

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 JUNE 2023 (unaudited)**

	Individual Period 3 month Period Ended			Cumulative Period 6 month Period Ended		
	30/06/23 RM'000	30/06/22 RM'000	Changes Amt/%	30/06/23 RM'000	30/06/22 RM'000	Changes Amt/%
Revenue	3,544	2,987	557/19%	6,652	4,881	1,771/36%
Cost of sales	(1,337)	(1,410)	73/5%	(3,139)	(2,308)	(831)/36%
<b>Gross profit</b>	<b>2,207</b>	<b>1,577</b>	<b>630/40%</b>	<b>3,513</b>	<b>2,573</b>	<b>940/37%</b>
Other income	7	42	(35)/83%	10	42	(32)/76%
Administrative expenses	(462)	(418)	(44)/11%	(653)	(733)	80/(11%)
Selling and marketing expenses	(75)	(27)	(48)/>100%	(145)	(27)	(118)/>100%
Other expenses	(957)	(435)	(522)/>100%	(1,753)	(525)	(1,228)/>100%
<b>Operating profit</b>	<b>720</b>	<b>739</b>	<b>(19)/3%</b>	<b>972</b>	<b>1,330</b>	<b>(358)/27%</b>
Finance costs	(1)	-		(4)	-	
<b>Profit before tax</b>	<b>719</b>	<b>739</b>	<b>(20)/3%</b>	<b>968</b>	<b>1,330</b>	<b>(362)/27%</b>
Income tax expense	(515)	-		(545)	-	
<b>Profit for the period, representing total comprehensive income for the year</b>	<b>204</b>	<b>739</b>	<b>(535)/72%</b>	<b>423</b>	<b>1,330</b>	<b>(747)/68%</b>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 JUNE 2023 (unaudited) (CONTD.)**

	Individual Period 3 month Period Ended			Cumulative Period 6 month Period Ended		
	30/06/23 RM'000	30/06/22 RM'000	Changes Amt/%	30/06/23 RM'000	30/06/22 RM'000	Changes Amt/%
Profit attributable to:						
Equity holders of the parent	226	742	(516)/70%	443	1,327	(884)/67%
Non-controlling interests	(22)	(3)	(19)/>100%	(20)	3	(23)/>100%
	<b>204</b>	<b>739</b>		<b>423</b>	<b>1,330</b>	
Total comprehensive income attributable to:						
Equity holders of the parent	226	742	(516)/70%	443	1,327	(884)/67%
Non-controlling interests	(22)	(3)	(19)/>100%	(20)	3	(23)/>100%
	<b>204</b>	<b>739</b>		<b>423</b>	<b>1,330</b>	
Earning per share attributable to equity holders of the parent: (cent per share)						
- basic	0.13	0.53	(0)/77%	0.27	0.95	(1)/71%
- diluted	0.13	0.53	(0)/77%	0.27	0.95	(1)/71%

*The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023 (unaudited)**

	<b>30/06/23</b>	<b>31/12/22</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,667	1,873
Intangible assets	5	5
Research and development	400	400
Right of use asset	129	169
Deferred tax asset	268	268
	<b>2,469</b>	<b>2,715</b>
<b>Current assets</b>		
Trade and other receivables	7,361	6,401
Contract assets	500	818
Marketable securities	7	4
Cash and bank balances	3,701	4,503
	<b>11,569</b>	<b>11,726</b>
<b>TOTAL ASSETS</b>	<b>14,038</b>	<b>14,441</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	24,314	24,314
Treasury shares	(712)	(712)
Accumulated losses	(10,666)	(11,109)
<b>Shareholders' funds</b>	<b>12,936</b>	<b>12,493</b>
Non-controlling interests	<b>(2,082)</b>	<b>(2,062)</b>
<b>Total equity</b>	<b>10,854</b>	<b>10,431</b>

*The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023 (unaudited) (CONTD.)**

	<b>30/06/23</b>	<b>31/12/22</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Non-current liabilities</b>		
Deferred taxation	204	166
Lease liabilities	77	77
	<b>281</b>	<b>243</b>
<b>Current liabilities</b>		
Trade and other payables	2,240	3,480
Contract liabilities	60	-
Tax payable	549	193
Lease liabilities	54	94
	<b>2,903</b>	<b>3,767</b>
<b>Total liabilities</b>	<b>3,184</b>	<b>4,010</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>14,038</b>	<b>14,441</b>
<b>Net Assets Per Share (RM/share)</b>	<b>0.07</b>	<b>0.06</b>

*The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2023 (unaudited)**

|----- Attributable to Equity Holders of the Parent Company -----|  
|--- Non-distributable --| |----- Distributable-----|

	Share Capital RM'000	Treasury Shares 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
<b>As at 1 January 2023</b>	<b>24,314</b>	<b>(712)</b>	<b>(11,109)</b>	<b>12,493</b>	<b>(2,062)</b>	<b>10,431</b>
<b>Total comprehensive income</b>	-	-	443	<b>443</b>	(20)	<b>423</b>
<b>As at 30 June 2023</b>	<b>24,314</b>	<b>(712)</b>	<b>(10,666)</b>	<b>12,936</b>	<b>(2,082)</b>	<b>10,854</b>

*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 2022 and the accompanying explanatory notes attached to the interim financial statements.*

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2023**

	<b>30/06/23</b>
	<b>RM'000</b>
	<b>(Unaudited)</b>
<b>Cash flows from operating activities</b>	
<b>Profit before tax</b>	<b>968</b>
<b><u>Adjustments for:</u></b>	
Depreciation	267
Interest expense	4
Net fair value gain for available-for-sale financial asset	(3)
<b>Operating income before working capital changes</b>	<b>1,236</b>
<b>Changes in working capital</b>	
Net change in trade & other receivables	(960)
Net change in trade & other payables	(1,214)
Net change in contract assets	318
Net change in contract liabilities	60
<b>Cash used in operations</b>	<b>(560)</b>
Interest paid	(4)
Tax paid	(150)
<b>Net cash used in operating activities</b>	<b>(714)</b>
<b>Cash flows from investing activities</b>	
Purchase of property, plant and equipment	(21)
Additions to intangible assets	(1)
<b>Net cash used in investing activities</b>	<b>(22)</b>
<b>Cash flows from financing activities</b>	
Lease liabilities	(39)
Increase in amount due to directors	(27)
<b>Net cash used in financing activities</b>	<b>(66)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(802)</b>
<b>Cash and cash equivalents at beginning of financial year</b>	<b>4,503</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>3,701</b>

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134  
FOR THE QUARTER ENDED 30 JUNE 2023**

**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 11 August 2023.

**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 BMSB. 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 2022 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 2022.

**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 2023, the Group has adopted the following new and amended MFRSs and Issues Committee ("IC") Interpretation mandatory for annual 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

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134  
FOR THE QUARTER ENDED 30 JUNE 2023**

**3. Significant Accounting Policies (CONTD.)**

Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform – Pillar Two Model Rules

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

Amendments to MFRS 16	Lease Liability in a Sales and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

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 30 JUNE 2023**

**4. Auditors' Report on Preceding Annual Financial Statements**

The preceding audited financial statements for the financial year ended 31 December 2022 was not subject to any qualification.

**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 except for the issuance of new ordinary shares via exercise of warrants.

**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 30 JUNE 2023**
**10. Segment Reporting**

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

	<b>Individual Quarter 3 month Period Ended</b>		<b>Cumulative Period 6 month Period Ended</b>	
	<b>30/06/23 RM'000</b>	<b>30/06/22 RM'000</b>	<b>30/06/23 RM'000</b>	<b>30/06/22 RM'000</b>
<b>Segment Revenue</b>				
Platform Design and Development	2,698	2,617	5,207	4,336
Refurbishment Services	-	314	-	457
Technical Support and Maintenance Service	215	32	341	64
Lease/Rental Service	143	24	287	24
Managed Security Service	279	-	551	-
Smart Manufacturing Solutions	273	-	337	-
Investment Holdings & Others	483	-	483	-
<b>Total Revenue Including Inter-Segment Sales</b>	<b>4,091</b>	<b>2,987</b>	<b>7,206</b>	<b>4,881</b>
Elimination of Inter-Segment Sales	(547)	-	(554)	-
<b>Total Segment Revenue</b>	<b>3,544</b>	<b>2,987</b>	<b>6,652</b>	<b>4,881</b>

**PART A: EXPLANATORY NOTES PURSUANT TO MRFS 134  
FOR THE QUARTER ENDED 30 JUNE 2023**
**10. Segment Reporting (CONTD.)**

	Individual Quarter 3 month Period Ended		Cumulative Period 6 month Period Ended	
	30/06/23 RM'000	30/06/22 RM'000	30/06/23 RM'000	30/06/22 RM'000
<b>Segment Results</b>				
Platform Design and Development	649	1,397	1,368	2,275
Refurbishment Services	-	(28)	-	45
Technical Support and Maintenance Service	-	18	36	31
Lease/Rental Service	21	24	42	24
Managed Security Service	(13)	(118)	14	(118)
Smart Manufacturing Solutions	(23)	-	(58)	-
Investment Holdings & Others	(430)	(554)	(979)	(927)
<b>Operating profit</b>	<b>204</b>	<b>739</b>	<b>423</b>	<b>1,330</b>

**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 are no other material events subsequent to the end of the quarter save for the following:-

The sealed court order of the High Court of Malaya dated 20 July 2023 confirming the Proposed Capital Reduction has been lodged with Companies Commission of Malaysia on 25 July 2023. The Capital Reduction was completed on that date.

The Company had issued and allotted 60,000,000 Subscription Shares to the Subscribers on 2 August 2023 at the Subscription Price of RM0.08 each.

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**PART A: EXPLANATORY NOTES PURSUANT TO MRFS 134  
FOR THE QUARTER ENDED 30 JUNE 2023**

**13. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the second quarter ended 30 June 2023.

**14. Changes in Contingent Liabilities and Contingent Assets**

There were no contingent liabilities nor contingent assets as at 30 June 2023

**15. Capital Commitments**

Capital commitments for property, plant and equipment not provided for as at 30 June 2023 were as follows:-

	<b>As at 30/06/2023 RM'000</b>
Approved and contracted for	<u><u>225</u></u>

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**PART B: EXPLANATORY NOTES PURSUANT TO MFRS 134  
FOR THE QUARTER ENDED 30 JUNE 2023 (CONTD.)**

**1. Review of Performance (Q2 2023)**

The Group's revenue for the second quarter of 2023 was RM3,544,000, compared to RM2,987,000 in the corresponding quarter. This increase was mainly due to the recognition of higher revenue of Platform Design and Development projects, Managed Security Services and Smart Manufacturing projects during the quarter under review. The Group reported a lower profit after tax of RM423,000 compared to a profit after tax of RM739,000 in the corresponding quarter due to higher tax expenses and exceptional expenses related to Regularisation Plan.

**2. Comment on Material Change in Profit Before Taxation (Q2 2023 v Q1 2023)**

The Group recorded lower profit of RM203,000 in the current quarter compared to the preceding quarter of RM220,000 which is mainly due to higher tax expenses and exceptional expenses related to Regularisation Plan.

**3. Prospects**

We are optimistic but vigilant on the Company's prospects for the remaining year. Nevertheless, government initiatives have driven businesses to adopt digitalization, and as such, we believe that we are well positioned to capture opportunities within the IT services industry.

The Group current initiatives and focus are in Managed Security Services, Smart Manufacturing Solutions, Platform Design and Development, Technical Support and Other Services, and their alignment with the current initiatives in Malaysia's tech sector. The Group will continue to build on our strengths and pitch for new contracts to increase its pipeline.

Looking forward, we remain committed to meeting the evolving needs of our customers and staying ahead of the curve in the fast-changing tech industry.

**4. Profit Forecast**

There was no profit forecast issued by the Group.

**PART B: EXPLANATORY NOTES PURSUANT TO MFRS 134  
FOR THE QUARTER ENDED 30 JUNE 2023 (CONTD.)**
**5. Income Tax Expense**

	Individual Quarter		Cumulative Quarter	
	Current year	Preceding	Current	Preceding
	Quarter	Year	Year to	Year
	30.06.2023	Corresponding	Date	Corresponding
	30.06.2023	Quarter	30.06.2023	Period
	RM'000	30.06.2022	RM'000	30.06.2022
		RM'000		RM'000
Estimated tax payable	477	-	507	-
Deferred tax	38	-	38	-
	<u>515</u>	<u>-</u>	<u>545</u>	<u>-</u>

**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 Malaysia Securities Berhad. Bursa Securities Berhad had vide its letter dated 7 April 2023, resolved to approve the Proposed Regularisation Plan of the Company comprising the following:

- (a) Proposed Capital Reduction exercise to be carried out by FSBM Holdings Berhad, pursuant to Section 116 of the Act to reduce the share capital of FSBM Holdings Berhad;
- (b) Proposed Shares Issuance of 60.0 million Subscription Shares to Subscribers at the subscription price of RM0.08 per Subscription Share; and
- (c) Proposed renounceable rights issue of up to 236,659,300 Rights Shares on the basis of 1 Rights Share for every 1 existing FSBM Share held, together with up to 118,329,650 free Warrants on the basis of 1 Warrant for every 2 Rights Shares subscribed for, on an entitlement date to be determined and announced later; and

The Proposed Regularisation Plan was approved by the Company's shareholders on 22 May 2023 Extraordinary General Meeting ("EGM"). The sealed court order of the High Court of Malaya dated 20 July 2023 confirming the Proposed Capital Reduction has been lodged with Companies Commission of Malaysia on 25 July 2023. The Capital Reduction was completed on that date.

The Company had issued and allotted 60,000,000 Subscription Shares to the Subscribers on 2 August 2023 at the Subscription Price of RM0.08 each.

Save and except for that, there were no material events subsequent to the end of the current reporting quarter.

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**PART B: EXPLANATORY NOTES PURSUANT TO MFRS 134  
FOR THE QUARTER ENDED 30 JUNE 2023 (CONTD.)**

**7. Group Borrowings and Debt Securities**

There were no group borrowings and debt securities as at 30 June 2023.

**8. Material Litigation**

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

We refer to action taken 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 and FSBM CTech had filed a suit in the High Court against Dr Azman Bin Awang (Azman), Haliza Binti Bidin (Haliza), Mariana Binti Ahmad Tahar and TSB as 4th Defendant. Judgement was delivered on 6 January 2017 where Azman and Haliza were held jointly and severally liable and personally responsible, without any limitation of liability, for all the debts or other liabilities of TSB.

Following previous announcements, FSBM and FSBM Ctech had filed 2 Judgment Debtor Summons on 23 May 2022 against Azman and Haliza respectively for the outstanding RM135,200.00 costs granted by the court. On 2 March 2023, the Court delivered its Decision which is as follows:-

- (i) The first Judgment Debtor to pay the Judgment Creditor in monthly installments of RM3,000.00 effective March 2023 on/before the 7th of each month until full settlement of the outstanding amount of RM118,720.00; and
- (ii) Cost of RM500.00 to be paid by the first Judgment Debtor to the Judgment Creditor.
- (iii) The 2nd judgment debtor to pay the judgment creditor in monthly installments of RM200.00 effective March 2023 on/before the 7th of each month until full settlement of the outstanding sum of RM118,720.00; and
- (iv) Costs of RM500.00 to be paid by the 2nd Judgment Debtor to the judgment creditor.

FSBM and FSBM CTech will continue to pursue to recover the sum from TSB and/or its directors Azman and Haliza including bankruptcy proceedings.

There is no outstanding material litigation during the financial period under review.

**8. Dividend**

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

**PART B: EXPLANATORY NOTES PURSUANT TO MRFS 134  
FOR THE QUARTER ENDED 30 JUNE 2023 (CONTD.)**
**9. Profit Per Share**

The basic and diluted profit per share have been calculated based on the consolidated net profit 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:

	<b>3 months Ended</b>	
	<b>30/06/23</b>	<b>30/06/22</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit attributable to equity holders of the Parent Company	226	742
Weighted average number of ordinary shares, excluding treasury shares ('000)	163,935	176,659
Basic and diluted profit per share (sen)	0.13	0.42

**10. Profit Before Tax**

	<b>Current Quarter 30/06/23 RM'000</b>	<b>Current Period to date 30/06/23 RM'000</b>
Regularisation Plan expenses	407	740
Depreciation	130	267