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FSM Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1721)

POSITIVE PROFIT ALERT

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 six month ended 30 June 2022 (“**the Period**”) and other information currently available to the Company, it is expected that the Group would record a profit attributable to the owners of the Company in the range of approximately S\$1.3 million to approximately S\$2.3 million for the Period as compared to a loss attributable to the owners of the Company of approximately S\$2.3 million for the corresponding period in 2021. The expected turnaround from loss to profit for the Period was mainly due to:

- (i) increase in revenue resulting from the continued growth of the manufacturing sector in Singapore during the Period;
- (ii) increase in gross profit as the costs of certain production overheads which were in general fixed in nature and not increasing in line with the increase in revenue during the Period; and
- (iii) decrease in legal and professional fees incurred as professional fees for the resumption of trading of the Company’s shares were incurred in the first half of 2021.

The Company is still in the process of finalising the Group's interim results for the Period, the information contained in this announcement is only a preliminary assessment performed by the management of the Company based on currently available information available to the Board. Such information has not been audited or reviewed by the Company's auditors and/or the audit committee of the Board. As such, the actual interim results of the Group for the Period may be different from the information contained in this announcement. The interim results announcement of the Group for the Period is expected to be published on 23 August 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, 12 August 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.