

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2021 (unaudited)**

	Individual Period 3 month Period Ended			Cumulative Period 12 month Period Ended		
	31/12/21 RM'000	31/12/20 RM'000	Changes Amt/%	31/12/21 RM'000	31/12/20 RM'000	Changes Amt/%
Revenue	297	32	265/828%	393	128	265/207%
Cost of sales	(150)	(18)	(132)/733%	(183)	(80)	(103)/129%
Gross profit	147	14	133/950%	210	48	162/338%
Other income	2,120	31	2,089/6,739%	2,154	32	2,122/6,631%
Administrative expenses	(9)	(18)	9/(50%)	(48)	(50)	2/(4%)
Selling and marketing expenses	0	(1)	1/(100%)	(4)	(6)	2/(33%)
Other expenses	(11,269)	(77)	(11,192)/14,535%	(11,721)	(689)	(11,032)/1,601%
Operating (loss)/profit	(9,011)	(51)	(8,960)/17,569%	(9,409)	(665)	(8,744)/1,315%
Finance costs	-	-	-	-	-	-
(Loss)/profit before tax	(9,011)	(51)	(8,960)/17,569%	(9,409)	(665)	(8,744)/1,315%
Income tax expense	-	-	-	-	-	-
(Loss)/profit for the period, representing total comprehensive (loss)/income for the year	(9,011)	(51)	(8,960)/17,569%	(9,409)	(665)	(8,744)/1,315%

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2021 (unaudited) (CONTD.)**

	Individual Period 3 month Period Ended			Cumulative Period 12 month Period Ended		
	31/12/21 RM'000	31/12/20 RM'000	Changes Amt/%	31/12/21 RM'000	31/12/20 RM'000	Changes Amt/%
(Loss)/profit attributable to:						
Equity holders of the parent	(8,760)	(51)	(8,709)/17,076%	(9,187)	(675)	(8,512)/1,261%
Non-controlling interests	(251)	-	(251)/-%	(222)	10	(232)/-2,320%
	(9,011)	(51)		(9,409)	(665)	
Total comprehensive (loss)/income attributable to:						
Equity holders of the parent	(8,760)	(51)	(8,709)/17,076%	(9,187)	(675)	(8,512)/1,261%
Non-controlling interests	(251)	-	(251)/-%	(222)	10	(232)/-2,320%
	(9,011)	(51)		(9,409)	(665)	
(Loss)/earning per share attributable to equity holders of the parent: (cent per share)						
- basic	(6.25)	(0.14)	(6)/4,365%	(6.55)	(0.46)	(6)/1,324%
- diluted	(6.25)	(0.14)	(6)/4,365%	(6.55)	(0.46)	(6)/1,324%

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021 (unaudited)**

	31/12/21	31/12/20
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	-	7
Other investments	-	300
	-	307
Current assets		
Trade and other receivables	276	8,550
Marketable securities	7	285
Tax recoverable	-	35
Cash and bank balances	229	45
	512	8,915
TOTAL ASSETS	512	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	(18,553)	(9,366)
Shareholders' funds	(4,667)	4,520
Non-controlling interests	(419)	(197)
Shareholders' deficit/Total equity	(5,086)	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 2021 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021 (unaudited) (CONTD.)**

	31/12/21 RM'000 (Unaudited)	31/12/20 RM'000 (Audited)
Current liabilities		
Trade and other payables	5,598	4,899
	5,598	4,899
Total liabilities	5,598	4,899
TOTAL EQUITY AND LIABILITIES	512	9,222
Net Liabilities/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 2021 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 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	-	-	-	(9,187)	(9,187)	(222)	(9,409)
As at 31 December 2021	10,064	(712)	4,534	(18,553)	(4,667)	(419)	(5,086)

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	31/12/21 RM'000 (Unaudited)
Cash flows from operating activities	
Loss before tax	(9,409)
<u>Adjustments for:</u>	
Impairment of PPE	7
Debts written off	9,334
Liabilities written back	(2,112)
Impairment loss on other investment	300
Net fair value loss for financial asset	278
Operating loss before working capital changes	(1,602)
Changes in working capital	
Net change in trade & other receivables	(1,060)
Net change in trade & other payables	2,811
Cash from operations	149
Tax recoverable written off	35
Net cash from operating activities	184
Net increase in cash and cash equivalents	184
Cash and cash equivalents at beginning of financial period	45
Cash and cash equivalents at end of financial period	229

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 31 DECEMBER 2021**

1. Corporate Information

FSBM Holdings Berhad ("FSBM") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad ("BMSB"). FSBM and its subsidiaries are hereinafter referred to as the "Group".

These condensed consolidated financial statements were approved by the Board of Directors on 28 February 2022.

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, MFRS 16	Interest Rate Benchmark Reform - Phase 2
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9
Amendments to MFRS 16	Covid-19 - Related Rent Concessions

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 31 DECEMBER 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 31 December 2021
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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 17	Initial Application of MFRS 17 and MFRS 9- Comparative Information
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
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 31 DECEMBER 2021**

3. Significant Accounting Policies (CONTD.)

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

4. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Report on the preceding financial statements for the financial year ended 31 December 2021 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 31 DECEMBER 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 12 month Period Ended	
	31/12/21 RM'000	31/12/20 RM'000	31/12/21 RM'000	31/12/20 RM'000
Segment Revenue				
Solutions	297	32	393	128
Communication & Multimedia	-	-	-	-
Education	-	-	-	-
Investment Holdings & Others	-	-	-	-
Total Revenue Including Inter- Segment Sales	297	32	393	128
Elimination of Inter- Segment Sales	-	-	-	-
Total Segment Revenue	297	32	393	128
	31/12/21 RM'000	31/12/20 RM'000	31/12/21 RM'000	31/12/20 RM'000
Segment Results				
Solutions	(9,092)	(8)	(9,036)	(2)
Communication & Multimedia	70	(17)	66	(20)
Education	9	(18)	(7)	(38)
Investment Holdings & Others	(2)	(8)	(432)	(605)
Elimination	-	-	-	-
Operating (loss)/profit	(9,011)	(51)	(9,409)	(665)

**PART A: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 DECEMBER 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 Part B: 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 December 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 31 DECEMBER 2021 (CONTD.)**

1. Review of Performance (Q4 2021)

The Group's revenue for the fourth quarter of 2021 was RM297,000, compared to RM32,000 in the corresponding quarter of the preceding year. This increase was mainly due to the commencement of development projects during the quarter under review.

Notwithstanding the above, the Group had recorded a higher loss after taxation in the current quarter compared to that of in the previous quarter. The higher loss was mainly due to the higher other expenses of RM11,721,000 offset against other income of RM2,154,000.

During the quarter, the Group had wrote back payables resulting in an increase in other income, while also impairing financial assets and writing off doubtful debts.

Taking into cognisance our financial position in the past few years, these significant accounting adjustments are in a prudent response to better ascertain the Group's financial position as at 31 December 2021.

2. Comment on Material Change in Loss Before Taxation (Q4 2021 v Q3 2021)

The higher loss in the current quarter compared to the previous quarter is mainly due to the higher in the other expenses.

3. Prospects

We remain cautiously optimistic given that the Covid-19 pandemic has affected every sector of the business world, both in Malaysia and across the world. As COVID-19 has accelerated digital adoption, we believe that Group as an IT solutions and systems provider is potentially in capturing new growth opportunities in Technologies Industry.

Barring unforeseen circumstances, we are positive of the Group's performance moving forward.

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 DECEMBER 2021 (CONTD.)**

6. Corporate Proposal

As at the date of issuance of this quarterly result, save as disclosed below, there are no corporate proposals announced but not completed:-

On 15 October, the Company had announced a Proposed Regularization Plan to Bursa Malaysia Securities Berhad, including:

- (a) a proposed shares issuance of 60 million new ordinary shares at a subscription price of RM0.08 per share, representing approximately 30% of FSBM Holdings Berhad enlarged issued shares after the shares issuance;
- (b) a proposed renounceable rights issue of up to 250,006,290 new FSBM shares on the basis of 1 rights share ("Rights Shares") for every 1 existing FSBM share held, together with up to 125,003,145 free detachable warrants ("Warrants") on the basis of 1 Warrant for every 2 Rights Shares subscribed for, on an entitlement date to be determined and announced later;
- (c) a proposed disposal of 2 wholly-owned subsidiaries, namely FSBM Ctech Sdn Bhd and Unos Sdn Bhd for a total cash consideration of RM2.0 million; and
- (d) a proposed capital reduction exercise to be carried out by the Company, pursuant to Section 116 of the Companies Act, 2016 to reduce the share capital of the Company. Bursa Securities had approved the extension of time up to 15 April 2022 for FSBM to submit a regularisation plan. Barring any unforeseen circumstances, the Company proposes to submit the Proposed Regularisation Plan by 15 April 2022.

On 13th and 15th October 2021, the Group had announced that it had secured several contracts.

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

7. Group Borrowings and Debt Securities

There were no group borrowings and debt securities as at 31 December 2021.

**PART B: EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 31 DECEMBER 2021 (CONTD.)**

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 31 DECEMBER 2021 (CONTD.)****8. Changes in Material Litigation (CONTD.)****(i) FSBM and FSBM CTech Suit 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 on 22 February 2022. The Decision on the appeal was as follows:

- i. Appeal is allowed in part;
- ii. The Appellants are liable for the sum of RM1,948,330-45;
- iii. Interest of 5% per annum from 18.6.2012 on the sum of RM1,948,330-45 until the date of realisation;
- iv. The sum of RM1,948,330-45 and the 5% per annum until the date of realisation (ii and iii above) to be paid by the Appellants (joint and severally) to Liquidator of Techinitium Sdn Bhd (In Liquidation) (Company No. 517516-X);
- v. Costs of RM60,000-00 pursuant to the High Court Judgment dated 6.1.2017 is set aside and be fixed at RM20,000-00 to be paid by the Appellants to the Respondents;
- vi. Costs of RM10,000-00 to be paid by the Respondents to the Appellants for this appeal.

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 on 22 February 2022. The Decision on the appeal was as follows:

- i. Appeal is allowed;
- ii. High Court Judgment dated 28 August 2021 is set aside;
- iii. Costs of RM 120,000-00 (here and below) to be paid by the Respondents to the Appellants

**PART B: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 DECEMBER 2021 (CONTD.)**

9. Dividend

No dividend has been recommended or declared for the financial period under review.

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 financial period and the weighted average number of ordinary shares outstanding during the period as follows:

	3 months Ended	
	31/12/21	31/12/20
	RM'000	RM'000
Loss attributable to equity holders of the Parent Company	(8,760)	(51)
Weighted average number of ordinary shares, excluding treasury shares	140,223,760	140,223,760
Basic and diluted loss per share (sen)	(6.25)	(0.04)

11. Loss Before Tax

	Current Quarter 31/12/21 RM'000	Current Period to date 31/12/21 RM'000
Liabilities written back	(2,112)	(2,112)
Fair value loss on investment securities	278	278
Debts written off	9,334	9,334
Provision of impairment of marketable securities	300	300
Operating lease: - Lease payment for buildings	25	75