
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 11:00 a.m. on Thursday, 10 February 2022 at 21/F, Harbour Commercial Building, 122-124 Connaught Road Central, Hong Kong (the “AGM”) is set out on pages 15 to 19 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 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong in accordance with the instructions printed thereon as soon as possible or via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible but in any event not later than 11:00 a.m. on Tuesday, 8 February 2022 or not less than 48 hours before the time appointed for holding any adjourned meeting (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.

7 January 2022

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

To safeguard the health and safety of the shareholders of the Company (the “Shareholders”) and to prevent the spread of the COVID-19, the following precautionary measures will be implemented at the Annual General Meeting:

- (1) Compulsory body temperature check
- (2) Compulsory wearing of surgical face mask
- (3) No provision of refreshment or souvenirs

In light of the continuing risks posed by the COVID-19, the Company strongly recommends the Shareholders to exercise their voting rights by appointing the Chairman of the Annual General Meeting as their proxy instead of attending the Annual General Meeting in person.

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DEFINITIONS

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

“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held at 11:00 a.m. on Thursday, 10 February 2022 at 21/F, Harbour Commercial Building, 122-124 Connaught Road Central, Hong Kong 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
“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”	30 December 2021, 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
“Main Board”	the Main Board of the Stock Exchange

DEFINITIONS

“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
“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 and Share Buy-backs 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. Li Thet (*Chairman*)

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

Independent Non-Executive Directors:

Mr. Bau Siu Fung

Mr. Wong Po Keung

Mr. Lau Chun Ho Edward

Registered Office:

Cricket Square, Hutchins Drive

PO Box 2681, Grand Cayman

KY1-1111, Cayman Islands

Principal Place of

Business in Hong Kong:

21/F, Harbour Commercial Building,

122-124 Connaught Road Central,

Hong Kong

7 January 2022

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 8 June 2020. 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.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

At the AGM, Mr. Wong Po Keung (“Mr. Wong”) and Mr. Lau Chun Ho Edward (“Mr. Lau”) shall retire from office by rotation in accordance with articles 84 of the Articles of Association and, being eligible will offer themselves for re-election.

In accordance with article 84 (1) of the Articles of Association, at each annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting of the Company at least once every three years. In accordance with article 84 (2) of the Articles of Association, a retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant to Article 83(3) of the Articles of Association shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation. Accordingly, Mr. Wong and Mr. Lau, the independent non-executive Director, 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.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

The AGM will be held at 11:00 a.m on Thursday, 10 February 2022. For determining the rights to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 7 February 2022 to Thursday, 10 February 2022 (both days inclusive), during which period no transfer of shares of the Company will be effected. In order to be entitled to attend and vote at the AGM, unregistered holders of the shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Friday, 4 February 2022.

AGM AND PROXY ARRANGEMENT

The notice of the AGM is set out on pages 15 to 19 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible or via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible and in any event not later than 11 a.m. on Tuesday, 8 February 2022 or not less than 48 hours before the time appointed for holding any adjourned meeting (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.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

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.

GENERAL

The English text of this circular shall prevail over the Chinese text in case of any inconsistency. Your attention is drawn to the information set out in appendices to this circular.

Yours faithfully,
By Order of the Board
FSM Holdings Limited
Li Thet
Chairman

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 of the Company, 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 2020, 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. Li Thet ("Mr. Li"), together with company controlled by him, is interested in 602,340,000 Shares representing approximately 60.23% of the issued share capital of the Company. The 602,340,000 Shares are held by Luxuriant East Limited ("Luxuriant East"). Luxuriant East is wholly-owned by Mr. Li. Accordingly, Mr. Li is deemed to be interested in all the Shares held by Luxuriant East for the purpose of SFO.

In the event that the Repurchase Mandate is exercised in full, the interest of Luxuriant East will increase to approximately 66.93%. 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 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 closing prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

	Share Prices	
	Highest HK\$	Lowest HK\$
2020		
December	0.355	0.320
2021		
January	0.370	0.320
February	0.395	0.345
March	0.380	0.345
April	0.370	0.370
May	0.370	0.370
June	0.370	0.370
July	0.370	0.370
August	0.370	0.370
September	0.370	0.370
October	0.370	0.370
November	0.370	0.370
December (up to and including 30 December 2021)	0.380	0.345

Note: Trading in the Shares of the Company was suspended from 1 April 2021 to 16 December 2021 and has resumed from 17 December 2021. Please refer to the announcements of the Company dated 31 March 2021, 28 May 2021, 30 June 2021, 31 August 2021, 30 September 2021 and 16 December 2021 for further details.

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. Wong Po Keung**, aged 50, was appointed as an independent non-executive Director on 8 April 2020. He is the chairman of Remuneration Committee and member of each of Audit Committee and Nomination Committee. Mr. Wong has ample experience in auditing, accounting, financial management and company secretarial practices in respect of listed companies in Hong Kong. He has been appointed as executive director of China Environmental Resources Group Limited, a company listed on the Stock Exchange (stock code: 1130) and listed on Singapore Exchange Limited (Singapore Stock Code: RS1) since 30 September 2013 while he also works as its financial controller and a member of the investment committee. Mr. Wong holds a Master degree in Business Administration from the University of South Australia. He is a fellow member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

Save as disclosed above, Mr. Wong 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. Wong 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. Wong does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Mr. Wong entered into a letter of appointment with the Company under which Mr. Wong is appointed for a term of three years commencing from 8 April 2020. 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 fee payable to Mr. Wong under the letter of appointment is HK\$120,000, which was determined by reference to his duties and responsibilities with the Company and prevailing market conditions.

Save as disclosed above, there are no other matters concerning Mr. 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.

Mr. Wong made a 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. Wong meets the guidelines for assessing independence set out in rule 3.13 of the Listing Rules and is independent. Mr. Wong possesses extensive experience in auditing, accounting, financial management and company secretarial practices 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. Wong will continue to bring further contribution, independent and objective perspectives to the Company's affairs.

2. **Mr. Lau Chun Ho Edward**, aged 50, was appointed as an independent non-executive Director on 8 April 2020. He is the member of each of Audit Committee, Nomination Committee and Remuneration Committee. He is a practicing solicitor of Hong Kong and has over 20 years' practical legal experience in advising financial and corporate transactions. He is currently the senior partner of Edward Lau Phoebe Ng Solicitors LLP. Mr. Lau is admitted as a solicitor in both Hong Kong and England and Wales (non-practising).

Save as disclosed above, Mr. Lau 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. Lau 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. Lau does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Mr. Lau entered into a letter of appointment with the Company under which Mr. Lau is appointed for a term of three years commencing from 8 April 2020. 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 fee payable to Mr. Lau under the letter of appointment is HK\$240,000, which was determined by reference to his duties and responsibilities with the Company and prevailing market conditions.

Save as disclosed above, there are no other matters concerning Mr. Lau 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. Lau made a 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. Lau meets the guidelines for assessing independence set out in rule 3.13 of the Listing Rules and is independent. Mr. Lau possesses extensive experience in legal and advising financial and corporate transactions 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. Lau 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 11:00 a.m. on Thursday, 10 February 2022 at 21/F, Harbour Commercial Building, 122-124 Connaught Road Central, Hong Kong 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 2020.
2. (A) To re-elect Mr. Wong Po Keung as an independent non-executive director of the Company;

(B) To re-elect Mr. Lau Chun Ho Edward as an independent non-executive director of the Company;

(C) 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. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:
 - (A) **“THAT:**
 - (a) subject to paragraph (c) below, pursuant to 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 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;

NOTICE OF THE ANNUAL GENERAL MEETING

- (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

NOTICE OF THE ANNUAL GENERAL MEETING

- (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;

“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

NOTICE OF THE ANNUAL GENERAL MEETING

- (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
 - (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
Li Thet
Chairman

Hong Kong, 7 January 2022

Principal Place of Business in Hong Kong:

21/F

Harbour Commercial Building

122-124 Connaught Road Central

Hong Kong

NOTICE OF THE ANNUAL GENERAL MEETING

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 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 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 that power or authority, at the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong or via the designated URL (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible but in any event not later than 11:00 a.m. on Tuesday, 8 February 2022 or not less than 48 hours before the time for holding any 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.
4. In relation to the proposed resolutions no. 4(A) and 4(C) above, approval is being sought from the shareholders of the Company (the “Shareholders”) for the grant to the Directors of a general mandate to authorize the allotment and issue of shares of the Company (“Shares”) under the Listing Rules.
5. In relation to the proposed resolution no. 4(B) above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the Shareholders. An explanatory statement containing the information necessary to enable the Shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to this circular.
6. For the purpose of determining the rights to attend and vote at the annual general meeting of the Company (the “AGM”), the register of members of the Company will be closed from Monday, 7 February 2022 to Thursday, 10 February 2022 (both days inclusive), during which period no transfer of shares of the Company will be effected. In order to be entitled to attend and vote at the AGM, unregistered holders of the shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration no later than 4:30 p.m. on Friday, 4 February 2022.