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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 of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (“**FY2022**”) 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\$1.8 million to approximately S\$2.3 million for FY2022 as compared to a loss attributable to the owners of the Company of approximately S\$3.1 million for the year ended 31 December 2021. The expected turnaround from loss to profit for FY2022 was mainly due to:

- (i) an increase in revenue resulting from the continued growth of the manufacturing sector in Singapore during FY2022;
- (ii) an increase in gross profit as the costs of certain production overheads were generally fixed in nature and did not increase in line with the increase in revenue during FY2022; and
- (iii) a decrease in legal and professional fees as the professional fees incurred for the resumption of trading of the Company’s shares on the Stock Exchange of Hong Kong Limited during the year ended 31 December 2021 were non-recurring.

The Company is still in the process of finalising the audited consolidated annual results of the Group for FY2022, and the information contained in this announcement is only a preliminary assessment performed by the management of the Company based on the latest information currently available to the Board. Such information has not been audited by the Company's auditors nor reviewed by the audit committee of the Company. The above information may be subject to further adjustments upon final review by the Board and the Company's auditors. Shareholders and potential investors are advised to refer to the details in the audited consolidated annual results of the Group for the year ended 31 December 2022, which is expected to be published in late March 2023 in accordance with the Listing Rules.

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, 10 March 2023

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.