

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2020 (unaudited)**

	Individual Period 3 Months Period Ended			Cumulative Period 3 months Period Ended		
	31/3/20 RM'000	31/3/19 RM'000	Changes Amt/%	31/3/20 RM'000	31/3/19 RM'000	Changes Amt/%
Revenue	32	32	-/0%	32	N/A	N/A
Cost of sales	(20)	(16)	(4)/25%	(20)	N/A	N/A
Gross profit	12	16	(4)/(25%)	12	N/A	N/A
Other income	1	-	1/100%	1	N/A	N/A
Administrative expenses	(10)	(11)	1/(9)%	(10)	N/A	N/A
Selling and marketing expenses	(1)	(1)	-/0%	(1)	N/A	N/A
Other expenses	(302)	(267)	(35)/13%	(302)	N/A	N/A
Operating loss	(300)	(263)	(37)/14%	(300)	N/A	N/A
Finance costs	-	-	-	-	N/A	N/A
Loss before tax	(300)	(263)	(37)/14%	(300)	N/A	N/A
Income tax expense	-	-	-	-	N/A	N/A
Loss for the period, representing total comprehensive loss for the year	(300)	(263)	(37)/14%	(300)	N/A	N/A

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial period ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2020 (unaudited) (CONTD.)**

	Individual Period 3 Months Period Ended			Cumulative Period 3 months Period Ended		
	31/3/20 RM'000	31/3/19 RM'000	Changes Amt/%	31/3/20 RM'000	31/3/19 RM'000	Changes Amt/%
(Loss)/profit attributable to:						
Equity holders of the parent	(305)	(267)	(38)/14%	(305)	N/A	N/A
Non-controlling interests	5	4	1/25%	5	N/A	N/A
	(300)	(263)	(37)/14%	(300)	N/A	N/A
Total comprehensive (loss)/income attributable to:						
Equity holders of the parent	(305)	(267)	(38)/14%	(305)	N/A	N/A
Non-controlling interests	5	4	1/25%	5	N/A	N/A
	(300)	(263)	(37)/14%	(300)	N/A	N/A
Loss per share attributable to equity holders of the parent: (cent per share)						
- basic	(0.22)	(0.19)	(0.03)/16%	(0.22)	N/A	N/A
- diluted	(0.22)	(0.19)	(0.03)/16%	(0.22)	N/A	N/A

Note:

In 2019, the Company changed its financial year ended from 30 June 2019 to 31 December 2019 and made up its financial statements for the 18 months period ended 31 December 2019.

As such, no comparative figures are presented for the quarter ended 31 March 2020. The unaudited Condensed Consolidated Statement of Comprehensive Income for the current quarter ended 31 March 2020, being the first quarter of the financial year ending 31 December 2020 is not comparable with that of the first quarter of the previous financial period ended 31 December 2019. The interim financial results for the 3 months ended 31 March 2019 is disclosed for reference purpose only.

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial period ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020 (unaudited)**

	31/3/20 RM'000 (Unaudited)	31/12/19 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	7	7
Other investments	300	300
	307	307
Current assets		
Trade and other receivables	8,727	8,727
Marketable securities	115	342
Tax recoverable	35	35
Cash and bank balances	41	113
	8,918	8,918
TOTAL ASSETS	9,225	9,524
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	10,064	10,064
Treasury shares	(712)	(712)
Other reserves	4,534	4,534
Accumulated losses	(8,989)	(8,684)
Shareholders' funds	4,897	5,202
Non-controlling interests	(209)	(214)
Total equity	4,688	4,988

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial period ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020 (unaudited) (CONTD.)**

	31/3/20 RM'000 (Unaudited)	31/12/19 RM'000 (Audited)
Current liabilities		
Trade and other payables	4,537	4,536
	4,537	4,536
Total liabilities	4,537	4,536
TOTAL EQUITY AND LIABILITIES	9,225	9,524
Net Assets Per Share (RM/share)	0.03	0.04

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial period ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2020 (unaudited)

	----- Attributable to Equity Holders of the Parent Company -----						
	----- Non-distributable -----			Distributable			
	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	Accumulated Losses RM'000	Equity Attributable to Equity Holders of the Parent Company RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
As at 1 January 2020	10,064	(712)	4,534	(8,684)	5,202	(214)	4,988
Total comprehensive (loss)/income	-	-	-	(305)	(305)	5	(300)
As at 31 March 2020	10,064	(712)	4,534	(8,989)	4,897	(209)	4,688

Note:
In 2019, the Company changed its financial year ended from 30 June 2019 to 31 December 2019 and made up its financial statements for the 18 months period ended 31 December 2019.

As such, no comparative figures are presented for the quarter ended 31 March 2020. The unaudited Condensed Consolidated Statement of Changes in Equity for the current quarter ended 31 March 2020, being the first quarter of the financial year ending 31 December 2020 is not comparable with that of the first quarter of the previous financial period ended 31 December 2019.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial period ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2020**

	31/3/20 RM'000 (Unaudited)
Cash flows from operating activities	
Loss before tax	(300)
<u>Adjustments for:</u>	
Fair value loss on investment securities	227
Operating loss before working capital changes	(73)
Changes in working capital	
Net change in trade & other receivables	-
Net change in trade & other payables	1
Net change in other current assets	-
Cash from operations	(72)
Taxes refund	-
Net cash from operating activities	(72)
Cash flows from investing activities	
Investment in unquoted shares	-
Net cash used in investing activities	-
Net decrease in cash and cash equivalents	(72)
Cash and cash equivalents at beginning of financial period	113
Cash and cash equivalents at end of financial period	41
Cash and cash equivalents at end of financial period:	
Cash and bank balances	41

Note:

In 2019, the Company changed its financial year ended from 30 June 2019 to 31 December 2019 and made up its financial statements for the 18 months period ended 31 December 2019.

As such, no comparative figures are presented for the quarter ended 31 March 2020. The unaudited Condensed Consolidated Statement of Cash Flows for the current quarter ended 31 March 2020, being the first quarter of the financial year ending 31 December 2020 is not comparable with that of the first quarter of the previous financial period ended 31 December 2019.

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 31 MARCH 2020**

1. Corporate Information

FSBM Holdings Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad ("BMSB")

These condensed consolidated financial statements were approved by the Board of Directors on 27 July 2020.

2. Basis of Preparation

The condensed consolidated interim financial statements are audited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (MFRS) 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board ("MASB") 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 (IASB).

The condensed consolidated interim financial statements should be read in conjunction with the Group's audited financial statements for the financial period ended 31 December 2019 and the explanatory notes attached to the condensed consolidated interim financial statements which provide an explanation on events and transactions that are significant for the understanding of the changes in the financial position and performance of the Group since the financial period ended 31 December 2019.

The financial year end of the Group and the Company have been changed from 30 June to 31 December to cover the 18-month period from 1 July 2018 to 31 December 2019 and thereafter, to end on 31 December each year.

3. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the period ended 31 December 2019 and include the adoption of MFRS Framework and Interpretation which applicable to the Group. The adoption of MFRS, amendments to MFRSs and Interpretation Committee Interpretations do not have material impact on the financial statement in the period of initial application.

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 31 MARCH 2020**

4. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Report on the preceding financial statements for the financial period ended 31 December 2019 has a Disclaimer of Opinion as the Auditors were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

5. Seasonal or Cyclical Factors

The business operations of the Group during the financial period under review have not been materially affected by any significant seasonal or cyclical factors.

6. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no unusual items materially affecting the assets, liabilities, equity, net income or cash flow of the Group during the financial period.

7. Material Changes in Estimates

There were no material changes in estimates that have had any material effect on results of the financial period under review.

8. Issuances and Repayment of Debt and Equity

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period under review.

9. Dividend Paid

There were no dividends paid during the financial period under review.

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 31 MARCH 2020**
10. Segment Reporting

Segmental information for the financial period under review is presented in respect of the Group's business segment, as follows:

	Individual Period 3 Months Period Ended		Cumulative Period 3 months Period Ended	
	31/3/20 RM'000	31/3/19 RM'000	31/3/20 RM'000	31/3/19 RM'000
Segment Revenue				
Solutions	32	32	32	N/A
Communication & Multimedia	-	-	-	N/A
Education	-	-	-	N/A
Investment Holdings & Others	-	-	-	N/A
Total Revenue Including Inter- Segment Sales	32	32	32	N/A
Elimination of Inter- Segment Sales	-	-	-	-
Total Segment Revenue	32	32	32	N/A
Segment Results				
Solutions	2	(11)	2	N/A
Communication & Multimedia	(1)	(5)	(1)	N/A
Education	(7)	(10)	(7)	N/A
Investment Holdings & Others	(294)	(237)	(294)	N/A
Elimination	-	-	-	-
Operating loss	(300)	(263)	(300)	N/A

**PART A: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2020**

11. Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment during the quarter under review.

12. Subsequent Material Events

There were no material events subsequent to the end of the current reporting quarter other than as disclosed in and Explanatory Notes No. 8 - Changes in Material Litigation below.

13. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial quarter ended 31 March 2020.

14. Changes in Contingent Liabilities and Contingent Assets

There were no material changes in contingent liabilities and contingent assets since the financial year ended 31 December 2019.

15. Capital Commitments

There are no material capital commitments as at the date of this report.

**PART B: EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 31 MARCH 2020 (CONTD.)**

1. Review of Performance (Q1 2020)

The Group's revenue for the first quarter of 2020 was RM32,000, similar to that in the same quarter of the previous period. The Group reported a loss before tax of RM300,000 compared to a loss before tax of RM263,000 in the same quarter of the previous period.

The main revenue contribution for the current quarter came from the Solutions segment, similar to the corresponding quarter of the preceding year. The Group's loss tax before was due to an increase in Other Expenses.

Due to the change in the financial year end from 30 June 2019 to 31 December 2019, there were no comparative financial information available for the financial period ended 31 March 2020.

2. Comment on Material Change in Loss Before Taxation (Q1 2020 vs Q6 2019)

Loss before tax of the Group was RM300,000 for the quarter ended 31 March 2020 compared to a loss before tax of RM45,000 for the preceding quarter ended 31 December 2019. This was due to a fair value loss in our marketable securities.

3. Prospects

Due to the recent change in Government and the Covid-19 pandemic, the Ministry of Education project has been delayed. Management is continuing to focus on securing the Ministry of Education project as well as new projects to support the Group's operations.

4. Profit Forecast

There was no profit forecast issued by the Group.

5. Income Tax Expense

There was no income tax expense during the financial period under review.

**PART B: EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 31 MARCH 2020 (CONTD.)**

6. Corporate Proposal

There were no other corporate proposals announced but not completed as at the date of this report.

7. Group Borrowings and Debt Securities

There were no group borrowings and debt securities as at 31 March 2020.

8. Changes in Material Litigation

**(i) Successful FSBM and FSBM CTech Suit against Individuals and Technitium Sdn Bhd (TSB)
Kuala Lumpur High Court Civil Suit No.: 22NCC-137-04/2014**

In furtherance to the actions brought by FSBM and FSBM CTech against TSB for the recovery of debts amounting to RM8,563,212.64 and RM32,409,434.77 respectively, FSBM CTech have filed a suit in the High Court on 22 April 2014 against Dr Azman Bin Awang as 1st Defendant, Haliza Binti Bidin as 2nd Defendant, Mariana Binti Ahmad Tahar as 3rd Defendant, and TSB as 4th Defendant.

The Court delivered its Decision on 6 January 2017 which is as follows:-

- (i) the business of TSB has been carried on by the 1st and 2nd Defendants with the creditors of TSB in particular the Plaintiffs;
- (ii) the 1st and 2nd Defendants shall be jointly and severally liable and personally responsible, without any limitation of liability, for all the debts or other liabilities of TSB;
- (iii) the 1st and 2nd Defendants, jointly and/or severally do pay the outstanding debt due and owing to the 1st Plaintiff in the sum of RM 32,409,434.77 as at 18 June 2012;
- (iv) 1st and 2nd Defendants, jointly and/or severally do pay the outstanding debt due and owing to the 2nd Plaintiff in the sum of RM 8,563, 212.64 as at 18 June 2012;
- (v) Interest at the rate of 5% per annum from 18 June 2012 (the date of the Judgment) on RM40,972,647-41 until full settlement thereof;
- (vi) Costs of RM60,000.00 to be paid by the 1st and 2nd Defendants to the Plaintiffs respectively;
- (vii) Plaintiffs' claim against the 3rd Defendant dismissed with costs of RM15,000.00 to be paid by the Plaintiffs.

The Defendant had applied for a Stay of Execution, which was dismissed on 8 May 2017 with costs of RM3,000.00.

**PART B: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2020 (CONTD.)**

8. Changes in Material Litigation (CONTD.)

**(ii) FSBM and FSBM CTech against Individuals and TSB:
Court of Appeal Suit No.: W-02(IM)(NCC)(W)-213-01/2-17**

Following the Judgment on 6 January 2017 on the suit filed by FSBM and FSBM CTech in the High Court on 22 April 2014 against Dr Azman Bin Awang as 1st Defendant, Haliza Binti Bidin as 2nd Defendant, Mariana Binti Ahmad Tahar as 3rd Defendant, and TSB as 4th Defendant, the 1st and 2nd Defendants ("the Appellants") have filed a Notice of Appeal on 25 January 2017. The Appellants have filed an application for stay of execution of the Judgment pending appeal in the Court of Appeal.

FSBM and FSBM Ctech had also filed an application against the Appellants' appeal for stay on the payment of costs by the Appellants. The Court had granted a conditional stay whereby RM500,000 had to be placed with the Appellants' solicitors by 14 October 2017. The Court had also directed RM20,000 as security for costs to be paid into our lawyers' account, and the Appellants ordered to pay costs of RM5,000 to our lawyers.

Azman and Haliza had subsequently brought action against FSBM and FSBM CTech to inter alia impeach and set aside the judgements given on 20 January 2012 and 6 January 2017. Our application to strike out the claim was dismissed on 30 January 2018, and we had appealed the said decision on 28 Feb 2018, of which Hearing was set on 3 Sept 2018, but had been adjourned due to 2 Notices of Motion filed by Azman and Haliza to adduce fresh evidence and to transfer the appeal, and for it to be heard together with Appeal 213, which is on the judgement made against them. The trial was completed on 23 October 2019, and the matter is now fixed for Decision on 28 August 2020.

9. Dividend

No dividend has been recommended or declared for the current quarter and for the interim financial period under review.

**PART B: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2020 (CONTD.)**

10. Loss Per Share

The basic and diluted loss per share have been calculated based on the consolidated net loss attributable to equity holders of the parent for the interim financial period and the weighted average number of ordinary shares outstanding during the period as follows:

	3 Months Ended	
	31/3/20	31/3/19
	RM'000	RM'000
Loss attributable to equity holders of the Parent Company	(305)	(267)
Weighted average number of ordinary shares, excluding treasury shares	140,223,760	140,223,760
Basic and diluted loss per share (sen)	(0.22)	(0.19)

11. Loss Before Tax

	Current Quarter	Current Year to date
	31/3/20	31/3/20
	RM'000	RM'000
Fair value loss on investment securities	227	227
Operating lease:		
- Lease payment for buildings	25	25