

FSBM HOLDINGS BERHAD ("FSBM" OR THE "COMPANY")

COLLABORATION AGREEMENT ENTERED INTO BETWEEN FSBM I-DESIGN SDN. BHD. ("FSBM I-DESIGN") AND LINEAR CHANNEL SDN. BHD. ("LCSB")

1. INTRODUCTION

Pursuant to the Memorandum of Understanding ("**MOU**") that was entered by FSBM I-Design Sdn. Bhd. ("**FSBM I-Design**"), a wholly-owned subsidiary of FSBM Holdings Berhad ("**FSBM**" or "**Company**") with Linear Channel Sdn. Bhd. ("**LCSB**") (hereinafter referred to as the "**Parties**") on 9 May 2023, FSBM wishes to announce that FSBM I-Design has on 25 April 2024 entered into a Collaboration Agreement ("**Collaboration Agreement**") with LCSB, the salient terms of which are set out in Section 4 of this announcement.

2. INFORMATION ON FSBM I-DESIGN

FSBM I-Design is a company incorporated in Malaysia on 25 May 2000 as a private limited company under the Companies Act 1965 and deemed registered under the Companies Act 2016.

As at 25 April 2024, being the latest practicable date prior to this Announcement ("**LPD**"), FSBM I-Design is a wholly-owned subsidiary of FSBM and is principally involved in providing enterprise wide ICT and systems integration services.

3. INFORMATION ON LCSB

LCSB is incorporated in Malaysia on 26 July 1999 as a private limited company under the Companies Act 1965 and deemed registered under the Companies Act 2016. LCSB owns a trademark/brand name "*Smart Rental*" and is principally involved in the business of renting of computers and laptops through its Smart Rental subscription packages programs to its clients.

As at LPD, the total issued share capital of LCSB is RM8,630,000.00 comprising of 9,633,128 ordinary shares.

As at LPD, the directors and shareholders of LCSB and their respective shareholdings in LCSB are as follows:

	No. of shares	%
Director:		
Chin Tong Lim	-	-
Shareholders:		
Haas Asia Sdn Bhd*	8,500,008	88.44%
Maybank Trustees Berhad	324,000	3.36%
Smart Rental PLT	604,120	6.27%
Solo Labeller Technology Sdn Bhd	205,000	2.13%
	9,633,128	100.00

Note:

- * Chin Tong Lim has deemed interest in Haas Asia Sdn Bhd by virtue of his interest in Haas Asia Sdn Bhd.

4. SALIENT TERMS OF THE COLLABORATION AGREEMENT

The salient terms of the Collaboration Agreement include, amongst others, the following:

- 4.1 LCSB agrees to appoint FSBM I-Design as a distributor for LCSB's *Smart Agility Programme* and FSBM I-Design agrees to act as a distributor for LCSB in supplying LCSB with laptops, tablets, mobile devices and/or personal computers for LCSB's *Smart Agility Programme*, *Save + Swift = Smile Programme*, *Green Warrior Programme* and *Smart Interactive White Board Programme*. ("**Distributorship**").
- 4.2 The Parties further agree to collaborate with each other for the following:
- i) collaboration in co-marketing initiatives;
 - ii) collaboration in customer base;
 - iii) collaboration in cybersecurity risk assessments and vulnerability testing;
 - iv) collaboration in disaster recovery solutions; and
 - v) collaboration in joint bidding and tendering for IT related scope projects
- (collectively, referred to as the "**Collaboration**").
- 4.3 Either Party may terminate the Collaboration Agreement for any reason whatsoever by giving the other Party not less than three (3) months prior written notice.

5. RATIONALE OF THE COLLABORATION AGREEMENT

The Collaboration Agreement serves as a formalisation of the collaborative efforts initiated under the MOU signed between FSBM I-Design and LCSB in on 9 May 2023. By entering into the Collaboration Agreement, FSBM I-Design and LCSB aim to deepen the collaboration and explore new avenues for leveraging each other's strengths to achieve shared objectives.

6. EFFECTS OF THE COLLABORATION AGREEMENT

The Collaboration Agreement will not have any effect on the share capital and substantial shareholder's shareholdings in the Company.

The Collaboration Agreement is not expected to have any material effect on the earnings per share, net assets per share and gearing of the Company for the financial year ending 31 December 2024. Should the Distributorship and Collaboration materialise, it is expected to contribute positively to the future earnings of FSBM and its subsidiaries.

7. RISK FACTORS

The Company does not expect any material risk arising from the Collaboration Agreement. The Board of Directors and the management of the Company will exercise due care in considering the associated risks and benefits.

8. DIRECTORS AND MAJOR SHAREHOLDERS' INTEREST

None of the Directors, major shareholders of the Company and persons connected with them have any interest, directly and/or indirectly, in the Collaboration Agreement.

9. STATEMENT BY DIRECTORS

The Board of Directors of the Company, having taken into consideration all aspects of the Collaboration Agreement, is of the opinion that the Collaboration Agreement is in the best interest of FSBM.

10. APPROVALS REQUIRED

The Collaboration Agreement is not subject to the approval of the shareholders of the Company.

11. DOCUMENTS AVAILABLE FOR INSPECTION

The Collaboration Agreement is available for inspection at the Registered Office of the Company at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur during normal office hours on Mondays to Fridays (except for public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 25 April 2024.