

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

	Individual Period 3 month Period Ended			Cumulative Period 9 month Period Ended		
	30/09/23 RM'000	30/09/22 RM'000	Changes Amt/%	30/09/23 RM'000	30/09/22 RM'000	Changes Amt/%
Revenue	2,598	3,514	(916)/26%	9,250	8,395	855/10%
Cost of sales	(1,484)	(1,580)	95/6%	(4,623)	(3,887)	(736)/19%
Gross profit	1,114	1,934	(821)/42%	4,627	4,508	119/3%
Other income	-	-	-	11	35	(24)/69%
Administrative expenses	(327)	(329)	2/1%	(980)	(1,062)	82/(8%)
Selling and marketing expenses	(90)	(18)	(72)/>100%	(235)	(45)	(190)/>100%
Other expenses	(432)	(592)	160/27%	(2,185)	(1,111)	(1,074)/97%
Operating profit	265	995	(730)/73%	1,238	2,325	(1,087)/47%
Finance costs	(4)	-		(7)	-	
Profit before tax	261	995	(734)/74%	1,231	2,325	(1,094)/47%
Income tax expense	-	(148)		(545)	(148)	
Profit for the period, representing total comprehensive income for the year	261	847	(586)/69%	686	2,177	(1,491)/68%

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 SEPTEMBER 2023 (unaudited) (CONTD.)**

	Individual Period 3 month Period Ended			Cumulative Period 9 month Period Ended		
	30/09/23 RM'000	30/09/22 RM'000	Changes Amt/%	30/09/23 RM'000	30/09/22 RM'000	Changes Amt/%
Profit attributable to:						
Equity holders of the parent	247	852	(605)/71%	691	2,178	(1,487)/68%
Non-controlling interests	14	(5)	19/>100%	(5)	(1)	(4)/>100%
	261	847		686	2,177	
Total comprehensive income attributable to:						
Equity holders of the parent	247	852	(605)/71%	691	2,178	(1,487)/68%
Non-controlling interests	14	(5)	19/>100%	(5)	(1)	(4)/>100%
	261	847		686	2,177	
Earning per share attributable to equity holders of the parent: (cent per share)						
- basic	0.05	0.48	(0)/75%	0.39	1.23	(1)/68%
- diluted	0.05	0.48	(0)/75%	0.39	1.23	(1)/68%

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 SEPTEMBER 2023 (unaudited)**

	30/09/23	31/12/22
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	2,721	1,873
Intangible assets	6	5
Research and development	227	400
Right of use asset	94	169
Deferred tax asset	268	268
	3,316	2,715
Current assets		
Trade and other receivables	8,346	6,401
Contract assets	584	818
Marketable securities	7	4
Cash and bank balances	12,872	4,503
	21,809	11,726
	25,125	14,441
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	21,028	24,314
Treasury shares	(712)	(712)
Accumulated profit/(losses)	3,874	(11,109)
Shareholders' funds	24,190	12,493
Non-controlling interests	(2,067)	(2,062)
Total equity	22,123	10,431

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 SEPTEMBER 2023 (unaudited) (CONTD.)**

	30/09/23	31/12/22
	RM'000	RM'000
	(Unaudited)	(Audited)
Non-current liabilities		
Deferred taxation	247	166
Lease liabilities	98	77
	345	243
Current liabilities		
Trade and other payables	2,350	3,480
Contract liabilities	-	-
Tax payable	307	193
Lease liabilities	-	94
	2,657	3,767
Total liabilities	3,002	4,010
TOTAL EQUITY AND LIABILITIES	25,125	14,441
Net Assets Per Share (RM/share)	0.03	0.06

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 SEPTEMBER 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
As at 1 January 2023	24,314	(712)	(11,109)	12,493	(2,062)	10,431
Issuance of shares	11,899	-	-	11,899	-	11,899
Capital reduction	(14,292)	-	14,292	-	-	-
Capitalisation of corporate exercise fee	(893)	-	-	(893)	-	(893)
Total comprehensive income	-	-	691	691	(5)	686
As at 30 September 2023	21,028	(712)	3,874	24,190	(2,067)	22,123

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 SEPTEMBER 2023**

	30/09/23
	RM'000
	(Unaudited)
Cash flows from operating activities	
Profit before tax	1,231
<u>Adjustments for:</u>	
Depreciation	417
Interest expense	4
Net fair value gain for available-for-sale financial asset	(3)
Operating income before working capital changes	1,649
Changes in working capital	
Net change in trade & other receivables	(1,945)
Net change in trade & other payables	(1,401)
Net change in contract assets	234
	(1,463)
Interest paid	(4)
Tax paid	(150)
Net cash used in operating activities	(1,617)
Cash flows from investing activities	
Purchase of property, plant and equipment	(790)
Additions to intangible assets	(1)
Additions to research and development	(227)
Net cash used in investing activities	(1,018)
Cash flows from financing activities	
Proceeds from issuance of shares	11,006
Lease liabilities	25
Increase in amount due to directors	(27)
Net cash generated from financing activities	11,004
Net increase in cash and cash equivalents	8,369
Cash and cash equivalents at beginning of financial year	4,503
Cash and cash equivalents at end of financial period	12,872

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

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 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 Malaysian Financial Reporting Standards ("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
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current

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

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

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 SEPTEMBER 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

Save for the Share Issuance, Right Issue and issuance of Warrants which are disclosed in Part B Note 6 Corporate Proposal, 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 MFRS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2023**
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 9 month Period Ended	
	30/9/23 RM'000	30/9/22 RM'000	30/9/23 RM'000	30/9/22 RM'000
Segment Revenue				
Platform Design and Development	396	3,055	5,603	7,390
Refurbishment Services	487	-	487	458
Technical Support and Maintenance Service	673	32	1,014	96
Lease/Rental Service	144	143	431	167
Managed Security Service	286	212	837	212
Smart Manufacturing Solutions	751	72	1,088	72
Investment Holdings & Others	185	-	668	-
Total Revenue Including Inter-Segment Sales	2,922	3,514	10,128	8,395
Elimination of Inter-Segment Sales	(324)	-	(878)	-
Total Segment Revenue	2,598	3,514	9,250	8,395

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

	30/9/23 RM'000	30/9/22 RM'000	30/9/23 RM'000	30/9/22 RM'000
Segment Results				
Platform Design and Development	913	971	2,281	3,246
Refurbishment Services	18	(4)	18	41
Technical Support and Maintenance Service	(499)	(47)	(463)	(16)
Lease/Rental Service	27	3	69	27
Managed Security Service	30	2	44	(116)
Smart Manufacturing Solutions	73	347	15	347
Investment Holdings & Others	(301)	(425)	(1,278)	(1,352)
Operating profit	261	847	686	2,177

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 October 2023 to 28 November 2023, 2,773,350 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 RM0.05 per ordinary share.

Save for the above, there are no other material events subsequent to the end of the quarter.

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

13. Changes in the Composition of the Group

There were no changes in the composition of the Group during the first quarter ended 30 September 2023.

14. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities nor contingent assets as at 30 September 2023.

15. Capital Commitments

There were no material capital commitments as at 30 September 2023.

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

1. Review of Performance (Q3 2023)

The Group's revenue for the third quarter of 2023 was RM2.59 million, compared to RM3.51 million in the corresponding quarter. This decrease was mainly due to lower revenue of Platform Design and Development projects during the quarter under review. The Group accordingly reported a profit after tax of RM261,000 compared to a profit after tax of RM995,000 in the corresponding quarter due to exceptional expenses related to Regularisation Plan of RM377,000.

2. Comment on Material Change in Profit Before Taxation (Q3 2023 v Q2 2023)

The Group recorded higher profit of RM261,000 in the current quarter compared to the preceding quarter of RM204,000 as ordinary course of business continue.

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.

Moving 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 SEPTEMBER 2023 (CONTD.)**
5. Income Tax Expense

	Individual Quarter		Cumulative Quarter	
	Current year Quarter 30/09/2023 RM'000	Preceding Year Corresponding Quarter 30/09/2022 RM'000	Current Year to Date 30/09/2023 RM'000	Preceding Year Corresponding Period 30/09/2022 RM'000
Estimated tax payable	(43)	380	464	380
Deferred tax	43	(232)	81	(232)
	<u>-</u>	<u>148</u>	<u>545</u>	<u>148</u>

6. Corporate Proposal

The Proposed Capital Reduction was completed on 25 July 2023. On 26 September 2023, the Company has successfully completed the Proposed Shares Issuance of 60.0 million Subscription Shares to Subscribers at the subscription price of RM0.08 per Subscription Share which raised RM4,800,000; and 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 at RM0.03 per Rights Share, together with up to 118,329,650 free Warrants on the basis of 1 Warrant for every 2 Rights Shares subscribed for ("Rights Issue with Warrants") which raised RM7,099,779.

The status of the utilization of the proceeds from Shares Issuance and Rights Issue with Warrants as at 28 November 2023 was as follows:-

<u>Details of Utilisation</u>	<u>Timeframe for utilisation</u>	<u>Proposed Utilisation</u>	<u>Actual Utilisation</u>	<u>Balance</u>
		RM'000	RM'000	RM'000
Expansion of IT services business	Within 36 months	5,907	709	5,198
General working capital	Within 24 months	3,993	1,591	2,402
Defray estimated expenses for the Regularisation Plan	Within 3 months	2,000	2,000	-
Total		<u>11,900</u>	<u>4,300</u>	<u>7,600</u>

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

7. Group Borrowings and Debt Securities

There were no group borrowings and debt securities as at 30 September 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 to FSBM's favour.

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.

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 SEPTEMBER 2023 (CONTD.)**

10. 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:

	3 months Ended	
	30/09/23	30/09/22
	RM'000	RM'000
Profit attributable to equity holders of the Parent Company	247	852
Weighted average number of ordinary shares, excluding treasury shares ('000)	473,319	176,659
Basic and diluted profit per share (sen)	0.05	0.48

11. Profit Before Tax

	Current Quarter	Current Period to date
	30/09/23	30/09/23
	RM'000	RM'000
Regularisation Plan expenses	377	1,117
Depreciation	150	417