

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

MEMORANDUM OF UNDERSTANDING ENTERED INTO BETWEEN FSBM MES ELITE SDN BHD (FORMERLY KNOWN AS FSBM LEARNING MEDIA SDN BHD) AND SELANGOR HUMAN RESOURCE DEVELOPMENT CENTRE FOR THE JOINT COLLABORATION IN APPLICATION-BASED RESEARCH AND DEVELOPMENT IN TECHNOLOGY APPLICATIONS SUITED FOR INDUSTRIAL APPLICATIONS

1. INTRODUCTION

- 1.1 The Board of Directors of FSBM Holdings Berhad ("**FSBM**" or "**Company**") ("**Board**") wishes to announce that, FSBM MES Elite Sdn. Bhd. (formerly known as FSBM Learning Media Sdn Bhd) ("**FMES**"), a wholly-owned subsidiary of FSBM had on 8 May 2023 entered into a Memorandum of Understanding ("**MOU**") with Selangor Human Resource Development Centre ("**SHRDC**") (hereinafter referred to as the "**Parties**") for the Joint Collaboration (hereinafter defined).

2. INFORMATION ON FMES

FMES is primarily engaged in provision of industry digitalisation transformation, IoT solution manufacturing execution system integration and smart manufacturing solutions. FMES offer customisable Manufacturing Execution Solutions ("MES"), a computerized solution for optimizing and improving the entire manufacturing process for Malaysian Industry, especially small and medium-sized enterprises (SMEs), from planning and tracking the transformation of raw materials to finished goods, based on targeted delivery schedules and costs.

3. INFORMATION ON SHRDC

SHRDC is a not-for-profit and an award-winning talent and skills development centre that was established through a tri-patriate partnership between the Government and industry on the 14th February 1992. Ever since, they have been the go-to destination for professional training and talent development. With our ISO certification, they are committed to delivering high-quality training services that meet the diverse needs of different industries.

Over the years, they have trained over 100,000 individuals and developed long-lasting partnerships with esteemed clients. Their training programs cover a wide range of industry skillsets, including Solar Renewable Energy, Smart Factory, Footwear, Aerospace, ICT, and Environmental, Social and Governance (ESG) training. They also offer other development programs that cater to essential skills and industry 4.0 under the Malaysian Smart Factory (MSF) 4.0.

Their highly experienced trainers are industry experts who use the latest training methods and techniques to ensure that their participants acquire the necessary skills and knowledge required for their respective industries. At SHRDC, they are passionate about empowering individuals to achieve their full potential and driving business success through exceptional training and development services.

Under the leadership and guidance of their current Executive Director, Ms. Teh Sook Ling, their team of 40+ employees across multiple departments is committed to creating a conducive learning environment that fosters growth, development, and innovation. They believe that investing in people is the key to success, which is why they provide exceptional training and development services that drive business growth and success.

4. SALIENT TERMS OF THE MOU

The salient terms of the MOU are, amongst others, as follows:

- (a) The MOU is not intended to be binding in any court of law but is intended to establish a basis upon which SHRDC and FMES may explore areas for collaboration and cooperation. In this regard, the Parties agreed to the following goals and objectives as part of their collaboration initiatives: -
 - i) Joint collaboration in application-based research and development in technology applications suited for industrial applications;
 - ii) Joint collaboration in hands-on knowledge sharing sessions on the technology developments between both parties;
 - iii) Joint collaboration in promoting talent development programs and initiatives through hands-on and competency-based training;
 - iv) Joint collaboration in marketing and promotion activities for the benefit of both parties;
 - v) Co-creation of case studies and white papers that showcase successful implementation of smart manufacturing technologies in difference industries; and
 - vi) FMES to provide technology showcase to the Malaysian Smart Factory 4.0 participants.

(Collectively, referred to as the “**Joint Collaboration**”)

- (b) The implementation of the Joint Collaboration shall be dealt by the departments or faculties of both parties and a separate written agreement shall be entered into by the parties setting out the detailed arrangement which will stipulate, the scope timeframe and objectives of the activity in detail; the responsible personnel and the commitment of resources.

5. RATIONALE OF THE MOU

The MOU is entered into to establish the basis upon which SHRDC and FMES may explore areas in relation to the Joint Collaboration.

5. DURATION OF THE MOU

The MOU shall continue in force for a period of two (2) years from the date of the MOU and may be extended upon mutual agreement thereafter, unless otherwise terminated for any reason whatsoever by giving the other party not less than three (3) months prior written notice.

6. EFFECTS OF THE MOU

The MOU will not have any effect on the share capital and substantial shareholder’s shareholdings in the Company.

The MOU 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 2023. Should the Joint Collaboration materialize, it is expected to contribute positively to the future earnings of the Group.

7. RISK FACTORS

The Company does not expect any material risk arising from the MOU as the MOU is non-binding and is not intended to constitute a legally binding or enforceable agreement or commitment on either party.

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 MOU.

9. STATEMENT BY DIRECTORS

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

10. APPROVALS REQUIRED

The MOU is not subject to the approval of the shareholders of the Company.

11. DOCUMENTS AVAILABLE FOR INSPECTION

The MOU 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 8 May 2023.