

**FIBON BERHAD**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 AUGUST 2012**

	Unaudited As at 31.08.2012 RM'000	Audited As at 31.05.2012 RM'000	Audited As at 01.06.2011 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4,618	4,609	4,223
Intangible assets	1,256	1,244	1,182
	<u>5,874</u>	<u>5,853</u>	<u>5,405</u>
<b>Current assets</b>			
Inventories	1,047	1,275	1,862
Trade receivables	5,451	4,675	4,774
Other receivables, deposits and prepayments	83	121	180
Tax recoverable	17	63	297
Fixed deposits with licensed bank	15,037	13,503	10,964
Cash and bank balances	3,901	4,467	2,857
	<u>25,536</u>	<u>24,104</u>	<u>20,934</u>
<b>TOTAL ASSETS</b>	<u><b>31,410</b></u>	<u><b>29,957</b></u>	<u><b>26,339</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	9,800	9,800	9,800
Share premium	707	707	707
Other reserve	(2,600)	(2,600)	(2,600)
Translation reserve	19	(2)	14
Retained earnings	21,845	20,176	16,775
	<u>29,771</u>	<u>28,081</u>	<u>24,696</u>
<b>Total equity</b>	<u>29,771</u>	<u>28,081</u>	<u>24,696</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities	642	633	495
	<u>642</u>	<u>633</u>	<u>495</u>
<b>Current liabilities</b>			
Trade payables	506	551	618
Other payables and accruals	395	622	459
Tax payable	96	70	71
	<u>997</u>	<u>1,243</u>	<u>1,148</u>
<b>Total liabilities</b>	<u>1,639</u>	<u>1,876</u>	<u>1,643</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>31,410</b></u>	<u><b>29,957</b></u>	<u><b>26,339</b></u>
<b>Net assets per share (RM)</b>	<b>0.30</b>	<b>0.29</b>	<b>0.25</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 May 2012 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 2012**  
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31.08.2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31.08.2011 RM'000	CURRENT YEAR- TO-DATE 31.08.2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.08.2011 RM'000
Revenue	4,507	3,636	4,507	3,636
Cost of sales	-1,820	-1,653	-1,820	-1,653
<b>Gross Profit</b>	<b>2,687</b>	<b>1,983</b>	<b>2,687</b>	<b>1,983</b>
Other income	69	110	69	110
Selling & distribution costs	-40	-92	-40	-92
Administrative expenses	-468	-600	-468	-600
<b>Profit Before Taxation</b>	<b>2,248</b>	<b>1,401</b>	<b>2,248</b>	<b>1,401</b>
Income tax expense	-579	-467	-579	-467
<b>Profit After Taxation</b>	<b>1,669</b>	<b>934</b>	<b>1,669</b>	<b>934</b>
<b>Other Comprehensive Income,</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Foreign currency translation	21	-4	21	-4
<b>Total Comprehensive Income For The Period</b>	<b>1,690</b>	<b>930</b>	<b>1,690</b>	<b>930</b>
Profit Attributable to:				
Equity holders of the parent	1,669	934	1,669	934
Minority interest	-	-	-	-
	<b>1,669</b>	<b>934</b>	<b>1,669</b>	<b>934</b>
Total Comprehensive Income Attributable To :				
Equity holders of the parent	1,690	930	1,690	930
Minority interest	-	-	-	-
	<b>1,690</b>	<b>930</b>	<b>1,690</b>	<b>930</b>
<b>Earnings per share attributable to equity holders of the Company:</b>				
- Basic (Sen)	1.70	0.95	1.70	0.95
- 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 2012 and the accompanying explanatory notes attached to the interim financial statement.

Company No.: 811010-H

**FIBON BERHAD**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FIRST QUARTER ENDED 31 AUGUST 2012**  
(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
<b><u>3 months period ended 31 August 2012</u></b>						
As at 1 June 2012	9,800	707	(2,600)	(2)	20,176	28,081
Total comprehensive income for the period	-	-	-	21	1,669	1,690
As at 31 August 2012	9,800	707	(2,600)	19	21,845	29,771
<b><u>3 months period ended 31 August 2011</u></b>						
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

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2012 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 2012**  
(The figures have not been audited)

	<b>CURRENT YEAR- TO-DATE 31.08.2012 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 31.08.2011 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax for the financial period	2,248	1,401
Adjustments for:		
Depreciation of property, plant and equipment	87	71
Unrealised foreign exchange (gain) / loss	(108)	111
Interest income	(69)	(87)
Operating profit before changes in working capital	<u>2,158</u>	<u>1,496</u>
Changes in working capital:		
Increase in development expenditure	(12)	(22)
Decrease in inventories	251	117
(Increase) / decrease in receivables	(699)	393
Decrease in payables	(262)	(248)
Cash generated from operations	<u>1,436</u>	<u>1,736</u>
Taxation paid	(501)	(602)
Net cash from operating activities	<u>935</u>	<u>1,134</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipments	(93)	(14)
Interest received	69	87
Net cash (used in) / from investing activities	<u>(24)</u>	<u>73</u>
Effect of exchange rate changes	57	(117)
Net Change in Cash & Cash Equivalents	968	1,090
Cash and Cash Equivalents at beginning of period	17,970	13,821
Cash and Cash Equivalents at end of period	<u>18,938</u>	<u>14,911</u>
<b>Cash and cash equivalents at the end of the financial period comprise the following:</b>		
	<b>31.08.2012 RM'000</b>	<b>31.08.2011 RM'000</b>
Fixed deposits with licensed bank	15,037	11,409
Cash and bank balances	3,901	3,502
	<u>18,938</u>	<u>14,911</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 May 2012 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 2012***

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134**

**1. Corporate Information**

Fibon Berhad is a public limited liability company incorporated and domiciled in Malaysia and is listed on Bursa Malaysia Securities Berhad.

**2. First-time Adoption of Malaysian Financial Reporting Standards ("MFRS")**

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 May 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

The consolidated financial statements of the Group for the financial year ended 31 May 2012 which were prepared under FRS are available upon request from the Company's registered office at 31-04, Level 31, Menara Landmark, Mail Box 172, No. 12, Jalan Ngee Heng, 80000 Johor Bahru, Johor.

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the financial year ending 31 May 2013. MFRS 1 *First-Time Adoption of Malaysian Financial Reporting Standards* ("MFRS 1") has been applied.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2012.

In preparing its opening MFRS Statement of Financial Position as at 1 June 2011 (which is also the date of transition), no adjustments were required to be made to the amounts previously reported in Group's FRS financial statements. The transition from FRS to MFRS has no material impact on the Group's financial position, financial performance and cash flows for the periods so presented.

**3. Significant Accounting Policies**

**3.1 Application of MFRS 1**

The audited financial statements of the Group for the financial year ended 31 May 2012 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 May 2012 except as discussed below:

**(a) Business Combination**

MFRS 1 provides the option to apply MFRS 3: *Business Combinations*, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combination prior to the date of transition.

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***EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2012***

**(a) Business Combination (continued)**

Acquisition before date of transition

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the transition date,

- (i) The classification of former business combination under FRS is maintained;
- (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
- (iii) The carrying amount of goodwill recognised under FRS is not adjusted.

**(b) Estimates**

The estimates at 1 June 2011 and at 31 May 2012 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at 1 June 2011, the date of transition to MFRS and as of 31 May 2012.

The reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are not provided as the transition from FRS to MFRS had no material impact to the amounts so reported.

**3.2 MFRSs, Amendments to MFRSs and IC Interpretation Issued But Not Yet Effective**

The following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

*Effective for financial periods beginning on or after 1 July 2012*

- Amendments to MFRS 101: *Presentation of Items of Other Comprehensive Income*

*Effective for financial periods beginning on or after 1 January 2013*

- MFRS 10: *Consolidated Financial Statements*
- MFRS 11: *Joint Arrangements*
- MFRS 12: *Disclosure of Interests in Other Entities*
- MFRS 13: *Fair Value Measurement*
- MFRS 119: *Employee Benefits*
- MFRS 127: *Separate Financial Statements*
- MFRS 128: *Investments in Associate and Joint Ventures*
- Amendments to MFRS 7: *Disclosures – Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 10, MFRS 11 and MFRS 12 – *Transition Guidance*
- IC Interpretation 20: *Stripping Costs in the Production Phase of a Surface Mine*

*Effective for financial periods beginning on or after 1 January 2014*

- Amendments to MFRS 132: *Offsetting Financial Assets and Financial Liabilities*

*Effective for financial periods beginning on or after 1 January 2015*

- MFRS 9: *Financial Instruments* (IFRS 9 issued by IASB in November 2009 and October 2010)
- Amendments to MFRS 9 – *Mandatory Effective Date of MFRS 9 and Transition Disclosures*

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(Incorporated in Malaysia)

***EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2012***

**4. Audit Report**

The auditor's report of the annual financial statements for the financial year ended 31 May 2012 did not contain any qualification.

**5. Seasonal or Cyclical Factors**

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

**6. Items of Unusual Nature or Amount**

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

**7. Changes in Estimates**

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

**8. Debts and Equity Securities**

There were no issuance, repurchase, or repayment of debts and equity securities for the current financial period ended 31 August 2012.

**9. Acquisition and Disposal of Property, Plant and Equipment**

Acquisitions

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

	<b>Cost RM'000</b>
Plant and machinery	24
Furniture, fittings and office equipment	10
Motor vehicles	8
Capital work in progress	51
	<u>93</u>

Disposals

There is no disposal of property, plant and equipment by the Group during the period under review.

**10. Inventories**

During the 3 months ended 31 August 2012, there were no write-down of inventories.

**11. Fair Value Hierarchy**

No transfers between any levels of the fair value hierarchy took place during the current interim period and the comparative period. There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

The Group does not hold credit enhancements or collateral to mitigate credit risk. The carrying amount of financial assets therefore represents the potential credit risk.

**FIBON BERHAD (Company No. 811010-H)**

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2012****12. Provisions for Cost of Restructuring**

There was no provision for, or reversal of, costs of restructuring during the reporting period.

**13. Dividends paid**

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

**14. Segmental Information**

Sales revenue by geographical market for the three (3) months financial period ended August 2012 is as follows:

	<u>Current period to date 31/08/2012</u>	<u>Preceding year corresponding period 31/08/2011</u>
	RM'000	RM'000
Malaysia	1,260	1,201
Singapore	1,349	1,096
Australia	563	493
Indonesia	659	331
Europe	18	129
Others	658	386
<b>Total</b>	<b>4,507</b>	<b>3,636</b>

No other segmental information such as segment assets, liabilities and results are presented as the Group's manufacturing operation is predominantly in Malaysia.

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

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

**16. Changes in the Composition of the Group**

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

**17. Changes in Contingent Liabilities and Contingent Assets**

There were no material changes in the contingent liabilities and contingent assets since the end of the last annual balance sheet date.

**18. 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 2012****B. Additional information required by BMSB Listing Requirements****1. Review of Performance**

In the current quarter ended 31 August 2012, the Group registered higher revenue of RM4,507,000 compared to previous corresponding quarter ended 31 August 2011 of RM3,636,000 as a result of increase in both local sales and export sales to Singapore, Australia and Indonesia. Profit before tax has increased from RM1,401,000 to RM2,248,000 as a result of increase in revenue.

**2. Comparison With the Preceding Quarter's Results**

The Group posted a higher revenue in the current quarter of RM4,507,000 as compared to the preceding quarter ended 31 May 2012 of RM3,598,000 representing an increase of RM909,000. Profit before tax has increased from RM1,550,000 to RM2,248,000 mainly due to higher revenue generated from Australia, Singapore and Indonesia.

**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 2013 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 ended 31 May 2012 in any public document and hence this information is not applicable.

**5. Profit Before Tax**

Profit before tax is arrived at after charging:-

	<u>Current quarter</u> 31/08/2012 RM'000	<u>Preceding year corresponding quarter</u> 31/08/2011 RM'000	<u>Current period to date</u> 31/08/2012 RM'000	<u>Preceding year corresponding period</u> 31/08/2011 RM'000
Audit fee				
- for the financial period	14	13	14	13
Depreciation of property, plant and equipment	87	71	87	71
Directors' fee	62	62	62	62
Directors non-fee emoluments	94	68	94	68
Loss on foreign exchange	-	111	-	111
Rental of premises	18	18	18	18
Research and development expenditure	138	144	138	144
<b>and crediting:-</b>				
Gain on foreign exchange	(108)	-	(108)	-
Interest income	(69)	(87)	(69)	(87)

**FIBON BERHAD (Company No. 811010-H)**

(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2012****6. Taxation**

	<u>Current quarter</u> 31/08/2012 RM'000	<u>Preceding year corresponding quarter</u> 31/08/2011 RM'000	<u>Current period to date</u> 31/08/2012 RM'000	<u>Preceding year corresponding period</u> 31/08/2011 RM'000
<b>Income taxation in Malaysia</b>				
- Current year	575	378	575	378
<b>Foreign tax</b>				
- Current year	8	14	8	14
- Over provision in previous year	(12)	-	(12)	-
<b>Deferred taxation</b>				
- Current year	45	40	45	40
- (Over)/under provision in previous year	(37)	35	(37)	35
	<b>579</b>	<b>467</b>	<b>579</b>	<b>467</b>

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

**7. 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 2012, 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	Extended Timeframe for Utilisation RM'000	Balance Unutilised/ Deviation RM'000	%	Explanations
(i) Research & development activities	1,848	1,848	18 December 2011	18 December 2012	0	-	^
(ii) Purchase of machineries	1,700	1,539	18 December 2011	18 December 2012	161	9	^
(iii) Geographical expansion	1,180	790	18 December 2011	18 December 2012	390	33	^
(iv) Working capital	2,409	3,079	-	-	(670)	-	*
(v) Listing expenses	2,000	1,330	-	-	670	-	*
<b>Total</b>	<b>9,137</b>	<b>8,586</b>			<b>551</b>		

**Notes:**

^ The initial approved time frame for utilisation is 3 years from the date of listing. The Board of Directors have decided to extend the time frame for all remaining unutilised portions for another twelve (12) months period until 18 December 2012 in accordance with announcement made on 31 October 2011.

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

**FIBON BERHAD (Company No. 811010-H)**

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2012**

**8. Group borrowings**

As at 31 August 2012, the Group has no borrowings save for banking facilities utilised amounting to RM16,000 in the form of bank guarantee.

**9. Realised and Unrealised Profits of the Group**

	<b>As at 31/08/2012 RM'000</b>	<b>As at 31/05/2012 RM'000</b>
Realised profits	22,379	20,977
Unrealised losses	(534)	(801)
	<hr/> <b>21,845</b> <hr/>	<hr/> <b>20,176</b> <hr/>

**10. Material Litigation**

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

**11. Dividend**

At the forthcoming Annual General Meeting, a first and final single tier dividend of 1.15 sen per ordinary share amounting to RM1,127,000 in respect of the financial year ended 31 May 2012 will be proposed for shareholders' approval. The quarterly report for current financial period does not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the next quarter.

**12. Disclosure of Nature of Outstanding Derivatives**

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

**13. Rationale for Entering into Derivatives**

The Group did not enter into any derivatives during the period ended 31 August 2012 or the previous financial year ended 31 May 2012.

**14. Risks and Policies of Derivatives**

The Group did not enter into any derivatives during the period ended 31 August 2012 or the previous financial year ended 31 May 2012.

**15. Disclosure of Gains/Losses Arising from Fair Value Changes of Financial Liabilities**

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 August 2012 or the previous financial year ended 31 May 2012.

**16. 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 2012 by the weighted average number of ordinary shares in issue during the period.

**FIBON BERHAD (Company No. 811010-H)**

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2012****(ii) Dilutive EPS**

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

	<b>Current Quarter</b>	<b>3 Months Cumulative To Date</b>
Net profit (RM'000)	1,669	1,669
Weighted average number of ordinary shares in issue ('000)	98,000	98,000
Basic earnings per share (sen)	1.70	1.70
Diluted earnings per share (sen)	-	-

For and on behalf of  
**FIBON BERHAD**

**Noriah Binti Md Yusof**  
Company Secretary  
Date: 31 October 2012