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FSM Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1721)

INSIDE INFORMATION
UNAUDITED SALES FIGURES AND BUSINESS UPDATES FOR THE FIRST QUARTER OF 2026

This announcement is made by FSM Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rules 13.09(2) 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).

MANUFACTURING BUSINESS

For the first quarter of 2026, the Group's manufacturing business sales decreased approximately 52% to 59% (unaudited) from the corresponding period in 2025. The decrease was mainly attributable to fewer orders from major customers due to U.S. sanctions on the Company's controlling shareholder, together with more cautious market sentiment amid prevailing geopolitical tensions. In response to lower demand, the Group has scaled down manufacturing operations in Singapore and Malaysia.

The Group has been in discussions with customers regarding new orders to support a gradual recovery in order volumes and business performance.

ONLINE BUSINESS

For the first quarter of 2026, the Group's online business recorded no revenue (unaudited), compared to revenue recorded in the corresponding period of 2025. Costs of operating and developing mobile games for the online business in the first quarter of 2026 were lower than in the corresponding period in 2025, primarily due to decreased staff costs incurred in developing the Group's mobile games and reduced research and development activities.

The decline in revenue was due to the temporary suspension of game operations. This decision was based on projected operating costs exceeding anticipated player revenue, following multiple rounds of market testing since the second half of 2023 that failed to achieve sufficient market traction amid evolving market trends. The Group will implement further technical and design improvements prior to any future launch.

The Group will continue to look for new opportunities and refine the development strategy and operations of the online business. The Board will continue to evaluate the development strategy and operational approach of the online business on an ongoing basis and will take appropriate actions as necessary.

Note: The financial information and figures set out above is unaudited, prepared based on management's estimates from internal records, and has not been reviewed or audited by the Group's auditors. Such figures are preliminary in nature and subject to possible adjustments upon completion of the relevant financial statements.

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
Mr. Zhu Xian Chun
Executive Director

Hong Kong, 24 April 2026

As at the date of this announcement, the Board comprises an executive Director, namely Mr. Zhu Xian Chun; and three independent non-executive Directors, namely Mr. Wong Po Keung, Mr. Lau Chun Ho Edward, and Ms. Wu Guang Yuan.