

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2022 (unaudited)**

	Individual Period 3 month Period Ended			Cumulative Period 3 month Period Ended		
	31/3/22 RM'000	31/3/21 RM'000	Changes Amount / %	31/3/22 RM'000	31/3/21 RM'000	Changes Amount / %
Revenue	1,894	32	1,862/>100%	1,894	32	1,862/>100%
Cost of sales	(897)	(3)	894/>100%	(897)	(3)	894/>100%
Gross profit	997	29	968/>100%	997	29	968/>100%
Other income	-	9	(9)/100%	-	9	(9)/100%
Administrative expenses	(316)	(14)	(302)/>100%	(316)	(14)	(302)/100%
Selling and marketing expenses	-	(1)	1/100%	-	(1)	1/100%
Other expenses	(90)	(45)	(45)/100%	(90)	(45)	(45)/100%
Operating profit/(loss)	591	(22)	613/>100%	591	(22)	613/>100%
Finance costs	-	-	-	-	-	-
Profit/(loss) before tax	591	(22)	613/>100%	591	(22)	613/>100%
Income tax expense	-	-	-	-	-	-
Profit/(loss) for the period, representing total comprehensive income/(loss) for the period	591	(22)	613/>100%	591	(22)	613/>100%

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 MARCH 2022 (unaudited) (CONTD.)**

	Individual Period 3 month Period Ended			Cumulative Period 3 month Period Ended		
	31/3/22 RM'000	31/3/21 RM'000	Changes Amount	31/3/22 RM'000	31/3/21 RM'000	Changes Amount
Profit/(loss) attributable to:						
Equity holders of the parent	585	(36)	621/>100%	585	(36)	621/>100%
Non-controlling interests	6	14	8/57%	6	14	8/57%
	591	(22)		591	(22)	
Total comprehensive income/(loss) attributable to:						
Equity holders of the parent	585	(36)	621/>100%	585	(36)	621/>100%
Non-controlling interests	6	14	8/57%	6	14	8/57%
	591	(22)		591	(22)	
Earning/(loss) per share attributable to equity holders of the parent: (cent per share)						
- basic	0.42	(0.03)	0/>100%	0.42	(0.03)	0/>100%
- diluted	0.42	(0.03)	0/>100%	0.42	(0.03)	0/>100%

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 MARCH 2022 (unaudited)**

	31/3/22	31/12/21
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	7	-
Other investments	360	360
	367	360
Current assets		
Trade and other receivables	1,120	153
Marketable securities	7	7
Contract asset	844	123
Cash and bank balances	525	229
	2,496	512
TOTAL ASSETS	2,863	872
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	(16,155)	(16,740)
Shareholders' deficit	(2,269)	(2,854)
Non-controlling interests	(2,087)	(2,093)
Total Equity	(4,356)	(4,947)

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 MARCH 2022 (unaudited) (CONTD.)**

	31/3/22 RM'000 (Unaudited)	31/12/21 RM'000 (Audited)
Current liabilities		
Trade and other payables	7,219	5,819
Total liabilities	7,219	5,819
 TOTAL EQUITY AND LIABILITIES	 2,863	 872
 Net Liabilities 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 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 MARCH 2022 (unaudited)

	----- Attributable to Equity Holders of the Parent Company -----						Total Equity RM'000
	----- 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	
As at 1 January 2022	10,064	(712)	4,534	(16,740)	(2,854)	(2,093)	(4,947)
Total comprehensive income	-	-	-	585	585	6	591
As at 31 March 2022	10,064	(712)	4,534	(16,155)	(2,269)	(2,087)	(4,356)

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 MARCH 2022**

	31/3/22 RM'000 (Unaudited)
Cash flows from operating activities	
Profit before tax	591
Changes in working capital	
Net change in trade & other receivables	(967)
Net change in contract assets	(721)
Net change in trade & other payables	902
Net cash used in operating activities	(195)
Cash flows from investing activities	
Purchase of property, plant and equipment	(7)
Net cash generated from investing activities	353
Cash flows from financing activity	
Advance from directors	498
Net cash generated from financing activity	498
Net increase in cash and cash equivalents	296
Cash and cash equivalents at beginning of financial period	229
Cash and cash equivalents at end of financial period	525

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 31 MARCH 2022****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 ("Bursa Securities"). FSBM and its subsidiaries are hereinafter referred to as the "Group".

These condensed consolidated financial statements were approved by the Board of Directors on 17 May 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 Securities. 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 2021 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 2021.

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 2022, 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 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 MFRS Standards 2018 – 2020	

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 31 MARCH 2022**

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 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

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
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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 31 MARCH 2022**

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.

The Auditors were unable to confirm or verify by alternative means the opening balances making up the statements of financial position for the financial year ended 30 June 2018, for the financial period ended 31 December 2019 and for the financial year ended 31 December 2020.

During the financial year ended 31 December 2021, the Directors of the Company and its subsidiaries had conducted a review of the assets, liabilities and equity of the Group and of the Company as majority of these balances have been outstanding and/or without movement for many years. Following the review, the details of which are stated in the respective notes to the financial statements, certain assets had been written off and/or written down to its recoverable amounts and certain liabilities have been stated based on the liabilities established vide the confirmation exercise conducted, and with provisions and accruals estimated based on the probability of outflow of resources required to settle these obligations. These adjustments have been taken as current year adjustments in the statement of comprehensive income for the preceding financial year ended 31 December 2021.

The financial statements of the Group and the Company for the financial year ended 31 December 2021 had been prepared on the assumption that the Group and the Company will continue as going concern.

The ability of the Group and of the Company to continue as going concern is highly dependent on the successful submission, approval, and subsequent implementation of the Regularisation Plan of the Group and of the Company to restore their financial positions and to achieve sustainable and viable operations.

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.

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 31 MARCH 2022**
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.

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 3 month Period Ended	
	31/3/22 RM'000	31/3/21 RM'000	31/3/22 RM'000	31/3/21 RM'000
Segment Revenue				
Platform Design and Development	1,719	-	1,719	-
Refurbishment Services	143	-	143	-
Technical Support and Maintenance Service	32	32	32	32
Communication & Multimedia	-	-	-	-
Education	-	-	-	-
Investment Holdings & Others	-	-	-	-
Total Revenue Including Inter-Segment Sales				
Elimination of Inter-Segment Sales	-	-	-	-
Total Segment Revenue	1,894	32	1,894	32

**PART A: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2022**
10. Segment Reporting (Contd.)

	31/3/22 RM'000	31/3/21 RM'000	31/3/22 RM'000	31/3/21 RM'000
Segment Results				
Platform Design and Development Refurbishment Services	878	-	878	-
Technical Support and Maintenance Service	73	-	73	-
Communication & Multimedia	13	27	13	27
Education	(1)	(1)	(1)	(1)
Investment Holdings & Others	(3)	(5)	(3)	(5)
	<u>(369)</u>	<u>(43)</u>	<u>(369)</u>	<u>(43)</u>
Elimination	-	-	-	-
Operating profit/(loss)	591	(22)	591	(22)

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

For the period from 1 April 2022 to 16 May 2022, 29,065,910 new ordinary shares in the Company were issued arising from the conversion of warrants. Each warrant entitles the registered warrant holder to subscribe for one new ordinary share in the Company at an exercise price of RM0.30 per ordinary share.

The Company has incorporated a wholly-owned subsidiary, FSBM Solutions Sdn Bhd on 27 April 2022. The principal activity for this newly incorporated subsidiary is provision of network security solutions and other related services.

Save for the above, 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.

**PART A: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2022**

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 2022.

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 2021.

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 2022 (CONTD.)**

1. Review of Performance (Q1 2022)

The Group's revenue for the first quarter of 2022 was RM1,894,000, compared to RM32,000 in the corresponding quarter of the preceding year. This increase was mainly due to the commencement of platform design and development projects during the quarter under review. The Group reported a profit before tax of RM591,000 compared to a loss before tax of RM22,000 in the same quarter of the previous year.

The main revenue contribution for the current quarter came from the Platform Design and Development segment.

2. Comment on Material Change in Profit Before Taxation (Q1 2022 v Q4 2021)

The higher profit in the current quarter compared to the previous quarter is mainly due to the higher profit generated from platform design and development projects.

3. Prospects

We remain cautiously optimistic given the impact of the Covid-19 pandemic across all sectors of the economy. Nevertheless, COVID-19 and Government initiatives had driven businesses to adopt digitalization which will also benefit the IT services industry. We believe the Group, as an IT solutions and systems provider, is well positioned to capture opportunities within the IT services industry.

Barring unforeseen circumstances, we are cautiously optimistic 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 MARCH 2022 (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 2021, the Company had announced a Proposed Regularization Plan to Bursa Securities, 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.

**PART B: EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 31 MARCH 2022 (CONTD.)**

7. Group Borrowings and Debt Securities

There were no group borrowings and debt securities as at 31 March 2022.

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 RM32,409,434.77 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 RM8,563, 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 2022 (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 RM120,000.00 to be paid by the Respondents to the Appellants

**PART B: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2022 (CONTD.)**
9. Dividend

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

10. Profit/(Loss) Per Share

The basic and diluted profit/(loss) per share have been calculated based on the consolidated net profit/(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	
	31/3/22	31/3/21
	RM'000	RM'000
Profit/(loss) attributable to equity holders of the Parent Company	585	(36)
Weighted average number of ordinary shares, excluding treasury shares	140,223,760	140,223,760
Basic and diluted profit/(loss) per share (sen)	0.42	(0.03)

11. Profit Before Tax

	Current Quarter 31/3/22 RM'000	Current Period to date 31/3/22 RM'000
Directors' fee	227	227
Directors' salaries, allowance and statutory contribution	68	68
Operating lease:		
- Lease payment for buildings	9	9