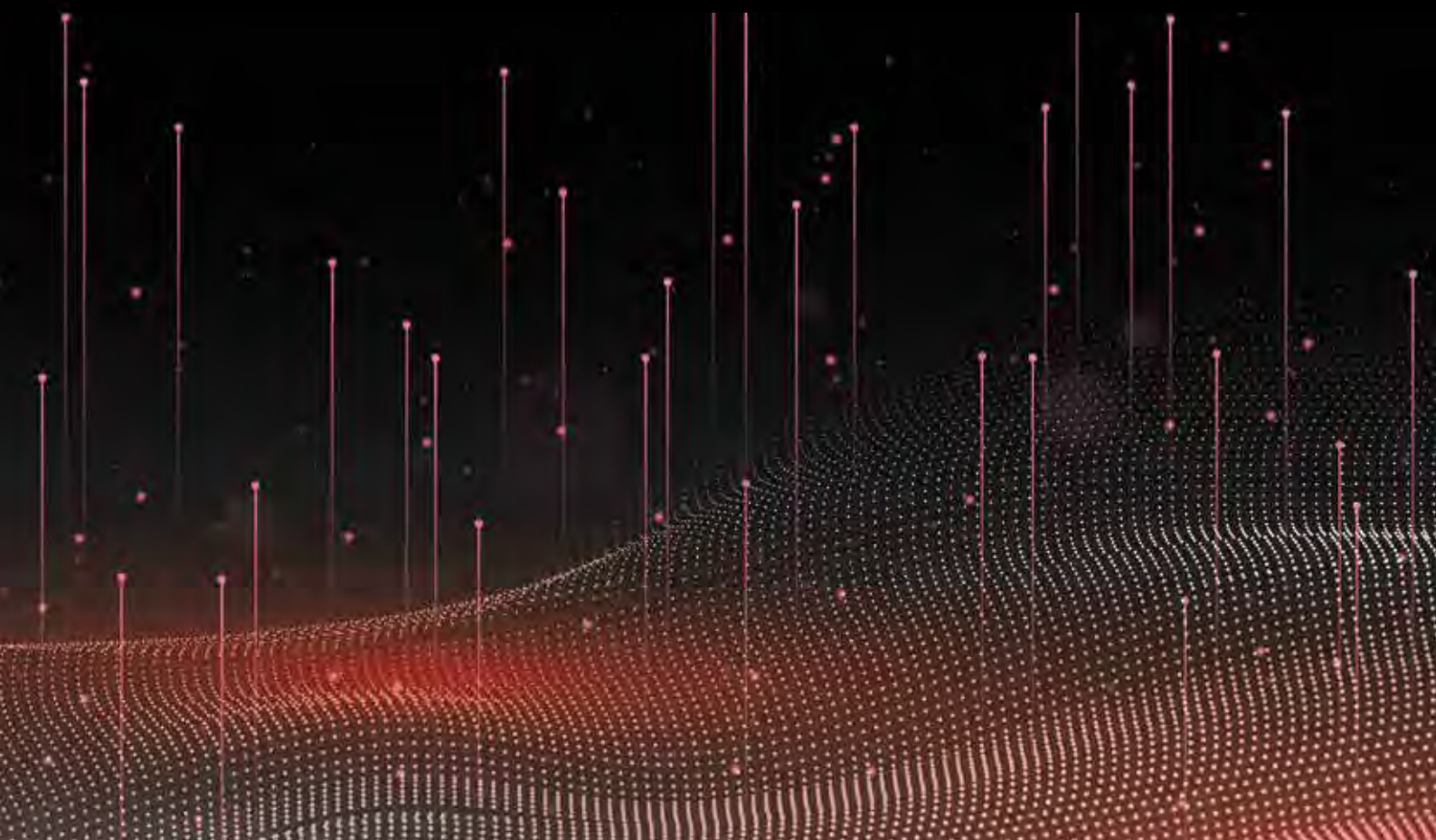




Annual Report
2024





The new, refined FSBM logo brings forward the brand's elevated identity — where precision meets adaptability.

The dynamic interplay of sharp angles and fluid curves reflects both technological excellence and seamless integration. The sharp edges highlight efficiency and precision, while the curves convey flexibility and transformation.

Together, they express FSBM's ability to deliver enterprise-grade solutions with the agility to adapt, innovate, and future-proof across the evolving needs of the industrial sector.

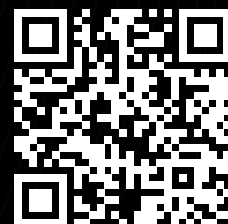
40th

ANNUAL GENERAL MEETING

Date:
Tuesday, 25 June 2024

Time:
10.30 a.m.

MEETING VENUE:
Strive Rooms, Level M3, VE Hotel & Residence,
Bangsar South City,
No. 8, Jalan Kerinchi
59200 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fortieth Annual General Meeting ("40th AGM") of FSBM Holdings Berhad ("FSBM" or "the Company") will be held at Stateroom 3, Level G, M Resort & Hotel, Jalan Damansara, Bukit Kiara, 60000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia on Friday, 20 June 2025 at 10.30 a.m. to transact the following businesses:

ORDINARY BUSINESS

- | | | |
|----|--|------------------------------|
| 1. | To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2024 and the Reports of the Directors and Auditors thereon. | Explanatory Note 8(i) |
| 2. | To approve payment of Directors' fees amounting to RM154,000 for the financial year ended 31 December 2024. | Resolution 1 |
| 3. | To re-elect the following Directors who retire by rotation in accordance with Clause 97 of the Company's Constitution: | |
| | a) Mr. Pang Kiew Kun | Resolution 2 |
| | b) Mr. Tey Giap Turn | Resolution 3 |
| 4. | To re-elect Mr. Chew Sir Boon who retires in accordance with Clause 104 of the Company's Constitution. | Resolution 4 |
| 5. | To re-appoint Messrs. Moore Stephens Associates PLT as the Company's Auditors for the ensuing financial year and to authorise the Directors to fix their remuneration. | Resolution 5 |

SPECIAL BUSINESS

To consider and if thought fit, to pass the following Resolution, with or without modifications:

- | | | |
|----|---|---------------------|
| 6. | RENEWAL OF AUTHORITY FOR DIRECTORS TO ISSUE SHARES | Resolution 6 |
|----|---|---------------------|

"THAT, subject always to the Companies Act 2016 (the "Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), any directives or modifications or reliefs issued by Bursa Securities from time to time in relation to the general mandate for issue of securities, and the approvals of the relevant governmental and/or regulatory authorities, where such approval is necessary, approval be and is hereby given to the Directors of the Company pursuant to Sections 75 and 76 of the Act to issue and allot shares in the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force provided always that the total number of new shares issued pursuant to this resolution when aggregate with the number of new shares issued during the preceding twelve (12) months does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being.

THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

THAT the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof.

AND THAT the Directors of the Company are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued on the Bursa Securities.

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS (CONT'D)

6. RENEWAL OF AUTHORITY FOR DIRECTORS TO ISSUE SHARES (CONT'D)

FURTHER THAT pursuant to Section 85 of the Act read together with Clause 54 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the existing shareholders of the Company to be offered with new shares ranking equally to the existing issued shares arising from the issuance and allotment of the new shares in the Company pursuant to Sections 75 and 76 of the Act AND THAT the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company."

ANY OTHER BUSINESS

7. To transact any other business of which due notice shall be given in accordance with the Companies Act 2016 and the Company's Constitution.

BY ORDER OF THE BOARD

LIM LI HEONG (SSM Practising Certificate No. 202008001981) (MAICSA 7054716)

WONG MEE KIAT (SSM Practising Certificate No. 202008001958) (MAICSA 7058813)

Company Secretaries

Kuala Lumpur
30 April 2025

NOTES:

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration to the instrument appointing a proxy must be initialised.
3. The instrument appointing a proxy must be deposited at the Company's Share Registrar office, 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, Wilayah Persekutuan Kuala Lumpur, Malaysia or alternatively, Tricor Drop-in Box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia not less than twenty-four (24) hours before time appointed for the taking of poll at this meeting or at any adjournment thereof.
4. A member entitled to attend and vote at this meeting is entitled to appoint one (1) or more proxies to attend and vote instead of him/her. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.
5. Where a member of the company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
6. The Company has put all the Resolutions as set out in the Notice of AGM to be voted by poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

NOTICE OF ANNUAL GENERAL MEETING

7. GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 16 June 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend and vote on his/her behalf.

8. EXPLANATORY NOTES ON ORDINARY/SPECIAL BUSINESS

- (i) Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 December 2024.

The Audited Financial Statements are laid pursuant to the provision of Section 340(1)(a) of the Companies Act 2016 and is meant for discussion only. It does not require formal approval of the shareholders of the Company and hence, Agenda 1 is not put forward for voting.

- (ii) Ordinary Resolution 1 – Directors' fees

Section 230(1) of the Companies Act 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved by shareholders at a general meeting. In this respect, the Board seeks the shareholders' approval at this AGM for the payment of Directors' fees.

The Board is of the view that it is just and equitable for the Directors to be paid the Directors' fees for their continuous effort to improve the Group financial performance. The Remuneration Committee has reviewed the proposed Directors' fees, and it was recognised that the Directors' fees payable is fair and equitable, and it is in the best interest of the Company. Hence, the Board seeks the shareholders to vote in favour of this resolution.

- (iii) Ordinary Resolutions 2 and 3 – Re-election of Directors pursuant to Clause 97 of the Constitution.

Clause 97 of the Constitution of the Company provides that an election of Directors shall take place each year at the AGM of the Company where one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire and be eligible for re-election provided that each Director must retire from office at least once in every three (3) years.

The profile of the retiring Directors, namely Mr. Pang Kiew Kun and Mr. Tey Giap Turn who stand for re-election and their interest in the securities of the Company are set out in the section of Directors' Profile in the Annual Report.

The Nomination Committee had assessed the performance of the above Directors and had rated their performance as "Competent" in discharging his duties and responsibilities as Directors. Both meet the Directors' fit and proper criteria as set out in the Directors' Fit and Proper Policy of the Company. The Board values the role and contributions of Mr. Pang Kiew Kun, who is the Managing Director, in overseeing the operations and strategic direction of the Group, and ensuring the business runs efficiently and effectively towards the achievement of the Groups' long-term goals. Mr. Tey Giap Turn as the Independent Non-Executive Director provides check and balance on the Board, focusing on shareholders and stakeholders' interest. Based the above, the Board supported the recommendation for re-election of them as Directors. Hence, the Board seeks the shareholders to vote in favour of these resolutions.

NOTICE OF ANNUAL GENERAL MEETING

8. EXPLANATORY NOTES ON ORDINARY/SPECIAL BUSINESS (CONT'D)

- (iv) Ordinary Resolution 4 – Re-election of Director pursuant to Clause 104 of the Constitution.

Clause 104 of the Company's Constitution provides that a newly appointed Director shall hold office only until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that AGM.

Mr. Chew Sir Boon is the new Independent Non-Executive Director who was appointed on 30 October 2024. Hence, he shall retire at this AGM pursuant to the provision of the Constitution, and being eligible, he offers himself for re-election. His profile and interest in the securities of the Company are set out in the section of Directors' Profile in the Annual Report.

The Nomination Committee had assessed the suitability of Mr. Chew Sir Boon during the recruitment and appointment process. The Board opined that Mr. Chew Sir Boon's expertise would contribute positively to the Group's business growth. Hence, the Board seeks the shareholders to vote in favour of this resolution.

- (v) Ordinary Resolution 6 – Renewal of Authority for Directors to Issue Shares.

The Proposed Ordinary Resolution 6, if passed, is to give the Directors of the Company flexibility to issue and allot shares up to an amount not exceeding ten per centum (10%) of the Company's total number of issued shares for the time being upon such terms and conditions and for such purposes and to such person or persons as Directors of the Company in their absolute discretion consider to be in the best interest of the Company, without having to convene a separate general meeting so as to avoid incurring additional cost and time. The purpose of this general mandate is for the possible fund-raising exercises including but not limited to placement of shares for purposes of funding current and/or future investment projects, working capital and/or acquisitions. The Board of Directors emphasises that the Company will not issue new shares unless it is an exercise that will ultimately increase shareholders' value. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company or at the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This general mandate sought for Directors to issue shares is a renewal of the mandate that was approved by the shareholders at the last AGM of the Company held on 25 June 2024 ("previous mandate") which will lapse at the conclusion of this AGM. There were no new shares issued pursuant to the previous general mandate.

Shareholders are advised to take note that the approval given to the Directors in this resolution for the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Companies Act 2016 shall have the effect of the shareholders having agreed to waive and deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Companies Act 2016 and Clause 54 of the Constitution of the Company and this will allow the Directors of the Company to issue new shares in the Company which rank equally to the existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate which this will result in a dilution to their shareholding percentage in the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Details of individual who is standing for election as Director

No individual is seeking for election as Director at the Fortieth Annual General Meeting of the Company other than the following retiring Directors seeking for re-election at the AGM:

- 1) Mr. Pang Kiew Kun
- 2) Mr. Tey Giap Turn

Their profiles and their interest in the securities of the Company are set out in the section of Directors' Profile in the Annual Report.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Pang Kiew Kun

(Redesignated from Executive Director to Managing Director on 27 May 2024)

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)

AUDIT COMMITTEE

Ng Yew Soon (Chairman)

Tey Giap Turn (Member)

Mok Kar Foo (Member)

NOMINATION COMMITTEE

Mok Kar Foo (Chairman)

Ng Yew Soon (Member)

Tey Giap Turn (Member)

REMUNERATION COMMITTEE

Tey Giap Turn (Chairman)

Mok Kar Foo (Member)

Ng Yew Soon (Member)

REGISTERED OFFICE

Level 5, Tower 8, Avenue 5
Horizon 2, Bangsar South City
59200 Kuala Lumpur, Wilayah Persekutuan
Malaysia
Telephone: 603 2280 6388
Facsimile: 603 2280 6399
Email: listcomalaysia@acclime.com

PRINCIPAL PLACE OF BUSINESS

L3-02, KYM Tower, 8, Jalan PJU 7/6, PJU 7
47800 Petaling Jaya, Selangor Darul Ehsan
Malaysia
Telephone: 603 7622 9377
Email: enquiry@fsbm.com.my

Ng Yew Soon

(Independent Non-Executive Director)

Tey Giap Turn

(Independent Non-Executive Director)

Chew Sir Boon

(Independent Non-Executive Director)

(Appointed on 30 October 2024)

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd

Unit 32-01, Level 32

Tower A, Vertical Business Suite No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Wilayah Persekutuan
Malaysia

Telephone: 603 2783 9299

Facsimile: 603 2783 9222

Email: is.enquiry@my.tricorglobal.com

COMPANY SECRETARY

Lim Li Heong

SSM Practising Certificate No. 202008001981

(MAICSA 7054716)

Wong Mee Kiat

SSM Practising Certificate No. 202008001958

(MAICSA 7058813)

AUDITORS

Moore Stephens Associates PLT (AF002096)

Surian Tower, Unit 3.3A, 3rd Floor

No. 1, Jalan PJU 7/3, Mutiara Damansara 47810 Petaling

Jaya, Selangor

Malaysia

Telephone: 603 7728 1800

Facsimile: 603 7728 9800

PRINCIPAL BANKERS

United Oversea Bank (Malaysia) Berhad

Al Rajhi Banking & Investment Corporation (Malaysia) Bhd

STOCK EXCHANGE LISTING

Main Market Bursa Malaysia Securities Berhad

Stock Name: FSBM

Stock Code: 9377

Warrant Stock Name: FSBM-WB

Warrant Code: 9377WB

WEBSITE

www.fsbm.com.my

DIRECTORS' PROFILE



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PANG KIEW KUN

Managing Director

Mr. Pang Kiew Kun was appointed as an Executive Director of the Company on 12 October 2021. On 27 May 2024, he was redesignated from Executive Director to Managing Director.

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

Mr. Pang has more than 28 years of working experience in business development, sales & marketing in various multinational companies. He started his career in 1997 in KLA-Tencor Sdn. Bhd., a USA-based public company listed in Fortune 500.

From 2001 to 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 (listed in NASDAQ with HQ located in Washington).

In 2016, he set up a company named Aresys Industries Sdn. Bhd., an Industrial Automation and Digital System Integration Provider specialized in providing Industry 4.0 transformation, IoT system integration and smart factory solutions. Mr Pang is currently the Managing Director of Aresys Industries Sdn. Bhd. He has successfully supported various Malaysian SME factories to embark on factory digitalization journey via Industry 4.0 transformation.

Over the past 9 years, Mr. Pang and his team successfully supported numerous multinational corporations, large enterprises, and SMEs in achieving Industry 4.0 transformation through digitalization and smart factory initiatives. They have secured contracts for vision inspection systems for the world's top rubber glove manufacturers in Malaysia and Thailand, and delivered factory digitalization projects for leading multinational corporations as well as integrated circuit semiconductor assembly and test companies. The team has also been recognized by Malaysian government agencies as a high-tech solutions provider, implementing IoT digitalization, factory automation, and smart manufacturing solutions for multiple factories. Since 2021, they enabled over 20 out of 180 SMEs nationwide under MIDA Industry4WRD Intervention Fund program to adopt Industry 4.0, standing out among more than 100 solution providers, with two of these SMEs proudly receiving the MSMA 2023 Adoption

Achievement Awards. The team has actively promoted AI-driven solutions and Industry 4.0 smart manufacturing transformation across various industries. They were also appointed by Slrim to implement IoT & Digitalization for numerous factories.

Mr Pang represented FSBM MES Elite Sdn Bhd to partner with the Federation of Malaysian Manufacturers ("FMM") on Mission-Based Project (MBP) 2.1, effective 24 July 2024. This collaboration, part of the National Industrial Master Plan (NIMP) 2030, aims to build a strong technology ecosystem, accelerate technology adoption among manufacturers, and support the establishment of 3,000 smart factories by 2030 through Industry 4.0 initiatives.

Mr. Pang played a key role in transforming FSBM Holdings Berhad from a traditional IT-based company into a technology-driven enterprise, successfully leading the company out of financial distress in 2024. He reshaped FSBM's business model to focus on providing smart technology solutions for industries such as semiconductor, automotive, metalworking, packaging, food & beverage, and pharmaceuticals. He spearheaded the research and development of FSBM's AI-driven supply chain management system for manufacturing. Under his leadership, FSBM achieved six consecutive profitable quarters and successfully exited financial distress. The leadership and expertise of Mr. Pang and his team laid a strong foundation for FSBM's transformation and success.

Presently, Mr. Pang does not hold any directorship in any other public or public listed companies.

Mr. Pang does not have any conflict of interest or potential conflict of interest, including interest in any competing business, in any business arrangement involving the Company and its subsidiaries.

He holds 38,068,600 shares in the Company and does not hold any indirect interest in the Company. He also does not hold any shares directly or indirectly in the subsidiary companies of the Company.

He has no family relationship with any director and/or major shareholder of the Company.

Mr. Pang has not been convicted for offences within the past five (5) years (other than traffic offences), and there are no public sanction and/or penalty imposed by the relevant regulatory bodies on him during the financial year.

DIRECTORS' PROFILE

TAN WAN YEN

Executive Director



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Ms. Tan Wan Yen was appointed as Executive Director of the Company on 27 November 2008.

She graduated from the London School of Economics and Political Science with a BSc (Hons) in Accounting and Finance in 2004, and she completed internships at PricewaterhouseCoopers and Accenture.

After graduation, Ms. Tan worked in the Corporate Finance division of Maybank Investment Bank for 2 years. Thereafter she joined Bina Fikir Sdn. Bhd., a boutique financial advisory firm, as an analyst. She has since been with FSBM and involved in the corporate affairs of the Group.

Ms. Tan does not hold any directorship in any other public or public listed companies.

Ms. Tan does not have any conflict of interest or potential conflict of interest, including interest in any competing business, in any business arrangement involving the Company and its subsidiaries.

She does not hold any shares directly or indirectly in the Company and in the subsidiary companies of the Company.

Ms. Tan is the daughter of Dato' Tan Hock San @ Tan Hock Ming who is the Non-Independent Non-Executive Director of the Company.

Save as disclosed above, Ms. Tan has no family relationship with any director and/or major shareholder of the Company.

She was in 2021 publicly reprimanded and fined RM56,800 for breaching Paragraph 16.13 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on 12 October 2020. Save for that, she has not been convicted for offences within the past five (5) years (other than traffic offences).

DATO' TAN HOCK SAN @TAN HOCK MING

Non-Independent Non-Executive Director



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Dato' Tan Hock San @ Tan Hock Ming was one of the first Directors and founder of the Company. He was appointed as Managing Director since the incorporation of the Company on 27 February 1984. On 12 April 2022, he was redesignated from Managing Director to Non-Independent Executive Director.

He holds a Bachelor of Computer Science (Hons) degree from University of London. He has over 40 years of experience in Information and Communication Technology ("ICT"). Prior to the founding of the Company, he had served in several large corporations including IBM World Trade Corporation, Exxon Production Malaysia Incorporation, HRM Sdn. Bhd. and Business Computers Sdn. Bhd. Being one of the pioneers in the computer industry in Malaysia, and with his extensive experience, he is well positioned to gauge the direction of the industry as a whole. He is pivotal in setting the overall direction of the Company and has successfully listed the Company on the Bursa Malaysia Securities Berhad in October 1994.

Dato' Tan does not hold any directorship in any other public or public listed companies.

Dato' Tan does not have any conflict of interest or potential conflict of interest, including interest in any competing business, in any business arrangement involving the Company and its subsidiaries.

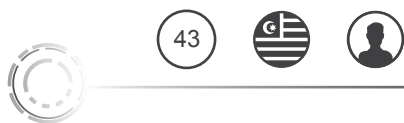
He does not hold any shares directly in the Company. However, he has deemed interest on 2,400 shares in the Company via his daughter Tan Wan Phing. He does not hold any shares directly or indirectly in the subsidiary companies of the Company.

Dato' Tan is the father of Ms. Tan Wan Yen who is the Executive Director of the Company.

Save as disclosed above, Dato' Tan has no family relationship with any director and/or major shareholder of the Company.

He was in 2021 publicly reprimanded and fined RM142,000 for breaching Paragraph 16.13 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on 12 October 2020. Save for that, he has not been convicted for offences within the past five (5) years (other than traffic offences).

DIRECTORS' PROFILE



MOK KAR FOO

Non-Independent Non-Executive Director

Mr. Mok Kar Foo was appointed as a Non-Independent Non-Executive Director of the Company on 12 October 2021. He is the Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee.

Mr. Mok graduated from Staffordshire University with a Bachelor's Degree in Computer Science/Information Technology in 2005. He obtained an Advanced/Higher/Graduate Diploma in Computer Science/Information Technology from APIT in 2003.

Mr. Mok started his career in 2005 as JAVA Developer in Maestro Planning Solutions and subsequently in AsiaEP Berhad till 2007.

Thereafter, he worked as Senior Software Engineer in Firium Sdn. Bhd. involved mainly in designing and managing the development of wealth management software. Subsequently, in 2011, he joined Funtogether Sdn. Bhd. as Chief Technical Officer for 2 years where he engaged in prototype, design and manage the development of social game and mobile game/app, define the technology used and consultation on the possibility of the use of new technology.

Currently, he is the Chief Technology Officer in Sodentt Bizworks Sdn. Bhd. which provides solutions, support and develop system for various projects such as Mobile Claim Management System, Oracle VM Installation & Configuration, Flight Cargo System and Fraud Detection Management System.

Presently, Mr. Mok does not hold any directorship in any other public or public listed companies.

Mr. Mok does not have any conflict of interest or potential conflict of interest, including interest in any competing business, in any business arrangement involving the Company and its subsidiaries.

He does not hold any shares, directly or indirectly, in the Company and in the subsidiary companies of the Company.

He has no family relationship with any director and/or major shareholder of the Company.

Mr. Mok has not been convicted for offences within the past five (5) years (other than traffic offences), and there are no public sanction and/or penalty imposed by the relevant regulatory bodies on him during the financial year.



DIRECTORS' PROFILE

NG YEW SOON

Independent Non-Executive Director



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Mr. Ng Yew Soon was appointed to the Board as an Independent Non-Executive Director on 27 August 2020. He is the Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee.

Mr. Ng graduated from Tunku Abdul Rahman College with a Diploma in Commerce (Financial Accounting). He completed his examination of The Association of Chartered Certified Accountants in 1984. He was admitted as Associate of the Association in 1986 and later as Fellowship of the Association in 1991. Mr. Ng was admitted as Chartered Accountant of Malaysian Institute of Accountants in 1988. He is a Fellow of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants (MIA).

Mr. Ng Yew Soon is a finance professional with a broad range of experience in accounting, taxation, mergers and acquisitions. He spent the early years of his professional career as auditor in an international accounting firm for approximately 9 years. He joined a conglomerate Group as Finance Manager subsequently and 2 years later he joined a public listed company as Group Accountant where he held various senior finance positions over the 23 year-period with the last position as Director of Finance before his retirement in 2016.

Mr. Ng served on the Adjudication Committee for the National Annual Corporate Report Awards (NACRA) in 2005. He has continued to serve on the Adjudication Committee up to 2018.

Presently, Mr. Ng does not hold any directorship in any other public or public listed companies.

Mr. Ng does not have any conflict of interest or potential conflict of interest, including interest in any competing business, in any business arrangement involving the Company and its subsidiaries.

He does not hold any shares, directly or indirectly, in the Company and in the subsidiary companies of the Company.

He has no family relationship with any director and/or major shareholder of the Company.

Mr. Ng has not been convicted for offences within the past five (5) years (other than traffic offences), and there are no public sanction and/or penalty imposed by the relevant regulatory bodies on him during the financial year.



DIRECTORS' PROFILE



TEY GIAP TURN

Independent Non-Executive Director

Mr. Tey Giap Turn was appointed as an Independent Non-Executive Director of the Company on 12 April 2022. He is the Chairman of the Remuneration Committee and a member of the Nomination Committee and Audit Committee.

Mr. Tey graduated from Edinburgh Napier University, United Kingdom with a Bachelor of Business in Business Management. He obtained Specialist Diploma in Productivity Management from Nanyang Polytechnic, Singapore.

After obtaining his Specialist Diploma in 1999, he joined Schlumberger until January 2022. He has accumulated more than 23 years of experience in REDA Production Systems. REDA Production Systems is a Schlumberger company specialized in manufacturing of electrical submersible pumps for the oil and gas industry.

He holds a few Professional Qualifications, in year 2009, he collected Lean Six Sigma Yellow Belt by Duggan Associates Inc. achieved total savings of USD 1,000,000, Workplace Safety & Health Committee Training Course by BOND International Consultants and Basic Industrial Safety and Health Course for Supervisors. In year 2012, he collected CAPM (Certified Associate in Project Management) at NTUC Learning Hub. 2013, Lean Six Sigma Green Belt by TUV SUD PSB Learning Pte Ltd, Singapore and achieved total department saving of USD 1,150,000. Between year 2011 and 2013, Mr. Tey Giap Turn also collected 1 ATG Gold Award and 4 ATG Silver Awards by Schlumberger Singapore Integration Centre Manager.

Presently, Mr. Tey does not hold any directorship in any other public or public listed companies.

Mr. Tey does not have any conflict of interest or potential conflict of interest, including interest in any competing business, in any business arrangement involving the Company and its subsidiaries.

He does not hold any shares, directly or indirectly, in the Company and in the subsidiary companies of the Company.

He has no family relationship with any director and/or major shareholder of the Company.

Mr. Tey has not been convicted for offences within the past five (5) years (other than traffic offences), and there are no public sanction and/or penalty imposed by the relevant regulatory bodies on him during the financial year.



DIRECTORS' PROFILE

CHEW SIR BOON

Independent Non-Executive Director



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Mr. Chew Sir Boon was appointed as an Independent Non-Executive Director of the Company on 30 October 2024.

Mr. Chew graduated from Management Science University with a Diploma of Management. He completed Post Graduate Diploma in Business Administration from London Examinations Board in 2019 and obtained Master of Business Administration (MBA) from University of the West of Scotland, United Kingdom in 2020.

Mr. Chew holds several significant positions in his career pathway. Since 2018, he has been serving in LBS Bina Group Berhad having started at the Managing Director's Office. After getting recognition for his great performances, he was offered work in the Executive Chairman's Office in the year 2021.

Mr. Chew was appointed as the National President of Young Malaysians Movement (YMM) at the young age of 24 from year 2015 to 2019. In 2017, he was appointed as the President of the Eight Major Chinese Youth-Based Organizations (EMCO). In 2024, he assumed the role of Director of Happiness Hot Pot Solaris, further advancing his career in leadership and expanding his professional experience.

Presently, Mr. Chew does not hold any directorship in any other public or public listed companies.

Mr. Chew does not have any conflict of interest or potential conflict of interest, including interest in any competing business, in any business arrangement involving the Company and its subsidiaries.

He does not hold any shares, directly or indirectly, in the Company and in the subsidiary companies of the Company.

He has no family relationship with any director and/or major shareholder of the Company.

Mr. Chew has not been convicted for offences within the past five (5) years (other than traffic offences), and there are no public sanction and/or penalty imposed by the relevant regulatory bodies on him during the financial year.

Notes to Directors' Profile:

Board Meeting attendance in 2024:

The details of the Directors' attendance at the Board Meetings are disclosed in the Corporate Overview Statement on page 24 - 25 of this Annual Report.

The composition of the Board of Directors complies with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad whereby one-third (1/3) of the Board are Independent Directors.

PROFILE OF KEY SENIOR MANAGEMENT

The Key Senior Management of FSBM Holdings Berhad comprises of Mr. Pang Kiew Kun, Ms. Tan Wan Yen, Mr. Low Kang Wei (Chief Technology Officer) and Mr. Wong Jing Kai (Finance Director).

Save for Mr. Low Kang Wei and Mr. Wong Jing Kai, both Mr. Pang Kiew Kun and Ms. Tan Wan Yen are also the Executive Directors of the Company. Their profiles are disclosed under the section of Directors' Profile of the Annual Report.

The profile of Mr. Low Kang Wei and Mr. Wong Jing Kai are as follows:



LOW KANG WEI

Chief Technology Officer

Mr. Low Kang Wei was appointed as Chief Technology Officer of the Company on 14 October 2021.

Mr. Low graduated from Multimedia University with a Bachelor's Degree In Electronic Engineering majoring in Computer. With a background in Electronic Engineering majoring in Computer, he was a Researcher in Multimedia University for 2 years from 2006 till 2008, and thereafter as Software Engineer in Accenture Technology Solutions Sdn. Bhd.

Mr. Low has 14 years of experience in IT software and solution design and development. Mr. Low is the co-founder and Technical Director of Hola Media Sdn. Bhd., which consists of a group of people with many years of experience in digital signage consultation. He has been involved in this Company since 2010. His scope of work includes IT planning, development, installation and maintenance services to businesses from various industries such as hospitality, food and beverages, retail stores and education.

Presently, Mr. Low does not hold any directorship in any other public or public listed companies.

Mr. Low does not have any conflict of interest or potential conflict of interest, including interest in any competing business, in any business arrangement involving the Company and its subsidiaries.

He holds 28,427,500 shares in the Company and does not hold any indirect interest in the company shares. He also does not hold any shares directly or indirectly in the subsidiary companies of the Company.

He has no family relationship with any director and/or major shareholder of the Company. He has not been convicted of offences within the past five (5) years (other than traffic offences), and there are no public sanction and/or penalty imposed by the relevant regulatory bodies on Mr. Low during the financial year.



PROFILES OF KEY SENIOR MANAGEMENT

WONG JING KAI

Finance Director



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Mr. Wong Jing Kai was appointed as Finance Director of the Company on 1 April 2022.

Mr. Wong graduated from Multimedia University with a Bachelor Degree (Honours) in Accounting in 2008.

Mr. Wong started his career as an Audit Assistant with an Audit Firm in 2008. In 2010, he joined an international accounting firm as Senior Audit Associate.

In 2014, he joined a public listed company, an IT and provider of automation solution company, as an Accountant. Subsequently in 2015, Mr. Wong joined as Senior Finance Manager in a company engaged in providing supply chain logistics and related services. In 2018, Mr. Wong joined an IT Company as Finance Manager, primarily assisting the company in the preparation of financial statements, budgets and forecasts.

Presently, Mr. Wong does not hold any directorship in any other public or public listed companies.

Mr. Wong does not have any conflict of interest or potential conflict of interest, including interest in any competing business, in any business arrangement involving the Company and its subsidiaries.

He does not hold any shares, directly or indirectly, in the Company and in the subsidiary companies of the Company.

He has no family relationship with any director and/or major shareholder of the Company. He has not been convicted of offences within the past five (5) years (other than traffic offences), and there are no public sanction and/or penalty imposed by the relevant regulatory bodies on Mr. Wong during the financial year.



LETTER TO SHAREHOLDERS



The year 2024 marked a transformative chapter for the Group. I am proud to share that one of the most significant milestones in our corporate history was achieved with the upliftment of FSBM's PN17 status by Bursa Malaysia on 21 June 2024. This milestone reflects the culmination of steadfast efforts by the Board, management, and our team to restore the Group's financial stability, sharpen our business focus, and realign our strategic direction.

The Group recorded higher revenue for the financial year, supported by improved operational execution and increasing momentum across our core business segments. Nevertheless, profit for the year was impacted by higher operational costs and continued investments in infrastructure, talent development, and digital capabilities—strategic allocations that will support the Group's scalability and long-term sustainability.

We have strengthened our service portfolio to concentrate on Intelligent Application Digital Services, Smart Manufacturing Solutions, and Managed Security Services. These are high-impact, high-growth areas where we are seeing a rising demand and strong potential for long-term value creation.

Throughout the year, the Group had entered into several Memoranda of Understanding (MoUs) and Collaboration Agreements that align closely with national development agendas and global digitalisation trends. These strategic engagements not only validate our capabilities but also position FSBM to participate in broader ecosystem-based opportunities across sectors. This includes initiatives in digital transformation, intelligent platforms, cybersecurity, data-driven services, and integrated digital infrastructure—areas that are becoming increasingly vital to businesses navigating today's evolving technological landscape.

Looking ahead to 2025, the operating environment remains complex, marked by heightened market volatility, geopolitical uncertainties, and evolving global economic conditions. Despite these challenges, we are optimistic. Our strengthened foundation, growing pipeline of opportunities, and commitment to innovation place us in a strong position to pursue sustainable growth. We will continue to focus on building scalable solutions, driving digital transformation, and strengthening strategic partnerships to unlock new growth avenues and deliver value to our stakeholders.

In closing, I wish to thank our shareholders for their continued confidence and trust, our employees for their dedication and drive, and our clients and collaborators for their partnership. With your support, FSBM is poised to move forward with resilience and purpose.



Sincerely,

PANG KIEW KUN
Managing Director
FSBM Holdings Berhad

DEAR SHAREHOLDERS,

On behalf of the Board of Directors of FSBM Holdings Berhad, I am pleased to present the Annual Report and Audited Financial Statements for the financial year ended 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

FSBM Group continues to establish itself as a trusted technology partner, delivering forward-looking digital solutions to support the evolving needs of businesses across various sectors. Our operations are anchored on three strategic pillars—Intelligent Applications and Digital Solutions, Smart Manufacturing Solutions, and Cybersecurity—each playing a critical role in enabling digital transformation and operational resilience.

Throughout the financial year 2024, our Group sustained its momentum through disciplined execution, strategic partnerships, and a clear focus on innovation. We remain committed to advancing our capabilities, deepening customer engagement, and enhancing the value we deliver through tailored, scalable solutions aligned with industry demands.

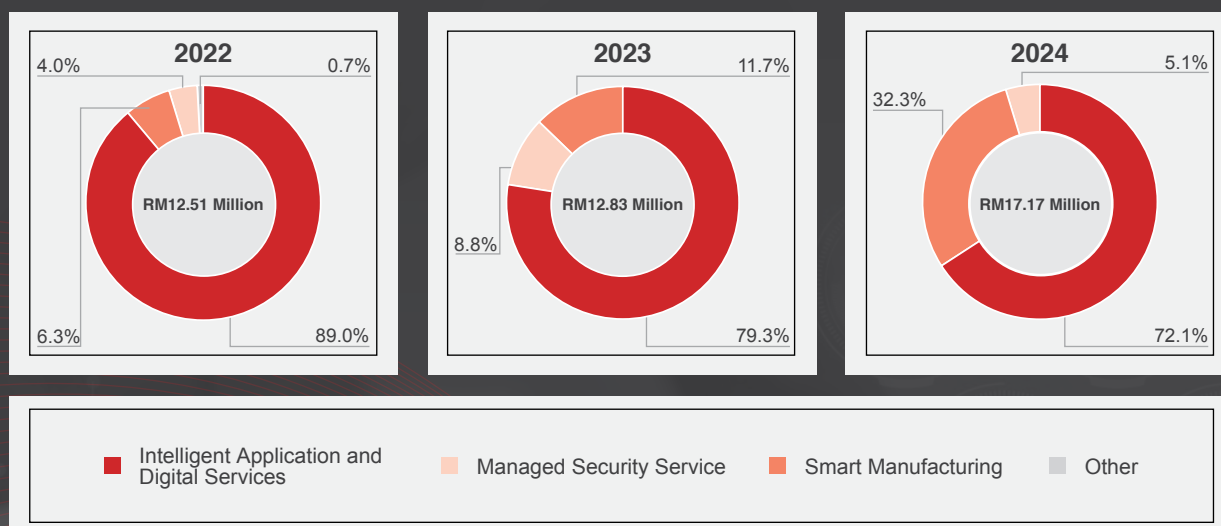
Guided by a long-term vision and a performance-driven culture, our Group is well-positioned to seize new growth opportunities and reinforce our role in supporting Malaysia's digital economy and beyond.

FINANCIAL PERFORMANCE REVIEW

For the financial year ended 31 December 2024, the Group delivered a stronger financial performance compared to the preceding year, reflecting continued operational resilience, strategic focus, and effective execution of business initiatives across all key segments.

REVENUE

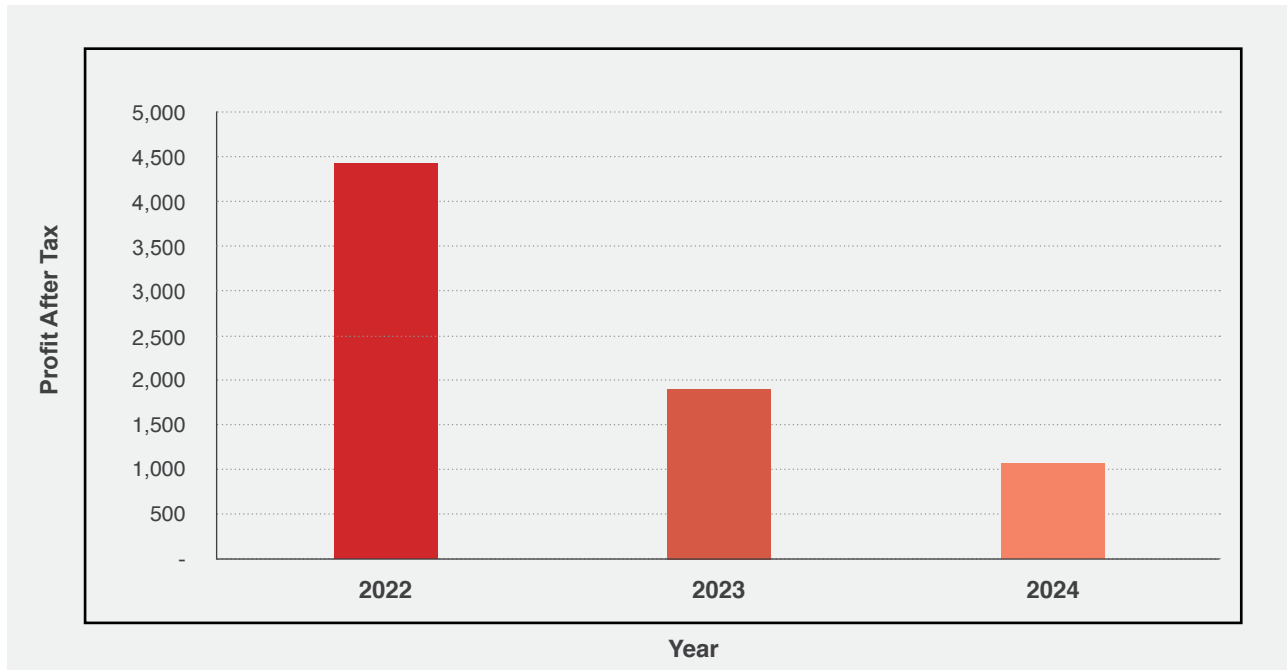
The Group posted a revenue of RM17.17 million in financial year ended 2024, marking a robust year-on-year growth of 33.8% compared to RM12.83 million in financial year ended 2023. The increase was primarily driven by sustained momentum in our Intelligent Applications and Digital Solutions segment, alongside heightened adoption of our Smart Manufacturing offerings. This growth reflects our ability to respond effectively to evolving market needs and capitalise on emerging opportunities across key sectors.



MANAGEMENT DISCUSSION AND ANALYSIS

Profit After Tax

The Group recorded a profit after tax of RM1.01 million for financial year ended 2024, as compared to RM1.86 million in the preceding year. While the Group remained profitable, the year-on-year decline was primarily attributed to strategic investments in talent, infrastructure, and business development activities aimed at supporting long-term scalability. These upfront costs are expected to yield sustainable returns in the coming years as the Group deepens its capabilities and expands its market reach.



CORPORATE EXERCISE

As part of our ongoing efforts to strengthen the Company, we are pleased to announce that FSBM successfully completed its regularisation process and was uplifted from PN17 status on 21 June 2024. This marks a significant milestone in our recovery and sets the stage for sustainable growth moving forward.

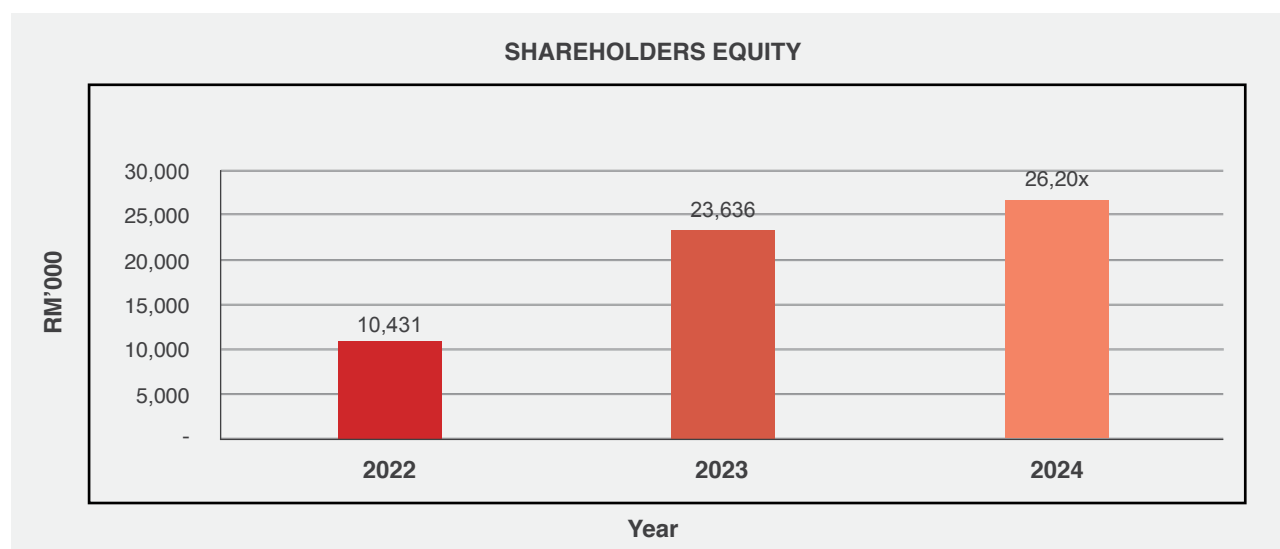
With the successful completion of the Proposed Shares Issuance and Rights Issue, the Company has restored its financial position and is now well-positioned to focus on expanding our business and enhancing shareholder value.

MANAGEMENT DISCUSSION AND ANALYSIS

Shareholders' Equity

As at 31 December 2024, the Group's Shareholders' Equity strengthened to RM26.20 million, compared to RM23.63 million as at 31 December 2023. The increase reflects the Group's improved financial position and stronger capital base, following the successful completion of its corporate regularisation exercise and subsequent upliftment from PN17 status in June 2024.

The positive movement in equity is underpinned by prudent capital management, effective cost discipline, and continued reinvestment into strategic initiatives. The enhanced equity position provides the Group with greater financial flexibility to pursue future growth opportunities, invest in innovation, and strengthen our presence across key market segments.



BUSINESS SEGMENT

Intelligent Application and Digital Solutions

FSBM offer Intelligent Application and Digital Solutions that enable businesses to stay ahead in an increasingly digital world. Our solutions include advanced IT consulting, custom application development, and innovative platform design and development, all tailored to meet the evolving needs of modern businesses. With a strong emphasis on data analytics and AI solutions, we help organisations harness the power of their data, derive actionable insights, and implement intelligent, data-driven decisions that fuel growth and innovation. By integrating the latest advancements in AI and machine learning, FSBM empowers businesses to optimize their operations, enhance customer experiences, and unlock new opportunities in a fast-paced digital economy.

MANAGEMENT DISCUSSION AND ANALYSIS

Smart Manufacturing Solutions

FSBM's Smart Manufacturing Solutions empower businesses to achieve operational excellence through three key pillars: Manufacturing Execution Systems (MES), Smart Supply Chain Management, and Customer-to-Manufacturer (C2M) platforms. Our MES solutions offer real-time monitoring, enabling businesses to optimize efficiency, reduce downtime, and make informed decisions throughout the manufacturing process. With advanced Smart Supply Chain Management, we help organizations enhance visibility, streamline operations, and improve coordination across the entire supply chain. Additionally, our C2M platform facilitates seamless communication between manufacturers and customers, driving greater collaboration and customization. These integrated solutions leverage on Industry 4.0 technologies such as IoT, AI, and data analytics to ensure competitiveness and sustainable growth in the digital manufacturing era.

Managed Security Services

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 its users. If the customers' network or services are inaccessible, this could damage the customers' industry reputation, which could materially and adversely impact its business operations. Our Anti-DDoS Managed Security Services involves the use of our internal expertise to address the issues.

OUTLOOK

As Malaysia's digital economy continues to expand, the country is poised to strengthen its position as a leader in the digital space, supported by significant government investments in technology infrastructure, smart manufacturing, and digital inclusivity. These developments present an exciting opportunity for our Group to drive growth through our core business segments, including Smart Manufacturing Solutions, Intelligent Application and Digital Solutions, and Managed Security Services.

In a rapidly evolving global landscape, businesses across various sectors face increasing pressure to adopt advanced technologies such as AI, IoT, and cybersecurity. In response, our Company is strategically focusing on these areas, equipping organisations with the tools necessary to streamline operations, enhance decision-making, and optimise performance through data-driven insights and automation.

The National Investment and Manufacturing Plan (NIMP) 2030 is setting the stage for innovation, and we are committed to expanding our Smart Manufacturing Solutions. These solutions help businesses optimise production processes, improve flexibility, and enhance product quality. At the same time, our Intelligent Application and Digital Solutions, coupled with our Managed Security Services, empower organisations to navigate digital transformation securely, ensuring operational efficiency and resilience in an increasingly connected world.

With the growing demand for secure digital infrastructure and data-driven strategies, we are focused on delivering AI-powered services that address emerging threats while enhancing operational performance. We believe these efforts will not only position FSBM as a key player in Malaysia's digital economy but will also foster sustainable growth and innovation across diverse sectors.

As we look to the future, our Group remains committed to expanding our reach, forging strategic partnerships, and continuing to innovate in ways that will create long-term value for our shareholders. We are enthusiastic about the opportunities that lie ahead and remain focused on driving digital transformation, positioning our Company for continued success and leadership in the digital era.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

FSBM Holdings Berhad Group is managed according to the Malaysian Corporate Governance Framework and guided by Corporate Governance Guidelines and is operated within Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements, the provisions of the Companies Act 2016, the Company's Constitution and other applicable laws.

The Board is committed to ensuring that it provides effective leadership to lead and oversee the performance and effective control of the Group and the Company towards achieving the desired goals and objectives while meeting its fiduciary duty to protect and enhance the interest of shareholders and other stakeholders. The Board recognises the spirit of the Malaysian Code on Corporate Governance

("MCCG") and acknowledges that the practice of a high standard of corporate governance is key to realise the Board's commitment.

This Corporate Governance Overview Statement ("CG Overview Statement") is presented in compliance with paragraph 15.25(1) of Bursa Securities' Main Market Listing Requirements. It is intended to give shareholders an overview of the Company's application of the Practices contained in the three (3) Key Principles of the MCCG outline below, how they operated and the extent of application of each of the practices during the financial year ended 31 December 2024 as well as the Board's key focus areas and future priorities:

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

- Board Responsibilities
- Board Composition
- Remuneration

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

- Audit Committee
- Risk Management and Internal Control Framework

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

- Engagement with Stakeholders
- Conduct of General Meetings

This CG Overview Statement is to be read together with the Corporate Governance Report 2024 ("CG Report") of the Company which discloses the details of the Company's application of each Practice. The CG Report is available at the Company's website at <https://fsbm.listedcompany.com/home.html>

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

The Board's primary responsibility is to ensure the Company's prosperity by directing and overseeing the Company's affairs and business operations. The Board is accountable to shareholders for the performance of the Group and the Company. Thus, the Board has at all times exercised their powers for the purpose they are conferred, for the benefit and best interest of the Company, shareholders and stakeholders.

The Board sets the mission and vision of the Group and the Company, assuring that all actions are related to and adhere to that mission. Based on the corporate mission statement, the Board determines the Group's and Company's direction, formulates strategic plans, financial objectives and significant policies for the Group and the Company toward the achievement of long-term success. The details of the principal responsibilities and procedures of the Board are disclosed in the CG Report under Practice 1.1.

The Board's key focus areas during the financial year were to continue in strengthening the Group's and Company's core business activities via its effort to pursue potential projects and to participate in the accelerating growth of the economy as business activity recovers. Moving forward, while ensuring continuous business growth, the Board has focused on enhancement of the Group's corporate and governance structure to align with the MCCG's practices.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Delegation to Senior Management

The Board has delegated to the Managing Director ("MD") and through the MD to the Senior Management, the authority and responsibilities for implementation of policies, strategies and business plans, and managing the operational activities and financial performance of the Group and the Company. The Board's role is to oversee the management and governance of the Company and guide the implementation of the strategy and the achievement of objectives. The Board reviews and monitors Management's action and performance. While supporting Management's duties, the Board ensures the Group and the Company has adequate and well-managed resources at its disposal.

Delegation to Board Committees

The Board has established the following committees to assist it in the execution of specific responsibilities:

1. Audit Committee
2. Nomination Committee
3. Remuneration Committee

The Board ensures that all Committees are provided with sufficient resources to undertake their duties. All the Committees operate under clearly defined Terms of Reference detailing their responsibilities and the extent to which they have been delegated powers of the Board of Directors. The Committees report directly to the Board. The ultimate responsibility for the final decision on all matters lies with the Board. Moving forward, the Board will activate the roles of the Risk Monitoring Committee in accordance with the Group's activities.

Board Chairman

The Board has not appointed a Board Chairman. The Board is assisted by the Managing Director, Mr. Pang Kiew Kun, to ensure the proper functioning of the Board in its collective oversight of the management and overall performance of the Group and Company while instilling positive culture and good corporate governance within the Group. The Executive Directors ensure the Board's decisions and wishes are properly implemented.

The Board will identify for a suitable candidate for the position of Board Chairman when the Group's performance is back to the right track.

Managing Director

The Board has not appointed Chief Executive Officer (CEO), rather the operation of the Group and the Company is led by the Managing Director, Mr. Pang Kiew Kun. The Executive Directors are responsible for managing the Group and the Company's operations and resources. Details on the responsibilities of the MD are disclosed in the CG Report under Practice 1.3.

Board Charter

There is a demarcation of responsibilities between the Board, Board Committees and Management. The Board is guided by the Board Charter in discharging its duties and fiduciary obligation to the Group and the Company as per Practice 2.1 of the MCCG. The Board Charter clearly specified the roles of the Board, Board Committees, Chairman, Managing Director, Executive and Non-Executive Directors. The Board Committees are also guided by their Terms of Reference.

The Board Charter and Terms of Reference of the Committees can be viewed on the Company's website at https://fsbm.listedcompany.com/corporate_governance.html

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Code of Ethics and Conduct

With the commitment to maintaining a culture of high standard of ethical business behaviors as per Practice 3.1 of the MCCG, the Board has established a Code of Ethics and Conduct to be observed by the Directors. Management and employees are guided by the Code of Ethics and Conduct contained in the Group HR Policies and Procedures. The Code of Conduct seeks to ensure that Directors, Management and employees conduct themselves ethically,

without conflict of interest, diligently and appropriately in discharging their duties.

The Code of Ethics and Conduct can be viewed on the Company's website at https://fsbm.listedcompany.com/corporate_governance.html

Whistleblowing Policy

Besides that, the Board put in place a Whistleblowing Policy to encourage employees and others who have serious concerns about any aspect of the Company and Group including but not limited to unethical or fraudulent practices within the Group to come forward and voice those concerns. The purpose of a Whistleblowing Policy is to establish a system for the reporting, investigation and resolution of reportable conduct, so that, damage control or remedial

action can be taken promptly. The Board has applied Practice 3.2 of the MCCG.

The Whistleblowing Policy can be viewed on the Company's website at https://fsbm.listedcompany.com/corporate_governance.html

Directors' Fit and Proper Policy

On 29 June 2022, the Board put in place a Directors' Fit and Proper Policy that can provide strategic leadership that influences the financial position and future direction of the Group. Directors are required to possess the competence, character, diligence, honesty, integrity and judgement to properly perform their duties, in tandem with good corporate governance practices. The Directors' Fit and Proper Policy ("policy") serves to guide the Nomination Committee and

the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking re-election.

The Directors' Fit and Proper Policy can be viewed on the Company's website at https://fsbm.listedcompany.com/corporate_governance.html

Sustainability

The Board is committed to the Company's strategies to promote "Sustainability" with attention given particularly to Environmental, Social and Governance ("ESG") aspects of business which underpin sustainability. The Board understands that balancing ESG aspects with the interests of various stakeholders is essential to enhancing investor perception and public trust.

The details of the sustainability effort are presented in the Sustainability Statement of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Company Secretary

The Board is supported by competent Company Secretaries who are qualified to act as Company Secretary under Section 235 of the Companies Act 2016. They are Chartered Secretary (ICSA) and are Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). They are accountable directly to the Board on all matters relating to the proper functioning of the Board including the provision of secretarial support to the Board and Board Committees. They play an advisory role in ensuring the Board complies with relevant regulations, laws and Bursa's Listing Requirement and assists the Board in applying the

best practices of the MCCG to meet the Board's needs and shareholders' expectations. To be equipped with the necessary knowledge and skills to carry out their functions, the Company Secretaries and their team have attended continuous professional development programs and conferences to keep themselves abreast of the changing regulatory environment, and development on corporate governance. The Board has applied Practice 1.5 of the MCCG.

Board meetings

In discharging the role of overseeing the management and governance of the Group and the Company vested in the Board, the Board meets at least once in every quarter with additional meetings to be convened as and when necessary. Meeting materials relating to the agenda items are provided to Board members in advance of meetings to allow the Directors to prepare for discussion of matters at the meeting. To ensure smooth running of the meeting and time efficiency, certain discussion papers, particularly the financial results, are circulated via electronic mail to the Board for their comment before the papers are finalised for circulation to the Board. The Company Secretary records

the meeting proceedings, matters presented and reported at the meeting, the discussion and how the decision is reached. The minutes are circulated to all Directors for their review and comments to ensure the minutes correctly reflect the deliberation and decision of the Board and Board Committee. All minutes are tabled and confirmed at the next meetings. The Company Secretaries ensure that all minutes and meeting materials are properly kept to facilitate future references. The Board has applied Practice 1.6 of the MCCG.

Apart from formal meeting, urgent matters that require Board's review are also frequently discussed via electronic mail or informal discussions and all decisions are confirmed by way of circular resolutions.

Board commitment

All Board members has demonstrated high commitment in terms of time and knowledge contribution with full attendance at Board Meetings. None of the Directors holds directorship in more than five (5) public or public listed companies to ensure sufficient devotion time to the affairs of the Company. The Directors' attendance at Board and Board Committee meetings are disclosed below:

Director	No. of Meeting Attended/No. of Meeting Held from 1/1/2024 to 31/12/2024			
	Board meeting	AC meeting	NC meeting	RC meeting
Mr. Pang Kiew Kun	6/6	[^] 5/5	[^] 1/1	[^] 1/1
Miss Tan Wan Yen	6/6	[^] 1/5	*n/a	*n/a
Dato' Tan Hock San @ Tan Hock Ming	6/6	[^] 1/5	*n/a	*n/a
Mr. Ng Yew Soon	6/6	5/5	1/1	1/1
Mr. Mok Kar Foo	6/6	5/5	1/1	1/1
Mr. Tey Giap Turn	5/6	4/5	*n/a	1/1
Mr. Chew Sir Boon	1/6**	*n/a	*n/a	*n/a

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS.(CONT'D)

Board commitment (Cont'd)

Director	No. of Meeting Attended/No. of Meeting Held from 1/1/2025 to the date of approving this Report			
	Board meeting	AC meeting	NC meeting	RC meeting
Mr. Pang Kiew Kun	2/2	[^] 2/2	[^] 1/1	[^] 1/1
Miss Tan Wan Yen	2/2	[^] 2/2	*n/a	*n/a
Dato' Tan Hock San @ Tan Hock Ming	2/2	[^] 2/2	*n/a	*n/a
Mr. Ng Yew Soon	2/2	2/2	1/1	1/1
Mr. Mok Kar Foo	2/2	2/2	1/1	1/1
Mr. Tey Giap Turn	2/2	2/2	1/1	1/1
Mr. Chew Sir Boon	2/2	[^] 2/2	*n/a	*n/a

*n/a Not applicable

** Mr. Chew Sir Boon was appointed as Director on 30 October 2024

[^] By invitation

BOARD COMPOSITION

The Board of Directors shall comprise of such number of Directors as the Board deems appropriate to function efficiently subject to the Company's Constitution, the provision of the Companies Act 2016, Main Market Listing Requirements of Bursa Securities and the application of the MCCG.

During the financial year ending 31 December 2024, the Board consists of six (7) members, two (2) of whom are Executive Directors, three (3) are Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Director. The Board composition has not fulfilled Practice 5.2 of the MCCG which requires at least half of the Board comprises Independent Directors. Moving forward, the Board composition will be reviewed regularly and will be refreshed when the Group's business activities increase to ensure the Board composition is align with the MCCG's practices.

Board Gender Diversity Policy

The Board has not applied Practice 5.10 to formalise its Board Gender Diversity Policy alongside its measures to meet the targets. The Board currently comprises a woman Director, namely Ms. Tan Wan Yen who is the Executive Director of the Group, equivalent to 14% women representation on the Board. Given the current state of the Group's business activities, the Board is of the view that it is more crucial to have the right mix of skills on the Board to lead the Company to the right track instead of merely achieving the target of 30% of woman directors. Nonetheless, the Board recognises the spirit of the MCCG. Moving forward, proper measures will be taken to achieve sufficient board gender diversity when the Group's activities increase.

Tenure of Independent Directors

The Board recognises that shareholders are increasingly concerned about the potential negative impact of long-tenure Independent Directors due to their familiarity and close relationship with the Board and Management. Bearing this in mind, the Board has laid down a policy in its Board Charter on the tenure of its Independent Directors. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Role and Activities of Nomination Committee

The Board has delegated to the Nomination Committee ("NC") the following responsibilities:

1. Nomination and appointment process for new Directors and Key Senior Management, and its succession planning.
2. Assessment of the effectiveness and performance of the Board, Board Committees and individual Directors.

During the financial year ended 31 December 2024, the NC comprises three (3) members, and all the members are Non-Executive Directors with a majority of them being independent directors. The NC is chaired by a Non-Independent Non-Executive Director. The Company has not applied Practice 5.8 of the MCGG which recommends that the NC is chaired by an Independent Director or the Senior Independent Director. The members of the NC are as follows:-

1. Mr. Mok Kar Foo – Chairman
2. Mr. Tey Giap Turn – Member
3. Mr. Ng Yew Soon – Member

The Board will continue sourcing for suitable and qualified candidates to chair the NC.

The Terms of Reference of the NC can be viewed on the Company's website at www.fsbm.com.my

The NC performed the following activities during the financial year:

- a) Perform selection and assessment of the suitable candidates for appointment as Director.
- b) Perform an annual review of the Board composition to ensure the Board continues to function adequately.
- c) Perform an annual assessment of the performance and effectiveness of the Board, Board committees and individual Directors.
- d) Perform an ESG Evaluation Assessment.
- e) Review the term of office and performance of the Audit Committees.
- f) Review the training needs of Directors.
- g) Recommend the re-election of retiring Directors based on the outcome of the annual assessment as well as Directors' fit and proper criteria.

Nomination and Appointment Process

The NC assesses the strength, effectiveness, and the level of diversity of the Board and Senior Management in determining the need for proposing new appointments of Director or Senior Management. As and when necessary, recommendations will be made to the Board for consideration.

The Board concurs with Practice 5.5 of the MCGG that the selection and appointment of members of the Board and Senior Management are based on merit and objective criteria with due regard for the benefits of diversity with no restriction on ethnicity, age and gender. The Board and Senior Management should have the right mix of skills.

The appointment of Senior Management is based on pre-determined criteria according to position and job descriptions with due regard for equality in the workplace. At present, the Key Senior Management of FSBM is represented by the two Executive Directors, a Chief Technology Officer and a Finance Director. Moving forward, the Senior Management team will be expanded with the increase in the Group's activities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Nomination and Appointment Process (CONT'D)

The Board composition has been reviewed regularly. The Board composition will be refreshed when the need arises to ensure the Board consists of right mix of members to guide the Company towards improving its performance and to explore and identify more business opportunities. The NC and the Board in its continuous efforts in identifying suitable and qualified candidates for appointment as the Board members has considered sources of candidates through the Company's networking and referrals from independent sources as recommended by Practice 5.6 of the MCCG. The Directors' Fit and Proper Policy ("policy") which was adopted by the Board on 29 June 2022 is used as a guide for the Board and Nomination Committee in the recruitment exercises.

During the financial year under review, the NC recommended the appointment Mr. Chew Sir Boon as an additional Independent Non-Executive Director.

Annual Assessment Process

The Board has undertaken a formal and objective annual evaluation to determine the effectiveness of the Board, its Committees and each individual Director as per Practice 6.1 of the MCCG.

The NC assists the Board on the assessment process:

- The assessment is performed annually and internally facilitated. The evaluation process is facilitated by the Company Secretary.
- The NC applies the Directors' fit and proper criteria as stipulated in the Directors' Fit and Proper Policy of the Company alongside the performance evaluation criteria, included with the ESG Evaluation Assessment, as recommended in the Corporate Governance Guide in conducting the annual assessments of Board and Board Committees and individual Directors. Assessment of the independence of the Independent Directors is based on the independence criteria as stipulated in the Main Market Listing Requirements.
- Prior to the NC meeting, the respective performance appraisal forms are circulated to the NC members and individual Directors via electronic mail. While the NC assesses the performance of the Board and Board Committees, individual Directors are invited to self-assess and comment on their character and integrity; experience and competence; and time and commitment.
- At the NC meeting, the NC discusses and comments on the performance of the Board and Board Committees, and each individual Director.
- The NC then recommends the outcome of the assessments to the Board for its review.

The NC conducted an annual assessment of the performance and effectiveness of the Board, Board Committees and each individual Director in respect of the financial year ending 31 December 2024.

The following assessment outcomes were reported by the NC:

- The Group and the Company, the Board had discharged its fiduciary duties adequately.
- The Board Committees, i.e., Audit Committee, Nomination Committee and Remuneration Committee had performed well in discharging their duties, except for the Risk Monitoring Committee which was not active during the year as the Group operates with minimum activities.
- Each Director continues to meet the Directors' fit and proper criteria, sufficiently contributing his/her skills, experience, business and industry knowledge and time in discharging their duties and responsibilities.
- The Independent Directors have exercised due care during their tenure as Independent Directors of the Company and have discharged their duties with reasonable skill and competence, bringing independent judgment into the decision making of the Board in the best interests of the Company and its shareholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Re-election of Directors

Pursuant to Clause 97 of the Company's Constitution, an re-election of the Directors who retire by rotation shall take place each year at the annual general meeting of the Company where one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election provided always that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

Based on its assessment outcomes, the NC reviewed the continued appropriateness of the Directors who retire at the forthcoming Annual General Meeting ("AGM") and made recommendation to the Board to seek shareholders' approval for re-election at the forthcoming AGM:-

1. Mr. Pang Kiew Kun
2. Mr. Tey Giap Turn
3. Mr. Chew Sir Boon

The Nomination Committee concluded all the retiring Directors meet the Directors' fit and proper criteria in terms of character and integrity, experience and competence, and time and commitment.

Directors' Training

Paragraph 15.08 of the Listing Requirements of Bursa Securities requires Directors to undertake continuous professional development programs to keep themselves abreast of the changing business environment, regulatory and corporate governance. Based on the results of the annual assessments, the NC assisted the Board undertake an assessment on the training needs of each Directors. All Directors were also requested to identify their areas of training needs. Directors were encouraged to continually update their skills and knowledge of the business and to actively participate on continuous professional development programs, so that, the Board is equipped to meet the competitive business environment and technological changes.

During the financial year under review, , the Directors had attended training programs / Seminars / conferences, with details as follows:-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Director	Training Title	Date
Pang Kiew Kun	MSIA - SME CONFERENCE 2024	5-Mar-24
	MOE Malaysia - KL 20 Summit 2024	22-Apr 24
	SHRDC – Sustainable Manufacturing Maturity Tools and Framework for ESG	20-21-May-24
Tan Wan Yen	MDEC – Malaysia Digital tech Adoption Summit: Blockchain	3-Oct-2024
Ng Yew Soon	TTCS – Thannees Tax Virtual Tax Conference 2024	5-Mar-24
	TTCS – Navigating the latest E-invoicing Directives & Tax Regulations & Know How	30-Apr-24
	ACCA – ESG Matters – Decoding Green House Gas Emissions	27 May 2024
	TTCS – Issues Relating to Preparation of Contemporaneous TPD	30-May-24
	TCCS – Latest Sales Tax & Service Tax Key Updates	11-Jul-24
	ACCA – AI Adoption Journeys: Lessons from the frontline	18-Jul-24
	CIMB - Cooler Earth & Sustainability Summit 2023	11 September 2023
	ACCA – Will Robot Takee OverMy Job?	18-Jul-24
	ACCA – Managing Risks: Ethical consideration in AI finance	18-Jul-24
	ACCA – Managing Risks: Ethical consideration in AI finance	18-Jul-24
	ACCA – AI's Role In Enabling The Future Of Finance – A Panel Discussion	18-Jul-24
	TTCS – Sharing Our Experience in Dealing with Tax Audits & Investigations	19-Jul-24
	Bursa Malaysia Mandatory Accreditation Programme (MAP II: Leading for Impact)	6-7-Aug-24
	TTCS – Problem Around Transfer Pricing Methodologies	8-Aug-24
Dato' Tan Hock San @ Tan Hock Ming*	ACCA – The Future of Climate Finance	21-Aug-24
	MARC- Malaysia Bond & Sukuk Conference	21-Aug-24
Tey Giap Turn	MARC- Creating The Course For Malaysian Economy	22-Aug-24
Tey Giap Turn	Coursera - Business Analysis & Process Management	23-Apr-24
	Alison – Leadership Skills and Team Management	23-Apr-24
Mok Kar Foo	SHRDC – Sustainable Manufacturing Maturity Tools and Framework for ESG	20-21-May-24
	IBM – Data Analytics Basics for Everyone	29 May 2024
Chew Sir Boon	Bursa Malaysia Mandatory Accreditation Programme (MAP I)	26-27 Feb-25

*Dato' Tan Hock San @ Tan Hock Ming has extensive experience and is well positioned to gauge the direction of the industry and the company in this sector. He has yet been able to find suitable training to attend.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

REMUNERATION

As per Practice 7.1 of the MCCG, the Board has put in place a Remuneration Policy and Procedure to determine the remuneration at a level sufficient to attract, retain and motivate Directors and Senior Management who are the personnel to run the Group and the Company.

The details of the Remuneration Policy and Procedure are disclosed in Practice 7.1 of the MCCG Report.

Role and Activities of Remuneration Committee

As per Practice 7.2 of the MCCG, the Remuneration Committee ("RC") assists the Board in setting the remuneration framework on remuneration packages for Directors and Senior Management and implements the remuneration policy and procedures.

The Terms of Reference of the NC can be viewed on the Company's website at www.fsbm.com.my.

As per Guidance 7.2 of the MCCG, the RC comprises three (3) members, all are Non-Executive Directors with a majority of them are Independent Directors. The RC is chaired by an Independent Non-Executive Director.

The members of the RC are as follows: -

1. Mr. Tey Giap Turn – Chairman
2. Mr. Ng Yew Soon – Member
3. Mr. Mok Kar Foo – Member

The RC applies the following procedures on implementation of the remuneration policy:

- The RC conducts its annual review of the remuneration packages of the Executive Directors, Non-Executive Directors and Senior Management, and makes recommendations to the Board.
- The RC is guided by the assessment outcome of the NC in its review of the remuneration packages. Comparisons are made with the remuneration paid by other comparable public listed companies.
- None of the individual Directors are involved in the discussion and decision relating to their own remuneration.

The RC had conducted its annual review of the remuneration package of the Board in respect of the financial year ended 31 December 2024.

The RC has deliberated and put forward the following recommendation to the Board for approval:

- The remuneration packages of the Managing Director, Executive Director and Senior Management shall remain unchanged as per last year.
- The Directors' fees for the independent Non-Executive Directors shall also remain unchanged.

Moving forward, the RC's key area of focus is to review again the remuneration packages of the Managing Director, Executive Director, Non-Executive Directors and Senior Management and make adjustment according to the market rate for the subsequent financial years.

The above recommendations were approved by the Board.

Directors' remuneration

The Board applies Practice 8.1 of the MCCG to disclose Directors' remuneration on a named basis for individual Directors with detailed remuneration breakdown. The remunerations received or receivable by the Directors in respect of the financial year ended 31 December 2024 are disclosed below:-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

REMUNERATION (CONT'D)

Directors' remuneration (CONT'D)

Company and Group (2024)

Non-Executive Directors

No.	Name	Group			Company		
		Directors' Fees RM	Other Emoluments RM	Total RM	Directors' Fees RM	Other Emoluments RM	Total RM
1.	Dato' Tan Hock San @Tan Hock Ming (Non-Independent Non-Executive Director)	36,000	7,000	43,000	36,000	7,000	43,000
2.	Ng Yew Soon (Independent Non-Executive Director)	40,000	7,000	47,000	40,000	7,000	47,000
3.	Mok Kar Foo (Non-Independent Non-Executive Director)	36,000	7,000	43,000	36,000	7,000	43,000
4.	Tey Giap Turn (Independent Non-Executive Director)	36,000	7,000	43,000	36,000	7,000	43,000
5.	Mr. Chew Sir Boon** (Independent Non-Executive Director)	6,000	1,000	7,000	6,000	1,000	7,000

**Mr. Chew Sir Boon was appointed to the Board on 30 October 2024.

* The above table discloses the Non-Executive Directors' remuneration at Company level. They did not receive any remuneration from subsidiaries.

Executive Directors

No.	Name	Directors' Fees/Salary RM	Bonus RM	Statutory Contribution RM	Benefits in-kind RM	Other Allowance RM	Total RM
1.	Pang Kiew Kun (Managing Director)	300,000	nil	38,638	nil	7,000	345,638
2.	Tan Wan Yen (Executive Director)	52,876	nil	6,817	nil	7,000	66,693

* The above table discloses the Executive Directors' remuneration at Company level. They did not receive any remuneration from subsidiaries.

Key Senior Management's remuneration

The Remuneration Committee and the Board are of the view that it is not to the Company's advantage or best interest to disclose the various remuneration components in detail considering the highly competitive market for senior management personnel with the requisite knowledge, technical expertise and working experience in the industry the Company operates. Accordingly, such disclosure of specific remuneration information may give rise to recruitment and talent retention issues.

As an alternative, the Remuneration Committee and the Board believe that the disclosure of other key management personnel's remuneration that includes the top senior management, in the audited financial statements is adequate as it complies with the requirements of Paragraph 17 of MFRS 124 "Related Party Disclosures".

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

The Audit Committee ("AC") assists the Board to fulfil its corporate governance and oversight responsibilities in relation to financial reporting, internal control system, risk management system and internal and external audit functions.

An independent AC is a fundamental component of good corporate governance.

It has been the practice of the Company that the AC is chaired by an Independent Director Non-Executive Director who is not the Chairman of the Board. The Board has applied Practice 9.1 of the MCCG.

At present, AC comprises two (2) Independent Directors and one (1) Non-Independent Directors, as follows:-

1. Mr. Ng Yew Soon – Chairman
2. Mr. Mok Kar Foo – Member
3. Mr. Tey Giap Turn – Member

The composition of the AC fulfils the requirement of Paragraph 15.09(1)(a) of the Main Market Listing Requirements that requires AC composed of not less than three (3) members.

During the financial year under review, the Board has appointed an additional Independent Director. Moving forward, the composition of the AC will be reviewed in observation to Practice 9.4 of the MCCG.

To further enhance the independence of AC, the Board has applied Practice 9.2 of the MCCG to adopt the policy that requires a former audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC. During the financial year, none of the AC members was the former key audit partner of the Company and Group.

Practice 9.5 of the MCCG recommends AC should possess an appropriate mix of skills, experience and expertise. They should have a mix of accounting and financial expertise, as well as industry knowledge to enable them to discharge their duties effectively. The Chairman of the Audit Committee is a Fellow of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants (MIA). The AC possesses the necessary skills to discharge its duties. Although not all of the AC members possess the accounting qualification as prescribed by the Main Market Listing Requirements, the members of the AC have an understanding of the industry in which the Company operates, they also keep themselves up-to-date with developments of the accounting and auditing standards through various avenues so that they are able to assume the responsibility on overseeing the financial report of the Group and the Company effectively.

The AC is responsible for overseeing the relationships with the External Auditors, the selection process, reviewing the scope of the audit, and monitoring the independence and effectiveness of the External Auditors and remuneration payable to them. The AC has put in place policies and procedures to assess the suitability, objectivity and independence of the External Auditors as per Practice 9.3 of the MCCG before recommending to the Board on the appointment, removal or whether to put forward the Auditors for re- appointment at the AGM, and the Auditors' remuneration. Further details are disclosed in the CG Report under Practice 9.3, and this Annual Report under the section of AC Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board acknowledges that risk management and internal control are an integral part of good management practice.

In observing Practice 10.1 of the MCCG, the Board is currently revamping the Risk Management Framework to align with the Group's operation and objective. The Risk Management Framework provides key principles and concepts, and a clear direction and guidance on risk management to give assertion on the state of risks and controls, with the objective to protect the interest of shareholders and stakeholders and achieve the Group's business objectives.

The existing Risk Management Framework lays down the following:

1. Risk management policy
2. Key objectives for financial risk management
3. Risk management process
4. Risk responsibilities

Instead of establishing a Risk Management Committee as recommended by Practice 10.3 of the MCCG, the Board assumes the role of overseeing the risk management framework and policies.

Details of the Risk Management and Internal Control Framework and its adequacy and effectiveness are disclosed in the CG Report under Practice 10.2 and this Annual Report under the section of Statement of Risk Management and Internal Control.

In light of the increase in business activities of the Group, the Board is in the process of activating the roles of the Risk Monitoring Committee to ensure the risk management is in place.

The Board and Management have been continuously mitigating the risks and that may have a considerable impact on the Company. The current risks on which the Board and management are continuing to focus are operational and financial risks. Various initiatives have been taken by the Board and management to sufficiently manage the risks to ensure the Group is operating on a going concern basis. With the increase in the Group's activities, more resources have been made available to enhance the risk management process.

Internal Audit Function

The Company outsources its Internal Audit Function to a professional services firm, namely Vaersa Advisory Sdn. Bhd. The Internal Auditors are engaged to conduct regular reviews and appraisals of the effectiveness of governance, risk management and internal control processes within the Company and Group.

Internal Audit Function is important in assisting the Board in execution of its oversight function and discharge its responsibilities by performing independent reviews to ensure the adequacy and effectiveness of the internal control and risk management systems established by the Group.

The Management has provided assurance to the AC and the Board that the Group's risk management and internal control system has operated adequately.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

ENGAGEMENT WITH STAKEHOLDERS

The Board is responsible for reporting to shareholders and ensures accountability to the stakeholders. The Board has put in place Corporate Disclosure Policies and Procedures and ensures that it is implemented effectively. The Board has applied Practice 12.1 of the MCCG.

The Board has ensured that all disclosure requirements are duly complied with the Listing Requirements. All financial reports and statements, news releases, presentations, corporate governance documents and other information are accessible to shareholders via the Company's corporate website.

Besides that, Annual General Meetings are properly held, and the procedures are compliant with the regulatory requirements and MCCG.

The Board has not applied Practice 12.2 to adopt an integrated reporting based on a globally recognised framework in its reporting approach to stakeholders as the Company is not a Large Company as defined in the MCCG.

CONDUCT OF GENERAL MEETINGS

Annual General Meeting ("AGM") is the principal forum for dialogue with shareholders.

The Company has been practising the recommendation of Practice 13.1 of the MCCG by sending Notice of Annual General Meeting ("AGM") to shareholders more than 28 days prior to the meeting. Apart from that, the Board ensures the suitability of the venue and timing of the meeting and undertakes other measures to encourage shareholders' participation at the meetings. The Notice of AGM provides the relevant information pertaining to each Agenda to facilitate shareholders' understanding and evaluation of the resolution and make informed decisions. The Board ensures that all information and explanatory notes provided in the Notice of AGM are in compliance with the Listing Requirements and MCCG.

The Company has practised the recommendation of Practice 13.2 to ensure all Directors and members of the Board Committees are present at the AGM or General Meetings. The Company's AGM/General Meetings provide the opportunity for all shareholders to meet and to put questions to the Board of Directors. All Directors are present at the AGM each year to provide responses to questions from the shareholders during these meetings.

The Company conducted its 2024 AGM in a physical manner which allows better and more meaningful engagement between the Board, Senior Management and shareholders.

This CG Overview Statement was approved by the Board on 24 April 2025.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FINANCIAL REPORTING

The Directors are required by the Companies Act, 2016 ("the Act") to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year.

The Board of Directors considers that, in preparing the financial statements for the financial year ended 31 December 2024, the Group and the Company have:

- complied with the applicable financial reporting standards in Malaysia and the provisions of the Companies Act, 2016;
- selected and consistently applied the suitable and appropriate accounting policies; and
- made estimates and judgments which are reasonable and prudent.

The Board of Directors is responsible for ensuring that the Group and the Company maintain adequate accounting records which disclose with reasonable accuracy the financial position of the Group and the Company to enable them to ensure that the financial statements comply with the provisions of the Act. The Board of Directors also has responsibilities to safeguard the assets of the Group and the Company.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company, and to detect and prevent fraud and other irregularities.



ADDITIONAL INFORMATION

The information set out below are disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"):

1. Utilisation of Proceeds

During the financial year ended 31 December 2023, the Company has successfully completed the Proposed Shares Issuance of 60.0 million Subscription Shares to Subscribers at the subscription price of RM0.08 per Subscription Share which raised RM4,800,000; and Proposed 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 at RM0.03 per Rights Share, together with up to 118,329,650 free Warrants on the basis of 1 Warrant for every 2 Rights Shares subscribed for ("Rights Issue with Warrants") which raised RM7,099,779 pursuant to the Regularisation Plan.

The status of the utilisation of the proceeds from Shares Issuance and Rights Issue with Warrants as at 24 April 2025 was as follows:-

Details of Utilitsation	Proposed Utilisation	Actual Utilisation	Balance	Timeframe of utilisation
	RM'000	RM'000	RM'000	
Expansion of IT services business	5,907	4,707	1,200	Within 36 months
General working capital	3,993	3,993	-	Within 24 months
Defray estimated expenses for the Regularisation Plan	2,000	2,000	-	Within 3 months
Total	11,900	10,900	1,200	

2. Audit and Non-Audit Services

During the financial year ended 31 December 2024, the total audit and non-audit fees incurred for the services rendered to the Company and the Group by the external auditors, or a firm affiliated with the external auditors are as follows:-

	Group RM'000	Company RM'000
Audit	203	85
Non-Audit	5	5
	208	90

3. List of Properties

There was no property held by the Company during the financial year ended 31 December 2024.

4. Recurrent Related Party Transactions of a Revenue or Trading Nature

There were no recurrent related party transactions of a revenue or trading nature during the financial year under review.

ADDITIONAL INFORMATION

5. Material Litigation

FSBM and FSBM CTech Suit against Individuals and Technitium Sdn Bhd (“TSB”)

We refer to action taken by FSBM and FSBM CTech against TSB for the recovery of debts amounting to RM8,563,212.64 and RM32,409,434.77 respectively. FSBM and FSBM CTech had filed a suit in the High Court against Dr Azman Bin Awang (Azman), Haliza Binti Bidin (Haliza), Mariana Binti Ahmad Tahar and TSB as 4th Defendant. Judgement was delivered on 6 January 2017 where Azman and Haliza were held jointly and severally liable and personally responsible, without any limitation of liability, for all the debts or other liabilities of TSB.

Following updates from the liquidator, bankruptcy proceedings were initiated against Dr. Azman Bin Awang and Haliza Binti Bidin, with Creditor's Petitions filed on 16 August 2024. Bankruptcy Orders have since 8 January 2025 been obtained against both individuals, and no further legal action can be taken against them. The liquidator will proceed with submitting the Proof of Debt form along with the necessary supporting documents to the Official Assignee (“OA”) for record-keeping and further actions regarding the outstanding amount owed to the Company. FSBM and FSBM CTech continue their efforts to recover the outstanding sum from TSB or its directors, Azman and Haliza.

There is no outstanding material litigation during the financial year under review.

6. Material Contracts

There was no material contract entered into by the Company and its subsidiaries involving Directors and major shareholders' interest which were subsisting at the end of the financial year or if not then subsisting, entered into since the end of previous financial year.

SUSTAINABILITY STATEMENT

Message from the Managing Director

Dear Valued Stakeholders,

It is my pleasure to present the 2024 Sustainability Report of FSBM Holdings Berhad ("FSBM" or "the Group"). This report marks another important chapter in our ongoing journey toward building a resilient, responsible, and future-ready organisation that embraces sustainability at its core.

In 2024, we continued to strengthen our commitment to Environmental, Social and Governance (ESG) principles across all aspects of our business. As a Group with a deep-rooted legacy in technology and innovation, we recognise our unique responsibility and opportunity to drive positive change in a rapidly evolving digital and environmental landscape.

Driving Environmental Stewardship



We remain steadfast in our efforts to reduce our environmental impact through improved energy efficiency, digital transformation initiatives, and responsible resource management. While our environmental footprint is relatively modest given the nature of our business, we are committed to further integrating green practices into our operations and aligning with national and global climate goals.

Investing in People and Communities



Our people remain the foundation of our success. In 2024, we continued to cultivate a work culture built on diversity, inclusion, and professional development. We also strengthened our community engagement efforts, focusing on digital education, technology accessibility, and social empowerment initiatives that reflect our values and areas of expertise.

Upholding Strong Governance



Governance is key to sustainable success. This year, we further enhanced our internal controls, risk management practices, and ethical frameworks. Transparency and accountability guide every aspect of our decision-making process, ensuring long-term value for our shareholders and stakeholders.

Looking ahead, FSBM is committed to building on this momentum. Sustainability is no longer a choice; it is a business imperative. As we continue to evolve as a technology-driven enterprise, we will do so with a clear purpose: to create lasting value, innovate responsibly, and contribute meaningfully to a sustainable future.

On behalf of the BOD, I would like to thank our dedicated employees, loyal shareholders, business partners, and the communities we serve. Your trust and support continue to inspire our journey.

PANG KIEW KUN
MANAGING DIRECTOR OF FSBM HOLDINGS BERHAD



SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT

The Board of Directors (“BOD”) of FSBM is pleased to present its annual Sustainability Statement (“the Statement”), which provides comprehensive overview of the Group’s sustainability performance for the financial year ended 31 December 2024 (“FYE 2024”).

FSBM recognises that its responsibility to its stakeholders is to deliver sustainable financial results and uphold good corporate governance.

This Statement covers aspects of the Group’s economic, environmental, and social performance and aspects of governance that reflect our commitment to sustainability.

Our principles on sustainable development are ingrained in the policies and procedures of the business within the Group. We actively and continuously review and improve our policies and procedures, integrating our principles in all our operations. In gearing up towards a stronger and more comprehensive sustainability approach, we have developed a sustainability commitment.

The disclosures in this Statement have been prepared in accordance with International Financial Reporting Standards (“IFRS”) which establish Guiding Principles and Content Elements allowing the Group to produce integrated report. We address the disclosures of organisational overview, governance structure, business model, risks and opportunities, strategy, performance, and outlook of the Group. The Statement, which showcases our United Nation Sustainable Development Goals (“UNSDG”) complies with the Sustainability Reporting Guide (“SRG”) as well as toolkit issued by Bursa Securities, Global Reporting Initiative (“GRI”) Standards and Task Force on Climate-related Financial Disclosures (“TCFD”) Recommendations.



SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE STRUCTURE

Sustainability requires a top-down approach, where the BOD plays a pivotal role in leading the Group towards achieving its goals and targets. The Group has established a governance structure for effective oversight and implementation of sustainability initiatives.

A top-down approach signifies that decision-making, and leadership originates from the highest levels of an organisation, particularly BOD. This suggests that for sustainability efforts to be successful, the BOD must take an active and leading role in guiding the organisation toward its sustainability goals and targets. Their involvement is essential in setting the vision, allocating resources, and fostering a culture that prioritises sustainable practices.

To support this approach, the Group has created a governance structure. This structure is designed to ensure that there is effective oversight, meaning that there are systems in place to monitor and evaluate sustainability initiatives. It aims to guarantee accountability and transparency in how sustainability efforts are implemented. The governance structure helps coordinate activities, engage different stakeholders, and ensure that the sustainability objectives align with the overall strategy of the organisation.

In summary, a top-down approach led by the BOD, combined with a robust governance framework, is critical for successfully implementing and overseeing sustainability initiatives within the Group.

Key Roles and Responsibilities of the Key Senior Management





SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT




FSBM has a broad range of stakeholder groups that have an effect on or are affected by the Group and our activities. Our key stakeholder groups include shareholders, financiers and investors, government agencies and regulators, customers, employees and suppliers. They are identified based on their different levels of influence over and dependence on our business.

As a Group, we aim to maintain constructive channels of communication with all our key stakeholder groups. Thus, regular engagements are held through both formal and informal channels. These interactions help us to identify relevant material issues and provide insights into emerging opportunities and risks whilst responding to their needs more effectively.

Key Stakeholders	Engagement Platforms	Areas of Interest of concerns	Our Responses
Shareholders, Financiers and Investors 	As needed <ul style="list-style-type: none"> Press releases. One-on-one and group meetings. Quarterly <ul style="list-style-type: none"> Financial reports and announcements. Annually <ul style="list-style-type: none"> General Meetings. Annual Reports. 	<ul style="list-style-type: none"> Business strategies and future plans. Stable income distribution. Group's overall performance. Good management and corporate governance. 	<ul style="list-style-type: none"> Timely updates on the Group's strategy and financial performance via announcements in Bursa Malaysia. Uphold good governance practices across the Group, and supply chain. Monitor sustainability performance and targets. Strategic Alliance Signing Ceremony with Synergies and Zhong Yang (JMO) - Communicates FSBM's push into AI-driven manufacturing and regional supply chain leadership — a key innovation and revenue-driving milestone. Malaysia China Summit 2024 - Demonstrates international influence, trade expansion, and strong government-business collaboration, all of which are attractive to shareholders. Semiconductor Investment and Trade Mission (Netherlands) - Signals strategic global expansion and entry into high-value sectors, aligning with investor interests in tech and export-driven growth. Asia Pacific Semiconductor Summit and Expo - Reinforces FSBM's positioning in a high-growth industry. Offers an opportunity to showcase strategic road maps and investor-aligned forecasts.
Government Agencies and Regulators 	Ongoing <ul style="list-style-type: none"> Adhere to all applicable regulations and industry standards, including environmental and labor laws. 	<ul style="list-style-type: none"> Regulatory compliance including environmental and social compliance. Corporate governance practices. Sharing of best practices. 	<ul style="list-style-type: none"> Full compliance with regulatory requirements. Regular review and monitoring of risk register. Adoption of practices outlined in the Malaysian Code on Corporate Governance ("MCCG") 2021. Engage in the Malaysia China Summit 2024 and Semiconductor Investment & Trade Mission to align FSBM's initiatives with national strategies. Asia Pacific Semiconductor Summit & Expo introduces suppliers to emerging semiconductor needs and potential shifts in procurement strategy. TechLab, Intelligent Manufacturing @ KLCC - Opportunity to demonstrate smart factory solutions, including supplier integration into smart manufacturing workflows.

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT (CONT'D)

Key Stakeholders	Engagement Platforms	Areas of Interest of concerns	Our Responses
Customers 	Ongoing <ul style="list-style-type: none"> Customer support channels (i.e., Company website) 	<ul style="list-style-type: none"> Conduct regular surveys and feedback sessions to understand customer needs and expectations. Customer data privacy. Customer loyalty. 	<ul style="list-style-type: none"> Adhere to the Personal Data Protection Act 2010. Engage through exclusive updates on Strategic Alliance Signing Ceremony outcomes and Malaysia China Summit 2024 discussions.
Employees 	Ongoing <ul style="list-style-type: none"> Internal communication (i.e. emails). As needed <ul style="list-style-type: none"> Corporate announcement, Workshops and training. Annually <ul style="list-style-type: none"> Employee appraisals and engagement programmes. 	<ul style="list-style-type: none"> Business growth and strategic direction. Inclusive workplace. Remuneration and benefits. Career development and upskilling opportunities. Health and safety at the workplace. Work-life balance. 	<ul style="list-style-type: none"> Provide equal employment opportunities without discrimination. Offer employee benefits, remuneration packages, relevant upskilling and development opportunities. Include employees in the TransformNation CSR initiative, offering them a chance to volunteer or participate in CSR activities.
Suppliers 	As needed <ul style="list-style-type: none"> Meetings. Annually <ul style="list-style-type: none"> Supplier assessment/ performance appraisals. 	<ul style="list-style-type: none"> Efficient procurement processes. Transparency in procurement processes. Capacity-building for suppliers. 	<ul style="list-style-type: none"> Improve efficiency by digitalisation of procurement processes. Upskill suppliers through capacity-building programmes. Strategic Alliance Signing Ceremony with Synergies and Zhong Yang (JMO) - The HMLV.ai platform directly transforms how suppliers participate in the digital procurement and manufacturing process.

SUSTAINABILITY STATEMENT

MATERIALITY ASSESSMENT

An effective ESG strategy begins with understanding the highest priority topics for the Group's business and stakeholders. An ESG materiality assessment is a process that weighs the impacts of ESG issues and their importance to both a company and its key stakeholders. The assessment gathers and analyses stakeholder feedback to provide insights into future trends, business risks and opportunities. These help the Group to establish ESG strategic priorities, build a strong corporate value proposition, and set goals and targets.

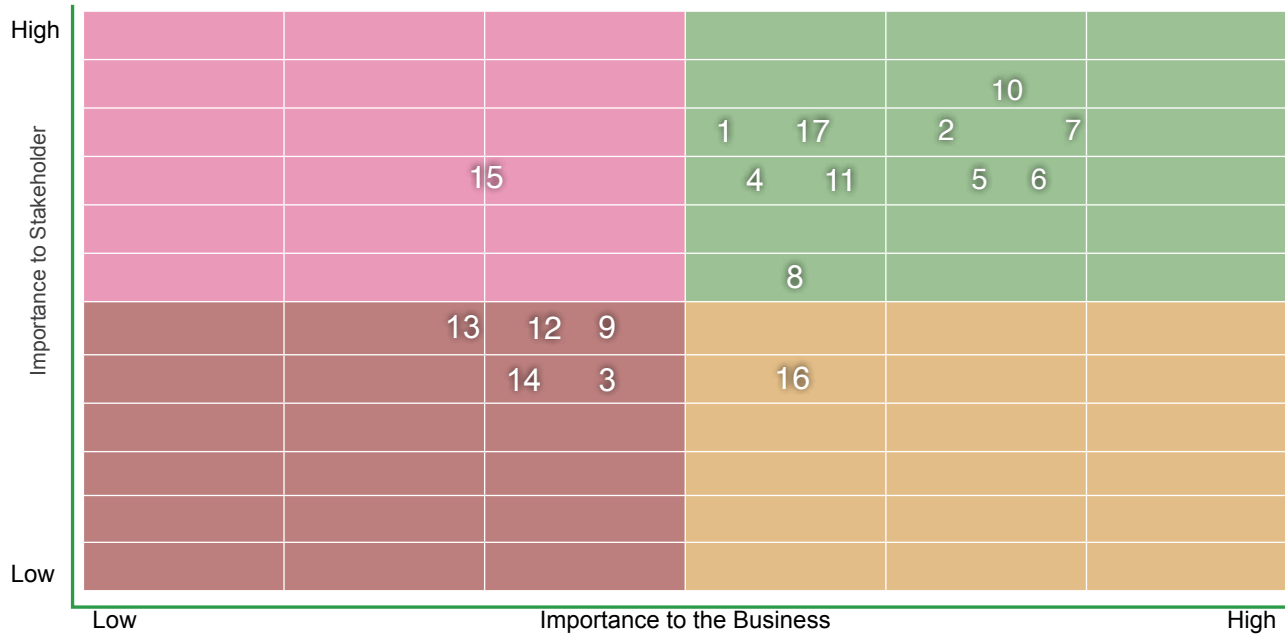
This has been done through a thorough process of identification, ranking and verification which led to the result on the level of importance these material sustainability matters have on the Group's business operations as well as our stakeholders.

No.	Material Sustainability Matters	Stakeholder Group	Applicable GRI Indicator
1.	Corporate Governance and transparency	Employees, Regulators, Investors	GRI General Disclosures
2.	Financial Performance	Employees, Investors	GRI Disclosure 201
3.	Procurement and Supply Chain Management	Suppliers and Contractors, Regulators	GRI Disclosure 204
4.	Legal and Regulatory Compliance	Regulators	Compliance
5.	Customer Satisfaction	Customers	Product Responsibility
6.	Product Quality	Employees, Regulators, Investors	Product and Service Labeling
7.	Occupational Health and Safety	Employees, Contractors, Regulators	GRI Disclosure 403
8.	Employee Retention	Employees	GRI Disclosure 404
9.	Human & Workers' Rights Protections	Employees	GRI General Disclosures
10.	Recycle Materials	Employees	GRI Disclosure 301
11.	Risk Management	Regulators, Investors	GRI General Disclosures
12.	Energy and Climate change	Employees	GRI Disclosure 302 & 305
13.	Water Management	Employees	GRI Disclosure 303
14.	Equality and Diversity	Employees	GRI Disclosure 405
15.	Community Engagement	Local Communities	Local Communities
16.	Personal Data Protection Act ("PDPA")	Employees	Compliance
17.	Anti-Bribery and Anti-Corruption ("ABAC")	Employees	GRI Disclosure 205

SUSTAINABILITY STATEMENT

MATERIALITY ASSESSMENT (CONT'D)

Based on the ranking given to each of the material matters, a Materiality Matrix is derived as shown below.



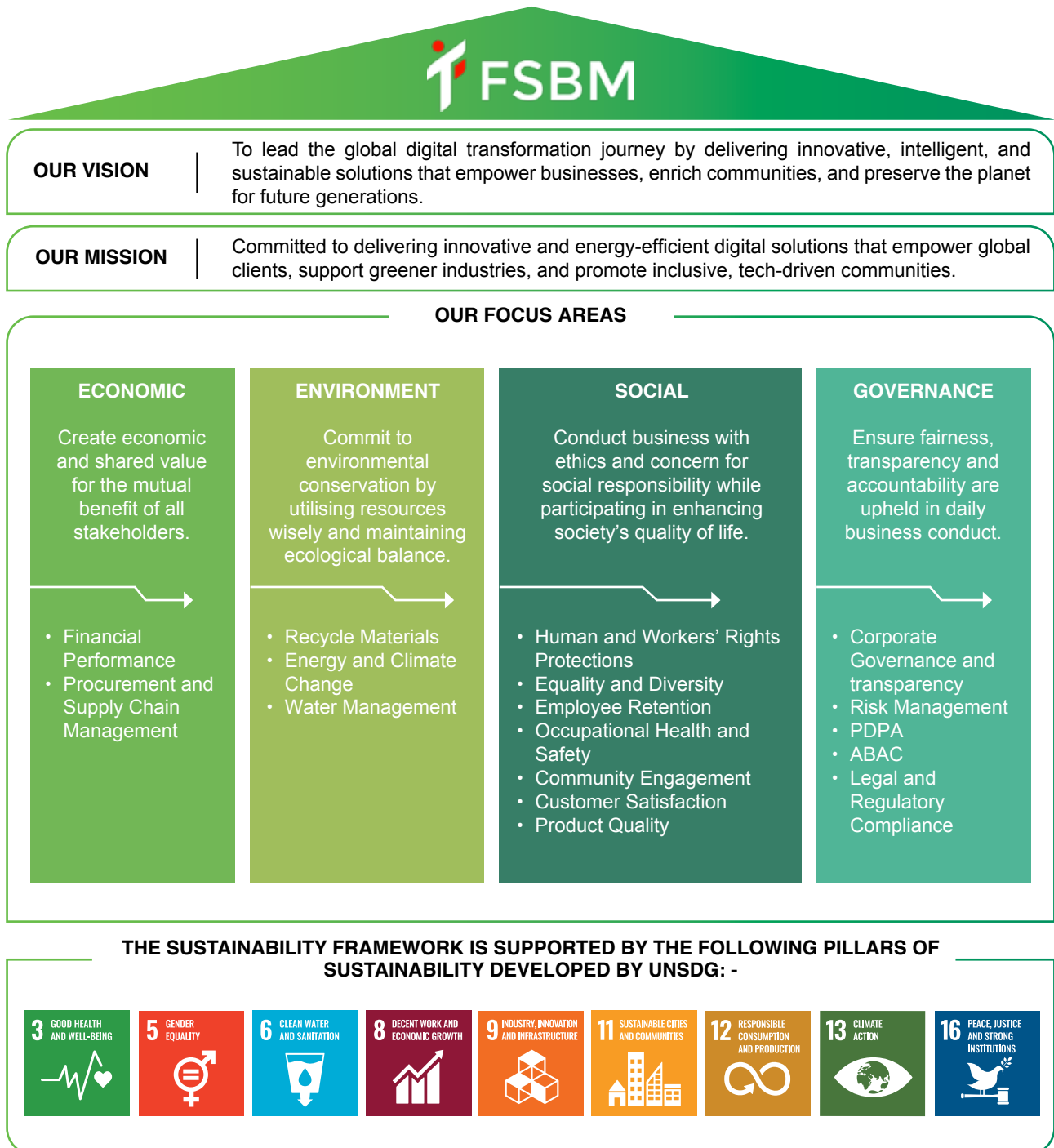
SUSTAINABILITY FRAMEWORK

FSBM's sustainability framework has been refined to align with our business strategy and is guided by the Group's Vision and Mission. Through our framework, we aspire to meet the needs of our stakeholders, reduce our environmental impact as well as contribute positively to the local communities where we operate. We aim to deliver the objectives under each focus area by addressing the concerns related to each of our material matters. Accordingly, we have set targets to enable us to accelerate and monitor our sustainability performance. By linking these targets to a performance scorecard, we are able to track our progress and ensure that we are making continuous improvements towards these targets.



SUSTAINABILITY STATEMENT

SUSTAINABILITY FRAMEWORK (CONT'D)

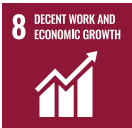


SUSTAINABILITY STATEMENT

ECONOMIC PERFORMANCE



RELATED UNSDGs:



OUR TARGET

FSBM's strong financial performance serves as a foundation for creating long-term value and advancing our sustainability objectives. We are dedicated to generating employment and offering high-quality job opportunities, acknowledging their essential role in promoting economic resilience, social cohesion, and uplifting local communities. Our core goal is to maintain enduring resilience by maximising asset efficiency and ensuring fair value distribution among all stakeholders.

OUR APPROACH

FSBM's strategy for sustaining and enhancing long-term economic performance is built on a multi-faceted approach that ensures resilience, agility, and future readiness. Central to this strategy is the disciplined execution of our business plan, which outlines clear objectives for innovation, operational efficiency, and revenue diversification. We remain highly responsive to evolving market trends and customer needs, enabling us to adapt swiftly in a dynamic business environment.

A strong balance sheet and prudent cash flow management continue to underpin our financial stability, allowing us to invest strategically in growth opportunities and weather market volatility. We are also committed to embracing technological advancements, particularly in digital solutions, artificial intelligence, and smart systems, all of which drive value creation across our business units. Furthermore, our focus on expanding into new markets and strengthening existing ones positions us for sustainable growth, increased competitiveness, and enhanced value delivery to all stakeholders.

SUSTAINABILITY STATEMENT

ECONOMIC PERFORMANCE (CONT'D)

OUR PERFORMANCE

When evaluating financial performance, it is essential to look beyond profitability and consider the broader economic value a company creates and shares. At FSBM, we are deeply committed to generating and distributing sustainable economic value across our stakeholder ecosystem. By embedding efficiency and sustainability into every aspect of our operations, we strive to deliver consistent, long-term value.

Our continued investments in talent development, operational excellence, and cutting-edge technologies enable us to offer high-quality, tailored solutions that meet evolving customer demands. We believe that transparent and fair distribution of economic value is fundamental to building trust, enhancing stakeholder confidence, and fostering lasting partnerships. In line with this, we are dedicated to providing competitive compensation to our employees and suppliers, while ensuring responsible and fair returns to our shareholders.

Our direct economic impacts are reflected in the financial contributions arising directly from our business activities, including:

Employee Wages

Providing competitive salaries and comprehensive benefits is fundamental to supporting the well-being of our employees and their families. At FSBM, fair compensation is more than a business practice, it reflects our commitment to valuing our people. By ensuring equitable remuneration, we not only enhance the financial security and job satisfaction of our workforce but also play a meaningful role in strengthening the socioeconomic fabric of the communities in which we operate.

Group Revenues and Profits

The revenues we generate, and the profits retained after expenses serve as key indicators of our financial health and long-term sustainability. These figures reflect the efficiency of our operations, the strength of our business strategy, and our capability to consistently create and deliver value for all stakeholders. Strong financial performance enables us to reinvest in growth, innovation, and people, reinforcing our commitment to sustainable value creation.

Taxes Paid

Taxes paid on our profits, income, and business activities represent a vital part of our contribution to society. These payments support government efforts in funding essential public services and infrastructure, including education, healthcare, and transportation, thereby playing a direct role in national development and societal well-being. Through these economic contributions, FSBM reinforces its role as a responsible corporate citizen, committed to creating positive impact at both local and national levels.



SUSTAINABILITY STATEMENT

ECONOMIC PERFORMANCE (CONT'D)

OUR PERFORMANCE (CONT'D)

This year, the Group achieved a total revenue of RM17.1 million, with contributions derived from Intelligent Application and Digital Solutions, Smart Manufacturing Solutions, and Managed Security Services. FSBM remains committed to delivering value to our stakeholders, as reflected in the table below.

	FYE 2024 (RM)	FYE 2023 (RM)
Economic value generated (Revenue and Other Income)	17,344,129	12,898,345
Economic value distributed: -		
- Operating costs	10,315,645	5,914,974
- Employee wages and benefits	2,650,600	1,680,267
- Payment to providers of capital (Dividend and financing cost)	19,481	7,040
- Payment to government (Tax)	279,928	283,050
- Community investment	3,000	3,000
Economic value retained	4,075,475	5,010,014



SUSTAINABILITY STATEMENT

ENERGY & CLIMATE CHANGE



RELATED UNSDGs:



OUR TARGET

The Group acknowledges the impact of energy use and greenhouse gas (GHG) emissions on climate change and is committed to reducing its environmental footprint. In support of this, two key targets have been established:

To reduce the total amount of greenhouse gas (GHG) emissions from Scope 1 and Scope 2 sources by 40% by the year 2030, with implementation commencing in FYE 2025.

To achieve a 10% reduction in energy consumption per capita by the year 2030, with implementation commencing in FYE 2025. This target encompasses the total energy consumption of the organisation used across all operations. The focus is on per capita usage, meaning the average energy consumption per employee rather than total organisational usage.

OUR APPROACH

Below are the core elements of our planned transition to renewable energy sources and engaging employees in energy-saving efforts:

Energy Transition Infrastructure

We aim to accelerate our shift toward renewable energy by integrating solar power into our operations:

- **Adoption of renewable energy sources:**

FSBM emphasises the use of renewable energy to minimise greenhouse gas emissions and contributes to a lower carbon footprint and supports global efforts to combat climate change.

SUSTAINABILITY STATEMENT

ENERGY & CLIMATE CHANGE (CONT'D)

OUR APPROACH (CONT'D)

Energy Efficiency Improvements

Recognising the inefficiencies in our current energy usage, particularly in lighting and equipment, we are committed to prioritising upgrades that promote energy efficiency:

- **Replacing Light Bulbs with Energy-Efficient LEDs:**

Transitioning from halogen to LED lighting will significantly lower energy consumption and reduce operational costs.

- **Upgrading to High-Efficiency Equipment:**

We will replace outdated machinery and office equipment with modern, energy-efficient models designed to consume less energy while maintaining or enhancing performance.

Energy Saving and Employee Engagement

Promoting a culture of energy conservation is integral to our plan. To encourage responsible energy use across the Group, we will introduce the following initiatives:

- **Developing Power-Off Policies:**

Establish formal guidelines encouraging employees to turn off equipment, such as computers, printers, and lights, when not in use.

- **Employee Engagement Programs:**

Launch awareness campaigns and training sessions to highlight the importance of energy conservation and the impact of individual actions.

Create incentives for departments and teams that achieve energy-saving targets, offering rewards or recognition to reinforce sustainable behavior.

We are committed to rolling out these initiatives as part of a phased, structured development plan. Regular monitoring and reporting mechanisms will be established to track progress, measure energy savings, and evaluate the effectiveness of implemented measures.

Through these planned actions, we aim to reduce our environmental footprint, lower operational costs, and contribute to the global transition to a low-carbon economy. This comprehensive energy transition and efficiency plan underscores our dedication to sustainability while fostering a culture of environmental responsibility within our organisation.

These initiatives not only align with our vision of a sustainable future but also empower our employees and stakeholders to actively participate in achieving our energy-saving and climate goals. Through careful planning, effective implementation, and consistent monitoring, we are poised to drive meaningful change while ensuring long-term economic and environmental benefits.

By embracing these transformative measures, we reaffirm our dedication to building a resilient, energy-conscious organisation that contributes positively to a low-carbon economy and a greener planet for future generations.

SUSTAINABILITY STATEMENT

ENERGY & CLIMATE CHANGE (CONT'D)

OUR PERFORMANCE

FUEL CONSUMPTION FOR SCOPE 1 EMISSIONS

Scope 1 emissions refer to direct greenhouse gas (GHG) emissions from sources that are owned or controlled by the organisation.

For FYE 2023, FSBM's fuel usage by director vehicles led to nearly 7.46 tonnes of direct GHG emissions. This figure reflects the organisation's existing operational travel needs and vehicle usage patterns during the post-pandemic operational recovery phase.

For FYE 2024, FSBM saw a notable increase in fuel consumption, leading to a higher carbon footprint compared to the previous year, an increase of 39% in emissions. This could be attributed to greater business travel demands and expanded director responsibilities.

Below is a breakdown by financial year:

Year	Fuel Consumption Petrol (Litre)	Total Emissions	Carbon Footprint Generated (tCO ₂ e)
FYE 2023	3,210	7,462 kg CO ₂ e	7.46 tonnes CO ₂ e
FYE 2024	4,414	10,350 kg CO ₂ e	10.35 tonnes CO ₂ e

ELECTRICITY CONSUMPTION FOR SCOPE 2 EMISSIONS

Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling consumed by the organisation. For FYE 2024 and FYE 2023, electricity consumption for FSBM's Headquarters (HQ) was recorded as follows:

Year	Electricity Consumption (kWh)	Total Emissions (kg CO ₂ e)	Carbon Footprint Generated (tCO ₂ e)
FYE 2023	11,182 kWh	8,720 kg CO ₂ e	8.72 tonnes CO ₂ e
FYE 2024	20,094 kWh	15,228 kg CO ₂ e	15.23 tonnes CO ₂ e

For FYE 2024, electricity consumption rose by 8,912 kWh, representing a 79.7% increase compared to the previous year. Correspondingly, Scope 2 emissions increased by 6.51 tonnes CO₂e, reflecting a 74.7% rise in carbon output. This growth is primarily attributable to the relocation of FSBM (HQ) to a new location in 2024, driven by expanded business operations.

WATER MANAGEMENT

Below is the annual water usage at FSBM Site Office located at Glomac Damansara for the FYE 2023 and FYE 2024:

Water consumption more than doubled, rising from 18 m³ in FYE 2023 to 38 m³ in FYE 2024, an increase of 111%. This surge in water consumption is primarily attributed to business activities at the site.

FSBM (Site Office)

Year	Water Consumption (m ³)	Megalitres (ML)
FYE 2023	18 m ³	0.018 ML
FYE 2024	38 m ³	0.038 ML

SUSTAINABILITY STATEMENT

LABOUR PRACTICE & HUMAN RIGHTS



RELATED UNSDGs:



OUR TARGET

FSBM is committed to investing in training and development to ensure our workforce remains competitive, innovative, and prepared for future challenges. As a responsible organisation, we prioritise safeguarding and promoting human rights throughout our operations. We recognise that strong human rights practices and fair, ethical treatment not only enhance productivity but also contribute to a positive and healthy workplace culture.

OUR APPROACH

This approach highlights our commitment to fostering a safe, supportive, and engaging work environment that prioritises the well-being and development of our employees. By embedding these initiatives into our sustainability framework, we aim to nurture a thriving organisational culture that drives long-term success and sustainability.

Enhancing Employee Wellbeing

We are committed to fostering a culture that prioritises the physical and mental health of our employees.

- **Health Insurance Coverage:**

Introduce comprehensive health insurance plans designed to address the diverse needs of our workforce. These plans will encompass coverage for physical health, mental health support, and preventive care services.

SUSTAINABILITY STATEMENT

LABOUR PRACTICE & HUMAN RIGHTS (CONT'D)

OUR APPROACH (CONT'D)

Strengthening Workplace Safety

Creating a safe and secure working environment is fundamental to employee satisfaction and operational efficiency.

- **Updated OHS Policies:**

Regularly review and update occupational health and safety (OHS) policies to meet current standards and address emerging risks.

- **Safety Drills and Audits:**

Periodic fire drills and evacuation exercises by Tower Management at FSBM (HQ) to ensure preparedness for emergencies.

- **Emergency Preparedness Training:**

Provide employees with comprehensive training on hazard identification, emergency response protocols, and first aid.

Supporting Employee Growth and Development

We aim to build a workforce equipped for future challenges by investing in continuous learning and career advancement opportunities.

- **Training and Upskilling Programs:**

Offer regular workshops and certifications on industry-relevant skills and technologies.

- **Career Progression Pathways:**

Define clear and transparent career paths, enabling employees to visualise their growth potential within the organisation.

Improving Communication and Engagement

Effective communication and employee engagement are key to fostering a collaborative and motivated workplace culture.

- **Company Meetings:**

Schedule company-wide meetings to share updates, celebrate achievements, and address concerns.

- **Employee Feedback:**

Employees to share feedback, ensuring open communication without fear of reprisal.

- **Recognition Programs:**

Programs to acknowledge and reward employee contributions, boosting morale and loyalty.

SUSTAINABILITY STATEMENT

LABOUR PRACTICE & HUMAN RIGHTS (CONT'D)

OUR APPROACH (CONT'D)

Focusing on Sustainability and ESG Integration

Integrating labour practices with environmental, social, and governance (ESG) initiatives will enhance our long-term sustainability efforts.

- **Labour Metrics in ESG Reporting:**

Track and report labour-related metrics, such as employee turnover rates, satisfaction levels, and diversity ratios.

- **Stakeholder Engagement:**

Collaborate with stakeholders to align labour policies and programs with broader ESG objectives and industry standards.

Monitoring and Evaluation

Continuous evaluation will ensure the effectiveness of our initiatives and provide insights into improvement.

- **KPIs Implementation:**

Each department will establish Key Performance Indicators (KPIs) to monitor and measure the success of labour practices.

- **Policy Revisions:**

Regularly update the employee handbook and related policies based on feedback and data analysis to ensure relevance and effectiveness.

OUR PERFORMANCE

Total hours of training by employee category

In line with our commitment to fostering a skilled and future-ready workforce, FSBM invested a total of 114 hours in training programs during FYE 2024, an increase of 82 hours from the previous year. These training sessions were tailored to equip our employees with industry-relevant skills and enhance their professional capabilities.

Training Title (FYE 2024)	Date	Total Hours
Sustainable Manufacturing Maturity Tools and Framework for ESG	20 & 21-May-24	90
AI Revolution Transformative, Impacts and Opportunities	4-Dec-24	24

Training Title (FYE 2023)	Date	Total Hours
Intelligent Manufacturing 2023	16, 17 & 18-Mar-23	24
Team Building	8-Dec-23	8

SUSTAINABILITY STATEMENT

LABOUR PRACTICE & HUMAN RIGHTS (CONT'D)

OUR PERFORMANCE (CONT'D)

Percentage of employees that are contractors or temporary staff

Employee	FYE 2024	FYE 2023
<i>Permanent</i>	97%	100%
<i>Contractual / Temporary</i>	3%	-
Total	100%	100%

- Permanent Employees (97%)**

The majority of FSBM's workforce consists of permanent employees, reflecting our commitment to long-term employment relationships and workforce stability. Permanent employees receive focused training programs to ensure they remain competitive and aligned with the company's strategic goals.

- Contractual/Temporary Staff (3%)**

Temporary or contractual staff form a significant portion of the workforce, providing flexibility to adapt to changing operational demands. Moving forward, FSBM plans to explore opportunities for extending relevant training programs to this group, ensuring inclusivity and equipping them with valuable skills.

Total number of employee turnover by employee category

For FYE 2024, FSBM recorded a total of 27 employees resigning across different employee categories. This turnover data is essential for evaluating workforce dynamics and identifying areas for improvement in employee retention strategies.

Employee Category	FYE 2024	FYE 2023
<i>Management</i>	-	-
<i>Executive</i>	27	2
<i>Non-Executive</i>	-	9
Total	27	11

For FYE 2024, the majority of resignations (100%) were recorded in the Executive category, indicating potential challenges in retaining employees at this level. Both Management and Non-Executive categories saw zero turnover in total. This stability suggests a higher level of satisfaction or engagement among employees in these categories.

Number of substantiated complaints concerning human rights violations

FSBM is proud to report that for FYE 2024, there were zero substantiated complaints concerning human rights violations across our operations, consistent with the previous year's results. This achievement underscores our unwavering commitment to upholding and promoting human rights as a core principle of our business ethics and corporate governance.

Employee Category	FYE 2024	FYE 2023
<i>Management</i>	Nil	Nil
<i>Executive</i>	Nil	Nil
<i>Non-Executive</i>	Nil	Nil
Total	Nil	Nil

SUSTAINABILITY STATEMENT

CUSTOMER EXCELLENCE



RELATED UNSDGs:



OUR TARGET

At FSBM, we understand that customer satisfaction and loyalty form the foundation of our sustained success and play a critical role in upholding our reputation in the technology industry. Our commitment to excellence drives us to place customers at the heart of everything we do. To achieve this, we actively seek and value customer feedback, using it as a vital tool to refine and improve our offerings. By listening to their needs and preferences, we can tailor our products and services to exceed expectations, ensuring that every customer interaction reflects our dedication to quality and innovation. Additionally, we continually review and enhance our operational standards to maintain a superior level of service, reinforcing trust and fostering long-term relationships with our customers. Through these efforts, we aim not only to meet but to surpass customer expectations, solidifying our position as a brand synonymous with reliability, excellence, and customer-centricity.

OUR APPROACH

As part of FSBM's strategic transition plan, we aim to reinforce our customer-centric approach by implementing targeted initiatives that focus on customer satisfaction, data security, and brand engagement. The outlined measures aim to solidify FSBM's position in the technology industry while creating a seamless and rewarding customer experience.

- **Strategic Alliance for AI-Driven Manufacturing Platform**

Through our subsidiary C2M Elite Sdn Bhd, entered into a strategic alliance with Synergies Intelligent Systems, Inc. and Zhong Yang Technology Co., Ltd. to launch the HMLV.ai platform. This AI-powered Customer-to-Manufacturer (C2M) platform aims to revolutionise supply chain management in Southeast Asia's fabricated metal industry.

SUSTAINABILITY STATEMENT

CUSTOMER EXCELLENCE (CONT'D)

OUR APPROACH (CONT'D)

- **Maintain Leading Cybersecurity Practices**

To safeguard customer data and foster trust, we will implement advanced cybersecurity measures, including regular system updates, vulnerability assessments, and robust encryption protocols. These practices will ensure data protection, compliance with regulatory standards, and minimise the risk of breaches, enhancing overall customer confidence.

- **Transparent Communication on Data Protection**

We aim to strengthen transparency by providing clear and accessible information about how customer data is collected, stored, and used. This will include publishing detailed privacy policies, creating FAQs, and establishing customer support channels to address queries about data protection. Transparency will help us build and maintain trust with our customers.

- **Boost Visibility and Reach**

Through strategic marketing partnerships, sponsorships, and digital campaigns, we will amplify FSBM's presence in the market. Continuous brand exposure will ensure that FSBM remains top-of-mind for potential customers, particularly during the decision-making process.

OUR PERFORMANCE

At FSBM, we take the protection of customer privacy and data security as a top priority, recognising that safeguarding sensitive information is essential to building trust and maintaining strong customer relationships. Our commitment to maintaining the highest standards of cybersecurity practices has enabled us to uphold an exemplary track record. For FYE 2024, the number of substantiated complaints concerning breaches of customer privacy or data losses stands at zero, consistent with the results from the previous year.

Year	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data
FYE 2024	Nil
FYE 2023	Nil

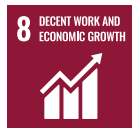
This achievement reflects our unwavering focus on implementing robust measures to prevent data breaches, including continuous monitoring of our systems, deploying advanced cybersecurity technologies, and adhering to industry best practices. Additionally, we ensure transparency in communicating how customer data is protected and provide clear guidelines on data usage. Our proactive approach to data protection not only safeguards the privacy of our customers but also enhances their confidence in our services, solidifying FSBM's reputation as a trusted and reliable partner in the technology industry.

SUSTAINABILITY STATEMENT

DIVERSITY & INCLUSIVITY



RELATED UNSDGs:



OUR TARGET

Diversity and inclusivity at workplace provide us with a competitive advantage by enabling access to a broad spectrum of knowledge, perspectives, and ideas. In alignment with this belief, we are committed to fostering equal employment opportunities and non-discrimination by actively embracing diversity in gender, race, religion, age, and nationality. We strive to cultivate a culture that celebrates and respects differences, champions equality, and supports personal and professional growth, empowering individuals to achieve their fullest potential.

OUR APPROACH

At FSBM, we are committed to upholding fair employment practices and regularly assessing our recruitment processes to ensure equality at every stage, as outlined in our Recruitment Procedures. Employees are offered competitive wages, free from any form of gender-based discrimination. Career advancement, recognition, and rewards are determined fairly and objectively, with decisions based solely on performance and merit.

Aligned with our vision to promote female leadership within the organisation, we are dedicated to achieving equitable gender representation at all levels. We are committed to ensuring a minimum of 30% women's participation in leadership roles at the Management level, reflecting our strong advocacy for diversity in leadership. This commitment extends to the BOD level, where we ensure women's participation in leadership roles to 30% by 2030. This represents a strategic goal to improve female representation in senior decision-making roles.

SUSTAINABILITY STATEMENT

DIVERSITY & INCLUSIVITY (CONT'D)

OUR APPROACH (CONT'D)

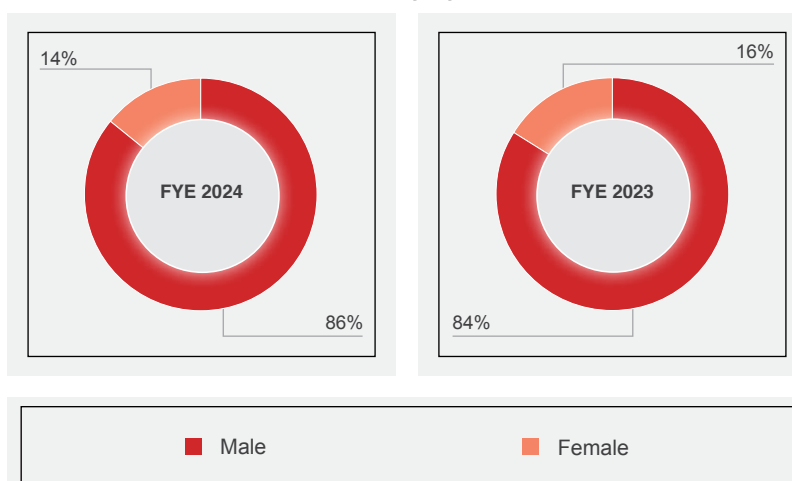
Our commitment to providing a safe and inclusive work environment, free from discrimination based on backgrounds, beliefs, or abilities, is further reinforced through our adherence to Human Rights, Code of Conduct ("CoC"), and robust grievance mechanisms. These measures reflect our dedication to ensuring that every individual feels respected and protected from any form of harassment.

Our CoC outlines our expectations to all our employees and external stakeholders in approaching human rights matters while conducting business with FSBM. This code discloses fair labour practices, zero-tolerance for child labour and any form of forced labour, protection against discrimination and harassment, freedom of association and collective bargaining, and grievance mechanisms, among others.

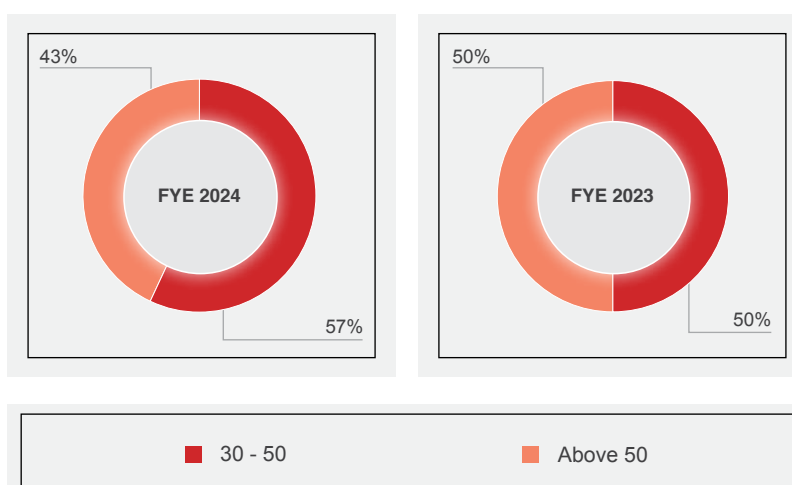
We have communicated to all our employees and workers about our grievance handling process and whistleblowing policy. Our whistleblowing channels offer employees a safe and confidential way to report anonymously any violation of labour practices, disputes, and inappropriate behaviour. We guarantee the protection of the whistleblower's identity throughout investigation and all reports will be taken seriously.

OUR PERFORMANCE

BOD Diversity by Gender



BOD Diversity by Age



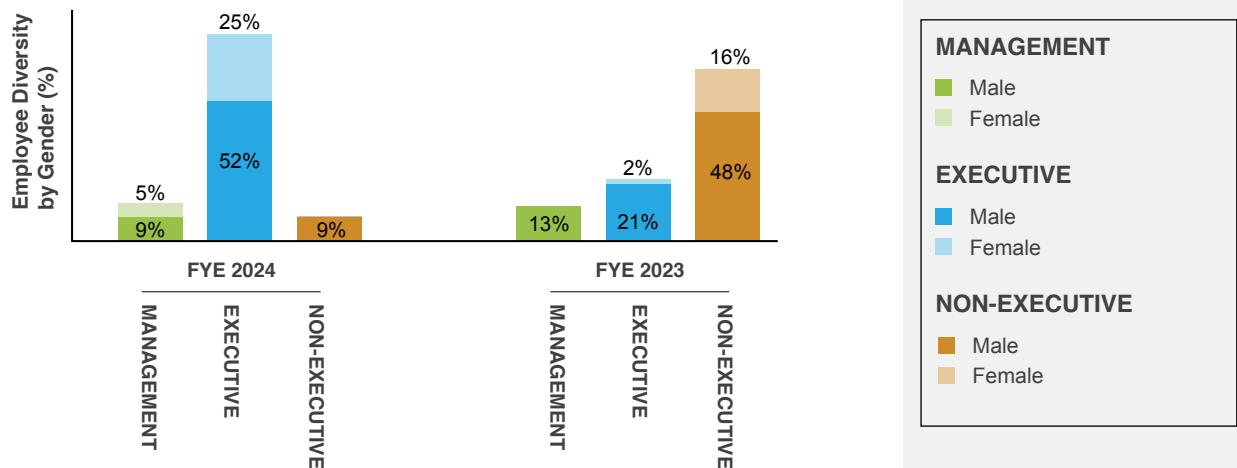
SUSTAINABILITY STATEMENT

DIVERSITY & INCLUSIVITY (CONT'D)

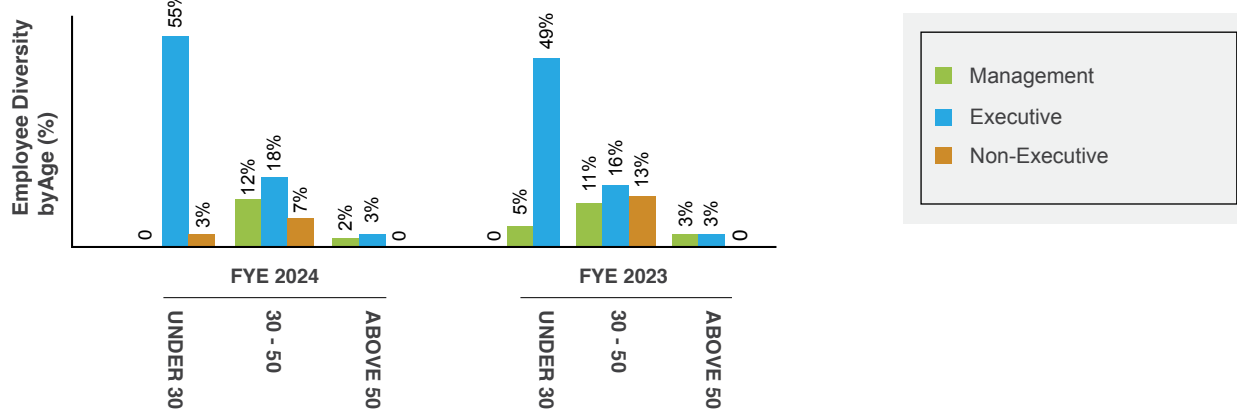
OUR PERFORMANCE (CONT'D)

For FYE 2024, overall BOD diversity of FSBM consists of 86% male and 14% female. We strongly support for equitable gender representation on our BOD and to increase the participation of women in leadership roles to 30%.

Employee Diversity by Gender



Employee Diversity by Age



For FYE 2024, FSBM's workforce is composed of 71% males and 29% females. This highlights the company's current gender distribution, with a slightly higher proportion of male employees compared to female employees. The Group recognises the importance of gender diversity and aims to continue working toward a more balanced and inclusive workforce. The Group is managed by employees assigned to three designation levels as shown above.

The Group firmly believes that a diverse workforce that includes individuals from various backgrounds, genders, and perspectives plays a crucial role in driving business success. Diversity fosters creativity, innovation, and better problem-solving, all of which are essential to the Group's growth. FSBM continues to work towards creating an environment where all employees are valued, supported, and given equal opportunities to thrive.

The Group recognises that fair and ethical treatment of employees along with the protection of human rights directly contributes to a productive and positive work environment. Employees who feel respected, valued, and treated equitably are more likely to perform better, remain loyal to the company, and contribute to a healthy organisational culture. This reinforces the idea that strong human rights practices are not just a moral obligation but also a business imperative.

SUSTAINABILITY STATEMENT

COMMUNITY DEVELOPMENT



RELATED UNSDGs:



OUR TARGET

FSBM remains committed to driving meaningful social impact within the broader community. Through our Corporate Social Responsibility (CSR) initiatives, we actively contribute to the well-being of the communities in which we operate. These efforts include a diverse range of programmes such as community engagement activities, blood donation drives, and charitable contributions.

At FSBM, we believe that cultivating strong, positive relationships between businesses and communities fosters greater social inclusion and delivers long-term, tangible benefits for all stakeholders.

OUR APPROACH

Promote involvement of employees and stakeholders to create sustainable value for society

We advocate the active involvement of our employees and stakeholders in delivering sustainable value for society. We view our stakeholders, including the Group's employees, private sector partners, and government entities, as essential contributors to the welfare of the community. Together, we work hand in hand to promote social progress. improve female representation in senior decision-making roles.

SUSTAINABILITY STATEMENT

COMMUNITY DEVELOPMENT (CONT'D)

OUR APPROACH (CONT'D)

Sharing opportunities, drawing the future

Our employees are encouraged to participate in social development activities to cultivate a sense of community within our workforce, while giving back to the people. In devising CSR programmes, we value and consider employees' proposals based on the potential to create meaningful change.

OUR PERFORMANCE

During FYE 2024, FSBM contributed a total of RM3,000 to Chong Hwa Independent High School as part of its ongoing Corporate Social Responsibility (CSR) initiatives as previous financial year. This contribution reflects the Group's commitment to supporting education and youth development, which are key pillars of our CSR strategy.

By supporting a reputable educational institution like Chong Hwa Independent High School, FSBM aims to play a role in nurturing future generations and promoting access to quality education. This initiative not only reinforces our dedication to community engagement but also highlights our belief in the importance of empowering local institutions that contribute positively to society.

FYE 2024

Total amount invested where the target beneficiaries are external to Build Up	RM3,000
Total number of beneficiaries of the investment in communities	4,903 beneficiaries
Number of employees participated in community impact programmes	Nil
Total hours spent on community impact programmes	Nil



SUSTAINABILITY STATEMENT

CORPORATE GOVERNANCE



RELATED UNSDGs:



OUR TARGET

FSBM is committed to upholding high ethical standards, recognising their critical role in achieving long-term success. This commitment is evident in the establishment of internal systems and corporate policies aligned with Bursa Malaysia's Malaysian Code on Corporate Governance (MCCG) 2021, forming a strong foundation for effective and transparent corporate governance across the organisation. To establish and maintain strong ESG governance structures at the BOD and management levels, ensuring effective oversight, accountability, and integration of sustainability into the organisation's strategy, risk management, and performance monitoring.

OUR APPROACH

Strengthen corporate governance knowledge

We believe that good governance starts at the top with our BOD, who play a vital role in providing strategic oversight and setting the tone for ethical leadership. As stewards of shareholder value, our directors uphold their fiduciary duty to act in the best interests of shareholders. To effectively carry out this responsibility, it is essential that the BOD remains well-informed on the latest developments in corporate governance and emerging best practices. By continuously strengthening their knowledge and providing the necessary tools, we empower our BOD to navigate complex issues with confidence and contribute meaningfully to the group.

Formulate policies, code of conduct and guidelines for executives, employees, and suppliers

The Group's policies and procedures serve as the guiding framework that shapes our operations and interactions with stakeholders. They are formulated to align with the current laws and regulations and are reviewed periodically to maintain relevancy. The Group's Code of Conduct sets forth a set of principles that define our organisational culture.

SUSTAINABILITY STATEMENT

CORPORATE GOVERNANCE (CONT'D)

OUR APPROACH (CONT'D)

Implement effective policies and guidelines

To ensure the effectiveness of our policies, we take a diligent approach to enforcement. Central to this effort is our risk and compliance management system, involving internal audits and compliance checks to ensure adherence to applicable laws and regulatory requirements. This also helps us in assessing and mitigating potential challenges. As we move forward, we continually improve our processes towards of a sustainable future.

Upholding good corporate governance in managing the organisation

FSBM's BOD stands as a cornerstone of the Group's ethical governance. They are responsible for ensuring that FSBM operates within the parameters of our Code of Conduct. Regular forums and executive sharing sessions are organised to foster robust discourse on relevant matters. These sessions provide a platform for candid discussions, strengthening the BOD's ability to lead the business effectively.

Adopt the Code of Conduct and guidelines for the management, employees and contractors

We strive to design a work environment that prioritises transparency and accountability through the implementation of relevant policies and guidelines that apply to our management, employees, and contractors. The Group's Code of Conduct is a guiding compass providing clear expectations for ethical behaviours across the organisation.

OUR PERFORMANCE

For FYE 2024, the Group once again demonstrated its resolute towards good corporate governance. Steered by our policies, we achieved compliance with the relevant laws and regulations, with zero known or reported incidents of corruption for FYE 2024. All the existing employees signed off FSBM's CoC handbook, the Whistleblower Policy, as well as the Anti-Bribery and Anti-Corruption ("ABAC") Policy. FSBM has established a dedicated whistleblowing channel under the Whistleblowing Policy, which allows employees and external stakeholders to report improprieties confidentially through email, telephone, or mail. The Group has made our CoC, ABAC Policy and Whistleblowing Policy available on our corporate website to ensure they are accessible to all stakeholders.

Other than Directors and Senior Management, there were no employees who attended the training on anti-corruption. We also have assessed for corruption related risks and recorded zero incidents of corruption across FSBM business operations in 2024, consistent with the results from the previous year.

The Directors' Training for FYE 2024 reflects a strong commitment to continuous professional development across diverse areas. A cumulative total of 194.5 training hours has been recorded, demonstrating active participation in both local and international programs. This ongoing development ensures that directors remain well-informed and equipped to make strategic decisions, uphold governance standards, and drive sustainable growth within the organisation.

Director	Training Title	Date	Total Hours
Pang Kiew Kun	SME Conference 2024	5-Mar-24	8
	MOE Malaysia - KL 20 Summit 2024	22-Apr-24	8
	Sustainable Manufacturing Maturity Tools and Framework for ESG	20 & 21-May-24	16
	METALTECH and AUTOMEX 2024	15-May-24	8
	SEMICON Show 2024	28, 29 & 30-May-24	24
	IMKL 2024	10, 11 & 12-Jul-24	24

SUSTAINABILITY STATEMENT

CORPORATE GOVERNANCE (CONT'D)

OUR PERFORMANCE (CONT'D)

Director	Training Title	Date	Total Hours
Tan Wan Yen	Malaysia Digital Tech Adoption Summit: Blockchain	3-Oct-24	8
Ng Yew Soon	TTCS - Thannees Tax Virtual Tax Conference 2024	5-Mar-24	8
	TTCS - Navigating the latest E-Invoicing Directives and Tax Regulations and Know How	30-Apr-24	2.5
	ACCA - ESG Matters: Decoding Greenhouse Gas Emissions	27-May-24	2
	TTCS - Issues Relating to Preparation of Contemporaneous TPD	30-May-24	1
	TTCS - Latest Sales Tax & Service Tax Key Updates	11-Jul-24	1
	ACCA - AI Adoption Journeys: Lessons from the frontline	18-Jul-24	1
	ACCA - Managing Risks: Ethical consideration in AI finance	18-Jul-24	1
	ACCA - Will Robot Take Over My Job ?	18-Jul-24	1
	ACCA - AI's Role in Enabling the Future of Finance - A Panel Discussion	18-Jul-24	1
	TTCS - Sharing Our Experience in Dealing with Tax Audits and Investigations	19-Jul-24	1
	Bursa Malaysia Mandatory Accreditation Programme (MAP II: Leading for Impact)	6 & 7-Aug-24	16
	TTCS - Problem Around Transfer Pricing Methodologies	8-Aug-24	1
	ACCA - The Future of Climate Finance	21-Aug-24	2
	MARC - Malaysian Bond & Sukuk Conference	21-Aug-24	2
	MARC Creating the Course for Malaysian Economy	22-Aug-24	2
Tey Giap Turn	Business Analysis and Process Management	23-Apr-24	8
	Leadership Skills and Team Management	23-Apr-24	8
Mok Kar Foo	Sustainable Manufacturing Maturity Tools and Framework for ESG	20 & 21-May-24	16
	Data Analytics Basics for Everyone by IBM	29-May-24	8
Chew Sir Boon	Bursa Malaysia Mandatory Accreditation Programme (MAP I)	26 & 27-Feb-25	16
			194.5

SUSTAINABILITY STATEMENT

SUPPLY CHAIN MANAGEMENT



RELATED UNSDGs:



OUR TARGET

FSBM is committed to promoting responsible procurement practices and enhancing supply chain resilience by incorporating sustainability principles throughout the entire procurement lifecycle. We are committed to supporting local businesses and driving economic growth within the communities where we operate. Additionally, we ensure that our sustainability standards and expectations are clearly communicated and consistently upheld by all our suppliers throughout the procurement process.

OUR APPROACH

All of our suppliers are required to adhere to FSBM's sourcing process which encompasses our principles and guidance for sustainable procurement practices. This policy entails suppliers' adherence to FSBM's ethical business practices, including zero corruption, minimising environmental impacts and safeguarding employees' and workers' rights.

We are committed to ensuring that our procurement practices are fair and transparent in order to award tenders to the most credible suppliers while also collaborating with socially and environmentally conscious suppliers.

By implementing the following strategies, FSBM aims to create a more sustainable operational model that not only benefits the environment but also strengthens the company's long-term competitiveness and efficiency.

SUSTAINABILITY STATEMENT

SUPPLY CHAIN MANAGEMENT (CONT'D)

OUR APPROACH (CONT'D)

- **Implement a Sustainable Procurement System**

FSBM will establish a procurement system that prioritises sustainability at every step. This system will involve setting clear environmental and social standards for suppliers, ensuring that all purchased goods and services align with sustainability goals. Regular audits and collaborations with suppliers will be conducted to encourage adherence to these standards and foster a shared commitment to sustainable practices.

- **Source Products That Can Be Reused, Refurbished, or Recycled**

The company will prioritise the procurement of products designed for circular use, such as those that can be reused, refurbished, or recycled. Single-use items will be minimised or eliminated wherever possible, replaced by durable alternatives. This approach not only reduces waste generation but also supports the company's commitment to a circular economy.

- **Explore Leasing Options for High-Value Items**

FSBM will consider leasing high-value equipment, such as multifunction copiers and water dispensers, instead of purchasing them outright. Leasing allows the company to access the latest technology with lower upfront costs while ensuring proper maintenance and eventual recycling or upgrading of the equipment. This approach also helps mitigate the environmental impact of equipment disposal.

- **Ensure Purchases Are Limited to Essential Items**

The company will adopt a disciplined purchasing strategy by restricting procurement to essential items only. This strategy will involve conducting periodic assessments of purchase needs and avoiding unnecessary acquisitions. By reducing overstock and waste, this measure supports both cost-efficiency and sustainability goals.

- **Use E-Procurement Platforms**

To enhance transparency and efficiency, FSBM will leverage e-procurement platforms for purchasing processes. These platforms will enable the digitalisation of procurement activities, streamline supplier selection, and provide real-time tracking of purchase orders. The shift to digital procurement reduces paperwork, improves accountability, and aligns with the company's sustainability objectives by cutting down on resource use.

OUR PERFORMANCE

In FYE 2024, FSBM reaffirmed its commitment to supporting the local economy by dedicating 100% of its procurement budget to local suppliers, continuing the practice from the previous year.

This initiative reflects FSBM's dedication to fostering local businesses, reducing the carbon footprint associated with long-distance supply chains, and reinforcing community economic growth. By prioritising local suppliers, the company not only contributes to sustainable practices but also strengthens relationships within the local supply network.

From an environmental perspective, procuring goods and services locally minimises the carbon footprint associated with transportation and logistics. The reduction in long-distance shipping requirements translates to lower greenhouse gas emissions, aligning with FSBM's sustainability objectives and commitment to reducing its ecological impact.

The exclusive reliance on local suppliers demonstrates FSBM's ability to integrate sustainability into its operational decisions. This model sets an example for other businesses, showcasing that economic growth and environmental stewardship can coexist when local ecosystems are prioritised. Looking ahead, FSBM remains committed to scaling this approach by further enhancing supplier engagement, supporting local innovations, and maintaining transparency in its procurement practices.

	FYE 2024	FYE 2023
Proportion of spending on local suppliers	100%	100%

SUSTAINABILITY STATEMENT

SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	0.00
Executive	Percentage	0.00
Non-executive	Percentage	0.00
General Workers	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	3,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	4,903
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	12.00
Management Above 50	Percentage	2.00
Executive Under 30	Percentage	55.00
Executive Between 30-50	Percentage	18.00
Executive Above 50	Percentage	3.00
Non-executive Under 30	Percentage	3.00
Non-executive Between 30-50	Percentage	7.00
Non-executive Above 50	Percentage	0.00
General Workers Under 30	Percentage	0.00
General Workers Between 30-50	Percentage	0.00
General Workers Above 50	Percentage	0.00
Gender Group by Employee Category		
Management Male	Percentage	9.00
Management Female	Percentage	5.00
Executive Male	Percentage	52.00
Executive Female	Percentage	25.00
Non-executive Male	Percentage	9.00
Non-executive Female	Percentage	0.00
General Workers Male	Percentage	0.00
General Workers Female	Percentage	0.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	86.00
Female	Percentage	14.00
Under 30	Percentage	0.00
Between 30-50	Percentage	57.00
Above 50	Percentage	43.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	20.09
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	0
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	114 *
Executive	Hours	0 *
Non-executive	Hours	0
General Workers	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	3.00

SUSTAINABILITY STATEMENT

SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

Indicator	Measurement Unit	2024
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	0
Executive	Number	27
Non-executive	Number	0
General Workers	Number	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	0.038000
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	0.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	0.00
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	10.35
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	15.23
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00

Internal assurance

External assurance

No assurance

(*)Restated