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FSM Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1721)

PROFIT WARNING

This announcement is made by FSM Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on preliminary assessment of the Company with reference to the unaudited consolidated management accounts of the Group for the financial year ended 31 December 2021 (“**FY2021**”) and other information currently available to the Company, it is expected that the Group would record a loss attributable to the owners of the Company in the range of approximately S\$2.8 million to approximately S\$4.0 million for FY2021 as compared to a loss attributable to the owners of the Company of approximately S\$2.6 million for the financial year ended 31 December 2020. Such increase in loss is primarily attributable to (i) professional fees incurred in the resumption of trading in the shares of the Company and (ii) increase in costs incurred in developing and operating the mobile game of our online business in the first full year of operation in FY2021 despite the strong performance of our manufacturing business.

As the Company is still in the process of finalising the Group's final results for FY2021, the information contained in this announcement is only a preliminary assessment performed by the management of the Company based on currently available information which is not based on any figures or information audited or reviewed by the Company's auditors and/or the audit committee. As such, the actual results of the Group for FY2021 may be different from the information contained in this announcement. The final results announcement of the Group for FY2021 is expected to be published on 25 March 2022.

Shareholders and potential investors 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, 16 March 2022

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.