Unless otherwise stated, all terms and abbreviations contained in this Abridged Prospectus are in the "Definitions" section of this Abridged Prospectus.

No securities will be allotted or issued based on this Abridged Prospectus after six months from the date of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY. All enquiries concerning the Rights Issue with Warrants, which is the subject of this Abridged Prospectus should be addressed to our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Abridged Prospectus. The SC has not, in any way, considered the merits of the Rights Issue with Warrants. A copy of this Abridged Prospectus and the accompanying NPA and RSF (collectively, the "**Documents**") have also been lodged with the Registrar of Companies who takes no responsibility for the contents of the Documents.

The approval from our shareholders for the Rights Issue with Warrants was obtained at our EGM held on 22 May 2023. The approval from Bursa Securities had also been obtained via its letter dated 7 April 2023 for the listing and quotation of the Rights Shares, admission of the Warrants to the Official List as well as the listing and quotation of the Warrants and the new Shares to be issued upon exercise of the Warrants on the Main Market. However, this is not an indication that Bursa Securities recommends the Rights Issue with Warrants. The admission of Warrants to the Official List as well as the listing and quotation of all the new securities on the Main Market are not to be taken as an indication of the merits of the Rights Issue with Warrants. Bursa Securities does not take any responsibility for the correctness of any statement made or opinion expressed in the Documents.

The Documents are only despatched to our Entitled Shareholders whose names appear in our Company's Record of Depositors as at 5.00 p.m. on 25 August 2023 who have a registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia in writing by 5.00 p.m. on 25 August 2023. The Documents are not intended to be (and will not be) issued, circulated or distributed and the Rights Shares with Warrants is not intended to be (and will not be) made or offered or deemed to be made or offered for purchase or subscription in any countries or jurisdictions other than Malaysia or to persons who are or may be subject to the laws of any countries or jurisdictions other than the laws of Malaysia. Persons receiving the Documents (including without limitation, custodians, nominees and transferees) must not, in connection with the Rights Issue with Warrants, distribute or send the Documents outside Malaysia. No action has been or will be taken to ensure that the Rights Issue with Warrants and the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. The Rights Issue with Warrants to which the Documents relate is only available to persons receiving the Documents electronically or otherwise within Malaysia. The Documents do not constitute an offer, solicitation or invitation to subscribe for the Rights Issue with Warrants in any jurisdictions other than Malaysia or to any person whom it may be unlawful to make such an offer, solicitation or invitation. It shall be the sole responsibility of the Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia to immediately consult their legal advisers and/or other professional advisers as to whether the acceptance and/or renunciation and/or transfer (as the case may be) of all or any part of their entitlements to the Rights Shares with Warrants would result in the contravention of any of the laws of such countries or jurisdictions. Neither our Company, Malacca Securities nor any other professional advisers to the Rights Issue with Warrants shall accept any responsibility or liability in the event that any acceptance and/or renunciation and/or transfer (as the case may be) made by the Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such country or jurisdictions in which the Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) is a resident.

The SC is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO "RISK FACTORS" AS SET OUT IN SECTION 7 OF THIS ABRIDGED PROSPECTUS.

FSBM

FSBM HOLDINGS BERHAD
Registration No.: 198401003091 (115609-U)
(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 236,659,300 NEW ORDINARY SHARES IN FSBM HOLDINGS BERHAD ("FSBM") ("FSBM SHARES" OR "SHARES") ("RIGHTS SHARES") ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 1 EXISTING FSBM SHARE HELD AS AT 5.00 P.M. ON FRIDAY, 25 AUGUST 2023, TOGETHER WITH UP TO 118,329,650 FREE DETACHABLE WARRANTS IN FSBM ("WARRANTS") ON THE BASIS OF 1 WARRANT FOR EVERY 2 RIGHTS SHARES SUBSCRIBED FOR AT AN ISSUE PRICE OF RM0.03 PER RIGHTS SHARE

Principal Adviser and Sole Underwriter

Malacca Securities
Building Wealth Together

MALACCA SECURITIES SDN. BHD.
Registration No: 197301002760 (16121-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES:		
Entitlement Date	:	Friday, 25 August 2023 at 5.00 p.m.
Last date and time for:		
Sale of Provisional Allotments	:	Monday, 4 September 2023 at 5.00 p.m.
Transfer of Provisional Allotments	:	Wednesday, 6 September 2023 at 4.30 p.m.
Acceptance and payment	:	Tuesday, 12 September 2023 at 5.00 p.m.
Excess Rights Shares with Warrants Application and payment	:	Tuesday, 12 September 2023 at 5.00 p.m.

This Abridged Prospectus is dated 25 August 2023

ALL TERMS AND ABBREVIATIONS USED HEREIN SHALL HAVE THE SAME MEANING AS THOSE DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS UNLESS STATED OTHERWISE.

RESPONSIBILITY STATEMENTS

OUR DIRECTORS HAVE SEEN AND APPROVED ALL DOCUMENTATION RELATING TO THE RIGHTS ISSUE WITH WARRANTS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE IS NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.

MALACCA SECURITIES, BEING OUR PRINCIPAL ADVISER AND SOLE UNDERWRITER FOR THIS RIGHTS ISSUE WITH WARRANTS, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE WITH WARRANTS.

OTHER STATEMENTS

YOU SHOULD NOTE THAT YOU MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THIS ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THIS ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.

SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF SUCH RESTRICTIONS AND TO OBSERVE THEM.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE WITH WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus:-

Abridged Prospectus	:	This Abridged Prospectus dated 25 August 2023 in relation to the Rights Issue with Warrants
Act	:	Companies Act, 2016 of Malaysia, as amended from time to time including any re-enactment thereof
ATM	:	Automated teller machine
Authorised Nominee	:	A person who is authorised to act as a nominee as defined under the Rules of Bursa Depository
Bloomberg	:	Bloomberg Finance Singapore L.P. and its affiliates
BNM	:	Bank Negara Malaysia
Board	:	Board of Directors of FSBM
Bursa Depository	:	Bursa Malaysia Depository Sdn. Bhd. (Registration No.: 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
CAGR	:	Compounded annual growth rate
Capital Reduction	:	Capital reduction carried out by our Company pursuant to Section 116 of the Act to reduce the share capital of our Company via the cancellation of RM14,292,450 of the issued share capital of our Company and that the credit arising from such capital reduction used to eliminate the accumulated losses of our Company, which was completed on 25 July 2023
CDS	:	Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
CDS Account(s)	:	Securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor
Closing Date	:	Tuesday, 12 September 2023 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Rights Shares with Warrants
CMSA	:	Capital Markets and Services Act, 2007, as amended from time to time including any re-enactment thereof
COVID-19	:	Coronavirus disease

CSSA	:	Conditional share sale agreement dated 15 October 2021 (as supplemented via letters dated 15 April 2022 and 12 October 2022) entered into between FSBM and Dato' Tan in relation to the disposal of FSBM CTech Sdn. Bhd. and Unos Sdn. Bhd., for a total cash consideration of RM2.0 million, which had been mutually terminated via CSSA Termination Letter
CSSA Termination Letter	:	An exchange of letter dated 15 November 2022 between FSBM and Dato' Tan in respect of the mutual termination of the CSSA
Dato' Tan	:	Dato' Tan Hock San @ Tan Hock Ming, a Non-Independent Non-Executive Director of our Company as at LPD
DDoS	:	Distributed denial of service, where high volumes of requests are sent at the same time from multiple points on the Internet to overwhelm network system resources or overload the bandwidth of the network infrastructure
Deed Poll	:	Deed poll constituting the Warrants dated 11 August 2023
Director	:	A natural person who holds a directorship in a company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA
Documents	:	Collectively, this Abridged Prospectus together with the NPA and RSF
Dr Chew	:	Dr Chew Weng Yew, a major shareholder of FSBM as at LPD
Dr Chew Undertaking Letter	:	The undertaking letter dated 28 September 2022 (as supplemented via letter dated 24 August 2023) from Dr Chew in relation to his Undertaking
e-NPA	:	Electronic NPA
e-RSF	:	Electronic RSF
e-Subscription	:	Electronic subscription
EGM	:	Extraordinary General Meeting of our Company held on 22 May 2023 in relation to the Rights Issue with Warrants
Entitled Shareholder(s)	:	The shareholder(s) of FSBM whose name(s) appear in the Record of Depositors of our Company on Entitlement Date
Entitlement Date	:	Friday, 25 August 2023 at 5.00 p.m. being the date and time on which the names of the Entitled Shareholders must appear in the Record of Depositors of our Company in order to be entitled to participate in the Rights Issue with Warrants
EPS	:	Earnings per Share
Excess Application(s)	:	Application(s) for Excess Rights Shares with Warrants as set out in Section 12.9 of this Abridged Prospectus
Excess Rights Shares with Warrants	:	Rights Shares which are not taken up or not validly taken up by the Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) by the Closing Date

Exercise Price	:	RM0.05, being the price at which 1 Warrant is exercisable into 1 new Share, subject to adjustments in accordance with the provisions of the Deed Poll
FPE	:	Financial period ended/ending, as the case may be
FSBM or our **Company**	:	FSBM Holdings Berhad (Registration No.: 198401003091 (115609-U))
FSBM Group or our **Group**	:	Collectively, FSBM and our subsidiaries
FSBM Share(s) or the **Share(s)**	:	Ordinary share(s) in FSBM
FSBM Shareholder(s)	:	The shareholder(s) of FSBM
FYE	:	Financial year ended/ending, as the case may be
INI	:	Internet protocol network intelligence, a system which comprises data, technology, algorithms, and techniques used to collect, analyse and visualise network information
IoT	:	Internet of things, which refers to a network of interconnected devices where communication between devices is facilitated to enable integrated operational activities
Issue Price	:	RM0.03, being the issue price for each of the Rights Share
IT	:	Information technology
LAT	:	Loss after tax
LBT	:	Loss before tax
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	2 August 2023, being the latest practicable date prior to the printing of this Abridged Prospectus
LPS	:	Loss per share
Main Market	:	Main Market of Bursa Securities
Malacca Securities or the **Principal Adviser** or the **Underwriter**	:	Malacca Securities Sdn. Bhd. (Registration No.: 197301002760 (16121-H)), being the Principal Adviser and the Sole Underwriter for the Rights Issue with Warrants
Market Day	:	A day on which Bursa Securities is open for trading in securities
Maximum Scenario	:	Assuming that all the Entitled Shareholders and/or their renouncee(s) and/or transferee(s) fully subscribe for their respective entitlements of the Rights Shares with Warrants

MCO	:	Movement control order
MES	:	Manufacturing execution systems
Minimum Scenario	:	Assuming the Rights Issue with Warrants is undertaken on the Minimum Subscription Level
Minimum Subscription Level	:	The minimum subscription level of 200,000,000 Rights Shares together with 100,000,000 Warrants based on the Issue Price to raise minimum gross proceeds of RM6.0 million
Mr Low	:	Low Kang Wei, the Chief Technology Officer of FSBM as at LPD
Mr Pang	:	Pang Kiew Kun, an Executive Director of FSBM as at LPD
Mr Pang Undertaking Letter	:	The undertaking letter dated 15 April 2022 (as supplemented via letter dated 24 August 2023) from Mr Pang in relation to his Undertaking
Mr Yeo	:	Yeo Ann Seck, a substantial shareholder of FSBM as at LPD
Mr Yeo Undertaking Letter	:	The undertaking letter dated 28 September 2022 (as supplemented via letter dated 24 August 2023) from Mr Yeo in relation to his Undertaking
NA	:	Net assets
NL	:	Net liabilities
NPA	:	Notice of provision allotments in relation to the Rights Issue with Warrants
Official List	:	A list specifying all securities listed on the Main Market
PAT	:	Profit after tax
PBT	:	Profit before tax
PN16	:	Practice Note 16 of the Listing Requirements
PN17	:	Practice Note 17 of the Listing Requirements
Providence or the **Independent Market Researcher**	:	Providence Strategic Partners Sdn. Bhd. (Registration No.: 201701024744 (1238910-A)), the independent market researcher for the Regularisation Plan
Provisional Allotments	:	The Rights Shares with Warrants provisionally allotted to Entitled Shareholders
Record of Depositors	:	A record of depositors established by Bursa Depository under the rules of Bursa Depository, as amended from time to time
Regularisation Plan	:	Collectively, the Capital Reduction, Shares Issuance and Rights Issue with Warrants
Requisite Announcement	:	The requisite announcement dated 15 October 2021 in relation to the initial regularisation plan of FSBM

DEFINITIONS *(CONT'D)*

Rights Issue with Warrants	:	Renounceable rights issue of up to 236,659,300 Rights Shares on the basis of 1 Rights Share for every 1 existing FSBM Share held as at 5.00 p.m. on Friday, 25 August 2023, together with up to 118,329,650 Warrants on the basis of 1 Warrant for every 2 Rights Shares subscribed for at the Issue Price
Rights Share(s)	:	New FSBM Share(s) to be issued pursuant to the Rights Issue with Warrants
RM and **sen**	:	Ringgit Malaysia and sen, respectively
RSF	:	Rights subscription form
Rules	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions, as amended from time to time including any re-enactment thereof
Rules of Bursa Depository	:	The Rules of Bursa Depository, issued pursuant to the SICDA
SC	:	Securities Commission Malaysia
Share Registrar	:	Tricor Investor and Issuing House Services Sdn. Bhd. (Registration No.: 197101000970 (11324-H)), being the share registrar for the Rights Issue with Warrants
Shares Issuance	:	Shares issuance of 60,000,000 Subscription Shares to the Subscribers, which the Subscription Shares had been allotted to the Subscribers on 2 August 2023, and the listing of the Subscription Shares will be on the same day as the listing of the Rights Shares and Warrants
SICDA	:	Securities Industry (Central Depositories) Act, 1991 of Malaysia, as amended from time to time and any re-enactment thereof
SOC	:	Security operation centre
Subscribers	:	Collectively, Tan Sri Syed Zainal, Mr Pang and Mr Low
Subscription Agreement(s)	:	The subscription agreements dated 15 October 2021 (as supplemented via letters dated 12 October 2022, 13 January 2023 and 9 August 2023) entered into between FSBM and the Subscribers in relation to the Shares Issuance
Subscription Price	:	The subscription price of RM0.08 per Subscription Share
Subscription Shares	:	60,000,000 new FSBM Shares issued pursuant to the Shares Issuance
Tan Sri Syed Zainal	:	Tan Sri Dato' Sri Syed Zainal Abidin Syed Mohd Tahir
TERP	:	Theoretical ex-rights price
TIIH Online	:	Share Registrar's proprietary-owned application to facilitate Entitled Shareholders to subscribe for the Provisional Allotments and Excess Rights Shares with Warrants electronically
Treasury Shares	:	1,090,700 FSBM Shares held as treasury shares as at LPD

Undertaking Shareholders	:	Collectively, Mr Pang, Dr Chew and Mr Yeo
Undertakings	:	Undertakings procured from Mr Pang, Dr Chew and Mr Yeo to subscribe in full for their entitlements under the Rights Issue with Warrants
Underwritten Shares	:	123,585,030 Rights Shares (representing approximately 52.22% of the total 236,659,300 Rights Shares to be issued under the Proposed Rights Issue with Warrants) or such lower number of Rights Shares in order for our Company to achieve the Minimum Subscription Level
Underwriting Agreement	:	Underwriting agreement dated 22 May 2023 (as supplemented via a letter of variation dated 22 August 2023) entered into between our Company and Malacca Securities, to underwrite 123,585,030 Rights Shares with 61,792,515 free Warrants to be issued pursuant to the Rights Issue with Warrants, representing an amount of RM3,707,550.90, or such lower number of Rights Shares in order for our Company to achieve the Minimum Subscription Level
VWAMP	:	Volume weighted average market price
Warrants	:	Free detachable warrants in FSBM to be issued pursuant to the Rights Issue with Warrants

All references to "**our Company**" and "**FSBM**" in this Abridged Prospectus are made to FSBM Holdings Berhad and references to "**our Group**" or "**FSBM Group**" are made to our Company and our subsidiaries. All references to "**we**", "**us**", "**our**" and "**ourselves**" are made to our Company, or where the context requires, our Group or any of our subsidiary companies.

All references to "**you**" and "**your**" in this Abridged Prospectus are to our Entitled Shareholders and/or, where the context otherwise requires, their renouncee(s) and/or transferee(s) (if applicable).

Unless specifically referred to, words denoting the singular shall include the plural and *vice versa* and words denoting the masculine gender shall include the feminine and neuter genders and *vice versa*. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

Certain amounts and percentage figures included in this Abridged Prospectus have been subject to rounding adjustments. Any discrepancy between the figures shown in this Abridged Prospectus and figures published by our Company, such as quarterly reports or annual reports, is due to rounding.

Certain statements in this Abridged Prospectus may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty that our Company's plans and objectives will be achieved.

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ADVISERS' DIRECTORY

PRINCIPAL ADVISER AND SOLE UNDERWRITER	:	Malacca Securities Sdn. Bhd. BO1-A-13A, Level 13A, Menara 2 No. 3, Jalan Bangsar KL Eco City 59200 Kuala Lumpur Tel : (03) 2201 2100
SOLICITORS FOR THE RIGHTS ISSUE WITH WARRANTS	:	Lin Partnership Unit 821, 8th Floor, Block A, Lift Lobby 6 Damansara Intan No. 1, Jalan SS 20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel : (03) 7710 0388 Fax : (03) 7731 0288
AUDITORS AND REPORTING ACCOUNTANTS	:	Moore Stephens Associates PLT (Chartered Accountant AF002096) Unit 3.3A, 3rd Floor, Surian Tower No.1, Jalan PJU 7/3, Mutiara Damansara 47810 Petaling Jaya Selangor Darul Ehsan Tel : (03) 7724 1033 Fax : (03) 7733 1033 Partner's Name: Chuah Soo Huat Approved Number: 03002/07/2024 J Malaysia Institute of Accountants Number: 21239
INDEPENDENT MARKET RESEARCHER	:	Providence Strategic Partners Sdn Bhd 67-1, Block D, Jaya One Jalan Prof Diraja Ungku Aziz 46200 Petaling Jaya Selangor Darul Ehsan Tel : (03) 7625 1769 Person-in-charge: Melissa Lim, Executive Director
SHARE REGISTRAR FOR THE RIGHTS ISSUE WITH WARRANTS	:	Tricor Investor & Issuing House Services Sdn Bhd Unit 32-01, Level 32, Tower A Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Wilayah Persekutuan Tel : (03) 2783 9299 Fax : (03) 2783 9222

ADVISERS' DIRECTORY *(CONT'D)*

COMPANY SECRETARY	:	Wong Youn Kim (CCM Practicing Certificate No. 201908000410) (MAICSA 7018778) Acclime Corporate Services Sdn Bhd Level 5, Tower 8, Avenue 5, Horizon 2 Bangsar South City 59200 Kuala Lumpur Wilayah Persekutuan Tel : (03) 2280 6388 Fax : (03) 2280 6399
STOCK EXCHANGE	:	Main Market

SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS

THIS SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS ABRIDGED PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE ABRIDGED PROSPECTUS.

Key Information	Summary
Issue size and basis of allotment	The Rights Issue with Warrants entails an issuance of up to 236,659,300 Rights Shares on the basis of 1 Rights Share for every 1 existing FSBM Shares held on the Entitlement Date, together with up to 118,329,650 Warrants on the basis of 1 Warrant for every 2 Rights Shares subscribed for by the Entitled Shareholders on the Entitlement Date. The number of Rights Shares and Warrants to be issued under the Minimum Scenario and Maximum Scenario are as follows:- | | **Minimum Scenario** | **Maximum Scenario** | Number of Rights Shares to be issued: 200,000,000 (Minimum Scenario); 236,659,300 (Maximum Scenario) Number of Warrants attached: 100,000,000 (Minimum Scenario); 118,329,650 (Maximum Scenario) Further details are set out in **Section 2.1** of this Abridged Prospectus.
Pricing	Issue Price of Rights Share : RM0.03 per Rights Share Further details are set out in **Section 2.2** of this Abridged Prospectus. Exercise Price of Warrants : RM0.05 per Warrant Further details are set out in **Section 2.3** of this Abridged Prospectus.
Undertakings and Underwriting	Our Company intends to undertake the Rights Issue with Warrants on a Minimum Subscription Level basis to raise minimum gross proceeds of RM6.0 million. In order to meet the Minimum Subscription Level, our Company had procured Undertakings aggregating RM2.3 million (increased to RM2.4 million pursuant to acquisition of additional Shares by Mr Yeo on 21 August 2023) from Mr Pang, Dr Chew and Mr Yeo to subscribe in full for their entitlements under the Rights Issue with Warrants as well as entered into the Underwriting Agreement with Malacca Securities to underwrite 123,585,030 Rights Shares with 61,792,515 free Warrants to be issued pursuant to the Rights Issue with Warrants, representing an amount of RM3.7 million (decreased to RM3.6 million pursuant to the aforementioned acquisition of Shares by Mr Yeo), or such lower number of Rights Shares in order for our Company to achieve the Minimum Subscription Level. Further details are set out in **Section 3** of this Abridged Prospectus.
Rationale for the Rights Issue with Warrants	The Rights Issue with Warrants forms part of the Regularisation Plan, which serves to regularise the financial condition of our Group in order to address and uplift the PN17 status of our Company. Our Board believes that upon completion of the Regularisation Plan, our Group will be able to meet the criteria to uplift our Company from being classified as a PN17 entity. The proceeds from the Rights Issue with Warrants are intended to be mainly utilised for the expansion of our Group's IT services business. Further details are set out in **Section 4** of this Abridged Prospectus.

<table>
<tr><th>Key Information</th><th>Summary</th></tr>
<tr><td>Utilisation of proceeds</td><td>The gross proceeds raised from the Shares Issuance and to be raised from the Rights Issue with Warrants are proposed to be utilised for the following purposes:-
<table>
<tr><th rowspan="2">Details of Utilisation</th><th rowspan="2">Timeframe for utilisation</th><th colspan="2">Minimum Scenario</th><th colspan="2">Maximum Scenario</th></tr>
<tr><th>RM'000</th><th>%</th><th>RM'000</th><th>%</th></tr>
<tr><td>Expansion of IT services business</td><td>Within 36 months</td><td>4,840</td><td>44.81</td><td>5,907</td><td>49.64</td></tr>
<tr><td>General working capital</td><td>Within 24 months</td><td>3,960</td><td>36.67</td><td>3,993</td><td>33.55</td></tr>
<tr><td>Defray estimated expenses for the Regularisation Plan</td><td>Within 3 months</td><td>2,000</td><td>18.52</td><td>2,000</td><td>16.81</td></tr>
<tr><td colspan="2">Total</td><td>10,800</td><td>100.00</td><td>11,900</td><td>100.00</td></tr>
</table>
Further details are set out in Section 6 of this Abridged Prospectus.</td></tr>
<tr><td>Risk factors</td><td>Before making an investment decision, you should carefully consider, along with the other information contained in this Abridged Prospectus, the risk factors which include, amongst others, the following:-

<u>Business risk</u>

(a) Our Group's achievements are largely attributable to the continued efforts of the Executive Directors and key management personnel who are directly responsible for the strategic direction, leadership, business planning and development, and management of our Group's business operations.

(b) Our Group may not be able to effectively manage the growth or successfully implement our Group's future plans and strategies.

<u>Industry risk</u>

(c) Our Group's ability to turnaround our operations and financial position is highly dependent on being able to complete the contracts at hand as well as to secure additional contracts which are usually secured on a project-by-project basis. Hence, our Group's revenue may fluctuate from year to year and such fluctuations may have a material adverse impact on our business operations and financial performance.

(d) Our Group is competing with the existing and new IT solutions providers and as such, our Group will experience stiff competitions during the project tendering stage. The rapid technological changes could limit our Group's ability to attract new customers and retain existing customers.

Further details are set out in Section 7 of this Abridged Prospectus.</td></tr>
<tr><td>Procedures for application for the Rights Issue with Warrants</td><td>Acceptance of and payment for the Provisional Allotments allotted to you and Excess Applications must be made by way of the RSF enclosed together with this Abridged Prospectus or by way of e-Subscription in accordance with the terms and conditions contained therein.

The last day, date and time for acceptance of and payment for the Provisional Allotments and the Excess Applications is on Tuesday, 12 September 2023 at 5.00 p.m.

Further details are set out in Section 12 of this Abridged Prospectus.</td></tr>
</table>

FSBM HOLDINGS BERHAD
Registration No.: 198401003091 (115609-U)
(Incorporated in Malaysia)

Registered Office:
Level 5, Tower 8
Avenue 5, Horizon 2
Bangsar South City
59200 Kuala Lumpur
Wilayah Persekutuan

25 August 2023

Board of Directors:

Pang Kiew Kun *(Executive Director)*
Tan Wan Yen *(Executive Director)*
Dato' Tan Hock San @ Tan Hock Ming *(Non-Independent Non-Executive Director)*
Mok Kar Foo *(Non-Independent Non-Executive Director)*
Ng Yew Soon *(Independent Non-Executive Director)*
Tey Giap Turn *(Independent Non-Executive Director)*

To: Our Entitled Shareholders

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 236,659,300 RIGHTS SHARES ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 1 EXISTING FSBM SHARE HELD AS AT 5.00 P.M. ON FRIDAY, 25 AUGUST 2023, TOGETHER WITH UP TO 118,329,650 WARRANTS ON THE BASIS OF 1 WARRANT FOR EVERY 2 RIGHTS SHARES SUBSCRIBED FOR AT AN ISSUE PRICE OF RM0.03 PER RIGHTS SHARE

1. INTRODUCTION

On 16 October 2019, our Board announced that our Company had triggered Paragraph 8.03A(2) of the Listing Requirements whereby our Company has an insignificant business or operations and accordingly, our Company was classified as an affected listed issuer ("**First Announcement**"), as our Group recorded a revenue of RM0.1 million, representing 1.0% to our Company's share capital of RM10.1 million based on our Company's unaudited consolidated financial statements for the 12-month FPE 30 June 2019.

From 31 October 2018 up to 31 December 2019, being the date of release of our Company's annual report for the FYE 30 June 2018, our Board had requested several extensions for the issuance of our Company's annual report for the FYE 30 June 2018. On 30 December 2019, our Board released our Company's annual audited financial statements for the FYE 30 June 2018 and announced that our Company had triggered the criteria prescribed under Paragraph 8.04 and Paragraph 2.1(d) of PN17, as a result of our Company's auditors having expressed a disclaimer of opinion in our Company's audited financial statements for the financial year ended 30 June 2018. Our Company was classified as a PN17 company on even date.

Premised on the First Announcement dated 16 October 2019 and pursuant to Paragraph 8.04(3)(a) of the Listing Requirements, our Company was required to submit a regularisation plan to the SC or Bursa Securities, as the case may be, within 12 months from the date of the First Announcement, which was on or before 15 October 2020, for approval to implement the regularisation plan. Following the government of Malaysia's announcement in March 2020 on the MCO to stem the rising number of coronavirus cases by limiting movement nationwide, Bursa Securities had vide its circular dated 26 March 2020 accorded additional relief measures to listed issuers, including amongst others, a longer timeframe for listed issuers which trigger the criteria under Paragraphs 8.03A or 8.04 of PN17 of the Listing Requirements and announce the criteria under Paragraph 4.1(a) in PN17 of the Listing Requirements from 2 January 2019 to 31 December 2020, to submit their regularisation plans to the relevant regulatory authorities within 24 months (instead of the existing 12 months) from the date of the first announcement. As such, FSBM was allowed to submit a regularisation plan to the relevant regulatory authorities on or before 15 October 2021 (instead of 15 October 2020), for approval to implement the regularisation plan.

On 23 August 2021, our Board announced that our Company had on even date submitted an application to Bursa Securities for an extension of time of 6 months from 15 October 2021 up to 15 April 2022 to submit a regularisation plan to the relevant regulatory authorities.

On 23 September 2021, our Board announced that Bursa Securities, after due consideration of the facts and circumstances of the aforementioned application, had decided to reject the extension of time application.

On 15 October 2021, on behalf of our Board, Malacca Securities announced the regularisation plan comprising the following:-

(i) the Shares Issuance of 60,000,000 Subscription Shares representing approximately 30% of FSBM's enlarged issued Shares after the shares issuance to the Subscribers;

(ii) the proposed disposals of the following subsidiaries:-

   (a) FSBM CTech Sdn. Bhd., a wholly-owned subsidiary of FSBM; and

   (b) Unos Sdn. Bhd., a wholly-owned subsidiary of FSBM,

   for a total cash consideration of RM2.0 million;

(iii) the Rights Issue with Warrants of up to 250,006,290 Rights Shares on the basis of 1 Rights Share for every 1 existing FSBM Share held, together with up to 125,003,145 Warrants on the basis of 1 Warrant for every 2 Rights Shares subscribed for, on an entitlement date to be determined and announced later. For information, the maximum number of Rights Shares and Warrants to be issued had been revised to 236,659,300 Rights Shares and 118,329,650 Warrants respectively, after taking into consideration the actual number of new FSBM Shares which were issued pursuant to the exercise of warrants 2012/2022, which had expired on 16 May 2022; and

(iv) the Capital Reduction carried out by our Company, pursuant to Section 116 of the Act to reduce the share capital of our Company.

On even date, Malacca Securities had, on behalf of our Board, submitted an appeal to Bursa Securities for an extension of time of 6 months from 15 October 2021 to 15 April 2022 for FSBM to submit the regularisation plan.

On 8 November 2021 and 9 November 2021, Malacca Securities had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 8 November 2021 approved the extension of time up to 15 April 2022 for our Company to submit the regularisation plan.

On 15 April 2022, Malacca Securities had, on behalf of our Board, announced that our Company and Dato' Tan had on 15 April 2022 via an exchange of letter agreed to vary the condition precedent of the CSSA set out in Clause 3.1.3 as follows:-

Existing	New
the special audit for the financial period ending 30 September 2021 to be conducted by the auditors of FSBM CTech Sdn. Bhd. and Unos Sdn. Bhd., the results of which are to the satisfaction of the parties.	the audit for the financial year ended 31 December 2021 to be conducted by the auditors of FSBM CTech Sdn. Bhd. and Unos Sdn. Bhd., the results of which are to the satisfaction of the parties

On 15 April 2022, Malacca Securities had, on behalf of our Board, announced that the application in relation to the regularisation plan had been submitted to Bursa Securities on even date.

On 21 April 2022, Malacca Securities had, on behalf of our Board, announced that our Company withdrew the regularisation plan application submitted to Bursa Securities on 15 April 2022, and on the same date submitted an application for extension of time up to 31 May 2022 to submit the regularisation plan to Bursa Securities.

On 26 April 2022, Malacca Securities had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 26 April 2022 approved the extension of time up to 31 May 2022 for our Company to submit the regularisation plan.

On 19 May 2022, Malacca Securities had, on behalf of our Board, announced that the application in relation to the regularisation plan had been submitted to Bursa Securities on even date.

On 12 October 2022, Malacca Securities had, on behalf of our Board, announced the following:-

(i) our Company and the Subscribers had on 12 October 2022 via exchange of letters, agreed for an extension of the cut-off date for the fulfilment of the conditions precedent of the Subscription Agreements from 14 October 2022 to 14 January 2023; and

(ii) our Company and Dato' Tan had on 12 October 2022 via an exchange of letter, agreed for an extension of the cut-off date for the fulfilment of the conditions precedent of the CSSA from 14 October 2022 to 14 January 2023.

On 15 November 2022, Malacca Securities had, on behalf of our Board, announced the following:-

(i) our Company and Dato' Tan had on 15 November 2022 vide the CSSA Termination Letter, agreed to mutually terminate the CSSA; and

(ii) our Company proposed to increase the amount of the Capital Reduction from RM10,800,000 to RM14,292,450, which was the accumulated losses of our Group, based on the audited financial statements of the Group for the 6-month FPE 30 June 2022.

On 21 December 2022, Malacca Securities had, on behalf of our Board, announced that our Company proposed to change the sequence of implementation of the Regularisation Plan, to undertake the Capital Reduction prior to the Shares Issuance and Rights Issue with Warrants.

In view thereof, the Regularisation Plan had been revised to comprise the following:-

(i) the Capital Reduction;

(ii) the Shares Issuance; and

(iii) the Rights Issue with Warrants.

On 13 January 2023, Malacca Securities had, on behalf of our Board, announced that our Company and the Subscribers had via exchange of letters agreed to the following:-

(i) to include an additional condition precedent to the Subscription Agreements as follows:

"3.1 (c) the completion of the capital reduction exercise to be carried out by our Company pursuant to Section 116 of the Act to reduce the share capital of our Company."; and

(ii) extension of the cut-off date for the fulfilment of the conditions precedent (including the additional condition precedent above) of the Subscription Agreements for a further period of 9 months, from 15 January 2023 to 14 October 2023.

On 10 April 2023, Malacca Securities had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 7 April 2023 approved the Regularisation Plan as well as the:-

(i) listing and quotation of 60,000,000 Subscription Shares to be issued pursuant to the Shares Issuance on the Main Market;

(ii) listing and quotation of up to 236,659,300 Rights Shares and up to 118,329,650 Warrants to be issued pursuant to the Rights Issue with Warrants on the Main Market; and

(iii) listing and quotation of up to 118,329,650 new FSBM Shares to be issued pursuant to the exercise of Warrants on the Main Market.

The approval of Bursa Securities is subject to the following conditions:-

No.	**Conditions**	**Status of Compliance**
(1)	FSBM and Malacca Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Regularisation Plan;	To be complied
(2)	FSBM and Malacca Securities to confirm all approvals of relevant authorities have been obtained for the implementation of the Regularisation Plan and furnish a copy of all approval letters from the relevant authorities;	Complied
(3)	FSBM and Malacca Securities to furnish Bursa Securities with a certified true copy of the resolutions passed by the shareholders at the general meeting for the Regularisation Plan;	Complied
(4)	FSBM and Malacca Securities to ensure compliance with Paragraph 8.02 of the Listing Requirements prior to the quotation for the Subscription Shares and Rights Shares to be issued pursuant to the Regularisation Plan and furnish Bursa Securities with the public shareholding spread pursuant to Appendix 8E of the Listing Requirements upon allotment and issuance of all the Subscription Shares and Rights Shares to be issued pursuant to the Regularisation Plan; and	To be complied
(5)	FSBM and Malacca Securities to inform Bursa Securities upon the completion of the Regularisation Plan and furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Regularisation Plan is completed.	To be complied

On 22 May 2023, all the relevant resolutions in relation to the Regularisation Plan, including Rights Issue with Warrants, had been approved by our shareholders at our EGM held on 22 May 2023.

On 22 May 2023, Malacca Securities had, on behalf of our Board, announced that our Company had on even date entered into the Underwriting Agreement with Malacca Securities to underwrite 123,585,030 Rights Shares with 61,792,515 free Warrants to be issued pursuant to the Rights Issue with Warrants, representing an amount of RM3,707,550.90.

On 23 May 2023, Malacca Securities had, on behalf of our Board, announced that our Company had on 23 May 2023, via the legal counsel, filed a petition to the High Court of Malaya at Kuala Lumpur in relation to the Capital Reduction.

On 20 July 2023, Malacca Securities had, on behalf of our Board, announced that the High Court of Malaya had on 20 July 2023 granted the order confirming the Capital Reduction. The sealed order will be extracted and lodged with the Companies Commission of Malaysia for the Capital Reduction to take effect.

On 25 July 2023, Malacca Securities had, on behalf of our Board, announced that the sealed court order of the High Court of Malaya dated 20 July 2023 confirming the Capital Reduction has been lodged with Companies Commission of Malaysia on 25 July 2023. Accordingly, the Capital Reduction had taken effect and deemed completed on 25 July 2023.

On 2 August 2023, Malacca Securities had, on behalf of our Board, announced that our Company had on 2 August 2023 allotted 60,000,000 Subscription Shares to the Subscribers. The Subscription Shares will be listed on the same day as the Rights Shares and Warrants to be issued pursuant to the Rights Issue with Warrants, of which the listing date will be determined by our Board and announced at a later date.

On 9 August 2023, Malacca Securities had, on behalf of our Board, announced that our Company and the Subscribers had on even date via exchange of letters agreed to extend the period to 31 October 2023 for the fulfilment of the following:

(i) Malacca Securities shall confirm to our Company of such receipt of payment;

(ii) our Company shall allot and issue the Subscription Shares to the Subscribers;

(iii) our Company shall deliver or cause to be delivered to Bursa Depository the share certificate(s) for the Subscription Shares registered in the name of Bursa Depository;

(iv) our Company shall instruct and procure Bursa Depository to credit the securities account of the Subscribers with the Subscription Shares; and

(v) our Company shall procure the listing of the Subscription Shares on the Main Market of Bursa Securities.

For information, in accordance with the Subscription Agreements, the above shall be satisfied within 5 business days from the payment by the Subscribers.

On 11 August 2023, Malacca Securities had, on behalf of our Board, announced that our Company had on even date executed the Deed Poll constituting the Warrants.

On 11 August 2023, Malacca Securities had, on behalf of our Board, announced that the Entitlement Date has been fixed at 5.00 p.m. on Friday, 25 August 2023 together with other relevant important dates pertaining to the Rights Issue with Warrants.

On 22 August 2023, Malacca Securities had, on behalf of our Board, announced that our Company and Malacca Securities, being the Underwriter for the Rights Issue with Warrants, had on 22 August 2023 via a letter of variation agreed to the following:

(i) the definition of "**Underwritten Shares**" of clause 1.1 of the Underwriting Agreement dated 22 May 2023 be deleted in its entirety and replaced with the following:

Existing Clause	Revised Clause
means 123,585,030 Rights Shares (representing approximately 52.22% of the total 236,659,300 Rights Shares to be issued under the Rights Issue with Warrants)	means 123,585,030 Rights Shares (representing approximately 52.22% of the total 236,659,300 Rights Shares to be issued under the Proposed Rights Issue with Warrants) **or such lower number of Rights Shares in order for the Company to achieve the minimum subscription level to raise gross proceeds of RM6.0 million pursuant to the Rights Issue with Warrants ("Minimum Subscription Level")**

(ii) clause 10.1 of the Underwriting Agreement dated 22 May 2023 be deleted in its entirety and replaced with the following:

Existing Clause	Revised Clause
In the event that after the closing date the Underwritten Shares are not fully subscribed for even after the reallocation pursuant to Clause 8 of the Underwriting Agreement, the Company shall within two (2) Market Days after the Closing Date, give written notice substantially in the form set out in the third schedule of the Underwriting Agreement ("Underwriting Notice") to the Underwriter, stating the number of Underwritten Shares not fully subscribed for ("Unsubscribed Shares") and the amount payable by the Underwriter based on the Issue Price. Such notice shall first be delivered via electronic mail ("email") to be followed by facsimile or prepaid registered post or hand to the address of the Underwriter herein stated.	In the event that after the closing date the Underwritten Shares are not fully subscribed for even after the reallocation pursuant to Clause 8 of the Underwriting Agreement, the Company shall within two (2) Market Days after the Closing Date, give written notice substantially in the form set out in the third schedule of the Underwriting Agreement ("Underwriting Notice") to the Underwriter, stating the number of Underwritten Shares not fully subscribed ~~for~~ **to meet the Minimum Subscription Level** ("Unsubscribed Shares") and the amount payable by the Underwriter based on the Issue Price. Such notice shall first be delivered via electronic mail ("email") to be followed by facsimile or prepaid registered post or hand to the address of the Underwriter herein stated.

(iii) column (II) of the first schedule of the Underwriting Agreement dated 22 May 2023 be deleted in its entirety and replaced with the following:

Existing Clause	Revised Clause
123,585,030 Rights Shares at RM0.03 per Rights Share	123,585,030 Rights Shares at RM0.03 per Rights Share **or such lower number of Rights Shares in order for the Company to achieve the Minimum Subscription Level**.

(iv) inclusion of an additional clause 3.3 to the Underwriting Agreement dated 22 May 2023 as follows:

The Underwriter hereby represents, warrants and undertakes to the Company for so long as it is a holder of the Warrants issued pursuant to its subscription by the Underwriter of the Underwritten Shares (as defined above), that it shall not exercise any of the Warrants held which would result in non-compliance of the Company with the public shareholding spread requirements of Bursa Securities.

No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus in connection with the Rights Issue with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by us or Malacca Securities.

You are advised to read and understand the contents of this Abridged Prospectus. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

2. RIGHTS ISSUE WITH WARRANTS

2.1 Details of the Rights Issue with Warrants

The Rights Issue with Warrants entails an issuance of up to 236,659,300 Rights Shares on the basis of 1 Rights Share for every 1 existing FSBM Shares held on the Entitlement Date, together with up to 118,329,650 Warrants on the basis of 1 Warrant for every 2 Rights Shares subscribed for by the Entitled Shareholders on the Entitlement Date. The Rights Issue with Warrants is intended to be undertaken on a Minimum Subscription Level to raise minimum gross proceeds of RM6.0 million.

As at LPD, our Company's issued share capital is RM13,902,982 comprising of 236,659,300 FSBM Shares (excluding 1,090,700 Treasury Shares). For information, our Company does not have any convertible securities as at LPD.

The number of Rights Shares and Warrants to be issued based on Minimum Scenario and Maximum Scenario are as follows:-

	Minimum Scenario	Maximum Scenario
Number of Rights Shares to be issued	200,000,000	236,659,300
Number of Warrants attached	100,000,000	118,329,650

The actual number of Rights Shares and Warrants to be issued will depend on the total number of issued Shares held by the Entitled Shareholders on the Entitlement Date after taking into consideration the eventual subscription level for the Rights Issue with Warrants.

The Warrants are attached to the Rights Shares without cost and will be issued only to Entitled Shareholders and/or renouncee(s) and/or transferee(s) who subscribe for the Rights Shares. The Warrants are exercisable into new Shares and each Warrant will entitle the holder of the Warrant to subscribe for 1 new Share at the Exercise Price during the Exercise Period (as defined in Section 2.5 of this Abridged Prospectus).

The Warrants will be immediately detached from the Rights Shares upon issuance and will be traded separately on the Main Market. The Warrants will be issued in registered form and constituted by the Deed Poll. The salient terms of the Warrants are set out in Section 2.5 of this Abridged Prospectus.

The Rights Issue with Warrants is renounceable in full or in part. Accordingly, the Entitled Shareholders who renounce all or any part of their entitlements to the Rights Shares provisionally allotted to them under the Rights Issue with Warrants will simultaneously relinquish any accompanying entitlement to the Warrants. For avoidance of doubt, the Rights Shares and the Warrants are not separately renounceable.

In determining the entitlement of the Entitled Shareholders under the Rights Issue with Warrants, fractional entitlements, if any, will be disregarded and dealt with in such manner and on such terms and conditions as our Board in its sole and absolute discretion deem fit or expedient and in the best interests of our Company.

The Rights Shares together with Warrants which are not taken up or validly taken up by the Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) by the Closing Date will be made available for Excess Application by the other Entitled Shareholders and/or their renouncee(s) and/or transferee(s). Our Board intends to allocate the Excess Rights Shares with Warrants in a fair and equitable manner on a basis set out in Section 12.9 of this Abridged Prospectus.

As the Rights Shares and Warrants are prescribed securities, the respective CDS Accounts of the Entitled Shareholders will be duly credited with the number of Provisional Allotments they are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. Entitled Shareholders will find the NPA as enclosed in this Abridged Prospectus, notifying them of the crediting of such securities into their respective CDS Accounts, and the RSF as enclosed in this Abridged Prospectus, enabling Entitled Shareholders to subscribe for the Provisional Allotments as well as to apply for the Excess Rights Shares with Warrants if Entitled Shareholders so choose to.

Only Entitled Shareholders who have a registered address in Malaysia as stated in our Record of Depositors or who have provided the Share Registrar with a registered address in Malaysia in writing by the Entitlement Date will receive the Documents. Upon allotment and issuance by our Company, the Rights Shares and Warrants will be credited directly into the respective CDS Account(s) of yourself and/or your renouncee(s) and/or transferee(s) who have successfully subscribed for the Rights Shares and Warrants. We will allot the Rights Shares and Warrants and despatch notices of allotment to successful applicants within 8 Market Days from the last day for acceptance and payment for the Rights Shares with Warrants or such other period as may be prescribed by Bursa Securities.

The official listing and quotation of the Rights Shares and Warrants will commence after, amongst others, the receipt of confirmation from Bursa Depository that all the CDS Accounts of the Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

Any dealings in our Company’s securities will be subject to, amongst others, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares and Warrants will be credited directly into the respective CDS Accounts of the successful applicants. No physical share certificates or warrant certificates will be issued but notices of allotment will be issued to the successful applicants.

2.2 Basis of determining and justification for the Issue Price

The Issue Price of RM0.03 was determined by our Board on 15 October 2021, after taking into consideration, amongst others, the following:-

(i) the minimum gross proceeds of RM6.0 million to be raised from the Rights Issue with Warrants;

(ii) the resultant TERP of FSBM Shares of RM0.0518 computed based on the 5-day VWAP of FSBM Shares up to and including 13 October 2021, being the latest practicable date prior to the date of Requisite Announcement ("**LPDA**"), of RM0.0746, whereby the Issue Price of RM0.03 per Rights Share represents a discount of approximately 42.1% to the TERP of RM0.0518.

In addition, the issue price of RM0.03 per Rights Share represents the following discount to the respective TERP based on the respective VWAP of FSBM Shares:-

	VWAP	**TERP (adjusted based on VWAP)**	**Discount (Issue Price – TERP)**	
	(RM)	**(RM)**	**(RM)**	**(%)**
Up to LPDA:				
5-day VWAP	0.0746	0.0518	0.0218	42.1
1-month VWAP	0.1230	0.0712	0.0412	57.9
3-month VWAP	0.2093	0.1057	0.0757	71.6
6-month VWAP	0.2068	0.1047	0.0747	71.3
Up to LPD:				
5-day VWAP	0.2779	0.1332	0.1032	77.5
1-month VWAP	0.2713	0.1305	0.1005	77.0
3-month VWAP	0.2669	0.1288	0.0988	76.7
6-month VWAP	0.2783	0.1333	0.1033	77.5

(Source: Bloomberg)

(iii) FSBM's audited consolidated NA of RM4.5 million as at 31 December 2020 equivalent to approximately RM0.0322 per FSBM Share, before the RM9.3 million impairment of receivables of FSBM CTech Sdn. Bhd. as proposed by our Board. For information, FSBM has an audited consolidated NA of RM12.5 million as at 31 December 2022, equivalent to approximately RM0.0707 per FSBM Share; and

(iv) the resultant TERP computed based on the 5-day VWAP of FSBM Shares up to LPDA, being the last market day immediately preceding the price-fixing date.

As FSBM is currently a PN17 entity, our Board is of the opinion that the discount of 42.1% to the TERP based on the 5-day VWAP up to LPDA is considered attractive to entice the Entitled Shareholders and/or their renouncee(s) and/or transferees to subscribe for their respective entitlements.

2.3 Basis of determining and justification for the Exercise Price

The Warrants are attached to the Rights Shares without cost and will be issued only to shareholders of FSBM who subscribe for the Rights Shares. Our Board had on 15 October 2021, decided to fix the Exercise Price of the Warrants at RM0.05 each.

The Exercise Price of RM0.05 per Warrant was determined by our Board after taking into consideration, amongst others, the following:-

(i) the Warrants will be issued at no cost to the Entitled Shareholders who subscribe for the Rights Shares; and

(ii) the TERP of the Shares of RM0.0518 computed based on the 5-day VWAP of FSBM Shares up to and including the LPDA of RM0.0746.

Based on the 5-day VWAP up to LPDA of RM0.0746, the Exercise Price of RM0.05 per Warrant represents a discount of approximately 3.47% to the TERP of RM0.0518.

Based on the 5-day VWAP up to LPD of RM0.2779, the Exercise Price of RM0.05 per Warrant represents a discount of approximately 62.5% to the TERP of RM0.1332.

2.4 Ranking of the Rights Shares and new Shares to be issued arising from the exercise of the Warrants

The Rights Shares shall, upon allotment and issuance, rank equally in all respects with the existing FSBM Shares, save and except that the Rights Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Rights Shares.

The new FSBM Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with the existing FSBM Shares, save and except that the new FSBM Shares to be issued arising from the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new FSBM Shares.

2.5 Salient terms of the Warrants

Terms		Details
Issue size	:	Up to 118,329,650 Warrants.
Tenure	:	5 years commencing on and including the date of issuance of the Warrants.
Form	:	The Warrants will be constituted by the Deed Poll.
Detachability	:	The Warrants are immediately detachable upon allotment and issuance of the Rights Shares. The Warrants will be traded separately.
Exercise Price	:	RM0.05, being the amount payable for 1 new FSBM Share to be subscribed pursuant to an exercise of a Warrant. The Exercise Price and the number of outstanding Warrants shall however be subject to the adjustments in accordance with the terms and provisions of the Deed Poll during the Exercise Period (as defined below).

Terms		Details
Exercise Period	:	The period commencing on and including the date of issuance of the Warrants and ending at the close of business at 5.00 p.m. in Kuala Lumpur, on the date preceding the 5th anniversary of the date of issuance, or if such is not a Market Day, then it shall be the Market Day immediately preceding the said non-Market Day ("**Exercise Period**").
Exercise Rights	:	The rights conferred on a Warrant holder to subscribe for 1 new FSBM Share for each Warrant at any time during the Exercise Period and at the Exercise Price subject to the Deed Poll.
Board Lot	:	The Warrants are tradeable upon listing in board lots of 100 units carrying rights to subscribe for 100 new FSBM Shares at any time during the Exercise Period or such other number of units as may be prescribed by Bursa Securities.
Ranking of Warrants	:	The Warrants shall as between the Warrant holders rank *pari passu* and rateably in all aspects amongst themselves.
Ranking of new FSBM Shares to be issued pursuant to exercise of Warrants	:	The new FSBM Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with the existing FSBM Shares, save and except that the new FSBM Shares to be issued arising from the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new FSBM Shares.
Rights of the Warrant holders	:	The Warrants do not confer on their holders any voting rights or any right to participate in any form of distribution and/or offer of further securities in our Company until and unless such holders of Warrants exercise their Warrants for new Shares in accordance with the provisions of the Deed Poll and such new Shares have been allotted and issued to such holders.
Rights of the Warrant holders in the event of winding up, liquidation, compromise and/or arrangement	:	Where a resolution has been passed for a members' voluntary winding-up of our Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with 1 or more companies, then:- (i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the holders of the Warrants (or some other persons designated by them for such purpose by special resolution) shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the holders of the Warrants; and

Terms		Details
		(ii) in any other cases, every Warrant holder shall be entitled to exercise his/her Warrants at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of our Company or within 6 weeks after the granting of the court order approving the winding-up, compromise or arrangement, whereupon our Company shall allot the relevant new Shares to the Warrant holder credited as fully paid subject to the prevailing laws, and such Warrant holder shall be entitled to receive out of the assets of our Company which would be available in liquidation if he/she had on such date been the holder of the new Shares to which he/she would have become entitled pursuant to such exercise and the liquidator of our Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all subscription rights of the Warrants shall lapse and cease to be valid for any purpose.
Adjustments to the Exercise Price and/or the number of Warrants	:	Subject to the provisions of the Deed Poll, the Exercise Price and/or the number of unexercised Warrants in issue may be subject to adjustments by our Board in consultation with an approved adviser appointed by our Company or the auditors in the event of any alteration in the share capital of our Company at any time during the tenure of the Warrants, whether by way of, amongst others, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the provisions of the Deed Poll. Any adjustment to the exercise price and/or number of Warrants must be done in full compliance with Paragraph 6.54(3)(b) of the Listing Requirements, which states that a deed poll or trust deed must not include any provision for changes to the number of shares received for the exercise or conversion of each convertible security or changes to the pricing mechanism for the exercise or conversion price of the convertible security, except where these changes are adjustments following capitalisation issues, rights issue, bonus issue, consolidation or subdivision of shares or capital reduction exercises.
Modification	:	Our Company may, from time to time, subject to the terms and conditions of the Deed Poll, without the consent or sanction of the warrant holders, modify, amend or add to the Deed Poll, if such modification, amendment or addition made does not materially prejudice the interests of the Warrant holders or is made to correct a manifest error or to comply with the prevailing laws of Malaysia.
Listing	:	The Warrants and new FSBM Shares to be issued from the exercise of the Warrants will be listed on the Main Market. Approval had been obtained from Bursa Securities for the admission of Warrants to the Official List of Bursa Securities and for the listing and quotation of the Warrants and new FSBM Shares to be issued from the exercise of the Warrants on the Main Market.
Governing Law	:	Laws of Malaysia

2.6 Details of other corporate exercises

As at LPD, save for the Regularisation Plan, our Board confirms that there is no other corporate exercise which have been announced and/or approved by the regulatory authorities but are pending completion.

Save for the Shares Issuance and this Rights Issue with Warrants forming part of the Regularisation Plan, our Company had not undertaken any fund raising exercises in the past 12 months preceding the LPD.

3. MINIMUM SUBSCRIPTION LEVEL, UNDERTAKINGS AND UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE WITH WARRANTS

Our Company intends to undertake the Rights Issue with Warrants on a Minimum Subscription Level basis to raise minimum gross proceeds of RM6.0 million. The Minimum Subscription Level has been determined by our Board after taking into consideration the minimum level of funds that our Company requires to raise from the Rights Issue with Warrants for the proposed utilisation of proceeds as set out in Section 6 of this Abridged Prospectus.

In order to meet the Minimum Subscription Level, our Company had procured Undertakings of RM2.3 million (increased to RM2.4 million pursuant to acquisition of additional Shares by Mr Yeo on 21 August 2023) from the following parties:-

(i) Mr Pang vide the Mr Pang Undertaking Letter dated 15 April 2022 to subscribe in full for his entitlement under the Rights Issue with Warrants. Based on 18,790,000 Shares held by Mr Pang as at LPD, the undertaking by Mr Pang will be for an amount of RM0.6 million;

(ii) Dr Chew vide the Dr Chew Undertaking Letter dated 28 September 2022 to subscribe in full for his entitlement under the Rights Issue with Warrants. Based on 47,124,970 Shares held by Dr Chew as at LPD, the undertaking by Dr Chew will be for an amount of RM1.4 million; and

(iii) Mr Yeo vide the Mr Yeo Undertaking Letter dated 28 September 2022 to subscribe in full for his entitlement under the Rights Issue with Warrants. Based on 10,500,000 Shares held by Mr Yeo as at 28 September 2022, the undertaking by Mr Yeo was for an amount of RM0.3 million. Nevertheless, Mr Yeo had on 21 August 2023 acquired additional 3,500,000 Shares. Based on 14,000,000 Shares held by Mr Yeo as at 21 August 2023, the undertaking by Mr Yeo will be increased by RM0.1 million to RM0.4 million,

as well as entered into the Underwriting Agreement with Malacca Securities to underwrite 123,585,030 Rights Shares with 61,792,515 free Warrants to be issued pursuant to the Rights Issue with Warrants, representing an amount of RM3.7 million, or such lower number of Rights Shares in order for our Company to achieve the Minimum Subscription Level. In view of the increase in undertaking by Mr Yeo, the underwriting by Malacca Securities will thus be reduced to 120,085,030 Rights Shares with 60,042,515 free Warrants, representing an amount of RM3.6 million.

The Undertaking Shareholders had confirmed in the Undertaking Letters that they have sufficient financial resources to subscribe for their entitlements under the Undertakings and such confirmation had been verified by Malacca Securities, being the Principal Adviser for the Rights Issue with Warrants.

For avoidance of doubt, the Undertaking Shareholders are obliged to subscribe in full for their entitlements pursuant to their Undertakings notwithstanding that the Minimum Subscription Level is fully met via the subscription by the entitled shareholders and/or renouncee(s) and/or transferee(s).

The entitlements of the Undertaking Shareholders under the Rights Issue with Warrants and the number of Rights Shares to be subscribed pursuant to the Undertakings, based on their shareholdings (direct interest) in our Company under the Minimum Scenario is as follows:-

	As at 22 August 2023		Rights Shares with Warrants to be subscribed pursuant to the Undertaking							
			Rights Entitlement				Excess Application			
	No. of Shares	(%)[a]	No. of Rights Shares	(%)[b]	No. of Warrants	(%)[b]	No. of Rights Shares	(%)[b]	No. of Warrants	(%)[b]
Mr Pang	18,790,000	7.94	18,790,000	9.40	9,395,000	9.40	-	-	-	-
Dr Chew	47,124,970	19.91	47,124,970	23.56	23,562,485	23.56	-	-	-	-
Mr Yeo	14,000,000	5.92	14,000,000	7.00	7,000,000	7.00	-	-	-	-

	Rights Shares with Warrants to be subscribed pursuant to the Undertaking				Shareholdings after Rights Issue with Warrants			
	Total Undertaking				No. of Shares held after Rights Issue with Warrants		No. of Shares held after Rights Issue with Warrants and assuming full exercise of Warrants	
	No. of Rights Shares	(%)[b]	No. of Warrants	(%)[b]	No. of Rights Shares	(%)[c]	No. of Rights Shares	(%)[d]
Mr Pang	18,790,000	9.40	9,395,000	9.40	37,580,000	8.61	46,975,000	8.75
Dr Chew	47,124,970	23.56	23,562,485	23.56	94,249,940	21.58	117,812,425	21.95
Mr Yeo	14,000,000	7.00	7,000,000	7.00	28,000,000	6.41	35,000,000	6.52

Notes:-

(a) Based on 236,659,300 issued Shares (excluding Treasury Shares) as at 22 August 2023.

(b) Based on 200,000,000 Rights Shares and 100,000,000 of Warrants to be issued under Minimum Scenario.

(c) Based on 436,659,300 enlarged issued Shares (excluding Treasury Shares) after Rights Issue with Warrants under the Minimum Scenario.

(d) Based on 536,659,300 enlarged issued Shares (excluding Treasury Shares) after Rights Issue with Warrants under the Minimum Scenario and assuming full exercise of Warrants.

On 22 May 2023, our Company had entered into the Underwriting Agreement (as amended via a letter of variation dated 22 August 2023) with Malacca Securities to underwrite 123,585,030 Rights Shares with 61,792,515 free Warrants to be issued pursuant to the Rights Issue with Warrants, representing an amount of approximately RM3.7 million (representing 61.79% of the total Rights Shares under the Minimum Scenario), or such lower number of Rights Shares in order for our Company to achieve the Minimum Subscription Level, at an underwriting commission of 2.00% of the total value of the Rights Shares being underwritten by Malacca Securities. The underwriting commission and all relevant costs in relation to the underwriting arrangement will be fully borne by our Company.

Pursuant to Paragraph 6.18(4) of the Listing Requirements and Section 243(2) of the CMSA, where the Minimum Subscription Level is not achieved, the implementation of the rights issue of securities must be terminated and all consideration received will be immediately returned to all subscribers. As such, if the Minimum Subscription Level is not achieved for any reason such as death, which is beyond the control of our Group, the Undertaking Shareholders and/or Malacca Securities, our Company will not proceed with the implementation of the Rights Issue with Warrants.

In such event, all subscription monies received pursuant to the Rights Issue with Warrants will be returned without interest in respect of any application for the subscription of the Rights Shares with Warrants including the Excess Rights Shares with Warrants within 14 days after our Company becomes liable to do so, in accordance with the relevant provisions of the CMSA. If such monies are not repaid within 14 days after our Company becomes liable to do so, our Company will repay such monies in accordance with Section 243(2) of the CMSA.

Assuming full exercise of Warrants by the Undertaking Shareholders under the Minimum Subscription Level (as illustrated above), this will not result in any Undertaking Shareholder triggering the obligation to undertake a mandatory general offer for all the remaining FSBM securities not already held by him in accordance with Paragraph 4.01(a) of the Rules.

For avoidance of doubt, the Undertakings do not preclude the Undertaking Shareholders and persons acting in concert with them from subscribing for their entitlements and/or Excess Rights Shares with Warrants, to which all the shareholders of our Company are similarly entitled. The Undertaking Shareholders and persons acting in concert with them will observe their obligations under the Rules in subscribing for their entitlements and Excess Rights Shares with Warrants, including the exercise of their Warrants.

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The proforma public shareholding spread under the Minimum Scenario is illustrated as follows:-

	Existing		Minimum Scenario			
	As at 22 August 2023		After Rights Issue with Warrants		After Rights Issue with Warrants and Exercise of Warrants	
	No. of Shares	[(a)] (%)	No. of Shares	[(b)] (%)	No. of Shares	[(c)] (%)
Issued share capital	236,659,300	100.00	436,659,300	100.00	536,659,300	100.00
Less: Directors, substantial shareholders and their associates[(d)]	123,916,170	52.36	323,916,170	74.18	423,916,170	[(e)]78.99
Public shareholding spread	**112,743,130**	**47.64**	**112,743,130**	**25.82**	**112,743,130**	**21.01**

Notes:-

(a) Based on 236,659,300 issued Shares (excluding Treasury Shares) as at 22 August 2023.

(b) Based on 436,659,300 enlarged issued Shares (excluding Treasury Shares) after Rights Issue with Warrants under the Minimum Scenario.

(c) Based on 536,659,300 enlarged issued Shares (excluding Treasury Shares) after Rights Issue with Warrants under the Minimum Scenario and assuming full exercise of Warrants.

(d) Based on the Register of Directors and Register of Substantial Shareholders as at 22 August 2023.

(e) Assuming full exercise of Warrants by the Underwriter. Nevertheless, the Underwriter had vide a letter of variation dated 22 August 2023 with our Company, undertook that for so long as it is a holder of the Warrants issued pursuant to its subscription as the Underwriter of the Underwritten Shares, that it shall not exercise any of the Warrants held which would result in non-compliance of our Company with the public shareholding spread requirements as stipulated in Paragraph 8.02(1) of the Listing Requirements. Similarly, the Company had obtained supplemental undertaking letters from each of the Undertaking Shareholders (i.e. Mr Pang, Dr Chew and Mr Yeo) on 24 August 2023 that for so long as they are the holders of the Warrants issued pursuant to their subscription of the Rights Shares, that they shall not exercise any of the Warrants held which would result in non-compliance of our Company with the public shareholding spread requirements as stipulated in Paragraph 8.02(1) of the Listing Requirements.

Under the Minimum Scenario, in the event of full exercise of Warrants, the changes in the shareholdings of our Directors, substantial shareholders and their associates in our Company will result in a decrease in the public shareholding spread from 47.64% to 21.01%. Nevertheless, we wish to highlight that the public shareholding spread of our Company will decrease to 25.82% under the Minimum Scenario after the Rights Issue with Warrants.

Malacca Securities as the Underwriter for the Rights Issue with Warrants, had vide a letter of variation dated 22 August 2023 with our Company, undertook that for so long as it is a holder of the Warrants issued pursuant to its subscription as the Underwriter of the Underwritten Shares, that it shall not exercise any of the Warrants held which would result in non-compliance of our Company with the public shareholding spread requirements as stipulated in Paragraph 8.02(1) of the Listing Requirements. As such, our Company will still be in compliance with the public shareholding spread requirement as stipulated in Paragraph 8.02(1) of the Listing Requirements. Similarly, the Company had obtained supplemental undertaking letters from each of the Undertaking Shareholders (i.e. Mr Pang, Dr Chew and Mr Yeo) on 24 August 2023 that for so long as they are the holders of the Warrants issued pursuant to their subscription of the Rights Shares, that they shall not exercise any of the Warrants held which would result in non-compliance of our Company with the public shareholding spread requirements as stipulated in Paragraph 8.02(1) of the Listing Requirements.

4. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

The Rights Issue with Warrants forms part of the Regularisation Plan, which serves to regularise the financial condition of our Group in order to address and uplift the PN17 status of our Company. Our Board believes that upon completion of the Regularisation Plan, our Group will be able to meet the criteria to uplift our Company from being classified as a PN17 entity.

After due consideration of the various options available, our Board is of the opinion that the Rights Issue with Warrants is the most suitable means of fund raising for our Group based on the following:-

(i) the quantum of the proceeds to be raised;

(ii) it will involve the issuance of new FSBM Shares without further diluting FSBM shareholders' shareholdings provided that they subscribe in full for their respective entitlements under the Rights Issue with Warrants and exercise their Warrants subsequently;

(iii) it provides an opportunity for FSBM shareholders to participate in the equity offering of our Company on a pro-rata basis, at an attractive price; and

(iv) it will enable our Company to raise the requisite funds without incurring additional interest expense from bank borrowings, thereby minimising any potential cash outflow in respect of interest servicing costs.

The proceeds from the Rights Issue with Warrants are intended to be mainly utilised for the expansion of our Group's IT services business.

The Warrants which are attached to the Rights Shares are intended to provide an added incentive to the Entitled Shareholders to subscribe for the Rights Shares. In addition, the free Warrants will provide the Entitled Shareholders with an opportunity to increase their equity participation in our Company at the Exercise Price during the tenure of the Warrants and will allow the Entitled Shareholders to further participate in the future growth of our Company as and when the Warrants are exercised. The exercise of the Warrants in the future will allow our Company to obtain additional funds without incurring additional interest expenses from borrowings.

4.1 Steps or actions which have been taken/will be taken to improve the financial condition of our Group

Since October 2021, our Group has undertaken the following measures/steps to improve our financial condition:-

(a) <u>Securing/ pitching for new contracts</u>

Up to 15 October 2021, being the date of Requisite Announcement of the Regularisation Plan, our Group had been awarded 3 IT contracts with a total contract value of RM27.0 million comprising RM7.0 million for 2 platform design and development contracts and up to RM20.0 million for 1 refurbishment services contract for pre-owned desktops and laptops. Since then and up to LPD, our Group had successfully pitched and secured additional 14 contracts with a total contract value of RM14.5 million comprising 3 platform and design contracts, 13 smart manufacturing solutions contracts, 2 managed security services contracts and 1 lease/rental contracts.

The contribution of the aforementioned contracts to the revenue for the past 3 FYEs 31 December 2020, 31 December 2021 and 31 December 2022 as well as 6-month FPE 30 June 2023 are as follows:

	FYE 31 December 2020		**FYE 31 December 2021**		**FYE 31 December 2022**		**6-month FPE 30 June 2023**	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Platform design and development	-	-	265	65.43	10,213	81.61	5,208	78.29
Technical support and maintenance services	-	-	-	-	33	0.27	277	4.17
Refurbishment and/or lease/rental services	-	-	-	-	769	6.14	287	4.32
Managed security services	-	-	-	-	500	4.00	551	8.28
Smart manufacturing solutions	-	-	-	-	871	6.96	265	3.98
	-	**-**	**265**	**65.43**	**12,386**	**98.98**	**6,588**	**99.04**
Hostel management contract secured prior to FYE 31 December 2020	128	100.00	140	34.57	128	1.02	64	0.96
Total revenue	**128**	**100.00**	**405**	**100.00**	**12,514**	**100.00**	**6,652**	**100.00**

Moving forward, our Group will continuously try to pitch for new contracts to increase our pipeline.

We believe that with the proceeds from the Regularisation Plan and anticipated cashflows from the aforementioned contracts, our Group will be in a better position to secure further contracts as well as to negotiate credit terms with their existing and new customers moving forward.

(b) Hiring of new skills and expertise

Since October 2021 and up to the LPD, FSBM had appointed amongst others, the following personnel to improve our Group's operations and to identify more business opportunities:-

(i) Mr Pang, Malaysian, aged 50

Mr Pang graduated from Oxford Brookes University, United Kingdom with a Bachelor Degree in Electronic Engineering in 1997. Prior to that, he obtained a Higher Diploma in Electrical and Electronic Engineering / Computer Engineering from Wigan & Leigh College, United Kingdom, in 1995.

Mr Pang has 27 years of working experience in business development, sales and marketing in various multinational companies. He started his career in 1997 with KLA-Tencor Sdn Bhd (formerly known as ADE Corporation Sdn. Bhd.), engaged in developing and manufacturing of Silicon bare wafer inspection, metrology and data analysis systems. From 2001 till 2009, he worked with companies engaged in Semiconductor/IC Packaging Assembly and Testing, i.e., ASM Assembly Equipment (M) Sdn. Bhd. and Kulicke & Soffa Global Holding Corporation. From 2009 till 2016, he assumed the position as General Manager in GoIndustry-DoveBid (Malaysia) Sdn. Bhd. (an associate of a Liquidity Services provider listed in NASDAQ with headquarters located in Washington), a global solution provider in reserve supply chain management/manufacturing industrial equipment management.

In 2019, he founded Aresys Industries Sdn Bhd ("**Aresys Ind**"), an engineering services provider specialised in providing industry 4.0 transformation, IoT system integration and smart factory solutions. Prior to setting up of Aresys Ind, he was a freelance consultant to various multinational companies to manage their factory assets and system integration projects from year 2017 to 2018. Since incorporation, Aresys Ind has supported various Malaysian SME factories to embark on factory digitalization journey. Amongst the contracts procured includes a complete digitalization rollout for a plantwide system implementation for a factory under the Industry4WRD Intervention Fund; implementation of the Vision Inspection System and IoT and Digitalization for rubber glove manufacturers in Malaysia and Thailand. As at LPD, Mr Pang is the sole Director of Aresys Ind.

Mr Pang had on 22 September 2022, provided an undertaking letter (which superseded his undertaking letter dated 1 July 2022) where for so long as he is an Executive Director of FSBM, he will continue to develop and grow the smart manufacturing solution business segment on behalf of FSBM Group and he will not carry on any trade or business in relation to smart manufacturing solutions, i.e. MES and related modules that are in competition with FSBM Group. Similarly, our Company had on 22 September 2022, obtained an undertaking from Aresys Ind. that it will not carry on any trade or business in relation to smart manufacturing solutions, i.e. MES and related modules that are in competition with our Group. For information, Aresys Ind had not undertaken any trade or business in relation to smart manufacturing solutions since 22 September 2022 up to LPD and Aresys Ind had appointed a consultant to manage the remaining business of Aresys Ind.

He was appointed as the Executive Director of FSBM on 12 October 2021. For avoidance of doubt, based on his employment contract with FSBM, his position as Director of Aresys Ind does not breach the terms of his employment as Executive Director of FSBM.

(ii) Mr Low, Malaysian, aged 40

Mr Low graduated from Multimedia University with a Bachelor Degree (Honours) of Electronic Engineering majoring in Computer in 2006.

Mr Low started his career as a Researcher with Multimedia University in 2006 as an Intel Research Scholar for a research project titled "Workload Sharing in Distributed Environment with Networked Java Virtual Machine". In 2008, he joined Accenture Technology Solutions Sdn. Bhd. as a Software Engineer, primarily engaged as a BizTalk Developer and Enterprise Application Integration Support and Development Analyst.

In 2010, he co-founded Hola Media Sdn. Bhd. ("**Hola Media**"), a company which is principally involved in digital signage system architecture design, enterprise software integration development, cloud and microservices software development and open-source technology. Amongst the contracts secured by Hola Media include corporate branding and public communication, dashboard data visualization, meeting rooms events integration, internal corporate communication, advanced content scheduling and brand consistency and industrial internet of things across various industries such as hospitality, energy and property development industries. Prior to joining our Group, Mr Low was principally involved in Hola Media as the Chief Technology Officer. He had since ceased to have an active role in Hola Media. As at LPD, he only holds a directorship with 45.0% equity interest in Hola Media. Nevertheless, Mr Low is of the opinion that his involvement will not give rise to any conflict of interest situation and his involvement in the other businesses and/or corporations will not affect his ability to perform his roles and responsibilities in our Group, as he is not involved in the day-to-day operations and management of Hola Media. For clarification, Hola Media is operated and managed on a day-to-day basis by the other shareholders/directors.

He joined our Group as the Chief Technology Officer in October 2021 whereby he oversees the operations of both Technical division (undertaking platform design and development, refurbishment services and technical support and maintenance services) and Managed Security Services division and formulate the strategy and directions of the divisions to align with our Group's objectives

(iii) Paul Ooi Cong Jen ("**Paul**"), Malaysian, aged 40

Paul graduated from Mantissa Institute with Advanced Diploma in Information and Communications Technology (Software Engineering) in year 2003.

Paul started his career as a web developer with Malaysiakini in 2003. In 2006, he joined AIMS Data Centre Sdn Bhd as a Chief Systems Engineer and was involved in Malaysia Internet Exchange systems and monitoring set-up which was launched in the same year. Subsequently, he was being seconded to Global Transit Communications Sdn Bhd as the Head of Systems and Security Engineering, a start-up focus on internet transit businesses in year 2007. In 2008, Paul was seconded to TIME dotCom Berhad as a Principal Engineer and was tasked to rebuild systems, security and operations support systems for systems and security engineering in core internet service provider ("**ISP**") team. In 2012, he joined ALTEL Communications Sdn Bhd, a 4G start-up mobile provider, as Head of Business Operations Support Systems and was involved in solutions sourcing in business operation system and operation support system. In 2018, he joined IPDC Solutions Pte Ltd as the Chief Operating Officer, whereby he led and managed the security engineering operation team.

He is the sole director and sole shareholder in Takizo Solutions Sdn Bhd ("**Takizo**") which was incorporated in year 2014. Takizo provides cloud, application, system and network consultancy services from small-medium enterprise to corporate companies. For avoidance of doubt, the business activities of Takizo does not conflict with the business activities of our Group. Since joining our Group in April 2022, Paul's involvement in Takizo is only on a part time basis (outside working hours) serving the recurring customers of Takizo. Paul has also given our Group assurance that he will devote full time for his role with our Group. He is also a co-founder of Malaysia Network Operators Group (MyNOG) (incorporated in year 2012), which is an initiative to bring together network operators in Malaysia to encourage sharing of knowledge, learning and co-operation among fellow counterparts. For clarification, MyNOG is not a business but merely a networking and knowledge-sharing initiative.

He joined our Group as Head of Operations, Managed Security Services division in April 2022 whereby he is involved in the day-to-day operations (including sales and marketing) of the Managed Security Services division.

Since October 2021, our Group had increased our number of employees to 35 employees as at LPD. Our Group believes that it can leverage on the experience and expertise of our employees to build and grow our existing IT services business.

(c) Writing-off of salaries

Our Board had on 15 October 2021 entered into agreements via exchange of letters with Dato' Tan, Tan Ee Ern (Executive Director who resigned on 11 March 2022) and Tan Wan Yen (Executive Director) to write-off the outstanding salaries owing to them by our Group. The debts were accumulated as salaries accrued to them from April 2014 to September 2015. For information, Dato' Tan, Tan Ee Ern and Tan Wan Yen had not received any salary from our Group since September 2015.

The waiver resulted a one-off income of RM0.9 million for our Group in the FYE 31 December 2021.

(d) Impairment of receivables

As part of our Group's efforts to restructure our balance sheet, our Group carried out a review for the FYE 31 December 2021 to ascertain our account balances. Upon the completion of the audit, our Group had written-off RM8.6 million receivables in which we are unable to justify the balance and recoverability.

(e) Verification of the closing balances of our Group's assets and liabilities

Our Group had received a disclaimer of opinion on our financial statements for the FYE 30 June 2018, 18-months FPE 31 December 2019, FYE 31 December 2020 and FYE 31 December 2021.

For the FYE 31 December 2021, our Group had carried out a review to ascertain our accounts' closing balances. Following the audit, certain assets had been written off and/or written down to its recoverable amounts and certain liabilities have been stated based on the liabilities established vide the confirmation exercise conducted, and with provisions and accruals estimated based on the probability of outflow of resources required to settle these obligations. These adjustments have been taken as current year adjustments in the statement of comprehensive income for the FYE 31 December 2021.

Since the opening balances enter into the determination of the financial performance and cash flows, the External Auditors were unable to obtain sufficient appropriate audit evidence as to whether the adjustments made are appropriate in respect of the loss for the financial year reported in the statements of comprehensive income and the net cash flows from operating activities reported in the statements of cash flows. The adjustments made may or may not be in relation to the FYE 31 December 2021 or prior financial years.

The External Auditors had expressed a disclaimer of opinion on the opening balance for our Group's audited financial statements for the FYE 31 December 2021. Save for the opening balance, the closing balance as at 31 December 2021 has been verified.

Our Group had engaged the external auditors to perform a special audit for the consolidated financial statements for the 6-month FPE 30 June 2022 and the external auditors had not expressed an adverse or disclaimer opinion. However, without qualifying their opinion, the External Auditors had drawn attention that our Group has been classified as an affected issuer pursuant to Paragraph 8.03A(2) of the Listing Requirements since 17 October 2019 and Paragraph 2.1(d) of PN17 since 30 December 2019.

Based on the audited financial statements for the FYE 31 December 2022, the External Auditors had not expressed any disclaimer of opinion nor material uncertainty in relation to the going concern of our Group and our Company. Without qualifying their opinion, the External Auditors had drawn attention that our Group has been classified as an affected issuer pursuant to Paragraph 8.03A(2) of the Listing Requirements since 17 October 2019 and Paragraph 2.1(d) of PN17 since 30 December 2019. For information, Bursa Securities had on 7 April 2023 approved the Regularisation Plan.

The External Auditors also highlighted in their audit report dated 14 April 2022 for the FYE 31 December 2021 a disclaimer of opinion pertaining to opening balances and going concern matters. The adjustments found to be necessary in respect of the matters pertaining to opening balances may consequently have significant impact on the statements of comprehensive income and statements of cash flows of our Group and of our Company, including related disclosures, for the FYE 31 December 2021 and prior, whereby the External Auditors were unable to obtain sufficient appropriate audit evidence as to correct accounting period in which the adjustments had pertained to. However, this matter will no longer have possible effects on the figures presented in the statement of financial position of our Group and of our Company as at 31 December 2021.

Our Board is confident that the Regularisation Plan, once fully implemented will contribute positively to both the revenue and profitability of our Group.

5. REGULARISATION PLAN

Our Group's PN17 status has adversely affected our Group's ability to negotiate favourable terms with our existing and potential customers as well as suppliers. Being a PN17 entity, our Group has also been unable to secure bank borrowings for working capital purposes, and thus our Group has not been able to secure contracts in the past.

The Regularisation Plan serves to regularise the financial condition of our Group in order to address and uplift the PN17 status of our Company. Our Board believes that upon completion of the Regularisation Plan, our Group will be able to meet the criteria to uplift ourselves from being classified as a PN17 entity. Our Board believes that this will also bode well for our Group as it will be able to provide confidence to our various stakeholders such as our shareholders, clients, financiers and employees of our Group's prospects moving forward.

The Regularisation Plan comprises the following:-

(i) Capital reduction carried out by FSBM pursuant to Section 116 of the Act to reduce the share capital of our Company via the cancellation of RM14,292,450 of the issued share capital of our Company and that the credit arising from such capital reduction used to eliminate the accumulated losses of our Company, which was completed on 25 July 2023;

(ii) Shares issuance of 60,000,000 Subscription Shares to the Subscribers, whereby the Subscription Shares had been allotted to the Subscribers on 2 August 2023. For clarification, the listing of the Subscription Shares will be on the same day as the listing of the Rights Shares and Warrants; and

(iii) Rights Issue with Warrants of up to 236,659,300 Rights Shares on the basis of 1 Rights Share for every 1 existing FSBM Share held, together with up to 118,329,650 Warrants on the basis of 1 Warrant for every 2 Rights Shares subscribed for, on the Entitlement Date. Please refer to Section 2 of this Abridged Prospectus for further details in relation to the Rights Issue with Warrants.

6. UTILISATION OF GROSS PROCEEDS

6.1 Gross proceeds from Rights Issue with Warrants

The gross proceeds raised from the Shares Issuance and to be raised from the Rights Issue with Warrants, are proposed to be utilised for the following purposes:-

		Proceeds raised / to be raised from								
		Minimum Scenario				Maximum Scenario				
Details of utilisation	**Notes**	**Shares Issuance**	**Rights Issue with Warrants**	**Total proceeds**	**%**	**Shares Issuance**	**Rights Issue with Warrants**	**Total proceeds**	**%**	**Estimated timeframe from date of receipt of proceeds**
		RM'000	RM'000	RM'000		RM'000	RM'000	RM'000		
Expansion of IT services business	(a)	-	4,840	4,840	44.81	-	5,907	4,840	49.64	Within 36 months
General working capital	(b)	3,911	49	3,960	36.67	3,993	-	3,960	33.55	Within 24 months
Defray estimated expenses for the Regularisation Plan	(c)	889	1,111	2,000	18.52	807	1,193	2,000	16.81	Within 3 months
Total proceeds		**4,800**	**6,000**	**10,800**	**100.00**	**4,800**	**7,100**	**10,800**	**100.00**	

The allocation of estimated expenses of the Proposed Regularisation Plan under the Minimum Scenario and Maximum Scenario is based on the following formula:

Estimated expenses to be defrayed via the proceeds from the Shares Issuance:

$$= \frac{\text{Total proceeds raised from the Shares Issuance}}{\text{Total proceeds raised from the Regularisation Plan}} \text{ X total estimated expenses}$$

For avoidance of doubt, the above allocation of estimated expenses for the Regularisation Plan refers to the expected cash flows to be utilised, which differs from the proforma as set out in Section 9 of this Abridged Prospectus, which reflects the recognition of expenses for the respective proposals.

Notes:-

(a) Expansion of IT services business

The total proceeds earmarked for our Group's expansion of IT services business amount up to RM5.9 million (based on Maximum Scenario) which is proposed to be utilised as follows:

	Minimum Scenario		Maximum Scenario		Estimated timeframe for utilisation
	RM'000	%	RM'000	%	
Setting up SOC	1,200	24.79	1,200	20.31	Within 36 months
Continuing development of MES software and expansion of managed security services	1,700	35.13	1,700	28.78	Within 36 months
Other business expansion opportunities	1,940	40.08	3,007	50.91	Within 36 months
	4,840	**100.00**	**5,907**	**100.00**	

Our Group is seeking to expand our existing IT services business, including but not limited to, developing software applications and/or acquiring companies/ businesses/ assets/ applications involved in the IT services business. Such plans may include securing new platform design and development projects and expansion of smart manufacturing solution segment that enable digitalisation of business operations. As at LPD, our Group has not identified or commenced discussion to acquire any target companies/ businesses/ assets/ applications.

Since the announcement of the Regularisation Plan and up to the LPD, our Group had ventured into the managed security services business and provision of MES solutions, details of which are set out in Section 8.3.1(iv) and Section 8.3.1(v) of this Abridged Prospectus. As such, our Group had budgeted RM1.7 million to further enhance and upgrade the MES software as well as to expand the range of managed security services to include managed cloud security and integrated Secure Access Service Edge ("**SaSe**") solutions. The 36 months period is required as the continuing development of our Group's MES software is required to be undertaken over the period. In the event RM1.7 million is not fully utilised for the continuing development of MES software development and expansion of managed security services, such amount may be reallocated to proceeds earmarked for other business expansion opportunities.

In addition, our Group intends to allocate up to RM1.2 million of the proceeds to set up a SOC to facilitate our managed security services business. This will be used to defray the acquisition of hardware such as servers, storage tapes, discs and racks; and software such as networking management and monitoring, endpoint management and traffic analysis software. For avoidance of doubt, the setting up of the SOC will depend on the scope of work required based on the contracts to be procured, and as such will only be set up should our Group successfully procure a contract which require a certain specification of the SOC. As such, the SOC will be set up in phases to suit the requirement of the managed security services team, based on the contracts obtained. The plans to set up a SOC bodes well with the business direction of our Group as set out in Section 8.3.2(v) of this Abridged Prospectus. As such, the 36 months period for utilisation is required. In the event RM1.2 million is not fully utilised to set up a SOC, such amount may be reallocated to proceeds earmarked for other business expansion opportunities.

As at LPD, our Group's other business expansion opportunities i.e. developing new software applications and/or acquiring companies/ businesses/ assets/ applications involved in the IT services business, are at preliminary stages and may or may not materialise. The 36 months period is required for our Group to identify and effect such business expansion opportunities. We will make the necessary announcements and/or seek our shareholders' approval when such opportunities materialise, where required pursuant to the Listing Requirements. If such business expansion opportunities do not materialise within the expected timeframe and/or the allocated amount is not fully utilised, we propose to utilise such balance proceeds for general working capital of our Group based on the proportion as set out in note (b) below.

(b) General working capital

Approximately RM4.0 million (based on Maximum Scenario) proceeds earmarked for working capital is proposed to be utilised to finance the day-to-day operations of our Group's existing business, as and when the need arises as follows:

	Minimum Scenario		**Maximum Scenario**		**Estimated timeframe for utilisation**
	RM'000	%	RM'000	%	
Payment to trade creditors and/or advances from Directors and/or major shareholders, if any	2,000	50.51	2,000	50.09	Within 12 months
Staff-related costs such as staff salaries, bonuses, statutory contribution and welfare expenses[(i)]	1,560	39.39	1,593	39.89	Within 24 months
General administrative and operating expenses such as rental, utilities, telephone charges and sundry expenses	400	10.10	400	10.02	Within 24 months
	3,960	**100.00**	**3,993**	**100.00**	

Note:-

(i) Our Group is involved in the provision of IT services which is human capital intensive. Such human capital will be required for our Group to undertake current projects as well as new projects.

The aforementioned estimated timeframe for utilisation represents the estimated period for our Group to utilise the proceeds earmarked for our working capital.

(c) Defray estimated expenses for the Regularisation Plan

The breakdown of estimated expenses for the Regularisation Plan is illustrated below:-

Details of utilisation	RM'000
Professional fees [(i)]	1,785
Fees to relevant authorities	105
Printing, despatch, meeting expenses and miscellaneous expenses	110
	2,000

Note:-

(i) Comprised professional fees payable to the principal adviser (excluding placement administration fee and underwriting fee), company secretary, share registrar, solicitors, internal control reviewer, auditors and independent market researcher for the Regularisation Plan.

Any deviation in actual expenses for the Regularisation Plan will be adjusted to/from proceeds earmarked for our Group's general working capital.

In the event the proceeds to be raised from the Rights Issue with Warrants is between the Minimum Scenario (RM6.0 million) and the Maximum Scenario (RM7.1 million), the proceeds in excess of RM6.0 million to be raised under the Minimum Subscription Level are expected to be utilised up to their respective maximum allocations in the following order:-

(a) general working capital; and

(b) expansion of IT services business.

Pending utilisation of proceeds from the Shares Issuance and Rights Issue with Warrants, the proceeds will be placed in profit-bearing bank account(s), as deposits with licensed financial institution(s) and/or in short-term money market instruments as our Board deems fit. Any interests/profits earned from such deposits/investments shall be utilised for our Group's general working capital as stated in Section 6.1, note (b) above within 36 months from being earned.

6.2 Gross proceeds from exercise of Warrants

The quantum of proceeds that may be received by our Company upon the exercise of the Warrants would depend on the actual number of Warrants exercised. As such, the timeframe for utilisation of proceeds cannot be determined at this juncture.

Assuming all Warrants are exercised at the Exercise Price of RM0.05 each, we will receive proceeds of between RM5.0 million (based on Minimum Scenario) and RM5.9 million (based on Maximum Scenario). Our Company proposes to utilise such proceeds for working capital purposes as per the same proportion as detailed in Section 6.1, note (b) above within 36 months from the time the proceeds are received.

Pending utilisation of the proceeds from the exercise of the Warrants, the proceeds will be placed in profit-bearing bank account, as deposits with licensed financial institution(s) and/or in short-term money market instruments as our Board deems fit. Any interests/profits earned from such deposits/investments shall be utilised for the general working capital of our Group as stated in Section 6.1, note (b) above within 36 months from being earned.

7. RISK FACTORS

In addition to the other information contained in this Abridged Prospectus, you should carefully consider the following risk factors, which may have an impact on the future performance of our Group, before subscribing for or investing in the Rights Shares with Warrants:-

7.1 Risks relating to our Group's business generally

7.1.1 Dependence on Directors and key management

Our Group is dependent on our Directors and key management. Our Group's achievements are largely attributable to the continued efforts of our Executive Directors and key management personnel who are directly responsible for the strategic direction, leadership, business planning and development, and management of our Group's business operations. Our Group is also intending to rely on the experience and expertise of the key management personnel i.e. Mr Pang, Mr Low and Paul as detailed in Section 4.1 of this Abridged Prospectus to secure new contracts and expand our product range for our IT services business.

As at LPD, our Group has in place career development and growth program which offers employees the chance to further develop their knowledge by participating in cross-departmental and cross-business unit learning experiences. Our Group also conducts regular performance reviews.

There is no assurance that our Group will be able to develop and retain an adequate number of skilled and motivated employees and find suitable replacements on a timely basis should any key personnel leave our Group which may in turn adversely affect our Group's operations and financial performance.

7.1.2 Failure in managing growth effectively or implementation of our Group's future plans and strategies

Our Group may not be able to effectively manage the growth or successfully implement our Group's future plans and strategies i.e. securing new platform design and development projects and expanding our current services in the technical support and maintenance, IT hardware refurbishment service as well as smart manufacturing solutions segments as set out in Section 8.3.2 of this Abridged Prospectus. In order to successfully implement our expansion plan, it is imperative that our Group remains competitive. Therefore, our Group is committed to continuously growing our business through the expansion of our market presence.

Although our Group's Executive Directors and key management personnel are experienced in this business, there is no assurance that they will be successful in executing our future plans, nor can they assure that they will be able to anticipate, and accordingly mitigate with adequate measures, all business and operational risks arising from our future plans. There can also be no assurance that the results or outcome of our Group's future plans will achieve their desired results and contribute positively to our future financial performance.

7.1.3 Defect liabilities

Our Group's deliverables are generally subject to a warranty period of between 1 and 3 years, with our Group being responsible in the event of any product defects. Our Group is thus obliged to ensure that our final products are fully functional in accordance with the specifications and requirements of the customers before delivery to the same.

Any occurrence of defects on our deliverables will be reflected as a cost to our Group in the form of repair costs and/or deliverables warranty claims, and may also have an adverse implication on our Group's industry reputation. An adverse reputation or negative perception regarding the quality of our products, or our Group in general, could also result in a decrease in demand for our Group's products. For the last 3 financial years up to FYE 31 December 2022, our Group had no experienced any claims for defect liabilities.

Although our Group has not incurred any material cost on repair and/or replacement of our products sold to customers due to product defects, no assurance can be given that any occurrence of product defects in the future will not have an adverse impact on our Group's financial performance.

7.1.4 Fluctuation in foreign currency risk

As at LPD, our Group has 1 blockchain application contract denominated in HKD and 2 managed security services contracts denominated in USD. Moving forward, our Group may need to enter into further contracts denominated in foreign currency, depending on negotiations with future clients. As such, our Group is exposed and may continue to be exposed to foreign currency risk. For information, our Group does not have any hedging contract to limit foreign currency exposure as at LPD.

There can be no assurance that any adverse fluctuations in foreign currencies against the RM will not result in an adverse impact on our Group's financial performance.

7.1.5 Financing risk

Our Group intends to expand our businesses through various avenues stated in Section 8.3.2 of this Abridged Prospectus. However, the implementation of our Group's plan depends on amongst others, the ability of our Group to procure sufficient financing which may include obtaining external financing. The extent of such external financing is subject to various factors including our Group's financial condition and cash flows, the overall Malaysian economy and prevailing interest rates, the cost of financing and the condition of financial markets affecting the banks' willingness and ability to provide new loans.

Our Group had earmarked RM5.9 million of the total proceeds (based on Maximum Scenario) for the expansion of our IT services business. As at LPD, the expansion plans of our Group are at the preliminary stages and may or may not materialise. In the event our Group requires funds in excess of the RM5.9 million for the expansion of our IT services business, our Group may need to procure external financing.

There can be no assurance that the necessary financing will be available in amounts or on terms acceptable to our Group. If adequate funding is not available when needed, or is available only on unfavourable terms, taking advantage of business opportunities or responding to competitive pressures may become challenging, which could have a material and adverse effect on the business, financial condition and results of operations of our Group.

7.1.6 Risk from the COVID-19 pandemic

Since March 2020, lockdown or similar measures have been imposed by the government of Malaysia to curb the spread of COVID-19. These have had an adverse impact to the performance of the Malaysian economy. The operations and/or expansion projects of the customers might be affected due to the implementation of the lockdown imposed by the government of Malaysia. Any restriction in customers' operations or delay in the expansion projects will affect the recognition of revenue from the relevant projects as well as cause the projects to be terminated. Nevertheless, our Group only experienced minimal disruptions to our business operations as we were able to conduct virtual meetings and training sessions with our customers. For information, our Group did not receive any fines or penalties in relation to the violation of any rules and regulations pursuant to the MCO arising from the COVID-19 pandemic.

Although Malaysia has entered the endemic phase of COVID-19 and there are no longer any lockdowns or similar measures imposed by the government since then, there can be no assurance that any prolonged adverse development arising from the COVID-19 pandemic, the movement control order and/or any other external factors which are beyond of our Group will not occur and adversely affect the financial performance and operations of our Group.

7.2 Risks relating to the industry in which our Group operates

7.2.1 Business risks

Our Group's ability to turnaround our operations and financial position is highly dependent on being able to complete the contracts at hand as well as to secure additional contracts. This is due to the nature of the business and the prevailing industry practice, where orders from customers are usually secured on a project-by-project basis. The nature of products and services provided by our Group varies according to the orders received from which is usually based on the customers' requirements and specifications. The frequency and value of orders would also vary from year to year. Hence, our Group's revenue may fluctuate from year to year and such fluctuations may have a material adverse impact on our business operations and financial performance.

Whilst our Group had been awarded several contracts as set out in Section 8.3.1 of this Abridged Prospectus, our Group is continuously trying to pitch for new contracts to increase our pipeline. Upon completion of our Group's platform design and development contracts, our Group will continue to maintain the software developed for the customers via the operations and maintenance contract entered into. In addition, our Group had also secured managed security services contracts in April 2022 and August 2022 for the provision of operational support for the Anti-DDoS and IP Network Intelligence (INI) systems for a period of 2 years. Our Board is of the view that such operations and maintenance contracts as well as managed security services contracts are sustainable as the cost of termination will be high to the customer.

7.2.2 Competition risks

Our Group is competing with the existing and new IT solutions providers and as such, our Group will experience stiff competitions during the project tendering stage. The rapid technological change such as the usage of artificial intelligence in IT solutions could also limit our Group's ability to attract new customers and retain existing customers. Rapid change in technology and introduction of new industry standards, competitive pressure from dominant players, creative functionality, software piracy, freeware and open source technologies, technologies obsolesces are threats and risks associated with IT industry.

Future success and ability to remain staying relevant in IT industry will depend significantly upon our Group's ability to respond to the change in the market demands and conditions such as changes in customers' preferences as well as development of new products and design.

There can be no assurance that our Group will be able to continuously compete effectively with our peers.

7.2.3 Political, economic and regulatory risks

Any adverse developments in the political, economic and regulatory conditions in Malaysia, could materially and adversely affect our Group's business, financial performance, and prospects. Political and economic uncertainties include but are not limited to, changes in labour laws, availability of labour, a switch in political leadership and/or changes in the government's policies, interest rates, methods of taxation, monetary and fiscal policy and licensing regulations and economic downturn.

Although our management may take a prudent approach to manage these risks internally, these risks are generally beyond their control and there can be no assurance that the changes to political, economic and regulatory conditions will not affect the performance of our Group.

7.3 Risks relating to the Rights Issue with Warrants

7.3.1 Capital market risk

The market price of the new securities arising from the Rights Issue with Warrants, like all listed securities traded on Bursa Securities, is subject to fluctuation. The price of our Company's securities will be influenced by, amongst others, the prevailing market sentiments, the volatility of the stock market, movements in interest rates, outlook of the industry in which our Company operates in and our financial performance.

In view of the above, there can be no assurance that the Rights Shares and any new Shares issued pursuant to the exercise of the Warrants will trade at or above the TERP disclosed in Section 2.2 of this Abridged Prospectus after completion of the Rights Issue with Warrants.

The Warrants are new instruments issued by our Company. Therefore, there can be no assurance that an active market for the Warrants will develop upon listing on Bursa Securities, or if developed, will be sustainable. In addition, there is no assurance that the Warrants will be "in-the-money" during the exercise period.

Accordingly, there is no assurance that the market price of the Warrants will be at a level that meets the specific investment objectives or targets of any subscriber of the Warrants.

7.3.2 Failure or delay in the completion of the Rights Issue with Warrants

The Rights Issue with Warrants is intended to be undertaken at the Minimum Subscription Level. In this respect, our Company has procured the Undertakings from the Undertaking Shareholders and entered into the Underwriting Agreement with Malacca Securities (as detailed in Section 3 of this Abridged Prospectus) to meet the Minimum Subscription Level. As such, the successful implementation of the Rights Issue with Warrants is dependent upon the fulfilment of the Undertakings by the Undertaking Shareholders and the underwriting agreement by Malacca Securities.

The Rights Issue with Warrants is also exposed to the risk that it may be terminated or delayed in the event of a material adverse change of events or circumstances (such as force majeure events including without limitation, acts of government, natural disasters including without limitation the occurrence of a tsunami and/or earthquakes, acts of terrorism, strikes, national disorder, declaration of a state of war or accidents, resurgence of COVID-19 cases and emergence of variants or any change in law, regulation, policy or ruling), which is beyond the control of our Company and the Principal Adviser, arising prior to the completion of the Rights Issue with Warrants.

There can be no assurance that the abovementioned factors or events will not cause a failure or delay in the completion of the Rights Issue with Warrants. In the event the Rights Shares and Warrants have been allotted to the successful Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) and the Rights Issue with Warrants is subsequently cancelled or terminated other than due to a stop order issued by the SC pursuant to Section 245 of the CMSA, a return of monies to the successful applicants can only be achieved by way of cancellation of share capital under the Act.

Such cancellation may require the approval of our Company's shareholders by way of a special resolution in a general meeting, consent of our Company's creditors (where applicable) and either the confirmation of the High Court of Malaya or a solvency statement by our Board. There can be no assurance that such monies can be returned within a short period of time under such circumstances.

In the event the Rights Issue with Warrants cannot be implemented or completed for any reason, our Company will undertake the necessary procedures to ensure the refund of monies is made in full without interest in respect of any application for the subscription of the Rights Shares with Warrants including the Excess Rights Shares with Warrants within 14 days after our Company becomes liable to do so, in accordance with the relevant provisions of the CMSA. If such monies are not repaid within 14 days after our Company becomes liable to do so, our Company will repay such monies in accordance with Section 245(7) of the CMSA.

7.3.3 Potential dilution

The Entitled Shareholders who do not or are unable to subscribe fully for their entitlement pursuant to the Rights Issue with Warrants will have their proportionate percentage of shareholdings and voting interest in our Company reduced and the percentage of the enlarged issued share capital represented by their shareholdings in our Company will also be reduced accordingly. Consequently, their proportionate entitlement to any future distribution, rights and/or, allotment that our Company may make after completion of the Rights Issue with Warrants will correspondingly be diluted.

7.4 Risk relating to forward-looking statements

Certain statements in this Abridged Prospectus are based on historical information, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements including but not limited to the prospects and future plans of our Group, are based on assumptions and estimates made by our Company, unless stated otherwise, and although our Board believes these forward-looking statements to be reasonable, they are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include but are not limited to the risk factors set out in this Abridged Prospectus.

In light of these and other uncertainties, the inclusion of forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

8. INDUSTRY OVERVIEW AND PROSPECTS

8.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded moderately in the second quarter of 2023 (2.9%; 1Q 2023: 5.6%), weighed mainly by slower external demand. Domestic demand remained the key driver of growth, supported by private consumption and investment. Household spending was supported by further growth in employment and wages. Meanwhile, investment activity was underpinned by capacity expansion, progress of multi-year projects and higher fixed asset spending by the government. Continued recovery in inbound tourism partially offset the slower goods export growth. Growth during the quarter was also affected by the high base effect in the second quarter of 2022 when the economy experienced strong growth from reopening effects and policy measures. On the supply side, the services and construction sectors continued to support growth. Meanwhile, production in the agriculture and mining sectors were affected by hot weather and plant maintenance. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.5% (1Q 2023: 0.9%).

Headline inflation during the quarter continued to moderate to 2.8% (1Q 2023: 3.6%). The moderation was recorded in both non-core inflation and core inflation. For non-core inflation, fresh food and fuel contributed to the decline. Core inflation, while declining, remained elevated relative to its long-term average (2011-2019 average: 2.0%). The moderation in core inflation (2Q 2023: 3.4%; 1Q 2023: 3.9%) was largely contributed by selected services. These included food away from home, telephone and telefax services, and personal transport repair and maintenance. Inflation pervasiveness declined as the share of Consumer Price Index (CPI) items recording monthly price increases moderated to 42.7% during the quarter (1Q 2023: 56.0%), below the second quarter long-term average (2011-2019) of 43.9%. Notably, inflation pervasiveness dropped in June after a transitory uptick in May following the festive season.

With the challenging global environment, the Malaysian economy is projected to expand close to the lower end of the 4.0% to 5.0% range in 2023.

(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2023, BNM)

<u>Outlook</u>

For the second half of 2023, the Malaysian economy is expected to expand at a moderate pace. Slower external demand will continue to weigh on economic activity particularly for the export-oriented sectors. Growth will be supported by domestic demand, underpinned by favourable labour market conditions, particularly in the domestic-oriented sectors. Tourist arrivals is expected to continue improving, thereby lifting tourism activities, while investment activity would be supported by implementation of multi-year investment projects. Domestic financial conditions also remain conducive to financial intermediation.

While the growth outlook is subject to some downside risks stemming from weaker-than-expected global growth, upside risks mainly emanate from domestic factors such as stronger-than-expected tourism activity and faster implementation of projects.

In line with expectations, headline inflation has continued to moderate to 2.8% in 2Q 2023 from the peak of 4.5% in 3Q 2022 amid lower cost factors. While core inflation has also moderated, it has been more persistent and remains elevated relative to the long-term average, amid lingering demand and cost factors. For the second half of 2023, both headline and core inflation are projected to trend lower within expectations, partly due to the higher base in the corresponding period last year. Nonetheless, risks to the inflation outlook remain subject to the changes to domestic policy on subsidies and price controls, as well as global commodity prices and financial market developments.

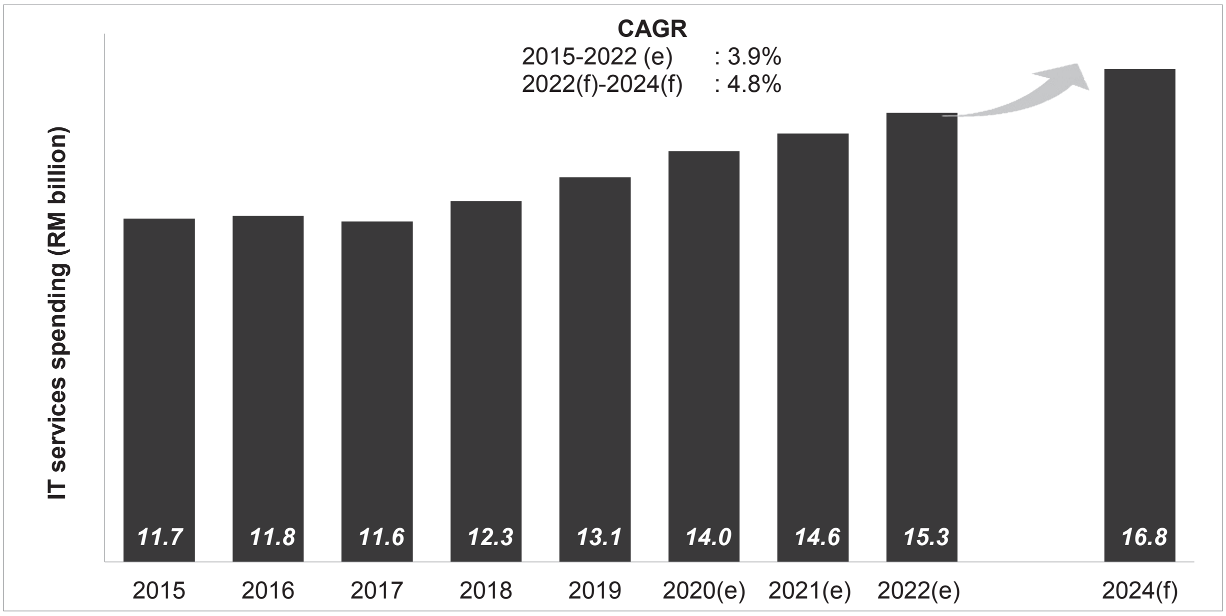
(Source: Quarterly Bulletin 2Q 2023, BNM)

8.2 Overview and outlook of the IT services industry in Malaysia

IT services refer to the provision of professional services supporting IT solutions, including design and development of IT solutions, maintenance services, refurbishment of IT hardware and managed IT services (such as managed security services).

The IT services industry in Malaysia, as measured by spending on IT services, grew from RM11.7 billion in 2015 to an estimated RM15.3 billion in 2022 at a CAGR of 3.9%. Moving forward, the IT services industry in Malaysia is forecast to grow by a further CAGR of 4.8%, from an estimated RM15.3 billion in 2022 to RM16.8 billion in 2024.

IT services industry size in Malaysia



Notes:-

(e) – estimate

(f) - Forecast

(Source: Independent Market Research Report, Providence)

The growth of the IT services industry in Malaysia is driven by:

(i) The digitalisation of the economy, leading to demand for IT hardware

The digitalisation of the economy is known as the "Digital Economy", which refers to the increasing adoption and utilisation of IT solutions in carrying out day-to-day operational tasks across various economic sectors in order to improve efficiency and facilitate globalisation. The pervasive impact of the Digital Economy can be observed throughout various economic sectors including the banking sector (where cash-based transactions have shifted to online based transactions) and retail sector (where stores are no longer limited to physical outlets but also e-commerce platforms). In Malaysia, the contribution of the Digital Economy to the country's gross domestic product ("**GDP**") has grown from 18.2% in 2016 to an estimated 23.2% in 2021.

The COVID-19 pandemic has also played a part in driving the Digital Economy. In order to curb the spread of COVID-19, national lockdown measures were imposed globally, including in Malaysia, and this forced corporations and organisations to adapt to work-from-home arrangements. Thus, technological solutions such as file sharing, messaging platforms, video conferencing and project management tools became a necessity in facilitating collaboration.

The Digital Economy is expected to expand in the country and as such, the demand for IT platforms are expected to increase. As the demand for IT platforms increases, this will also lead to a greater need for IT services to design and develop these IT platforms.

(ii) Growing e-commerce transactions will encourage a shift towards retailing products via e-commerce

E-commerce refers to the sale and purchase of products and services via the Internet. The e-commerce market size in Malaysia, as depicted by e-commerce transaction values in the country, increased from RM195.1 billion in 2015 to an estimated RM454.7 billion in 2022 at CAGR of 12.8%. The recent and on-going COVID-19 pandemic led to the implementation of national lockdown policies in Malaysia which restricted travel, movement and/or business activities. As a result, consumers have been spending more time on the Internet to purchase products, and this has led to higher number of e-commerce transactions in 2020 and 2021.

The growth of the e-commerce market has been, and is expected to continue to be, driven by the growing broadband penetration, proliferation of mobile devices and increased acceptance of digital payments in the country.

As the e-commerce market continue to grow, an increasing number of corporations and organisations are expected to adopt e-commerce as a means to retail their products and services. This is expected to increase the need for IT services to design and develop e-commerce platforms.

(iii) Shift towards smart factories to fully automate operations

Smart factories refer to production facility environments where machinery and equipment are interconnected using IoT technology. The interconnectivity of machinery and equipment enables automation of not only the manufacturing processes but also all other processes in the production facility, from the receipt of raw materials and supplies to the production and assembly of end-products.

Minimal human intervention is required to operate such a production facility, as workers can remotely supervise, monitor and control the operations of the entire production facility from a control room. Further, smart factory solutions also enable data to be shared throughout the organisation, enabling the organisation to make better business decisions, identify areas of concern or improvement as well as better utilisation of resources.

The need for such level of automation was notable during the COVID-19 pandemic in 2020, and is still on-going, where many organisations were forced to adapt to remote working arrangements due to lockdowns imposed to curb the spread of virus, and reduce reliance on human resources.

As the companies involved in manufacturing activities begin to digitalise their operations and shift towards smart factories, new smart manufacturing solutions are expected to be in demand to enable this shift. This is thus expected to lead to an increase in demand for IT services to design, develop and implement these solutions.

(iv) The rapid pace of technological evolution

The evolution of the ICT sector which has given rise to technological concepts such as big data, artificial intelligence and IoT is leading to a shift in the way businesses are operated today. Big data refers to the technology of managing and processing large data sets within a short time frame. Meanwhile, artificial intelligence describes technology that can turn data analysis into meaningful solutions. The IoT refers to a network of devices and sensors that are able to communicate and transfer data between them and other parties in a seamless manner.

The National IoT Strategic Framework estimates that the market for IoT in Malaysia will reach RM42.5 billion by 2025. Meanwhile, the Government intends to accelerate the adoption of big data through the National Big Data Analytics Framework which would spur demand for big data in all sectors, catalyse adoption of big data in the public sector and build the big data industry in Malaysia. This will be undertaken through data science programmes conducted by local and foreign universities and data science institutes, as well as upskilling talent in Malaysia in this area.

With the use of IoT, big data and artificial intelligence in critical business operations, data recorded digitally is expected to grow accordingly. This illustrates a continuous need for corporations and organisations to obtain ICT solutions with larger capacities in order to keep up with the increasing volume of digital data, especially for storage of backup data. The adoption of these technologies in corporations and organisations will lead to an increase in demand for IT hardware with higher processing capabilities. In order to minimise capital expenditure on IT hardware, corporations and organisations are expected to acquire or rent or lease refurbished IT hardware.

(v) Government initiatives to encourage digitalisation among businesses

The Government launched the Industry Digitalisation Transformation Fund, offering RM1 billion worth of loans with an interest subsidy of 1.5% for all Malaysian companies interested to digitalise their businesses, in an effort to transform the country to a preferred location for high tech manufacturing. The fund aims to accelerate adoption of new technology including artificial intelligence, automation, big data and robotics among Malaysian companies.

The National Fiberisation and Connectivity Plan 2019-2023 will provide a favourable environment for the digitalisation of businesses, as it aims to provide higher quality broadband at lower prices and improve connectivity throughout the country. This will have a positive impact on digitalisation, as high-quality digital connectivity is crucial to create and share digital data.

Further, in an effort to cushion the headwinds arising from the COVID-19 pandemic, the Government also announced several initiatives including providing grants and loans to eligible enterprises under the SME Digitalisation Matching Grant totalling RM100 million, SME Technology Transformation Fund totalling RM500 million and Smart Automation Grant totalling RM100 million (capped at up to RM1 million per company). The Government also announced tax reliefs and exemptions to sustain work-from-home policies.

Additionally in 2021, the Government introduced the Malaysia Digital Economy Blueprint which aims to make Malaysia the regional leader in digital economy as well as to achieve inclusive, responsible, and sustainable socioeconomic development. The Blueprint has been divided into three separate phases that focuses on different aspects of the Digital Economy. Phase 1 begins in 2021 to 2022 and focuses on accelerating and strengthening the foundation of digital adoption. While Phase 2 begins from 2023 to 2025, which aims to drive the inclusivity of digital transformation. Phase 3 which starts in 2026 to 2030 will focus on strong and sustainable growth as well as positioning Malaysia to become a regional market player for digital products and digital solutions provider. The Government has allocated a total of RM21 billion through the National Digital Network (Jendela) as a method to boost the implementation of the initiative.

In addition, under the 12th Malaysia Plan, efforts will be undertaken to enable growth of the digital economy. One of Policy Enablers in the 12th Malaysia Plan includes accelerating technology adoption and innovation, where it aims to accelerate the adoption and application of digital and advance technology, particularly the Fourth Industrial Revolution (4IR) technologies. The strategies that will be undertaken in advancing digital economy includes:

- providing an enabling environment for the growth of the digital economy by streamlining digital governance, accelerating trade through e-commerce and strengthening cybersecurity;
- strengthening provision of digital infrastructure and services by facilitating adoption of emerging and alternative technology as well as encouraging investments in submarine cable landing stations to improve fixed broadband services and promote the establishment of high-end data centres;
- developing future-ready digital talent by incorporating digital technology into the school curriculum to mould digital talent from an early age and enhancing industrial training (including upskilling and reskilling programmes) to develop more digital content talent; and
- positioning Malaysia as the Association of Southeast Asian Nations (ASEAN) digital centre by facilitating strategic and quality investment and digitalising micro, small and medium enterprises to broaden market access.

These Government initiatives are expected to drive businesses to adopt digitalisation, which will also benefit the IT services industry.

(Source: Independent Market Research Report by Providence)

8.3 Prospects of our Group

8.3.1 Present principal activities

Our Group intends to focus on expanding our IT services segment, where our Group designs and develops customised IT solutions.

The range of services our Group provides as at LPD can be summarised in the diagram below:-

RANGE OF SERVICES	**Platform design and development**	**Technical support and maintenance services**	**Refurbishment and/or lease/rental services**	**Managed security services**	**Smart manufacturing solutions**
REVENUE MODEL	Contract service revenue [(a)]	Maintenance revenue [(b)]	Trading revenue [(c)] Lease/rental revenue [(d)]	Maintenance revenue [(b)]	Contract service revenue [(a)]
CUSTOMER SEGMENT	Local and international enterprises				

Notes:-

(a) Contract service revenue is a one-off revenue generated when our Group provides platform design and development services and smart manufacturing solutions.

(b) Maintenance revenue is a recurrent revenue where customers pay for our Group to continually provide services on an annual basis, and/or when required.

(c) Trading revenue is a one-off revenue charged based on the number of hardware our Group sells.

(d) Lease/rental revenue is a recurrent revenue where customers pay for our Group to continually lease/rent refurbished IT hardware on a monthly basis.

The revenue breakdown by countries for the past 3 FYEs 31 December 2020, 31 December 2021 and 31 December 2022 as well as the 6-month FPE 30 June 2023 are as follows:

	FYE 31 December 2020		**FYE 31 December 2021**		**FYE 31 December 2022**		**6-month FPE 30 June 2023**	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	128	100.00	405	100.00	8,265	66.05	2,311	34.74
Hong Kong	-	-	-	-	3,748	29.95	3,790	56.98
Philippines	-	-	-	-	501	4.00	551	8.28
	128	**100.00**	**405**	**100.00**	**12,514**	**100.00**	**6,652**	**100.00**

The revenue breakdown by services for the past 3 FYEs 31 December 2020, 31 December 2021 and 31 December 2022 as well as the 6-month FPE 30 June 2023 are as follows:

	FYE 31 December 2020		**FYE 31 December 2021**		**FYE 31 December 2022**		**6-month FPE 30 June 2023**	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Platform design and development	-	-	265	65.43	10,213	81.61	5,208	78.29
Technical support and maintenance services	128	100.00	140	34.57	161	1.29	341	5.13
Refurbishment and/or lease/rental services	-	-	-	-	769	6.14	287	4.32
Managed security services	-	-	-	-	500	4.00	551	8.28
Smart manufacturing solutions	-	-	-	-	871	6.96	265	3.98
	128	**100.00**	**405**	**100.00**	**12,514**	**100.00**	**6,652**	**100.00**

Our Group's range of services are as follows:

(i) Platform design and development

Our Group is principally involved in the development of web-based and mobile platforms for customers. The platforms developed for enterprises comprise commercial applications that are made available to their customers, suppliers and/or business associates as well as for our customers' internal use by their employees.

With the present technical team of our Group, our Group has the capability to undertake the development of customised platforms. This includes code creation and programming, as well as testing and debugging of the platform before it is commercialised.

Based on the customers' requirements and budget, our Group will determine the functionalities required and design a suitable IT platform framework. The framework will outline the functions and capabilities of the IT platform. Our Group also provides consultation services to our customers with regards to the design of user interfaces and user experience in order to enhance overall user satisfaction in terms of usability and accessibility of the platform.

Most platforms developed by our Group comprises a back-end system and front-end user interface, amongst others. The back-end system of the platform is a core system that stores and processes data input from front-end user interface, through our processing mechanisms embedded in programmed coding developed by our Group to perform the intended functions of the applications. Meanwhile, front-end user interfaces are developed in accordance to the customer requirements which are dependent on various factors such as the customers' corporate identity, function and features of the applications, and any integration with third party applications / software (e.g. third party social media platforms and payment gateways). A user-friendly front-end user interface is crucial in enhancing user experience and retaining users.

As at LPD, our Group's subsisting platform design and development contracts are as follows:-

Customer	Services provided	Description	Date contract secured	Expected timeframe for completion / (status of progress)	Project value
MovingUp Mobile Sdn Bhd	Development of an e-commerce platform	• Web-based and mobile application that enable customers to browse, order and purchase products. • Administrative portal to enable back-end account management which allows users to add or remove new products, include discounts and promotions, and generate invoices or billing reports amongst others. • Ordering management system to enable users to view order status, manage orders and payments.	13 October 2021	18 months (completed and delivered system and platform in June 2023, and commenced maintenance services in August 2023)	RM5.0 million + RM534,800 for the provision of technical support and maintenance, which is renewable yearly
	Halal tracking system	• Traceability of *Halal* products using blockchain technology that enables users to trace the origin of products and product information via a QR code. • The system also includes an administrative portal to enable *Halal* food batch QR code generation and product batch management.			
	Frozen food vending system	• Setting up and configuration of vending machines. • Management system to remote monitor vending machines which will allow for inventory management, sales management and vending machine status monitoring.			
	Maintenance and support	Maintenance and technical support for the first 12 months.			

Customer	Services provided	Description	Date contract secured	Expected timeframe for completion / (status of progress)	Project value
Herbs Cell Nutrition Sdn. Bhd.	Development of an e-commerce platform	• Web-based and mobile application that enable customers to browse, order and purchase products. • Administrative portal to enable back-end account management which allows users to add or remove new products, include discounts and promotions, and generate invoices or billing reports amongst others. • Ordering management system to enable users to view order status, manage orders and payments.	13 October 2021	13 months (completed and delivered e-commerce platform and personalised product recommenda-tion tool in December 2022. Commenced maintenance services in March 2023)	RM2.0 million + RM534,800 for the provision of technical support and maintenance, which is renewable yearly
	Personalised product recommendation tool	An online self-assessment health tool which recommends suitable health and wellness products based on individual customers' health assessment.			
	Maintenance and support	Maintenance and technical support for the first 12 months.			
Cash rebates membership portal operator	Development of an online marketplace for digital vouchers	• Web-based and mobile application that enable customers to browse the available digital vouchers and redeem these vouchers. • Administrative portal to enable back-end management of rebate process. • System development kit to integrate payment gateway and vendor account system for management of orders and business-to-business ordering.	17 March 2022	5 months (completed and delivered in August 2022 and commenced maintenance services in November 2022)	RM1.0 million + RM198,000 for the provision of technical support and maintenance, which is renewable yearly
	Maintenance and support	Maintenance and technical support for the first 12 months.			

Customer	Services provided	Description	Date contract secured	Expected timeframe for completion / (status of progress)	Project value
Blockchain algorithm and smart contract technology provider	Development of a "blockchain-enabled application"	• Mobile application that enables consumers to, amongst others:- - Interact with one another via social media platforms and messaging tools; - browse, order and purchase products via a digital marketplace; and - pay using an e-wallet which uses blockchain technology to ensure token transactions are secure. • Administrative portal to enable back-end account management which allows users to add or remove new products, include discounts and promotions, and generate invoices or billing reports amongst others.	8 April 2022	16 months (completed and delivered application in June 2023, and expected to commence maintenance services in Q3 2023)	HKD13.0 million (total final billed was approximately RM7.5 million) + HKD5.0 million (approximately RM2.9 million[(a)]) for the provision of technical support and maintenance over a period of 3 years
	Maintenance and support	Maintenance and technical support for the first 36 months.			
Online employment company	Job posting and recruitment platform	• Web-based and mobile application that enable job seekers to post their career profile and employers to post job advertisements and search for talent. • Administrative portal to enable back-end management of job postings, track employability of students and generate job performance reports for employers, amongst other functions.	14 March 2023	18 months (in progress)	RM1.3 million

Note:-

(a) Based on RM/100HKD exchange rate of 58.2167 as at LPD *(source: BNM's website)*.

(ii) Technical support and maintenance services

As part of our Group's after-sales service following the completion of platform design and development projects, our Group generally provide a complimentary technical support and maintenance services on deliverables of design and development for a period ranging between 12 months and 36 months, after the platforms are deployed. Subsequent to that, the customers have the option to continue to engage our Group for technical support and maintenance for their mobile and web applications on a quarterly / bi-annual / annual basis. Our Group also provides technical support in system operations to our customers.

At present, all technical support and maintenance services are managed and carried out by the in-house technical team. Moving forward, our Group may outsource some of the technical support and maintenance services to third-party IT support service providers (to be identified later), depending on the then manpower requirement of our Group.

The technical support services comprise troubleshooting and rectification of faults and issues faced by the users. Off-site technical support services will be provided to customers remotely from our Group's office. Users can log their problems through a third party online ticketing system, and these problems will be addressed accordingly. If the issues cannot be resolved remotely, the issues will be escalated and technical support will be provided on-site, whereby the issues will be rectified while at the customers' premises.

Meanwhile, maintenance services include software upgrades and/or consultation services relating to the required hardware to cater for the upgraded software, as well as maintenance services of related equipment.

(iii) Refurbishment and/or lease/rental services

Our Group has the capability to refurbish pre-owned IT hardware. Our Group may also lease or rent such refurbished IT hardware.

In today's technology-enabled world, most if not all enterprises use IT hardware to carry out daily operational tasks or automate and digitise their operations. Thus, various IT hardware such as desktops, laptops, printers and projectors are essential in business operations.

Refurbished IT hardware can have the similar performance as new IT hardware, in addition to being relatively more cost effective. Refurbished IT hardware can also be obtained at a faster rate as it does not have any manufacturing waiting times. Due to these benefits, there is demand for refurbished pre-owned IT hardware amongst enterprises.

Our Group's refurbishment and/or lease/rental services involve the following:

- Sourcing of pre-owned IT hardware;
- Cleaning and removal of any historical data in IT hardware;
- Re-programming software applications;
- Replacing hardware components which are faulty or outdated; and/or
- Rental and/or leasing of refurbished IT hardware.

Our Group had, on 15 October 2021, secured a 3-year contract with a computer rental service provider to provide refurbishment services for pre-owned desktops and laptops, up to a value of RM20.0 million. Up to the LPD, our Group had recognised RM0.5 million revenue from this contract.

On 10 May 2022, our Group had also secured a 3-year contract with a computer rental service provider to lease IT hardware, including desktops, laptops and peripherals. As at LPD, our Group had delivered 1,781 IT hardware amounting to a value of RM1.7 million.

(iv) Managed security services

Our Group provides managed security services that protect our customers' networks against DDoS attacks. A typical DDoS attack is in the form of high volumes of requests sent at the same time from multiple points on the Internet to overwhelm network system resources or overload the bandwidth of the network infrastructure. Should a DDoS attack be successful, it will render a network infrastructure unstable or unavailable to our users. If the customers' network or services are inaccessible, this could damage the customers' industry reputation, which could materially and adversely impact our business operations.

Thus, our Group's managed security services involves the use of cybersecurity solutions to enable the following functions:-

- Collect, monitor and analyse data traffic in real-time to create a baseline of the traffic behaviour;
- From the baselining, it will then detect an anomaly that indicates a possibility of a DDoS attack;
- Once detected, it will redirect the traffic to a mitigation platform to mitigate / filter allowing only the legitimate traffic to pass through; and
- Most importantly to keep the applications and business services available at all times.

Our Group has set up a Managed Security Services division in April 2022, which is led by Paul, the Head of Operations, Managed Security Services division. Our Group believes Paul and his team have the requisite expertise and experience to manage our Group's Managed Security Services division. Paul's profile is set out in Section 4.1(a)(iii). This division operates from our office in Glomac Damansara, Kuala Lumpur. The present facility, from which the Managed Security Services division operates, is equipped with the necessary cybersecurity solutions to enable DDoS protection throughout 24 hours on a daily basis.

As such, the mitigation of DDoS attacks is automated. Should there be any threats, incidents or problems, our Group's Managed Security Services personnel will be notified to further troubleshoot the incidents and problems.

Our Group had secured 2 contracts from a company based in the Philippines which is principally involved in the business of network and security solutions, IT outsourcing and managed services to provide managed security services on 11 April 2022 and 1 August 2022, the salient details of which as set out as follows:-

Services provided	:	Provision of operational support for the Anti-DDoS and INI systems
Description	:	(i) Be the subject matter expert to oversee the Anti-DDoS & INI system deployment to be successfully implemented and operational. (ii) To be the Level 3 support to provide technical expertise on operating and maintaining the Anti-DDoS and INI system. (iii) To be able to standby 24x7 and be the point of contact for the support team to escalate for any problem resolutions. (iv) To assist and troubleshoot the problem in the event of the problem could not be resolved by the Level 1 and 2 engineers. (v) To develop and customize the Anti-DDoS and INI system portal within the capability of the system upon request by the end customers. Any new function or request will be approved by the management prior to development. (vi) To continuously improve and optimize the Anti-DDoS and INI system and software portal to ensure it is operating at optimum performance at all times. (vii) To lead and provide quarterly review, report, planning and provide technical expertise in the ongoing maintenance throughout the period of contract. (viii) To provide training and technical documentation for the Level 1 and 2 operational support team whenever new update or features are introduced.
Date contract secured	:	11 April 2022
Expected timeframe for completion	:	24 months
Project value	:	USD327,912 or approximately RM1.5 million* (or USD13,663 or approximately RM0.1 million* per month)

Note:-

* Based on RM/USD exchange rate of 4.5400 as at LPD *(source: BNM's website)*.

Services provided	:	Provision of expert consultancy and operational support for the Anti-DDoS and INI systems
Description	:	(i) Be the Level 1 & 2 support team to oversee the Anti-DDoS and INI system deployment to be successfully implemented and operation. (ii) To be the Level 1 & 2 support to provide technical expertise on operating and maintaining the Anti-DDoS and INI system (iii) To be able to standby 24x7 and be the point of contact to assist and troubleshoot together with the customer for any problem resolutions or escalation. (iv) To maintain and operate the Anti-DDoS & INI system portal within the capability of the system upon request by the end customers. (v) To continuously improve and optimise the Anti-DDoS & INI system and software portal to ensure it is always operating at optimum performance. (vi) To lead and provide quarterly review, report, planning and provide technical expertise in the ongoing maintenance throughout the period of the contract.
Date contract secured	:	1 August 2022
Expected timeframe for completion	:	24 months
Project value	:	USD168,936 or approximately RM0.8 million* (or USD7,039 or approximately RM31,957* per month)

Note:-

* Based on RM/USD exchange rate of 4.5400 as at LPD *(source: BNM's website)*.

For the aforementioned contracts, our Group had employed personnel with the requisite qualification to undertake the contracts in accordance with the scope of work required.

(v) Smart manufacturing solutions

Smart manufacturing solutions enable the digitisation of operations, production real time data transferring and automation of processes within manufacturing facilities. The interconnectivity of equipment and hardware will optimise production and enhance operational efficiency without much human intervention. These solutions are components of smart factories and will utilise IoT technology (which is the interconnection of machine, technology, humans and working culture towards the ultimate goal of improving business competitiveness).

As at LPD, our Group offers MES, which enables digitalisation and tracking of production data from raw material till finished goods. Our Group's MES solution can be integrated with additional modules, depending on customers' needs and requirements. Our Group's MES standard modules include:-

- **Overall Equipment Effectiveness** "**OEE" solutions,** which facilitates measuring of manufacturing productivity. OEE solutions measures and detects for equipment issues on a real-time basis so that the issue can be immediately remediated to improve operational efficiency and minimise losses. By measuring OEE and the underlying losses, this provides insights to improve manufacturing processes.

- **Quality Management System "QMS",** which automates the process of tracking and controlling product defects, manages documents for regulatory and audit compliance, and provides real-time visibility for corrective and preventive management. It automates quality control and assurance processes with digitised product specifications, automated controls, real-time trends, statistics and notifications, thus ensuring adherence to quality levels and standards.

- **Warehouse Management System "WMS",** which offers visibility of all inventories from the time supplies or goods enter the warehouse till the time they are delivered. This involves management of inventory using barcodes or QR codes to digitise and streamline product management, inventory report, material certificates, product move report, product categories management, input of raw material information, quantity data and stock level tracking.

- **Computerised Maintenance Management System "CMMS",** can enable scheduling of preventive maintenance and operations based on working hours and actual state of equipment, dispatching non-scheduled (emergency) repair and maintenance, and control execution of scheduled repairs. It also generates maintenance reports to monitor machine up and down time, and documentations for maintenance and repair operations.

- **Work-in-progress tracking system,** which tracks the entire manufacturing process while it is in progress and provides real-time data to optimise productivity and allow for targeted recalls of products. It provides traceability for the raw material, semi-finished and finished goods, thus enabling the manufacturer to track the manufactured products or materials throughout the entire production process.

Our Group has the capability to customise the abovementioned MES solution and our modules to suit the customers' manufacturing needs and budget across various types of manufacturing related industries. Our Group can also set up and configure the MES solution and our modules so that it is can be integrated with the customer's existing enterprise systems.

Since October 2021 and up to LPD, our Group has secured the following MES solution system contracts:-

(i) 2 orders from a factory automation solution provider on 27 June 2022 to act as a sub-contractor for the implementation and configuration of MES solution and our modules for 2 companies involved in food and beverage product manufacturing. Both projects are valued at RM250,000 and RM200,000, respectively, which were completed in December 2022;

(ii) 1 contract from an electrical and electronics manufacturer on 12 August 2022 for the development of semiconductor wafer identification scanning for a value of RM27,982, which was completed in July 2023;

(iii) 2 orders from an industrial research and technology organisation on 17 October 2022 and 30 November 2022 for the development of track and trace for delivery and packaging system for a value of RM38,000 and RM10,000, which were completed in December 2022;

(iv) 1 order from a coffee manufacturer and supplier on 28 November 2022 for the development of an overall equipment effectiveness solution for a value of RM140,000;

(v) 1 order from a trading company on 2 December 2022 for the development of an enterprise resource planning (“**ERP**”) system for a value of RM291,500, which was completed in December 2022;

(vi) 1 order from a tin and can wholesaler on 28 December 2022 for the development of an ERP system for a value of RM87,000, which was completed in December 2022;

(vii) 1 order from kitchen furniture manufacturer and supplier on 3 June 2023 for the implementation of MES and ERP system for a value of RM663,687;

(viii) 1 order from cosmetic researcher and manufacturer on 8 June 2023 for the implementation of MES and OEE system for a value of RM328,885.90;

(ix) 1 order from in food and beverage product manufacturer and supplier on 19 June 2023 for the development of an industrial IoT enabled automated visual inspection system for a value of RM195,420;

(x) 1 order from flexible plastic manufacturer on 22 June 2023 for the implementation of MES, ERP, WMS system and industrial IoT devices for a value of RM733,478; and

(xi) 1 order from sauces manufacturer and supplier on 4 July 2023 for the implementation of MES, ERP, WMS system and industrial IoT devices for a value of RM383,800.

8.3.2 Future plans and strategies

Our Group intends to expand our business through the following avenues:-

(i) Securing new platform design and development projects

As at LPD, our Group has secured platform design and development projects, as elaborated in Section 8.3.1. These new platform design and development projects involve the design and development of software applications that allow for digitalisation of business operations.

The contracts that have been secured are centered on the design and development of the following platforms:-

- E-commerce platform

  Our Group recognises the need for e-commerce platforms in light of the growing e-commerce market in the country. According to the Independent Market Research report by Providence, the e-commerce market size in Malaysia, as depicted by e-commerce transaction values in the country, increased from RM195.1 billion in 2015 to an estimated RM454.7 billion in 2022 at a CAGR of 12.8%. E-commerce platforms have also been essential in allowing the food and beverage as well as retail industries to operate during the MCOs, and it is anticipated that such platforms will continue supporting the growth of these industries even though the country has now entered the endemic phase of COVID-19.

- *Halal* tracking system

  Through the implementation of a *Halal* tracking system for our customer, our Group will be able to tap upon blockchain technology to develop our own *Halal* tracking system which would be customisable for other customers. With the *Halal* tracking system, the Muslim population will be able to trace supply chains, allowing them to understand the origins of the products they are consuming. This will provide credibility to the *Halal* product and minimise any disputes in the supply chain for *Halal* products.

  In 2022, the global Muslim population was estimated to be 1.9 billion or 23.5% of the total global population. The large Muslim population signifies the potential for *Halal* products and services. Given that there are limited *Halal* tracking systems available in the market, this leaves a considerable portion of this market relatively under-addressed.

- Vending machine system

  Vending machine systems are expected to grow in demand as advancement in technology has allowed for different types of food products to be dispensed and the growing need for convenience. Further, the COVID-19 pandemic has also led to operational restrictions and minimisation of workforce, and this is expected to bode well for vending machines which allows for automatic dispensing of food products. The trend of utilising vending machine systems is expected to continue as consumers in Malaysia are familiar with vending machines as an available option for purchasing food products. In light of the aforementioned factors, our Group sees potential in customising and setting up vending machine systems.

- *Blockchain-enabled* application

  "*Blockchain*" applications allow for various related and unrelated services on a single platform using blockchain technology. Blockchain enabled applications include applications that offer multiple services or products that users require on a daily basis. With the rise of applications such as "Grab" and "WeChat", the trend for development of blockchain enabled applications are expected to continue.

As our Group has developed or is in the midst of the design and development of the base platforms, our Group would have garnered expertise from the design and development of these platforms. Thus, our Group can leverage on these base platforms and expertise garnered to replicate the abovementioned types of platforms across different types of businesses and industries.

Should the need arise, our Group may also seek to acquire companies/ businesses/ assets/ applications involved in platform design and development. To this end, our Group may utilise the proceeds allocated for the expansion of our IT services business, for the development or customisation of new platforms and/or acquisition of suitable companies/ businesses/ assets/ applications, amongst others.

As at LPD, our Group has not identified any suitable companies/ businesses/ assets/ applications to acquire.

As at LPD, our Group has 15 technical personnel involved in platform design and development, and this division is led by our Group's Chief Technology Officer. Our Group's present Technical division has the capacity to undertake planning, platform design, development which include coding of back-end platforms, management of coding for front-end platforms and testing, as well as configuration, testing, deployment and handover for the 5 subsisting projects.

In order to facilitate more projects from this segment, our Group intends to expand our workforce. In particular, our Group intends to hire an additional 3 software engineer by end of 2023.

(ii) Expanding the technical support and maintenance service segment

Our Group has already secured technical support and maintenance services for the existing customers of our platform design and development segment. Moving forward, our Group also intends to focus on growing our revenues from providing technical support and maintenance services.

The technical support services comprise troubleshooting and rectification of faults and issues faced by the users. Meanwhile, maintenance services include software upgrades and consultation relating to hardware used for the IT solution. Both of these services will entail our Group providing our solutions/services over a pre-determined period specified in a contract.

Our Group currently has the required expertise and personnel to undertake the platform design and development on a project basis and as such, it can leverage on our resources to carry out technical support and maintenance services. To this end, our Group has begun selling our technical support and maintenance services to our existing customers.

Our Group recognises the potential of providing technical support and maintenance services due to the benefit it offers to customers. Through providing technical support and maintenance services, our Group will enable our customers to lower our operating expenditure as customers need not maintain a large IT team to manage and maintain the solutions. At the same time, our Group will be also able to generate recurring revenue as these services will be provided over a pre-determined period.

As mentioned in Section 8.3.2(ii) of this Abridged Prospectus, our Group's 15 Technical personnel are sufficient to undertake technical support and maintenance services for the existing customers. Our Group plans to expand our Technical division to 18 personnel by end of 2023, thus enabling our Group to cater for more technical support and maintenance services contracts moving forward.

(iii) Expanding the IT hardware refurbishment service segment

Our Group recognises a growing demand for refurbished IT hardware from IT hardware rental companies in light of:-

- the growing need for corporations and associations to lease or rent IT hardware to reduce their capital expenditure; and
- constant need for replacement of IT hardware by these corporations and associations as technology advances.

Our Group has already begun offering refurbishment services and/or leasing/rent these pre-owned IT hardware, and intends to grow our revenues from the IT hardware refurbishment service segment through the following:-

- increasing the number of projects to refurbish or lease/rent IT hardware from existing and new customers; and
- expanding the range of IT hardware to be refurbished and/or lease/rent from desktops and laptops, to servers and mobile devices.

(iv) Expanding the smart manufacturing solutions segment

Our Group had begun offering MES solutions and our modules since June 2022, as elaborated in Section 8.3.1(v) of this Abridged Prospectus.

Mr Pang, the Executive Director of our Company, has garnered experience in digitisation of factories since 2016. On 22 September 2022, Mr Pang has provided an undertaking letter (which superseded his undertaking letter dated 1 July 2022) where for so long as he is an Executive Director of FSBM, he will continue to develop and grow the smart manufacturing solution business segment on behalf of our Group and he will not carry on any trade or business in relation to smart manufacturing solutions, i.e. MES and related modules that are in competition with our Group. Similarly, our Company had on 22 September 2022, obtained an undertaking from Aresys Ind. that it will not carry on any trade or business in relation to smart manufacturing solutions, i.e. MES and related modules that are in competition with our Group.

Our Group intends to leverage on his knowledge and understanding of manufacturing operation process and strategy to implement factory digitalisation and professional network of customers to design and develop smart manufacturing solutions. By doing so, our Group will be able to tap upon the growing market trend in the manufacturing industry to shift towards smart factories.

As such, our Group intends to expand our smart manufacturing solution segment through the following avenues:-

- securing new contracts for our MES solutions and/or our modules

  Our Group intends to carry out business development activities to secure more contracts for our MES solutions and/or our modules. Our Group intends to target small to medium enterprises in the country which intend to improve their operational efficiency. Once secured, our Group will customise the MES solution and/or our modules to customers' businesses/ industries.

- expansion and enhancement of MES solution modules offered

  Our Group intends to introduce new and enhanced MES modules that incorporate more advanced artificial intelligence features such as:-

  - smart recipe management which enables the design of new recipes based on previous recipes;

  - real-time equipment energy tracking and monitoring system which optimises energy usage to reduce energy cost; and

  - enhanced CMMS with predictive maintenance feature, which can identify potential issues before they occur. This system will be able to detect any abnormal profiles against the pre-defined historical healthy profiles by monitoring and analysing the current condition of equipment using IoT sensor devices on a real-time basis through a data-driven approach.

To this end, our Group may utilise the proceeds allocated for expansion of our IT services business to facilitate the costs involved for the expansion of this segment. This includes costs involved to customise the MES solution and our modules to customers' businesses/ industries as well as costs involved in expanding and enhancing the range of MES modules offered. In addition, our Group may also seek to acquire companies / businesses/ assets/ applications involved in smart solutions or related IT services that are synergistic in enhancing our Group's smart solution offerings or allowing our Group to expand our market reach. As at LPD, our Group had not identified any companies / businesses / assets / applications to be acquired to expand our smart manufacturing solution segment.

As at LPD, our Group has recruited an Operation Director (under IoT division and reporting to Mr Pang) to oversee the customisation, configuration and deployment and commissioning of MES solutions and our modules, and the Operation Director is assisted by 1 Project Engineer and Software Developer. Our Group intends to hire up to 4 additional personnel by end of 2023 to cater for our existing and future smart manufacturing solution contracts.

(v) Expansion of managed security service segment

Our Group ventured into managed security services in April 2022. Our managed security service is primarily focused on the Anti-DDoS System and Platform with IP Network Intelligence tool for the detection, analysis and response to DDoS attacks in system integration solutions providers, small and medium enterprise and internet and hosting service providers. For information, our Group does not require any approval/license for our Group to carry out the managed security services.

Managed security services is an upcoming alternative avenue for customers to procure cybersecurity solutions without incurring substantial capital and operational expenses in setting up their own dedicated IT Security team. This enables the customer to focus on their core business while ensuring that their network infrastructure is well protected. Our Group thus intends to grow revenues from this segment through the following avenues:-

(a) Expansion of managed security service offerings

Our Group intends to expand our range of managed security services to include managed cloud security and integrated Secure Access Service Edge ("**SaSe**") solutions. Integrated SaSE solutions combines both network and cybersecurity functions into a single platform to enable secured and optimised traffic performance of the customers' network infrastructure.

(b) Setting up of a SOC

Our Group intends to set up a next generation SOC at our office in Glomac Damansara, Kuala Lumpur. A SOC is a dedicated facility which facilitates the monitoring and management of cyber threats and attacks impacting an enterprise's IT infrastructure. For information, our Group does not require any approval/license for our Group to set up the SOC. As at LPD, our Group has yet to commence the set up of the SOC.

The intended development of a SOC will enable our Group to enjoy the following benefits:-

- provides our Group's potential customers with the assurance that our Group has the necessary facility and infrastructure to provide managed security services. This will enhance our Group's profile and ability to secure contracts which require more complex solutions;

- has the necessary integrated platform put in place so that the Managed Security Services personnel have better visibility of all cyber threats and attack incidents impacting the customers' IT infrastructure. This will allow our Group to provide customers with continuous, prompt and effective response 24 hours daily; and

- increases security visibility of the enterprise's IT infrastructure as it provides real-time monitoring of all assets in the IT infrastructure.

Our Group estimates that it will cost RM1.2 million to set up a SOC. This will be used to defray the acquisition of hardware such as servers, storage tapes, discs and racks; and software such as networking management and monitoring, endpoint management and traffic analysis software. For avoidance of doubt, the setting up of the SOC will depend on the scope of work required based on the contracts to be procured, and as such will only be set up should our Group successfully procure a contract which require a certain specification of the SOC. As such, the SOC will be set up in phases to suit the requirement of the managed security services team, based on the contracts obtained. The cost for setting up a SOC will be funded via proceeds from the Regularisation Plan.

Barring any unforeseen circumstances, the management of our Group estimates that the SOC will be set up within 36 months from receipt of proceeds.

(c) Expansion of Managed Security Services division

In order to facilitate more managed security service contracts and expansion in range of services, our Group intends to expand our Managed Security Services division.

As at LPD, the division comprises 6 personnel. While the 6 Managed Security Services personnel are sufficient to cater for the existing contract secured and has the required capabilities to carry out managed security services focused on the Anti-DDoS System and Platform with IP Network Intelligence tool, our Group will require a larger Managed Security Services team as new contracts are secured. Our Group intends to hire up to 2 additional personnel by end of 2023 for our Managed Security Services division.

With the setting up of the SOC and expansion of the Managed Security Services division, our Group believes that it would be well-positioned to secure more managed security service contracts in Asia Pacific. In particular, our Group intends to target telecommunication service providers, internet service providers as well as data centre and cloud hosting service providers based in the Asia Pacific region.

In the event our Group is not successful in setting up the SOC, our Group can still continue to provide our existing and future managed security services, i.e. Anti-DDoS System and Platform with IP Network Intelligence tool and integrated SaSe solutions, in our present facility. Nevertheless, the setting up of the SOC will provide our Group's potential customers with the assurance that our Group has the necessary facility and infrastructure to provide managed security services, thus enhancing our Group's profile and ability to secure contracts which require more complex solutions in the future.

9. FINANCIAL EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

9.1 Share capital

The proforma effects of the Rights Issue with Warrants on the issued share capital of our Company are as follows:-

	Minimum Scenario		Maximum Scenario	
	Number of Shares	RM	Number of Shares	RM
Issued share capital as at LPD	236,659,300	13,902,982	236,659,300	13,902,982
Rights Shares to be issued pursuant to the Rights Issue with Warrants	200,000,000	5,312,966	236,659,300	6,412,745
Enlarged issued share capital after issuance of Rights Shares	**436,659,300**	**19,215,948**	**473,318,600**	**20,315,727**
Shares to be issued arising from the full exercise of Warrants	100,000,000	(c)5,000,000	118,329,650	(d)5,916,483
Enlarged issued share capital after full exercise of Warrants	**536,659,300**	**24,215,948**	**591,648,250**	**26,232,210**

Notes:-

(a) Assuming the issuance of 200,000,000 Rights Shares at the Issue Price of RM0.03 each and after accounting for estimated expenses of RM0.7 million pursuant to the Proposed Rights Issue with Warrants.

(b) Assuming the issuance of 236,659,300 Rights Shares at the Issue Price of RM0.03 each and after accounting for estimated expenses of RM0.7 million pursuant to the Proposed Rights Issue with Warrants.

(c) Assuming the issuance of 100,000,000 FSBM Shares pursuant to the exercise of Warrants at the exercise price of RM0.05 each.

(d) Assuming the issuance of 118,329,650 FSBM Shares pursuant to the exercise of Warrants at the exercise price of RM0.05 each.

9.2 NA, NA per share and gearing

Based on the unaudited consolidated statements of financial position of our Group as at 30 June 2023, the proforma effects of the Rights Issue with Warrants on the consolidated NA per Share and the gearing of our Group are as follows:-

(i) Minimum Scenario

		(I)	(II)	(III)
	Unaudited 30 June 2023	After subsequent events[a]	After (I) and Rights Issue with Warrants	After (II) and assuming exercise of all Warrants
	RM'000	RM'000	RM'000	RM'000
Share capital	24,314	14,615	[b] 19,928	[d] 24,928
Treasury shares	(712)	(712)	(712)	(712)
Capital reduction reserve	-	3,626	3,626	3,626
Other reserve	-	-	[c] (1,538)	-
Warrants reserve	-	-	[c] 1,538	-
Accumulated losses	(10,666)	(254)	(254)	(254)
Shareholders' fund / NA	**12,936**	**17,275**	**22,588**	**27,588**
Non-controlling interest	(2,082)	(2,082)	(2,082)	(2,082)
Total equity	**10,854**	**15,193**	**20,506**	**25,506**
No of FSBM Shares ('000)	176,659	236,659	436,659	536,659
NA per FSBM Share (RM)	0.07	0.07	0.05	0.05
Borrowings (RM'000)	-	-	-	-
Gearing (times)	n/a	n/a	n/a	n/a

Notes:-

(a) After accounting for the following subsequent events:

(i) cancellation of RM14.3 million of our Company's capital pursuant to the Capital Reduction and the credit arising from the Capital Reduction used to eliminate accumulated losses of our Company. There is a surplus credit of RM3.6 million from the Capital Reduction will be transferred to capital reduction reserve at our Group's level;

(ii) issuance and allotment of 60,000,000 Subscription Shares to the Subscribers on 2 August 2023 at the Subscription Price of RM0.08 each; and

(iii) after accounting for the remaining expenses of RM0.5 million in relation to the Capital Reduction and Shares Issuance.

(b) Assuming the issuance of 200.0 million Rights Shares at the Issue Price of RM0.03 each and after accounting for estimated expenses of RM0.7 million pursuant to the Rights Issue with Warrants.

(c) Creation of other reserve account and warrants reserve account to capture the issuance of Warrants pursuant to the Rights Issue with Warrants, which was computed based on the allocation of the proceeds between the Rights Shares and Warrants, on a proportionate basis based on their fair value relative ratio. The Warrant's fair value relative ratio is approximately 25.6%, as illustrated in Appendix II of this Abridged Prospectus.

(d) Assuming the issuance of 100.0 million FSBM Shares pursuant to the exercise of Warrants at the exercise price of RM0.05 each.

(ii) Maximum Scenario

	Unaudited 30 June 2023	(I) After subsequent events[(a)]	(II) After (I) and Rights Issue with Warrants	(III) After (II) and assuming exercise of all Warrants
	RM'000	RM'000	RM'000	RM'000
Share capital	24,314	14,615	[(b)] 21,028	[(d)] 26,944
Treasury shares	(712)	(712)	(712)	(712)
Capital reduction reserve	-	3,626	3,626	3,626
Other reserve	-	-	[(c)] (1,820)	-
Warrants reserve	-	-	[(c)] 1,820	-
Accumulated losses	(10,666)	(254)	(254)	(254)
Shareholders' fund / NA	**12,936**	**17,275**	**23,688**	**29,604**
Non-controlling interest	(2,082)	(2,082)	(2,082)	(2,082)
Total equity	**10,854**	**15,193**	**21,606**	**27,522**
No of FSBM Shares ('000)	176,659	236,659	473,318	591,648
NA per FSBM Share (RM)	0.07	0.07	0.05	0.05
Borrowings (RM'000)	-	-	-	-
Gearing (times)	n/a	n/a	n/a	n/a

Notes:-

(a) After accounting for the following subsequent events:

(i) cancellation of RM14.3 million of our Company's capital pursuant to the Capital Reduction and the credit arising from the Capital Reduction used to eliminate accumulated losses of our Company. There is a surplus credit of RM3.6 million from the Capital Reduction will be transferred to capital reduction reserve at our Group's level; and

(ii) issuance and allotment of 60,000,000 Subscription Shares to the Subscribers on 2 August 2023 at the Subscription Price of RM0.08 each; and

(iii) after accounting for the remaining expenses of RM0.5 million in relation to the Capital Reduction and Shares Issuance.

(b) Assuming the issuance of 236.7 million Rights Shares at the Issue Price of RM0.03 each and after accounting for estimated expenses of RM0.7 million pursuant to the Rights Issue with Warrants.

(c) Creation of other reserve account and warrants reserve account to capture the issuance of Warrants pursuant to the Rights Issue with Warrants, which was computed based on the allocation of the proceeds between the Rights Shares and Warrants, on a proportionate basis based on their fair value relative ratio. The Warrant's fair value relative ratio is approximately 25.6%, as illustrated in Appendix **II** of this Abridged Prospectus.

(d) Assuming the issuance of 118.3 million FSBM Shares pursuant to the exercise of Warrants at the exercise price of RM0.05 each.

9.3 Substantial shareholders' shareholdings

The proforma effects of the Rights Issue with Warrants on the shareholdings of the substantial shareholders of our Company based on the Register of Substantial Shareholders as at 22 August 2023 are as follows:-

(i) Minimum Scenario

	As at 22 August 2023				(I) After Rights Issue with Warrants				(II) After (I) and assuming exercise of all Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Dr Chew	47,124,970	19.91	-	-	94,249,940	21.58	-	-	117,812,425	21.95	-	-
Tan Sri Syed Zainal	30,000,000	12.68	-	-	30,000,000	6.87	-	-	30,000,000	5.59	-	-
Mr Pang	18,790,000	7.94	-	-	37,580,000	8.61	-	-	46,975,000	8.75	-	-
Mr Low	14,000,000	5.92	-	-	14,000,000	3.21	-	-	14,000,000	2.61	-	-
Mr Yeo	14,000,000	5.92	-	-	28,000,000	6.41	-	-	35,000,000	6.52	-	-

(ii) Maximum Scenario

	As at 22 August 2023				(I) After Rights Issue with Warrants				(II) After (I) and assuming exercise of all Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Dr Chew	47,124,970	19.91	-	-	94,249,940	19.91	-	-	117,812,425	19.91	-	-
Tan Sri Syed Zainal	30,000,000	12.68	-	-	60,000,000	12.68	-	-	75,000,000	12.68	-	-
Mr Pang	18,790,000	7.94	-	-	37,580,000	7.94	-	-	46,975,000	7.94	-	-
Mr Low	14,000,000	5.92	-	-	28,000,000	5.92	-	-	35,000,000	5.92	-	-
Mr Yeo	14,000,000	5.92	-	-	28,000,000	5.92	-	-	35,000,000	5.92	-	-

9.4 Earnings and EPS of our Group

The Rights Issue with Warrants, which is expected to be completed in the third quarter of 2023, is not expected to have any material effect on the earnings and EPS of our Group for the FYE 31 December 2023.

However, there will be a dilution in the EPS of our Group for the FYE 31 December 2023 due to the increase in the number of FSBM Shares in issue arising from the Rights Issue with Warrants.

Moving forward, the Rights Issue with Warrants is expected to contribute positively to the future earnings of our Group in the ensuing financial years as and when the benefits of the proposed utilisation of proceeds materialise.

9.5 Convertible securities

As at LPD, our Company has no outstanding convertible securities issued.

10. MATERIAL TRANSACTIONS

As at LPD, save for the Regularisation Plan, there are no material transactions which may have a material effect on the operations, financial position and results of our Group since our Group's most recent announced unaudited consolidated financial statements for 6-month FPE 30 June 2023.

11. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

11.1 Working capital

Our Group's working capital requirements is funded by a combination of internal and external sources of funds. Our internal sources of funds comprise of cash generated from our operating activities as well as our cash and bank balances. Our external sources of funds are derived from credit extended by suppliers. As at 31 July 2023, our cash and bank balances and deposits placed with licensed bank amounted to RM2.5 million. As at LPD, our Group does not have any facilities with financial institutions nor any material unused sources of liquidity.

Our Board is of the opinion that, after taking into consideration the funds generated from our operations, existing cash and bank balances and the proceeds to be raised from the Rights Issue with Warrants as set out in Section 6 of this Abridged Prospectus, our Group will have sufficient working capital for a period of 12 months from the date of this Abridged Prospectus.

11.2 Borrowings/Financing

As at LPD, our Group does not have any outstanding borrowings.

There is no default on payments of either interest or principal sums for any borrowing throughout the past one financial year, and the subsequent financial period.

11.3 Contingent liabilities

Our Board confirmed that as at LPD, there are no contingent liabilities incurred or known to be incurred by our Group, which upon becoming due or enforceable, may have a material impact on the financial position or business of our Group.

11.4 Material commitments

As at LPD, there are no material commitments incurred or known to be incurred by our Group which upon becoming due or enforceable, may have a material impact on the financial position or business of our Group.

12. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION FOR THE RIGHTS ISSUE WITH WARRANTS

Full instructions for the acceptance of and payment for the Provisional Allotments as well as Excess Applications and the procedures to be followed should you and/or your transferees and/or your renouncees (if applicable) wish to sell or transfer all or any part of your/his rights entitlement are set out in this Abridged Prospectus and the RSF. You and/or your transferee(s) and/or your renouncees (if applicable) are advised to read this Abridged Prospectus, the RSF and the notes and instructions printed therein carefully. In accordance with Section 232(2) of the CMSA, the RSF must not be circulated unless accompanied by this Abridged Prospectus.

Acceptance of and/or payment for the Provisional Allotments which do not conform strictly to the terms of this Abridged Prospectus, the RSF or the notes and instructions printed therein or which are illegible may be rejected at the absolute discretion of our Board.

12.1 General

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such securities into your CDS Account and the RSF to enable you to subscribe for such Rights Shares with Warrants provisionally allotted to you, as well as to apply for Excess Rights Shares with Warrants if you choose to do so.

This Abridged Prospectus and the RSF are also available on Bursa Securities' website (https://www.bursamalaysia.com), the FSBM's registered office and the Share Registrar's website (https://tiih.online).

12.2 NPA

The Provisional Allotments are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the Provisional Allotments will be by book entries through the CDS Accounts and will be governed by the SICDA and the rules of Bursa Depository. You and/or your renouncee(s) and/or transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

12.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Provisional Allotments and Excess Applications is at **5.00 p.m.** on **Tuesday, 12 September 2023**.

We shall make an announcement on the outcome of the Rights Issue with Warrants after the Closing Date.

12.4 Methods of acceptance and application

You may subscribe for the Provisional Allotments as well as apply for Excess Application, if you choose to do so, using either of the following methods:-

Method	Category of Entitled Shareholders
RSF	All Entitled Shareholders
e-RSF	All Entitled Shareholders

12.5 Procedure for full acceptance and payment

12.5.1 By way of RSF

Acceptance of and payment for Provisional Allotments must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances and/or payments which do not strictly conform to the terms of this Abridged Prospectus, the RSF or the notes and instructions contained therein or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS, EXCESS RIGHTS SHARES WITH WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE) WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR PROVISIONAL ALLOTMENTS ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN. IN ACCORDANCE WITH THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS.

YOU AND/OR YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

If you and/or your renouncee(s) and/or transferee(s) (if applicable) wish to accept either in full or in part of the Provisional Allotments of your entitlement, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be sent to our Share Registrar using the reply envelope provided (at your own risk) by **ORDINARY POST, COURIER or DELIVERY BY HAND** at the address stated below:-

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan

or

Tricor Customer Service Centre
Unit G-3, Ground Floor, Vertical Podium
Avenue 3, Jalan Kerinchi
59200 Kuala Lumpur

Tel : (03) 2783 9299
Fax : (03) 2783 9222

so as to arrive **not later than 5.00 p.m.** on **Tuesday, 12 September 2023**, being the last date and time for acceptance and payment for the Provisional Allotments.

If you and/or your renouncee(s) and/or transferee(s) (if applicable) lose, misplace or for any other reasons require another copy of the RSF, you and/or your renouncee(s) and/or transferee(s) (if applicable) may obtain additional copies from your stockbroker, our Share Registrar at the address stated above, our registered office or the website of Bursa Securities (https://www.bursamalaysia.com).

1 RSF can only be used for acceptance of Provisional Allotments standing to the credit of 1 CDS Account belonging. Separate RSF(s) must be used for the acceptance of Provisional Allotments standing to the credit of more than 1 CDS Account(s). If successful, the Rights Shares subscribed for and free detachable Warrants will be credited into your CDS Account(s) as stated in the completed RSF(s).

A reply envelope is enclosed in this Abridged Prospectus. To facilitate the processing of the RSF(s) by our Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

The minimum number of Rights Shares that can be subscribed for or accepted is 1 Rights Share. However, you and/or your renouncee(s) and/or transferee(s) (if applicable) should take note that a trading board lot for the Rights Shares and Warrants comprises of 100 Rights Shares and 100 Warrants, respectively. Fractions arising from the Rights Issue with Warrants, if any, shall be disregarded, and dealt with in such manner as our Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of our Company.

If acceptance of and payment for the Provisional Allotment allotted to you and/or your renouncee(s) and/or transferee(s) (if applicable) is not received by our Share Registrar by **5.00 p.m.** on **Tuesday, 12 September 2023**, being the last date and time for acceptance of and payment for the Provisional Allotments, you and/or your renouncee(s) and/or transferee(s) (if applicable) will be deemed to have declined the Provisional Allotments and it will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

In the event that the Provisional Allotments are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares with Warrants to the applicants who have applied for the Excess Rights Shares with Warrants in the manner as set out in Section 12.9 of this Abridged Prospectus. Our Board reserves the right to accept any application in full or in part only without assigning any reasons.

You and/or your renouncees and/or your transferees (if applicable) who lose, misplace or for any other reasons require another copy of the RSF may obtain additional copies from your stockbrokers, Bursa Securities' website (https://www.bursamalaysia.com), our Share Registrar at the address stated above or its website at https://tiih.online or at our Company's registered office.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE RIGHTS SHARES WITH WARRANTS ACCEPTED IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY", MADE PAYABLE TO "FSBM RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME IN BLOCK LETTERS AND CDS ACCOUNT NUMBER SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR BY THE CLOSING DATE.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/ DISTRIBUTION. IF APPLICANT HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

ALL RIGHTS SHARES WITH WARRANTS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING SUCH RIGHTS SHARES AND WARRANTS INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) (IF APPLICABLE). NO PHYSICAL SHARE CERTIFICATES OR WARRANT CERTIFICATES WILL BE ISSUED.

12.5.2 By way of e-Subscription

You and/or your renouncee(s)/transferee(s) (if applicable) can have the option to accept your or their entitlement to the Provisional Allotments and payment for the Provisional Allotments through e-Subscription available from TIIH Online website at https://tiih.online. The e-Subscription is available to all Entitled Shareholders including individuals, corporation or institutional shareholders.

Subsequent to the Entitlement Date, our Company will, at our discretion, authorise our Share Registrar to send an electronic notification to the Registered Entitled Shareholders. If you are a Registered Entitled Shareholder, you will be notified on the availability of e-Subscription for the Rights Issue with Warrants on TIIH Online website.

The e-NPA and the e-RSF are available to you upon your login to TIIH Online. You are advised to read the instructions as well as the terms and conditions of the e-Subscription.

Registered Entitled Shareholders who wish to subscribe for the Provisional Allotments and apply for Excess Rights Shares with Warrants by way of e-Subscription shall take note of the following:

(a) any e-Subscription received by the Share Registrar after the Closing Date for acceptance, Excess Application and payment shall be regarded as null and void and of no legal effect unless our Board in its absolute discretion determines otherwise. Any e-Subscription, once received by the Share Registrar from you, is irrevocable and shall be binding on you;

(b) you will receive notification to login to TIIH Online in respect of your shareholding in your CDS Account(s). Accordingly, for each CDS Account, you can choose to subscribe to the Rights Issue with Warrants which you are entitled to in whole or part thereof as stipulated in this Abridged Prospectus;

(c) the e-Subscription made must be in accordance with the procedures of submitting e-Subscription using TIIH Online, the terms and conditions of e-Subscription, this Abridged Prospectus and the e-RSF. Any e-Subscription submitted that does not conform to the terms and conditions of TIIH Online, this Abridged Prospectus and the e-RSF may not be accepted at the sole discretion of our Company. Our Company reserves the right at our absolute discretion to reject any e-Subscription which are incomplete or incorrectly completed;

(d) the number of Provisional Allotments you are entitled to under the Rights Issue with Warrants is set out in the e-RSF. You are required to indicate the number of Provisional Allotments you wish to accept and number of Excess Rights Shares with Warrants you wish to apply in the e-RSF;

(e) the e-Subscription must be accompanied by remittance in RM which is to be made through online payment gateway or telegraphic transfer;

(f) a handling fee of RM5.00 per e-RSF is payable should you make e-Subscription. You will also need to pay a stamp duty of RM10.00 for each e-RSF; and

(g) the new shares and new warrants arising from the Rights Issue with Warrants accepted and Excess Rights Shares with Warrants applied (if successful pursuant to procedures for the Excess Application as stated in this Abridged Prospectus) will be issued and credited into your CDS Account as stated in the Record of Depositors as at the last date for transfer of Provisional Allotments.

All Entitled Shareholders who wish to opt for e-Subscription, either in full or in part of your Provisional Allotments, please read and follow the procedures set below:

(i) Sign up as a user of TIIH Online

(a) Access TIIH Online at https://tiih.online.

(b) Under e-Services, select "Sign Up" – "Create *Individual* Account" (applicable for individual shareholders) or "Create *Corporate Holder* Account" (applicable for corporation or institutional shareholders). You may refer to the tutorial guide posted on the homepage for assistance.

(c) Registration will be verified and you will be notified by email within one to two working days.

(d) Proceed to activate your account with the temporary password given in the email and re-set your own password.

Note: An email address is allowed to be used once to register as a new user account, and the same email address cannot be used to register another user account. If you are already a user of TIIH Online, you are not required to sign up again. If you are signing up to represent a Corporate Holder Account(s), please contact our Share Registrar for further details and requirements.

(ii) Procedures for e-Subscription

Individual Registered Entitled Shareholder

(a) Login to TIIH Online at https://tiih.online.

(b) Select the corporate exercise name: **FSBM Rights Issue**.

(c) Read and agree to the Terms & Conditions and confirm the Declaration.

(d) Preview your CDS Account details and your Provisional Allotments.

(e) Select the relevant CDS Account and insert the number of Rights Shares to subscribe and the number of Excess Rights Shares with Warrants to apply (if applicable) in the e-RSF.

(f) Review and confirm the number of Rights Shares which you are subscribing and the number of Excess Rights Shares with Warrants you are applying (if applicable) and the total amount payable for the Rights Shares and Excess Rights Shares (if applicable).

(g) Review the payment of stamp duty at RM10.00 for each e-RSF and handling fee of RM5.00 for each e-RSF which is included in the total amount payable.

(h) Proceed to pay via online payment gateway either through Maybank2U or any Financial Process Exchange (FPX) participating bank which you have an internet banking account.

(i) As soon as the online payment is completed, a confirmation message with details of your subscription and payment from TIIH Online and the relevant payment gateway will be sent to your registered e-mail address.

(j) Print the payment receipt and your e-RSF for your record.

Corporation or Institutional Registered Entitled Shareholder

(a) Login to TIIH Online at https://tiih.online.

(b) Select the corporate exercise name: **FSBM Rights Issue**.

(c) Agree to the Terms & Conditions and Declaration.

(d) Proceed to download the "e-RSF file of Provisional Allotments".

(e) Preview the respective CDS Account details and its Provisional Allotments.

(f) Arrange to pay for the subscription of Rights Shares with Warrants and Excess Rights Shares with Warrants via telegraphic transfer into our designated bank account as follows:

Account Name:	**FSBM RIGHTS ISSUE ACCOUNT**	**FSBM EXCESS RIGHTS ISSUE ACCOUNT**
Bank:	Malayan Banking Berhad (MAYBANK)	Malayan Banking Berhad (MAYBANK)
Bank Account No	514012475035	514012475041

(g) Arrange to pay stamp duty at RM10.00 for each e-RSF and handling fee of RM2.00 for each e-RSF into Share Registrar's bank account as follows:

Account Name:	TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
Bank:	Malayan Banking Berhad
Bank Account No	514012025081

(h) Upon payments are completed, prepare the submission of your subscriptions by inserting the required information into the “e-RSF file on the Provisional Allotments”.

(i) Login to TIIH Online, select corporate exercise name: **FSBM Rights Issue** and proceed to upload the subscription file duly completed.

(j) Select “Submit” to complete your submission.

(k) Print the confirmation report of your submission for your record.

(iii) Terms and conditions for e-Subscription

The e-Subscription of Rights Shares with Warrants and Excess Rights Shares with Warrants (if successful), shall be made on and subject to the terms and conditions appearing herein**:**

(a) After login to TIIH Online, you are required to confirm and declare the following information given are true and correct:

(i) you have attained 18 years of age as at the last day for subscription and payment;

(ii) you have, prior to making the e-Subscription, received a printed copy of this Abridged Prospectus and/or have had access to this Abridged Prospectus from Bursa Securities' website at www.bursamalaysia.com, the contents of which you have read and understood;

(iii) you agree to all the terms and conditions for the e-Subscription as set out in this Abridged Prospectus and have carefully considered the risk factors as set out in this Abridged Prospectus, in addition to all other information contained in this Abridged Prospectus, before making the e-Subscription application;

(b) you agree and undertake to subscribe for and to accept the number of Rights Shares and Excess Rights Shares with Warrants applied (if applicable) for as stated in the e-RSF. Your confirmation of your subscription will signify, and will be treated as, your subscription of the number of Rights Shares that may be allotted to you.

(c) by making and completing your e-Subscription, you, if successful, request and authorise the Share Registrar or our Company to credit the new shares and new warrants allotted to you into your CDS Account;

(d) you acknowledge that your e-Subscription is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company or the Share Registrar and irrevocably agree that if:

(i) our Company or the Share Registrar does not receive your e-Subscription; or

(ii) data relating to your e-Subscription application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to the Share Registrar, you will be deemed not to have made an e-Subscription and you may not make any claim whatsoever against our Company or the Share Registrar for the Rights Shares accepted and/or Excess Rights Shares applied for or for any compensation, loss or damage relating to the e-Subscription.

(e) you will ensure that your personal particulars recorded with TIIH Online and Bursa Depository are correct. Otherwise, your e-Subscription may be rejected; you must inform Bursa Depository promptly of any change in address failing which the notification on the outcome of your e-Subscription will be sent to your address last maintained with Bursa Depository.

(f) by making and completing an e-Subscription, you agree that:

(i) in consideration of our Company agreeing to allow and accept your e-Subscription for the Rights Shares with Warrants and Excess Rights Shares with Warrants applied (if applicable), your e-Subscription is irrevocable and cannot be subsequently withdrawn; and

(ii) the Share Registrar will not be liable for any delays, failures or inaccuracies in the processing of data relating to your e-Subscription due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control.

(g) the Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

(h) notification on the outcome of your e-Subscription for the Rights Shares with Warrants and Excess Rights Shares with Warrants will be despatched to you by ordinary post to the address as shown in the Record of Depositors of our Company at your own risk within the timelines as follows:

(i) successful application - a notice of allotment will be despatched within 8 Market Days from the last day for application and payment for the Rights Shares with Warrants and Excess Rights Shares with Warrants; or

(ii) unsuccessful/partially successful application - the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the last day of application and payment for the Rights Shares with Warrants and Excess Rights Shares with Warrants.

The refund will be credited directly into your bank account if you have registered such bank account information with Bursa Depository for the purposes of cash dividend/distribution. If you have not registered such bank account information with Bursa Depository the refund will be by issuance of cheque and sent by ordinary mail to your last address maintained with Bursa Depository at your own risk.

If acceptance of and payment for the Provisional Allotments allotted to you (whether in full or in part, as the case may be) are not received by the Share Registrar by **5.00 p.m. on Tuesday, 12 September 2023,** the provisional entitlement to you or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar.

Our Board will then have the right to allot any Rights Shares with Warrants not validly taken up to applicants applying for the Excess Rights Shares with Warrants in the manner as set out in Section 12.9 of this Abridged Prospectus.

12.6 Procedure for part acceptance by Entitled Shareholders

You are entitled to accept part of your Provisional Allotments provided always that the minimum number of Rights Shares that can be subscribed for or accepted is one 1 Rights Share. Fractional of a Rights Share shall be disregarded and dealt with in a fair and equitable manner as our Board deems fit and expedient and in the best interests of our Company.

You must complete both Parts I(A) and II of the RSF by specifying the number of Rights Shares which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner set out in **Section 12.5.1** of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

The portion of the Provisional Allotments that have not been accepted shall be allotted to any other persons allowed under the law, regulations or rules to accept the transfer of the Provisional Allotments.

12.7 Procedure for sale or transfer of the Provisional Allotments

As the Provisional Allotments are prescribed securities, you may dispose or transfer all or part of your entitlement to the Provisional Allotments to 1 or more person(s) through your stockbrokers without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account. To dispose or transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository. If you have disposed or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Parts I and II of the RSF. Please refer to **Sections 12.4** and **12.5** of this Abridged Prospectus for the procedure for acceptance and payment.

In disposing or transferring all or part of your Provisional Allotments, you need not deliver any document including the RSF, to any stockbroker. However, you must ensure that there is sufficient Provisional Allotments standing to the credit of your CDS Account that are available for settlement of the sale or transfer.

Purchaser(s) or transferee(s) of the Provisional Allotments may obtain a copy of this Abridged Prospectus and the RSF from our Share Registrar or at our registered office. This Abridged Prospectus and the RSF are also available on the Bursa Securities' website at https://www.bursamalaysia.com.

12.8 Procedure for acceptance by renouncee(s)/ transferee(s)

Renouncee(s) and/or transferee(s) (if applicable) who wish to accept the Provisional Allotments must obtain a copy of the RSF from their stockbrokers or our Share Registrar, or at our registered office or from Bursa Securities' website at https://www.bursamalaysia.com and complete the RSF and submit the same together with the remittance to our Share Registrar at the above-stated address in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in **Sections 12.4 and 12.5** of this Abridged Prospectus also applies to renouncee(s) and/or transferee(s) (if applicable) who wish to accept the Provisional Allotments.

RENOUNCEE(S) ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF.

12.9 Procedure for application of Excess Rights Shares with Warrants

It is the intention of our Board to allot the Excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the following priority:-

(i) Firstly, to minimise the incidence of odd lots;

(ii) Secondly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on their respective shareholdings in our Company as at the Entitlement Date;

(iii) Thirdly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants applied for; and

(iv) Finally, for allocation to renouncee(s) and/or transferee(s) (if applicable) who have applied for the Excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants applied for.

In the event there is any remaining balance of the Excess Rights Shares with Warrants applied for by the Entitled Shareholders and/or renouncee(s) and/or transferee(s) who have applied for the Excess Rights Shares with Warrants after carrying out steps (i) to (iv) as set out above, steps (ii) to (iv) will be repeated again in the same sequence to allocate the remaining balance of the Excess Rights Shares with Warrants to the Entitled Shareholders and/or renouncee(s) and/or transferee(s) who have applied for the Excess Rights Shares with Warrants until such balance is fully allocated.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for under Part I(B) of the RSF in such manner as our Board deems fit and expedient, and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in steps (i) to (iv) above are achieved. Our Board also reserves the rights at its absolute discretion to accept in full or in part any application for the Excess Rights Shares with Warrants without assigning any reason thereof.

12.9.1 By way of RSF

You and/or your renouncee(s) and/or transferee(s) (if applicable) may apply for the Excess Rights Shares with Warrants in excess of your entitlement by completing Part **I**(B) of the RSF (in addition to Parts **I**(A) and **II**) and forward it (together with a **separate remittance made in RM** for the full amount payable in respect of the Excess Rights Shares with Warrants applied for) to our Share Registrar not later than 5.00 p.m. on **Tuesday, 12 September 2023**, being the last date and time for application and payment for the Excess Rights Shares with Warrants.

PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 12.5 OF THIS ABRIDGED PROSPECTUS, AND IN THE FORM OF BANKER'S DRAFT(S)/ CASHIER'S ORDER(S)/ MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "FSBM EXCESS RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE LAST DATE AND TIME FOR THE EXCESS APPLICATION AND PAYMENT AS SET OUT IN THE COVER PAGE OF THIS ABRIDGED PROSPECTUS.

THE PAYMENT MUST BE MADE FOR THE FULL AND EXACT AMOUNT PAYABLE FOR THE EXCESS RIGHTS SHARES WITH WARRANTS APPLIED FOR ANY EXCESS OR INSUFFICIENT MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR EXCESS APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS APPLICATION. HOWEVER, IF YOUR EXCESS APPLICATION IS SUCCESSFUL, THE EXCESS RIGHTS SHARES AND WARRANTS WILL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED OR ALLOWED BY BURSA SECURITIES.

WHERE AN EXCESS APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE EXCESS APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/ DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

12.9.2 By way of e-Subscription

If you are an Entitled Shareholder, their renouncees and/or transferees (if applicable) who is an individual, you may apply for the Excess Rights Shares with Warrants via e-Subscription in addition to your Provisional Allotments. If you wish to do so, you may apply for the Excess Rights Shares with Warrants by following the same steps set out in Section 12.5.2 of this Abridged Prospectus.

The e-Subscription for Excess Rights Share with Warrants will be made on, and subject to, the same terms and conditions appearing in Section 12.5.2 of this Abridged Prospectus.

Any Rights Shares with Warrants which are not taken up or not validly taken up by you and/or your renouncee(s) and/or transferee(s) (if applicable) shall be made available for Excess Rights Shares with Warrants. It is the intention of our Board to allot the Excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the priority and basis as detailed in Section 12.9 above.

12.10 Form of issuance

Bursa Securities has already prescribed our Shares to be listed on the Main Market and to be deposited with Bursa Depository. Accordingly, the Rights Shares and Warrants are prescribed securities and as such, the SICDA and the Rules of Bursa Depository shall apply to all dealings in the Rights Shares and Warrants.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical share certificates or warrant certificates shall be issued to you under the Rights Issue with Warrants. Instead, the Rights Shares and Warrants will be credited directly into your CDS Account.

A notice of allotment will be despatched to you and/or your renouncee(s)/transferee(s) (if applicable) by ordinary post to the address shown in our Record of Depositors provided by Bursa Depository at your own risk within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities.

Where the Rights Shares with Warrants are provisionally allotted to the Entitled Shareholders in respect of their existing FSBM Shares standing to the credit in their CDS Account as at the Entitlement Date, the acceptance by the Entitled Shareholders of the Provisional Allotments shall mean that they consent to receive such Provisional Allotments as prescribed or deposited securities which will be credited directly into their CDS Account.

Any person who has purchased the Provisional Allotments or to whom the Provisional Allotments has been transferred and intends to subscribe for the Rights Shares with Warrants must state his or her CDS Account number in the space provided in the RSF. The Rights Shares and Warrants will be credited directly as prescribed or deposited securities into his or her CDS Account upon allotment and issuance.

The Excess Rights Shares and Warrants, if allotted to the successful applicant who applies for Excess Rights Shares with Warrants, will be credited directly as prescribed securities into his or her CDS Account. The allocation will be made on a fair and equitable basis in such manner as our Board in its absolute discretion deems fit and expedient and in the best interest of our Company, as disclosed in **Section 12.9** of this Abridged Prospectus.

12.11 Laws of foreign jurisdiction

The Documents have not been, and will not be, made to comply with the laws of any country or jurisdiction other than Malaysia, and have not been, and will not be, lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation (or with or by any regulatory authority or other relevant body) of any country or jurisdiction other than Malaysia.

The Documents are not intended to be, and will not be, issued circulated or distributed, and the Rights Issue with Warrants will not be made or offered or deemed made or offered, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue with Warrants to which this Abridged Prospectus relates is only available to persons receiving the Documents within Malaysia.

Accordingly, the Documents have not been, and will not be, despatched to the foreign addressed shareholders. However, the foreign addressed shareholders may collect the Documents from our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, who is entitled to request for such evidence as they deem necessary to satisfy themselves as to the identity and authority of the person collecting the Documents.

Our Company will not make or be bound to make any enquiry as to whether you have an address or address for service in Malaysia other than as stated in the Record of Depositors on the Entitlement Date or who have provided our Share Registrar with an address in Malaysia for the despatch of Documents as at 5.00 P.M on Friday, 25 August 2023 and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. We will assume that the Rights Issue with Warrants and the acceptance by our Entitled Shareholders thereof would not be in breach of the laws of any jurisdiction. We will further assume that our Entitled Shareholders have accepted the Rights Issue with Warrants in Malaysia and will at all applicable times be subject to the laws of Malaysia.

To the extent you accept your Provisional Allotments and/or apply for the Excess Rights Shares with Warrants, your acceptance of the terms thereof will be deemed to be in compliance with the Rights Issue with Warrants and not in breach of the laws of any country or jurisdiction. To the extent you accept your Provisional Allotments and/or apply for the Excess Rights Shares with Warrants, you will be deemed to have accepted the Rights Issue with Warrants in Malaysia and be subject to the laws of Malaysia with respect thereto.

All foreign addressed shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) shall be solely responsible to seek advice from their legal and/or professional advisers as to the laws of the countries or jurisdictions to which they are or might be subject. Neither we, our Board, Malacca Securities, the Share Registrar, nor any other adviser to the Rights Issue with Warrants (**"Parties"**) shall accept any responsibility or liability whatsoever in the event any acceptance or renunciation made by any foreign addressed shareholders and/or their renouncee(s) and/or transferee(s) (if applicable), is or shall become illegal, unenforceable, voidable or void in any such country or jurisdiction. Such foreign addressed shareholders and/or their renouncee(s)/transferee(s) (if applicable) will also have no claims whatsoever against us in respect of their entitlement or to any proceeds thereof.

The foreign addressed shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such foreign country or jurisdiction and our Company shall be entitled to be fully indemnified and held harmless by such foreign addressed shareholders and/or their renouncee(s)/transferee(s) (if applicable) for any issue, transfer or any other taxes or duties as such person may be required to pay. They will have no claims whatsoever against the Parties in respect of their rights and entitlements under the Rights Issue with Warrants. Such foreign addressed shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) should also consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to exercise their rights in respect of the Rights Issue with Warrants.

We reserve the right, in our absolute discretion, to treat any acceptance as invalid, if we believe or have reason to believe that such acceptance may violate applicable legal or regulatory requirements in any country or jurisdiction outside Malaysia. The Provisional Allotments relating to any acceptance which is treated as invalid will be included in the pool of Excess Rights Shares with Warrants available for Excess Application by the other Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable).

No shareholder or person acting for the account or benefit of any such person, or any other person, shall have any claims whatsoever against any of the Parties.

In addition, each person, by accepting the delivery of the Documents, accepting any Provisional Allotments by signing any of the forms accompanying this Abridged Prospectus, or subscribing for or acquiring the Rights Shares with Warrants, will be deemed to have represented, warranted acknowledged and agreed in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:-

(i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any country or jurisdiction to which the Foreign Entitled Shareholder and/or his renouncee(s) and/or transferee(s) (if applicable) are or may be subject to;

(ii) that person has complied with the laws to which he and/or his renouncee(s) and/or transferee(s) (if applicable) are or may be subject to in connection with the acceptance or renunciation;

(iii) that person is not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance or renunciation, be in breach of the laws of any country or jurisdiction to which that person is or may be subject to;

(iv) that person has an address for service of process in Malaysia;

(v) that person is aware that the Provisional Allotments can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

(vi) that person has obtained a copy of this Abridged Prospectus and understands the contents of this Abridged Prospectus, and has relied on his own evaluation to assess the merits and risks of the investment; and

(vii) that person has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing for or purchasing the Rights Shares with Warrants, and is and will be able, and is prepared to bear the economic and financial risks of investing in and holding the Rights Shares with Warrants.

Persons receiving the Documents (including without limitation to custodians, nominees and trustees) must not, in connection with the Rights Issue with Warrants, offer, distribute or send any of them into any country or jurisdiction, where doing so would or might contravene local securities, exchange control or other relevant laws or regulations. If the Documents are received by any person in such country or jurisdiction, or by the agent or nominee of any such person, he/she/it/they must not seek to accept the offer unless he/she/it/they has/have complied with and observed the laws of all relevant jurisdictions.

Any person who does forward the Documents to any foreign country or jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and FSBM reserves the right to reject a purported acceptance of the Rights Shares with Warrants from any application by foreign addressed shareholders and/or their renouncee(s)/transferee(s) (if applicable) in any jurisdiction other than Malaysia.

13. TERMS AND CONDITIONS

The issuance of the Rights Shares and Warrants pursuant to the Rights Issue with Warrants is governed by the terms and conditions as set out in this Abridged Prospectus, the NPA and RSF.

14. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of our Board of
FSBM HOLDINGS BERHAD

PANG KIEW KUN
Executive Director

APPENDIX I – INFORMATION ON OUR COMPANY

1. SHARE CAPITAL

As at LPD, our Company's issued share capital is RM13,902,982 comprising 236,659,300 FSBM Shares (excluding Treasury Shares).

2. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Please refer to Section 9.3 of this Abridged Prospectus for information on our substantial shareholders' shareholdings before and after the Rights Issue with Warrants.

3. BOARD OF DIRECTORS

As at LPD, our Board of Directors of our Company are as follows:-

Name / Designation	Age	Address	Nationality
Mr Pang *(Executive Director)*	50	4, Jalan Setia Impian U13/5H Setia Alam 40170 Shah Alam Selangor	Malaysian
Tan Wan Yen *(Executive Director)*	40	8, Jalan Desa Bahagia Taman Desa 58100 Kuala Lumpur W. P. Kuala Lumpur	Malaysian
Dato' Tan *(Non-Independent Non-Executive Director)*	74	8, Jalan Desa Bahagia Taman Desa 58100 Kuala Lumpur W. P. Kuala Lumpur	Malaysian
Mok Kar Foo *(Non-Independent Non-Executive Director)*	41	687, Jalan 29 Kg. Baru Salak South 57100 Kuala Lumpur W.P. Kuala Lumpur	Malaysian
Ng Yew Soon *(Independent Non-Executive Director)*	65	18, Jalan Wan Sendari Dua Taman Sri Endah Bandar Baru Sri Petaling 57000 Kuala Lumpur W.P. Kuala Lumpur	Malaysian
Tey Giap Turn *(Independent Non-Executive Director)*	44	No. 15 Jalan Setia 2/7 Taman Setia Indah 81100 Johor Bahru Johor	Malaysian

4. DIRECTORS' SHAREHOLDINGS

The proforma effects of the Rights Issue with Warrants on the shareholdings of our Directors as per our Register of Directors' Shareholding as at 22 August 2023 are as follows:-

(i) Minimum Scenario

	As at 22 August 2023				(I) After Rights Issue with Warrants				(II) After (I) and assuming exercise of all Warrants			
	Direct	%[a]	Indirect	%[a]	Direct	%[b]	Indirect	%[b]	Direct	%[c]	Indirect	%[c]
Mr Pang	18,790,000	7.94	-	-	37,580,000	8.61	-	-	46,975,000	8.75	-	-
Tan Wan Yen	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Tan	-	-	1,200[d]	*	-	-	1,200[d]	*	-	-	1,200[d]	*
Mok Kar Foo	-	-	-	-	-	-	-	-	-	-	-	-
Ng Yew Soon	-	-	-	-	-	-	-	-	-	-	-	-
Tey Giap Turn	-	-	-	-	-	-	-	-	-	-	-	-

Notes:-

* Less than 0.01%.

(a) Based on 236,659,300 issued Shares (excluding Treasury Shares) as at 22 August 2023.

(b) Based on 436,659,300 enlarged issued Shares (excluding Treasury Shares) after Rights Issue with Warrants under the Minimum Scenario.

(c) Based on 536,659,300 enlarged issued Shares after Rights Issue with Warrants (excluding Treasury Shares) and full exercise of Warrants under the Minimum Scenario.

(d) Deemed interested via daughter by virtue of Section 8 of the Act.

APPENDIX I – INFORMATION ON OUR COMPANY *(CONT'D)*

(ii) Maximum Scenario

	As at 22 August 2023				(I) After Rights Issue with Warrants				(II) After (I) and assuming exercise of all Warrants			
	Direct	%[(a)]	Indirect	%[(a)]	Direct	%[(b)]	Indirect	%[(b)]	Direct	%[(c)]	Indirect	%[(c)]
Mr Pang	18,790,000	7.94	-	-	37,580,000	7.94	-	-	46,975,000	7.94	-	-
Tan Wan Yen	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Tan	-	-	1,200[(d)]	*	-	-	2,400[(d)]	*	-	-	3,000[(d)]	*
Mok Kar Foo	-	-	-	-	-	-	-	-	-	-	-	-
Ng Yew Soon	-	-	-	-	-	-	-	-	-	-	-	-
Tey Giap Turn	-	-	-	-	-	-	-	-	-	-	-	-

Notes:-

* Less than 0.01%.

(a) Based on 236,659,300 issued Shares (excluding Treasury Shares) as at 22 August 2023.

(b) Based on 473,318,600 enlarged issued Shares (excluding Treasury Shares) after Rights Issue with Warrants under the Minimum Scenario.

(c) Based on 591,648,250 enlarged issued Shares after Rights Issue with Warrants (excluding Treasury Shares) and full exercise of Warrants under the Minimum Scenario.

(d) Deemed interested via daughter by virtue of Section 8 of the Act.

5. HISTORICAL FINANCIAL INFORMATION

A summary of historical financial information of our Group is as follows:-

(A) Historical financial performance

	Audited			Unaudited	
	[(a)] **FYE 31 December 2020**	[(a)] **FYE 31 December 2021**	**FYE 31 December 2022**	**6-month FPE 30 June 2022**	**6-month FPE 30 June 2023**
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	128	405	12,514	4,881	6,652
Direct operating cost	(80)	(224)	(6,303)	(2,308)	(3,139)
Gross profit	**48**	**181**	**6,211**	**2,573**	**3,513**
Other income	32	2,394	1,436	42	10
Administrative expenses	(50)	(48)	(1,176)	(733)	(653)
Selling and marketing expenses	(6)	(4)	(136)	(27)	(145)
Other expenses	(689)	(11,793)	(1,490)	(525)	(1,753)
Finance costs	-	-	(8)	-	(4)
(LBT)/PBT	**(665)**	**(9,270)**	**4,837**	**1,330**	**968**
Tax expense	-	-	(391)	-	(545)
(LAT)/PAT	**(665)**	**(9,270)**	**4,446**	**1,330**	**423**
(LAT)/PAT attributable to:					
- Equity holders of parent	(682)	(9,326)	4,415	1,327	443
- Non-controlling interests	17	56	31	3	(20)
	(665)	**(9,270)**	**4,446**	**1,330**	**423**
Gross profit margin (%) [(b)]	37.50	44.69	49.63	52.71	52.81
(LBT)/PBT margin (%) [(c)]	(519.53)	(2,288.89)	38.65	27.25	14.57
(LAT)/PAT margin (%) [(d)]	(519.53)	(2,288.89)	35.53	27.25	6.36
Weighted average number of ordinary shares for basic (LPS)/EPS ('000)	140,224	140,224	163,935	152,090	163,935
(LPS)/EPS[(e)] (sen):	(0.49)	(6.65)	2.69	0.87	0.27

Notes:-

* Amount is negligible

(a) Our Group had since FYE 30 June 2017, received various forms of qualified opinions from our external auditors. During the 18-month FPE 31 December 2019, FSBM was classified as an Affected Listed Issuer pursuant to paragraph 8.03A of the Listing Requirements for having an insignificant business or operations and was subsequently classified as a PN17 company on 30 December 2019.

(b) Gross profit margin = Gross profit divided by Revenue and multiply with 100

(c) LBT margin = LBT divided by Revenue and multiply with 100

(d) LAT margin = LAT divided by Revenue multiply with 100

(e) (LPS)/EPS = (Loss)/Profit for the financial year / period attributable to owners of our Company divided by adjusted weighted average number of ordinary shares applicable to basic (LPS/)EPS multiply with 100

<u>**Overview of our financial performance**</u>

FYE 31 December 2021 ("FYE 2021") vs FYE 31 December 2020 ("FYE 2020")

Our Group's revenue increased from RM0.1 million in FYE 2020 to RM0.4 million in FYE 2021, representing an increase of RM0.3 million. Our Group had insignificant business operations in FYE 2020 and FYE 2021. In FYE 2020, the revenue of RM0.1 million was purely from the hostel management system maintenance contract.

Our Group had on 15 October 2021 announced the Regularisation Plan. As part of our Group's efforts to turn-around our financial position and operations, our Group had secured various contracts during the FYE 2021. Save for RM0.1 million revenue contribution from the hostel management system maintenance contract in the first 3 quarters of FYE 2021, the remaining RM0.3 million revenue was derived from new contracts secured by our Group in the last quarter of FYE 2021.

Our Group's LAT increased from RM0.7 million in FYE 2020 to RM9.3 million in FYE 2021, representing an increase of RM8.6 million. The increase in LAT was due to our Group carrying out a review to ascertain our account balances which resulted in our Group writing off trade and other receivables of RM9.3 million in FYE 2021 as we were unable to justify the balances and recoverability.

FYE 31 December 2022 ("FYE 2022") vs FYE 2021

Our Group's revenue increased from RM0.4 million in FYE 2021 to RM12.5 million in FYE 2022. Our Group had insignificant business operations in FYE 2021. Save for RM0.1 million revenue contribution from the hostel management system maintenance contract in the first 3 quarters of the FYE 2021, our Group's balance RM0.3 million revenue was derived from new contracts secured by our Group in the last quarter of the FYE 2021.

Our Group's revenue for the FYE 2022 was primarily contributed by the following:

(a) platform design and development of RM10.2 million contributed by the F&B related contract, health and wellness, digital voucher contract and blockchain enable application contract;

(b) smart manufacturing solutions of RM0.8 million; and

(c) managed security services of RM0.5 million.

Our Group recorded a PAT of RM4.4 million in FYE 2022 as compared to a LAT of RM9.3 million in FYE 2021.

During FYE 2021, our Group carried out a review to ascertain our account balances which saw our Group writing off trade and other receivables of RM9.3 million in FYE 2021 as we were unable to justify the balance and recoverability.

During FYE 2022, our Group managed to turnaround to record a PAT of RM4.4 million as compared to LAT of RM9.3 million for the FYE 2021. This was due to the following:

(a) our Group becoming operational active during the FYE 2022 whereby our Group commenced generating revenue from the secured contracts and new income stream from technical support and services, managed security services, refurbishment services, lease/rental and smart manufacturing solutions segments;

(b) reversal of provision of penalty of RM0.9 million accrued in FYE 2021 in relation to unpaid statutory payments i.e. contributions to employees' provident fund, social security organisations and monthly tax deductions, as our Group had come to settlement with the former employees to resolve the amount due and there will be no penalty; and

(c) reversal of overprovision of staff costs amounting to RM0.5 million as our Group had come to settlement with the former employees and our Directors to resolve the amount due.

Our Group had outstanding salary payments to 2 former employees of our Group and our Directors namely Dato' Tan, Tan Wan Yen and Tan Ee Ern (Executive Director who resigned on 11 March 2022) in prior years. In view of this, our Group had recorded a provision for the unpaid salaries (including statutory payments) as well as the estimated penalty which could arise due to unpaid statutory payments in FYE 2021.

Our Company had on 15 October 2021 entered into agreements via exchange of letters with Dato' Tan, Tan Ee Ern (Executive Director who resigned on 11 March 2022) and Tan Wan Yen (Executive Director) to write-off the outstanding salaries owing to them by our Group. The debts were accumulated as salaries accrued to them from April 2014 to September 2015.

Our Company had also on 13 December 2022 entered into settlement agreements with 2 former employees of our Group on the final settlement of their outstanding salaries (including statutory payments) and there will be no penalty on the unpaid statutory payments.

In view of the above, our Group reversed the provision of penalty and overprovision of staff costs in FYE 2022.

6-month FPE 30 June 2023 ("6M FPE2023") vs 6-month FPE 30 June 2022 ("6M FPE2022")

Our Group's revenue increased from RM4.8 million in 6M FPE2022 to RM6.7 million in 6M FPE2023, representing an increase of RM1.8 million or 36.3%. The increase in revenue was attributable to the following:

(a) increase in the revenue from platform design and development of RM0.9 million in 6M FPE2023 as a result of delivery of the blockchain project; and

(b) recognition of revenue from managed security services of RM0.6 million and smart manufacturing solution of RM0.3 million in 6M FPE2023.

Despite increase in our Group's revenue, the PAT had decreased from RM1.3 million in 6M FPE2022 to RM0.4 million in 6M FPE2023, representing a decrease of RM0.9 million or 68.2%. The decrease was mainly due to recognition of the one-off expense comprising professional fees, authorities fee and miscellaneous cost, incurred in relation to the Proposed Regularisation Plan of RM0.7 million in 6M FPE2023.

(B) Historical financial position

	Audited			Unaudited
	[(a)] FYE 31 December 2020	[(a)] FYE 31 December 2021	FYE 31 December 2022	6-month FPE 30 June 2023
	RM'000	RM'000	RM'000	RM'000
Non-current assets	307	360	2,715	2,469
Current assets	8,915	512	11,726	11,569
TOTAL ASSETS	**9,222**	**872**	**14,441**	**14,038**
EQUITY AND LIABILITIES				
Equity attributable to owners of our Company				
Share capital	10,064	10,064	24,314	24,314
Treasury shares	(712)	(712)	(712)	(712)
Warrants reserve	4,534	4,534	-	-
Accumulated losses	(7,414)	(16,740)	(11,109)	(10,666)
Equity attributed to owners of the Company	**6,472**	**(2,854)**	**12,493**	**12,936**
Non-controlling interest	(2,149)	(2,093)	(2,062)	(2,082)
TOTAL EQUITY	**4,323**	**(4,947)**	**10,431**	**10,854**
Non-current liabilities	-	-	243	281
Current liabilities	4,899	5,819	3,767	2,903
TOTAL LIABILITIES	**4,899**	**5,819**	**4,010**	**3,184**
TOTAL EQUITY AND LIABILITIES	**9,222**	**872**	**14,441**	**14,038**

Note:-

(a) Our Group had since FYE 30 June 2017, received various forms of qualified opinions from our external auditors. During the 18-month FPE 31 December 2019, FSBM was classified as an Affected Listed Issuer pursuant to paragraph 8.03A of the Listing Requirements for having an insignificant business or operations and was subsequently classified as a PN17 company on 30 December 2019.

(C) Historical cash flows

	Audited			Unaudited
	[(a)] FYE 31 December 2020	[(a)] FYE 31 December 2021	FYE 31 December 2022	6-month FPE 30 June 2023
	RM'000	RM'000	RM'000	RM'000
Net cash used in operating activities	(34)	(990)	(3,195)	(714)
Net cash used in investing activities	-	-	(2,154)	(22)
Net cash generated (used in) / generated from financing activities	(34)	1,174	9,623	(66)
Net (decrease)/ increase in cash and cash equivalents	**(68)**	**184**	**4,274**	**(802)**
Cash and cash equivalents at the beginning of the financial year	113	45	229	4,503
Cash and cash equivalents at the end of the financial year	**45**	**229**	**4,503**	**3,701**

Note:-

(a) Our Group had since FYE 30 June 2017, received various forms of qualified opinions from our external auditors. During the 18-month FPE 31 December 2019, FSBM was classified as an Affected Listed Issuer pursuant to paragraph 8.03A of the Listing Requirements for having an insignificant business or operations and was subsequently classified as a PN17 company on 30 December 2019.

Commentaries on the historical cash flows

FYE 2020

Our Group had a net cash flow used in operating activities of RM34,000 for the FYE 2020 after accounting for, amongst others, the following:

(a) operational loss before changes in working capital of RM0.4 million after adjusting the LBT of RM0.7 million for, amongst others, impairment loss on trade receivables of RM0.2 million; and

(b) increase in trade and other payables of RM0.4 million which was mainly due to increase in the payable and accrual of professional fees i.e. audit fee, tax advisory fee and secretarial fee as well as listing fee which was incurred in FYE 2020.

There is no cash flow generated from/used in investing activities in FYE 2020.

Our Group had a net cash flow used in financing activities of RM34,000 for the FYE 2020 which was due to repayment of advances to director.

FYE 2021

Our Group had a net cash flow used in operating activities of RM1.0 million for the FYE 2021 after accounting for, amongst others, the following:

(a) operational loss before changes in working capital of RM2.6 million after adjusting the LBT of RM9.3 million for, amongst others, the written-off of receivables of RM8.5 million and write-back of payables of RM2.1 million; and

(b) increase in trade and other payables of RM1.8 million which mainly comprise provision of penalty and late payment interest of RM0.9 million arising from the non-payment of statutory contribution, provision of the expenses in relation to the Regularisation Plan of RM0.2 million, increase in professional fee comprising audit fee, tax fee and legal fee of RM0.2 million, and provision of platform design and development project cost of RM0.1 million.

There is no cash flow generated from/used in investing activities in FYE 2021.

Our Group had a net cash flow generated from financing activities of RM1.2 million for the FYE 2021 which was due to advances from director.

FYE 2022

Our Group had a net cash flow used in operating activities of RM3.2 million for the FYE 2022 after accounting for, amongst others, the following:

(a) operational profit before changes in working capital of RM3.8 million after adjusting the PBT of RM4.9 million for, amongst others, reversal of accruals no longer required i.e. provision of penalty of RM0.9 million and write-back of other payables of RM0.5 million, and depreciation of property, plant and equipment of RM0.2 million;

(b) increase in trade and other receivables of RM6.3 million which was mainly due to increase in the revenue. For information, RM3.3 million of the trade receivables as at 31 December 2022 were billed in December 2022 in relation to work completed;

(c) increase in contract assets of RM0.7 million which was mainly due to the work completed on the application solutions which has yet to be billed to customers as at 31 December 2022; and

(d) increase in trade and other payables of RM0.3 million which was mainly due to increase in cost of sales.

Our Group had a net cash flow used in investing activities of RM2.2 million for the FYE 2022 after accounting for, amongst others, the following:

(a) purchase of new property, plant and equipment of RM2.1 million;

(b) cost incurred for the development of intangible assets of RM0.4 million; and

(c) proceeds received from the disposal of other investment i.e. unquoted shares in Mizzans MM Sdn. Bhd. of RM0.4 million.

Our Group had a net cash flow generated from financing activities of RM9.6 million for the FYE 2022 which was mainly due to the receipt of proceeds from the exercise of warrants 2012/2022 by the holders of RM10.9 million, which was negated by the repayment of advances due to directors of RM1.3 million.

6M FPE2023

Our Group had a net cash flow used in operating activities of RM0.7 million for the 6M FPE2023 after accounting for, amongst others, the following:

(a) operational profit before changes in working capital of RM1.2 million after adjusting the PBT of RM1.0 million for, amongst others, depreciation of property, plant and equipment of RM0.2 million;

(b) decrease in trade and other payables of RM1.2 million which was mainly due to settlement of long outstanding payables;

(c) increase in trade and other receivables of RM1.0 million which was mainly due to increase in the revenue; and

(d) decrease in contract assets of RM0.3 million which was mainly due to the billing raised to customers for the work completed in FYE 2022.

Our Group had a net cash flow used in investing activities of RM22,000 for the 6M FPE2023, which was mainly due to purchase of new property, plant and equipment of RM21,000;

Our Group had a net cash flow generated from financing activities of RM66,000 for the 6M FPE2023 which was due to payment for the lease liabilities and increase in the amount due to director i.e. unpaid claim.

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6. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of FSBM Shares as traded on the Main Market for the past 12 months preceding to the date of this Abridged Prospectus are as follows:-

	High	Low
	RM	**RM**
2022		
August	0.285	0.180
September	0.235	0.195
October	0.300	0.235
November	0.295	0.260
December	0.280	0.220
2023		
January	0.270	0.240
February	0.300	0.230
March	0.275	0.245
April	0.340	0.250
May	0.280	0.255
June	0.275	0.240
July	0.275	0.235

The last transacted market price of FSBM Shares on 14 October 2021 (being the last trading day prior to the announcement of initial Regularisation Plan)	0.145
The last transacted market price of FSBM Shares as at LPD	0.275
The last transacted market price of FSBM Shares on 23 August 2023, being the last Market Day immediately preceding the ex-date for the Rights Issue with Warrants on 24 August 2023	0.350

(Source: Bloomberg)

7. OPTION TO SUBSCRIBE FOR FSBM SHARES

As at LPD, save for the Provisional Allotments as well as Excess Rights Shares with Warrants, no option to subscribe for the Shares has been granted or is entitled to be granted to any person.

8. MATERIAL CONTRACTS

As at 22 August 2023, save as disclosed below, our Board confirms that there are no material contracts (not being contracts entered into the ordinary course of business) which have been entered into by our Group during the 2 years preceding the date of this Abridged Prospectus:-

(i) the subscription agreement dated 15 October 2021 (as supplemented via letters dated 12 October 2022, 13 January 2023 and 9 August 2023) entered into between our Company and Tan Sri Syed Zainal in relation to the subscription of 30,000,000 Subscription Shares for a total cash consideration of RM2,400,000.00 at RM0.08 per Subscription Share;

(ii) the subscription agreement dated 15 October 2021 (as supplemented via letters dated 12 October 2022, 13 January 2023 and 9 August 2023) entered into between our Company and Mr Pang in relation to the subscription of 16,000,000 Subscription Shares for a total cash consideration of RM1,280,000.00 at RM0.08 per Subscription Share;

(iii) the subscription agreement dated 15 October 2021 (as supplemented via letters dated 12 October 2022, 13 January 2023 and 9 August 2023) entered into between our Company and Mr Low in relation to the subscription of 14,000,000 Subscription Shares for a total cash consideration of RM1,120,000.00 at RM0.08 per Subscription Share;

(iv) the conditional share sale agreement dated 15 October 2021 (as supplemented via letters dated 15 April 2022 and 12 October 2022) entered into between our Company and Dato' Tan in relation to the disposal of FSBM CTech Sdn. Bhd. and Unos Sdn. Bhd., for a total cash consideration of RM2.0 million, which had been mutually terminated via an exchange of letter dated 15 November 2022 between our Company and Dato' Tan;

(v) the deed poll dated 11 August 2023 by our Company constituting the Warrants; and

(vi) the underwriting agreement dated 22 May 2023 (as supplemented via a letter of variation dated 22 August 2023) entered into between our Company and Malacca Securities, to underwrite 123,585,030 Rights Shares with 61,792,515 free Warrants to be issued pursuant to the Rights Issue with Warrants (representing an amount of RM3,707,550.90), or such lower number of Rights Shares in order for our Company to achieve the Minimum Subscription Level, for the underwriting commission of RM74,151.02.

9. MATERIAL LITIGATION

As at LPD, our Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which may have a material and adverse effect on the business or financial position of our Group and there is no proceedings, pending or threatened against our Group, or of any facts likely to give rise to any proceedings which may have material impact on the business or financial position of our Group.

MOORE

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Date: 1 5 AUG 2023

The Board of Directors
FSBM Holdings Berhad
Level 5, Tower 8, Avenue 5, Horizon 2,
Bangsar South City,
59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia

Dear Sir,

FSBM HOLDINGS BERHAD ("FSBM" or the "Company")

Report on the Compilation of the Proforma Consolidated Statements of Financial Position of FSBM as at 30 June 2023 in connection with the proposed renounceable rights issue of up to 236,659,300 new ordinary shares in FSBM ("FSBM Shares" or "Shares") ("Rights Shares") on the basis of 1 Rights Share ("Rights Share") for every 1 existing FSBM Share held as at 5.00 P.M. on Friday, 25 August 2023, together with up to 118,329,650 free detachable warrants in FSBM ("Warrants") on the basis of 1 Warrant for every 2 Rights Shares subscribed for at an issue price of RM0.03 per Rights Shares ("Rights Issue with Warrants"),

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We have completed our assurance engagement to report on the compilation of the Pro Forma Consolidated Statements of Financial Position of FSBM Holdings Berhad and its subsidiaries (collectively known as "the Group") as at 30 June 2023, and related notes as set out in Appendix A, which have been stamped by us for identification purposes.

The Pro Forma Consolidated Statements of Financial Position have been compiled by the Directors of the Company based on the applicable criteria as specified in the Rights Issue with Warrants and are described in Appendix A.

The Rights Issue with Warrants forms part of the regularisation plan which also includes the Capital Reduction and Shares Issuance.

The Proforma Consolidated Statements of Financial Position have been compiled by the Directors of the Company to illustrate the impact of the Rights Issue with Warrants (which forms part of the regularisation plan of the Group) on the Group's financial position as at 30 June 2023 as if the Rights Issue with Warrants had been carried out as at that date. As part of the process, information about the Group's consolidated financial position has been extracted by the Directors of the Company from the consolidated financial statements of the Group for the 6-month financial period ended 30 June 2023, on which a review of interim financial information report has been issued.

The Directors' Responsibilities for the Pro Forma Consolidated Statements of Financial Position

The Directors are responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis of the applicable criteria set out in Appendix A.

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Our Independence and Quality Control

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Our firm applies the International Standard on Quality Management 1 (ISQM 1), *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, and Other Assurance or Related Services Engagements* adopted by the Malaysian Institute of Accountants and, accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to express an opinion about whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, by the Directors on the basis of the applicable criteria described in Appendix A.

We conducted our engagement in accordance with International Standard on Assurance Engagements ("ISAE") 3420 "*Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus",* issued by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors of the Company have compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis of the applicable criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position. In arriving this opinion, we do not accept any responsibility for such reports or opinion beyond that owed to those to whom those reports or opinion were addressed by us at the dates of their issue.

The purpose of the Pro Forma Consolidated Statements of Financial Position is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the entity as if the events had occurred or transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

MOORE

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Consolidated Statements of Financial Position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Consolidated Statements of Financial Position have been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion,

i) the Pro Forma Consolidated Statements of Financial Position as at 30 June 2023 have been compiled, in all material respects, on the basis set out in the notes of Appendix A using financial statements prepared in accordance with Malaysia Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group; and

ii) each material adjustment made to the information used in the preparation of the Pro Forma Consolidated Statements of Financial Position as at 30 June 2023 are appropriate for the purpose of preparing such Pro Forma Consolidated Statements of Financial Position.

Other Matter

This letter has been prepared solely for the purpose of inclusion in the Abridged Prospectus, in connection with the Rights Issue with Warrants. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

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Chartered Accountants (AF002096)

CHUAH SOO HUAT
03002/07/2024 J
Chartered Accountant

APPENDIX II – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON *(CONT'D)*

FSBM HOLDINGS BERHAD **Appendix A**

Pro Forma Consolidated Statements of Financial Position and the notes thereon

Pro Forma Consolidated Statements of Financial Position as at 30 June 2023

The Pro Forma Consolidated Statements of Financial Position of the Group as at 30 June 2023, as set out below have been prepared for illustrative purposes only and to show the effects of the events or transactions referred to in the notes on the basis it has been effected on 30 June 2023, and should be read in conjunction with the notes accompanying the Pro Forma Consolidated Statements of Financial Position.

Minimum Scenario

	Note	Unaudited as at 30 June 2023 RM'000	Pro forma I After Subsequent Events RM'000	Pro forma II After (I) and Rights Issue with Warrants RM'000	Pro forma III After (II) and assuming exercise of all Warrants RM'000
NON-CURRENT ASSETS					
Property, plant and equipment		1,667	1,667	1,667	1,667
Deferred tax assets		268	268	268	268
Intangible assets		405	405	405	405
Right-of-use assets		129	129	129	129
		2,469	2,469	2,469	2,469
CURRENT ASSETS					
Trade and other receivables	4	7,361	11,700	6,213	6,213
Contract assets		500	500	500	500
Marketable securities		7	7	7	7
Cash and cash balances	5	3,701	3,701	13,619	18,619
		11,569	15,908	20,339	25,339
TOTAL ASSETS		14,038	18,377	22,808	27,808
EQUITY					
Share capital	6	24,314	14,615	19,928	24,928
Treasury shares		(712)	(712)	(712)	(712)
Capital reduction reserve	6	-	3,626	3,626	3,626
Other reserve	6	-	-	(1,538)	-
Warrants reserve	6	-	-	1,538	-
Accumulated losses	6	(10,666)	(254)	(254)	(254)
Equity attributable to Owners of the Company		12,936	17,275	22,588	27,588
Non-controlling interests		(2,082)	(2,082)	(2,082)	(2,082)
TOTAL EQUITY		10,854	15,193	20,506	25,506

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FSBM HOLDINGS BERHAD **Appendix A**
Pro Forma Consolidated Statements of Financial Position and the notes thereon

Pro Forma Consolidated Statements of Financial Position as at 30 June 2023 (cont'd)

Minimum Scenario (cont'd)

	Note	Unaudited as at 30 June 2023 RM'000	Pro forma I After Subsequent Events RM'000	Pro forma II After (I) and Rights Issue with Warrants RM'000	Pro forma III After (II) and assuming exercise of all Warrants RM'000
LIABILITIES					
NON-CURRENT LIABILITIES					
Deferred tax liabilities		204	204	204	204
Lease liabilities		77	77	77	77
		281	281	281	281
CURRENT LIABILITIES					
Trade payables		204	204	204	204
Other payables	7	2,036	2,036	1,154	1,154
Tax payables		549	549	549	549
Contract liabilities		60	60	60	60
Lease liabilities		54	54	54	54
		2,903	2,903	2,021	2,021
TOTAL LIABILITIES		3,184	3,184	2,302	2,302
TOTAL EQUITY AND LIABILITIES		14,038	18,377	22,808	27,808
Number of shares in issue ('000)		176,659	236,659	436,659	536,659
Net assets per share attributable to the Owners of the Company (RM)		0.07	0.07	0.05	0.05

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APPENDIX II – PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON *(CONT'D)*

FSBM HOLDINGS BERHAD **Appendix A**
Pro Forma Consolidated Statements of Financial Position and the notes thereon

Pro Forma Consolidated Statements of Financial Position as at 30 June 2023 (cont'd)

Maximum Scenario

	Note	Unaudited as at 30 June 2023 RM'000	Pro forma I After Subsequent Events RM'000	Pro forma II After (I) and Rights Issue with Warrants RM'000	Pro forma III After (II) and assuming exercise of all Warrants RM'000
NON-CURRENT ASSETS					
Property, plant and equipment		1,667	1,667	1,667	1,667
Deferred tax assets		268	268	268	268
Intangible assets		405	405	405	405
Right-of-use assets		129	129	129	129
		2,469	2,469	2,469	2,469
CURRENT ASSETS					
Trade and other receivables	4	7,361	11,700	6,213	6,213
Contract assets		500	500	500	500
Marketable securities		7	7	7	7
Cash and cash balances	5	3,701	3,701	14,719	20,635
		11,569	15,908	21,439	27,355
TOTAL ASSETS		14,038	18,377	23,908	29,824
EQUITY					
Share capital	6	24,314	14,615	21,028	26,944
Treasury shares		(712)	(712)	(712)	(712)
Capital reduction reserve	6	-	3,626	3,626	3,626
Other reserve	6	-	-	(1,820)	-
Warrants reserve	6	-	-	1,820	-
Accumulated losses	6	(10,666)	(254)	(254)	(254)
Equity attributable to Owners of the Company		12,936	17,275	23,688	29,604
Non-controlling interests		(2,082)	(2,082)	(2,082)	(2,082)
TOTAL EQUITY		10,854	15,193	21,606	27,522

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FSBM HOLDINGS BERHAD **Appendix A**
Pro Forma Consolidated Statements of Financial Position and the notes thereon

Pro Forma Consolidated Statements of Financial Position as at 30 June 2023 (cont'd)

Maximum Scenario (cont'd)

	Note	Unaudited as at 30 June 2023 RM'000	Pro forma I After Subsequent Events RM'000	Pro forma II After (I) and Rights Issue with Warrants RM'000	Pro forma III After (II) and assuming exercise of all Warrants RM'000
LIABILITIES					
NON-CURRENT LIABILITIES					
Deferred tax liabilities		204	204	204	204
Lease liabilities		77	77	77	77
		281	281	281	281
CURRENT LIABILITIES					
Trade payables		204	204	204	204
Other payables	7	2,036	2,036	1,154	1,154
Tax payables		549	549	549	549
Contract liabilities		60	60	60	60
Lease liabilities		54	54	54	54
		2,903	2,903	2,021	2,021
TOTAL LIABILITIES		3,184	3,184	2,302	2,302
TOTAL EQUITY AND LIABILITIES		14,038	18,377	23,908	29,824
Number of shares in issue ('000)		176,659	236,659	473,318	591,648
Net assets per share attributable to Owners of the Company (RM)		0.07	0.07	0.05	0.05

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023

1. Regularisation Plan

The Pro Forma Consolidated Statements of Financial Position of the Company and its subsidiaries ("the Group") as at 30 June 2023, of which the Directors of the Company are solely responsible, have been prepared for illustrative purposes, in connection with the following transactions: -

(a) Capital reduction exercise carried out by the Company, pursuant to Section 116 of the Act to reduce the share capital of the Company via the cancellation of RM14.292 million of the issued share capital of our Company and that the credit arising from such capital reduction used to eliminate the accumulated losses of our Company, which was completed on 25 July 2023 ("Capital Reduction");

(b) Shares issuance of 60,000,000 new FSBM Shares ("Subscription Shares") to the subscribers, which the Subscription Shares had been allotted to the subscribers on 2 August 2023, and the listing of the Subscription Shares will be on the same day as the listing of the Rights Shares and Warrants ("Shares Issuance"); and

(c) Renounceable rights issue of up to 236,659,300 Rights Shares on the basis of 1 Rights Share for every 1 existing FSBM Share held as at 5.00 p.m. on Friday, 25 August 2023, together with up to 118,329,650 Warrants on the basis of 1 Warrant for every 2 Rights Shares subscribed for at an issue price of RM0.03 per Rights Share ("Rights Issue with Warrants"),

(collectively, referred to as the "Regularisation Plan").

The effects arising from the Capital Reduction and Shares Issuance have been adjusted as the subsequent events.

2. Basis of Preparation

The Pro Forma Consolidated Statements of Financial Position, of which the Directors of the Company are solely responsible, have been prepared in a manner consistent with both the format of the financial statements and the accounting policies adopted in the preparation of the unaudited consolidated financial statements of the Group for the 6-month financial period ended 30 June 2023 and the audited financial statements of the Group for the financial year ended 31 December 2022.

The unaudited consolidated financial statements of the Group for the 6-month financial period ended 30 June 2023 used in the preparation of the Pro Forma Consolidated Statements of Financial Position were prepared in accordance with the Malaysian Financial Reporting Standards, and International Financial Reporting Standards in Malaysia.

Capital Reduction Reserve

Capital reduction reserve represents the surplus credit amount after the elimination on the consolidated accumulated losses of the Company pursuant to the Capital Reduction.

Other Reserve

The other reserve represents the discount on the issuance of the Rights Shares, the value of which is represented by the fair value of the Warrants. The other reserve, in substance, forms part of the issued share capital and is presented separately for better understanding.

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2. Basis of Preparation (cont'd)

Warrants Reserve

Warrants reserve represents reserve allocated to the Warrants issued with the Rights Shares.

The new Shares allotted and issued upon exercise of the Warrants shall rank equally in all respects with the existing Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid for which the entitlement date precedes the date of allotment of the new Shares arising from exercise of the Warrants.

Theoretical fair value of the Warrants under the Rights Issue with Warrants

The theoretical fair value of the Warrants to be issued as part of the Rights Issue with Warrants is RM0.1332 and is determined using the Trinomial pricing model as extracted from Bloomberg and based on the following inputs:

Cut-off date	2 August 2023
Theoretical Ex-Rights Price ("TERP") based on 5-day Volume-Weighted Average Price ("VWAP") up to cut-off date	RM0.1332
Exercise price of the Warrants	RM0.0500
Tenure of the Warrants	5 years
Volatility (*)	28.258%

Note (*)
Volatility is arrived at based on Bursa Malaysia Securities Berhad's technology index for the past 5 years as historically the Company, which is in the technology sector, had minimal operations and minimal share transactions.

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2. Basis of Preparation (cont'd)

Warrants Reserve (cont'd)

Relative fair value

Fair value of Rights Shares and Warrants are adjusted for the apportionment of its relative fair value between share capital and warrants reserve. The apportionment of its relative fair value is as below:

Minimum Scenario

	RM'000
Total proceeds	6,000

	Number of shares	Theoretical fair value RM	Total Value RM'000	FV Relative Ratio	Allocated Amount RM'000
Rights Share	200,000,000	0.1332	26,640	74.4%	4,462
Warrant	100,000,000	0.0918	9,180	25.6%	1,538
			35,820	100.0%	6,000

Maximum Scenario

	RM'000
Total proceeds	7,100

	Number of shares	Theoretical fair value RM	Total Value RM'000	FV Relative Ratio	Allocated Amount RM'000
Rights Share	236,659,300	0.1332	31,523	74.4%	5,280
Warrant	118,329,650	0.0918	10,863	25.6%	1,820
			42,386	100.0%	7,100

The theoretical fair value for the Rights Share is based on the theoretical ex-rights price of FSBM calculated based on 5-day VWAP up to 2 August 2023

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2. Basis of Preparation (cont'd)

For the purpose of the Pro Forma Consolidated Statements of Financial Position, the following two (2) scenarios were illustrated:

2.1 Minimum Scenario

Pro forma I

Pro forma I is arrived at after accounting for the effects of the following 2 subsequent events on the unaudited consolidated statements of financial position of the Group as at 30 June 2023:

(a) Capital Reduction

i The Capital Reduction had reduced the issued share capital of the Company by RM14.292 million via the cancellation of the issued share capital of the Company and the credit arising from the cancellation of the issued share capital of the Company was used to eliminate the accumulated losses;

ii. The Capital Reduction of RM14.292 million after eliminating accumulated losses of the Company resulted a surplus credit of RM3.626 million, and the surplus shall be credited to the capital reduction reserve; and

iii. The Capital Reduction had been completed on 25 July 2023, hence, a total of RM0.254 million of remaining related costs had been expensed off with a corresponding credit to other receivables.

(b) Share Issuance

The effects of the Shares Issuance involved the issuance of 60,000,000 Subscription Shares at a subscription price of RM0.08 per Subscription Share to raise gross proceeds of RM4.800 million of which the allotment had been completed on 2 August 2023, and gave rise to a net increase of RM4.594 million in the issued share capital after set off expenses in relation to the Shares Issuance of RM0.207 million against share capital with the corresponding credit to other receivables.

The gross proceeds of RM4.800 million is held by Malacca Securities Sdn. Bhd. ("Malacca Securities") in escrow, pending the listing and quotation of the Subscription Shares. The Subscription Shares will be listed together with the Rights Shares and Warrants. .

Pro forma II

Pro forma II incorporated the effects of Pro forma I and the effects of Rights Issue with Warrants.

The effects of the Rights Issue with Warrants are as follows:

i. Issuance of 200,000,000 Rights Shares at an issue price of RM0.03 per Rights Share together with 100,000,000 Warrants, to raise the gross proceeds of RM6.000 million. The issuance of 200,000,000 Rights Shares at the issue price of RM0.03 each is adjusted for the apportionment of its relative fair value between share capital and warrants reserve. The net increase in the issued share capital after accounting for the estimated expenses for the Rights Issue with Warrants of RM0.687 million is RM5.313 million;

ii. Issuance of 100,000,000 Warrants at theoretical fair value of RM0.0918 each based on Bloomberg trinomial model and adjusted for the apportionment of its relative fair value between share capital and warrants reserve. Total of RM1.538 million is recognised as an increase to warrants reserve with a corresponding entry to other reserve; and

iii. Upon completion of Rights Issue with Warrants, the balance amount of the remaining unpaid expenses of RM0.882 million as at 30 June 2023 is deducted from cash and bank balance with corresponding entry to other payables and the proceeds from the Shares Issuance of RM4.800 million will be released by Malacca Securities to the Company.

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2.1 Minimum Scenario (cont'd)

Pro forma III

Pro forma III incorporated the effects of Pro forma I and II and the effects assuming all Warrants are exercised as follows:

i. The issuance of 100,000,000 new FSBM Shares arising from the exercise of 100,000,000 Warrants at the exercise price of RM0.05 each which will raise the gross proceeds of RM5.000 million and give rise to an increase in the issued share capital by RM5.000 million;

ii. Extinguishment of both the warrants reserve and other reserve by RM1.538 million each respectively; and

iii. The assumption of full conversion of Warrants under Pro forma III is to illustrate the effects on the share capital and net assets upon the full conversion of the Warrants in accordance with Paragraph 5.15(a)(ii) of Part II – Content of Prospectus (Division 5) of the Prospectus Guidelines issued by Securities Commission Malaysia.

2.2 Maximum Scenario

Pro forma I

Pro forma I is arrived at accounting for the effects of the following 2 subsequent events on the unaudited consolidated statements of financial position of the Group as at 30 June 2023.

(a) Capital Reduction

i The Capital Reduction had reduced the issued share capital of the Company by RM14.292 million via the cancellation of the issued share capital of the Company and the credit arising from the cancellation of the issued share capital of the Company was used to eliminate the accumulated losses;

ii. The Capital Reduction of RM14.292 million after eliminating accumulated losses of the Company resulted a surplus credit of RM3.626 million, and the surplus shall be credited to the capital reduction reserve; and

iii. The Capital Reduction had been completed on 25 July 2023, hence, a total of RM0.254 million of remaining related costs had been expensed off with a corresponding credit to other receivables.

(b) Share Issuance

The effects of the Shares Issuance involved the issuance of 60,000,000 Subscription Shares at a subscription price of RM0.08 per Subscription Share to raise gross proceeds of RM4.800 million of which the allotment had been completed on 2 August 2023, and gave rise to a net increase of RM4.594 million in the issued share capital after set off expenses in relation to the Shares Issuance of RM0.207 million against share capital with the corresponding credit to other receivables.

The gross proceeds of RM4.800 million is held by Malacca Securities in escrow, pending the listing and quotation of the Subscription Shares. The Subscription Shares will be listed together with the Rights Shares and Warrants.

2.2 Maximum Scenario (cont'd)

Pro forma II

Pro forma II incorporated the effects of Pro forma I and the effects of Rights Issue with Warrants.

The effects of the Rights Issue with Warrants are as follows:

i. Issuance of 236,659,300 Rights Shares at an issue price of RM0.03 per Rights Share together with 118,329,650 Warrants, to raise the gross proceeds of RM7.100 million. The issuance of 236,659,300 Rights Shares at the issue price of RM0.03 each is adjusted for the apportionment of its relative fair value between share capital and warrants reserve. The net increase in the issued share capital after accounting for estimated expenses for the Rights Issue with Warrants of RM0.687 million is RM6.413 million;

ii. Issuance of 118,329,650 Warrants at theoretical fair value of RM0.0918 each based on Bloomberg trinomial model and adjusted for the apportionment of its relative fair value between share capital and warrants reserve. Total of RM1.820 million is recognised as an increase to warrants reserve with a corresponding entry to other reserve; and

iii. Upon completion of Rights Issue with Warrants, the balance amount of the remaining unpaid expenses as at 30 June 2023 of RM0.882 million is deducted from cash and bank balance with corresponding entry to other payables and the proceeds from the Shares Issuance of RM4.800 million will be released by Malacca Securities to the Company.

Pro forma III

Pro forma III incorporated the effects of Pro forma I and II and the effects of all Warrants are exercised are as follows:

i. The issuance of 118,329,650 new FSBM Shares arising from the exercise of 118,329,650 Warrants at the exercise price of RM0.05 each, which will raise the gross proceeds of RM5.916 million and give rise to an increase in the issued share capital by RM5.916 million;

ii. Extinguishment of both the warrants reserve and other reserve by RM1.820 million each respectively; and

iii. The assumption of full conversion of Warrants under Pro forma III is to illustrate the effects on the share capital and net assets upon the full conversion of the Warrants in accordance with Paragraph 5.15(a)(ii) of Part II – Content of Prospectus (Division 5) of the Prospectus Guidelines issued by Securities Commission Malaysia.

3.0 Utilisation of proceeds

The proceeds from the Shares Issuance and Rights Issue with Warrants are envisaged to be utilised as follows:

	Minimum Scenario RM'000	Maximum Scenario RM'000
Expansion of Information Technology Services business	4,840	5,907
General Working Capital	3,960	3,993
Defray estimated expenses*	2,000	2,000
	10,800	11,900

The Pro Forma Consolidated Statements of Financial Position has only considered the utilisation of proceeds towards defraying the estimated expenses whereas the proposed utilisation of proceeds with regards to the expansion of the information technology services business and general working capital is assumed to remain in cash and bank balances pending its utilisation.

Based on the latest practicable date of the Abridged Prospectus as at 2 August 2023, there are no supportable purchase orders, sales and purchase agreements or contractual binding agreements in relation to the utilisation of proceeds for expansion of Information Technology services business as well as general working capital. In view that the utilisation of proceeds for the purposes above are not factually supported, hence, such utilisation of proceeds will not be illustrated in this pro forma consolidated statements of financial position.

Defray estimated expenses to be charged to/set-off against:

	Capital Reduction RM'000	Shares Issuance RM'000	Proposed Rights Issue with Warrants RM'000	Total RM'000
Minimum/Maximum Scenario				
- Share capital	-	207	687	894
- Accumulated losses	1,106	-	-	1,106
	1,106	207	687	2,000

* *The defray estimated expenses totalling to RM2.000 million to be borne by the Company comprise, amongst others, professional fees, fees to relevant authorities and miscellaneous expenses, of which RM1.148 million has been capitalised in prepayment of the Company up to 30 June 2023. A total of RM0.894 million is assumed to be attributable to the issuance of new FSBM Shares pursuant to the Shares Issuance and Rights Issue with Warrants and as such, will be debited against the share capital of the Company and the remaining expenses of RM1.106 million are assumed to be attributable to the Regularisation Plan and as such, will be expensed off to the statement of comprehensive income.*

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3.0 Utilisation of proceeds (cont'd)

Reconciliation of estimated expenses to be charged out and to be paid subsequent to 30 June 2023 are as below:

	Minimum/ Maximum Scenario RM'000
Expenses allocted to be expensed off	1,106
Accumulated expenses already charged out as at 30 June 2023	(852)
Balance to be expensed off at Proforma I	254
Total defray expenses	2,000
Total paid out as at 30 June 2023	(1,118)
Balance to be paid	882

4.0 Cash and bank balances

The movements in cash and bank balances of

	Cash and Bank Balances RM'000
Minimum Scenario	
Unaudited as at 30 June 2023/Proforma I	3,701
Effects of Pro Forma II	
- Proceeds from the Rights Issue with Warrants	6,000
- Payment of remaining expenses in relation to the Regularisation Plan	(882)
- Proceeds from the Shares Issuance	4,800
Pro Forma II	13,619
Effects of Pro Forma III	
- Proceeds from the exercise of Warrants	5,000
Pro Forma III	18,619
Maximum Scenario	
Unaudited as at 30 June 2023/Proforma I	3,701
Effects of Pro Forma II	
- Proceeds from the Rights Issue with Warrants	7,100
- Payment of remaining expenses in relation to the Regularisation Plan	(882)
- Proceeds from the Shares Issuance	4,800
Pro Forma II	14,719
Effects of Pro Forma III	
- Proceeds from the exercise of Warrants	5,916
Pro Forma III	20,635

5.0 Trade and other receivables (cont'd)

The movements in trade and other receivables of the Group are as follows:

	Trade and Other Receivables RM'000
Minimum Scenario	
Unaudited as at 30 June 2023	7,361
Effects of Pro Forma I	
- Expenses in relation to the Regularisation Plan charged out to the statement of comprehensive income	(254)
- Expenses in relation to the Shares Issuance being set off against share capital	(207)
- Proceeds from the Shares Issuance held in escrow by Malacca Securities	4,800
Pro Forma I	11,700
Effects of Pro Forma II	
- Estimated expenses in relation to the Rights Issue with Warrants	(687)
- Transfer of proceeds from the Shares Issuance by Malacca Securities to the Company	(4,800)
Pro Forma II and III	6,213
Maximum Scenario	
Unaudited as at 30 June 2023	7,361
Effects of Pro Forma I	
- Expenses in relation to the Regularisation Plan charged out to the statement of comprehensive income	(254)
- Expenses in relation to the Shares Issuance being set off against share capital	(207)
- Proceeds from the Shares Issuance held in escrow by Malacca Securities	4,800
Pro Forma II	11,700
Effects of Pro Forma II	
- Estimated expenses in relation to the Rights Issue with Warrants	(687)
- Transfer of proceeds from the Shares Issuance by Malacca Securities to the Company	(4,800)
Pro Forma II and III	6,213

Total estimated expenses for the Regularisation Plan is approximately RM2.000 million of which RM1.148 million had been incurred by the Group and capitalised as prepayment in the trade and other receivables balance as at 30 June 2023. The prepayment will then reclassified to set off against share capital and accumulated losses respectively upon the completion of the Capital Reduction, Shares Issuance and Rights Issue with Warrants respectively.

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6.0 Share capital, capital reserve, warrants reserve and accumulated losses

The movements in share capital, other reserve, capital reduction reserve, warrants reserve and accumulated losses of the Group are as follows:

	Share Capital RM'000	Other Reserve RM'000	Capital Reduction Reserve RM'000	Warrants Reserve RM'000	Accumulated Losses RM'000
Minimum Scenario					
Unaudited as at 30 June 2023	24,314	-	-	-	(10,666)
Effects of Pro Forma I					
- Capital reduction	(14,292)	-	3,626	-	10,666
- Expenses in relation to the Regularisation Plan charged out to the statement of comprehensive income	-	-	-	-	(254)
- Issuance of Subscription Shares	4,800	-	-	-	-
- Expenses set off against Share Capital in relation to the Shares Issuance	(207)	-	-	-	-
Pro Forma I	14,615	-	3,626	-	(254)
Effects of Pro Forma II					
- Issuance of Rights Shares with Warrants	6,000	(1,538)	-	1,538	-
- Estimated expenses	(687)	-	-	-	-
Pro Forma II	19,928	(1,538)	3,626	1,538	(254)
Effects of Pro Forma III					
- Exercise of Warrants in relation to Rights Issue with Warrants	5,000	1,538	-	(1,538)	-
Pro Forma III	24,928	-	3,626	-	(254)

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6.0 Share capital, capital reserve, warrants reserve and accumulated losses (cont'd)

The movements in share capital, other reserve, warrants reserve and accumulated losses of the Group are as follows: (cont'd)

Maximum Scenario	Share Capital RM'000	Other Reserve RM'000	Capital Reduction Reserve RM'000	Warrants Reserve RM'000	Accumulated Losses RM'000
Unaudited as at 30 June 2023	24,314	-	-	-	(10,666)
Effects of Pro Forma I					
- Capital reduction	(14,292)	-	3,626	-	10,666
- Expenses in relation to the Regularisation Plan charged out to the statement of comprehensive income	-	-	-	-	(254)
- Issuance of Subscription Shares	4,800	-	-	-	-
- Expenses set off against Share Capital in relation to the Shares Issuance	(207)	-	-	-	-
Pro Forma I	14,615	-	3,626	-	(254)
Effects of Pro Forma II					
- Issuance of Rights Shares with Warrants	7,100	(1,820)	-	1,820	-
- Estimated expenses	(687)	-	-	-	-
Pro Forma II	21,028	(1,820)	3,626	1,820	(254)
Effects of Pro Forma III					
- Exercise of Warrants in relation to Rights Issue with Warrants	5,916	1,820	-	(1,820)	-
Pro Forma III	26,944	-	3,626	-	(254)

MOORE STEPHENS ASSOCIATES PLT
201304000972 (LLP0000963-LCA)
Chartered Accountants (AF002096)
For Identification Purposes Only

7.0 Other payables

	Other Payables RM'000
Minimum/Maximum Scenario	
Unaudited as at 30 June 2023/Proforma I	2,036
Effects of Pro Forma II	
- Payment of remaining estimated expenses in relation to the Regularisation Plan	(882)
Pro Forma II and III	1,154

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PROVIDENCE
STRATEGIC PARTNERS

PROVIDENCE STRATEGIC PARTNERS SDN BHD
(1238910-A)
67-1, Block D, Jaya One, Jalan Prof Diraja Ungku Aziz
46200 Petaling Jaya, Selangor, Malaysia.
T: +603 7625 1769

Date: 1 5 AUG 2023

The Board of Directors
FSBM HOLDINGS BERHAD
603, Block A, Phileo Damansara 1
No. 9, Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya, Selangor, Malaysia

Dear Sirs,

INDUSTRY OVERVIEW ON THE INFORMATION TECHNOLOGY ("IT") SERVICES INDUSTRY IN MALAYSIA IN RELATION TO THE REGULARISATION PLAN OF FSBM HOLDINGS BERHAD ("REGULARISATION PLAN")

PROVIDENCE STRATEGIC PARTNERS SDN BHD ("**PROVIDENCE**") has prepared this Industry Overview on the IT Services Industry in relation to the Regularisation Plan.

PROVIDENCE has taken prudent measures to ensure reporting accuracy and completeness by adopting an independent and objective view of these industries within the confines of secondary statistics, primary research and evolving industry dynamics. We believe that this IMR report presents a balanced view of the industries within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive.

For and on behalf of PROVIDENCE:

MELISSA LIM
EXECUTIVE DIRECTOR

About PROVIDENCE STRATEGIC PARTNERS SDN BHD:

PROVIDENCE is an independent research and consulting firm based in Petaling Jaya, Selangor, Malaysia. Since our inception in 2017, PROVIDENCE has been involved in the preparation of independent market research reports for capital market exercises. Our reports aim to provide an independent assessment of industry dynamics, encompassing aspects such as industry performance, demand and supply conditions and competitive landscape.

About MELISSA LIM:

Melissa Lim is the Executive Director of PROVIDENCE. She has more than 10 years of experience in market research for capital market exercises. Melissa Lim holds a Bachelor of Commerce (Double major in Marketing and Management) from Murdoch University, Australia.

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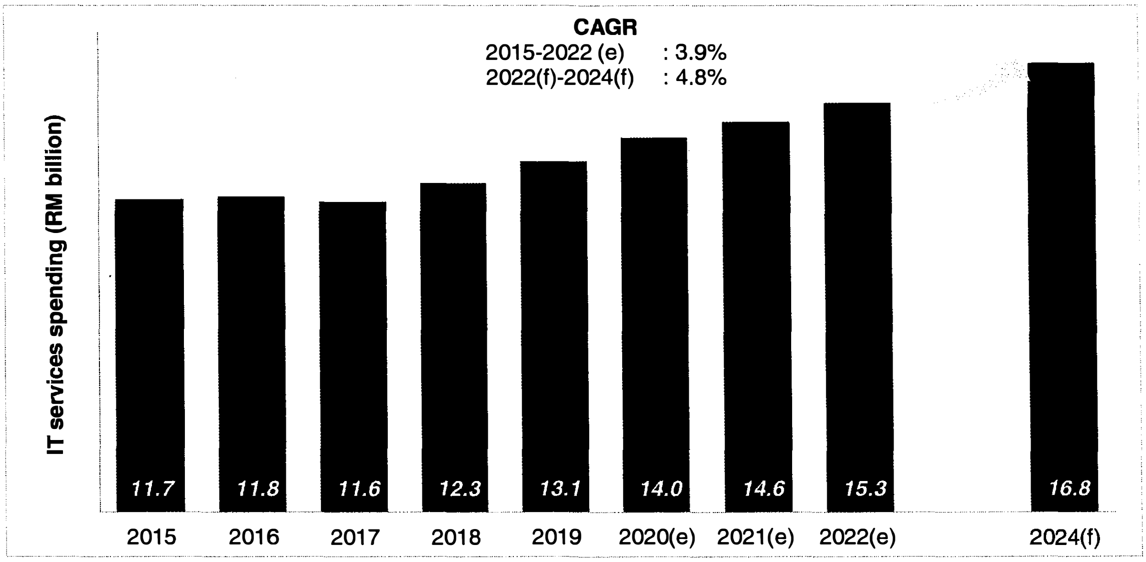
1 IT SERVICES INDUSTRY IN MALAYSIA

IT services refer to the provision of professional services supporting IT solutions, including design and development of IT solutions, maintenance services, refurbishment of IT equipment and managed IT services.

The IT services industry in Malaysia, as measured by spending on IT services, grew from RM11.7 billion in 2015 to an estimated RM15.3 billion in 2022 at a CAGR of 3.9%. Moving forward, the IT services industry in Malaysia is forecast to grow by a further CAGR of 4.8%, from an estimated RM15.3 billion in 2022 to RM16.8 billion in 2024.

IT services industry size in Malaysia



Notes:

(e) – estimate

(f) - Forecast

Source: Gartner, PROVIDENCE

The growth of the IT services industry in Malaysia is driven by:

(i) The digitalisation of the economy, leading to demand for IT hardware

The digitalisation of the economy is known as the "Digital Economy", which refers to the increasing adoption and utilisation of IT solutions in carrying out day-to-day operational tasks across various economic sectors in order to improve efficiency and facilitate globalisation. The pervasive impact of the Digital Economy can be observed throughout various economic sectors including the banking sector (where cash-based transactions have shifted to online based transactions) and retail sector (where stores are no longer limited to physical outlets but also e-commerce platforms). In Malaysia, the contribution of the Digital Economy to the country's gross domestic product (GDP) has grown from 18.2% in 2016 to 23.2% in 2021.[1]

The Coronavirus disease ("**COVID-19**") pandemic has also played a part in driving the Digital Economy. In order to curb the spread of COVID-19, national lockdown measures were imposed globally, including in Malaysia, and this forced corporations and organisations to adapt to work-

[1] Source: Department of Statistics Malaysia. Last publicly available data on 2021.

from-home arrangements. Thus, technological solutions such as file sharing, messaging platforms, video conferencing and project management tools became a necessity in facilitating collaboration.

The Digital Economy is expected to expand in the country and as such, the demand for IT platforms are expected to increase. As the demand for IT platforms increases, this will also lead to a greater need for IT services to design and develop these IT platforms.

(ii) Growing e-commerce transactions will encourage a shift towards retailing products via e-commerce

E-commerce refers to the sale and purchase of products and services via the Internet. The e-commerce market size in Malaysia, as depicted by e-commerce transaction values in the country, increased from RM195.1 billion in 2015 to an estimated RM454.7 billion in 2022 at CAGR of 12.8%.[2] The recent and on-going COVID-19 pandemic led to the implementation of national lockdown policies in Malaysia which restricted travel, movement and/or business activities. As a result, consumers have been spending more time on the Internet to purchase products, and this has led to higher number of e-commerce transactions in 2020 and 2021.

The growth of the e-commerce market has been, and is expected to continue to be, driven by the growing broadband penetration, proliferation of mobile devices and increased acceptance of digital payments in the country.

As the e-commerce market continue to grow, an increasing number of corporations and organisations are expected to adopt e-commerce as a means to retail their products and services. This is expected to increase the need for IT services to design and develop e-commerce platforms.

(iii) Shift towards smart factories to fully automate operations

Smart factories refer to production facility environments where machinery and equipment are interconnected using IoT technology. The interconnectivity of machinery and equipment enables automation of not only the manufacturing processes but also all other processes in the production facility, from the receipt of raw materials and supplies to the production and assembly of end-products.

Minimal human intervention is required to operate such a production facility, as workers can remotely supervise, monitor and control the operations of the entire production facility from a control room. Further, smart factory solutions also enable data to be shared throughout the organisation, enabling the organisation to make better business decisions, identify areas of concern or improvement as well as better utilisation of resources.

The need for such level of automation was notable during the COVID-19 pandemic in 2020, and is still on-going, where many organisations were forced to adapt to remote working arrangements due to lockdowns imposed to curb the spread of virus, and reduce reliance on human resources.

As the companies involved in manufacturing activities begin to digitalise their operations and shift towards smart factories, new smart manufacturing solutions are expected to be in demand to enable this shift. This is thus expected to lead to an increase in demand for IT services to design, develop and implement these solutions.

(iv) The rapid pace of technological evolution

The evolution of the ICT sector which has given rise to technological concepts such as big data, artificial intelligence and IoT is leading to a shift in the way businesses are operated today. Big data

[2] Source: Department of Statistics Malaysia, PROVIDENCE analysis

refers to the technology of managing and processing large data sets within a short time frame. Meanwhile, artificial intelligence describes technology that can turn data analysis into meaningful solutions. The IoT refers to a network of devices and sensors that are able to communicate and transfer data between them and other parties in a seamless manner.

Under the 11th Malaysia Plan, the Government of Malaysia (herein referred to as "**the Government**") has announced several initiatives to grow these technologies within Malaysia. The National IoT Strategic Framework estimates that the market for IoT in Malaysia will reach RM9.8 billion in 2020. Meanwhile, the Government intends to accelerate the adoption of big data through the National Big Data Analytics Framework which would spur demand for big data in all sectors, catalyse adoption of big data in the public sector and build the big data industry in Malaysia. This will be undertaken through data science programmes conducted by local and foreign universities and data science institutes, as well as upskilling talent in Malaysia in this area.

With the use of IoT, big data and artificial intelligence in critical business operations, data recorded digitally is expected to grow accordingly. This illustrates a continuous need for corporations and organisations to obtain ICT solutions with larger capacities in order to keep up with the increasing volume of digital data, especially for storage of backup data. The adoption of these technologies in corporations and organisations will lead to an increase in demand for IT hardware with higher processing capabilities. In order to minimise capital expenditure on IT hardware, corporations and organisations are expected to acquire or rent or lease refurbished IT hardware.

(v) Government initiatives to encourage digitalisation among businesses

The Government of Malaysia launched the Industry Digitalisation Transformation Fund, offering RM1 billion worth of loans with an interest subsidy of 1.5% for all Malaysian companies interested to digitalise their businesses, in an effort to transform the country to a preferred location for high tech manufacturing. The fund aims to accelerate adoption of new technology including artificial intelligence, automation, big data and robotics among Malaysian companies.

The National Fiberisation and Connectivity Plan 2019-2023 will provide a favourable environment for the digitalisation of businesses, as it aims to provide higher quality broadband at lower prices and improve connectivity throughout the country. This will have a positive impact on digitalisation, as high-quality digital connectivity is crucial to create and share digital data.

Further, in an effort to cushion the headwinds arising from the COVID-19 pandemic, the Government also announced several initiatives including providing grants and loans to eligible enterprises under the SME Digitalisation Matching Grant totalling RM100 million, SME Technology Transformation Fund totalling RM500 million and Smart Automation Grant totalling RM100 million (capped at up to RM1 million per company). The Government also announced tax reliefs and exemptions to sustain work-from-home policies.

Additionally in 2021, the Government of Malaysia introduced the Malaysia Digital Economy Blueprint which aims to make Malaysia the regional leader in digital economy as well as to achieve inclusive, responsible, and sustainable socioeconomic development. The Blueprint has been divided into three separate phases that focuses on different aspects of the Digital Economy. Phase 1 begins in 2021 to 2022 and focuses on accelerating and strengthening the foundation of digital adoption. While Phase 2 begins from 2023 to 2025, which aims to drive the inclusivity of digital transformation. Phase 3 which starts in 2026 to 2030 will focus on strong and sustainable growth as well as positioning Malaysia to become a regional market player for digital products and digital solutions provider. The Government of Malaysia has allocated a total of RM21 billion through the National Digital Network (Jendela) as a method to boost the implementation of the initiative.

In addition, under the 12th Malaysia Plan, efforts will be undertaken to enable growth of the digital economy. One of Policy Enablers in the 12th Malaysia Plan includes accelerating technology adoption and innovation, where it aims to accelerate the adoption and application of digital and advance technology, particularly the Fourth Industrial Revolution (4IR) technologies. The strategies that will be undertaken in advancing digital economy includes:

- providing an enabling environment for the growth of the digital economy by streamlining digital governance, accelerating trade through e-commerce and strengthening cybersecurity;
- strengthening provision of digital infrastructure and services by facilitating adoption of emerging and alternative technology as well as encouraging investments in submarine cable landing stations to improve fixed broadband services and promote the establishment of high-end data centres;
- developing future-ready digital talent by incorporating digital technology into the school curriculum to mould digital talent from an early age and enhancing industrial training (including upskilling and reskilling programmes) to develop more digital content talent; and
- positioning Malaysia as the Association of Southeast Asian Nations (ASEAN) digital centre by facilitating strategic and quality investment and digitalising micro, small and medium enterprises to broaden market access.

These Government initiatives are expected to drive businesses to adopt digitalisation, which will also benefit the IT services industry.

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APPENDIX IV – ADDITIONAL INFORMATION

1. CONSENTS

(i) The written consents of the Principal Adviser, Company Secretary, Reporting Accountants, Independent Market Researcher, Solicitors and Share Registrar for the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not subsequently withdrawn.

(ii) The written consents of Bloomberg for the inclusion in this Abridged Prospectus of its name and citation of the market data made available to its subscribers in the form and context in which such name and market data appear has been given before the issuance of this Abridged Prospectus and has not been subsequently withdrawn.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at our Company's registered office at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia, during normal business hours from Mondays to Fridays (except public holidays) for a period of 6 months from the date of this Abridged Prospectus:-

(i) Constitution of FSBM;

(ii) the Mr Pang Undertaking Letter;

(iii) the Dr Chew Undertaking Letter;

(iv) the Mr Yeo Undertaking Letter;

(v) the report on compilation of the Proforma Consolidated Statement of Financial Position of FSBM as at 30 June 2023 in connection with the Rights Issue with Warrants dated 15 August 2023;

(vi) the independent market research report dated 15 August 2023;

(vii) the undertaking letter dated 22 September 2022 by Mr Pang that he will not carry on any trade or business in relation to smart manufacturing solutions, i.e. MES and related modules that are in competition with FSBM Group as disclosed in Section 4.1(a)(ii);

(viii) the undertaking letter dated 22 September 2022 by Aresys Ind. that it will not carry on any trade or business in relation to smart manufacturing solutions, i.e. MES and related modules that are in competition with FSBM Group as disclosed in Section 4.1(a)(ii);

(ix) the material contracts referred to in Section 8 of Appendix I; and

(x) the letters of consent referred to in Section 1 of Appendix IV.

3. RESPONSIBILITY STATEMENTS

Our Directors have seen and approved all documentation relation to the Rights Issue with Warrants. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in the Abridged Prospectus false or misleading.

Malacca Securities, being the Principal Adviser and Sole Underwriter for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of their knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.