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FSM Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1721)

SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the announcement dated 21 October 2025 (the "**Announcement**") by FSM Holdings Limited (the "**Company**"). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

SANCTIONS

The Company noted from the Press Release published by OFAC on 14 October 2025 (https://home.treasury.gov/news/press-releases/sb0278) that "as a result of today's action, all property and interests in property of the blocked persons described above that are in the United States or in the possession or control of U.S. persons are blocked and must be reported to OFAC. In addition, any entities that are owned, directly or indirectly, individually or in the aggregate, 50 percent or more by one or more blocked persons are also blocked. Unless authorized by a general or specific license issued by OFAC, or exempt, OFAC's regulations generally prohibit all transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of designated or otherwise blocked persons".

As Mr. Li indirectly holds approximately 60.23% of the total issued shares of the Company, the Company is regarded as being subject to the above measures, and transactions by U.S. persons within (or transiting) the United States that involve the Company or interests in the Company are prohibited unless otherwise authorized or exempted by OFAC (the "**Sanctions**").

EFFECT OF THE SANCTIONS ON THE COMPANY

For the avoidance of doubt, the Company itself is not a sanctioned entity. To the best knowledge and information of the directors of the Company having made all reasonable enquiries, the Group principally operates in Singapore, Malaysia, Hong Kong and the People's Republic of China, its material assets are located in Singapore and Hong Kong, and the majority customers and suppliers of the Group are located outside the U.S. Further, none of the Company or its subsidiaries, or their respective directors and members of the senior management are involved in the alleged activities which led to the Sanctions and Mr. Li is no longer a director of the Company, its subsidiaries and associates and holds no position or role within the Group.

Based on the current assessment, the Company does not expect the Sanctions to have any material adverse impact on the business operations of the Company. The Company is actively seeking legal advice in relation to the Sanctions so as to further understand the extent and implications of the Sanctions. The Company will continue to monitor the situation and further announcement(s) will be made as and when appropriate.

In view of the Sanctions, shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
FSM Holdings Limited
Mr. Yip Kit Chau
Company Secretary

Hong Kong, 23 October 2025

As at the date of this announcement, the Board comprises an executive Director, namely Ms. Wong Yet Lian; and three independent non-executive Directors, namely Ms. Leung Tze Ying Gwen, Mr. Wong Po Keung and Mr. Lau Chun Ho Edward.