

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

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER**  
**ENDED 31 DECEMBER 2009**

**Condensed Consolidated Income Statements**

For the Twelve-Month Period Ended 31 December 2009

	3 months ended		12 months ended	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
	RM'000	RM'000	RM'000	RM'000
Revenue	5,485	17,731	29,401	51,875
Cost of sales	(4,825)	(15,264)	(23,381)	(43,854)
<b>Gross Profit</b>	660	2,467	6,020	8,021
Other income	7,520	5,146	12,794	10,943
Administrative expense	(641)	(1,430)	(5,668)	(8,574)
Selling and marketing expenses	(168)	(469)	(767)	(2,242)
Other expenses	(16,091)	(7,392)	(23,139)	(14,445)
<b>Operating loss</b>	(8,720)	(1,678)	(10,760)	(6,297)
Finance costs	(479)	(692)	(2,376)	(2,685)
Share of losses of jointly controlled entity	-	-	-	(217)
<b>Loss before tax</b>	(9,199)	(2,370)	(13,136)	(9,199)
Income tax expense	331	88	(23)	(90)
<b>Loss for the period</b>	(8,868)	(2,282)	(13,159)	(9,289)
Attributable to:				
Equity holders of the parent	(8,868)	(2,282)	(13,159)	(9,344)
Minority Interest	-	-	-	55
	(8,868)	(2,282)	(13,159)	(9,289)
<b>Earnings per share attributable to equity holders of the parent: (sen)</b>				
- basic	(16.50)	(4.18)	(24.49)	(17.12)
- diluted	(16.50)	(4.18)	(24.49)	(17.12)

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31<sup>st</sup> December 2008 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Balance Sheet**

As at 31 December 2009

	<b>As at 31.12.2009 RM'000</b>	<b>As at 31.12.2008 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,101	4,056
Investment properties	2,535	56,250
Intangible assets	4,165	4,397
Other investments	435	454
	<u>9,236</u>	<u>65,157</u>
<b>Current assets</b>		
Inventories	19,447	19,455
Trade and other receivables	37,506	53,035
Other investments	2,386	2,642
Tax recoverable	219	294
Deposits with licensed banks	326	1,271
Cash and bank balance	1,199	1,831
	<u>61,083</u>	<u>78,528</u>
Asset held for sale	54,000	-
	<u>115,083</u>	<u>78,528</u>
<b>TOTAL ASSETS</b>	<u>124,319</u>	<u>143,685</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	54,833	54,833
Share premium	8,454	8,454
Treasury shares	(712)	(712)
Other reserves	235	302
Retained earnings	123	13,282
Shareholders' equity	<u>62,933</u>	<u>76,159</u>
Minority interest	-	-
<b>Total equity</b>	<u>62,933</u>	<u>76,159</u>
<b>Non-current liabilities</b>		
Deferred income	-	66
Borrowings	7,920	11,546
Deferred taxation	3,180	3,180
	<u>11,100</u>	<u>14,792</u>
<b>Current liabilities</b>		
Borrowings	37,404	39,035
Trade and other payables	12,882	13,699
	<u>50,286</u>	<u>52,734</u>
<b>Total liabilities</b>	<u>61,386</u>	<u>67,526</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>124,319</u>	<u>143,685</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31<sup>st</sup> December 2008 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statement of Changes in Equity**

For the Twelve-Month Period Ended 31 December 2009

	Attributable to Equity Holders of the Parent					Minority Interest	Total Equity	
	Non-Distributable		Distributable					
	Share Capital RM'000	Share Premium RM'000	Treasury shares RM'000	Exchange difference RM'000	Retained earnings RM'000			Sub Total RM'000
<b>At 1 January 2009</b>	54,833	8,454	(712)	302	13,282	76,159	-	76,159
Currency translation differences	-	-	-	(67)	-	(67)	-	(67)
Loss for the period	-	-	-	-	(13,159)	(13,159)	-	(13,159)
Total recognized expense for the period	-	-	-	(67)	(13,159)	(13,226)	-	(13,226)
Acquisition of shares in a subsidiary	-	-	-	-	-	-	-	-
<b>At 31 December 2009</b>	<b>54,833</b>	<b>8,454</b>	<b>(712)</b>	<b>235</b>	<b>123</b>	<b>62,933</b>	<b>-</b>	<b>62,933</b>
<b>At 1 January 2008</b>	54,833	8,454	-	740	22,626	86,653	-	86,653
Currency translation differences	-	-	-	(438)	-	(438)	-	(438)
Loss for the period	-	-	-	-	(9,344)	(9,344)	55	(9,289)
Total recognized income & expenses for the period	-	-	-	(438)	(9,344)	(9,782)	55	(9,727)
Changes in composition of the Group	-	-	-	-	-	-	88	88
Arising from consolidation of a subsidiary	-	-	-	-	-	-	(143)	(143)
Purchase of treasury shares	-	-	(712)	-	-	(712)	-	(712)
<b>At 31 December 2008</b>	<b>54,833</b>	<b>8,454</b>	<b>(712)</b>	<b>302</b>	<b>13,282</b>	<b>76,159</b>	<b>-</b>	<b>76,159</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31<sup>st</sup> December 2008 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Cash Flow Statement**

For the Twelve-Month Period Ended 31 December 2009

	<b>12 months ended</b>	
	<b>31.12.2009</b>	<b>31.12.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Loss before tax</b>	(13,136)	(9,199)
<b>Adjustments for : -</b>		
Non-cash items	11,263	2,852
Non-operating items	(93)	444
<b>Operating loss before changes in working capital</b>	(1,966)	(5,903)
<b>Changes in working capital</b>		
Net change in current assets	4,239	(7,537)
Net change in current liabilities	(796)	128
<b>Cash generated from/(used in) operations</b>	1,477	(13,312)
Tax paid	(91)	(253)
Tax refunded	145	5
Interest paid	(2,271)	(2,880)
<b>Net cash used in operating activities</b>	(740)	(16,440)
<b>Cash flows from investing Activities</b>		
Purchase of property, plant & equipment	(73)	(286)
Purchase of development assets	(188)	(1,334)
Subsequent expenditure of investment properties	(171)	(190)
Proceed from disposal of investment properties	4,480	-
Proceed from disposal of property, plant & equipment	190	79
Proceed from disposal of other investments	475	41
Investment in subsidiaries and associate	-	1,209
Dividend received	5	7
Interest received	18	117
<b>Net cash generated from/(used in) investing activities</b>	4,736	(357)
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	-	(712)
Drawdown of bank borrowings	50,991	61,997
Repayment of bank borrowings	(60,196)	(55,645)
<b>Net cash (used in)/generated from financing activities</b>	(9,205)	5,640
<b>Net Decrease in Cash &amp; Cash Equivalents</b>	(5,209)	(11,157)
<b>Effects of Exchange Rate Changes</b>	(183)	(221)
<b>Cash &amp; Cash Equivalents at beginning of financial period</b>	2,658	14,036
<b>Cash &amp; Cash Equivalents at end of financial period</b>	(2,734)	2,658
	<b>As at</b>	<b>As at</b>
	<b>31.12.2009</b>	<b>31.12.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits with licensed banks	326	1,271
Cash and bank balances	1,199	1,831
Bank overdrafts (included within short term borrowings in Note 21)	(4,259)	(444)
	(2,734)	2,658

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31<sup>st</sup> December 2008 and the accompanying explanatory notes attached to the interim financial statements.

## Notes to Interim Financial Statements

### 1. Basis Of Preparation

The interim financial statements are unaudited and have 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 2008.

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 2008.

### 2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2008 was not qualified.

### 3. Segmental Information

	3 months ended		12 months ended	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Solution	5,237	15,944	24,220	40,862
Communication & Multimedia	454	2,215	2,299	9,159
Education	-	-	-	786
Investment Holdings & Others	1,360	1,372	4,540	4,395
Total revenue including inter-segment sales	7,051	19,531	31,059	55,202
Elimination of inter-segment sales	(1,566)	(1,800)	(1,658)	(3,327)
Total	5,485	17,731	29,401	51,875
<b>Segment Results</b>				
Solution	(11,777)	(897)	(12,664)	163
Communication & Multimedia	(5,080)	(743)	(8,074)	(4,669)
Education	(46)	6	(291)	(367)
Investment Holdings & Others	(1,536)	(17,076)	548	(5,976)
	(18,439)	(18,710)	(20,481)	(10,849)
Elimination	9,719	17,032	9,721	4,552
Total	(8,720)	(1,678)	(10,760)	(6,297)

### 4. Unusual Items due to their Nature, Size or Incidence

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 except for the reclassification of an investment property to asset held for sale amounting to RM54 million.

### 5. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter results.

## 6. Comments about Seasonal or Cyclical Factors

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

## 7. Dividends Paid

No dividend was paid during the quarter under review.

## 8. Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayments of debts and equity securities during the quarter under review.

## 9. Share buybacks

In the financial year ended 31 December 2008, the Company purchased 1,090,700 of its own ordinary shares from the open market. All the shares purchased were retained as treasury shares and none of the treasury shares held were resold nor cancelled by the Company. As at 31 December 2009, the total number of treasury shares was 1,090,700 ordinary shares. Subsequent to 31 December 2008, the Company did not purchase any further shares from the open market.

## 10. Changes in 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 19 January 2009, Beijing Asialink Technology Development Limited (“Beijing Asialink”), a wholly-owned subsidiary of Asialink Technology Development Limited (“Asialink”), which in turn is a 55% owned subsidiary of the Company, increased its issued and paid-up share capital from RMB250,000 to RMB750,000 (equivalent to RM265,723). Pursuant to the issuance, Asialink subscribed for 500,000 ordinary shares of RMB 1.00 each in Beijing Asialink.
- (b) The Company’s wholly owned subsidiary, Worldwide Link Inc. (“WWL Inc”) had on 9 November 2009 passed a special resolution to wind up voluntarily.

## 11. Changes in Contingent Liabilities or Contingent Assets

There were no changes in other contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2008.

## 12. Subsequent Events

There were no material events subsequent to the end of the current quarter.

## 13. Performance Review (Q4 2009 : Q4 2008)

The revenue of the Group showed a drop to RM 5.485 million for the 4<sup>th</sup> quarter of 2009 compared to the revenue of the 4<sup>th</sup> quarter of 2008 of RM17.731 million. These resulted from lower sales in both the Solution and Communications and Multimedia Divisions.

In the 4<sup>th</sup> quarter of 2009, the Group also provided for doubtful debts of RM 13.411 million and the writing off of fixed assets of RM 0.628 million while it also took up the gain on valuation of its Investment Properties by RM4.829 million. As a result, the Group has reported a loss before tax of RM 9.016 million for the current quarter compared to a loss before tax of RM2.37 million for the 4<sup>th</sup> quarter of the previous year.

#### 14. Comment on Material Change in Profit Before Taxation (Q4 2009 : Q3 2009)

Revenue for the 4<sup>th</sup> quarter of RM 5.485 million is lower than that reported in the previous 3<sup>rd</sup> quarter of RM 10.419 million. The fall in revenue is significantly reflected by the lower revenue in the Solutions Division.

The lower revenue, accompanied by the provision for doubtful debts and the gain in revaluation mentioned in paragraph 13 above have resulted in the Group reporting a loss before tax of RM 9.016 million compared to a loss before tax of RM 1.529 million in the previous 3<sup>rd</sup> quarter.

#### 15. Commentary on Prospects

The UNOS mobile financial services platform developed by the Communications and Multimedia Division was recently commissioned by a major bank in Malaysia. The platform has gone through extensive internal trial run over the past 3 months to prove the system's compliance with all security expectations. It was commercially launched in November 2009. Following from this success, we are currently seeing positive responses from a few banks in Indonesia and Malaysia. We hope to secure contracts to implement and develop further mobile banking services using the UNOS mobile financial services platform, in the early part of 2010.

We are also awaiting decisions to commence Proof of Concept for certain Government Ministries/agencies and we believe that, upon successful implementation, the UNOS mobile services platform would lead to significant increase in revenue.

With the announcement of the "MBMMBI - Memartabatkan Bahasa Malaysia, Memperkukuhkan Bahasa Inggeris (Upholding Bahasa Malaysia, Strengthening English)" policy by the Ministry of Education, the Education Division is aggressively pursuing projects supporting the implementation of this said policy. We have put together and are working with world-class technology developers for the English language skill training for teachers, English language learning courseware for students, software and devices for the implementation of language labs, resources and tools to supplement the learning of English.

To combat against the dengue threat, the Solutions Division has teamed with a strategic partner to develop a solution that will help the Government in the administration of disease monitoring and control processes, where the speed of remedial or preventive responses to the disease is vital to curb its outbreak. We have recently presented the solution to the Government and are now geared to demonstrate the proof-of-concept in order to secure the Government's approval to implement the solution on a nationwide basis

Our healthcare integrated system project at the largest teaching hospital has been brought to a close. It is the most challenging large-scale healthcare project undertaken locally in a "live" operating environment. Meanwhile, we have completed, on schedule, the implementation of the healthcare integrated system at another fast-expanding teaching hospital. These invaluable experiences will serve our healthcare solutions team well for our future undertakings.

We are now working with our USA healthcare principal to pursue various opportunities in the healthcare industry.

With these ongoing developments, FSBM is looking forward to better its results for the near future

#### 16. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

## 17. Income Tax Expense

Taxation comprises:

	3 months ended		12 months ended	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
	RM'000	RM'000	RM'000	RM'000
Taxation				
- Current	(331)	(143)	28	25
- (Over)/under provision in prior year	-	-	(5)	10
Deferred taxation	-	55	-	55
Total income tax expense	<u>(331)</u>	<u>(88)</u>	<u>23</u>	<u>90</u>

The effective tax rate of the Group for the current quarter was higher than the statutory tax rate principally due to the losses of certain subsidiaries which can not be set off against taxable profits made by other subsidiaries, and certain expenses which are not deductible for tax purposes.

## 18. Sales of Unquoted Investment and Properties

There were no sales of properties and unquoted investments for the financial period under review except for:

- the disposal by its wholly-owned subsidiary, FSBM Datatech Sdn Bhd, on 29 April, 2009 of a freehold commercial land held under Individual Title Geran 207773, Lot 23588 (formerly known as H.S.(D) 7801, P.T. No. 12116) in the Mukim of Dengkil, District of Sepang and the State of Selangor for the cash consideration of RM 4,154,726. The disposal led to a loss of RM 245,273 reported in the period under review;
- the disposal of club memberships which resulted in a loss on disposal of RM 6,500; and
- the disposal of a freehold apartment held at The Forum Apartment on 29 July, 2009 for the cash consideration of RM325,000. The disposal led to a gain of RM10,000 reported in the period under review.

## 19. Quoted Securities

The details of investments in quoted shares as at 31 December 2009 as set out below: -

	As at 31.12.2009 RM'000	As at 31.12.2008 RM'000
<b>In Malaysia</b>		
At cost	643	898
At book value	212	125
At market value	<u>237</u>	<u>138</u>
<b>Outside Malaysia</b>		
At cost	2,174	2,517
At book value	2,174	2,517

## 20. Corporate Proposals

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



**21. Borrowings**

	<b>As at 31.12.2009 RM'000</b>	<b>As at 31.12.2008 RM'000</b>
<b>Short Term Borrowings</b>		
Secured	21,020	21,638
Unsecured	16,384	17,397
	<u>37,404</u>	<u>39,035</u>
<b>Long Term Borrowings</b>		
Secured	7,920	11,546
	<u>45,324</u>	<u>50,581</u>

**22. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at 31 December 2009.

**23. Dividend Payable**

No interim ordinary dividend has been declared for the financial period ended 31 December 2009 (31 December 2008: Nil).

**24. Earning Per Shares****(a) Basic**

The basic earning per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2009</b>	<b>31.12.2008</b>	<b>31.12.2009</b>	<b>31.12.2008</b>
Group's loss attributable to ordinary shareholders (RM)	(8,868,000)	(2,282,000)	(13,159,000)	(9,344,000)
Weighted average number of ordinary shares in issue, excluding treasury shares	53,742,300	54,581,854	53,742,300	54,581,854
<b>Basic deficit per share (sen)</b>	<b>(16.50)</b>	<b>(4.18)</b>	<b>(24.49)</b>	<b>(17.12)</b>

**(b) Diluted**

The Group does not have in issue any financial instrument or other contract that may entitle its holder to ordinary shares and therefore, dilution to its basic earnings per share.

**25. Authorization for Issue**

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 24 February 2010..