

**FSBM HOLDINGS BERHAD**  
**Company No.: 115609-U**

Quarterly report on consolidated results for the first quarter ended 31 March 2008.  
The figures have not been audited.

**Unaudited Condensed Consolidated Income Statement**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31/03/2008 RM '000	31/03/2007 RM '000	31/03/2008 RM '000	31/03/2007 RM '000
Revenue	8,729	29,187	8,729	29,187
Cost of sales	(7,080)	(22,556)	(7,080)	(22,556)
Gross Profit	1,649	6,631	1,649	6,631
Other operating income	2,376	1,266	2,376	1,266
Administrative expense	(2,325)	(2,429)	(2,325)	(2,429)
Selling and marketing expenses	(669)	(554)	(669)	(554)
Other expenses	(3,074)	(1,593)	(3,074)	(1,593)
Operating (loss)/profit	(2,043)	3,321	(2,043)	3,321
Finance costs	(735)	(291)	(735)	(291)
Share of losses of associated companies	-	-	-	-
(Loss)/profit before tax	(2,778)	3,030	(2,778)	3,030
Income tax	-	-	-	-
(Loss)/profit the period	(2,778)	3,030	(2,778)	3,030
Attributable to:				
Equity holders of the parent	(2,714)	3,038	(2,714)	3,038
Minority Interest	(64)	(8)	(64)	(8)
(Loss)/profit after tax	(2,778)	3,030	(2,778)	3,030
Earnings per share: (sen)				
- basic	(4.95)	5.54	(4.95)	5.54
- diluted	(4.95)	5.54	(4.95)	5.54

**(The unaudited Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements of the Group for the year ended 31<sup>st</sup> December 2007 and the accompanying explanatory notes attached to the interim financial report)**

**Unaudited Condensed Consolidated Balance Sheet**

	AS AT END OF CURRENT PERIOD 31/03/2008 <u>RM '000</u>	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2007 <u>RM '000</u>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	5,606	5,150
Investment properties	56,086	55,925
Intangible assets	3,886	4,575
Investment in associated companies	474	474
Investment in jointly controlled entity	506	506
Other investments	348	348
	<u>66,906</u>	<u>66,978</u>
<b>Current assets</b>		
Inventories	19,476	19,485
Trade and other receivables	44,363	43,333
Other investments	2,612	2,695
Tax recoverable	123	77
Deposits with licensed banks	3,235	6,637
Cash and bank balance	1,267	7,873
	<u>71,076</u>	<u>80,100</u>
<b>TOTAL ASSETS</b>	<u>137,982</u>	<u>147,078</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	54,833	54,833
Share premium	8,454	8,454
Other reserves	911	740
Retained earnings	19,912	22,626
Shareholders' equity	84,110	86,653
Minority interest	-	-
<b>Total equity</b>	<u>84,110</u>	<u>86,653</u>
<b>Non-current liabilities</b>		
Deferred income	494	494
Borrowings	15,503	16,406
Deferred taxation	3,125	3,125
	<u>19,122</u>	<u>20,025</u>
<b>Current liabilities</b>		
Borrowings	22,671	27,853
Trade and other payables	12,079	12,547
	<u>34,750</u>	<u>40,400</u>
<b>Total liabilities</b>	<u>53,872</u>	<u>60,425</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>137,982</u>	<u>147,078</u>
Net assets per share (RM)	1.53	1.58

(The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements of the Group for the year ended 31<sup>st</sup> December 2007 and the accompanying explanatory notes attached to the interim financial report)

**Unaudited Condensed Consolidated Statement of Changes in Equity**

	Attributable to Equity Holders of the Parent					Minority Interest	Total Equity
	Share capital	Share Premium	Exchange difference	Retained earnings	Sub Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2008</b>	54,833	8,454	740	22,626	86,653	-	86,653
Currency translation differences	-	-	171	-	171	-	171
Loss for the period	-	-	-	(2,714)	(2,714)	(64)	(2,778)
Total recognized income and expense for the period	-	-	171	(2,714)	(2,543)	(64)	(2,607)
Acquisition of shares in a subsidiary	-	-	-	-	-	64	64
<b>At 31 March 2008</b>	54,833	8,454	911	19,912	84,110	-	84,110
<b>At 1 January 2007</b>	54,833	8,454	666	18,944	82,897	84	82,981
Currency translation differences	-	-	7	-	7	-	7
Profit for the period	-	-	-	3,038	3,038	(8)	3,030
Total recognized income and expense for the period	-	-	7	3,038	3,045	(8)	3,037
<b>At 31 March 2007</b>	54,833	8,454	673	21,982	85,942	76	86,018

**(The unaudited Condensed Consolidated Statement Of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the year ended 31<sup>st</sup> December 2007 and the accompanying explanatory notes attached to the interim financial report)**

**Unaudited Condensed Consolidated Cash Flow Statement**

	31 March 2008 RM'000	31 March 2007 RM'000
<b>(Loss)/profit before tax</b>	(2,778)	3,030
<b>Adjustments for : -</b>		
Non-cash items	275	692
Non-operating items	(127)	(969)
<b>Operating (loss)/profit before changes in working capital</b>	(2,630)	2,753
<b>Changes in working capital</b>		
Net change in current assets	(565)	(15,378)
Net change in current liabilities	100	5,647
Cash used in operations	(3,095)	(6,978)
Tax paid	(46)	(49)
Interest paid	(735)	(242)
Tax refund	-	4
<b>Net cash used in operating activities</b>	(3,876)	(7,265)
<b>Cash flows from investing Activities</b>		
- Purchase of property, plant & equipment	(140)	(44)
- Purchase of development assets	(231)	-
- Purchase of investment property	(161)	(117)
- Proceed from disposal of property, plant & equipment	5	-
- Proceed from disposal of quoted securities	-	(118)
- Acquisition of share in subsidiary	64	-
- Other investments	344	141
<b>Net cash used in investing activities</b>	(119)	(138)
<b>Cash flows from financing activities</b>		
- Draw down of bank borrowings	4,596	12,294
- Repayment of bank borrowings	(10,590)	(9,583)
<b>Net cash (used in)/generated from financing activities</b>	(5,994)	2,711
<b>Net Decrease in Cash &amp; Cash Equivalents</b>	(9,989)	(4,692)
<b>Effects of Exchange Rate Changes</b>	72	(7)
<b>Cash &amp; Cash Equivalents at beginning of the period ( at 1 January)</b>	14,036	(1,044)
<b>Cash &amp; Cash Equivalents at end of the period</b>	Note (a) <u>4,119</u>	(b) <u>(5,743)</u>

(a) Consists of deposits with licensed banks (RM3,235,000), cash and bank balance (RM1,267,000) and bank overdraft (RM383,000)

(b) Consists of deposits with licensed banks (RM1,624,000), cash and bank balance (RM1,354,000) and bank overdraft (RM8,721,000)

**(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements of the Group for the year ended 31<sup>st</sup> December 2007 and the accompanying explanatory notes attached to the interim financial report)**

**Notes to Interim Financial Report.****1. Accounting Policies**

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134 : Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2007.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 December 2007

**2. Audit Report**

The audit report of the Group's most recent annual audited financial statements for the year ended 31 December 2007 was not subject to any qualification.

**3. Seasonal or Cyclical Factors**

Overall, the business operations of the Group were not affected by any seasonal or cyclical factors.

**4. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period under review because of their nature, size, or incidence.

**5. Changes in Estimates**

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

**6. Debt and Equity Securities**

There were no issuance and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial period.

**7. Dividends Paid**

No dividend was paid during the quarter under review

## 8. Segmental Reporting

Segment analysis for the current year quarter and financial period ended 31 March 2008 are set out below:

	Solution RM'000	Smart Community RM'000	Communication & Multimedia RM'000	Education RM'000	Investment Holding & Others RM'000	Elimination RM'000	Group RM'000
Quarter Ended 31/03/08							
External Sales	5,351	-	2,014	386	978	-	8,729
Internal Sales	-	-	953	-	13	(966)	-
Total Sales	5,351	-	2,967	386	991	(966)	8,729
Profit/ (Loss) From Operations	736	-	(1,508)	(94)	(1,295)	118	(2,043)
Financial Period Ended 31/03/08							
External Sales	5,351	-	2,014	386	978	-	8,729
Internal Sales	-	-	953	-	13	(966)	-
Total Sales	5,351	-	2,967	386	991	(966)	8,729
Profit/ (Loss) From Operations	736	-	(1,508)	(94)	(1,295)	118	(2,043)

**9. Segmental Reporting (Continued)**

	Solution	Smart Community	Communication & Multimedia	Education	Investment Holding & Others	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Quarter Ended 31/03/07							
External Sales	19,741	-	2,783	5,927	736	-	29,187
Internal Sales	2,478	-	-	3,458	-	(5,936)	-
Total Sales	22,219	-	2,783	9,385	736	(5,936)	29,187
Profit/ (Loss) From Operations	3,486	(27)	(1,040)	935	230	(263)	3,321
Financial Period Ended 31/03/07							
External Sales	19,741	-	2,783	5,927	736	-	29,187
Internal Sales	2,478	-	-	3,458	-	(5,936)	-
Total Sales	22,219	-	2,783	9,385	736	(5,936)	29,187
Profit/ (Loss) From Operations	3,486	(27)	(1,040)	935	230	(263)	3,321

**10. Events subsequent to the end of the current financial period**

There were no material subsequent events that have not been reflected at the date of issue of this announcement.

## 11. Changes in the Composition of the Group

The changes in the composition of the Company and of the Group for the current quarter and up to the date of issue of this report were as follows:

- (a) On 31 January 2008, the Company through its wholly-owned subsidiary, Infotalent disposed its entire 30% shareholding in AINB Solutions (Malaysia) Sdn Bhd, consisting of 300,000 ordinary shares of RM1.00 each for a cash consideration of RM300,000.00.
- (b) On 6 May 2008, the Company through its 55% owned subsidiary, Asialink Technology Development Limited (“Asialink HK”), invested RMB250,000 in Beijing Asialink Technology Development Limited (“Beijing Asialink”). Subsequent to the said investment, Beijing Asialink is a wholly-owned subsidiary of Asialink HK.
- (c) On 27 May 2008, the Company through Aialink HK, subscribed another 69,930 ordinary shares of AUD1.00 each in MyUnos Australia Pty Ltd (“MyUnos Australia”). Subsequent to the said subscription, MyUnos Australia remains as a 70% owned subsidiary of Asialink HK.

The aforesaid changes will not have any significant effect on the earnings of the Company and Group for the financial year ending 31 December 2008.

## 12. Changes in Contingent Liabilities or Contingent Assets

There were no contingent assets or liabilities as at the end of the current quarter and at the last balance sheet date.

## 13. Review of Performance

The first quarter of 2008 saw a lower revenue stream from its traditional Systems and Solutions Division and from the Communication and Multimedia Division. The Teachers Training programme, which contributed to the revenue of the first quarter in the previous year, had been completed by mid 2007 and there were no corresponding revenue from this source in the first quarter of 2008 for the Education Division. As a result, revenue for the first quarter of 2008 was RM 8.7 million compared to RM 29.2 million for the same period of 2007. This has led to a loss of RM 2.8 million for the first quarter compared to the profit of RM 3 million for the first quarter of 2007.

## 14. Review of Quarterly Results

The result for the fourth quarter of 2007 was affected by 2 major adjustments in the Systems and Solutions Division arising from a sales return and the reclassification of a sale to a lease. The revenue for the first quarter of 2008 also reflected a fall in revenue in its Communication and Multimedia Division leading to the group posting a revenue of RM8.8 million for the first quarter of 2008 compared to a negative revenue of RM 20.5 million for the previous quarter and a net loss of RM2.9 million and a profit of RM 1.1 million for the same period.

## 15. Current Year Prospects

The Group will continue to focus and grow its strengths in the supply of a comprehensive and integrated range of ICT products and services to both the government and commercial sectors. It also sees new business opportunities from the intention by a large Telecommunication Provider to introduce the RM 15 billion Fibre-to-the-Home (FTTH) broadband access. The Group had submitted bids to participate in the pilot project with key European and Chinese suppliers of telecommunication equipment.



The Group has submitted several other major bids in the supply of ICT solutions to both the public and the private sectors since 2007. Winning any of these bids would have significant positive impact on the Group's performance

The Group has also moved up the product chain to supply valued-added telecommunications solutions in addition to its traditional supply of equipment and services related to infrastructure. The Group has also, through its new subsidiary TeleVAS Sdn Bhd, embarked onto the provision of RFID (Radio Frequency Identification) as solutions for security and increasing efficiency in management in businesses. The Group expects to roll out RFID related projects in 2008.

FSBM sees a new wave of change coming onto the healthcare industry with the realization within the industry of the need to introduce ICT based HealthCare Information Systems to modernize its service delivery and raise its efficiency. FSBM also sees the rising affluence of a growing population and the mushrooming of new hospitals in the country and believes that these would lead to new business opportunities in this growth sector.

On 10 March 2008 FSBM had a soft worldwide launch of its UNOS PRO service for mobile phone users. Since then, we have attracted subscribers from over 75 countries across the world. The Group is focusing on expanding UNOS's presence in China, and Australia. The Group is confident that UNOS PRO will steadily help propel the Group to new heights.

An impact study concluded in mid 2007 by an independent body appointed by the Malaysian Ministry of Education on our Teacher Training program has produced very positive results. We are hopeful that the Ministry will extend the programme to the balance of the teachers. In Indonesia, FSBM completed 2 pilot projects for the headmaster and teachers in 2007. The Group is now in discussion with the Indonesian education authorities on the future deployment of the training programme to more schools in Indonesia.

In the light of the above, the Group is cautiously optimistic that it will register a favorable performance in 2008.

**16.**

**16. Variance from Forecast Profit and Profit Guarantee**

Not applicable.

**17. Taxation**

Taxation comprises:

	Current Year Quarter	Preceding Year Correspon- ding Quarter	Current Year To Date	Preceding Year Correspon- ding Period
	31/03/2008 (RM'000)	31/03/2007 (RM'000)	31/03/2008 (RM'000)	31/03/2007 (RM'000)
Taxation				
- Current	-	-	-	-
- (Over)/under provision in prior year	-	-	-	-
Deferred taxation	-	-	-	-
	-	-	-	-

The explanation of the relationship between tax expense and profit/ (loss) from ordinary activities before tax is as follows:

	Current Year Quarter	Preceding Year Correspon- ding Quarter	Current Year To Date	Preceding Year Correspon- ding Period
	31/03/2008 (RM'000)	31/03/2007 (RM'000)	31/03/2008 (RM'000)	31/03/2007 (RM'000)
(Loss)/profit from ordinary activities before tax	(2,778)	3,030	(2,778)	3,030
Tax calculated at the Malaysian tax rate of 26 (2007:27%)	(722)	818	(722)	818
Tax effects of:				
- expenses not deductible for tax purposes	272	229	272	229
- pioneer loss/(income)	34	(136)	34	(136)
- current year tax loss not recognized	417	273	417	273
- deductible temporary differences not recognized	(32)	283	(32)	283
- benefit from previously unrecognized tax losses	31	(1,467)	31	(1,467)
- Over provision of deferred tax in prior year	-	-	-	-
Tax (credit)/expense	-	-	-	-

**18. Sale of Investments and Properties**

There were no sales of investments and/or properties for the financial period under review.

**19. Purchase/Disposal of Quoted Securities**

There were no dealings in quoted securities for the financial period under review.

The details of investments in quoted shares as at 31 March 2008 as set out below: -

	RM '000
Quoted shares in Malaysia:	
At Cost	917
Provision for diminution in value	<u>(635)</u>
	<u>282</u>
At market value	<u>282</u>
Shares listed outside Malaysia	
At Cost	<u>2,330</u>
At price of last placement of shares issued by the investee up to 31 March 2008	<u>9,359</u>

**20. Corporate Proposals**

We have no corporate proposal announced but not yet completed at the date of this report.

**21. Group Borrowings**

The details of the Group's borrowings as at 31 March 2008 are as set out below: -

	RM'000
<b>Short Term Borrowings</b>	
<u>Unsecured</u>	
Letter of Credit	178
Trust Receipts	822
Bankers Acceptance	5,911
	<u>6,911</u>
<u>Secured</u>	
Revolving Credit	4,000
Term Loans	7,800
Overdraft	383
Hire Purchase	120
Lease Creditor	3,457
	<u>15,760</u>
<b>Long Term Borrowings</b>	
<u>Secured</u>	
Term Loans	633
Hire Purchase	140
Lease Creditor	14,730
	<u>15,503</u>
<b>Total Borrowings</b>	<u><u>38,174</u></u>

## 22. Off Balance Sheet Risk Financial Instruments

There were no financial instruments with off balance sheet risk as at the date of issue of this quarterly report.

## 23. Dividend payable

No interim ordinary dividend has been declared for the financial period ended 31 March 2008.

## 24. Basic Earnings Per Share

The basic earnings per share for the financial period is calculated based on the Group's net profit for the period attributable to ordinary shareholders and divided by the number of ordinary shares in issue during the financial period.

	Current Year Quarter 31/03/2008	Preceding Year Correspon- ding Quarter 31/03/2007	Current Year To Date 31/03/2008	Preceding Year Correspon- ding Period 31/03/2007
Group's profit attributable to ordinary shareholders (RM)	(2,714,000)	3,038,000	(2,714,000)	3,038,000
Number of ordinary shares in issue at the beginning of the period	54,833,000	54,833,000	54,833,000	54,833,000
<b>Basic earnings per share (sen)</b>	<b>(4.95)</b>	<b>5.54</b>	<b>(4.95)</b>	<b>5.54</b>

## 25. Diluted Earnings Per Share

The diluted earnings per share is calculated based on the Group's net profit for the period attributable to ordinary shareholders and divided by the number of ordinary shares in issue plus the weighted average number of ordinary shares which would be issued on conversion of all dilutive potential ordinary shares into ordinary shares as follows: -

	Current Year Quarter 31/03/2008	Preceding Year Correspon- ding Quarter 31/03/2007	Current Year To Date 31/03/2008	Preceding Year Correspon- ding Period 31/03/2007
Group's profit attributable to ordinary shareholders (RM)	(2,714,000)	3,038,000	(2,714,000)	3,038,000
Number of ordinary shares in issue at the beginning of the period	54,833,000	54,833,000	54,833,000	54,833,000
ESOS: Potential dilutive shares	Nil	Nil	Nil	Nil
	<u>54,833,000</u>	<u>54,833,000</u>	<u>54,833,000</u>	<u>54,833,000</u>
<b>Diluted earnings per share (sen)</b>	<b>(4.95)</b>	<b>5.54</b>	<b>(4.95)</b>	<b>5.54</b>

**26. Disclosure in Relation to Internet-Related Businesses on E-Commerce Activities**

The company is currently not involved in the above mentioned activities.

**27. Provision of Financial Assistance**

The Company has obtained a mandate on 26 June 2007 from its shareholders pursuant to paragraph 10.09 of the Listing Requirements to provide financial assistance to its associate and subsidiary companies.