FSM Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1721)

(1) RESUMPTION GUIDANCE; AND
(2) CONTINUED SUSPENSION OF TRADING

This announcement is published 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 (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") 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 announcements of the Company (the "**Announcements**") dated 21 October 2025, 31 March 2026, 24 April 2026 and 3 July 2026, respectively, in relation to, among others, (i) sanctions relating to the controlling shareholder of the Company; (ii) delay in publication of annual results for the year ended 31 December 2025; (iii) delay in publication of annual report for the year ended 31 December 2025; (iv) suspension of trading; and (v) quarterly update on status of resumption. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

RESUMPTION GUIDANCE

On 17 July 2026, the Company received a letter from the Stock Exchange setting out the following guidance for the resumption of trading in the shares of the Company (the "**Resumption Guidance**"):

(a) publish all outstanding financial results required under the Listing Rules and address any audit modifications;

(b) demonstrate that the Company is suitable for continued listing notwithstanding the Company's controlling shareholder is subject to sanctions administered by OFAC;

(c) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules;

(d) inform the market of all material information for the Company's Shareholders and investors to appraise the Company's position.

The Stock Exchange required the Company to meet all Resumption Guidance and remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume. The Stock Exchange further stated that it may modify or supplement the Resumption Guidance if the Company's situation changes.

Further Guidance

Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period expires on 30 September 2027. If the Company is not able to remedy the issues causing its trading suspension, fulfill the Resumption Guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares by 30 September 2027, the Listing Division of the Stock Exchange will recommend the Listing Committee of the Stock Exchange to proceed with the cancellation of the Company's listing.

Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange has the right to impose a shorter specific remedial period or to cancel the listing of the Company immediately, where appropriate. Since the resignation of PricewaterhouseCoopers in November 2025, the Company has been actively approaching multiple potential audit firms. However, the appointment process has been affected as multiple firms have declined the engagement due to internal compliance and client acceptance concerns regarding the sanctions imposed on the Company's controlling shareholder. The Stock Exchange has concerns as to whether the issues which have prevented potential auditors from accepting the engagement are capable of being satisfactorily resolved. The Stock Exchange is of the view that the Company has not demonstrated a realistic prospect of appointing a new auditor to complete the relevant audit and publish the relevant financial results under the Resumption Guidance within a reasonable timeframe. On this basis, the Stock Exchange has granted the Company until 30 September 2026 to demonstrate a realistic prospect of appointing a new auditor to publish its outstanding financial results. The Stock Exchange stated that it will consider exercising its powers under Rules 6.01(4) and 6.10 to impose a shorter remedial period or to immediately cancel the listing of the Company's shares if the Company is not able to appoint a new auditor by 30 September 2026.

The Resumption Guidance further stated that the Company must also comply with the Listing Rules and all applicable laws and regulations in Hong Kong and its place of incorporation before resumption.

While trading is suspended, the Company is also reminded of its obligations under the Listing Rules including, but not limited to, the following:

(a) keep the duration of any trading suspension to the shortest possible period as required under Rule 6.05 of the Listing Rules;

(b) comply with its continuing obligations under the Listing Rules at all times, for example, those applying to notifiable and/or connected transactions under Chapters 14 and 14A of the Listing Rules and publication of periodic financial results and reports and, if they are not available, management accounts under Rules 13.46 to 13.49 of the Listing Rules;

(c) announce inside information required to be disclosed under Part XIVA of the Securities and Futures Ordinance; and

(d) announce quarterly updates on its developments under Rule 13.24A of the Listing Rules including, among other relevant matters:

    (i) its business operations;

    (ii) its resumption plan with details of actions that it has taken and intends to take to remedy the issues causing its trading suspension, fulfill the Resumption Guidance and fully comply with the Listing Rules and resume trading. The resumption plan should be accompanied with a clear timeframe in respect of each stage of work under the plan with a view that the Resumption Guidance can be fulfilled and trading can resume as soon as practicable and, in any event before the 18-month period expires;

    (iii) the progress of implementing its resumption plan; and

    (iv) details of any material change to the resumption plan and, in the case of delay, the reasons and impact of such delay.

The Company must announce its next quarterly update on or before 31 August 2026 and every 3 months from that date until resumption or cancellation of listing (whichever is earlier).

Before the Stock Exchange confirms to the Company that trading can resume, the Company must ensure that in each of its announcements, there is a statement that trading will remain suspended with an explanation of the reasons for the continued suspension.

The Company is taking appropriate steps to resolve the issues causing its trading suspension, fulfill the Resumption Guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction, and will seek to resume trading in its shares as soon as possible.

Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules to update its shareholders and potential investors on the progress in complying with the Resumption Guidance.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended from 9:00 a.m. on 1 April 2026 and will remain suspended until the Company meets all Resumption Guidance, remedies the issues causing its trading suspension and fully complies with the Listing Rules to the Stock Exchange's satisfaction.

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

By Order of the Board
FSM Holdings Limited
Mr. Zhu Xian Chun
Executive Director

Hong Kong, 20 July 2026

As at the date of this announcement, the Board comprises an executive Director, namely Mr. Zhu Xian Chun; and three independent non-executive Directors, namely Mr. Wong Po Keung, Mr. Lau Chun Ho Edward, and Ms. Wu Guang Yuan.