

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **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 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 Board with reference to the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 (“**FY2020**”) and other information currently available to the Board, it is expected that the Group would record a loss attributable to the owners of the Company in the range of approximately S\$2.5 million to approximately S\$3.5 million for FY2020 compared to a profit attributable to the owners of the Company of approximately S\$59,000 for the year ended 31 December 2019. Such adverse change is primarily attributable to (i) the decrease in gross profit of our manufacturing business due to downward pressure on the gross profit margin of our manufacturing segment as a result of the adverse impact by the COVID-19 pandemic in FY2020; and (ii) staff and other costs incurred in developing and operating the new mobile game of our new online business in FY2020.

The Group's final results for FY2020 are still under review and subject to finalisation and confirmation by the auditors of the Company as well as approvals of the audit committee of the Company and the Board at the respective meetings to be held on 24 March 2021. As the Company is still in the process of finalising the Group's final results for FY2020, 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 audit committee. The final results announcement of the Group for FY2020 is expected to be published on 24 March 2021.

**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 March 2021

*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.*