

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

EXCLUSIVE AGENCY CONTRACT ENTERED BETWEEN FSBM MES ELITE SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, AND T-PARUS TRADING CO., LTD.

1. INTRODUCTION

The Board of Directors of the Company (the "**Board**") wishes to announce that FSBM MES Elite Sdn Bhd, a wholly-owned subsidiary of the Company ("**FSBM MES**" or the "**Agent**"), has on 28 May 2024 entered into an exclusive agency contract with T-Parus Trading Co., Ltd. (the "**Supplier**") (hereinafter referred to as the "**Contract**"), which the Supplier has agreed to grant the Agent the distribution rights in Malaysia for the marketing, sales and/or services of Voltage SAG Protector (VSP) named as T-Parus Technology subject to and upon the terms and conditions of the Contract.

FSBM MES and the Supplier are, collectively, the "**Parties**" and individually a "**Party**".

2. INFORMATION ON SUPPLIER

The Supplier is a company incorporated in Taiwan with its address at No. 358, Sec. 2, Jingmao Rd., Xitun Dist., Taichung City 407013, Taiwan (R.O.C.) and is principally involved in the semiconductor business.

3. SALIENT TERMS OF THE CONTRACT

The salient terms and conditions of the Contract, among others, are set out as follows:-

3.1 Purpose

The Supplier agrees to grant the Agent the distribution rights in Malaysia ("**Contractual Territory**") for the marketing, sales and/or services of Voltage SAG Protector (VSP) named as T-Parus Technology ("**Contractual Products**") and there shall be no territorial limitations on the distribution of the Contractual Products so long as the orders are placed exclusively through the Agent.

3.2 Roles and Responsibilities of Each Party

(1) SUPPLIER

The Supplier agrees and undertakes as follows:

- (a) to execute orders of Agent punctually and diligently;
- (b) to provide Agent with timely and up-to-date information regarding its delivery program, global selling prices, delivery times, as well as its sales and delivery conditions;
- (c) to provide and pass directly to the Agent copies of all direct technical and sales orders correspondence between the Supplier and customers within the Contractual Territory, as well as copies of forecast and orders at global-level that imply shipments or orders within the Contractual Territory;
- (d) to provide services, supports and training for technical reasons or problems in relation to the Contractual Products;
- (e) to provide Agent the technical specification and training relating to the Contractual Products;
- (f) to grant the Agent an exclusive, revocable and non-transferable licence in the Contractual Territory, during the term of the Contract, to use the Supplier's trademarks and intellectual property rights relating to the Contractual

Products for the sole purpose of performing Agent's obligations under the Contract; and

- (g) to comply with all applicable laws, regulations and standards in relation to the supply of the Contractual Products to the Agent.

(2) FSBM MES

FSBM MES:

- (a) shall be authorised to solicit customers in the Contractual Territory and negotiate the sale of Contractual Products in the Contractual Territory on behalf of the Supplier; and
- (b) may request for product specialist from the Supplier when support for technical reasons or problems is required.

FSBM MES agrees and undertakes as follows:

- (c) to intensively canvass the entire Contractual Territory, maintain close contact with customers and attract new customers for the Supplier;
- (d) to keep the Supplier informed of all important matters of which it obtains knowledge in its business relations concerning the wishes and complaints of the customers and the activities of competitors, customers' target price and so on;
- (e) to provide the Supplier with monthly detailed reports on customers visits as well as specifically with forecasts, lost order reports, market information and competitive landscape;
- (f) to adhere to the Supplier's global pricing policy and shall make payment in full for the Contractual Products to the Supplier by way of telegraphic transfer within 30 days of delivery;
- (g) to not manufacture nor market competing products for the duration of the Contract without the express consent of the Supplier. The restriction also applies to competing products in used condition, and second sourcing of parts and systems from a third party without the Supplier's consent; and
- (h) to not establish any branches or maintain any warehouses outside of the Contractual Territory for soliciting customers for the Contractual Products.

3.3 Other Salient Terms

The Agent shall participate, at its own expense, in fairs and expositions and carry on publicity by advertising brochures, etc. and coordinating such efforts with the Supplier. Agent further agrees that the costs for centrally promoted campaigns, advertising and fair participation by the Supplier, in the direct or indirect interest of the Agent, will be shared proportionately, with the prior approval of both Parties.

3.4 Term of the Contract

The Contract is effective as of 28 May 2024 and shall remain in force for one (1) year. Unless otherwise one of the parties is notified for termination by another party, the Contract will be automatically extended for one (1) year.

3.5 Termination

The Contract may be terminated (a) with the notice of termination which must be given three (3) months prior to the termination date by registered letter; or (b) for cause at any time with a notice period of ninety (90) days. The right to terminate for cause shall be

waived if the Party entitled to termination fails to exercise its right within thirty (30) days after it has received knowledge of the changes or cause. Among such cases are major changes to: legal status, ownership or controlling interests, management or financial standing of either Party to such an extent that the results, which the other Party could reasonably anticipate from the execution of the Contract, are jeopardized.

4. RATIONALE AND BENEFITS OF THE CONTRACT

The Exclusive Agency Contract enables us to broaden our product offerings by incorporating advanced technologies that cater to diverse customer needs and industry requirements. Additionally, this product has versatile applications, making them suitable for use across various industries, thereby enhancing our market reach and potential. Barring unforeseen circumstances, this will enhance the recurring revenue stream and contribute positively to the future earnings of FSBM.

5. RISK FACTORS

The Company does not foresee any exceptional risk other than the normal operational/business risks associated with the Contract. The Company will take the necessary steps to mitigate the risks as and when they occur.

6. FINANCIAL EFFECTS OF THE CONTRACT

The Contract will not have any effect on the share capital and substantial shareholders' shareholdings in the Company.

The Contract is not expected to have any material effect on the earnings per share, net assets per share and gearing of the Company for the financial year ending 31 December 2024. However, it is expected to contribute positively to the future earnings of FSBM and its subsidiaries should business opportunities arising from the Contract materialise.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, AND/OR PERSONS CONNECTED TO THEM

None of the directors, major shareholders and/or persons connected with them has any interest, direct or indirect in the Contract.

8. DIRECTORS' STATEMENT

The Board having considered all aspects of the Contract including the salient terms of the Contract, rationale for and benefits of the Contract, is of the opinion that the Contract is in the best interest of the Company.

9. APPROVALS REQUIRED

The Contract is not subject to the approval of shareholders and any other relevant authorities and is not conditional upon any other corporate exercise undertaken by the Company.

10. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Contract will be available for inspection at the registered office of FSBM at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan Malaysia during normal business hours on Mondays to Fridays (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 28 May 2024.