

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2023 (unaudited)**

	Individual Period 3 month Period Ended			Cumulative Period 12 month Period Ended		
	31/12/23 RM'000	31/12/22 RM'000	Changes Amt/%	31/12/23 RM'000	31/12/22 RM'000	Changes Amt/%
Revenue	3,585	4,120	(535)/13%	12,835	12,514	321/3%
Cost of sales	(1,279)	(2,417)	1,138/47%	(5,902)	(6,303)	401/6%
Gross profit	2,306	1,703	603/35%	6,933	6,211	722/12%
Other income	66	1,401	(1,335)/95%	77	1,436	(1,359)/95%
Administrative expenses	(638)	(114)	(524)/>100%	(1,618)	(1,176)	(442)/38%
Selling and marketing expenses	(94)	(91)	(3)/3%	(329)	(136)	(193)/>100%
Other expenses	(637)	(379)	(258)/68%	(2,823)	(1,490)	(1,333)/89%
Operating profit	1,003	2,520	(1,517)/60%	2,240	4,845	(2,605)/54%
Finance costs	(2)	(8)	6/75%	(10)	(8)	(2)/25%
Profit before tax	1,001	2,512	(1,511)/60%	2,230	4,837	(2,607)/54%
Income tax expense	198	(243)	441/>100%	(348)	(391)	43/11%
Profit for the period, representing total comprehensive income for the year	1,199	2,269	(1,070)/47%	1,882	4,446	(2,564)/58%

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 31 DECEMBER 2023 (unaudited) (CONTD.)**

	Individual Period 3 month Period Ended			Cumulative Period 12 month Period Ended		
	31/12/23 RM'000	31/12/22 RM'000	Changes Amt/%	31/12/23 RM'000	31/12/22 RM'000	Changes Amt/%
Profit attributable to:						
Equity holders of the parent	1,252	2,236	(984)/44%	1,941	4,415	(2,474)/56%
Non-controlling interests	(53)	33	(86)/>100%	(59)	31	(90)/>100%
	1,199	2,269	(1,070)/47%	1,882	4,446	(2,564)/58%
Total comprehensive income attributable to:						
Equity holders of the parent	1,252	2,236	(984)/44%	1,941	4,415	(2,474)/56%
Non-controlling interests	(53)	33	(86)/>100%	(59)	31	(90)/>100%
	1,199	2,269	(1,070)/47%	1,882	4,446	(2,564)/58%
Earning per share attributable to equity holders of the parent: (cent per share)						
- basic	0.26	1.36	(1)/81%	0.76	2.69	(2)/72%
- diluted	0.22	1.36	(1)/84%	0.57	2.69	(2)/79%

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 31 DECEMBER 2023 (unaudited)**

	31/12/23	31/12/22
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	1,523	1,873
Intangible assets	1,147	5
Research and development	737	400
Right of use asset	75	169
Deferred tax asset	278	268
	3,760	2,715
Current assets		
Trade and other receivables	8,004	6,401
Contract assets	-	818
Marketable securities	7	4
Cash and bank balances	14,017	4,503
	22,028	11,726
TOTAL ASSETS	25,788	14,441
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	21,367	24,314
Capital reduction reserve	3,624	-
Treasury shares	(712)	(712)
Accumulated profit/(loss)	1,500	(11,109)
Shareholders' funds	25,779	12,493
Non-controlling interests	(2,121)	(2,062)
Total equity	23,658	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 31 DECEMBER 2023 (unaudited) (CONTD.)**

	31/12/23	31/12/22
	RM'000	RM'000
	(Unaudited)	(Audited)
Non-current liabilities		
Deferred taxation	101	166
Lease liabilities	19	77
	120	243
Current liabilities		
Trade and other payables	1,616	3,480
Contract liabilities	148	-
Tax payable	188	193
Lease liabilities	58	94
	2,010	3,767
Total liabilities	2,130	4,010
TOTAL EQUITY AND LIABILITIES	25,788	14,441
Net Assets Per Share (RM/share)	0.05	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 31 DECEMBER 2023 (unaudited)

	Share Capital RM'000	Treasury Shares RM'000	Other Reserve RM'000	Capital Reduction Reserve RM'000	Warrants Reserve RM'000	Accumulated Profit/(Loss) 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	4,800	-	-	-	-	-	4,800	-	4,800
Issuance of Rights Shares with Warrants	7,099	-	(2,054)	-	2,054	-	7,099	-	7,099
Conversion of warrants	339	-	118	-	(118)	-	339	-	339
Capital reduction	(14,292)	-	-	3,624	-	10,668	-	-	-
Expenses set off against share capital in relation to Shares Issuance and Rights Issue with Warrants	(893)	-	-	-	-	-	(893)	-	(893)
Total comprehensive income	-	-	-	-	-	1,941	1,941	(59)	1,882
As at 31 December 2023	21,367	(712)	(1,936)	3,624	1,936	1,500	25,779	(2,121)	23,658

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 31 DECEMBER 2023 (unaudited)**

	31/12/23 RM'000 (Unaudited)
Cash flows from operating activities	
Profit before tax	2,230
<u>Adjustments for:</u>	
Depreciation and amortisation	554
Interest expense	4
Net fair value gain for financial asset	(3)
Operating income before working capital changes	2,785
Changes in working capital	
Net change in trade & other receivables	(1,603)
Net change in trade & other payables	(1,837)
Net change in contract assets	818
Net change in contract liabilities	148
	311
Interest paid	(4)
Tax paid	(428)
Net cash used in operating activities	(121)
Cash flows from investing activities	
Purchase of property, plant and equipment	(110)
Additions to intangible assets	(1,142)
Additions to research and development	(337)
Net cash used in investing activities	(1,589)
Cash flows from financing activities	
Proceeds from issuance of shares – Shares Issuance	4,594
Proceeds from issuance of shares – Rights Issue	6,412
Proceeds from issuance of shares – warrants conversion	339
Lease liabilities	(94)
Increase in amount due to directors	(27)
Net cash generated from financing activities	11,224
Net increase in cash and cash equivalents	9,514
Cash and cash equivalents at beginning of financial year	4,503
Cash and cash equivalents at end of financial year	14,017

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 31 DECEMBER 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 31 May 2024.

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 Group has adopted amendments to MFRS 101, Presentation of Financial in Statements and MFRS Practice Statement 2 – Making Materiality Judgements from 1 January 2023. The amendments require the disclosure of "material", rather than "significant", accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's accounting policies, it impacted on the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to financial statements where relevant.

The Group has adopted the above accounting pronouncements in current financial year. Other than the above, the other accounting pronouncements as described below did not have any significant effect on the financial statements of the Group.

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 31 DECEMBER 2023**

3. Significant Accounting Policies (CONTD.)

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 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 2024

Amendments to MFRS 16	Lease Liability in a Sales and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-Current
Amendments to MFRS 7 and MFRS 107	Supplier Financial Arrangements

Effective for the financial periods beginning on or after 1 January 2025

Amendments to MFRS 121	Lack of Exchangeability
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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 DECEMBER 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 modification.

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, Rights Issue and issuance of Warrants which are disclosed in Part B Note 6 Corporate Proposal and the issuance of new ordinary shares via exercise of warrants, 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 31 DECEMBER 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		Cumulative Period	
	3 month Period Ended		12 month Period Ended	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Platform Design and Development	730	2,823	6,333	10,213
Refurbishment Services	485	-	972	458
Technical Support and Maintenance Service	1,488	65	2,502	161
Lease/Rental Service	143	144	574	311
Managed Security Service	293	289	1,130	501
Smart Manufacturing Solutions	693	832	1,781	903
Investment Holdings & Others	255	1,098	923	1,098
Total Revenue Including Inter-Segment Sales	4,087	5,251	14,215	13,645
Elimination of Inter-Segment Sales	(502)	(1,131)	(1,381)	(1,131)
Total Segment Revenue	3,585	4,120	12,835	12,514

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 31 DECEMBER 2023**
10. Segment Reporting (CONTD.)

	3 month Period Ended		12 month Period Ended	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
Segment Results				
Platform Design and Development	487	(794)	2,768	2,452
Refurbishment Services	2	(3)	20	38
Technical Support and Maintenance Service	669	175	206	159
Lease/Rental Service	11	55	80	82
Managed Security Service	(17)	4	27	(112)
Smart Manufacturing Solutions	169	534	184	881
Investment Holdings & Others	(212)	2,024	(1,493)	672
Total Including Transactions	1,109	1,995	1,792	4,172
Elimination	90	274	90	274
Total Profit	1,199	2,269	1,882	4,446

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

Subsequent to the fourth quarter of 2023, 2,294,800 new ordinary shares 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.

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134
FOR THE QUARTER ENDED 31 DECEMBER 2023**

13. Changes in the Composition of the Group

There were no changes in the composition of the Group during the fourth quarter ended 31 December 2023.

14. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities nor contingent assets as at 31 December 2023.

15. Capital Commitments

Capital commitments for property, plant and equipment not provided for as at 31 December 2023 were as follows:-

	As At 31/12/23 RM'000
Approved and contracted for	<u>1,968</u>

PART B: ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD FOR THE QUARTER ENDED 31 DECEMBER 2023

1. Review of Performance (Q4 2023)

The Group's revenue for current quarter was RM3.58 million, compared to RM4.12 million in the corresponding quarter. The Group registered higher revenue on Technical Support and Maintenance services segment while a lower revenue on Platform Design segment.

The Group's profit after tax for the current quarter was RM1.19 million compared to RM2.27 million in the corresponding quarter due to lower other income. In the corresponding quarter, the Group recorded higher other income of RM1.40 million, primarily derived from reversal of provisions for penalties, late charges, and write-offs of other payables.

2. Comment on Material Change in Profit Before Taxation (Q4 2023 v Q3 2023)

The Group achieved an increase in profit of RM1.19 million in the current quarter, compared to RM261,000 in the preceding quarter. This improvement is primarily driven by the strong performance of our technical support and maintenance segment.

3. Prospects

We will be focusing on delivering specialised services throughout our business segments in two key domains: Analytics & Business Intelligence (A&BI) and Artificial Intelligence of Things (AIoT). We are confident that this will position us to seize opportunities across various fronts, including Managed Security Services, Smart Manufacturing Solutions, Platform Design and Development, Technical Support, and Other Services.

We continue in our commitment to meet the dynamic needs of our clients and remain at the forefront of the rapidly evolving technology landscape.

4. Profit Forecast

There was no profit forecast issued by the Group.

PART B: ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD FOR THE QUARTER ENDED 31 DECEMBER 2023 (CONTD.)
5. Income Tax Expense

	Individual Quarter		Cumulative Quarter	
	Current year Quarter 31.12.2023 RM'000	Preceding Year Corresponding Quarter 31.12.2022 RM'000	Current Year to Date 31.12.2023 RM'000	Preceding Year Corresponding Period 31.12.2022 RM'000
Estimated tax payable	39	112	503	492
Deferred tax	(237)	131	(155)	(101)
	<u>(198)</u>	<u>243</u>	<u>348</u>	<u>391</u>

6. Corporate Proposals

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:-

Details of Utilitsation	Timeframe of utilisation	Proposed Utilisation	Actual Utilisation	Balance
		RM'000	RM'000	RM'000
Expansion of IT services business	Within 36 months	5,907	1,244	4,662
General working capital	Within 24 months	3,993	3,318	675
Defray estimated expenses for the Regularisation Plan	Within 3 months	2,000	2,000	-
Total		11,900	6,562	5,337

PART B: ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD FOR THE QUARTER ENDED 31 DECEMBER 2023 (CONT'D)

7. Group Borrowings and Debt Securities

There were no group borrowings and debt securities as at 31 December 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: ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD FOR THE QUARTER ENDED 31 DECEMBER 2023 (CONTD.)
10. Earnings Per Share ("EPS")

The basic and diluted earnings 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	
	31/12/23	31/12/22
	RM'000	RM'000
Profit attributable to equity holders of the Parent Company	1,252	2,236
<u>Basic EPS:</u>		
Weighted average number of ordinary shares, excluding treasury shares ('000)	475,832	163,934
Basic EPS (sen)	0.26	1.36
<u>Diluted EPS:</u>		
Weighted average number of ordinary shares for basic EPS excluding treasury shares ('000)	475,832	163,934
Effect of dilution:		
- Exercise of Warrants ('000 units)	95,239	-
Weighted average number of ordinary shares for diluted EPS, excluding treasury shares ('000)	571,071	163,934
Diluted EPS (sen)	0.22	1.36

11. Profit Before Tax

	Current Quarter	Current Period to date
	31/12/23	31/12/23
	RM'000	RM'000
Regularisation Plan expenses	123	1,240
Depreciation and amortisation	137	554