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FSM Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1721)

RESUMPTION GUIDANCE AND CONTINUED SUSPENSION OF TRADING

The announcement is made by FSM Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 31 March 2021 (the “**Announcement**”) in relation to, among others, delay in publication of the 2020 Annual Results, postponement of board meeting and suspension of trading in the shares of the Company on the Stock Exchange. Unless otherwise stated, the capitalised terms used herein shall have the same meaning as defined in the Announcement.

RESUMPTION GUIDANCE

On 27 May 2021, the Company received a letter (the “**Letter**”) from the Stock Exchange setting out the guidance for the resumption of trading in the shares of the Company (the “**Resumption Guidance**”) as follows:

- conduct an appropriate independent investigation into the Issue, assess the impact on the Company’s business operation and financial position, announce the findings and take appropriate remedial actions;
- publish all outstanding financial results required under the Listing Rules and address any audit modifications;

- demonstrate its compliance with Rule 13.24 of the Listing Rules; and
- announce all material information for the Company's shareholders and investors to appraise the Company's position.

The Letter also states that the Company must remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its shares is allowed to resume and, for this purpose, the Company has the primary responsibility to devise its action plan for resumption. The Stock Exchange further indicated in the Letter that it may modify or supplement the Resumption Guidance if the Company's situation changes.

Under Rule 6.01A of the Listing Rules, the Stock Exchange may cancel the listing of the Company's shares if trading in the Company's shares has been suspended for a continuous period of 18 months. The 18-month period expires on 30 September 2022. If the Company fails to remedy the issue(s) causing its trading suspension, fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares by 30 September 2022, the Listing Division will recommend the Listing Committee to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, when appropriate.

The Company is taking appropriate steps to resolve the issues causing its trading suspension and will seek to resume trading of its shares as soon as possible. The Company will keep its shareholders and potential investors informed of the latest progress as and when appropriate and will announce quarterly updates on its development pursuant to Rule 13.24A of the Listing Rules.

CONTINUED SUSPENSION OF TRADING

As disclosed in the Announcement, there is a delay in the publication of the 2020 Annual Results. At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2021 and will remain suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
FSM Holdings Limited
Li Thet
Chairman

Hong Kong, 28 May 2021

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Li Thet and Mr. Toe Tiong Hock; and three independent non-executive Directors, namely Mr. Bau Siu Fung, Mr. Wong Po Keung and Mr. Lau Chun Ho Edward.