

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2012 (unaudited)**

	Individual Period		Cumulative Period	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Quarter
	31/03/12 RM'000	31/03/11 RM'000	31/03/12 RM'000	31/03/11 RM'000
Revenue	5,666	1,051	5,666	1,051
Cost of sales	(5,484)	(916)	(5,484)	(916)
Gross profit	182	135	182	135
Other income	39	12	39	12
Administrative expenses	(1,192)	(1,207)	(1,192)	(1,207)
Selling and marketing expenses	(34)	(37)	(34)	(37)
Other expenses	(1,284)	(1,133)	(1,284)	(1,133)
Operating loss	(2,289)	(2,230)	(2,289)	(2,230)
Finance costs	(49)	(787)	(49)	(787)
Loss before tax	(2,338)	(3,017)	(2,338)	(3,017)
Income tax expense	-	-	-	-
Loss for the period	(2,338)	(3,017)	(2,338)	(3,017)

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2012 (unaudited) (CONTD.)**

	Individual Period		Cumulative Period	
	Current Quarter 31/03/12 RM'000	Preceding Year Corresponding Quarter 31/03/11 RM'000	Current Year To Date 31/03/12 RM'000	Preceding Year Corresponding Quarter 31/03/11 RM'000
Other comprehensive income				
Foreign currencies translation	(33)	(195)	(33)	(195)
Other comprehensive income, net of tax	(33)	(195)	(33)	(195)
Total comprehensive loss	(2,371)	(3,212)	(2,371)	(3,212)
Loss attributable to:				
Equity holders of the parent	(2,338)	(3,017)	(2,338)	(3,017)
Non-controlling interests	-	-	-	-
	(2,338)	(3,017)	(2,338)	(3,017)
Total comprehensive loss attributable to:				
Equity holders of the parent	(2,371)	(3,212)	(2,371)	(3,212)
Non-controlling interests				
	(2,371)	(3,212)	(2,371)	(3,212)
Loss per share attributable to equity holders of the parent: (cent per share)				
- basic	4.35	5.61	4.35	5.61
- diluted	4.35	5.61	4.35	5.61

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012 (unaudited)**

	31/03/12 RM'000 (Unaudited)	31/12/11 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	605	635
Investment properties	950	950
Intangible assets	2,681	2,877
Other investments	485	560
	4,721	5,022
Current assets		
Inventories	6,400	6,400
Trade and other receivables	19,334	21,811
Other current assets	335	20
Marketable securities	380	394
Deposits with licensed banks	102	-
Cash and bank balances	328	1,222
	26,879	29,847
Non-current assets classified as held for sale	150	150
TOTAL ASSETS	31,750	35,019
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	16,450	54,833
Share premium	145	8,454
Treasury shares	(712)	(712)
Other reserves	45	78
Retained earnings/(Accumulated losses)	2,080	(42,134)
Shareholders' funds	18,008	20,519
Total equity	18,008	20,519

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012 (unaudited) (CONTD.)**

	31/03/12 RM'000 (Unaudited)	31/12/11 RM'000 (Audited)
Current liabilities		
Borrowings	754	5,164
Trade and other payables	12,918	9,326
Other current liabilities	70	-
Provision for tax	-	10
	<u>13,742</u>	<u>14,500</u>
Total liabilities	<u>13,742</u>	<u>14,500</u>
TOTAL EQUITY AND LIABILITIES	<u>31,750</u>	<u>35,019</u>
Net Assets Per Share (RM/share)	<u>1.09</u>	<u>0.38</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2012 (unaudited)

	Attributable to Equity Holders of the Parent Company					Non-distributable		Total Equity
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Earnings/ (Accumulated Losses) RM'000	Distributable Equity Attributable To Equity Holders of the Parent Company RM'000	Non-Controlling Interest RM'000	RM'000
As at 1 January 2012	54,833	8,454	(712)	78	(42,134)	20,519	-	20,519
Currency translation differences	-	-	-	(33)	-	(33)	-	(33)
Effect of capital reduction exercise	(38,383)	(8,169)	-	-	46,552	-	-	-
Expenses incurred in relation to rights issue with warrants	-	(140)	-	-	-	(140)	-	(140)
Loss for the period	-	-	-	-	(2,338)	(2,338)	-	(2,338)
As at 31 March 2012	16,450	145	(712)	45	2,080	18,008	-	18,008
As at 1 January 2011	54,833	8,454	(712)	514	(24,551)	38,538	-	38,538
Currency translation differences	-	-	-	(195)	-	(195)	-	(195)
Loss for the period	-	-	-	-	(3,017)	(3,017)	-	(3,017)
As at 31 March 2011	54,833	8,454	(712)	319	(27,568)	35,326	-	35,326

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2012 (unaudited)**

	31/03/12 RM'000 (Unaudited)	31/12/11 RM'000 (Audited)
Cash flows from operating activities		
Loss before tax	(2,338)	(20,687)
<u>Adjustments for:</u>		
Amortisation of intangible assets	143	400
Depreciation	73	502
Gain on disposal of property, plant and equipment	(24)	(1)
Gain on disposal of investment properties	-	(10)
Gain on disposal of subsidiaries	-	(333)
Allowance for impairment of		
- third parties	-	10,875
- investment properties	-	25
- marketable securities	-	376
Interest expense	49	1,459
Interest income	-	(115)
Inventories written down	-	6,439
Net fair value changes for available-for-sale financial asset	-	(200)
Reversal of allowance for impairment of third parties	-	(1,092)
Unrealised foreign exchange gain	196	(127)
Waiver of debts from suppliers	-	(1,347)
Waiver of lease payment from creditors	-	(5,152)
Bad debts written off – third parties	-	567
Operating loss before working capital changes	(1,901)	(8,421)
Changes in working capital		
Net change in trade & other receivables	2,162	(1,684)
Net change in trade & other payables	3,521	(4,229)
Cash generated from/(used in) operations	3,782	(14,334)
Tax paid	-	(41)
Interest paid	(49)	(1,459)
Net cash generated from/(used in) operating activities	3,733	(15,834)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEAR QUARTER ENDED 31 MARCH 2012 (unaudited) (CONTD.)**

	31/03/12 RM'000 (Unaudited)	31/12/11 RM'000 (Audited)
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(47)
Proceeds from disposal of property, plant and equipment	24	3
Proceeds from disposal of non-current assets classified as held for sale	-	52,520
Interest received	-	115
Net cash generated from investing activities	24	52,591
Cash flows from financing activities		
Expenses incurred in relation to rights issue with warrants	(140)	-
Repayment of hire purchase and finance lease liabilities	(2,000)	(4,170)
Repayment of for loan and borrowings	(2,327)	(32,620)
Net cash used in financing activities	(4,467)	(36,799)
Net decrease in cash and cash equivalents	(710)	(33)
Cash and cash equivalents at beginning of financial period	413	446
Cash and cash equivalents at end of financial period	(297)	413
Deposits with licensed banks	102	-
Cash and bank balances	328	1,222
Bank overdrafts (included within short term borrowings)	(727)	(809)
	(297)	413

**PART A: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2012**

1. Basis of Preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirement of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board ("MASB") and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied. The transition from the previous FRSs to the new MFRSs had no impact on the Group financial position, financial performance, cash flows and the notes to the financial statements.

The condensed consolidated interim financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2011 and the explanatory notes attached to the condensed consolidated interim financial statements which provide an explanation on events and transactions that are significant for the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2011.

2. Significant Accounting Policies

The accounting policies and methods of computation adopted in this condensed consolidated interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2011.

At the date of authorisation of these interim financial statements, the following new MFRSs, Amendments to MFRSs and Interpretations were issued but not yet effective and have not been applied by the Group:

FRSs, Amendments to FRSs and Interpretations	Effective date
Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013

PART A: EXPLANATORY NOTES PURSUANT TO MRFS 134 FOR THE QUARTER ENDED 31 MARCH 2012 (CONTD.)

MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investment in Associates and Joint Ventures	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 9: Financial Instruments	1 January 2015

The initial adoption of the above applicable MFRSs (and its consequential amendments) and IC Interpretation, is expected to have no material impact on the interim financial statements of the Group.

3. Auditors’ Report on Preceding Annual Financial Statements

The Auditors’ Report on the preceding financial statements for the financial year ended 31 December 2011 was not qualified.

4. 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.

5. 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 2012 (CONTD.)**

6. 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.

7. Issuances and Repayment of Debt and Equity

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

8. Dividend Paid

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

**PART A: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2012 (CONTD.)**

9. 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	
	Current Quarter 31/03/12 RM'000	Preceding Year Corresponding Quarter 31/03/11 RM'000	Current Year To Date 31/03/12 RM'000	Preceding Year Corresponding Quarter 31/03/11 RM'000
Segment Revenue				
Solutions	5,296	36	5,296	36
Communication & Multimedia	210	-	210	-
Education	-	-	-	-
Investment Holdings & Others	160	1,015	160	1,015
Total Revenue Including Inter- Segment Sales	5,666	1,051	5,666	1,051
Elimination of Inter- Segment Sales	-	-	-	-
Total Segment Revenue	5,666	1,051	5,666	1,051
Segment Results				
Solutions	(298)	(2,121)	(298)	(2,121)
Communication & Multimedia	(623)	(564)	(623)	(564)
Education	(21)	(29)	(21)	(29)
Investment Holdings & Others	(1,815)	(303)	(1,815)	(303)
	(2,757)	(3,017)	(2,757)	(3,017)
Elimination	419	-	419	-
Operating loss	(2,338)	(3,017)	(2,338)	(3,017)

**PART A: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2012 (CONTD.)**

10. Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward, without amendment from the previous annual financial statements as at 31 December 2011.

11. Subsequent Material Events

There were no material events subsequent to the end of the current reporting quarter other than as disclosed in Part B: Explanatory Notes Pursuant To MRFS 134, Note 8. Corporate Proposals and Note 11. Changes in Material Litigation below.

12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial quarter ended 31 March 2011.

13. Changes in Contingent Liabilities and Contingent Assets

There were no material changes in contingent liabilities and contingent assets except as disclosed in the Note 31 Contingent Liabilities of the audited financial statements of the Group for the year ended 31 December 2011.

**PART B: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2011 (CONTD.)**

1. Review of Performance (Q1 2012 v Q1 2011)

The Group's revenue for 1st quarter 2012 was RM5.666 million compared to RM1.051 million in the 1st quarter of 2011. The Group reported a loss before tax of RM2.338 million compared to a loss before tax of RM3.017 million in the same quarter of the previous year.

Our main revenue contribution came from our Systems and Solutions division in the sale of computer hardware. Under the Communication division, we are continuing to secure new projects under our UNOS Mobile Financial Services. We are close to completing current projects successfully, and are continuing to secure new customers existing base.

2. Comment on Material Change in Profit Before Taxation (Q1 2012 : Q4 2011)

Current quarter revenue of RM5.666 million was higher than RM0.102 million recorded for previous quarter. A lower loss before tax of RM2.338 million was reported compared to a loss of RM14.615 million for the previous quarter. The loss was principally due to the write off of inventory and provision of doubtful debt in the previous quarter.

3. Prospects

The Board of Directors is optimistic that with the completion of the capital restructuring and with the proceeds from the Private Placement and Rights Issue with Warrants, the Group is now in a better position to undertake new projects and other business opportunities.

Some of the large scale Government projects that we have been pursuing are reaching decision stages. We are hopeful that some of the decisions will be favourable to our Group. Activities within UNOS have been promising with requests from other banks to submit proposals. We shall continue to offer out-right sale and maintenance, and on Application Service Provider basis of our solution.

4. Profit Forecast

There was no profit forecast issued by the Group.

**PART B: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2012 (CONTD.)**

5. Income Tax Expense

	3 Months Ended		Year-To-Date Ended	
	31/03/12	31/03/11	31/03/12	31/03/11
	RM'000	RM'000	RM'000	RM'000
Current quarter / period:				
- Income tax	-	-	-	-
- Deferred tax	-	-	-	-
	-	-	-	-
Under accrual of tax in prior year:				
- Income tax	-	-	-	-
- Deferred tax	-	-	-	-
	-	-	-	-
	-	-	-	-

**PART B: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2012 (CONTD.)**

6. Sale of Unquoted Investments and/or Properties

As disclosed in the Note 23. Non-Current Assets Classified As Held For Sale of the audited financial statements of the Group for the year ended 31 December 2011, the Group entered into a sale and purchase agreement with a purchaser to dispose off one unit of town house in the District of Port Dickson for a total cash consideration of RM150,000. Pending the completion of the transaction, the asset has been reclassified to non-current assets held for sale.

7. Quoted Securities

The details of investments in quoted shares as at 31 March 2012 as set out below: -

	As At 31/03/12 RM'000	As At 31/12/11 RM'000
In Malaysia		
At book value	-	-
At market value	-	-
Outside Malaysia		
At book value	380	394
At market value	380	394

**PART B: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2011 (CONTD.)**

8. Corporate Proposal

Proposed share premium reduction, proposed par value reduction, proposed amendment, proposed private placement, proposed rights issue with warrants and proposed exemption (“the Proposals”)

Reference is made to the announcements dated 5 October 2011, 10 October 2011, 24 October 2011, 27 October 2011, 11 November 2011, 29 November 2011, 13 December 2011, 16 December 2011, 11 January 2012, 24 February 2012, 9 March 2012, 15 March 2012, 16 March 2012, 28 March 2012, 3 April 2012, 4 April 2012, 6 April 2012, 12 April 2012, 20 April 2012, 14 May 2012, 21 May 2012, 22 May 2012 and 23 May 2012 in relation to the Proposals.

As of 23 May 2012, the Proposals have been completed following the:

- (i) Completion of the reduction of the par value of the ordinary shares of FSBM from RM1.00 to RM0.30 on 16 March 2012;
- (ii) listing of and quotation for 5,374,230 ordinary shares of RM0.30 pursuant to the Private Placement on the Main Market of Bursa Securities, on 4 April 2012; and
- (iii) listing of and quotation for 59,116,530 ordinary shares of RM0.30 pursuant to the Rights Shares and 59,116,530 Warrants issued pursuant to the Rights Issue with Warrants on the Main Market of Bursa Securities, on 23 May 2012.

As at 23 May 2012, the issued and paid up capital of the Company is 119,323,760 ordinary shares of RM0.30 each.

PART B: EXPLANATORY NOTES PURSUANT TO MRFS 134 FOR THE QUARTER ENDED 31 MARCH 2011 (CONTD.)

9. Group Borrowings and Debt Securities

The Group borrowings as at 31 March 2012 were as follows:

	As At 31/03/12 RM'000	As At 31/12/11 RM'000
Short Term – Secured	754	5,164
	754	5,164

None of the Group borrowings is denominated in foreign currency.

10. Off Balance Sheet Financial Instruments

During the financial period under review, the Group did not enter into any contracts involving off balance sheet financial instruments.

11. Changes in Material Litigation

(i) FSBM Holdings Berhad (“the Company”) Vs Technitium Sdn Bhd (“TSB”) Kuala Lumpur High Court Civil Suit No.: D22-NCC-839-2010

Reference is made to the Company’s earlier announcements dated 7 May 2010, 13 May 2010, 15 July 2010, 20 July 2010, 6 August 2010, 24 August 2010, 5 October 2010, 12 October 2010, 8 December 2010, 25 December 2010, 3 December 2010, 5 January 2011, 9 December 2011, 6 January 2012, 11 January 2012, 20 January 2012 and 14 February 2012, in relation the above.

Pursuant to the High Court’s decision on 21 November 2011 in allowing the Court Order that all monies claimed by the Company in the arbitration proceeding with TSB, being RM8,563,212.64, be deposited into the Company’s solicitor’s bank account as stakeholders, dismissing the appeal filed by TSB on 9 February 2012.

**(ii) FSBM Ctech Sdn Bhd (“CTECH”) Vs Technitium Sdn Bhd (“TSB”)
Kuala Lumpur High Court Civil Suit No.: D22-NCC-1017-2010**

Reference is made to the Company’s earlier announcements dated 7 May 2010, 15 July 2010, 20 July 2010, 6 Aug 2010, 24 Aug 2010, 5 Oct 2010, 12 Oct 2010, 8 Nov 2010, 25 Nov 2010, 3 Dec 2010, 5 Jan 2011, 20 January 2012, 18 April 2012, in relation the above.

On 20 January 2012 the Court delivered its judgement and ordered TSB to pay FSBM CTEch the sum of RM32,409,434.77 and interest at 8% commencing from date of filing of Writ until date of judgment including costs of RM200,000.00 to be paid by TSB to FSBM CTEch. In addition, the Court dismissed TSB’s counter-claim.

On 30 January 2012, TSB filed a notice of appeal against the Judgment. The appeal has now been fixed for hearing on 23 July 2012.

On 9 February 2012, TSB filed an application for stay of the Judgment where on its hearing on 12 March 2012, the Court granted TSB a conditional stay on the condition that TSB place a sum of RM5,000,000.00 into TSB’s solicitors account on or before 2 April 2012.

On 6 April 2012, FSBM CTEch filed a winding-up petition in Kuala Lumpur High Court Petition No. 28NCC-270-04/2012 against TSB after TSB failed to comply with the condition for stay. The Petition has now been fixed for hearing on 18 June 2012.

12. 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 2012 (CONTD.)**

13. 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:

a) Basic loss per share

	3 Months Ended		Year-To-Date Ended	
	31/03/12 RM'000	31/03/11 RM'000	31/03/12 RM'000	31/03/11 RM'000
Loss attributable to equity holders of the Parent Company	(2,338)	(3,017)	(2,338)	(3,017)
Weighted average number of ordinary shares, excluding treasury shares				
Issued ordinary shares at beginning of period	53,742,300	53,742,300	53,742,300	53,742,300
Basic loss per share (sen)	(4.35)	(5.61)	(4.35)	(5.61)

14. Loss Before Tax

	31/03/12 RM'000	31/03/11 RM'000
Depreciate and amortization	216	154
Foreign exchange loss – unrealised	196	326
(Gain)/loss on disposal of property, plant and equipment	(24)	149
Interest expense	49	786

**PART B: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2012 (CONTD.)**

15. Disclosure of Realised and Unrealised Profits/(Losses)

Pursuant to the directive, the breakdown of the accumulated losses of the Group as at 31 March 2012, into realised and unrealised profits is as follows: -

	As at 31/03/12 RM'000	As at 31/12/11 RM'000
Total retained earnings/(accumulated losses) of the Company, its subsidiaries and associates: -		
- Realised	(73,059)	(114,211)
- Unrealised	45	327
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	(73,014)	(113,884)
Consolidated adjustments	70,934	71,750
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Total Group retained earnings/(accumulated losses) as per consolidated accounts	2,080	(42,134)