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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in FSM Holdings Limited (the “Company”), you should at once hand this circular together with the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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FSM Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1721)

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at 10:00 a.m. on Friday, 24 May 2019 at 12 Tuas Link 1, Singapore 638595 (the “AGM”) is set out on pages 18 to 22 of this circular.

Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy and return the same to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong in accordance with the instructions printed thereon as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

15 April 2019

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at 10:00 a.m. on Friday, 24 May 2019 at 12 Tuas Link 1, Singapore 638595 or any adjournment thereof
“Articles of Association”	the amended and restated articles of association of the Company
“Board”	the board of Directors
“Company”	FSM Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the issue mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with Shares not exceeding 20% of the total number of the issued shares of the Company as at the date of passing the relevant ordinary resolution for approving the issue mandate
“Latest Practicable Date”	9 April 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the total number of the issued shares of the Company as at the date of passing of the ordinary resolution approving the repurchase mandate

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“S\$”	Singapore dollars, the lawful currency of Singapore
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers as amended from time to time
“%”	per cent

LETTER FROM THE BOARD

FSM Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1721)

Executive Directors:

Mr. Toe Tiong Hock (*Chairman and Chief Executive Officer*)

Ms. Wong Yet Lian (*Chief Operating Officer*)

Ms. Lim Siew Choo

Independent Non-Executive Directors:

Mr. Ng Hung Fai Myron

Mr. Bau Siu Fung

Prof. Pong Kam Keung

Registered Office:

Cricket Square, Hutchins Drive
PO Box 2681, Grand Cayman
KY1-1111, Cayman Islands

Headquarters and Principal Place of Business in Singapore:

12 Tuas Link 1
Singapore 638595

Principal Place of Business in Hong Kong:

Unit B, 17/F, United Centre
95 Queensway, Hong Kong

15 April 2019

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM for (i) the granting of the Issue Mandate; (ii) the granting of the Repurchase Mandate; (iii) the extension of the Issue Mandate; and (iv) the re-election of retiring Directors; and to give you the notice of the AGM.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The Company's existing mandates to issue and repurchase Shares were approved by its then Shareholders on 22 June 2018. Unless otherwise renewed, the existing mandates to issue and repurchase Shares will lapse at the conclusion of the AGM. Ordinary resolutions will be proposed at the AGM for the Shareholders to consider and approve:

- (a) the granting of the Issue Mandate so that the Directors will be able to allot, issue and deal with up to a total of 200,000,000 Shares, representing 20% of the total number of issued Shares which is also equal to 20% of the aggregate nominal amount of issued Shares on the date of passing of such resolution (based on 1,000,000,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the AGM);
- (b) the granting of the Repurchase Mandate so that the Directors are authorized to repurchase Shares on the Stock Exchange up to a total of 100,000,000 Shares, representing 10% of the total number of issued Shares which is also equal to 10% of the aggregate nominal amount of issued Shares on the date of passing of such resolution; and
- (c) the extension of the Issue Mandate by an amount representing the aggregate number of the Shares which is also equal to the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

The Issue Mandate and the Repurchase Mandate will continue in force until the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law of the Cayman Islands to be held; or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix I to this circular.

RE-ELECTION OF RETIRING DIRECTORS

At the AGM, all the Directors, namely Mr. Toe Tiong Hock, Ms. Wong Yet Lian, Ms. Lim Siew Choo, Mr. Ng Hung Fai Myron, Mr. Bau Siu Fung and Prof. Pong Kam Keung will retire from office in accordance with articles 83 to 84 of the Articles of Association and, being eligible, will offer themselves for re-election.

LETTER FROM THE BOARD

In accordance with article 83(3) of the Articles of Association, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Accordingly, Mr. Ng Hung Fai Myron, Mr. Bau Siu Fung and Prof. Pong Kam Keung, the independent non-executive Directors, will retire from office at the AGM and, being eligible, will offer themselves for re-election.

Particulars of the Directors who offer themselves for re-election are set out in Appendix II to this circular.

AGM AND PROXY ARRANGEMENT

The notice of the AGM is set out on pages 18 to 22 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. If you are unable to attend the AGM, you are requested to complete and sign the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the AGM shall be voted by poll. An announcement on the poll vote results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Directors believe that the granting of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate, and the re-election of retiring Directors are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

Yours faithfully,
By Order of the Board
FSM Holdings Limited
Toe Tiong Hock
Chairman and Chief Executive Officer

This appendix serves as an explanatory statement, as required by Rule 10.06(1)(b) of the Listing Rules, to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution in relation to the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,000,000,000 Shares.

Subject to the passing of the ordinary resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of passing of such resolution, the Directors would be authorized to repurchase up to a maximum of 100,000,000 Shares, representing 10% of the total number of the issued Shares as at the Latest Practicable Date during the period up to (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law of the Cayman Islands to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by an ordinary resolution of the Shareholders in a general meeting of the Company, whichever occurs first.

2. REASONS FOR THE REPURCHASE

The Directors consider that the Repurchase Mandate is in the interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole.

3. SOURCE OF FUNDS

In repurchasing Shares, the Company will only apply funds legally available for such purpose in accordance with its amended and restated memorandum and articles of association, the Listing Rules and the applicable laws and regulations of the Cayman Islands. The Company will not repurchase the Shares on the Stock Exchange for consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. IMPACT ON WORKING CAPITAL OR GEARING POSITION

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital or gearing position of the Company compared with that as at 31 December 2018, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

5. DIRECTORS AND THEIR CLOSE ASSOCIATES

To the best knowledge of the Directors having made all reasonable enquiries, none of the Directors nor their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

6. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws and regulations of the Cayman Islands.

7. EFFECT OF THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such an increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Toe Tiong Hock ("Mr. Toe") and his spouse, Ms. Wong Yet Lian ("Ms. Wong"), together with companies controlled by them, are interested in 602,000,000 Shares representing approximately 60.2% of the issued share capital of the Company. The 301,000,000 Shares are held by each of KAL SG Limited ("KAL SG") and KYL SG Limited ("KYL SG"). KAL SG and KYL SG are wholly owned by Mr. Toe and Ms. Wong, respectively, each of Mr. Toe and Ms. Wong is deemed to be interested in all the Shares held by KAL SG and KYL SG for the purpose of SFO.

In the event that the Repurchase Mandate is exercised in full, the interest of KAL SG and KYL SG will increase to approximately 66.89%. Such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

In respect of the public float, the Directors will not repurchase the Shares on the Stock Exchange if the repurchase would result in the number of the listed securities which are in the hands of the public falling below 25%, being the relevant minimum prescribed percentage for the Company as required by the Listing Rules.

8. SHARES REPURCHASE MADE BY THE COMPANY

No repurchases of the Shares have been made by the Company (whether on the Stock Exchange or otherwise) during the six months immediately prior to the Latest Practicable Date.

9. REPURCHASE OF SECURITIES FROM CORE CONNECTED PARTIES

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company, or has he/she/it undertaken not to do so in the event that the Repurchase Mandate is approved and exercised.

10. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous nine months (since the Shares were listed on the Stock Exchange on 16 July 2018) before the Latest Practicable Date were as follows:

	Share Prices	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2018		
July (since the Shares were listed on the Stock Exchange on 16 July 2018)	0.760	0.500
August	0.780	0.480
September	0.600	0.485
October	0.620	0.475
November	0.840	0.520
December	0.670	0.540
2019		
January	0.840	0.520
February	0.680	0.550
March	0.680	0.540
April (up to and including the Latest Practicable Date)	0.700	0.570

11. STATUS OF REPURCHASED SHARES

The listing of all Shares which are repurchased by the Company (whether on the Stock Exchange or otherwise) shall be automatically cancelled upon repurchase. The Company shall ensure that the documents of title of the repurchased Shares are cancelled and destroyed as soon as reasonably practicable following settlement of any such repurchase.

The following are the particulars of the Directors proposed to be re-elected at the AGM:

1. **Mr. Toe Tiong Hock**, aged 62, was appointed as the Director on 5 February 2018 and re-designated as chairman of the Board, executive Director and chief executive officer on 9 March 2018. He is responsible for overall management, formulation of business strategies and supervision of operations of the Group. Mr. Toe has over 25 years of experience in the metal precision components market in Singapore. Mr. Toe joined the Group in July 1987 as a director of Fine Sheetmetal Technologies Pte. Ltd. and has been a director of Fine Sheetmetal Technologies Pte. Ltd., Evercoat Technology Pte. Ltd., FSM Technology Pte. Ltd., FSM Technologies (M) Sdn. Bhd. and FSM Manufacturing Solutions Pte. Ltd. Mr. Toe was educated to GCE Ordinary level in Singapore in 1974. Before joining the Group, from May 1983 to June 1986, Mr. Toe ran a business of installation of industrial machinery and equipment and mechanical engineering works through a partnership. Mr. Toe has received the Public Service Medal in 2016 for his community work and contribution. He is currently the chairman of Sengkang South Citizens' Consultative Committee; a district councilor of North East Community Development Council; a member of the financial committee of Ang Mo Kio Town Council; and school advisory committee of North Vista Primary School. Mr. Toe is the spouse of Ms. Wong Yet Lian ("Ms. Wong") and the father of Mr. Kyson Toe Wei Xian ("Mr. Kyson Toe").

Mr. Toe was the director of the following company prior to its respective dissolution. Mr. Toe confirmed that the company was solvent and inactive at the time of its dissolution and that its dissolution had not resulted in any liability or obligation against him. The following is details of the aforementioned dissolved company:

Name of company	Place of incorporation/ establishment	Principal business activity prior to cessation of business	Date of dissolution	Means of dissolution
Beijing Fine Sheetmetal Technology Co., Ltd. (北京精和美金屬科技有限公司)	PRC	Manufacture of metal structure	20 February 2014	Deregistration

Save as disclosed above, Mr. Toe did not hold any directorships in any other listed public company (whether in Hong Kong or overseas) in the last three years.

Mr. Toe is one of the controlling shareholders of the Company under the Listing Rules. As at the Latest Practicable Date, Mr. Toe was deemed to be interested in 750,000,000 Shares within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Toe does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Mr. Toe entered into a service agreement with the Company for an initial term of three years commencing from July 2018 and either party has the right to give not less than three months' written notice to terminate the service agreement or otherwise in accordance with the terms of the service agreement. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. The annual remuneration including annual director's fee payable to Mr. Toe under the service agreement is S\$400,000, which was determined by reference to his duties and responsibilities with the Company and market conditions. Mr. Toe is entitled to, upon completion of every 12 months of service, a discretionary management bonus of an amount to be recommended by the remuneration committee of the Board and approved by the majority of the Board. The emoluments paid or payable to Mr. Toe for the year ended 31 December 2018 amounted to approximately S\$538,000.

Save as disclosed above, there are no other matters concerning Mr. Toe that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

2. **Ms. Wong Yet Lian**, aged 60, was appointed as the Director on 5 February 2018 and re-designated as the executive Director and chief operating officer on 9 March 2018. She is responsible for overall management, formulation of business strategies and supervision of operations of the Group. Ms. Wong has over 25 years of experience in the metal precision components market in Singapore. She joined the Group in August 1992 as a director of Fine Sheetmetal Technologies Pte. Ltd., while she ceased to be the director of Fine Sheetmetal Technologies Pte. Ltd. in January 2013. Ms. Wong has been a director of FSM Technologies (M) Sdn. Bhd. and FSM Manufacturing Solutions Sdn. Bhd. Ms. Wong obtained a certificate in accounting from Adult Education Board Singapore in 1977. She also passed the book-keeping examination under the Commercial Education Scheme of the London Chamber of Commerce and Industry in spring 1977. Before joining the Group, she worked with Chua Secretarial & Management Pte Ltd as an accounts executive from May 1978 to August 1992. Ms. Wong is the spouse of Mr. Toe Tiong Hock and the mother of Mr. Kyson Toe.

Ms. Wong was the director of the following company prior to its respective dissolution.

Ms. Wong confirmed that the company was solvent and inactive at the time of its dissolution and that its dissolution had not resulted in any liability or obligation against her. The following is details of the aforementioned dissolved company:

Name of company	Place of incorporation/ establishment	Principal business activity prior to cessation of business	Date of dissolution	Means of dissolution
Beijing Fine Sheetmetal Technology Co., Ltd. (北京精和美金屬科技有限公司)	PRC	Manufacture of metal structure	20 February 2014	Deregistration

Save as disclosed above, Ms. Wong did not hold any directorships in any other listed public company (whether in Hong Kong or overseas) in the last three years.

Ms. Wong is one of the controlling shareholders of the Company under the Listing Rules. As at the Latest Practicable Date, Ms. Wong was deemed to be interested in 750,000,000 Shares within the meaning of Part XV of the SFO. Save as disclosed above, Ms. Wong does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Ms. Wong entered into a service agreement with the Company for an initial term of three years commencing from July 2018 and either party has the right to give not less than three months' written notice to terminate the service agreement or otherwise in accordance with the terms of the service agreement. She is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. The annual remuneration including annual director's fee payable to Ms. Wong under the service agreement is S\$210,000, which was determined by reference to her duties and responsibilities with the Company and market conditions. Ms. Wong is entitled to, upon completion of every 12 months of service, a discretionary management bonus of an amount to be recommended by the remuneration committee of the Board and approved by the majority of the Board. The emoluments paid or payable to Ms. Wong for the year ended 31 December 2018 amounted to approximately S\$315,000.

Save as disclosed above, there are no other matters concerning Ms. Wong that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

3. **Ms. Lim Siew Choo**, aged 43, was appointed as the Director on 5 February 2018 and re-designated as the executive Director on 9 March 2018. She is responsible for overseeing the production and operation in Malaysia of the Group. Ms. Lim has over 20 years of experience in the metal precision components market in Singapore. She joined the Group in July 1997 as a general administration staff. In January 2009, she was transferred to Malaysia office and has been responsible for Malaysia operation. She has been promoted as Malaysia operations director since July 2016. She has also been a director of FSM Technologies (M) Sdn. Bhd. and FSM Manufacturing Solutions Sdn. Bhd. Ms. Lim obtained LCCI diploma in accounting from the Institut Masa Jaya Melaka in Malaysia in March 1995. She also attended ISO 9001:2015 transition/upgrade training from SGS in March 2016.

Save as disclosed above, Ms. Lim did not hold any directorships in any other listed public company (whether in Hong Kong or overseas) in the last three years.

As at the Latest Practicable Date, Ms. Lim does not have any interest or short position in the Shares within the meaning of Part XV of the SFO. Save as disclosed above, Ms. Lim does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Ms. Lim entered into a service agreement with the Company for an initial term of three years commencing from July 2018 and either party has the right to give not less than three months' written notice to terminate the service agreement or otherwise in accordance with the terms of the service agreement. She is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. The annual remuneration including annual director's fee payable to Ms. Lim under the service agreement is S\$24,000, which was determined by reference to her duties and responsibilities with the Company and market conditions. Ms. Lim is entitled to, upon completion of every 12 months of service, a discretionary management bonus of an amount to be recommended by the remuneration committee of the Board and approved by the majority of the Board. The emoluments paid or payable to Ms. Lim for the year ended 31 December 2018 amounted to approximately S\$38,000.

Save as disclosed above, there are no other matters concerning Ms. Lim that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

4. **Mr. Ng Hung Fai Myron**, aged 48, was appointed as the independent non-executive Director on 22 June 2018. He is primarily responsible for providing independent advice to the Board. He is the member of the audit and nomination committees. Mr. Ng obtained a degree of Bachelor of Arts from the University of Western Ontario in Canada in June 1995. He then obtained a degree of Master of Arts from the Chinese University of Hong Kong in December 2003, a degree of Executive Master of Business Administration from the University of Western Ontario in Canada in March 2008 and a degree of Master of Science in Financial Analysis from the Hong Kong University of Science and Technology in June 2017, all of which were on part time basis. From 1996 to 2011, Mr. Ng worked with the Hong Kong Police Force, with his last position as a senior inspector in the Commercial Crime Bureau. Since September 2011, Mr. Ng has worked with the Link Management Limited, a company listed on the Stock Exchange (stock code: 0823) as an assistant general manager.

Save as disclosed above, Mr. Ng did not hold any directorships in any other listed public company (whether in Hong Kong or overseas) in the last three years.

As at the Latest Practicable Date, Mr. Ng does not have any interest or short position in the Shares within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Ng does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Mr. Ng entered into a letter of appointment with the Company under which Mr. Ng is appointed for a fixed term of three years commencing from July 2018. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. The annual director's fee payable to Mr. Ng under the letter of appointment is HK\$120,000, which was determined by reference to his duties and responsibilities with the Company and market conditions.

Save as disclosed above, there are no other matters concerning Mr. Ng that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Ng made an annual written confirmation of independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules. The Board is of the view that Mr. Ng meets the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules and is independent. Mr. Ng possess extensive experience in commercial and financial expertise and has demonstrated his ability to provide an independent view to the Company's affairs during his tenure in office. The Board considers to enhance its diversity with different expertise when re-election of an independent non-executive Director. The Board is of the view that Mr. Ng will continue to bring further contribution, independent and objective perspectives to the Company's affairs.

5. **Mr. Bau Siu Fung**, aged 51, was appointed as the independent non-executive Director on 22 June 2018. He is primarily responsible for providing independent advice to the Board. He is the chairman of the audit committee and member of the remuneration committee. Mr. Bau obtained a degree of Bachelor of Business Administration in Accountancy and Finance from Idaho State University in the U.S. in August 1997. Mr. Bau was admitted as a member of the Hong Kong Institute of Certified Public Accountants since September 2009. Mr. Bau has over 18 years of experience in the auditing, accounting and financial management industry. From 2000 to 2004, he worked as an audit staff with several accounting firms in Hong Kong. From 2004 to October 2011, he worked with KPMG Hong Kong & KPMG Huazheng, PRC as an audit manager. From November 2011 to January 2017, Mr. Bau was appointed as an executive director of Sheen Tai Holdings Group Company Limited, a company listed on the Stock Exchange (stock code: 1335) while he also worked as its chief financial officer, company secretary and authorised representative until September 2017. Mr. Bau has been appointed as an independent non-executive director of AUX International Holdings Limited, a company listed on the Stock Exchange (stock code: 2080) since May 2015.

Save as disclosed above, Mr. Bau did not hold any directorships in any other listed public company (whether in Hong Kong or overseas) in the last three years.

As at the Latest Practicable Date, Mr. Bau does not have any interest or short position in the Shares within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Bau does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Mr. Bau entered into a letter of appointment with the Company under which Mr. Bau is appointed for a fixed term of three years commencing from July 2018. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. The annual director's fee payable to Mr. Bau under the letter of appointment is HK\$120,000, which was determined by reference to his duties and responsibilities with the Company and market conditions.

Save as disclosed above, there are no other matters concerning Mr. Bau that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Bau made an annual written confirmation of independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules. The Board is of the view that Mr. Bau meets the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules and is independent. Mr. Bau possess extensive experience in commercial, financial and accounting expertise and has demonstrated his ability to provide an independent view to the Company's affairs during his tenure in office. The Board considers to enhance its diversity with different expertise when re-election of an independent non-executive Director. The Board is of the view that Mr. Bau will continue to bring further contribution, independent and objective perspectives to the Company's affairs.

6. **Prof. Pong Kam Keung**, aged 57, was appointed as the independent non-executive Director on 22 June 2018. He is primarily responsible for providing independent advice to the Board. He is the chairman of the remuneration committee and member of the audit and nomination committees.

Prof. Pong obtained a degree of Bachelor of Science in building surveying from the Thames Polytechnic, United Kingdom in June 1989, a degree of Master of Science in property investment from the City University of London in United Kingdom in December 1993, a degree of Bachelor of Laws from the University of Wolverhampton in United Kingdom in September 1995, a degree of Master of Science in urban planning from the University of Hong Kong in December 2005 and a degree of Master of Corporate Governance from the Hong Kong Polytechnic University in October 2008. Prof. Pong has been a fellow of the Hong Kong Institute of Facility Management, the Hong Kong Institute of Surveyors, the Chartered Institute of Arbitrators, the Royal Institution of Chartered Surveyors, the Hong Kong Institute of Chartered Secretaries and a member of the Royal Town Planning Institute since July 2000, November 2000, January 2001, January 2006, October 2012 and January 2007, respectively. Prof. Pong was registered as a chartered building engineer by the Chartered Association of Building Engineers in February 2014. From July 2004 to July 2013, Prof. Pong was the chief prosecution officer of Environmental Protection Department of the Hong Kong Government. He was a member of the Appeal Tribunal Panel of the Housing, Planning and Lands Bureau of the Hong Kong Government from February 2007 to November 2012 and a member of the Advisory Committee on Barrier Free Access of the Buildings Department from August 2001 to July 2003. Prof. Pong served as a director of education and membership of the Hong Kong Institute of Facility Management from October 2008 to October 2009. He has been an adjunct professor at the division of environment of the Hong Kong University of Science and Technology since December 2013 and a member of Governance & Quality Committee of the Hong Kong Green Building Council Limited since January 2017. Prof. Pong has been an executive director of Star Properties Group (Cayman Islands) Limited, a company listed on the Stock Exchange (stock code: 1560) since September 2018. Prof. Pong was an executive director of Sundart Holdings Limited, a company listed on the Stock Exchange (stock code: 1568) from July 2015 to February 2018. Prof. Pong has also been an independent non-executive director of Shuang Yun Holdings Limited, a company listed on the Stock Exchange (stock code: 1706), Wang Yang Holdings Limited, a company listed on the Stock Exchange (stock code: 1735) and HKE Holdings Limited, a company listed on the Stock Exchange (stock code: 1726) since October 2017, March 2018 and March 2018, respectively.

Prof. Pong was the directors of the following companies prior to their respective dissolution. Prof. Pong confirmed that the companies were solvent and inactive at the time of their dissolution and that their dissolution had not resulted in any liability or obligation against him. The following are details of the aforementioned dissolved companies:

Name of company	Place of incorporation/ establishment	Principal business activity prior to cessation of business	Date of dissolution	Means of dissolution
Master Bright International Limited (萬光國際有限公司)	Hong Kong	Inactive	30 December 2005	Deregistration
New China Investment Limited (新中國投資有限公司)	Hong Kong	Inactive	30 December 2005	Deregistration

Save as disclosed above, Prof. Pong did not hold any directorships in any other listed public company (whether in Hong Kong or overseas) in the last three years.

As at the Latest Practicable Date, Prof. Pong does not have any interest or short position in the Shares within the meaning of Part XV of the SFO. Save as disclosed above, Prof. Pong does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Prof. Pong entered into a letter of appointment with the Company under which Prof. Pong is appointed for a fixed term of three years commencing from July 2018. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. The annual director's fee payable to Prof. Pong under the letter of appointment is HK\$120,000, which was determined by reference to his duties and responsibilities with the Company and market conditions.

Save as disclosed above, there are no other matters concerning Prof. Pong that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Prof. Pong made an annual written confirmation of independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules. The Board is of the view that Prof. Pong meets the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules and is independent. Prof. Pong possess extensive experience in commercial and legal expertise and has demonstrated his ability to provide an independent view to the Company's affairs during his tenure in office. The Board considers to enhance its diversity with different expertise when re-election of an independent non-executive Director. The Board is of the view that Prof. Pong will continue to bring further contribution, independent and objective perspectives to the Company's affairs.

NOTICE OF THE ANNUAL GENERAL MEETING

FSM Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1721)

NOTICE IS HEREBY GIVEN THAT the annual general meeting of FSM Holdings Limited (the “Company”) will be held at 10:00 a.m. on Friday, 24 May 2019 at 12 Tuas Link 1, Singapore 638595 for the following purposes:

1. To receive, consider and adopt the audited financial statements, the report of the directors and the independent auditor’s report of the Company for the year ended 31 December 2018.
2. (A) To re-elect Mr. Toe Tiong Hock as an executive director of the Company;
(B) To re-elect Ms. Wong Yet Lian as an executive director of the Company;
(C) To re-elect Ms. Lim Siew Choo as an executive director of the Company;
(D) To re-elect Mr. Ng Hung Fai Myron as an independent non-executive director of the Company;
(E) To re-elect Mr. Bau Siu Fung as an independent non-executive director of the Company;
(F) To re-elect Prof. Pong Kam Keung as an independent non-executive director of the Company; and
(G) To authorise the board of directors of the Company (the “Board”) to fix the directors’ remuneration.
3. To re-appoint PricewaterhouseCoopers as the auditor of the Company and to authorize the Board to fix their remuneration.
4. As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:
 - (A) **“THAT:**
 - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements

NOTICE OF THE ANNUAL GENERAL MEETING

and options (including bonds, warrants and debentures convertible into shares of the Company) which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which might require the exercise of such powers during or after the end of the Relevant Period (as defined below);
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme or similar arrangements of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the amended and restated articles of association of the Company in force from time to time; or (iv) the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company, shall not exceed 20% of the aggregate number of shares of the share capital of the Company in issue on the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly, provided that if any subsequent consolidation or subdivision of shares of the Company is effected, the maximum number of shares of the Company that may be issued as a percentage of the total number of issued shares of the Company immediately before and after such consolidation or subdivision shall be the same and such maximum number of shares of the Company shall be adjusted accordingly; and
- (d) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the amended and restated articles of association of the Company or any applicable law of the Cayman Islands to be held; or
 - (iii) the revocation or variation of the authority given to the Directors under this resolution by an ordinary resolution of the shareholders of the Company in general meeting;

NOTICE OF THE ANNUAL GENERAL MEETING

“Rights Issue” means an offer of shares, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognized regulatory body or any stock exchange outside Hong Kong).”

(B) **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period of all powers of the Company to purchase the shares of the Company on the Stock Exchange or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Law and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate number of shares of the Company which may be purchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period (as defined below) shall not exceed 10% of the aggregate number of issued shares of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly, provided that if any subsequent consolidation or subdivision of shares of the Company is effected, the maximum number of shares of the Company that may be purchased as a percentage of the total number of issued shares of the Company immediately before and after such consolidation or subdivision shall be the same and such maximum number of shares of the Company shall be adjusted accordingly; and
- (c) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company; or

NOTICE OF THE ANNUAL GENERAL MEETING

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the amended and restated articles of association of the Company or any applicable law of the Cayman Islands to be held; or
 - (iii) the revocation or variation of the authority given to the Directors under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
- (C) “**THAT** subject to the passing of resolutions numbered 4(A) and 4(B) as set out in the notice convening this meeting (the “Notice”), the general mandate referred to in the resolution numbered 4(A) as set out in the Notice be extended by the addition to the aggregate number of the shares of the Company which may be allotted and issued or agreed to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate number of shares of the Company purchased by the Company pursuant to the mandate to purchase shares of the Company referred to in the resolution numbered 4(B) as set out in the Notice, provided that such extended amount shall not exceed 10% of the aggregate number of shares of the Company in issue as at the date of passing of this resolution.”

By Order of the Board
FSM Holdings Limited
Toe Tiong Hock
Chairman and Chief Executive Officer

Hong Kong, 15 April 2019

Headquarters and Principal Place of Business in Singapore:
12 Tuas Link 1
Singapore 638595

Principal Place of Business in Hong Kong:
Unit B, 17/F, United Centre
95 Queensway, Hong Kong

Notes:

1. Any member of the Company (“Member”) entitled to attend and vote at the meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the general meeting of the Company. A proxy need not be a Member. In addition, a proxy or proxies representing either a Member who is an individual or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise.
2. Where there are joint holders of any share any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be

NOTICE OF THE ANNUAL GENERAL MEETING

accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

3. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority, at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting. Completion and return of a form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof, should you so wish.