

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2015 (unaudited)**

	Current Quarter	Current Year To Date
	31/3/2015 RM'000	31/3/2015 RM'000
Revenue	3,502	6,229
Cost of sales	(3,460)	(5,671)
Gross profit	42	558
Other income	777	803
Administrative expenses	(386)	(3,379)
Selling and marketing expenses	(3)	(70)
Other expenses	(574)	(1,504)
Operating loss	(144)	(3,592)
Finance cost	-	-
Loss before tax	(144)	(3,592)
Income tax expense	-	-
Loss for the period	(144)	(3,592)

The financial year end of the Group and the Company have been changed from 31 December to 30 June to cover the 18-month period from 1 January 2014 to 30 June 2015 and thereafter, to end on 30 June each year.

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 31 MARCH 2015 (unaudited) (CONTD.)**

	Current Quarter	Current Year To Date
	31/3/2015 RM'000	31/3/2015 RM'000
Other comprehensive loss		
Foreign currencies translation	(364)	(823)
Other comprehensive loss, net of tax	(364)	(823)
Total comprehensive loss	(508)	(4,415)
(Loss) attributable to:		
Equity holders of the parent	(117)	(3,465)
Non-controlling interests	(27)	(127)
	(144)	(3,592)
Total comprehensive loss attributable to:		
Equity holders of the parent	(407)	(4,135)
Non-controlling interests	(101)	(280)
	(508)	(4,415)
Loss per share attributable to equity holders of the parent: (cent per share)		
- basic	(0.09)	(2.74)
- diluted	(0.09)	(2.74)

The financial year end of the Group and the Company have been changed from 31 December to 30 June to cover the 18-month period from 1 January 2014 to 30 June 2015 and thereafter, to end on 30 June each year.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015 (unaudited)**

	31/3/2015	31/12/2013
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	137	259
Intangible assets	2,620	2,620
Other investments	335	485
	3,092	3,364
Current assets		
Inventories	3,200	3,200
Trade and other receivables	19,122	17,474
Other current assets	101	8
Marketable securities	921	298
Tax recoverable	42	36
Deposits with licensed banks	-	3
Cash and bank balances	2,663	563
	26,049	21,582
	29,141	24,946
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	38,297	35,797
Share premium	759	-
Treasury shares	(712)	(712)
Other reserves	3,957	5,386
Accumulated losses	(25,005)	(21,540)
Shareholders' funds	17,296	18,931
Non-controlling interests	(652)	(372)
Total equity	16,644	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 31 MARCH 2015 (unaudited) (CONTD.)**

	31/3/2015	31/12/2013
	RM'000	RM'000
	(Unaudited)	(Audited)
Current liabilities		
Trade and other payables	12,497	6,387
	12,497	6,387
Total liabilities	12,497	6,387
TOTAL EQUITY AND LIABILITIES	29,141	24,946
Net Assets Per Share (RM/share)	0.13	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 31 MARCH 2015 (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	-	-	-	(670)	-	(824)	(153)	(823)
Issuance of ordinary shares	2,500	759	-	(759)	-	2,500	-	2,500
Loss for the period	-	-	-	-	(3,465)	(3,465)	(127)	(3,592)
As at 31 MARCH 2015	38,297	759	(712)	3,597	(25,005)	17,142	(652)	16,644
As at 1 January 2013	35,797	-	(712)	5,699	(10,406)	30,378	-	30,378
Currency translation differences	-	-	-	(313)	-	(313)	-	(313)
Loss for the period	-	-	-	-	(11,134)	(11,134)	(372)	(11,506)
As at 31 DECEMBER 2013	35,797	-	(712)	5,386	(21,540)	18,931	(372)	18,559

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 31 MARCH 2015 (unaudited)**

**31/3/2015
RM'000**

Cash flows from operating activities

Loss before tax **(3,592)**

Adjustments for:

Amortisation of intangible assets -

Depreciation of property, plant and equipment 111

Gain of disposal of property, plant and equipment (43)

Loss on disposal of other investment 20

Loss on disposal of investment properties -

Property, plant and equipment written off 3

Net fair value loss/(gain) for available-for-sale financial asset (623)

Unrealised foreign exchange gain (825)

Bad debts written off - third parties -

Operating loss before working capital changes **(4,949)**

Changes in working capital

Net change in trade & other receivables (1,648)

Net change in trade & other payables 6,109

Net change in other current assets (93)

Cash used in operations **(581)**

Income tax refund 1

Income tax paid (7)

Net cash used in operating activities **(587)**

Cash flows from investing activities

Interest received -

Purchase of property, plant and equipment (2)

Proceeds from disposal of other investment 130

Proceeds from disposal of property, plant and equipment 56

Proceeds from disposal of investment properties -

Net cash generated from investing activities **184**

Cash flows from financing activity

Proceeds from issuance of shares 2,500

Net cash generated from financing activity **2,500**

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 31 MARCH 2015 (unaudited) (CONTD.)**

**31/03/2015
RM'000**

Net increase in cash and cash equivalents	2,097
Cash and cash equivalents at beginning of financial period	566
Cash and cash equivalents at end of financial period	2,663
Cash and cash equivalents at end of financial period:	
Deposits with licensed banks	-
Cash and bank balances	2,663
	2,663

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 31 MARCH 2015**

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 28 May 2015.

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.

The financial year end of the Group and the Company have been changed from 31 December to 30 June to cover the 18-month period from 1 January 2014 to 30 June 2015 and thereafter, to end on 30 June each year.

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.

**PART A: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2015 (CONTD.)**

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.

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

The Company had issued 8,334,000 new Ordinary Shares of par value RM0.30 via Warrants Conversion during the current quarter, raising a total of RM2,500,200.

Except for the above, 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 31 MARCH 2015 (CONTD.)**

10. Segment Reporting

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

	Current Quarter	Current Year To Date
	31/3/2015	31/3/2015
	RM'000	RM'000
Segment Revenue		
Solutions	3,452	5,750
Communication & Multimedia	10	314
Education	-	-
Investment Holdings & Others	40	165
Total Revenue Including Inter-Segment Sales	3,502	6,229
Elimination of Inter-Segment Sales	-	-
Total Segment Revenue	3,502	6,229
 Segment Results		
Solutions	(99)	(652)
Communication & Multimedia	(7)	(160)
Education	(9)	(113)
Investment Holdings & Others	(29)	(2,667)
	(144)	(3,592)
Elimination	-	-
Operating loss	(144)	(3,592)

**PART A: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2015 (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 31 March 2015.

Subsequently, on 20 April 2015 the Company had acquired 51% equity interest in JC Capital Management Sdn Bhd for a total cash consideration of RM40,000. This acquisition does not have any material impact on the share capital, substantial shareholders' shareholding, earnings or net assets of FSBM Group.

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 31 MARCH 2015 (CONTD.)**

1. Review of Performance (Q5 2014 v Q1 2014)

The Group's revenue for the fifth quarter of 2015 was RM3.502 million compared to RM0.269 million in the first quarter of 2014. The Group reported a loss before tax of RM0.144 million compared to a loss before tax of RM1.382 million in the same quarter of the previous year.

The main revenue contribution for the current quarter came from the Solution segment, similar to the preceding year corresponding quarter. The lower losses this quarter was due to the reduction in overall expenses. The financial year end has been extended to an 18 month period from 1 January 2014 to 30 June 2015.

2. Comment on Material Change in Profit Before Taxation (Q5 2014 : Q4 2014)

Loss before tax of the Group was RM0.144 million for the quarter ended 31 March 2015 compared to a loss before tax of 0.667 million for the preceding quarter ended 31 December 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.

5. Income Tax Expense

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

6. Corporate Proposal

There were no corporate proposals during the financial period under review.

**PART B: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2015 (CONTD.)**

7. Group Borrowings and Debt Securities

There were no group borrowings and debt securities as at 31 March 2015.

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 31 MARCH 2015 (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 hearing was conducted on 26 March 2015, and the next hearing is scheduled on 11 and 12 June 2015.

9. Dividend

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

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 31/3/2015 RM'000	Year-To-Date Ended 31/3/2015 RM'000
Loss attributable to equity holders of the Parent Company	(117)	(3,465)
Weighted average number of ordinary shares, including treasury shares	127,657,760	127,657,760
Basic and diluted loss per share (sen)	(0.09)	(2.71)

**PART B: EXPLANATORY NOTES PURSUANT TO MRFS 134
FOR THE QUARTER ENDED 31 MARCH 2015 (CONTD.)**

11. Loss Before Tax

	31/3/2015
	RM'000
Depreciation and amortization	111
Unrealized foreign exchange gain	(825)
Property, plant and equipment written off	3
Gain on disposal of property, plant and equipment	(43)
Loss on disposal of investment properties	-
Loss on disposal of other investment	20
Net fair value loss/(gain) for available-for-sale financial assets	(623)
Interest income	-

12. Disclosure of Realised and Unrealised Losses

Pursuant to the directive, the breakdown of the accumulated losses of the Group as at 31 March 2015, into realised and unrealised accumulated losses is as follows: -

	As at
	31/3/2015
	RM'000
Total accumulated losses of the Company and its subsidiaries:	
- Realised	(104,690)
- Unrealised	(789)
	<u>(105,479)</u>
Consolidation adjustments	80,474
Total Group accumulated losses as per consolidated accounts	<u>(25,005)</u>