

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 JUNE 2022 (unaudited)**

	Individual Period 3 month Period Ended			Cumulative Period 6 month Period Ended		
	30/6/22 RM'000	30/6/21 RM'000	Changes Amt/%	30/6/22 RM'000	30/6/21 RM'000	Changes Amt/%
Revenue	2,987	32	2,955/>100%	4,881	64	4,817/>100%
Cost of sales	(1,410)	(15)	1,395/>100%	(2,308)	(18)	2,290/>100%
<b>Gross profit</b>	<b>1,577</b>	<b>17</b>	<b>1,560/&gt;100%</b>	<b>2,573</b>	<b>46</b>	<b>2,527/&gt;100%</b>
Other income	42	13	29/>100%	42	22	20/91%
Administrative expenses	(418)	(14)	(404)/>100%	(733)	(28)	(705)/>100%
Selling and marketing expenses	(27)	(3)	(24)/>100%	(27)	(4)	(23)/ >100%
Other expenses	(435)	(365)	(70)/19%	(525)	(411)	(114)/28%
<b>Operating profit/(loss)</b>	<b>739</b>	<b>(352)</b>	<b>1,091/&gt;100%</b>	<b>1,330</b>	<b>(375)</b>	<b>1,705/&gt;100%</b>
Finance costs	-	-	-	-	-	-
<b>Profit/(loss) before tax</b>	<b>739</b>	<b>(352)</b>	<b>1,091/&gt;100%</b>	<b>1,330</b>	<b>(375)</b>	<b>1,705/&gt;100%</b>
Income tax expense	-	-	-	-	-	-
<b>Profit/(loss) for the period, representing total comprehensive income/(loss) for the year</b>	<b>739</b>	<b>(352)</b>	<b>1,091/&gt;100%</b>	<b>1,330</b>	<b>(375)</b>	<b>1,705/&gt;100%</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 2021 and the accompanying explanatory notes attached to the interim financial statements.*

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 JUNE 2022 (unaudited) (CONTD.)**

	Individual Period 3 month Period Ended			Cumulative Period 6 month Period Ended		
	30/6/22 RM'000	30/6/21 RM'000	Changes Amt/%	30/6/22 RM'000	30/6/21 RM'000	Changes Amt/%
Profit/(loss) attributable to:						
Equity holders of the parent	742	(360)	1,102/>100%	1,327	(397)	1,724/>100%
Non-controlling interests	(3)	8	(11)/>100%	3	22	(19)/86%
	<b>739</b>	<b>(352)</b>		<b>1,330</b>	<b>(375)</b>	
Total comprehensive income/(loss) attributable to:						
Equity holders of the parent	742	(360)	1,102/>100%	1,327	(397)	1,724/>100%
Non-controlling interests	(3)	8	(11)/>100%	3	22	(19)/86%
	<b>739</b>	<b>(352)</b>		<b>1,330</b>	<b>(375)</b>	
Earning/(loss) per share attributable to equity holders of the parent: (cent per share)						
- basic	0.53	(0.26)	1/>100%	0.95	(0.28)	1/>100%
- diluted	0.53	(0.26)	1/>100%	0.95	(0.28)	1/>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 30 JUNE 2022 (unaudited)**

	<b>30/6/22</b> <b>RM'000</b> <b>(Unaudited)</b>	<b>31/12/21</b> <b>RM'000</b> <b>(Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,222	-
Other investments	4	360
	<b>1,226</b>	<b>360</b>
<b>Current assets</b>		
Trade and other receivables	4,634	153
Marketable securities	-	7
Contract asset	488	123
Tax recoverable	-	-
Cash and bank balances	5,550	229
	<b>10,672</b>	<b>512</b>
<b>TOTAL ASSETS</b>	<b>11,898</b>	<b>872</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	24,314	10,064
Treasury shares	(712)	(712)
Other reserves	-	4,534
Accumulated losses	(14,197)	(16,740)
<b>Total equity/(shareholders' deficit)</b>	<b>9,405</b>	<b>(2,854)</b>
Non-controlling interests	<b>(2,090)</b>	<b>(2,093)</b>
<b>Total equity/(shareholders' deficit)</b>	<b>7,315</b>	<b>(4,947)</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 2021 and the accompanying explanatory notes attached to the interim financial statements.*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022 (unaudited) (CONTD.)**

	<b>30/6/22</b> <b>RM'000</b> <b>(Unaudited)</b>	<b>31/12/21</b> <b>RM'000</b> <b>(Audited)</b>
<b>Current liabilities</b>		
Trade and other payables	4,583	5,819
	<b>4,583</b>	<b>5,819</b>
<b>Total liabilities</b>	<b>4,583</b>	<b>5,819</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>11,898</b>	<b>872</b>
<b>Net Assets/(Liabilities) Per Share (RM/share)</b>	<b>0.04</b>	<b>(0.04)</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 2021 and the accompanying explanatory notes attached to the interim financial statements.*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2022 (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
<b>As at 1 January 2022</b>	<b>10,064</b>	<b>(712)</b>	<b>4,534</b>	<b>(16,740)</b>	<b>(2,854)</b>	<b>(2,093)</b>	<b>(4,947)</b>
<b>Issuance of ordinary shares:</b>							
- Exercise of warrants	14,250	-	(4,534)	1,216	10,932	-	10,932
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,327</b>	<b>1,327</b>	<b>3</b>	<b>1,330</b>
<b>As at 30 June 2022</b>	<b>24,314</b>	<b>(712)</b>	<b>-</b>	<b>(14,197)</b>	<b>9,405</b>	<b>(2,090)</b>	<b>7,315</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 2021 and the accompanying explanatory notes attached to the interim financial statements.*

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2022**

	<b>30/6/22</b> <b>RM'000</b> <b>(Unaudited)</b>
<b>Cash flows from operating activities</b>	
<b>Profit before tax</b>	<b>1,330</b>
Other income	(40)
Changes of fair value of other investment	3
<b>Changes in working capital</b>	
Net change in trade & other receivables	(4,481)
Net change in contract assets	(365)
Net change in trade & other payables	(215)
<b>Net cash used in operating activities</b>	<b>(3,768)</b>
<b>Cash flows from investing activities</b>	
Purchase of property, plant and equipment	(1,222)
Proceeds from disposal of other investment	360
<b>Net cash used in investing activities</b>	<b>(862)</b>
<b>Cash flows from financing activity</b>	
Proceeds from issuance of ordinary shares	
- Exercise of warrants	10,932
Repayment to directors	(981)
<b>Net cash generated from financing activity</b>	<b>9,951</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,321</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>229</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>5,550</b>

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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134  
FOR THE QUARTER ENDED 30 JUNE 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 ("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 30 August 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 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 30 JUNE 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 30 JUNE 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 30 JUNE 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 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.

**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		Cumulative Period	
	3 month Period Ended		6 month Period Ended	
	30/6/22	30/6/21	30/6/22	30/6/21
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Platform Design and Development	2,617	-	4,336	-
Refurbishment Services	314	-	457	-
Technical Support and Maintenance Service	32	32	64	64
Lease/Rental Service	24	-	24	-
Managed Security Service	-	-	-	-
Communication & Multimedia	-	-	-	-
Education	-	-	-	-
Investment Holdings & Others	-	-	-	-
<b>Total Revenue Including Inter-Segment Sales</b>				
Elimination of Inter-Segment Sales	-	-	-	-
<b>Total Segment Revenue</b>	<b>2,987</b>	<b>32</b>	<b>4,881</b>	<b>64</b>

**PART A: EXPLANATORY NOTES PURSUANT TO MRFS 134  
FOR THE QUARTER ENDED 30 JUNE 2022**
**10. Segment Reporting (CONTD.)**

	<b>30/6/22</b> <b>RM'000</b>	<b>30/6/21</b> <b>RM'000</b>	<b>30/6/22</b> <b>RM'000</b>	<b>30/6/21</b> <b>RM'000</b>
<b>Segment Results</b>				
Platform Design and Development	1,397	-	2,275	-
Refurbishment Services	(28)	-	45	-
Technical Support and Maintenance Service	18	14	31	41
Lease/Rental Service	24		24	
Managed Security Service	(118)	-	(118)	-
Communication & Multimedia	(1)	(1)	(2)	(2)
Education	(6)	(6)	(9)	(11)
Investment Holdings & Others	(547)	(359)	(916)	(403)
Elimination	-	-	-	-
<b>Operating profit/(loss)</b>	<b>739</b>	<b>(352)</b>	<b>1,330</b>	<b>(375)</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 were no material events subsequent to the end of the current reporting quarter.

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**PART A: EXPLANATORY NOTES PURSUANT TO MRFS 134  
FOR THE QUARTER ENDED 30 JUNE 2022**

**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 2022.

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

There were no contingent liabilities nor contingent assets since the financial year ended 31 December 2021.

**15. Capital Commitments**

Capital commitments for property, plant and equipment not provided for as at 30 June 2022 were as follows:-

	<b>As At 30/6/22 RM'000</b>
Approved and contracted for	<u>187</u>

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**PART B: EXPLANATORY NOTES PURSUANT TO MFRS 134  
FOR THE QUARTER ENDED 30 JUNE 2022 (CONTD.)**

**1. Review of Performance (Q2 2022)**

The Group's revenue for the second quarter of 2022 was RM2,987,000, compared to RM32,000 in the corresponding quarter. This increase was mainly due to the commencement of development projects during the quarter under review. The Group reported a profit before tax of RM739,000 compared to a loss before tax of RM22,000 in the corresponding quarter.

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 (Q2 2022 v Q1 2022)**

The higher profit in the current quarter compared to the previous quarter is mainly due to the higher profit generated from 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, and as such, we believe that we are well positioned to capture opportunities within the IT services industry.

The Group is exploring new opportunities to expand its offering into the Managed Security Services, with the objective to enhance the Group's business sustainability and continuity. The Group has set up the Managed Security Service division during the year and secured the contracts for more than a year. Moreover, the Group is now offering smart manufacturing solutions.

The Group continues to explore opportunities in digital technology to further provide innovative solutions to customers and create value for the Group.

**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.

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**PART B: EXPLANATORY NOTES PURSUANT TO MFRS 134  
FOR THE QUARTER ENDED 30 JUNE 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 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 13 and 15 October 2021, the Group had announced that it had secured several contracts.

On 8 November 2021 and 9 November 2021, the Group had announced that Bursa Securities had vide its letter dated 8 November 2021 approved the extension of times up to 15 April 2022 for the Group to submit its regularisation plan.

On 15 April 2022, the Group had announced that the Company had on 15 April 2022 via an exchange of letter agreed to vary the condition precedent of the conditional share sale agreement for the proposed disposal.

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 2022 (CONTD.)**

**7. Group Borrowings and Debt Securities**

There were no group borrowings and debt securities as at 30 June 2022.

**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 CTech had filed a suit in the High Court against Dr Azman Bin Awang, Haliza Binti Bidin, 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 that judgement, Azman and Haliza had brought action against FSBM and FSBM CTech to inter alia impeach and set aside the judgments given.

The High Court allowed Azman and Haliza's claim against FSBM and FSBM CTech, and the decision of the said assessment of damages was delivered on 4 June 2021.

FSBM and FSBM CTech subsequently lodged an appeal on 25 September 2020 against the High Court's decision in allowing Azman and Haliza's claim. The Appeal was allowed, and the High Court judgment dated 28 August 2021 was set aside on 22 February 2022 with costs of RM120,000.00 to be paid by the Respondents to the Appellants.

As the time limit to file a motion in the Federal Court for leave to appeal has since lapsed, therefore the decision of the court of appeal is final and conclusive.

Save for the above, there is no outstanding material litigation during the financial period under review.

**9. 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 2022 (CONTD.)**

**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:

	<b>3 months Ended</b>	
	<b>30/6/22</b>	<b>30/6/21</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit / (loss) attributable to equity holders of the Parent Company	742	(360)
Weighted average number of ordinary shares, excluding treasury shares	176,659,300	140,223,760
Basic and diluted profit / (loss) per share (sen)	0.42	(0.26)

**11. Profit Before Tax**

	<b>Current Quarter 30/6/22 RM'000</b>	<b>Current Period to date 30/6/22 RM'000</b>
Operating lease: - Lease payment for buildings	26	35