factors such as the economic and political conditions of the country as well as the growth potential of the various economic sectors. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risk to the market prices of our Shares.

4.2.3 There has been no prior market for our Shares and an active market for our Shares may not develop

Prior to the Listing, there has been no public market for our Shares. There can be no assurance that an active market for our Shares will develop upon our Listing on the MESDAQ Market or, if developed, that such market will be sustained. The issue price of RM2.73 per share with a theoretical ex-bonus price of RM0.85 per Share has been determined after taking into consideration a number of factors, including but not limited to, our Group's financial and operating history and conditions, our prospects and the prospects of the industry in which our Group operates, the management of our Group and the prevailing market conditions.

There can be no assurance that the theoretical ex-bonus price of Fibon's shares will correspond to the price at which Fibon Shares will trade on the MESDAQ Market upon or subsequent to our Listing or that an active market for Fibon Shares will develop and continue upon or subsequent to our Listing. The price at which the Fibon Shares will be traded may be higher or lower than the theoretical ex-bonus price.

4.2.4 Future sale of Shares by our substantial shareholders may adversely affect the market prices of our Shares

Other than as described in Section 9.2 of this Prospectus, there are no other restrictions on the ability of our substantial shareholders to sell their Shares. The sale of a significant amount of our Shares in the public market, or the perception that such sale may occur, could create a downward pressure on the market price of our Shares. It may also affect our ability to sell additional Shares and impair our ability to raise additional capital in the equities market.

4.2.5 Control of existing substantial shareholders may limit your ability to influence the outcome of decisions requiring the approval of shareholders

Upon listing of Fibon on the MESDAQ Market, Pang Fok Seng, Pang Chee Khiong and Lim Wai Kiew will collectively hold 48,138,418 Fibon Shares representing 49.12% of the enlarged issued and paid-up share capital of Fibon. As a result, it is likely that the said shareholders will influence the outcome of certain transactions/matters requiring the vote of Fibon shareholders, including the constitution of the Board and the direction and future operations of our Group, decisions regarding acquisitions and other business opportunities, the declaration of dividends and the issuance of additional shares and other securities.

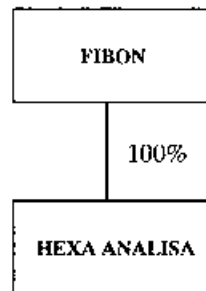
However, we have appointed 3 independent non-executive directors to the Board and set up an audit committee to independently oversee the overall operational and financial matters of our Group. The appointments in place serve towards good corporate governance to, amongst others, ensure that any future transactions involving related parties are entered into on arm's length terms with our Group.

5. INFORMATION ON OUR GROUP

5.1 HISTORY AND BUSINESS

Our Company was incorporated in Malaysia under the Act on 25 March 2008 as a public limited company under our present name. Our Company was incorporated as an investment holding company to facilitate our Listing exercise. Our wholly-owned subsidiary, Hexa Analisa, is principally involved in the formulation of advanced polymer matrix fibre composites, manufacturing and sales of electrical insulators, electrical enclosures and meter boards.

Our Group's corporate structure is as follows:



Our Managing Director, Pang Fok Seng founded the production of insulation material business in 1992 under CPC Polyply. Hexa Analisa was incorporated on 15 October 2003 and began its operations on 27 August 2004 to formulate and produce another specialised and higher grades of insulation materials (i.e. "halogen-free" advanced polymer matrix fibre composites) which was intended to service the high-amperage insulation needs of the electrical industry. Due to higher grade of these insulation materials being produced by Hexa Analisa, the then customers of CPC Polyply preferred such enhanced electrical insulators and had moved to become Hexa Analisa's customers.

With more than 15 years in the advanced polymer matrix fibre composites industry, Pang Fok Seng has been instrumental in the growth and success of CPC Polyply and subsequently Hexa Analisa. Pang Fok Seng has played and continues to be a pivotal role in the R&D of advanced polymer matrix fibre composites in Hexa Analisa.

Advanced polymer matrix fibre composites can be classified into thermoset composites and thermoplastic composites in which thermoset composites exhibit superior properties than that of thermoplastics. All the advanced polymer matrix fibre composites produced by Hexa Analisa are thermoset composites. Please refer to Section 7.0 of this Prospectus for further information on thermoset composites.

The advanced polymer matrix composites produced by Hexa Analisa are of higher grade which are halogen-free. Our advanced polymer matrix fibre composites exhibit excellent electrical insulation values such as low water absorption rate, resistance to higher temperature, excellent mechanical properties, high resistance against chemicals and are environmentally friendly. All our advanced polymer matrix fibre composites developed are mainly used to produce insulation components and parts for application in the electrical industry such as insulation components and parts for generators, switchgears, switchboards and circuit breakers.

5. **INFORMATION ON OUR GROUP (Cont'd)**

Based on our established track record, our advanced polymer matrix fibre composites have been approved and are used by multinational customers such as Schneider Electric Group, Siemens Group, Terasaki Electric Group and ABB Group. These advanced polymer matrix fibre composites insulators are mainly used by multinational customers in their development and production of high-amperage switchgears, switchboard systems, circuit breakers and turbines for generators where these high-amperage equipment are usually installed for mission critical applications such as electrical power management systems at airports, hydroelectric dams, power stations, substations, electric train systems and nuclear power plants.

According to Frost & Sullivan, Hexa Analisa, is the first and only Malaysian company to develop advanced thermoset polymer matrix fibre composites for applications in the high-amperage electrical insulator market in South East Asia.

Backed with strong R&D capabilities and equipped with strong technical knowledge on the formulation of composites, we strive to continue to be the leading provider of high-amperage electrical insulators using advanced polymer matrix fibre composites in Malaysia and South East Asia. We are constantly exploring, researching and experimenting new reinforced composites for application in extreme environments, of which the technical properties of current conventional insulators are limited. By providing our advanced polymer matrix fibre composite insulation material solutions to various industrial applications, it enables the development of new machineries, processes and engineering methods which were previously limited by the performance of existing and conventional insulation materials.

For further information on the overview of our business, please refer to Section 6.0 of this Prospectus.

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5. INFORMATION ON OUR GROUP (Cont'd)

5.2 SHARE CAPITAL

The present authorised share capital of Fibon is RM25,000,000 comprising 250,000,000 ordinary shares of RM0.10 each, of which 27,000,000 Shares are issued and fully paid-up. Upon completion of the Public Issue and Bonus Issue, the issued and paid-up share capital of Fibon will be increased to RM9,800,000 comprising 98,000,000 Shares. The changes in the issued and paid-up share capital of Fibon since its incorporation are as follows:

Date of allotment	No. of Shares allotted	Par value RM	Consideration	Cumulative total RM
25 March 2008	2	1.00	Subscribers' shares	2
20 October 2008	20	0.10	Subdivision of par value from RM1.00 to RM0.10	2
20 October 2008	26,999,980	0.10	Shares issued as consideration for the Acquisition	2,700,000

As at the date of this Prospectus, there are no outstanding warrants, options, convertible securities or uncalled capital in the Company.

5.3 INFORMATION ON OUR SUBSIDIARY COMPANY

5.3.1 Hexa Analisa

(i) History and Business

Hexa Analisa, being our wholly-owned subsidiary company, was incorporated in Malaysia under the Act on 15 October 2003 as a private limited company and began its operations on 27 August 2004. It is principally involved in the formulation of advanced polymer matrix fibre composites, manufacturing and sales of electrical insulators, electrical enclosures and meter boards.

(ii) Share Capital

Hexa Analisa's present authorised share capital is RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which RM100,000 comprising 100,000 ordinary shares of RM1.00 each are currently issued and credited as fully paid up. The changes in the issued and paid-up share capital of Hexa Analisa since its incorporation are as follows:

Date of allotment	No. of Shares allotted	Par value RM	Consideration	Cumulative total RM
15 October 2003	2	1.00	Subscribers' shares	2
23 May 2006	99,998	1.00	Cash	100,000

As at the date of this Prospectus, there are no outstanding warrants, options, convertible securities or uncalled capital in Hexa Analisa.

5. INFORMATION ON OUR GROUP (Cont'd)

(iii) Subsidiary and Associated Company

As at the date of this Prospectus, Hexa Analisa does not have any subsidiary or associated company.

5.4 LISTING SCHEME

For the purpose of our Listing on the MESDAQ Market, we have undertaken and will undertake the following exercises, which encompasses:

5.4.1 Share Split

The share split entailed the subdivision of every one ordinary share of RM1.00 each in Fibon into 10 ordinary shares of RM0.10 each.

Upon completion of the Share Split, Fibon's issued and fully paid-up share capital changed from RM2.00 comprising 2 ordinary shares of RM1.00 each in Fibon to RM2.00 comprising 20 ordinary shares of RM0.10 each in Fibon. The Share Split was completed on 20 October 2008.

5.4.2 Acquisition

Sale of Shares Agreement dated 25 April 2008 entered into between our Company and Pang Chee Khiong, Pang Fok Seng, Lim Wai Kiew and Modal Perdana and pursuant to a Supplemental Sale of Shares Agreement dated 20 October 2008 with the shareholders of Hexa Analisa, namely Pang Chee Khiong, Pang Fok Seng, Lim Wai Kiew, Modal Perdana, Inflexion and Expedient Equity, our Company had acquired the entire issued and fully paid-up share capital of Hexa Analisa comprising 100,000 ordinary shares of RM1.00 each for a total purchase consideration of RM2,699,998 satisfied wholly by the issuance of 26,999,980 new Shares at an issue price of RM0.10 per Share.

The purchase consideration of RM2.70 million was arrived at based on the audited NA of Hexa Analisa as at 31 May 2008 of RM2.67 million. The purchase consideration represents a premium of RM0.03 million or 1% above the audited NA of Hexa Analisa as at 31 May 2008.

The Acquisition was completed on 20 October 2008.

5.4.3 Public Issue

In conjunction with our listing on the MESDAQ Market, we will undertake a public issue of 3,347,000 new Fibon Shares, representing 11.03% of the enlarged issued and paid-up share capital of our Company before the Bonus Issue, at the Issue Price to be allocated to the following:

(i) Public

308,000 Issue Shares, representing 1.01% of the enlarged issued and paid-up share capital of our Company before the Bonus Issue, will be made available for application by the Public (save for Excluded Parties), of which at least 30% shall be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions;

5. INFORMATION ON OUR GROUP (Cont'd)

(ii) Eligible Employees of our Group

15,000 Issue Shares, representing 0.05% of the enlarged issued and paid-up share capital of our Company before the Bonus Issue, have been reserved for application by eligible employees of our Group (save for Excluded Parties); and

(iii) Private Placement

3,024,000 Issue Shares, representing approximately 9.97% of the enlarged issued and paid-up share capital of our Company before the Bonus Issue, have been reserved for placement to identified investors.

The Issue Shares shall rank *pari passu* in all respects with the existing issued and fully paid-up Fibon Shares including voting rights and the rights to all dividends and other distributions that may be declared subsequent to the date of allotment thereof.

5.4.4 Bonus Issue

As part of the Listing and as an incentive to the shareholders of Fibon, the Company will implement a bonus issue of 67,653,000 new Shares subsequent to the Public Issue. The 67,653,000 new Fibon Shares will be issued to the shareholders of Fibon prior to the Listing on the basis of approximately 10,000 new Shares for every 4,486 Shares held after the Public Issue and will be completed prior to the Listing. The share premium arising from the Public Issue will be capitalised for the Bonus Issue.

Our Board will deal with fractional entitlements pursuant to the Bonus Issue in such manner as it may decide in its absolute discretion.

The Bonus Shares shall rank *pari passu* in all respects with the existing issued and fully paid-up Fibon Shares including voting rights and the rights to all dividends and other distributions that may be declared subsequent to the date of allotment thereof.

Upon completion of the Bonus Issue, the issued and paid-up share capital of our Company will increase from RM3,034,700 comprising 30,347,000 Shares to RM9,800,000 comprising of 98,000,000 Shares.

5.4.5 Listing on Bursa Securities

Bursa Securities had on 2 June 2008 and 31 October 2008, approved-in-principle the admission of our Company to the Official List of Bursa Securities and the listing of and quotation for the entire enlarged issued and paid-up share capital of our Company of RM9,800,000 comprising 98,000,000 Shares (after the completion of the Public Issue and the Bonus Issue) on the MESDAQ Market. The listing and quotation of Fibon Shares will commence immediately 2 clear market days after Bursa Securities receives the necessary documents specified in their approval-in-principle letters.

6. BUSINESS OVERVIEW

6.1 OUR COMPETITIVE STRENGTHS

We believe we have, over the years, established the following competitive strengths:

6.1.1 Technical Know-How in Polymer Formulation

Our main strength lies within our ability and technical expertise in advanced polymer matrix fibre composites formulation. We hold key proprietary knowledge in the industry that enables us to formulate advanced polymer matrix fibre composites for the manufacturing of high-amperage insulators. The quality of our advanced polymer matrix fibre composites has been approved and used by various large multinational corporations such as Siemens Group, ABB Group, Schneider Electric Group and Terasaki Electric Group as insulators for their electrical equipment.

6.1.2 Direct Relationships with Customers and Providing Customisation

Apart from the technical know-how, we place great importance on understanding customers' requirements. For all customers, we would study their respective requirements and would propose the appropriate end product solution based on their industry applications. We have the technical competency to understand specific requirements of customers and provide the technical know-how and finally to deliver the customised product solutions.

Moreover, advanced polymer matrix fibre composites come in all shapes and sizes to be used as insulation materials for electrical equipment for example switchgears. Due to this, companies manufacturing these electrical equipment prefer suppliers that can fabricate or machine the advanced polymer matrix fibre composites according to individual specifications. Providing flexibility to customer requirements is essential to gain customer satisfaction in this ever growing industry. Due to our capabilities of end-to-end manufacturing, we are able to cater to customers' insulator specifications.

6.1.3 Established Brand Name

We market our range of products under our registered trademark of '*Fibon*' locally and overseas to enable the customers to distinguish our insulation products from the conventional insulators currently available in the market. We also derive other benefits from the trademark, of which includes the ability to command brand loyalty amongst customers in the market and increase product differentiation.

Our insulation products have been used by multinational customers such as Schneider Electric Group, Siemens Group, Terasaki Electric Group and ABB Group for the use in the development and production of high-amperage switchgears, switchboard systems and circuit breakers as well as turbines for generators where these high ampere equipment are usually installed for mission critical applications such as electrical power management systems at airports, hydroelectric dams, power stations, substations, electric train systems and nuclear power plants.

As a result, we have emerged to be a preferred supplier for high-amperage electrical insulators for the electrical industry and believe that the '*Fibon*' brand name is synonymous to high standard, high performance and innovative formulation of advanced polymer matrix fibre composites.

6. BUSINESS OVERVIEW (Cont'd)

6.1.4 Product Quality

Our advanced polymer matrix fibre composite insulators have been used by multinational customers in the development and production of high-amperage switchgears, switchboard systems and circuit breakers as well as turbines for generators. Through these multinational customers who sent their high-amperage electrical equipments for testing prior to their respective mission critical applications, our insulation products had been certified by ASTA and achieved certain specifications and ratings for industrial usage. The tests performed by ASTA certified laboratories on our insulation products include, amongst others, resistance to high voltage short-time current.

The track record of our insulation products attaining accreditation from ASTA, through multinational customers, have provided assurance to our customers that our insulation products meet and comply with the stringent safety requirements set for the electrical equipment manufacturers by the relevant government authorities.

ASTA provides services including, *inter-alia*, comprehensive quality and product certification to electrical equipment manufacturers. ASTA is frequently specified in cross-border business contracts to ensure that the electrical equipment supplied in the market will be able to operate safely and effectively. ASTA is well known throughout the world as the standard or hallmark for quality assurance on testing short-circuit limits of products.

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6. BUSINESS OVERVIEW (Cont'd)

6.2 PRINCIPAL ACTIVITIES

Our Group is principally engaged in the formulation of advanced polymer matrix fibre composites, manufacturing and sales of electrical insulators, electrical enclosures and meter boards. Our products are marketed under our registered trademark "Fibon."

The current and potential products of our Group are as follows:

6.2.1 Principal Products

Our principal products can be broadly categorised as follows:

Product Group	Product	Salient Characteristics in Composite Materials	End Product Applications
Electrical Insulators	Vertical Fixed Mounting	<ul style="list-style-type: none"> • High-amperage electrical insulation characteristics • High tensile strength capable of withstanding electrical explosion • Exhibits strong dielectric strengths • Low water absorption 	<ul style="list-style-type: none"> • An advanced polymer matrix fibre composite which is heavily used in insulation in step-up mission critical systems, i.e. systems which are modular and upgradeable to cater for higher amperage as electricity demand for the installation increases • Vertical supports providing insulation for main busbars in electrical switchboards • Suitable for insulation protection between 4,000 amperes up to 10,000 amperes
Electrical Insulators	Flat Bar	<ul style="list-style-type: none"> • High-amperage electrical insulation characteristics • High tensile strength capable of withstanding electrical explosion • Exhibits strong dielectric strengths • Low water absorption 	<ul style="list-style-type: none"> • An advanced polymer matrix fibre composite which is the basic material to fabricate into finished products • Suitable for insulation protection up to 10,000 amperes

6. BUSINESS OVERVIEW (Cont'd)

Product Group	Product	Salient Characteristics in Composite Materials	End Product Applications
Electrical Insulators	GP 600 (Flat Bar)	<ul style="list-style-type: none"> High-amperage electrical insulation characteristics Higher tensile strength while maintaining high - amperage electrical insulation capabilities Low water absorption 	<ul style="list-style-type: none"> An advanced polymer matrix fibre composite suitable for insulation in compact switchboard and switchgear systems up to 7,400 amperes Fabricated insulation parts specifically catered for Siemens systems
Electrical Insulators	Distribution Bar	<ul style="list-style-type: none"> High-amperage electrical insulation characteristics High tensile strength capable of withstanding electrical explosion Exhibits strong dielectric strengths Low water absorption 	<ul style="list-style-type: none"> An advanced polymer matrix fibre composite which is suitable to be installed as distribution bar providing insulation for dropper busbars up to 4,000 amperes
Electrical Insulators	Current Transformer Clamp	<ul style="list-style-type: none"> High modulus elasticity Good electrical insulation properties 	<ul style="list-style-type: none"> An advanced polymer matrix fibre composite which is suitable for making insulating current transformer clamping components Suitable for insulation protection up to 2,000 amperes
Electrical Insulators	Sheet	<ul style="list-style-type: none"> High-amperage electrical insulation characteristics High tensile strength capable of withstanding electrical explosion Exhibits strong dielectric strengths Low water absorption Flexible to be fabricated into various shapes 	<ul style="list-style-type: none"> An advanced polymer matrix fibre composite being used for insulation and partition in low/medium voltage switchboards Turret punch applications and installed as insulation partitions to provide internal ventilation in switchboard systems Suitable for insulation protection up to 1,000 amperes

6. BUSINESS OVERVIEW (Cont'd)

Product Group	Product	Salient Characteristics in Composite Materials	End Product Applications
Electrical Insulators	DMC	<ul style="list-style-type: none"> • High rigidity • Outstanding dimensional accuracy and stability • Exhibits good heat and flame retardant 	<ul style="list-style-type: none"> • An advanced polymer matrix fibre composite which is used for insulation in small distribution boards where tensile strength requirement is low • Suitable for insulation protection from 30 amperes to 200 amperes
Meter Boards	Metering Board	<ul style="list-style-type: none"> • High mechanical strength • Good insulation properties 	<ul style="list-style-type: none"> • Main metering board fixed as the base to mount electrical measuring equipment such as kilowatt meter • Protection from termite infestation due to its unique properties

6.2.2 New Products

Our means of diversifying our product range comprises continuous improvement of our existing product offerings and introduction of new products. For new product offerings, we will continue to place great emphasis on R&D plans in search of other potential use for our products and new formulations for improved/ new applications.

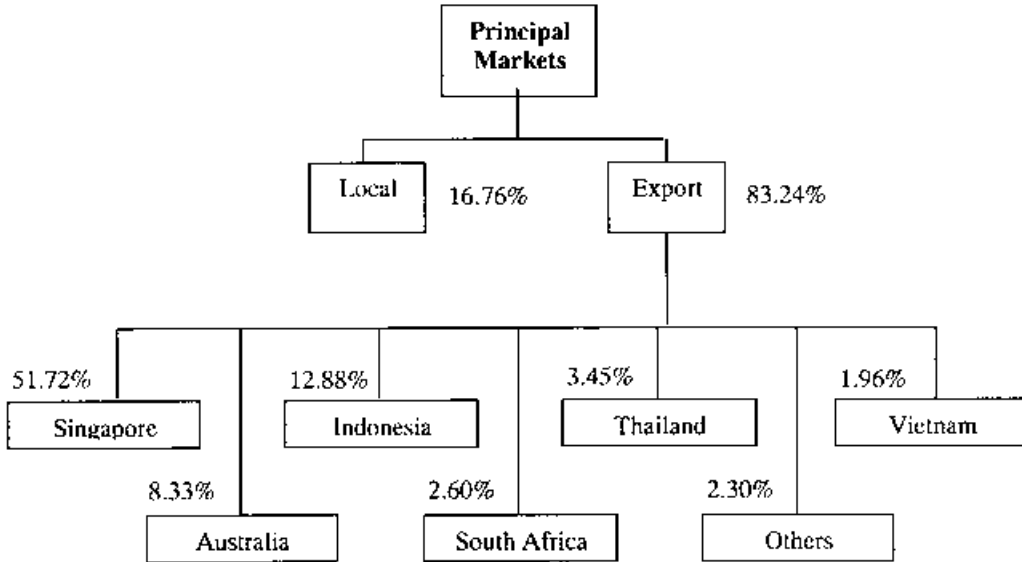
Please refer to Section 6.8 of this Prospectus for further information on our products under development.

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6. BUSINESS OVERVIEW (Cont'd)

6.2.3 Principal Markets

Based on the FYE 31 May 2008, our export market accounted for 83.24% of the total revenue with the remaining 16.76% of sales was accounted for by the local market. The principal markets of our Group's advanced polymer matrix fibre composites insulation products, comprising local and export markets, are depicted as follows:



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6. BUSINESS OVERVIEW *(Cont'd)*

6.3 LOCATIONS, PROPERTIES AND PLANT AND EQUIPMENT

6.3.1 Information on Principal Place of Business and Production Facilities

The details of our principal place of business and production facilities of our Group as at 20 October 2008 are set out below:

Registered owner/ Lessor	: CPC Polyply
Postal address/ Location	: 12A, Jalan 20, Taman Sri Kluang, 86000 Kluang, Johor Darul Takzim H.S.D 37181, P.T.D 50037, Mukim of Kluang, District of Kluang, State of Johor.
Description/ Existing use	: 1 ½ storey light industrial detached factory/ Head office/ Manufacturing of polymer matrix composites/ R&D facilities
Approximate age of building	: 11 years
Tenure/ Date of Expiry of Lease	: Freehold
Restrictions in interest	: This land shall not be transferable except after the commencement of the construction of the factory as stated in the express conditions hereof in accordance with the plans approved by the relevant authorities. Upon transfer of this land to a Bumiputera or a Bumiputera company, it shall not be sold, leased or transferred by whatever means to a non-Bumiputera or a non-Bumiputera company without the consent of the local authority.
Land-use conditions	: This land shall be used for a factory for the purpose of light industry and other related uses, which must be built according to the plans approved by the relevant local authorities. All waste and rubbish from such activities must be disposed to locations designated by the relevant authorities. All policies and conditions imposed and enforced from time to time by the relevant authorities must be adhered to.
Major encumbrances	: Charged to United Overseas Bank (Malaysia) Berhad
Date of Issuance of Certificate of Fitness	: 6 November 1997
Approximate Land/ Built-up area	: 50,864 sq. ft./42,221 sq. ft.
Audited NBV	: Not applicable
Yearly Rental (RM)	: RM60,000

As at 20 October 2008, there are no breaches in land-use conditions in respect of the properties leased by our Group.

6. BUSINESS OVERVIEW (Cont'd)

6.3.2 Information on Plants and Equipments

The details of the material plants and equipments of our Group as at 20 October 2008 which are used for production and R&D prototyping are set out below:

Description	Quantity	Capacity (Approximate)	NBV @ 31 May 2008 (RM)
Hydraulic hot press machines	6	Exerts pressure in the range of 150-200 tones	73,500
Impregnation machine	1	5.0 metres per minute	77,650
Milling/slotting machines	4	650 millimetres per minute	12,638
Cool press machines	3	Exerts pressure in the range of 200-300 tones	30,212
Panel sawing machines	2	2.0 metres per minute	25,604

6.4 TECHNOLOGY USED AND PRODUCTION CAPACITY

Conventional materials such as metal alloys, ceramics and other polymer materials are unable to meet specific demands of modern applications. In many occasions, these materials are required to perform in extreme conditions for critical applications, such as high temperature, high pressure and high electric current. The emergence of composite technology has allowed new materials to be developed to meet such specialised needs. Composite is generally defined as a multiphase material which exhibits a significant proportion of the properties of such constituent phases that a better combination of properties is realised. The main advantages of composites are that they are innovative and specialised materials, fabricated from constituents to obtain the properties required for a given application.

Utilising composite technology, we are principally a developer of high-amperage advanced polymer matrix fibre composites which caters for the specific insulation needs of the customers. We principally utilise the following disciplines and methodologies in developing and manufacturing our advanced polymer matrix fibre composites.

Depending on the type of insulation materials required by the customers, the production process will be customised for each type of insulator. Generally, we employ 3 types of production processes, i.e. hot press, pultrusion and impregnation as described as follows:

(a) Hot Press Process

This process involves the combining and moulding of raw materials to produce semi-finished products using high pressure hydraulic hot press machines. Thereafter, the semi finished product would run through the cutting and sanding process whereby it would cut these large sheets into smaller pieces according to the client's specifications and requirements. The product then would go through the sanding process to smooth rough edges. Subsequently, the product would pass through the slotting machine according to the customers' drawing. The product would run through the drilling process to make holes according to the customers' drawings and thereafter undergo patching process to fill up tiny holes on the sides of the products for better strength. Prior to becoming the finished products, the raw materials would require to be coated in accordance to the customers' requirements and specifications.

6. BUSINESS OVERVIEW (Cont'd)

(b) Pultrusion Process

Pultrusion is a process of continuous lamination in a number of steps integrated through a simple non-stop process. Reinforcement materials such as fibres are continuously fed from spools and/or rolls through an impregnation zone in which the fibre are impregnated with resin. The impregnated reinforcement material is then drawn into a die (mould) which gives the laminate the desired geometry. The laminate is cured in the next section of the die, by means of heat and the curing system added to the resin. A pulling device would pull the laminate through the system in a continuous operation. Finally, the cured profile is cut to the desired length automatically.

(c) Impregnation Process

Impregnation is the process where the continuous reinforcement materials (in sheet form) are run through and soaked into the resin bath at a constant speed. The soaked reinforcement materials would pass through the electric-forced air dryer at high speed whereby the dry air of a reasonably high temperature is forced onto the impregnated surface to ensure curing of the polymer material. The reinforcement materials would run through the water-cooled roll to cool and harden sheets to ensure complete curing of the polymer material. Once the reinforcement material is cured, it would then be wound up into rolls.

We have to carefully select the appropriate production process to ensure the end result would give maximum quality and is cost efficient. The production processes are determined after numerous R&D and commercialisation tests. In addition, we ensure that the process comply with our highest quality control policies.

Our production capacity and utilisation for our existing products are set out below:

Product Group	Product Range	Production capacity (kg / month)	Production capacity utilisation		No. of production shifts (per day)
			(kg / month)	%	
Electrical Insulator	Vertical Fixed Mounting	15,523	9,917	63.89	1
Electrical Insulator	Flat Bar	21,660	8,516	39.32	1
Electrical Insulator	GP 600	2,027	1,495	73.75	1
Electrical insulator	Current Transformer Clamp, Distribution Bar & DMC	2,392	1,246	52.09	1
Electrical Insulator	Sheet	8,555	5,802	67.82	1
Metering Board	Metering Board	3,367	1,636	48.59	1
	Total	53,524	28,612	53.46	

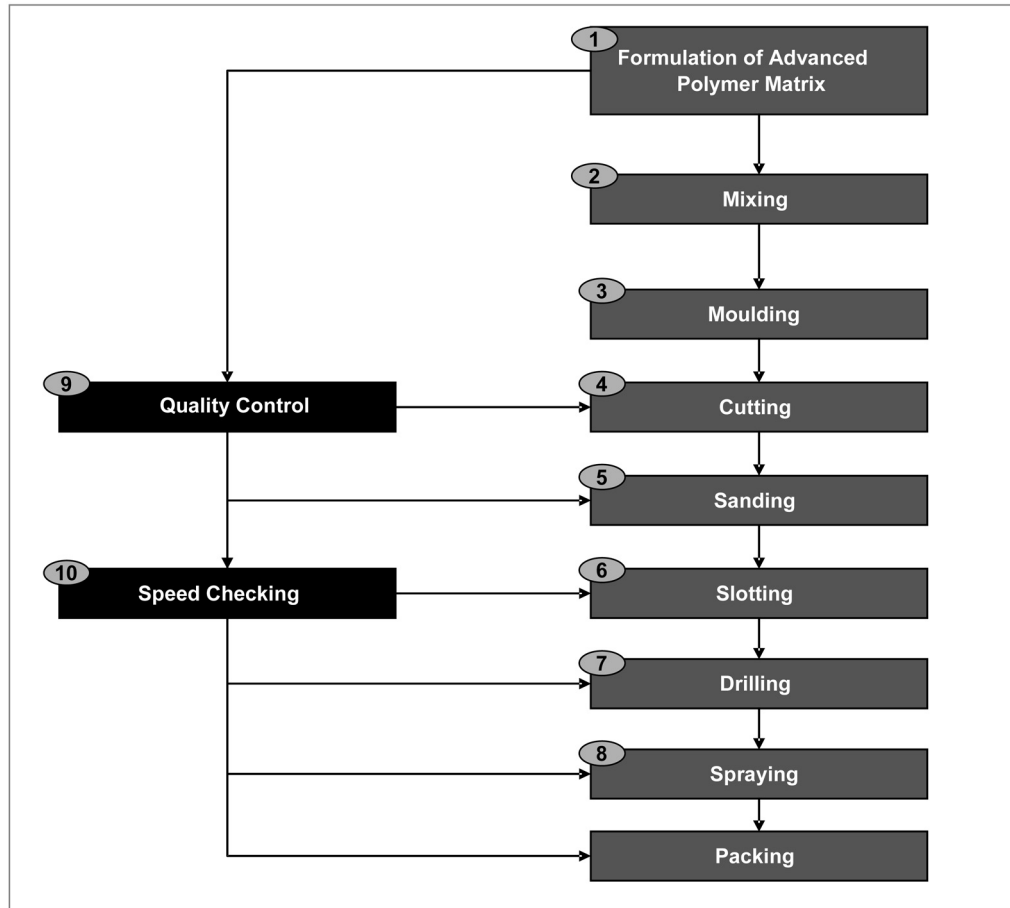
Presently, our Group has not experienced any specific constraint on our production capacity.

6. BUSINESS OVERVIEW (Cont'd)

6.5 PRODUCTION PROCESS

Our business is not subject to any cyclical or seasonal trend. We receive orders based on the demand we receive from our clients throughout the year. Depending on the types of advanced polymer matrix fibre composites required to be formulated and produced by us, the formulation and manufacturing processes are different for each product.

The production flowchart of the typical manufacturing process used to produce the advanced polymer matrix fibre composites are summarised and depicted as follows:



A summary of the major processes in the production are as follows:

(1) Formulation of Advanced Polymer Matrix

Various resins are sourced from supplier and is formulated together to form the advanced polymer matrix fibre composites. The mixture follows a specific proportion based on our propriety technology.

The formulation of advanced polymer matrix is the key process in ensuring the advanced polymer matrix fibre composites developed by us conforms to all requirements for the high-amperage insulation markets.

6. BUSINESS OVERVIEW (Cont'd)

Advanced polymer matrix fibre composites comprise 2 separate components, which are the matrix i.e. the material in which they are embedded in, and the reinforcement material. The matrix is a combination of resin, filler and auxiliary or additive materials. Auxiliary or additive materials are added to the resin and filler mix to modify or improve the characteristics of the required outcome of the composite.

(2) Material Mixing

The resin is combined with reinforcement fibre to form a compound.

(3) Moulding

The compound then goes through the moulding process where it is placed into a mould under certain pressures and temperatures to form the composite. The output of this process is the advanced polymer matrix fibre composite.

(4) Cutting

The advanced polymer matrix fibre composites come in the shape of a flat-bar. A typical flat-bar measurement is 2,290 millimetres. The size of each piece varies according to customer specifications.

(5) Sanding

Uneven surfaces are removed with a sanding machine. This is to ensure the surface of the advanced polymer matrix fibre composite is smooth.

(6) Slotting

A CNC machine is used to form the slots in the advanced polymer matrix fibre composite. A tungsten carbide diamond cutter is needed to cut through and form those slots.

(7) Drilling

Holes are then drilled on the advanced polymer matrix fibre composite according to customer specifications.

(8) Spraying

A layer of resin is sprayed onto the advanced polymer matrix fibre composite to strengthen the insulation materials produced. Spraying is also done to ensure a higher quality of the finished product.

(9) Quality Control

All advanced polymer matrix fibre composites produced goes through a quality control checkpoint to ensure customer satisfaction. Our staff in charge of this process will reject non-quality products. They verify this using certain standardised internal parameters and specifications.

6. BUSINESS OVERVIEW (Cont'd)

(10) Speed Checking

This process is to ensure production efficiency is at the optimum level all the time. Based on the production plans, our production workers will need to verify that production output matches the hourly target output. A checklist is prepared for them to ensure the production output is constantly monitored to achieve the daily production target.

Our products are then wrapped with heat shrink wrap before being boxed. It is then ready to be shipped to customers.

6.6 TYPES, SOURCES AND AVAILABILITY OF RAW MATERIALS

The main raw materials used by our Group are polymer resins, additives and reinforcement materials such as fibres which represent approximately 45.14% of our total purchases in FYE 31 May 2008. These raw materials are sourced locally and/or imported. We import certain desired grades of raw material which are not available in the local market. We do not face any disruptions in the supply of raw materials or have been experiencing any major fluctuations in prices of raw materials despite being subjected to general fluctuations in our raw materials as a result of direct and indirect impact from fluctuations in oil prices as described in Section 4.1.4. We are able to switch suppliers of resins easily as we maintain close relationships with several suppliers of resins locally and overseas. Furthermore, the supply of resins and reinforcement materials are easily available in the local and overseas markets.

6.7 QUALITY CONTROL PROCEDURES

We have always emphasised on product quality for all of our products. As such, our insulation products, through multinational customers, have obtained quality accreditation from ASTA. To ensure that we consistently deliver our products that are of quality and meet the stringent standards specified by the customers, we adopt quality control procedures in our manufacturing processes. As a result, our Group's operating performance is warranted with lesser wastage and minimal defective insulation products in the production process.

Our quality control procedures are set out below:

- (i) To perform quality control inspections on in-coming raw materials through laboratory testing of sample raw materials such as resins, chemical agents and additives to ensure that the chemical content and other specifications meet the prototype material to be developed;
- (ii) To perform inspections during the production process to ensure that the prototype material are in accordance with the customers' requirements and specifications; and
- (iii) To perform quality control inspections on finished insulation products by sending sample finished insulation products to our laboratory and/or third-party laboratories for testing prior to packaging of the finished insulation products and delivery to our customers.

Each product that goes through the manufacturing process will be passed through the above quality control checks to ensure that all products comply with our pre-determined standards.

6. BUSINESS OVERVIEW (Cont'd)

6.8 R&D

Our Group recognises the importance of R&D which has brought us to our current success. In cognisance with having a strong and well-structured R&D team in our Group, it is essential for the constant development of innovative and successful new insulation products which are effective, competitive, environmentally friendly and well accepted by the market.

We are constantly exploring, researching and experimenting new advanced polymer matrix fibre composites for application in environments of which the combination of technical and electrical properties of current conventional materials cannot meet. By providing our advanced polymer matrix fibre composite insulation material solutions to various industrial applications, our products will enable the development of new machineries, processes and engineering methods which were previously limited by the performance of existing and conventional insulation materials.

As at 20 October 2008, the R&D department is headed by Pang Fok Seng, Richard Foster Holly as our applications consultant, Zakaria Bin Abd Karim as our technical consultant, Goai Kear Meng as our research analyst together with 4 lab assistants.

In our R&D efforts, our Group focuses on the following common objectives:

- (i) development of innovative solutions using new and advanced polymer matrix fibre composites for new applications as compared to the existing and conventional methods and usage;
- (ii) development of environmental friendly products;
- (iii) development of new advanced polymer matrix fibre composites which are cost effective and superior in performance; and
- (iv) continuous improvement on existing insulation products.

For the past 3 FYE 31 May 2006 up to 31 May 2008, we have incurred the following R&D expenditure in our product development:

	< -----FYE 31 May----- >		
	2006	2007	2008
	RM'000	RM'000	RM'000
Total R&D expenses	285	244	486
Proforma turnover	4,038	7,910	14,305
% of R&D expenses/turnover	7.06%	3.08%	3.40%

In line with our R&D objectives, Hexa Analisa has developed plans for the development of various new forms of advanced polymer matrix fibre composites in order to increase our product portfolio. Following preliminary studies, we foresee high potential in the use of natural oil palm trunk as possible reinforcement material for our composites. Given this, we have managed to develop new prototypes in sheet/dough form (being the very initial products of our formularisation).

The descriptions and characteristics of these prototypes are as follows:

- Excellent tensile strength and electrical properties with strong potential for application in the electrical industry;
- Good mechanical and chemical characteristics ideal for use as electrical insulation in switchboard panels as it can withstand high voltage and high amperes;
- Ability to withstand high temperatures and is suitable for environments with quick change of weather conditions and of high humidity;
- Stable in dimension;

6. BUSINESS OVERVIEW (Cont'd)

- High density;
- Possible use as thermal insulation material in the oil and gas industry; and
- Ability to form into any shape easily.

Further R&D is currently being carried out on these prototypes to study the unique chemical structure to form it into biodegradable and compostable materials.

The applications of the above are to be determined further by continuous R&D, with consideration of its commercial value and future market. We are researching on the possibilities of these prototypes being manufactured by way of:

- compression into sheet form;
- compression into moulds; and
- injection moulding which can be easily formed into any shape.

The above manufacturing methods will allow us to develop materials with possible applications as thermal insulation in the oil and gas and plastic injection industries. Consistent with the abovementioned, we plan to allocate approximately RM1.85 million of the proceeds raised from the Public Issue for ongoing R&D to be conducted over the next 3 years.

As with any R&D project, there are risks that exist and there are no guarantees that ideas, prototypes and/or products that are researched on will be successfully rolled out commercially. Continuous R&D is necessary to find the absolute value of the R&D. Given the nature of this, we are unable to specify a commercialisation date for these products.

6.9 MAJOR CUSTOMERS

Revenue derived from a particular customer may vary each year depending on the nature, value and timing of order received and undertaken by our Group. We secure majority of our sales through our capability to offer flexible services using our technical competencies to understand and produce specific customised products of high quality as required by our customers. As a result, our Group is able to maintain continuing relationships with major customers as evident through our customers as shown below.

The list of our major customers (those individually contributing 10% or more to our Group's total revenue for each of the last 3 financial years up to FYE 31 May 2008) and their respective length of relationship with our Group is as follows:

Customer	FYE 31 May			Approximate length of relationship up to 31 May 2008 (Years)
	2006	2007	2008	
	Percentage of Total Group Revenue (%)			
S-Team Switchgear Pte Ltd	2.38	11.39	22.40	3
Team Industrial Supplies	14.53	12.35	8.05	3
PT Siemens Indonesia	4.77	11.22	6.93	2
C.M.R (Far East) Pte Ltd	-	12.73	6.55	1

Based on the FYE 31 May 2008, there was only one major customer which have contributed approximately 22.40% of our sales. We are not overly dependent on any single customer. Currently, we have in total over 300 companies that source high-amperage electrical insulators from us. Many of our customers are established players in the electrical industry and include multinationals such as Schneider Electric Group,

6. BUSINESS OVERVIEW (Cont'd)

Siemens Group, Terasaki Electric Group and ABB Group. These conglomerates contribute less than 10% of our Group's total revenue individually. We constantly make efforts to expand our customer base by diversifying our insulation products into other industries requiring high-amperage insulators and expansion to other countries as well as continue to enhance our insulation product quality so that our Group is not overly dependent on key customers.

6.10 MAJOR SUPPLIERS

Depending on orders received from our customers, we may require certain raw materials from certain suppliers and hence have contributed to fluctuation in the level of purchases at certain times. The major raw materials used by us in the production process are polymer resins, additives and reinforcement materials such as fibres. The prices of resins are predominantly subject to fluctuations in oil prices. In addition, materials used to produce our insulation products may also leverage on oil-based products or are indirectly driven up by factors such as transportation costs.

Whilst our management seeks to effectively control costs in the production process by relying on their extensive experience in purchasing raw materials and understanding of market trends of the raw material prices and availability, no assurance can be given that there may not be any fluctuation in the raw material prices and supply disruptions.

We are not overly dependent on any single supplier as our Group keeps a panel of suppliers which are able to provide us attractive purchase terms. We maintain good working relationships with all our suppliers and have been enjoying prompt supply. A list of our major suppliers (those individually contributing 10% or more to our Group's total purchases for each of the last 3 financial years up to FYE 31 May 2008) and their respective lengths of relationship with our Group is as follows:

Supplier (raw materials)	----- FYE 31 May ----->			Approximate length of relationship up to 31 May 2008 (Years)
	2006	2007	2008	
	Percentage of Total Group Purchases (%)			
Mettube Sdn Bhd	-	-	26.93	1
Soon Yang Chemicals Sdn Bhd	1.01	8.03	15.06	3
Revertex (M) Sdn Bhd	22.76	19.32	14.17	3

CPC Polyply has also been providing Hexa Analisa with raw materials and semi-finished products. CPC Polyply contributed to 21.59%, 31.28% and 7.22% of the total purchases made by Hexa Analisa in the FYE 31 May 2006 to 2008. The reasons for purchases from CPC Polyply were:

- (i) CPC Polyply was transferring its raw materials and finished goods to us in stages in view that CPC Polyply has ceased to be involved in the manufacturing of advanced polymer matrix fibre composites; and
- (ii) Some of our customers insist on purchasing the lower characteristics insulators produced by CPC Polyply which were still available in the inventories of CPC Polyply. However, as at 20 October 2008, there are no outstanding inventories for such products.

CPC Polyply has not provided us with any supplies from 1 June 2008 up to 20 October 2008 and we do not foresee that we will continue to purchase from CPC Polyply moving forward.