

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2021 (unaudited)**

| | Individual Period 3 month Period Ended | | | Cumulative Period 6 month Period Ended | | |
|--|---|-------------------|---------------------|---|-------------------|------------------|
| | 30/6/21 RM'000 | 30/6/20 RM'000 | Changes Amt/% | 30/6/21 RM'000 | 30/6/20 RM'000 | Changes Amt/% |
| Revenue | 32 | 32 | -/0% | 64 | 64 | -/0% |
| Cost of sales | (15) | (20) | 5/25% | (18) | (40) | 22/55% |
| Gross profit | 17 | 12 | 5/42% | 46 | 24 | 22/92% |
| Other income | 13 | 0 | 13/- | 22 | 1 | 21/2100% |
| Administrative expenses | (14) | (10) | (4)/(40%) | (28) | (10) | (18)/(180%) |
| Selling and marketing expenses | (3) | (2) | (1)/(50%) | (4) | (1) | (3)/(300%) |
| Other expenses | (365) | (140) | (225)/(161%) | (411) | (442) | 31/7% |
| Operating (loss)/profit | (352) | (140) | (212)/(151%) | (375) | (440) | 65/15% |
| Finance costs | - | - | - | - | - | - |
| (Loss)/profit before tax | (352) | (140) | (212)/(151%) | (375) | (440) | 65/15% |
| Income tax expense | - | - | - | - | - | - |
| (Loss)/profit for the period, representing total comprehensive (loss)/income for the year | (352) | (140) | (212)/(151%) | (375) | (440) | 65/15% |

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2021 (unaudited) (CONTD.)**

| | Individual Period | | | Cumulative Period | | |
|---|----------------------|--------------|---------------------|----------------------|--------------|---------------|
| | 3 month Period Ended | | | 6 month Period Ended | | |
| | 30/6/21 | 30/6/20 | Changes | 30/6/21 | 30/6/20 | Changes |
| | RM'000 | RM'000 | Amt/% | RM'000 | RM'000 | Amt/% |
| (Loss)/profit attributable to: | | | | | | |
| Equity holders of the parent | (360) | (145) | (215)/(148%) | (397) | (450) | 54/12% |
| Non-controlling interests | 8 | 5 | 3/33% | 22 | 10 | 12/120% |
| | (352) | (140) | (212)/(151%) | (375) | (440) | 65/15% |
| Total comprehensive (loss)/income attributable to: | | | | | | |
| Equity holders of the parent | (360) | (145) | (215)/(148%) | (397) | (450) | 54/12% |
| Non-controlling interests | 8 | 5 | 3/33% | 22 | 10 | 12/120% |
| | (352) | (140) | (212)/(151%) | (375) | (440) | 65/15% |
| (Loss)/earning per share attributable to equity holders of the parent: (cent per share) | | | | | | |
| - basic | (0.26) | (0.10) | (0.16)/(160%) | (0.28) | (0.32) | 0.04/13% |
| - diluted | (0.26) | (0.10) | (0.16)/(160%) | (0.28) | (0.32) | 0.04/13% |

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021 (unaudited)**

| | 30/6/21 RM'000 (Unaudited) | 31/12/20 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 | 8,625 | 8,550 |
| Marketable securities | 285 | 285 |
| Tax recoverable | 35 | 35 |
| Cash and bank balances | 48 | 45 |
| | 8,993 | 8,915 |
| TOTAL ASSETS | 9,300 | 9,222 |
| 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 | (9,763) | (9,366) |
| Shareholders' funds | 4,123 | 4,520 |
| Non-controlling interests | (175) | (197) |
| Total equity | 3,948 | 4,323 |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021 (unaudited) (CONTD.)**

| | 30/6/21 RM'000 (Unaudited) | 31/12/20 RM'000 (Audited) |
|--|---|--|
| Current liabilities | | |
| Trade and other payables | 5,352 | 4,899 |
| | 5,352 | 4,899 |
| Total liabilities | 5,352 | 4,899 |
| TOTAL EQUITY AND LIABILITIES | 9,300 | 9,222 |
| Net Assets Per Share (RM/share) | 0.03 | 0.03 |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2021 (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 2021 | 10,064 | (712) | 4,534 | (9,366) | 4,520 | (197) | 4,323 |
| Total comprehensive (loss)/income | - | - | - | (375) | (397) | 22 | (375) |
| As at 30 June 2021 | 10,064 | (712) | 4,534 | (9,741) | 4,123 | (175) | 3,948 |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2021**

| | 30/6/21 RM'000 (Unaudited) |
|---|---|
| Cash flows from operating activities | |
| Loss before tax | (375) |
| <u>Adjustments for:</u> | |
| Depreciation and amortization | 0 |
| Net fair value gain for available-for-sale financial asset | 0 |
| Operating loss before working capital changes | (375) |
| Changes in working capital | |
| Net change in trade & other receivables | (75) |
| Net change in trade & other payables | 453 |
| Net change in other current assets | - |
| Cash from operations | 378 |
| Taxes refund | - |
| Net cash from operating activities | 3 |
| | |
| Net increase in cash and cash equivalents | 3 |
| Cash and cash equivalents at beginning of financial period | 45 |
| Cash and cash equivalents at end of financial period | 48 |

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 30 JUNE 2021**

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 September 2021.

2. Basis of Preparation

The condensed consolidated interim financial statements 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 year ended 31 December 2020 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 year ended 31 December 2020.

3. Significant Accounting Policies

The adoption of the new and amended MFRSs that came into effect during the financial quarter under review do not have any material effect on the financial performance or position of the Group.

On 1 January 2021, the Group has adopted the following new and amended Malaysian Financial Reporting Standards ("MFRSs") and Issues Committee ("IC") Interpretation mandatory for annual financial periods beginning on or after 1 January 2021:

Amendments to MFRS 4, MFRS 7, MFRS 9, Interest Rate Benchmark Reform - Phase 2
MFRS 16

Amendments to MFRS 16 Covid-19 - Related Rent Concessions

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 30 JUNE 2021**

3. Significant Accounting Policies (CONTD.)

The adoption of the new and amended MFRSs that came into effect during the financial quarter under review do not have any material effect on the financial performance or position of the Group.

The following Standards, Amendments and IC Interpretations have been issued by the MASB but have not been effective and have not been adopted by the Group:

Effective for financial periods beginning on or after 1 April 2021

| | |
|-----------------------|---|
| Amendments to MFRS 16 | Covid-19 – Related Rent Concessions beyond 30 June 2021 |
|-----------------------|---|

Effective for the financial periods beginning on or after 1 January 2022

| | |
|--|--|
| Amendments to MFRS 3 | Reference to the Conceptual Framework |
| Amendments to MFRS 116 | Property, Plant and Equipment - Proceeds before intended use |
| Amendments to MFRS 137 | Onerous Contracts - Cost of Fulfilling a Contract |
| Annual Improvements to MFRSs 2018 - 2020 | |

Effective for the financial periods beginning on or after 1 January 2023

| | |
|--|---|
| MFRS 17 | Insurance Contracts |
| Amendments to MFRS 17 | Insurance Contracts |
| Amendments to MFRS 101 | Classification of Liabilities as Current or Non-Current |
| Amendments to MFRS 108 | Definition of Accounting Estimates |
| Amendments to MFRS 101 and MFRS Practice Statement 2 | Disclosure of Accounting Policies |

Effective date to be announced

| | |
|------------------------------------|---|
| Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture |
|------------------------------------|---|

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 30 JUNE 2021**

4. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Report on the preceding financial statements for the financial year ended 31 December 2020 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 MRFS 134
FOR THE QUARTER ENDED 30 JUNE 2021**
10. Segment Reporting

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

| | Individual Quarter 3 month Period Ended | | Cumulative Period 6 month Period Ended | |
|---|--|---------------------------|---|---------------------------|
| | 30/6/21 RM'000 | 30/6/20 RM'000 | 30/6/21 RM'000 | 30/6/20 RM'000 |
| Segment Revenue | | | | |
| Solutions | 32 | 32 | 64 | 32 |
| Communication & Multimedia | - | - | - | - |
| Education | - | - | - | - |
| Investment Holdings & Others | - | - | - | - |
| Total Revenue Including Inter- Segment Sales | 32 | 32 | 64 | 32 |
| Elimination of Inter- Segment Sales | - | - | - | - |
| Total Segment Revenue | 32 | 32 | 64 | 32 |
| | 30/6/21 RM'000 | 30/6/20 RM'000 | 30/6/21 RM'000 | 30/6/20 RM'000 |
| Segment Results | | | | |
| Solutions | 14 | 2 | 41 | 4 |
| Communication & Multimedia | (1) | (1) | (2) | (2) |
| Education | (6) | (7) | (11) | (14) |
| Investment Holdings & Others | (359) | (134) | (403) | (428) |
| Elimination | - | - | - | - |
| Operating (loss)/profit | (352) | (140) | (375) | (440) |

**PART A: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 30 JUNE 2021**

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 30 June 2021.

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 2020.

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 30 JUNE 2021 (CONTD.)**

1. Review of Performance (Q2 2021)

The Group's revenue for the first quarter of 2021 was RM32,000 similar to that in the first quarter of 2020, being the corresponding quarter of the preceding year. The Group reported a loss before tax of RM352,000 compared to a loss before tax of RM140,000 in the same quarter of the previous year.

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 before tax was due to an increase in Other Expenses, in particular legal fees incurred.

2. Comment on Material Change in Loss Before Taxation (Q2 2021 v Q1 2021)

Loss before tax of the Group was RM352,000 for the quarter ended 30 June 2021 compared to a loss before tax of RM22,000 for the preceding quarter ended 31 March 2021. The Group's loss before tax was due to an increase in Other Expenses.

3. Prospects

The Covid19 pandemic has affected every sector of the business, both in Malaysia and across the world. The Malaysian Government is taking various measures to control the spread of the virus. Schools were closed, reopened and closed, making it ever more pressing for the Ministry of Education to introduce online learning from homes. We remain cautiously optimistic about the various opportunities in the education industry.

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 30 JUNE 2021 (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 30 June 2021.

8. Changes in Material Litigation

(i) FSBM and FSBM CTech Suit against Individuals and Technitium Sdn Bhd (TSB)

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 30 JUNE 2021 (CONTD.)**

8. Changes in Material Litigation (CONTD.)

(ii) FSBM and FSBM CTech against Individuals and TSB:

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 appeal was fixed for Hearing on 30 August 2021 and subsequently fixed for continued Hearing on 19 November 2021.

Azman and Haliza had on 27 July 2017 brought action against FSBM and FSBM CTech to inter alia impeach and set aside the judgments given on 20 January 2012 and 6 January 2017. FSBM and FSBM CTech have filed an application to strike out their claim on 29 September 2017 but was dismissed on 30 January 2018 by the High Court. An appeal to the Court of Appeal was subsequently filed against the dismissal of the striking out application on 28 February 2018. On 28 August 2020, the High Court allowed Azman dan Haliza's claim against FSBM and FSBM CTech, and Hearing of the assessment of damages was on 18 May 2021 and the decision of the said assessment of damages was delivered on 4 June 2021.

FSBM and FSBM CTech have lodged an appeal on 25 September 2020 against the High Court's decision in allowing Azman and Haliza's claim. Hearing at the Court of Appeal was held on 30 August 2021 and will continue on 19 Nov 2021.

Consequently, FSBM and FSBM CTech withdrew their appeal against the striking out application on 16 November 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 30 JUNE 2021 (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 | |
|---|-----------------------|----------------|
| | 30/6/21 | 30/6/20 |
| | RM'000 | RM'000 |
| (Loss)/profit attributable to equity holders of the Parent Company | (360) | (145) |
| Weighted average number of ordinary shares, excluding treasury shares | 140,223,760 | 140,223,760 |
| Basic and diluted loss per share (sen) | (0.26) | (0.10) |

11. Loss Before Tax

| | Current Quarter 30/6/21 RM'000 | Current Period to date 30/6/21 RM'000 |
|-------------------------------|---|--|
| Depreciation and amortization | 0 | 0 |
| Operating lease: | | |
| - Lease payment for buildings | 12 | 31 |