

FIBON BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2013

	Unaudited As at 31.08.2013 RM'000	Audited As at 31.05.2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,512	5,541
Intangible assets	1,120	1,144
	<u>6,632</u>	<u>6,685</u>
Current assets		
Inventories	1,267	1,460
Trade receivables	4,452	5,527
Other receivables, deposits and prepayments	107	136
Tax recoverable	132	238
Fixed deposits with licensed bank	17,366	14,979
Cash and bank balances	5,742	5,074
	<u>29,066</u>	<u>27,414</u>
TOTAL ASSETS	<u>35,698</u>	<u>34,099</u>
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	(29)	(29)
Retained earnings	26,352	24,524
	<u>34,230</u>	<u>32,402</u>
Total equity	<u>34,230</u>	<u>32,402</u>
Non-current liabilities		
Deferred tax liabilities	576	713
	<u>576</u>	<u>713</u>
Current liabilities		
Trade payables	451	554
Other payables and accruals	420	423
Tax payable	21	7
	<u>892</u>	<u>984</u>
Total liabilities	<u>1,468</u>	<u>1,697</u>
TOTAL EQUITY AND LIABILITIES	<u>35,698</u>	<u>34,099</u>
Net assets per share (RM)	<u>0.35</u>	<u>0.33</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 May 2013 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 2013
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31.08.2013 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31.08.2012 RM'000	CURRENT YEAR- TO-DATE 31.08.2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.08.2012 RM'000
Revenue	3,564	4,507	3,564	4,507
Cost of sales	(1,059)	(1,820)	(1,059)	(1,820)
Gross Profit	2,505	2,687	2,505	2,687
Other income	80	69	80	69
Selling & distribution costs	(53)	(40)	(53)	(40)
Administrative expenses	(288)	(468)	(288)	(468)
Profit Before Taxation	2,244	2,248	2,244	2,248
Income tax expense	(416)	(579)	(416)	(579)
Profit After Taxation	1,828	1,669	1,828	1,669
Other Comprehensive Income,	-	-	-	-
Foreign currency translation	-	21	-	21
Total Comprehensive Income For The Period	1,828	1,690	1,828	1,690
Profit Attributable to:				
Equity holders of the parent	1,828	1,669	1,828	1,669
Minority interest	-	-	-	-
	1,828	1,669	1,828	1,669
Total Comprehensive Income Attributable To :				
Equity holders of the parent	1,828	1,690	1,828	1,690
Minority interest	-	-	-	-
	1,828	1,690	1,828	1,690
Earnings per share attributable to equity holders of the Company:				
- Basic (Sen)	1.87	1.70	1.87	1.70
- 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 2013 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 2013
(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 2013</u>						
As at 1 June 2013	9,800	707	(2,600)	(29)	24,524	32,402
Total comprehensive income for the period	-	-	-	-	1,828	1,828
As at 31 August 2013	9,800	707	(2,600)	(29)	26,352	34,230
<u>3 months period ended 31 August 2012</u>						
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

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2013 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 2013
(The figures have not been audited)

	CURRENT YEAR- TO-DATE 31.08.2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.08.2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for the financial period	2,244	2,248
Adjustments for:		
Amortisation of development expenditure	24	-
Depreciation of property, plant and equipment	90	87
Goodwill written off	46	-
Unrealised foreign exchange (gain) / loss	(261)	(108)
Interest income	(71)	(69)
Operating profit before changes in working capital	<u>2,072</u>	<u>2,158</u>
Changes in working capital:		
Increase in development expenditure	-	(12)
Decrease in inventories	188	251
Decrease / (increase) in receivables	1,103	(699)
Decrease in payables	(87)	(262)
Cash generated from operations	<u>3,276</u>	<u>1,436</u>
Taxation paid	(450)	(501)
Net cash from operating activities	<u>2,826</u>	<u>935</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(60)	(93)
Interest received	71	69
Investment in subsidiary	(40)	-
Net cash used in investing activities	<u>(29)</u>	<u>(24)</u>
Effect of exchange rate changes	258	57
Net Change in Cash & Cash Equivalents	3,055	968
Cash and Cash Equivalents at beginning of period	20,053	17,970
Cash and Cash Equivalents at end of period	<u>23,108</u>	<u>18,938</u>
Cash and cash equivalents at the end of the financial period comprise the following:	31.08.2013 RM'000	31.08.2012 RM'000
Fixed deposits with licensed bank	17,366	15,037
Cash and bank balances	5,742	3,901
	<u>23,108</u>	<u>18,938</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 May 2013 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 2013**

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

1. Corporate Information

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

2. Basis of preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 May 2013. These explanatory notes attached to the interim financial statements provide an explanation of the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2013.

3. Summary of significant accounting policies

The significant accounting policies adopted are consistent with those used in the preparation of the audited financial statements for the financial year ended 31 May 2013.

3.1 Changes in accounting policies and effects arising from adoption of new MFRSs, amendments to MFRSs and IC Interpretations

At beginning of current financial period, the Group has adopted the following new MFRSs, amendments to MFRSs and IC Interpretations:

Effective for financial periods beginning on or after 1 January 2013

- MFRS 11 Joint Arrangements
- MFRS 12 Disclosure of Interests in Other Entities
- MFRS 13 Fair Value Measurement
MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in MFRS 13 are more extensive than those required in the current standards and therefore there will be no financial impact on the financial statements of the Company upon its initial application but may impact its future disclosures.
- MFRS 119 Employee Benefits
- MFRS 127 Separate Financial Statements
- MFRS 128 Investments in Associates and Joint Ventures
- Amendments to MFRS 7: Disclosures -- Offsetting Financial Assets and Financial Liabilities
The amendments to MFRS 7 (Disclosures - Offsetting Financial Assets and Financial Liabilities) require disclosures that will enable users of an entity's financial statements to evaluate the effect or potential, effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There will be no financial impact on the financial statements of the Company upon its initial application but may impact its future disclosures.
- Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance
- IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

3. Summary of significant accounting policies (continued)

3.1 Changes in accounting policies and effects arising from adoption of new MFRSs, amendments to MFRSs and IC Interpretations (continued)

• Annual Improvements to MFRSs 2009 - 2011 Cycle

The Annual Improvements to MFRSs 2009 - 2011 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134. These amendments are expected to have no material impact on the financial statements of the Company upon their initial application.

3.2 Standards and Interpretations issued but not yet effective

The following new and amended MFRSs and IC Interpretations 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

The amendments to MFRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. In addition, items presented in other comprehensive income section are to be grouped based on whether they are potentially classifiable to profit or loss subsequently i.e. those that might be reclassified and those that will not be reclassified. Income tax on items of other comprehensive income is required to be allocated on the same basis. There will be no financial impact on the financial statements of the Company upon its initial application other than the presentation format of the statements of profit or loss and other comprehensive income

Effective for financial periods beginning on or after 1 January 2014

• Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities

• Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities. Accordingly, there will be no financial impact on the financial statements of the Company upon its initial application but may impact its future disclosures.

Effective for financial periods beginning on or after 1 January 2015

• MFRS 9: Financial Instruments

MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories - those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. There will be no financial impact on the financial statements of the Company upon its initial application but may impact its future disclosures.

• Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures

4. Audit Report

The auditor's report of the annual financial statements for the financial year ended 31 May 2013 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 2013**

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 2013.

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:

	Cost RM'000
Plant and machinery	7
Furniture, fittings and office equipment	6
Capital work in progress	47
	<u>60</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 2013, there was no write-down of inventories.

11. Fair Value Hierarchy

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

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

12. Provisions for Cost of Restructuring

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

13. Dividends paid

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

FIBON BERHAD (Company No. 811010-H)

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2013****14. Segmental Information**

Sales revenue by geographical market for the three (3) months financial period ended August 2013 is as follows:

	<u>Current period to date</u> <u>31/08/2013</u> RM'000	<u>Preceding year corresponding period</u> <u>31/08/2012</u> RM'000
Malaysia	869	1,260
Singapore	1,229	1,349
Australia	578	563
Indonesia	193	659
Europe	54	18
Others	641	658
Total	3,564	4,507

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.

The Board of Directors have on 9 July 2013 entered into a Sale and Purchase Agreement ("SPA") with the shareholders of OPES Management Sdn Bhd for the acquisition of one hundred percent (100%) equity interest in OPES comprising of 10,000 ordinary shares of RM1.00 each for a total cash consideration of RM40,000.00. The Board have further proposed to change the acquired company's name, OPES Management Sdn Bhd to Fibon Capital Sdn Bhd upon the completion date of the acquisition of new subsidiary.

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 2013****B. Additional information required by BMSB Listing Requirements****1. Review of Performance**

In the current quarter ended 31 August 2013, the Group registered lower revenue of RM3,564,000 compared to previous corresponding quarter ended 31 August 2012 of RM4,507,000 as a result of decrease in both manufacturing sales and trading sales. Profit before tax has decreased from RM2,248,000 to RM2,244,000 as a result of lower revenue generated.

2. Comparison With the Preceding Quarter's Results

The Group posted a higher revenue in the current quarter of RM3,564,000 as compared to the preceding quarter ended 31 May 2013 of RM3,352,000 representing an increase of RM212,000. Profit before tax has increased from RM1,228,000 to RM2,244,000 mainly due to foreign exchange gain and higher manufacturing sales.

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 2014 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 2014 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> 31/08/2013 RM'000	<u>Preceding year corresponding quarter</u> 31/08/2012 RM'000	<u>Current period to date</u> 31/08/2013 RM'000	<u>Preceding year corresponding period</u> 31/08/2012 RM'000
Audit fee				
- for the financial period	15	14	15	14
Amortisation of development expenditure	24	-	24	-
Depreciation of property, plant and equipment	90	87	90	87
Directors' fee	62	62	62	62
Directors non-fee emoluments	120	94	120	94
Goodwill written off	46	-	46	-
Rental of premises	13	18	13	18
Research and development expenditure	146	138	146	138
and crediting:-				
Gain on foreign exchange - unrealised	(261)	(108)	(261)	(108)
- realised	(232)	(120)	(232)	(120)
Interest income	(71)	(69)	(71)	(69)

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2013****6. Taxation**

	<u>Current quarter</u> 31/08/2013 RM'000	<u>Preceding year corresponding quarter</u> 31/08/2012 RM'000	<u>Current period to date</u> 31/08/2013 RM'000	<u>Preceding year corresponding period</u> 31/08/2012 RM'000
Income taxation in Malaysia				
- Current year	523	575	523	575
Foreign tax				
- Current year	30	8	30	8
- Over provision in previous year	-	(12)	-	(12)
Deferred taxation				
- Current year	31	45	31	45
- (Over)/under provision in previous year	(168)	(37)	(168)	(37)
	<u>416</u>	<u>579</u>	<u>416</u>	<u>579</u>

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 unless otherwise disclosed.

b) Utilisation of Proceeds

As at 31 August 2013, 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	1,700	18 December 2011	18 December 2013	0	-	@^
(iii) Geographical expansion	1,180	790	18 December 2011	18 December 2013	390	33	@^&*
(iv) Working capital	2,409	3,079	-	-	(670)	-	*
(v) Listing expenses	2,000	1,330	-	-	670	-	*
Total	<u>9,137</u>	<u>8,747</u>			<u>390</u>		

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.

FIBON BERHAD (Company No. 811010-H)

(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2013**

[^] 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 2013 in accordance with announcement made on 18 January 2013.

& The Board of Directors have decided not to extend the time frame for remaining unutilised portion of geographical expansion of RM390,000 but to change as working capital in accordance with announcement made on 19 September 2013.

* The underutilisation of the listing expenses and geographical expansion were adjusted to working capital.

8. Group borrowings

As at 31 August 2013, 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

	As at 31/08/2013 RM'000	As at 31/05/2013 RM'000
Realised profits	26,667	25,385
Unrealised losses	(315)	(861)
	<hr/>	<hr/>
	26,352	24,524
	<hr/>	<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

No dividend has been declared for the quarter under review.

A first and final single tier dividend of 1.25 sen per ordinary share amounting to RM1,225,000 in respect of the financial year ended 31 May 2013 has been approved by shareholders at the Annual General Meeting held on 25 October 2013 and will be subsequently paid on 28 December 2013.

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 2013 or the previous financial year ended 31 May 2013.

14. Risks and Policies of Derivatives

The Group did not enter into any derivatives during the period ended 31 August 2013 or the previous financial year ended 31 May 2013.

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 2013 or the previous financial year ended 31 May 2013.

FIBON BERHAD (Company No. 811010-H)

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2013**

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 2013 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)	1,828	1,828
Weighted average number of ordinary shares in issue ('000)	98,000	98,000
Basic earnings per share (sen)	1.87	1.87
Diluted earnings per share (sen)	-	-

For and on behalf of
FIBON BERHAD


Norah Binti Md Yusof
Company Secretary
Date: