FSBM HOLDINGS BERHAD

Registration No.: 198401003091 (115609-U)
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2021

Contents	**Pages**

FSBM HOLDINGS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of distribution of computers, computers related products, education related products, provision of related services and investment holding. The principal activities of its subsidiaries are disclosed in Note 9 to the financial statements.

There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

RESULTS

	Group RM'000	Company RM'000
Loss for the financial year attributable to:		
Owners of the Company	(9,326)	(915)
Non-controlling interests	56	-
	(9,270)	(915)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Company is not in a position to pay or declare dividends for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUANCE OF SHARES OR DEBENTURES

The Company has not issued any shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

WARRANTS 2012/2022

The principal terms of the Warrants 2012/2022 are disclosed in Note 17 to the financial statements.

DIRECTORS OF THE COMPANY

The Directors of the Company in office since the beginning of the financial year to the date of this report are:

Dato' Tan Hock San @ Tan Hock Ming *	
Tan Wan Yen	
Ng Yew Soon	
Darren Tey Giap Turn	(appointed on 12 April 2022)
Mok Kar Foo	(appointed on 12 October 2021)
Pang Kiew Kun	(appointed on 12 October 2021)
Abdul Jalil Bin Abdul Jamil	(resigned on 11 March 2022)
Tan Ee Ern*	(resigned on 11 March 2022)
Dato' Ir Dr Abdul Rahim bin Daud*	(resigned on 12 April 2022)

*This Director is also the Director of subsidiaries included in the financial statements of the Group for the financial year ended 31 December 2021.

DIRECTORS OF SUBSIDIARIES OF THE COMPANY

Pursuant to Section 253(2) of the Companies Act 2016, the Directors who served in the subsidiaries of the Company since the beginning of the financial year to the date of this report excluding those who are already the Directors of the Company are as follows:

Ng Kok Kiong	(appointed on 18 October 2021)
Ahmad Rashidi bin Abd Rahman	(resigned on 18 October 2021)

DIRECTORS' INTERESTS

The interests and deemed interest in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of Ordinary Shares			
	At 1.1.2021 Unit	**Bought Unit**	**Sold Unit**	**At 31.12.2021 Unit**
Name of Director				
Ordinary shares in the Company				
FSBM Holdings Berhad				
Direct interest:				
- Dato' Tan Hock San @ Tan Hock Ming	19,605,700	-	2,600,000	17,005,700
- Dato' Ir Dr Abdul Rahim bin Daud	24,500	-	-	24,500
- Tan Wan Yen	681,900	-	680,000	1,900
Indirect interest*:				
- Dato' Tan Hock San @ Tan Hock Ming	26,076,200	-	4,068,000	22,008,200
- Tan Wan Yen	25,480,000	-	4,068,000	21,412,000

DIRECTORS' INTERESTS (cont'd)

The interests and deemed interest in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows: (cont'd)

	Number of Warrants 2012/2022			
	At 1.1.2021 Unit	**Bought Unit**	**Sold Unit**	**At 31.12.2021 Unit**
Warrants 2012/2022				
Direct interest:				
- Dato' Tan Hock San @ Tan Hock Ming	4,200	-	-	4,200
- Dato' Ir Dr Abdul Rahim bin Daud	24,500	-	-	24,500
- Tan Wan Yen	5,700	-	-	5,700
Indirect interest*:				
- Dato' Tan Hock San @ Tan Hock Ming	11,028,600	-	-	11,028,600
- Tan Wan Yen	10,778,000	-	-	10,778,000

* Indirect interest (shares held by companies in which the Director is deemed to have an interest and/or shares held by children).

The above mentioned Directors, by virtue of their interests in shares of the Company, are also deemed to have interest in shares of the Company's subsidiaries to the extent that the Company has an interest.

The other Directors in office at the end of the financial year does not have any interest in the ordinary shares of the Company or its related corporations during the financial year.

DIRECTORS' REMUNERATION AND BENEFITS

The amount of fees and other benefits paid to or receivable by the Directors or past Directors of the Company and the estimated money value of any other benefits received or receivable by them otherwise than in cash from the Company or its subsidiaries for their services to the Company or its subsidiaries were as follows:

	Company RM'000
Other emoluments	17

DIRECTORS' REMUNERATION AND BENEFITS (cont'd)

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than Directors' emoluments received or due and receivable as disclosed in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than disclosed in Note 20 to the financial statements.

There were no arrangements during or at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than the Warrants 2012/2022 held by certain Directors.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

   (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

   (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent;

   (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;

   (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

   (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

(c) At the date of this report, there does not exist:

   (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

   (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

OTHER STATUTORY INFORMATION (cont'd)

(d) In the opinion of the Directors:

(i) no contingent or other liability has become enforceable, or likely to become enforceable, within the period of twelve months after the end of the financial year, which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due (other than the matters pertaining to the ongoing legal case described in Note 11 to the financial statements);

(ii) the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature (other than the adjustments arising from the review of the assets and liabilities conducted on the Group and on the Company during the financial year); and

(iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

(e) The total amount paid to or receivable by the auditors as remuneration for their services as auditors for the financial year from the Company and its subsidiaries are disclosed in Note 5 to the financial statements.

(f) There was no amount paid to or receivable by any third party in respect of the services provided to the Company or any of its subsidiaries by any Director or past Director of the Company.

(g) There was no indemnity given to or insurance effected for any Director, officer or auditor of the Company and its subsidiaries.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The details of the significant events during the financial year are disclosed in Note 25 to the financial statements.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

The details of the significant events during the financial year are disclosed in Note 26 to the financial statements.

AUDITORS

The auditors, Messrs. Moore Stephens Associates PLT, have expressed their willingness to continue in office.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 14 April 2022.

DATO' TAN HOCK SAN @ TAN HOCK MING

PANG KIEW KUN

FSBM HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements as set out on pages 13 to 61 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and cash flows for the financial year then ended.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 14 April 2022.

DATO' TAN HOCK SAN @ TAN HOCK MING

PANG KIEW KUN

STATUTORY DECLARATION
Pursuant to Section 251(1) of the Companies Act 2016

I, Pang Kiew Kun, being the Director primarily responsible for the financial management of the Group and of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 13 to 61 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the
abovenamed
at
on 14 April 2022

PANG KIEW KUN

Before me,

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FSBM HOLDINGS BERHAD
Registration No.: 198401003091 (115609-U)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of FSBM Holdings Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 December 2021, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 13 to 61.

We do not express an opinion on the accompanying financial statements of the Group and of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

A. Opening Balances

Reference is made to our audit reports dated 27 May 2021, 27 July 2020 and 30 December 2019 in respect of the financial statements for the financial year ended 31 December 2020, financial period ended 31 December 2019 and for the financial year ended 30 June 2018 (and on the opening balances as at 1 July 2017) respectively, whereby a disclaimer of opinion was expressed.

We were unable to confirm or verify by alternative means the opening balances making up the statements of financial position due to matters mentioned in the disclaimer of opinion expressed on the financial statements 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, the details of which were described in the previous audit reports.

During the financial year, 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 current financial year ended 31 December 2021.

Since the opening balances enter into the determination of the financial performance and cash flows, we were unable to obtain sufficient appropriate audit evidence as to whether the adjustments made are appropriate in respect of the loss for the financial year reported in the statements of comprehensive income and the net cash flows from operating activities reported in the statements of cash flows. The adjustments made may or may not be in relation to the current financial year or to prior financial years.

Basis for Disclaimer of Opinion (cont'd)

B. Going Concern

As disclosed in Note 2(e) to the financial statements, the financial statements of the Group and the Company have been prepared on the assumption that the Group and the Company will continue as going concern.

The following events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group and the Company's ability to continue as going concern:

(a) On 17 October 2019, the Board of Directors of the Company announced that the Company has triggered Paragraph 8.03A(2) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") whereby the Group and the Company have an insignificant business or operations and accordingly, the Company was classified as an affected listed issuer ("Affected Listed Issuer").

(b) On 30 December 2019, the Board of Directors of the Company announced that the Company has triggered the prescribed criteria pursuant to Paragraph 8.04 and Paragraph 2.1(d) of Practice Note 17 ("PN17") under the MMLR of Bursa Securities. Hence, as of the date hereof, the Company is considered as a PN17 company.

(c) On 26 March 2020, Bursa Securities has accorded additional relief measures to listed issuers, amongst other, a longer timeframe for listed issuers which trigger the criteria under Paragraphs 8.03A or 8.04 (Practice Note 17) of the MMLR and to announce the criteria under Paragraph 4.1(a) in Practice Note 17 of the MMLR to submit their regularisation plans to the Securities Commission Malaysia or Bursa Securities.

(d) During the financial year ended 31 December 2021, the Group and the Company incurred net losses of RM9,270,000 and RM915,000 respectively, and as of that date, the Group's and the Company's current liabilities exceeded their current assets by RM5,307,000 and RM12,444,000 respectively, and the Group and the Company had a deficit in shareholders' equity of RM2,854,000 and RM12,084,000 respectively.

On 15 October 2021, the Board of Directors have announced their proposed regularisation plan ("Regularisation Plan"), which is summarised below:

(i) a proposed shares issuance of 60.0 million new ordinary shares in FSBM ("FSBM Shares" or "Shares") ("Subscription Shares") representing approximately 30% of FSBM's enlarged issued shares after the shares issuance to the subscribers ("Proposed Shares Issuance");

(ii) the proposed disposal of the following subsidiaries:
- FSBM CTech Sdn. Bhd. ("CTech"), a wholly-owned subsidiary of FSBM; and
- Unos Sdn. Bhd. ("Unos"), a wholly-owned subsidiary of FSBM,

for a total cash consideration of RM2.0 million ("Proposed Disposals");

Basis for Disclaimer of Opinion (cont'd)

B. Going Concern (cont'd)

On 15 October 2021, the Board of Directors have announced their proposed regularisation plan ("Regularisation Plan"), which is summarised below: (cont'd)

(iii) 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 ("Proposed Rights Issue with Warrants"); and

(iv) A proposed capital reduction exercise to be carried out by the Company, pursuant to Section 116 of the Companies Act, 2016 ("Act") to reduce the share capital of the Company ("Proposed Capital Reduction"),

As at the date of this report, the Company is pending to submit the formal Regularisation Plan to the relevant authorities to address its affected listed issuer status in compliance with Paragraph 4.1(c) of PN17.

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.

The application of the going concern basis of accounting is based on the assumption that the Group and the Company will be able to realise their assets and liquidate their liabilities in the normal course of business. Should the Regularisation Plan not be approved or not materialise, the application of the going concern basis of accounting may be inappropriate and adjustments may be required to, inter alia, write down assets to their immediate realisable value, reclassify all long term assets as current and to provide for further costs which may arise.

Moreover, as at the date of this report, we were unable obtain sufficient appropriate audit evidence to evaluate the appropriateness of management's use of the going concern basis of accounting for the Group and the Company. Therefore, we were unable to form an opinion as to whether the use of the going concern assumption in the preparation of the accompanying financial statements of the Group and of the Company is appropriate.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are also responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Group's and of the Company's financial statements in accordance with International Standards on Auditing and to issue an auditors' report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the Group and of the Company.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FSBM HOLDINGS BERHAD (CONT'D)
Registration No.: 198401003091 (115609-U)
(Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that in our opinion:

(a) the accounting and other records for the matters as described in the *Basis for Disclaimer of Opinion* section have not been properly kept by the Company in accordance with the provision of the Act;

(b) because of the auditors' reports on the financial statements of a subsidiary contain disclaimer of opinion as disclosed in Note 9 to the financial statements, we are unable to report whether we are satisfied that the financial statements of the subsidiary that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group; and

(c) we have not obtained all the information and explanations that we required as described in the Basis for Disclaimer of Opinion.

The subsidiaries of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

MOORE STEPHENS ASSOCIATES PLT	CHUAH SOO HUAT
201304000972 (LLP0000963-LCA)	03002/07/2022 J
Chartered Accountants (AF002096)	Chartered Accountant

Petaling Jaya, Selangor
Date: 14 April 2022

FSBM HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		Group		Company	
		2021	**2020**	**2021**	**2020**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	4	405	128	-	-
Direct operating costs		(224)	(80)	-	-
Gross profit		181	48	-	-
Other income		2,394	32	1,039	32
Administrative expenses		(48)	(50)	(32)	(25)
Selling and marketing expenses		(4)	(6)	(4)	(6)
Other expenses		(11,793)	(689)	(1,918)	(340)
Loss before tax	5	(9,270)	(665)	(915)	(339)
Tax expense	6	-	-	-	-
Loss net of tax, for the financial year representing total comprehensive income for the financial year		(9,270)	(665)	(915)	(339)
Total comprehensive income attributable to:					
Owners of the Company		(9,326)	(682)	(915)	(339)
Non-controlling interests		56	17	-	-
		(9,270)	(665)	(915)	(339)
Basic loss per ordinary share (sen)	7	(6.65)	(0.49)		

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

FSBM HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	8	-	7	-	-
Investment in subsidiaries	9	-	-	-	-
Other investments	10	360	300	360	300
		360	307	360	300
Current assets					
Trade receivables	11	153	6,203	-	5
Other receivables	12	-	2,347	-	257
Contract assets	13	123	-	-	-
Marketable securities	14	7	285	-	-
Tax recoverable		-	35	-	-
Cash and cash equivalents		229	45	19	23
		512	8,915	19	285
Total assets		872	9,222	379	585
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	10,064	10,064	10,064	10,064
Treasury shares	16	(712)	(712)	(712)	(712)
Warrants reserve	17	4,534	4,534	4,534	4,534
Accumulated losses		(16,740)	(7,414)	(25,970)	(25,055)
Equity attributable to Owners of the Company		(2,854)	6,472	(12,084)	(11,169)
Non-controlling interests		(2,093)	(2,149)	-	-
Total equity		(4,947)	4,323	(12,084)	(11,169)
LIABILITIES					
Current liabilities					
Trade payables	18	76	820	32	190
Other payables	19	5,743	4,079	12,431	11,564
Total liabilities		5,819	4,899	12,463	11,754
Total equity and liabilities		872	9,222	379	585

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

Registration No.: 198401003091 (115609-U)

FSBM HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Attributable to Owners of the Company						
	Non-distributable						
	Share Capital RM'000	Treasury Shares RM'000	Warrants Reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
2020							
Group							
At 1 January 2020	10,064	(712)	4,534	(6,732)	7,154	(2,166)	4,988
Loss net of tax, for the financial year representing total comprehensive income for the financial year	-	-	-	(682)	(682)	17	(665)
At 31 December 2020	10,064	(712)	4,534	(7,414)	6,472	(2,149)	4,323
2021							
Group							
At 1 January 2021	10,064	(712)	4,534	(7,414)	6,472	(2,149)	4,323
Loss net of tax, for the financial year representing total comprehensive income for the financial year	-	-	-	(9,326)	(9,326)	56	(9,270)
At 31 December 2021	10,064	(712)	4,534	(16,740)	(2,854)	(2,093)	(4,947)

FSBM HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

	Non-distributable				
2020	**Share Capital RM'000**	**Treasury Shares RM'000**	**Warrants Reserve RM'000**	**Accumulated Losses RM'000**	**Total Equity RM'000**
Company					
At 1 January 2020	10,064	(712)	4,534	(24,716)	(10,830)
Loss net of tax, for the financial year representing total comprehensive income for the financial year	-	-	-	(339)	(339)
At 31 December 2020	10,064	(712)	4,534	(25,055)	(11,169)
2021					
Company					
At 1 January 2021	10,064	(712)	4,534	(25,055)	(11,169)
Loss net of tax, for the financial year representing total comprehensive income for the financial year	-	-	-	(915)	(915)
At 31 December 2021	10,064	(712)	4,534	(25,970)	(12,084)

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

Registration No.: 198401003091 (115609-U)

FSBM HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Cash Flows from Operating Activities				
Loss before tax	(9,270)	(665)	(915)	(339)
Adjustments for:				
Fair value loss on:				
- Marketable securities	278	57	-	-
Fair value gain on:				
- Other investments	(60)	-	(60)	-
Impairment loss on:				
- Trade receivables	-	167	-	-
Write off of:				
- Trade receivables	6,174	-	5	-
- Other receivables	2,348	-	340	-
- Tax recoverable	35	-	-	-
- Property, plant and equipment	7	-	-	-
Write back of:				
- Trade payables	(667)	-	(157)	-
- Other payables	(1,417)	-	(734)	-
Operating loss before changes in working capital	(2,572)	(441)	(1,521)	(339)
Changes in working capital:				
Receivables	(125)	10	(164)	(14)
Payables	1,830	397	832	244
Contract assets	(123)	-	-	-
Net used in operating activities	(990)	(34)	(853)	(109)

FSBM HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (cont'd)

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash Flows from Financing Activities				
Advance from subsidiaries	-	-	81	40
Advance from/(repayment to) Directors	1,174	(34)	768	-
Net cash from financing activities	1,174	(34)	849	40
Net increase/(decrease) in cash and cash equivalents	184	(68)	(4)	(69)
Cash and cash equivalents at beginning of the financial year	45	113	23	92
Cash and cash equivalents at end of the financial year	229	45	19	23

Cash and cash equivalents represent cash and bank balances.

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

1. CORPORATE INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at 603, Block A, Phileo Damansara 1, No. 9, Jalan 16/11, Petaling Jaya, 46350 Selangor, Malaysia.

The principal activities of the Company consist of distribution of computers, computers related products, education related products, provision of related services and investment holding. The principal activities of its subsidiaries are disclosed in Note 9. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 13 April 2022.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The Group and the Company have also considered the new accounting pronouncements in the preparation of the financial statements.

(i) Accounting pronouncements that are effective and adopted during the financial year

Amendments to MFRS 16	Covid-19 – Related Rent Concessions
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2
Amendments to MFRS 4	Insurance Contracts (Extension of the Temporary Exemption from Applying MFRS 9)

The adoption of the above accounting pronouncements did not have any significant effect on the financial statements of the Group and of the Company.

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

(ii) Accounting pronouncements that are issued but not yet effective and have not been early adopted

The Group and the Company have not adopted the following accounting pronouncements that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:

Effective for financial periods beginning on or after 1 April 2021

Amendments to MFRS 16	Covid-19 – Related Rent Concessions beyond 30 June 2021

Effective for 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 MFRSs 2018 - 2020	

Effective for 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 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

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

The Group and the Company will adopt the above accounting pronouncements when they become effective in the respective financial periods. These accounting pronouncements are not expected to have any effect to the financial statements of the Group and the Company upon their initial application.

2. BASIS OF PREPARATION (cont'd)

(b) Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost convention except for those as disclosed in the accounting policy notes.

(c) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and all values are rounded to nearest thousand (RM'000) except when otherwise indicated.

(d) Significant accounting estimates and judgements

The summary of accounting policies as described in Note 3 are essential to understand the Group's and the Company's result of operations, financial position, cash flows and other disclosures. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Directors exercise their judgement in the process of applying the Group's and the Company's accounting policies.

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are set out below.

(a) Fair value estimates for certain financial assets and liabilities

The Group and the Company carry certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group and the Company use different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

(b) Impairment of financial assets

The Group and the Company assess on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

2. BASIS OF PREPARATION (cont'd)

(d) Significant accounting estimates and judgements (cont'd)

(b) Impairment of financial assets (cont'd)

For trade receivables, the Group applies the simplified approach permitted by MFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables.

For other receivables and amounts due from subsidiaries, the Group and the Company apply the approach permitted by MFRS 9, which requires the Group and the Company to measure the allowance for impairment loss for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

(e) Going concern assumption

The Group and the Company incurred a net loss of RM9,270,000 (2020: RM665,000) and RM915,000 (2020: RM339,000) respectively for the financial year ended 31 December 2021. As of that date, the Group's and the Company's current liabilities exceeded their current assets by RM5,307,000 and RM12,444,000 (2020: RM11,469,000) respectively. The Group and the Company had a deficit in shareholders' equity of RM2,854,000 and RM12,084,000 (2020: RM11,169,000) respectively.

On 17 October 2019, the Board of Directors announced that the Company has triggered Paragraph 8.03A(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR") whereby the Group and the Company have an insignificant business or operations and accordingly, the Company was classified as an affected listed issuer ("Affected Listed Issuer").

On 30 December 2019, the Board of Directors of the Company announced that the Company has triggered the prescribed criteria pursuant to Paragraph 8.04 and Paragraph 2.1(d) of Practice Note 17 ("PN17") under the MMLR of Bursa Securities. Hence, as of the date hereof, the Company is considered as a PN17 company.

On 26 March 2020, Bursa Securities has accorded additional relief measures to listed issuers, amongst other, a longer timeframe for listed issuers which trigger the criteria under Paragraphs 8.03A or 8.04 (Practice Note 17) of the MMLR and to announce the criteria under Paragraph 4.1(a) in Practice Note 17 of the MMLR to submit their regularisation plans to the Securities Commission Malaysia or Bursa Securities.

On 15 October 2021, the Board of Directors had announced their proposed regularisation plan ("Regularisation Plan"), which is summarised below:

(a) a proposed shares issuance of 60.0 million new ordinary shares in FSBM ("FSBM Shares" or "Shares") ("Subscription Shares") representing approximately 30% of FSBM's enlarged issued shares after the shares issuance to the subscribers ("Proposed Shares Issuance");

(b) the proposed disposal of the following subsidiaries:
- FSBM CTech Sdn. Bhd. ("Ctech"), a wholly-owned subsidiary of FSBM; and
- Unos Sdn. Bhd. ("Unos"), a wholly-owned subsidiary of FSBM,

for a total cash consideration of RM2.0 million ("Proposed Disposals");

(c) 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 ("Proposed Rights Issue with Warrants"); and

2. BASIS OF PREPARATION (cont'd)

(e) Going concern assumption (cont'd)

On 15 October 2021, the Board of Directors had announced their proposed regularisation plan ("Regularisation Plan"), which is summarised below (cont'd):

(d) a proposed capital reduction exercise to be carried out by the Company, pursuant to Section 116 of the Companies Act, 2016 ("Act") to reduce the share capital of the Company ("Proposed Capital Reduction"),

As at the date of this report, the Company is pending to submit the formal Regularisation Plan to the relevant authorities to address its affected listed issuer status in compliance with the regulatory requirements.

The Board of Directors are of the opinion that the Group and the Company will be able to continue in operational existence for the foreseeable future and to realise their assets and settle their liabilities in the ordinary course of business. Accordingly, the preparation on the financial statements on a going concern basis 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 position and to achieve sustainable and viable operations.

Should the Regularisation Plan not be approved or not materialise, the application of the going concern basis of accounting may be inappropriate and adjustments may be required to, inter alia, write down assets to their immediate realisable value, reclassify all long term assets as current and to provide for further costs which may arise.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements unless otherwise stated.

(a) Basis of consolidation

<u>Consolidation</u>

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances. The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant power activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

Consolidation (cont'd)

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
(ii) Potential voting rights held by the Company, other vote holders or other parties;
(iii) Rights arising from other contractual arrangements; and
(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference recognised directly in equity and attributed to Owners of the Company.

When control ceases, the disposal proceeds and the fair value of any retained investment are compared to the Group's share of the net assets disposed. The difference together with the carrying amount of allocated goodwill and the exchange reserve that relate to the subsidiary is recognised as gain or loss on disposal.

Business combination

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction cost incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 9 either in profit or loss or a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

Business combination (cont'd)

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Business combinations under common control are accounted using the predecessor method of merger accounting where the profit or loss and other comprehensive income include the results of each of the combining entities from the earliest date presented or from the date when these entities came under the control of the common controlling party (if later).

The assets and liabilities of the combining entities are accounted for based on the carrying amounts from the perspective of the common controlling party, or the combining entities if the common controlling party does not prepare consolidated financial statements.

The difference in cost of acquisition over the aggregate carrying value of the assets and liabilities of the combining entities as of the date of the combination is taken to equity. Transaction cost for the combination is recognised in the profit or loss.

Similar treatment applies in the Company's separate financial statements when assets and liabilities representing the underlying businesses under common control are directly acquired by the Company. In accounting for business combinations in the Company's separate financial statements, the excess of the cost of acquisition over the aggregate carrying amounts of assets and liabilities as of the date of the combinations is taken to equity.

Subsidiaries

In the Company's separate financial statements, investment in subsidiary is accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

Non-Controlling Interests

Non-controlling interest in a partly-owned subsidiary represents its share of net assets, other than goodwill, of the subsidiary and is presented as a component of equity separately from owner's equity. Non-controlling interest is initially measured at acquisition-date share of net assets other than goodwill as of the acquisition date and is subsequently adjusted for the changes in the net assets of the subsidiary after the acquisition date.

The Group treats a change in a parent's controlling interest in a subsidiary that does not result in a loss of control as a transaction with equity holders in their capacity as equity holders. Accordingly, the carrying amount of the non-controlling interest is adjusted to reflect the change in the parent's interest in the subsidiary's net assets. Any difference between the amount by which the non-controlling interest is so adjusted and the fair value of the consideration paid or received, if any, is recognised directly in equity and attributed to the Owners of the Company.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions between subsidiaries in the Group, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in functional currencies using the exchange rates prevailing at the dates of the transactions. Monetary items denominated in foreign currencies at the reporting date are translated to the functional currencies at the exchange rates on the reporting date. Non-monetary items denominated in foreign currencies are not retranslated at the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the year except for exchange differences arising on monetary items that form part of the Group's and of the Company's net investment in foreign operation.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Revenue recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Revenue from sales of goods is recognised upon delivery of goods where the control of the goods has been passed to the customers, or performance of services, net of sales and services taxes and discounts.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

(d) Employee benefit

(i) Short term employee benefits

Wages, salaries, social security contributions and bonuses are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave is recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Employee benefit (cont'd)

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(e) Income taxes

Current tax

Tax expense represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the financial year, using tax rates enacted or substantively enacted by the reporting date, and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

(f) Leases

The Group and the Company recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Leases (cont'd)

The right-of-use asset is subsequently depreciated using the straight-line or systematic basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property, plant and equipment.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the Group's and the Company's incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group and the Company change their assessment of whether they will exercise an extension or termination option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less.

(g) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(h) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Property, plant and equipment (cont'd)

(i) Recognition and measurement (cont'd)

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and the Company and their cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in the profit or loss on straight line basis over its estimated useful lives of each component of an item of property, plant and equipment at the following annual rates:

Leasehold improvement and office renovation	3 to 10 years
Motor vehicles	5 years
Furniture, fittings and office equipment	10 years

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

(i) Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and on hand that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(j) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Financial instruments (cont'd)

(i) Initial recognition and measurement (cont'd)

A financial asset (unless it is a trade receivable without a significant financing component) or a financial liability is initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) Amortised cost

The amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets [see Note 3(k)(i)] where the effective interest rate is applied to the amortised cost.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial assets *(cont'd)*

(b) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to impairment assessment under Note 3(k)(i).

Financial liabilities

Amortised cost

Other financial liabilities categorized as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Financial instruments (cont'd)

(v) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(k) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses ("ECL") on financial assets measured at amortised cost, contract assets and lease receivables. ECL is a probability-weighted estimate of credit losses.

Loss allowances of the Group and the Company are measured on either of the following bases:

(i) 12-month ECL – represents the ECL that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

(ii) Lifetime ECL – represents the ECL that will result from all possible default events over the expected life of a financial instrument or contract asset.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Simplified approach – trade receivables

The Group and the Company apply the simplified approach to provide ECL for all trade receivables as permitted by MFRS 9. The simplified approach requires expected lifetime losses to recognised from initial recognition of the receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including the time value of money where applicable.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Impairment (cont'd)

(i) Financial assets (cont'd)

General approach – other financial instruments

The Group and the Company apply the general approach to provide for ECL on all other financial instruments, which requires the loss allowance to be measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, the Group and the Company assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, the loss allowance is measured at an amount equal to lifetime ECL. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward looking information, where available.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, the loss allowance is measured at an amount equal to 12-month ECL.

The Group and the Company consider the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group and to the Company in full, without recourse by the Group and the Company to actions such as realising security (if any is held); or
- The financial asset suffers past due events.

The maximum period considered when estimating ECL is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Credit Impaired financial assets

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost is credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider (e.g the restructuring of a loan or advance by the Group and the Company on terms that the Group and the Company would not consider otherwise);
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for security because of financial difficulties.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Impairment (cont'd)

(i) Financial assets (cont'd)

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery of amounts due. Any recoveries made are recognised in profit or loss.

(ii) Non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating units is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Except for goodwill, assets that were previously impaired are reviewed for possible reversal of the impairment at the end of each reporting period. Any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation reserve. Reversal of impairment loss is restricted by the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

An impairment loss recognised for goodwill is not reversed.

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary, joint venture or associate exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and present value of the estimated future cash flows expected to be derived from the investment including the proceeds from its disposal. Any subsequent increase in recoverable amount is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of their liabilities. Ordinary shares are equity instruments.

Ordinary shares

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Treasury shares

When issued shares of the Company are repurchased, the consideration paid, including any attributable transaction cost is presented as a change in equity. Repurchased shares that have not been cancelled are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in the profit or loss on the sale, re-issuance or cancellation of treasury shares.

When treasury shares are re-issued by resale, the difference between the sales consideration and the carrying amount of the treasury shares is shown as a movement in equity.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group and the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(n) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Board of Directors of the Company, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(o) Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Contingencies (cont'd)

(i) Contingent liabilities (cont'd)

Where it is not probable that there is an inflow of economic benefits, or the amount cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as a contingent asset, unless the probability of inflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets unless the probability of inflow of economic benefits is remote.

(p) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

(q) Warrants reserve

Rights Issue with Warrants

Total proceeds received by the Company arising from the Rights Issue with warrants are allocated to two types of equity instruments i.e. share capital and warrants. The amount allocated to warrants represent the fair value of the warrants issued and are credited to a warrants reserve account which is non-distributable. The warrants reserve is transferred to the share capital account upon the execise of warrants and the warrants reserve in relation to the unexercised warrants at the expiry of the warrants period will be transferred to retained earnings.

Bonus Issue of Warrants

As there are no proceeds received by the Company arising from the Bonus Issue of warrants, accordingly, no allocation of proceeds is required to account for the fair value of warrants issued.

4. REVENUE

	Group 2021 RM'000	Group 2020 RM'000
Contract services	405	128
Timing of revenue recognition:		
Point in time	140	128
Over time	265	-
	405	128

The performance obligations and revenue recognition policies for respective revenue have been presented as below:

The Group provides contract services to its customers.

(i) Point in time

Revenue is recognised at point in time when the Group had satisfied performance obligation ("PO") i.e. rendering of services has been performed and monthly usage by respective customer. There is no unsatisfied PO to be recognised as at financial year.

(ii) Over time

The Group also provides contract services where the Group acts as the independent contractor for the purpose of designing and developing an application solution to its customers. The contract comprises a single PO and is measured based on the Group's efforts or inputs to the satisfaction of the PO (i.e. by reference to the cost incurred to date as a percentage of the estimated total costs of development of the contract).

The following table shows unsatisfied PO resulting from application solution revenue.

	2021 RM'000
Total contracted revenue	2,850
Less: Revenue recognised	(265)
Unsatisfied PO as at 31 December 2021	2,585

The remaining unsatisfied PO are expected to be recognised as revenue within the next 1 year.

5. LOSS BEFORE TAX

Loss before tax is arrived at after charging/(crediting):

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:				
- Statutory audits				
- Current year	138	138	80	80
- Others	5	5	5	5
Fair value loss on:				
- Marketable securities	278	57	-	-
Fair value gain on:				
- Other investments	(60)	-	(60)	-
Employees benefit expenses [Note 5(a)]	48	50	32	25
Impairment loss on:				
- Trade receivables	-	167	-	-
Short term lease	75	75	75	75
Write off of:				
- Trade receivables	6,174	-	5	-
- Other receivables	2,348	-	340	-
- Tax recoverable	35	-	-	-
- Property, plant and equipment	7	-	-	-
Write back of:				
- Trade payables	(667)	-	(157)	-
- Other payables	(1,417)	-	(734)	-

(a) Employees benefit expenses comprise of:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Staff costs				
Salaries and wages	29	37	15	15
Contributions to defined contribution plan	2	3	-	-
	31	40	15	15
Non-executive Directors				
Other emoluments	17	10	17	10
	17	10	17	10
Total employees benefit expenses	48	50	32	25

6. TAX EXPENSE

No provision for tax has been made in the financial year ended 31 December 2021 and 31 December 2020 as the Group and the Company have no taxable income.

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020 : 24%) of the estimated assessable profit for the year.

The reconciliations from the tax amount at statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Loss before tax	(9,270)	(665)	(915)	(339)
Tax at the Malaysian statutory income tax rate of 24%	(2,225)	(160)	(220)	(81)
Tax effect arising from non-deductible expenses	2,225	160	220	81
	-	-	-	-

The Group and the Company have estimated unutilised tax losses, unabsorbed capital allowances and unabsorbed pioneer losses available for set-off against future taxable profits as follows, of which no deferred tax assets were recognised:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unutilised tax losses	112,080	112,080	62,416	62,416
Unabsorbed capital allowances	3,842	3,842	2,287	2,287
Unabsorbed pioneer losses	1,577	1,577	-	-
	117,499	117,499	64,703	64,703

The availability of the unutilised tax losses will be subject to Inland Revenue Board discretion and approval to offset against future taxable profit. In the announcement of Malaysia 2022 Budget, the unutilised tax losses will be allowed to be carried forward for 10 consecutive years of assessment ("YA") (previously 7 YAs) deemed to be effective from YA 2019.

7. BASIC LOSS PER ORDINARY SHARE

Basic loss per ordinary share for the financial year is calculated by dividing the loss after tax attributable to the Owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group 2021	2020
Loss after tax attributable to the Owners of the Company (RM'000)	(9,326)	(682)
Weighted average number of ordinary shares for basic loss per ordinary share excluding treasury shares ('000 units)	140,224	140,224
Basic loss per ordinary share (sen)	(6.65)	(0.49)

Diluted loss per share is not presented as there were no potential dilutive ordinary shares outstanding during the financial year as the average market price of the ordinary share was lower than the exercise price of the unexpired warrants as disclosed in Note 17.

8. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement and office renovation RM'000	Motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Total RM'000
2021				
Group				
Cost				
At 1 January 2021	125	787	600	1,512
Written off	(125)	(787)	(600)	(1,512)
At 31 December 2021	-	-	-	-
Accumulated depreciation				
At 1 January 2021	125	786	594	1,505
Written off	(125)	(786)	(594)	(1,505)
At 31 December 2021	-	-	-	-
Net carrying amount				
At 31 December 2021	-	-	-	-

8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Leasehold improvement and office renovation RM'000	Motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Total RM'000
2020				
Group				
Cost				
At 1 January/ 31 December 2020	125	787	600	1,512
Accumulated depreciation				
At 1 January/ 31 December 2020	125	786	594	1,505
Net carrying amount				
At 31 December 2020	-	1	6	7

	Leasehold improvement and office renovation RM'000	Motor vehicles RM'000	Total RM'000
2021			
Company			
Cost			
At 1 January 2021	90	647	737
Written off	(90)	(647)	(737)
At 31 December 2021	-	-	-
Accumulated depreciation			
At 1 January 2021	90	647	737
Written off	(90)	(647)	(737)
At 31 December 2021	-	-	-
Net carrying amount			
At 31 December 2021	-	-	-
2020			
Cost			
At 1 January/31 December 2020	90	647	737
Accumulated depreciation			
At 1 January/31 December 2020	90	647	737
Net carrying amount			
At 31 December 2020	-	-	-

9. INVESTMENT IN SUBSIDIARIES

	Company 2021 RM'000	Company 2020 RM'000
Unquoted shares, at cost		
At 1 January/31 December	36,099	36,099
Less: Accumulated impairment loss		
At 1 January/31 December	(36,099)	(36,099)
Net carrying amount	-	-

Details of the subsidiaries are as follows:

Name of companies	Country of incorporation	Effective equity interest 2021 %	Effective equity interest 2020 %	Principal activities
Asian Technology Resources Sdn. Bhd.*	Malaysia	100	100	Provision of car park management services
FSBM CTech Sdn. Bhd. ^	Malaysia	100	100	Development of software applications and systems integration
FSBM Datatech Sdn. Bhd.*	Malaysia	100	100	Investment holding
FSBM I-Centre Sdn. Bhd.*	Malaysia	100	100	Development and delivery of multimedia learning and teaching products and services
FSBM I-Command Sdn. Bhd.*	Malaysia	100	100	Development of intelligent city, municipal and building solutions and the provision of related system engineering services
FSBM I-Design Sdn. Bhd.*	Malaysia	100	100	Provider of enterprise-wide ICT and systems integration services

9. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of companies	Country of incorporation	Effective equity interest 2021 %	Effective equity interest 2020 %	Principal activities
FSBM Learning Media Sdn. Bhd.*	Malaysia	100	100	Development and delivery of multimedia learning and teaching products and services
FSBM Mantissa (Malaysia) Sdn. Bhd.*	Malaysia	100	100	Development and provision of study plans, programs and courses including instruct, teach and delivery of courses
FSBM MSC Gateway Sdn. Bhd.*	Malaysia	100	100	Provider of communication and networking services
FSBM M2B Sdn. Bhd.*# ("FSBM M2B")	Malaysia	54	54	Contents syndication and distribution, contents aggregation, channel development, electronic programming, consultancy and design
FSBM Net Media Sdn. Bhd.*	Malaysia	100	100	Provider of communication and networking services
FSBM Smart Comm Sdn. Bhd.*	Malaysia	100	100	Property management
Jaring Sekitar Sdn. Bhd.*	Malaysia	100	100	Investment holding
MyUnos Sdn. Bhd.*	Malaysia	100	100	Provider of communication and networking services
Smart 360 Sdn. Bhd.*	Malaysia	100	100	Development and delivery of training products and services for schools and teachers

9. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of companies	Country of incorporation	Effective equity interest 2021 %	2020 %	Principal activities
Unos Sdn. Bhd.*	Malaysia	100	100	Provider of communication and networking services
Subsidiary of Asian Technology Resources Sdn. Bhd.				
Televas Holdings Sdn. Bhd. ("Televas")*#	Malaysia	51	51	Project management

* Not audited by Moore Stephens Associates PLT.

Summarised financial information of companies with non-controlling interests is not presented as these companies are not material to the Group.

^ the auditors' report on the financial statements of this subsidiary contain a disclaimer opinion.

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows:

	FSBM M2B RM'000	Televas RM'000	Total RM'000
Group			
2021			
NCI percentage of ownership interest and voting interest	46%	49%	-
Carrying amount of NCI	(823)	(1,270)	(2,093)
Profit allocated to NCI	3	53	56
2020			
NCI percentage of ownership interest and voting interest	46%	49%	-
Carrying amount of NCI	(826)	(1,323)	(2,149)
Profit allocated to NCI	(2)	19	17

9. INVESTMENT IN SUBSIDIARIES (cont'd)

Non-controlling interests in subsidiaries (cont'd)

The summarised financial information (before intra-group eliminations) of the subsidiaries that have material NCI as at the end of each reporting period are as follows:

	FSBM M2B RM'000	Televas RM'000
Group		
2021		
Assets and liabilities		
Non-current assets	-	-
Current assets	2	11
Non-current liabilities	-	-
Current liabilities	(1,778)	(2,603)
Net assets	(1,776)	(2,592)
Results		
Revenue	-	140
Profits for the financial year, representing total comprehensive income for the year	6	109
Cash flows used in:		
- Operating activities	*	(1)
- Investing activities	-	-
- Financing activities	-	-
Group		
2020		
Assets and liabilities		
Non-current assets	-	-
Current assets	2	485
Non-current liabilities	-	-
Current liabilities	(1,784)	(3,186)
Net assets	(1,782)	(2,701)
Results		
Revenue	-	128
Profits for the financial year, representing total comprehensive income for the year	(5)	40
Cash flows used in:		
- Operating activities	*	(13)
- Investing activities	-	-
- Financing activities	-	-

* representing 2021:RM91 (2020:RM90)

10. OTHER INVESTMENTS

	Group and Company 2021 RM'000	Group and Company 2020 RM'000
At fair value through profit or loss:		
Investment in unquoted shares in Malaysia	300	300
Changes in fair value:		
At 1 January	-	-
Fair value gain	60	-
At 31 December	60	-
	360	300

The above investment represents an investment in one entity only and does not have a quoted market price in an active market. The fair value was determined by reference to the call option pursuant to the shareholders agreement dated 23 March 2022 whereby the call option was exercised subsequent to the financial year end 31 December 2021 at a price of RM1.20 per share, totaling 300,000 number of unquoted shares hold by the Company, giving a premium on investment of RM0.20 per share.

The basis of determination of the carrying value of the other investment by the Directors falls within Level 3 of the fair value hierarchy and there were no transfers between all three levels of the fair value hierarchy during the financial year.

11. TRADE RECEIVABLES

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
External parties	(a)	153	35,898	-	9,813
Subsidiaries	(b)	-	-	-	2,751
		153	35,898	-	12,564
Accumulated impairment loss					
- External parties					
At 1 January		(29,695)	(29,528)	(9,813)	(9,813)
Addition		-	(167)	-	-
Written off		29,695	-	9,813	-
At 31 December		-	(29,695)	-	(9,813)
- Subsidiaries					
At 1 January		-	-	(2,746)	(2,746)
Written off		-	-	2,746	-
At 31 December		-	-	-	(2,746)
		-	(29,695)	-	(12,559)
		153	6,203	-	5

11. TRADE RECEIVABLES (cont'd)

The normal credit terms of trade receivables of the Group and of the Company range from 30 to 90 days (2020: 30 to 90 days).

During the financial year, the Directors of the Company had conducted a review of the assets and liabilities of the Group and of the Company as majority of these balances have been outstanding for many years. Consequently, the Group and the Company had recognised trade receivables written off of RM6,174,000 and RM5,000 respectively in the line item of "Other Expenses" in Statements of Comprehensive Income.

(a) Included in trade receivables from external parties is an amount due from Technitium Sdn. Bhd. ("TSB") as below:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade receivables	-	31,362	-	7,913
Accumulated impairment loss				
At 1 January	(25,319)	(25,319)	(7,913)	(7,913)
Written off	25,319	-	7,913	-
At 31 December	-	(25,319)	-	(7,913)
	-	6,043	-	-

(a) Included in trade receivables from external parties is an amount due from Technitium Sdn. Bhd. ("TSB") as below: (cont'd)

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 has 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 RM 32,409,434.77 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 RM 8,563, 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.

11. TRADE RECEIVABLES (cont'd)

(a) Included in trade receivables from external parties is an amount due from Technitium Sdn. Bhd. ("TSB") as below: (cont'd)

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;
(iii) Interest of 5% per annum from 18.6.2012 on the sum of RM1,948,330 until the date of realisation;
(iv) The sum of RM1,948,330 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 pursuant to the High Court Judgment dated 6.1.2017 is set aside and be fixed at RM20,000 to be paid by the Appellants to the Respondents;
(vi) Costs of RM10,000 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 to be paid by the Respondents to the Appellants

(b) These amounts are trade in nature, unsecured, interest free and are subject to normal trade credit terms.

12. OTHER RECEIVABLES

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
Other receivables					
- External parties	(a)	-	8,697	-	4,808
- Subsidiaries	(b)	-	-	-	39,655
- Staff advances		-	37	-	-
Prepayment		-	100	-	-
		-	8,834	-	44,463
Accumulated impairment loss					
- External parties					
At 1 January		(6,487)	(6,487)	(4,661)	(4,661)
Written off		6,487	-	4,661	-
At 31 December		-	(6,487)	-	(4,661)
- Subsidiaries					
At 1 January		-	-	(39,545)	(39,545)
Written off		-	-	39,545	-
At 31 December		-	-	-	(39,545)
		-	(6,487)	-	(44,206)
		-	2,347	-	257

During the financial year, the Directors of the Company had conducted a review of the assets and liabilities of the Group and of the Company as majority of these balances have been outstanding for many years. Consequently, the Group and the Company had recognised other receivables written off of RM2,348,000 and RM340,000 respectively in the line item of “Other Expenses” in Statements of Comprehensive Income.

12. OTHER RECEIVABLES (cont'd)

(a) Included in other receivables is an amount due from Technitium Sdn. Bhd. ("TSB") as below:

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Other receivables	-	2,377	-	862
Accumulated impairment loss				
At 1 January	(2,377)	(2,377)	(862)	(862)
Written off	2,377	-	862	-
At 31 December	-	(2,377)	-	(862)
	-	-	-	-

(b) These amounts are non-trade in nature, unsecured, interest free and are collectible on demand.

13. CONTRACT ASSETS

Contract assets solely relate to the Group's right to consideration for work completed on application solution but not yet billed at the reporting date. The amount will be billed within 90 days.

	Group 2021 RM'000
At beginning of the year	-
Revenue recognised during the year (Note 4)	265
Progress billing during the year	(142)
At end of the year	123

14. MARKETABLE SECURITIES

	Group	
	2021	2020
	RM'000	RM'000
Fair value through profit or loss		
- Investment in quoted shares outside Malaysia		
At 1 January	285	342
Fair value loss	(278)	(57)
At 31 December	7	285

15. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2021	2020	2021	2020
	Unit '000	Unit '000	RM'000	RM'000
Issued and fully paid:				
At 1 January/31 December	141,315	141,315	10,064	10,064

The holders of ordinary shares are entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company’s residual assets.

16. TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

Such treasury shares are held at carrying amount of RM712,000 (2020: RM712,000) as at financial year end. As at 31 December 2021, the Company had a total of 1,091,000 (2020: 1,091,000) ordinary shares of its 141,315,000 ordinary shares as treasury shares.

17. WARRANTS RESERVE

	Group and Company 2021 RM'000	2020 RM'000
At 1 January/31 December	4,534	4,534

Warrants 2012/2022

The Company had on 23 May 2012 issued 59,116,530 warrants in conjunction with the Rights Issue. The warrants are constituted by a Deed Poll dated 5 April 2012. The salient features of the warrants are as follows:

(a) Each warrant entitles the registered holder to subscribe for one new ordinary share of RM0.05 each in the Company at an exercise price of RM0.30 per ordinary share;

(b) The exercise price of the warrants are subject to adjustments under certain circumstances in accordance with the provisions of the Deed Poll;

(c) The warrant holders are not entitled to any voting rights or to participate in any distribution, rights, allotments and/or offer of further securities in the Company until and unless such warrant holders exercise their warrants for new ordinary shares; and

(d) The warrants are for a period of ten years and expire on 16 May 2022.

The number of unissued shares under warrants are 49,782,530 (2020: 49,782,530).

The fair value per Warrant on initial recognition on 23 May 2012 was determined to be RM0.09 per Warrant.

18. TRADE PAYABLES

The normal trade credit terms granted by the trade creditors to the Group and to the Company range from 1 to 30 days (2020: 1 to 30 days).

During the financial year, the Directors of the Company and its subsidiaries had conducted a review of trade and other payables, the details of which are set out in Note 19 below. This gave rise to write back of trade payables in the Group and in the Company of RM667,000 and RM157,000 respectively

19. OTHER PAYABLES

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Other payables					
- External parties		2,949	2,450	1,703	1,100
- Subsidiaries	(a)	-	-	8,971	9,205
Deposits		-	47	-	47
Accruals		1,517	1,479	989	1,212
Amount owing to Directors	(a)	1,277	103	768	-
		5,743	4,079	12,431	11,564

19. OTHER PAYABLES (cont'd)

(a) These amounts are non-trade in nature, unsecured, interest free, and are repayable on demand.

During the financial year, the Directors of the Company and its subsidiaries had conducted a review of the trade and other payables as these balances have been long outstanding for many years. As part of the process, a confirmation exercise, similar to a "proof of debt" exercise, was performed whereby confirmation letters (via lawyers) were sent to the respective payables on a best effort basis based the available information and, predicated on the replies together with the judgements made by the management, the carrying amounts of these payables as at 31 December 2021 have been determined based on the liabilities established through the confirmation exercise and with provisions and accruals estimated based on the probability of outflow of resources required to settle these obligations. This gave rise to write back of other payables in the Group and in the Company of RM1,417,000 and RM734,000 respectively.

20. RELATED PARTY TRANSACTIONS

Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Group and to the Company if the Group and the Company have the ability to directly control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group and the Company have related party relationships with its subsidiaries, related parties, Directors and key management personnel. Related parties refer to companies in which certain Director of the Company have substantial financial interests and/or are also Directors of the companies.

Related parties' balances are disclosed in Notes 11, 12 and 19.

Related parties' transactions during the financial year are as follows:

	2021 RM'000	2020 RM'000
Group		
Transaction with a Director is as follows:		
Advances from/(Repayment to)	1,174	(34)
Company		
Transaction with a Director is as follows:		
Advances from/(Repayment to)	768	-
Transaction with subsidiaries is as follows:		
Advances to/(repayment from)	81	(110)
(Repayment to)/Advances from	(234)	150

20. RELATED PARTY TRANSACTIONS (cont'd)

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel is made up of all the Directors of the Company and its subsidiaries.

The remuneration paid by the Group and the Company to key management personnel during the financial year has been disclosed in Note 5(a).

21. OPERATING SEGMENTS

(a) Segmental information

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, solely related to information technology i.e. contract services and application solution.

(b) Geographical information

No segmental information is provided on a geographical basis as the Group's activities are conducted primarily in Malaysia.

22. FINANCIAL INSTRUMENTS

Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Financial assets				
Fair value through profit or loss				
- Other investments	360	300	360	300
- Marketable securities	7	285	-	-
	367	585	360	300
Amortised cost				
- Trade receivables	153	6,203	-	5
- Other receivables	-	2,247	-	257
- Cash and cash equivalents	229	45	19	23
	382	8,495	19	285
	749	9,080	379	585
Financial liabilities				
Amortised cost				
- Trade payables	76	820	32	190
- Other payables	5,743	4,079	12,431	11,564
	5,819	4,899	12,463	11,754

22. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies

The Group's and the Company's activities are exposed to a variety of financial risks which include credit risk and liquidity risk. The Group's and the Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and the Company's financial performance.

Risk management is integral to the whole business of the Group and of the Company. Management continually monitors the Group's and the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's and the Company's activities.

There have been no changes to the Group's and the Company's exposure to these financial risks or the manner in which they manage and measure the risk.

(a) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from their receivables from customers, contract assets and amounts due from subsidiaries.

There are no significant changes as compared to prior years.

Receivables

Exposure to credit risk, credit quality and collateral

As at the end of the financial year, the maximum exposure to credit risk arising from receivables and financial assets is represented by the carrying amounts in the statements of financial position.

Credit risk concentration profile

At the reporting date, approximately 96% and Nil (2020: 93% and 97%) respectively of the Group's and the Company's gross trade receivables were due from 2 and Nil (2020: 2 and 4) receivables respectively.

Recognition and measurement

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

At each reporting date, the Group and the Company assess whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to prior years.

22. FINANCIAL INSTRUMENTS (cont'd)

(a) Credit risk (cont'd)

Recognition and measurement (cont'd)

The Group and the Company apply the MFRS 9 simplified approach to measuring Expected Credit Losses ("ECL") which uses a lifetime expected loss allowance for trade receivables.

The Group and the Company assess impairment of trade receivables on individual basis, it is due to the number of debtors is minimal and these debtors can be individually managed by the Group and the Company in an effective and efficient manner.

Impairment losses

The following table provides information about the exposure to credit risk and ECL for trade receivables as at 31 December 2021 and 31 December 2020:

	Gross RM'000	Impairment losses RM'000	Net RM'000
Group			
2021			
Trade receivables			
Not past due	153	-	153
Contract assets	123	-	123
	276	-	276
2020			
Trade receivables			
Not past due	12	-	12
Past due:			
More than 90 days	339	-	339
Credit impaired			
Individually impaired	35,547	(29,695)	5,852
	35,898	(29,695)	6,203
Company			
2021			
Credit impaired			
Individually impaired	-	-	-
2020			
Credit impaired			
Individually impaired	12,564	(12,559)	5

22. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit risk (cont'd)

Receivables (cont'd)

Impairment losses (cont'd)

Receivables that are past due but not impaired

Trade receivables that are past due but not impaired are unsecured in nature. However, the Directors are of the opinion that these debts should be realisable in full without material losses in the ordinary course of business except for those trade debtors disclosed in Note 11(a).

Credit impaired

Receivables that are individually determined to be credit impaired at the financial year end relate to debtors who are in significant financial difficulties and have defaulted on payments.

Cash and cash equivalents

Cash and cash equivalents are held with banks and financial institutions. As at the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. These banks and financial institutions have low credit risks. Hence, a loss allowance is not necessary.

Other receivables and deposits

ECL of other receivables is determined individually after considering the financial strength of the other receivables. As at the end of the reporting period, the maximum exposure to credit risks is represented by their carrying amounts in the statements of financial position. The Group and the Company have provided allowances for expected credit losses on these amounts as disclosed in Note 12 except for those other debtors disclosed in Note 12(a).

Inter-company balances

The Company provides unsecured loan and advance to subsidiaries. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

The Company determines the probability of default for these loans and advances individually using internal information available.

As at the end of the reporting period, there was impairment loss required in respect of amounts due from subsidiaries as disclosed in Note 12.

22. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables.

As disclosed in Note 2(e), the Company has announced the Regularisation Plan and as at the date of this report, are in the midst of submitting the Regularisation Plan to the relevant authorities.

All of the Group's and the Company's liabilities at the reporting date mature within one year or repayable on demand.

23. FAIR VALUES INFORMATION

Financial instruments carried at fair value

The fair value measurement hierarchies used to measure financial assets at fair values in the statements of financial position are disclosed below.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
2021					
Group					
Financial Asset					
Other investments	-	-	360	360	360
Marketable securities	7	-	-	7	7
2020					
Financial Asset					
Other investments	-	-	300	300	300
Marketable securities	285	-	-	285	285

There was no material transfer between Level 1, Level 2 and Level 3 during the financial year.

23. FAIR VALUES INFORMATION (cont'd)

Financial instrument other than those carried at fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values

The carrying amounts of short-term receivables and payables and cash and cash equivalents approximate their fair values due to relatively short-term nature of these financial instruments and insignificant impact of discounting.

24. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to maintain an optimal capital structure so as to support its business and maximise shareholder value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-equity ratio that complies with debt covenants and regulatory. As the Group has no external borrowings, the debt-to-equity ratio is not presented as it does not provide a meaningful indicator of the risk borrowings.

There were no change in the Group's approach to capital management during the financial year.

As disclosed in Note 2(e), the Company has been considered a PN 17 company and are currently in the midst of submitting the Regularisation Plan to the relevant authorities, having announced the aforementioned plan on 15 October 2021.

25. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) Contract revenue

On 13 October 2021, the Board of Directors have announced that one of its subsidiary, FSBM I-Design Sdn. Bhd. ("Developer") has entered into application development agreement with (i) MovingUp Mobile Sdn Bhd ("Hirer 1") ("A&D Agreement 1") and (ii) Herbs Cell Nutrition Sdn Bhd ("Hirer 2") ("A&D Agreement 2") to act as the independent contractor for Hirer 1 and Hirer 2 for the purpose of designing and developing an application solution which consist of a web and mobile platform for Hirer 1 with front end system (Mobile and Web Application) and back end systems (Administration Portal).

On 15 October 2021, the Board of Directors have announced that one of its subsidiary, FSBM I-Design Sdn. Bhd. ("Supplier") entered into a procurement and supply agreement with Linear Channel Sdn Bhd ("Buyer"). The agreement allows the Supplier to procure and supply and the Buyer to purchase the refurbished laptops, tablets and personal computers.

(ii) Regularisation Plan

On 15 October 2021, the Board of Directors have announced their proposed regularisation plan and the details are summarised in Note 2(e).

25. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (cont'd)

(iii) COVID-19

Since early 2020, the Coronavirus outbreak ("COVID-19") had become a global pandemic event which adversely affected the worldwide economic condition with the strict impositions of travel restrictions, constraints on the movement of people and the suspension of many business operations to curb the spread of COVID-19. At the same time, the pandemic has accelerated digital adoption and the Board of Directors believe that the Group as an IT solutions and systems provider has potential in capturing new growth opportunities in the technology industries. The Group and the Company will continue to monitor the impact of COVID-19 and its impact on the Group's and on the Company's financial position, cash flows and operating results.

26. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 8 April 2022, the Board of Directors have announced that one of its subsidiary, FSBM I-Design Sdn. Bhd. ("Developer") entered into an application development agreement with Level 01 Technologies Limited ("Hirer") to act as the independent contractor for the Hirer for the purpose of designing and developing an application solution which consist of a web and mobile platform for the Hirer with front end system (Mobile and Web Application) and back end systems based on the objectives and scope of work set out in the agreement ("A&D Agreement").

26. COMPARATIVE FIGURES

The comparative figures have been reclassified to conform with the current year's presentation:

	As previously reported RM'000	As reclassified RM'000
Group		
31 December 2020		
Statement of financial position		
EQUITY		
Equity attributable to Owners of the Company	4,520	6,472
Non-controlling interests	(197)	(2,149)
Statement of changes in equity		
Accumulated losses at 1 January 2020	(8,684)	(6,732)
Non-controlling interests at 1 January 2020	(214)	(2,166)
Accumulated losses at 31 December 2020	(9,366)	(7,414)
Non-controlling interests at 31 December 2020	(197)	(2,149)