

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2014 (unaudited)**

	Individual Period		Cumulative Period	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Quarter
	30/09/14 RM'000	30/09/13 RM'000	30/09/14 RM'000	30/09/13 RM'000
Revenue	67	344	824	1,517
Cost of sales	(8)	(189)	(378)	(783)
Gross profit	59	155	446	734
Other income	10	178	20	883
Administrative expenses	(697)	(1,004)	(2,405)	(3,028)
Selling and marketing expenses	(4)	(85)	(63)	(185)
Other expenses	(54)	(665)	(778)	(2,137)
Operating loss	(686)	(1,421)	(2,780)	(3,733)
Finance costs	-	-	-	-
Loss before tax	(686)	(1,421)	(2,780)	(3,733)
Income tax expense	-	-	-	1
Loss for the period	(686)	(1,421)	(2,780)	(3,732)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2014 (unaudited) (CONTD.)**

	Individual Period		Cumulative Period	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Quarter
	30/09/14 RM'000	30/09/13 RM'000	30/09/14 RM'000	30/09/13 RM'000
Other comprehensive loss				
Foreign currencies translation	(147)	(200)	(14)	(361)
Other comprehensive loss, net of tax	(147)	(200)	(14)	(361)
Total comprehensive loss	(833)	(1,621)	(2,794)	(4,093)
Loss attributable to:				
Equity holders of the parent	(692)	(1,421)	(2,722)	(3,732)
Non-controlling interests	6	-	(58)	-
	(686)	(1,421)	(2,780)	(3,732)
Total comprehensive loss attributable to:				
Equity holders of the parent	(845)	(1,621)	(2,734)	(4,093)
Non-controlling interests	12	-	(60)	-
	(833)	(1,621)	(2,794)	(4,093)
Loss per share attributable to equity holders of the parent: (cent per share)				
- basic	0.58	1.20	2.30	3.16
- diluted	0.58	1.20	2.30	3.16

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014 (unaudited)**

	30/09/14	31/12/13
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	179	259
Intangible assets	2,620	2,620
Other investments	335	485
	3,134	3,364
Current assets		
Inventories	3,200	3,200
Trade and other receivables	15,620	17,474
Other current assets	101	8
Marketable securities	407	298
Tax recoverable	48	36
Deposits with licensed banks	3	3
Cash and bank balances	54	563
	19,433	21,582
	22,567	24,946
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	35,797	35,797
Treasury shares	(712)	(712)
Other reserves	5,372	5,386
Accumulated losses	(24,262)	(21,540)
Shareholders' funds	16,195	18,931
Non-controlling interests	(430)	(372)
Total equity	15,765	18,559

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014 (unaudited) (CONTD.)**

	30/09/14	31/12/13
	RM'000	RM'000
	(Unaudited)	(Audited)
Current liabilities		
Trade and other payables	6,802	6,387
	6,802	6,387
Total liabilities	6,802	6,387
TOTAL EQUITY AND LIABILITIES	22,567	24,946
Net Assets Per Share (RM/share)	0.14	0.16

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2014 (unaudited)

	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000	Accumulated Losses RM'000	Equity Attributable to Equity Holders of the Parent Company RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
As at 1 January 2014	35,797	-	(712)	5,386	(21,540)	18,931	(372)	18,559
Currency translation differences Loss for the period	-	-	-	(14)	-	(14)	-	(14)
As at 30 September 2014	35,797	-	(712)	5,372	(24,262)	16,195	(430)	15,765
As at 1 January 2013	35,797	-	(712)	5,699	(10,406)	30,378	-	30,378
Currency translation differences Loss for the period	-	-	-	(361)	-	(361)	-	(361)
As at 30 September 2013	35,797	-	(712)	5,338	(14,138)	26,285	-	26,285

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 2013 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2014 (unaudited)**

	30/09/14	30/09/13
	RM'000	RM'000
Cash flows from operating activities		
Loss before tax	(2,780)	(3,733)
Adjustments for:		
Amortisation of intangible assets	-	170
Depreciation	70	115
Gain of disposal of property, plant and equipment	(43)	-
Loss on disposal of other investment	20	-
Property, plant and equipment written off	3	-
Interest income	-	(50)
Net fair value gain for available-for-sale financial asset	(109)	-
Reversal of allowance for impairment	-	(8)
Unrealised foreign exchange gain	(17)	(109)
Operating loss before working capital changes	(2,856)	(3,615)
Changes in working capital		
Net change in trade & other receivables	1,854	(1,291)
Net change in trade & other payables	414	(422)
Net change in other current assets	(93)	-
Cash used in operations	(681)	(5,328)
Tax paid	(12)	(5)
Net cash used in operating activities	(693)	(5,333)
Cash flows from investing activities		
Interest received	-	50
Purchase of property, plant and equipment	(2)	(8)
Proceeds from disposal of other investment	130	-
Proceeds from disposal of property, plant and equipment	56	-
Net cash generated from investing activities	184	42

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2014 (unaudited) (CONTD.)**

	30/09/14	30/09/13
	RM'000	RM'000
Net decrease in cash and cash equivalents	(509)	(5,291)
Effect of exchange rate changes	-	(391)
Cash and cash equivalents at beginning of financial period	566	5,957
Cash and cash equivalents at end of financial period	57	275
 Cash and cash equivalents at end of financial period:		
Deposits with licensed banks	3	3
Cash and bank balances	54	272
	57	275

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

**PART A: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

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 24 November 2014.

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 31 December 2013 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 2013.

3. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2013, except for the adoption of the following new MFRSs, Amendments to MFRSs and Issues Committee ("IC") Interpretations effective for financial periods beginning on or after 1 January 2014.

4. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Report on the preceding financial statements for the financial year ended 31 December 2013 was not qualified.

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.

**PART A: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2014 (CONTD.)**

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

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

7. Material Changes in Estimates

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

8. Issuances and Repayment of Debt and Equity

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

9. Dividend Paid

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

**PART A: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2014 (CONTD.)**
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	
	Current Quarter 30/09/14 RM'000	Preceding Year Corresponding Quarter 30/09/13 RM'000	Current Year To Date 30/09/14 RM'000	Preceding Year Corresponding Quarter 30/09/13 RM'000
Segment Revenue				
Solutions	23	124	444	639
Communication & Multimedia	18	68	299	676
Education	-	-	-	-
Investment Holdings & Others	26	152	81	202
Total Revenue Including Inter- Segment Sales	67	344	824	1,517
Elimination of Inter- Segment Sales	-	-	-	-
Total Segment Revenue	67	344	824	1,517
Segment Results				
Solutions	(164)	(409)	(393)	(486)
Communication & Multimedia	(6)	(395)	(151)	(699)
Education	(44)	(22)	(96)	(68)
Investment Holdings & Others	(472)	(595)	(2,140)	(2,479)
	(686)	(1,421)	(2,780)	(3,732)
Elimination	-	-	-	-
Operating loss	(686)	(1,421)	(2,780)	(3,732)

**PART A: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2014 (CONTD.)**

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 Part B: Explanatory Notes Pursuant To Note 6. Corporate Proposal and Note 8. Changes in Material Litigation below.

13. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial quarter ended 30 September 2014.

14. Changes in Contingent Liabilities and Contingent Assets

There were no material changes in contingent liabilities and contingent assets since the financial year ended 31 December 2013.

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 30 SEPTEMBER 2014 (CONTD.)**

1. Review of Performance (Q3 2014 v Q3 2013)

The Group's revenue for the third quarter of 2014 was RM0.067 million compared to RM0.344 million in the third quarter of 2013 due to low business activities. The Group reported a loss before tax of RM0.686 million compared to a loss before tax of RM1.421 million in the same quarter of the previous year.

The main revenue contribution for the current quarter came from the Investment Holdings and Others segments, similar to the preceding year corresponding quarter.

2. Comment on Material Change in Loss Before Taxation (Q3 2014 : Q2 2014)

Loss before tax of the Group was RM0.686 million for the quarter ended 30 September 2014 compared to a loss before tax of RM0.713 million for the preceding quarter ended 30 June 2014. The lower loss before tax was principally due to lowered overall expenses.

3. Prospects

The Management continues to work hard to secure a few major projects to ensure the future viability of the FSBM Group. We are also hopeful that the outcome from some other projects that we have been pursuing will be favourable to our Group.

4. Profit Forecast

There was no profit forecast issued by the Group.

**PART B: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2014 (CONTD.)**

5. Income Tax Expense

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

6. (a) Corporate Proposal

Proposed Private Placement of up to 17,844,029 new ordinary shares of RM0.30 each in FSBM ("FSBM shares" or "shares"), representing up to ten percent (10%) of the issued and paid-up share capital of FSBM at an issue price to be determined and announced later ("Proposed Private Placement")

Reference is made to the announcements dated 21 August 2013, 23 August 2013, 4 October 2013, 8 October 2013, 21 March 2014, 26 March 2014 and 17 October 2014 in relation to the Proposed Private Placement.

On 8 October 2013, behalf of the Board of Directors of FSBM, Public Investment Bank Berhad announced that Bursa Malaysia Securities Berhad ("Bursa Securities") had vide its letter dated 7 October 2013, which was received on 8 October 2013, approved the listing of and quotation for up to 17,844,029 new ordinary shares of RM0.30 each in FSBM to be issued pursuant to the Proposed Private Placement ("Placement Shares").

Bursa Securities had subsequently, vide its letter dated 26 March 2014, granted FSBM an extension of time for a further six (6) months period to 6 October 2014 to complete the implementation of the Proposed Private Placement.

On 17 October 2014, FSBM announced that the approval for the extension of time had lapsed, and that there were no new shares issued pursuant to the Proposed Private Placement.

7. Group Borrowings and Debt Securities

There were no group borrowings and debt securities as at 30 September 2014.

**PART B: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2014 (CONTD.)**

8. 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 in relation to 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. To date, TSB has not complied with the Court Order.

On 18 June 2012, the Court has ordered that TSB be wound up under the provisions of the Companies Act, 1965.

**(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 in relation to 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 18 June 2012, the Court has ordered that TSB be wound up under the provisions of the Companies Act, 1965. On 2 July 2012, FSBM CTech received the sealed winding up order on TSB. The Court has also appointed liquidators.

On 30 January 2012, TSB had filed an appeal in the Court of Appeal against the Judgement. At the hearing on 10 September 2012, the Court of Appeal dismissed TSB's claim with cost of RM80,000 to be borne by the directors of TSB in their personal capacity.

TSB had subsequently appealed to the Federal Court on the same Judgment. At its hearing on 19 August 2014, the Court dismissed TSB's application with costs of RM10,000.00.

The directors of TSB are Professor Emeritus Dr Azman Bin Awang and Haliza Binti Bidin.

**PART B: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2014 (CONTD.)**

8. Changes in Material Litigation (CONTD.)

(iii) FSBM and FSBM CTech against Individuals and TSB :

In furtherance to the actions brought by FSBM and FSBM CTech against TSB for the recovery of debts amounting to RM32,409,434.77 and RM8,563,212.64 respectively, FSBM and 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 3rd Defendant had filed a strike out application on the aforementioned action, and the Court had on 17 September 2014 dismissed her application. The 3rd Defendant had subsequently filed an appeal on 29 September 2014, and case management has been fixed on 18 December 2014.

As a result, the trial hearing originally scheduled for 31 October 2014 has been postponed to 26 and 27 March 2015.

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 30 SEPTEMBER 2014 (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:

Basic and diluted loss per share

	3 Months Ended		Year-To-Date Ended	
	30/09/14	30/09/13	30/09/14	30/09/13
	RM'000	RM'000	RM'000	RM'000
Loss attributable to equity holders of the Parent Company	(692)	(1,421)	(2,722)	(3,732)
Weighted average number of ordinary shares, excluding treasury shares	118,233,060	118,233,060	118,233,060	118,233,060
Basic and diluted loss per share (sen)	(0.58)	(1.20)	(2.30)	(3.16)

11. Loss Before Tax

	30/09/14	30/09/13
	RM'000	RM'000
Depreciation and amortization	70	285
Unrealized foreign exchange gain	(17)	(109)
Property, plant and equipment written off	3	-
Gain on disposal of property, plant and equipment	(43)	-
Loss on disposal of other investment	20	-
Net fair value gain for available-for-sale financial assets	(109)	-
Interest income	-	(50)
Reversal of allowance for impairment	-	(8)

**PART B: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 30 SEPTEMBER 2014 (CONTD.)**

12. Disclosure of Realised and Unrealised Losses

Pursuant to the directive, the breakdown of the accumulated losses of the Group as at 30 September 2014, into realised and unrealised accumulated losses is as follows: -

	As at 30/09/14 RM'000	As at 31/12/13 RM'000
Total retained accumulated losses of the Company and its subsidiaries:		
- Realised	(104,011)	(100,589)
- Unrealised	9	(53)
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	(104,002)	(100,642)
Consolidation adjustments	79,740	79,102
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Total Group accumulated losses as per consolidated accounts	(24,262)	(21,540)