

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2019 (unaudited)**

	Individual Period 3 Months Period Ended			Cumulative Period 9 months Period Ended		
	31/3/19 RM'000	31/3/18 RM'000	Changes Amt/%	31/3/19 RM'000	31/3/18 RM'000	Changes Amt/%
Revenue	32	418	(386)/(92%)	96	663	(567)/(86%)
Cost of sales	(16)	(374)	358/(96%)	(57)	(596)	539/(90%)
Gross profit	16	44	(28)/(64%)	39	67	(28)/(42%)
Other income	-	-	-/-%	26	-	26/-%
Administrative expenses	(11)	(13)	2/(15%)	(40)	(46)	6/(13%)
Selling and marketing expenses	(1)	(1)	-/-%	(5)	(6)	1/(17%)
Other expenses	(267)	(325)	58/(18%)	(379)	(546)	167/(31%)
Operating loss	(263)	(295)	32/(11%)	(359)	(531)	172/(32%)
Finance costs	-	-	-	-	-	-
Loss before tax	(263)	(295)	32/(11%)	(359)	(531)	172/(32%)
Income tax expense	-	-	-	-	-	-
Loss for the period, representing total comprehensive loss for the year	(263)	(295)	32/(11%)	(359)	(531)	172/(32%)

The condensed consolidated statement of financial position should be read in conjunction with the unaudited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2019 (unaudited) (CONTD.)**

	Individual Period			Cumulative Period		
	3 Months Period Ended			9 months Period Ended		
	31/3/19 RM'000	31/3/18 RM'000	Changes Amt/%	31/3/19 RM'000	31/3/18 RM'000	Changes Amt/%
(Loss)/profit attributable to:						
Equity holders of the parent	(267)	(297)	30/(10%)	(373)	(542)	169/(32%)
Non-controlling interests	4	2	2/100%	14	11	3/27%
	(263)	(295)	32/(11%)	(359)	(531)	172/(32%)
Total comprehensive (loss)/income attributable to:						
Equity holders of the parent	(267)	(297)	30/(10%)	(373)	(542)	169/(32%)
Non-controlling interests	4	2	2/100%	14	11	3/27%
	(263)	(295)	32/(11%)	(359)	(531)	172/(32%)
Loss per share attributable to equity holders of the parent: (cent per share)						
- basic	(0.19)	(0.21)	0.02/(10%)	(0.27)	(0.39)	0.12/(31%)
- diluted	(0.19)	(0.21)	0.02/(10%)	(0.27)	(0.39)	0.12/(31%)

The condensed consolidated statement of financial position should be read in conjunction with the unaudited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019 (unaudited)**

	31/3/19 RM'000 (Unaudited)	30/6/18 RM'000 (Unaudited)
ASSETS		
Non-current assets		
Property, plant and equipment	14	21
Investment in an associate	300	-
Other investments	135	135
	449	156
Current assets		
Trade and other receivables	11,811	11,736
Marketable securities	188	172
Tax recoverable	38	38
Cash and bank balances	304	253
	12,341	12,199
TOTAL ASSETS	12,790	12,355
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	10,064	10,064
Treasury shares	(712)	(712)
Other reserves	4,534	4,534
Accumulated losses	(8,475)	(8,102)
Shareholders' funds	5,411	5,784
Non-controlling interests	(228)	(242)
Total equity	5,183	5,542

The condensed consolidated statement of financial position should be read in conjunction with the unaudited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019 (unaudited) (CONTD.)**

	31/3/19	30/6/18
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Current liabilities		
Trade and other payables	7,607	6,813
	7,607	6,813
Total liabilities	7,607	6,813
TOTAL EQUITY AND LIABILITIES	12,790	12,355
Net Assets Per Share (RM/share)	0.04	0.04

The condensed consolidated statement of financial position should be read in conjunction with the unaudited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2019 (unaudited)

	----- Attributable to Equity Holders of the Parent Company -----					Equity Attributable to Equity Holders of the Parent Company RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	----- Non-distributable -----		Distributable					
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000	Accumulated Losses RM'000			
As at 1 July 2018	10,064	-	(712)	4,534	(8,102)	5,784	(242)	5,542
Total comprehensive loss	-	-	-	-	(373)	(373)	14	(359)
As at 31 March 2019	10,064	-	(712)	4,534	(8,475)	5,411	(228)	5,183
As at 1 July 2017	10,064	-	(712)	4,534	(7,401)	6,485	(256)	6,229
Total comprehensive loss	-	-	-	-	(542)	(542)	11	(531)
As at 31 March 2018	10,064	-	(712)	4,534	(7,943)	5,943	(245)	5,698

The condensed consolidated statement of changes in equity should be read in conjunction with the unaudited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2019**

	31/3/19 RM'000 (Unaudited)	30/6/18 RM'000 (Unaudited)
Cash flows from operating activities		
Loss before tax	(359)	(687)
Adjustments for:		
Depreciation and amortization	1	5
Allowance for impairment of investment	-	50
Property, plant and equipment written off	6	-
Net fair value (gain)/loss for available-for-sale financial asset	(16)	114
Operating loss before working capital changes	(368)	(518)
Changes in working capital		
Net change in trade & other receivables	(75)	(675)
Net change in trade & other payables	794	1,410
Net change in other current assets	-	2
Cash from operations	351	219
Taxes refund	-	-
Net cash from operating activities	351	219
Cash flows from investing activities		
Investment in an associate	(300)	-
Net cash used in investing activities	(300)	-
Net increase in cash and cash equivalents	51	219
Cash and cash equivalents at beginning of financial period	253	34
Cash and cash equivalents at end of financial period	304	253
Cash and cash equivalents at end of financial period:		
Cash and bank balances	304	253

**PART A: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2019**

1. Corporate Information

FSBM Holdings Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad ("BMSB")

These condensed consolidated financial statements were approved by the Board of Directors on 29 May 2019.

2. Basis of Preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (MRFS) 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board ("MASB") and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

The condensed consolidated interim financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2017 and the explanatory notes attached to the condensed consolidated interim financial statements which provide an explanation on events and transactions that are significant for the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2017.

3. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the unaudited financial statements for the year ended 30 June 2018, except for the adoption of the following Amendments:-

Effective for annual periods beginning on or after 1 January 2018

Annual Improvements to MFRS Standards 2014–2016 Cycle

(i) Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards

(ii) Amendments to MFRS 128: Investments in Associates And Joint Ventures

Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Amendments to MFRS 140: Transfers of Investment Property

IC Interpretation 22: Foreign Currency Transactions and Advance Consideration

MFRS 9: Financial Instruments

MFRS 15: Revenue from Contracts with Customers

The adoption of the above-mentioned Amendments to MFRSs did not have any material impact

on the financial statements of the Group.

**PART A: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2019**

3. Significant Accounting Policies (CONTD.)

Standards issued but not yet effective

At the date of authorization of these interim financial statements, the followings standards were issued but not yet effective and have not been applied by the Group.

Description	Effective for annual period beginning on or after
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
MFRS 16: Leases	1 January 2019
Amendments to MFRS 119: Employee Benefits: Plan Amendments, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term interest in Associates And Joint Ventures	1 January 2019
Annual Improvements to MFRS Standards 2015–2017 Cycle	1 January 2019
IC Interpretation 23: Uncertainty over Income Tax Treatments	1 January 2019
MFRS 17: Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

4. Auditors’ Report on Preceding Annual Financial Statements

The Auditors’ Report on the preceding financial statements for the financial year ended 30 June 2017 was qualified over the recoverability of certain trade receivables. The Auditors’ Report for the financial year ended 30 June 2018 has yet to be released.

5. Seasonal or Cyclical Factors

The business operations of the Group during the financial period under review have not been materially affected by any significant seasonal or cyclical factors.

6. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no unusual items materially affecting the assets, liabilities, equity, net income or cash flow of the Group during the financial period.

**PART A: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2019**

7. Material Changes in Estimates

There were no material changes in estimates that have had any material effect on results of the financial period under review.

8. Issuances and Repayment of Debt and Equity

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period under review.

9. Dividend Paid

There were no dividends paid during the financial period under review.

10. Segment Reporting

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

	Individual Period		Cumulative Period	
	3 Months Period Ended		9 months Period Ended	
	31/3/19	31/3/18	31/3/19	31/3/18
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Solutions	32	418	96	663
Communication & Multimedia	-	-	-	-
Education	-	-	-	-
Investment Holdings & Others	-	-	-	-
Total Revenue Including Inter-Segment Sales	32	418	96	663
Elimination of Inter-Segment Sales	-	-	-	-
Total Segment Revenue	32	418	96	663

**PART A: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2019**

10. Segment Reporting (CONTD.)

	31/3/19 RM'000	31/3/18 RM'000	31/3/19 RM'000	31/3/18 RM'000
Segment Results				
Solutions	(11)	20	2	22
Communication & Multimedia	(5)	(5)	(15)	(16)
Education	(10)	(8)	(25)	(23)
Investment Holdings & Others	(237)	(302)	(321)	(514)
Elimination	-	-	-	-
Operating loss	(263)	(295)	(359)	(531)

11. Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment during the quarter under review.

12. Subsequent Material Events

There were no material events subsequent to the end of the current reporting quarter other than as disclosed in and Explanatory Notes No. 8 - Changes in Material Litigation below.

13. Changes in the Composition of the Group

On 22 February 2019, the Company has entered into a Share Purchase Agreement to subscribe 300,000 ordinary shares of Mizzans MM Sdn. Bhd. ("MMM") at the consideration of RM300,000, representing 20% of ordinary shares of MMM. MMM was incorporated in Malaysia and is principally involved in the information communication technology sector.

14. Changes in Contingent Liabilities and Contingent Assets

There were no material changes in contingent liabilities and contingent assets since the financial year ended 30 June 2018.

15. Capital Commitments

There are no material capital commitments as at the date of this report.

**PART B: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2019 (CONTD.)**

1. Review of Performance (Q3 2019 v Q3 2018)

The Group's revenue for the third quarter of 2019 was RM32,000 compared to RM418,000 which was the in the third quarter of 2018, being the corresponding quarter. This was due to a reduction in activities in the Solutions segment during this quarter. The Group reported a loss before tax of RM263,000 compared to a loss before tax of RM359,000 in the same quarter of the previous year.

The main revenue contribution for the current quarter came from the Solutions segment, similar to the preceding year corresponding quarter. The Group made a loss before tax in the current quarter, compared to a loss in the preceding year's corresponding quarter, principally due to Other Expenses, including a fair value loss in our marketable securities.

2. Comment on Material Change in Loss Before Taxation (Q3 2019 v Q2 2019)

Loss before tax of the Group was RM263,000 for the quarter ended 31 March 2019 compared to a profit before tax of RM17,000 for the preceding quarter ended 31 December 2018. This was principally due to Other Expenses, including a fair value loss in our marketable securities.

3. Prospects

With the recent change in Government after GE14, the Group believes that the Ministry of Education project will likely be delayed. Management is continuing to focus on securing the Ministry of Education project as well as new projects in order to support the Group's operations.

4. Profit Forecast

There was no profit forecast issued by the Group.

5. Income Tax Expense

There was no income tax expense during the financial period under review.

6. Corporate Proposal

There were no other corporate proposals announced but not completed as at the date of this report.

**PART B: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2019 (CONTD.)**

7. Group Borrowings and Debt Securities

There were no group borrowings and debt securities as at 31 March 2019.

8. Changes in Material Litigation

**(i) Successful FSBM and FSBM CTech Suit against Individuals and Technitium Sdn Bhd (TSB)
Kuala Lumpur High Court Civil Suit No.: 22NCC-137-04/2014**

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 have 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.

**PART B: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2019 (CONTD.)****8. Changes in Material Litigation (CONTD.)****(ii) FSBM and FSBM CTech against Individuals and TSB:
Court of Appeal Suit No.: W-02(IM)(NCC)(W)-213-01/2-17**

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 Appellants have filed an application for stay of execution of the Judgment pending appeal in the Court of Appeal.

FSBM and FSBM Ctech have also filed an application for stay against the Appellants' appeal pending the payment of costs by the Appellants. The Court has granted a conditional stay whereby RM500,000 has to be placed with the Appellants' solicitors by 14 October 2017. In respect of our application, the Court has directed RM20,000 be awarded as security for costs to be paid into our lawyers' account, and the Appellants ordered to pay costs of RM5,000 to our lawyers.

Azman and Haliza have subsequently brought action against FSBM and FSBM CTech to inter alia impeach and set aside the judgements given on 20 January 2012 and 6 January 2017. Our application to strike out the claim was dismissed on 30 January 2018, and we have lodged an appeal against the said decision on 28 Feb 2018, of which Hearing is set on 3 Sept 2018, but has been adjourned due to 2 Notices of Motion filed by Azman and Haliza's case to adduce fresh evidence and to transfer the appeal, and for it to be heard together with Appeal 213, which is on the judgement made against them. The appeal had been fixed for Case Management on 25 April 2019 with the next one on 4 September 2019, and the Impeachment Suit was heard on 23 May 2019, with the trial fixed to commence on 30 September 2019.

9. Dividend

No dividend has been recommended or declared for the current quarter and for the interim financial period under review.

**PART B: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2019 (CONTD.)**

10. Loss Per Share

The basic and diluted loss per share have been calculated based on the consolidated net loss attributable to equity holders of the parent for the interim financial period and the weighted average number of ordinary shares outstanding during the period as follows:

	3 Months Ended	
	31/3/19	31/3/18
	RM'000	RM'000
Loss attributable to equity holders of the Parent Company	(267)	(297)
Weighted average number of ordinary shares, excluding treasury shares	140,223,760	140,223,760
Basic and diluted loss per share (sen)	(0.19)	(0.21)

11. Loss Before Tax

	3 Months Ended	
	31/3/19	31/3/18
	RM'000	RM'000
Depreciation and amortization	1	2
Property, plant and equipment written off	6	-
Net fair value (gain)/loss for available-for-sale financial asset	(16)	121
Operating lease:		
- Lease payment for buildings	75	84