

FSBM HOLDINGS BERHAD ("FSBM" OR THE "COMPANY")
(Registration No:198401003091 (115609-U))

MEMORANDUM OF UNDERSTANDING ENTERED INTO BETWEEN FSBM I-COMMAND SDN. BHD. ("FSBM I-COMMAND") AND NANYANG PETAL SDN. BHD. ("NPSB") FOR THE PROPOSED COLLABORATION AND COOPERATION IN THE PALM OIL PLANTATION SECTOR

1. INTRODUCTION

The Board of Directors of FSBM Holdings Berhad ("**FSBM**" or "**Company**") ("**Board**") wishes to announce that, FSBM I-Command Sdn. Bhd. ("**FSBM I-Command**"), a wholly-owned subsidiary of FSBM had on 22 October 2025 entered into a Memorandum of Understanding ("**MOU**") with Nanyang Petal Sdn. Bhd. ("**NPSB**") (hereinafter referred to as the "**Parties**") for the Collaboration (hereinafter defined).

2. INFORMATION ON FSBM I-COMMAND

FSBM I-Command is a company incorporated in Malaysia on 31 October 2000 as a private limited company under the Companies Act 1965 and deemed registered under the Companies Act 2016.

As at 19 October 2025, being the latest practicable date prior to this Announcement ("**LPD**"), FSBM I-Command is a wholly-owned subsidiary of FSBM and is principally involved in the provision of digital solutions, IT consultancy and business technology services, including software development, internet of things (IoT), artificial intelligence (AI), computer programming and related information technology support activities.

3. INFORMATION ON NPSB

NPSB is incorporated in Malaysia on 22 March 2012 as a private limited company under the Companies Act 1965 and deemed registered under the Companies Act 2016. NPSB is principally involved in palm oil plantation, management services and investment holding.

As at LPD, the total issued share capital of NPSB is RM2,000,000.00 comprising of 2,000,000 ordinary shares.

As at LPD, the sole director and shareholder of NPSB is Tey Giap Chian.

4. SALIENT TERMS OF THE MOU

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

- (a) Save for the confidentiality obligations under the MOU, the relationship created by the MOU is not intended to be binding in any court of law. Any collaborative ventures that may bind the Parties are subject to separate contractual arrangements to be entered into between the Parties ("**Formal Agreements**") which may include specific terms relating to ownership, intellectual property, financial arrangements, use of resources and such other terms as the Parties may agree. The MOU is intended just to establish a basis upon which FSBM I-Command and NPSB may explore areas for collaboration and cooperation.
- (b) Both Parties aim not only to enhance their respective core competitiveness but also to set a benchmark for the industry and promote the wider adoption and standardization of relevant technologies. The collaboration and cooperation shall cover multiple areas, including technology development, equipment supply, data sharing, and market promotion. Specific areas include, but are not limited to:

- (i) Optimization of the palm oil transportation systems;
 - (ii) Upgrading of the digital management platform; and
 - (iii) Future potential areas of business expansion,
(collectively referred to as the “**Collaboration**”).
- (c) The responsibility of the Parties are as follows:
- (i) FSBM I-Command shall leverage on its technological advantages in AI algorithms and IoT and be responsible for providing advanced AI algorithm support, solutions and relevant technical services that support the optimization and upgrading of NPSB’s plantation management.
 - (ii) NPSB, drawing on its extensive experience in palm oil cultivation and logistics, shall work with FSBM I-Command to explore innovative applications for the plantation sector and shall be responsible to conduct on-site implementation and testing within its plantation, providing feedback for optimization to ensure the effective application of technologies.
 - (iii) The Parties shall carry out the collaboration and cooperation through the following mechanisms:
 - Establishing a joint working group responsible for coordinating collaboration and cooperation matters;
 - Holding regular meetings to review progress and address issues; and
 - Sharing resources and technologies to enhance collaboration and cooperation efficiency.
- (d) The Parties shall carry out the Collaboration envisaged in the MOU for a term of 12 months or such other period as they may mutually agree to in writing in any Formal Agreement(s) or otherwise.

5. RATIONALE OF THE MOU

The MOU is entered into to establish the basis upon which FSBM I-Command and NPSB may explore areas for collaboration and cooperation in relation to the Collaboration.

6. EFFECTS OF THE MOU

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

The MOU is not expected to have any material effect on the earnings per share, net assets per share and gearing of the Company for the financial year ending 31 December 2025. Should the Collaboration materialize, it is expected to contribute positively to the future earnings of FSBM and its subsidiaries.

7. RISK FACTORS

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

8. DIRECTORS AND MAJOR SHAREHOLDERS' INTEREST

Tey Giap Turn, the Independent Non-Executive Director of the Company, is a person connected to Tey Giap Chian by virtue of their family relationship. Tey Giap Chian is the sole director and shareholder of NPSB. As such, Tey Giap Turn is deemed interested in the MOU.

Accordingly, Tey Giap Turn has abstained and will continue to abstain from all Board deliberations and voting in respect of the Proposed Collaboration.

Save as disclosed above, none of the Directors, Major Shareholders of the Company and persons connected with them have any interest, directly and/or indirectly, in the MOU.

9. STATEMENT BY DIRECTORS

The Board of Directors of the Company (save for Tey Giap Turn), having taken into consideration all aspects of the MOU, is of the opinion that the MOU is in the best interest of the Company.

10. APPROVALS REQUIRED

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

11. DOCUMENTS AVAILABLE FOR INSPECTION

The MOU is available for inspection at the Registered Office of the Company Level 7, Mercu 3, 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur during normal office hours on Mondays to Fridays (except for public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 22 October 2025.