FSM Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1721)

VOLUNTARY ANNOUNCEMENT FURTHER BUSINESS UPDATE ON THE IMPACT OF CORONAVIRUS COVID-19

Reference is made to the announcements (the "**Announcements**") of FSM Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") dated 30 March 2020, 7 April 2020 and 14 April 2020 in relation to the impact of the novel coronavirus covid-19 (the "**COVID-19**") on the Group's outlook and business update. Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in these Announcements.

As disclosed in the announcements dated 30 March 2020 and 14 April 2020, our manufacturing plant in Malaysia has been temporarily shut down from 18 March 2020 to 28 April 2020 in order to comply with the movement control order （the "**Order**"）of Malaysian Government for curbing the spread of COVID-19 epidemic in Malaysia.

On 9 April 2020, the Ministry of International Trade and Industry of Malaysia ("**MITI**") has allowed certain non-essential business sectors, including manufacturing industries covering medical, electronics and subcontracting services to resume the operations subject to MITI's approval. Thus, on 14 April 2020, the Group submitted the application to MITI for resumption of its operation for its manufacturing plant in Malaysia. On 19 April 2020, the Group obtained conditional approval from MITI subject to certain conditions including the reduction of the number of employees to a minimum or at least as much as 50% of the current or registered number of employees with establishment of home-based work system. On 20 April 2020, the Group has partially resumed production operation of its manufacturing plant in Malaysia and will comply with all required conditions throughout the duration of the Order.

The Board will continue to comply with the relevant requirements and other policies issued by the Governments of Singapore and Malaysia respectively, being the main countries of our operations, while closely monitoring the development of COVID-19 outbreak in these countries. It is difficult to measure and quantify the operational and financial impacts to the Group at this stage because the transmission of COVID-19 remains uncertain. Further announcement(s) would be made if there is any material development of the situation.

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

By Order of the Board
FSM Holdings Limited
Li Thet
Chairman

Hong Kong, 20 April 2020

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