



Regulatory Action - SGX Directs Delisting of FM Holdings Limited from Catalist

1. Singapore Exchange ("SGX") today directed the delisting of FM Holdings Limited ("FM Holdings" or "the Company") from Catalist, in conformance to Catalist rules. The Company failed to engage a sponsor for more than 3 continuous months as required by Catalist Rule 745(5). This is the first directed delisting of a Catalist issuer since the market was established in February 2008.

2. Catalist, a sponsor-supervised listing platform, requires its companies to have a sponsor at all times. The responsibilities of sponsors are to supervise and advise Catalist companies on corporate governance matters and compliance with the Catalist rules. Rule compliance and the veracity of disclosures are called into question in the absence of sponsors. Such a situation is not in the interest of investors.

Background of FM Holdings Limited

3. FM Holdings was listed (on the then SESDAQ) in May 2005 and transited to Catalist with the appointment of a sponsor in September 2008. In January 2010, FM Holdings' sponsor, PrimePartners Corporate Finance Pte Ltd ("Former Sponsor") as well as 2 of its 3 Independent Directors (the "Relevant Independent Directors") resigned from their appointments. The Board of FM Holdings took into consideration the recommendation of the Former Sponsor and requested for suspension of trading in its shares since 23 March 2010.

Failure to appoint Sponsor to maintain listing status

4. The last day of appointment of the Former Sponsor was 18 April 2010. Under Catalist Rule 745(5), FM Holdings is required to appoint a sponsor by 18 July 2010 (the "Deadline"). Since the Former Sponsor resigned in January 2010, the Company failed to appoint a sponsor for six months. It applied to the Exchange for a one-month extension for the purpose of allowing a prospective sponsor to complete due diligence prior to engagement. The Company has since informed SGX that it is unable to secure a sponsor within the extension of time requested.

Lack of Transparency by Company

5. The Former Sponsor and the Relevant Independent Directors resigned due to the lack of transparency in the management of the Company. The Former Sponsor and Relevant Independent Directors were concerned that they could not effectively discharge their duties because of the lack of information and transparency by the Company's management. This is a serious and unacceptable governance practice.

6. SGX has required the Company to update shareholders on its delisting.

Issue Date: 29 July 2010