

FIBON BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2011

	Unaudited As at 31.08.2011 RM'000	Audited As at 31.05.2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,164	4,223
Intangible assets	1,205	1,182
	5,369	5,405
Current assets		
Inventories	1,733	1,862
Trade receivables	4,498	4,774
Other receivables, deposits and prepayments	106	180
Tax recoverable	516	297
Fixed deposits with licensed bank	11,409	10,964
Cash and bank balances	3,502	2,857
	21,764	20,934
TOTAL ASSETS	27,133	26,339
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	9,800	9,800
Share premium	707	707
Other reserve	(2,600)	(2,600)
Translation reserve	10	14
Retained earnings	17,709	16,775
	25,626	24,696
Total equity	25,626	24,696
Non-current liabilities		
Deferred tax liabilities	570	495
	570	495
Current liabilities		
Trade payables	408	618
Other payables and accruals	451	459
Tax payable	78	71
	937	1,148
Total liabilities	1,507	1,643
TOTAL EQUITY AND LIABILITIES	27,133	26,339
Net assets per share (RM)	0.26	0.25

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 May 2011 and the accompanying explanatory notes attached to the interim financial statements.

Company No.: 811010-H

FIBON BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 AUGUST 2011
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31.08.2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31.08.2010 RM'000	CURRENT YEAR- TO-DATE 31.08.2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.08.2010 RM'000
Revenue	3,636	4,067	3,636	4,067
Cost of sales	(1,653)	(1,350)	(1,653)	(1,350)
Gross Profit	1,983	2,717	1,983	2,717
Other income	110	88	110	88
Selling & distribution costs	(92)	(42)	(92)	(42)
Administrative expenses	(600)	(619)	(600)	(619)
Profit Before Taxation	1,401	2,144	1,401	2,144
Income tax expense	(467)	(635)	(467)	(635)
Profit After Taxation	934	1,509	934	1,509
Other Comprehensive Income,	-	-	-	-
Foreign currency translation	(4)	1	(4)	1
Total Comprehensive Income For The Period	930	1,510	930	1,510
Profit Attributable to:				
Equity holders of the parent	934	1,509	934	1,509
Minority interest	-	-	-	-
	934	1,509	934	1,509
Total Comprehensive Income Attributable To :				
Equity holders of the parent	930	1,510	930	1,510
Minority interest	-	-	-	-
	930	1,510	930	1,510
Earnings per share attributable to equity holders of the Company:				
- Basic (Sen)	0.95	1.54	0.95	1.54
- Diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 May 2011 and the accompanying explanatory notes attached to the interim financial statements.

Company No.: 811010-H

FIBON BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 AUGUST 2011**
(The figures have not been audited)

	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Translation Reserve RM'000	Retained Profits RM'000	Total RM'000
<u>3 months period ended 31 August 2011</u>						
As at 1 June 2011	9,800	707	(2,600)	14	16,775	24,696
Total comprehensive income for the period	-	-	-	(4)	934	930
As at 31 August 2011	9,800	707	(2,600)	10	17,709	25,626
<u>3 months period ended 31 August 2010</u>						
As at 1 June 2010	9,800	707	(2,600)	(2)	13,190	21,095
Total comprehensive income for the period	-	-	-	1	1,509	1,510
As at 31 August 2010	9,800	707	(2,600)	(1)	14,699	22,605

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2011 and the accompanying explanatory notes attached to the interim financial statements.

Company No.: 811010-H

FIBON BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 AUGUST 2011
(The figures have not been audited)

	CURRENT YEAR- TO-DATE 31.08.2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.08.2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for the financial period	1,401	2,144
Adjustments for non cash items	95	(30)
	<u>1,496</u>	<u>2,114</u>
Changes in working capital	240	(1,224)
Cash from operations	<u>1,736</u>	<u>890</u>
Taxation paid	(602)	(389)
Net cash from operating activities	<u>1,134</u>	<u>501</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(14)	(18)
Interest received	87	77
Net cash from investing activities	<u>73</u>	<u>59</u>
Effect of exchange rate changes	(117)	(84)
Net Change in Cash & Cash Equivalents	1,090	476
Cash and Cash Equivalents at beginning of period	13,821	15,446
Cash and Cash Equivalents at end of period	<u>14,911</u>	<u>15,922</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
	31.08.2011 RM'000	31.08.2010 RM'000
Fixed deposits with licensed bank	11,409	13,220
Cash and bank balances	3,502	2,702
	<u>14,911</u>	<u>15,922</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 May 2011 and the accompanying explanatory notes attached to the interim financial statements.

FIBON BERHAD (Company No. 811010-H)

(Incorporated in Malaysia)

***EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2011***

A. INFORMATION REQUIRED BY FRS 134

1. *Basis of Preparation and Changes in Accounting Policies*

The condensed interim financial report is unaudited and has been prepared in accordance with FRS 134 - Interim Financial Reporting and Part A of Appendix 9B of the Bursa Malaysia Securities Berhad ("BMSB") Main Market Listing Requirements, and should be read in conjunction with the audited financial statements for the year ended 31 May 2011.

The accounting policies, methods of computation and basis of consolidation applied in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 May 2011, except for the adoption of the following new/revised Financial Reporting Standard ("FRS"), amendments to published standards and interpretations to existing standards as follows:

- FRS 1 (Revised): First-time Adoption of Financial Reporting Standards
- FRS 3 (Revised): Business Combinations
- FRS 4 Insurance Contracts
- FRS 7 Financial Instruments: Disclosures
- FRS 101 (Revised) Presentation of Financial Statements
- FRS 123 (Revised) Borrowing Costs
- FRS 127 (Revised) Consolidated and Separate Financial Statements
- FRS 139 Financial Instruments: Recognition and Measurement
- Amendments to FRS 1 (Revised) and FRS 127 (Revised): Cost of and investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2: Vesting Conditions and Cancellations
- Amendments to FRS 2: Scope of FRS 2 and FRS 3 (Revised)
- Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary
- Amendments to FRS 7, FRS 139 and IC Interpretation 9
- Amendments to FRS 101 (Revised) and FRS 132: Puttable Financial Instruments and Obligations Arising on Liquidation
- Amendments to FRS 132: Classification of Rights Issues and the Transitional Provision in Relation to Compound Instruments
- Amendments to FRS 138: Consequential Amendments Arising from FRS 3 (Revised)
- IC Interpretation 9 Reassessment of Embedded Derivatives
- IC Interpretation 10 Interim Financial Reporting and Impairment
- IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions
- IC Interpretation 12 Service Concession Arrangements
- IC Interpretation 13 Customer Loyalty Programmes
- IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17 Distributions of Non-cash Assets to Owners
- Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS (Revised)
- Annual Improvements to FRSs (2009)

The adoption of these new and revised FRSs, amendments to FRSs and Interpretations do not have any significant impact on the interim financial report of the Group.

2. *Audit Report*

The auditor's report of the annual financial statements for the financial year ended 31 May 2011 did not contain any qualification.

FIBON BERHAD (Company No. 811010-H)

(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2011****3. Seasonal or Cyclical Factors**

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

4. Items of Unusual Nature or Amount

There were no items affecting the assets, liabilities, equity, net income or cashflow during the current financial quarter under review that are unusual by reason of their size, nature or incidence.

5. Changes in Estimates

There were no changes to the estimates of amounts reported in prior financial years that may have a material effect in the current financial quarter.

6. Debts and Equity Securities

There were no issuance, repurchase, or repayment of debts and equity securities for the current financial period ended 31 August 2011.

7. Acquisition of Property, Plant and Equipment

Below are the property, plant and equipment acquired by the Group during the period under review:

	Cost RM'000
Plant and machinery	1
Furniture, fittings and office equipment	4
Capital work in progress	9
	<hr/>
	14
	<hr/>

8. Dividends paid

There were no dividends paid by the Company during the current financial quarter ended 31 August 2011.

9. Segmental Information

Sales revenue by products for the three (3) months financial period up to 31 August:

	Current Period 31 August 2011 RM'000	Previous Period 31 August 2010 RM'000
Manufacturing goods	2,786	3,637
Trading goods	850	430
Total	<hr/>	<hr/>
	3,636	4,067
	<hr/>	<hr/>

10. Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment during the current financial quarter.

FIBON BERHAD (Company No. 811010-H)

(Incorporated in Malaysia)

***EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2011***

11. *Material Events Subsequent to the end of the Reporting Period*

There were no material events subsequent to the end of the current financial quarter under review that has not been reflected.

12. *Changes in the Composition of the Group*

There were no changes in the composition of the Group during the current quarter.

13. *Changes in Contingent Liabilities and Contingent Assets*

There were no material changes in the contingent liabilities and contingent assets since the last annual statement of financial position as at 31 May 2011.

14. *Capital Commitments*

There were no other capital commitments subsequent to the end of the current financial quarter.

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FIBON BERHAD (Company No. 811010-H)

(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2011****B. Additional information required by BMSB Listing Requirements****1. Review of Performance**

In the current quarter ended 31 August 2011, the Group registered lower revenue of RM3,636,000 compared to previous corresponding quarter ended 31 August 2010 of RM4,067,000 as a result of decrease in manufacturing sales orders. Profit before tax has decreased from RM2,144,000 to RM1,401,000 as a result of lower manufacturing sales and decrease in operating margin.

2. Comparison with the preceding quarter's results

The Group posted a lower revenue in the current quarter of RM3,636,000 as compared to the preceding quarter ended 31 May 2011 of RM4,233,000 representing a decrease of RM597,000. Profit before tax has decreased from RM1,546,000 to RM1,401,000 mainly due to decrease in sales as well as higher administrative, selling and distribution costs.

3. Commentary on the Prospects

Despite facing various general economic challenges, the Board of Directors of Fibon Berhad is of the opinion that the performance of the Group for the financial year ending 31 May 2012 will not be severely affected.

4. Profit Forecast and Profit Estimate

The Group did not issue any profit forecast or profit estimate previously or for the financial year ending 31 May 2012 in any public document and hence this information is not applicable.

5. Taxation

	<u>Current quarter</u> 31/08/2011 RM'000	<u>Preceding year corresponding quarter</u> 31/08/2010 RM'000	<u>Current period to date</u> 31/08/2011 RM'000	<u>Preceding year corresponding period</u> 31/08/2010 RM'000
Income taxation in Malaysia				
- Current year	378	498	378	498
- Under provision in previous year	-	1	-	1
Foreign tax	14	11	14	11
Deferred taxation				
- Current year	40	125	40	125
- Under provision in previous year	35	-	35	-
	467	635	467	635

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

6. Profits on Sale of Unquoted Investments and / or Properties

There were no sales of unquoted investments and / or properties for the current quarter and current financial period ended 31 August 2011.

FIBON BERHAD (Company No. 811010-H)

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2011****7. Purchases or Disposals of Quoted Securities**

There were no purchases or disposals of quoted securities for the current quarter and current financial period ended 31 August 2011.

8. Status of Corporate Proposals**a) Status of Corporate Proposal Announced but Not Completed**

There was no corporate proposal announced but not completed as at the date of this announcement.

b) Utilisation of Proceeds

As at 31 August 2011, the proceeds raised from the Public Issue of RM9.137 million is utilised in the following manner:

Purposes	Proceeds raised RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation RM'000	Balance Unutilised /Deviation RM'000	%	Explanations
(i) Research & development activities	1,848	1,531	18 December 2011	317	17	^
(ii) Purchase of machineries	1,700	776	18 December 2011	924	54	^
(iii) Geographical expansion	1,180	790	18 December 2011	390	33	^
(iv) Working capital	2,409	3,079	-	(670)	-	*
(v) Listing expenses	2,000	1,330	-	670	-	*
Total	9,137	7,506		1,631		

Notes:

^ The approved timeframe for utilisation is 3 years from the date of listing

* The underutilisation of the listing expenses was adjusted to working capital

9. Group borrowings

As at 31 August 2011, the Group has no borrowings save for banking facilities utilised amounting to RM16,000 in the form of bank guarantee.

10. Off Balance Sheet Financial Instruments

As at the date of this quarterly report, the Group has no off balance sheet financial instruments of any kind.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2011****11. Realised and Unrealised Profits of the Group**

	As at 31/08/2011 RM'000	As at 31/05/2011 RM'000
Realised profits	18,100	17,028
Unrealised losses	(391)	(253)
	<u>17,709</u>	<u>16,775</u>

12. Material Litigation

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

13. Dividend

A first and final single tier dividend of RM0.0112 per ordinary share amounting to RM1,097,600 in respect of the financial year ended 31 May 2011 has been approved by the shareholders at the Annual General Meeting which was held on 31 October 2011.

14. Earnings per Share ("EPS")**(i) Basic EPS**

The basic EPS is calculated by dividing the net profit for the current financial quarter ended 31 August 2011 by the weighted average number of ordinary shares in issue during the period.

(ii) Dilutive EPS

There are no dilutive securities currently issued by Fibon Berhad and hence, no computation on diluted EPS.

	Current Quarter	3 Months Cumulative To Date
Net profit (RM'000)	934	934
Weighted average number of ordinary shares in issue ('000)	98,000	98,000
Basic earnings per share (sen)	0.95	0.95
Diluted earnings per share (sen)	-	-