

**PRESS RELEASE**

**FOR IMMEDIATE PUBLICATION**



**Update on Proposed Regularisation Plan**

FSBM Holdings Berhad (“**FSBM**” or “**Company**”) is pleased to inform that Malacca Securities Sdn. Bhd. had, on behalf of the Board of Directors of FSBM, submitted its Proposed Regularisation Plan to Bursa Malaysia Securities Berhad on 15 April 2022, comprising the following proposals:-

- (i) Proposed Shares Issuance: of 60.0 million new ordinary shares in FSBM representing approximately 30% of FSBM’s enlarged issued shares after the shares issuance to the subscribers;
- (ii) Proposed Rights Issue: of up to 250,006,290 new FSBM Shares on the basis of 1 rights share for every 1 existing FSBM Share held, together with up to 125,003,145 free detachable warrants on the basis of 1 Warrant for every 2 Rights Shares subscribed for, on an entitlement date to be determined and announced later;
- (iii) Proposed Disposals: of FSBM CTech Sdn. Bhd. And Unos Sdn. Bhd. both wholly-owned subsidiary of FSBM for a total cash consideration of RM2.0 million; and
- (iv) Proposed Capital Reduction: to be carried out by the Company, pursuant to Section 116 of the Companies Act, 2016 to reduce the share capital of the Company.

Kindly refer to FSBM’s announcement dated 15 October 2021 for further details on the Proposed Regularisation Plan.

**FSBM’s Audited Financial Statements for the financial year ended 31 December 2021**

The Company would like to update that FSBM and its subsidiaries (collectively, “**FSBM Group**”) have completed the annual audit for the financial year ended (“**FYE**”) 31 December 2021 (“**FYE 2021**”).

The Group incurred a net loss of RM9.3 million for the FYE 2021 while the Group’s current liabilities exceeded their current assets by RM5.3 million resulting in a deficit in shareholders’ equity of RM2.9 million. This is due to a one-off non-recurring bad debt written off of RM8.6 million mitigated by write backs of liabilities of RM2.3 million.

These adjustments are based on the review conducted by the management during the financial year on 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, certain assets had been written off and/or written down to its recoverable amounts, leaving the remaining liabilities stated vide the confirmation exercise conducted, and with provisions and accruals estimated based on the probability of outflow of resources required to settle these obligations. Although these adjustments have been taken as current year adjustments in the statement of comprehensive income for the current FYE 2021, they may or may not be in relation to the current financial year.

Correspondingly, the FSBM Group's external auditors, Messer Moore Stephens Associates PLT ("**MSA**"), have expressed a disclaimer of opinion on the opening balances of the Group's statement of financial position as well as on the statement of comprehensive income for the FYE 2021 and on the going concern consideration.

To recap, MSA was appointed as the external auditors by FSBM on 21 October 2019 upon the resignation of the predecessor auditors on 13 September 2019. A disclaimer of opinion was expressed on the financial statements of FSBM Group for (i) FYE 30 June 2018 ("**FYE 2018**"), (ii) 18-months financial period ended 31 December 2019 ("**FPE 2019**") and (iii) FYE 31 December 2020 ("**FYE 2020**") due to, amongst others, inability to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements for FYE 2018, FPE 2019 and FYE 2020 as well as on the going concern consideration.

On 15 October 2021, the Board of Directors have announced their Proposed Regularisation Plan. The Board of Directors of FSBM believes that the Proposed Regularisation Plan will contribute positively towards the resolution of the going concern considerations of the Group as well towards the upliftment of the Group's status as an affected listed issuer under PN17.

The External Auditors' Report was released on 14 April 2022, and at that time FSBM had yet to submit the Regularization Plan to address its affected listed issuer status in compliance with Paragraph 4.1(c) of PN17.

In accordance to the timeline given by Bursa, FSBM has subsequently submitted their Proposed Regularisation Plan to the relevant authorities on 15 April 2022, of which the annual report together with the audited financial statements form part of the submission documents.

### **About FSBM**

FSBM was incorporated in 1984 and was subsequently listed on Bursa Malaysia Securities Berhad in 1994.

Since incorporation, FSBM had been primarily involved in the provision of IT products and services. Currently, FSBM remains focused on the following sub-segments of the IT products and services segment:-

- (i) Platform design and development
- (ii) Technical support and maintenance services
- (iii) Refurbishment services
- (iv) Managed security services

For more information: <https://fsbm.com.my/>

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