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富汇国际集团控股有限公司

Fullwealth International Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1034)

INSIDE INFORMATION STATUS OF REGISTRATION

This announcement is made by Fullwealth International Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 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 under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) would like to provide an update on the business of the Group. As disclosed in the prospectus of the Company dated 15 October 2018, Ming Shing Construction Engineering Company Limited (“**Ming Sing**”), an operating subsidiary of the Company, was registered on the List of Approved Contractors for Public Works (the “**List**”) to carry out public works in categories of building and civil engineering works. On 6 November 2023, the Group received a letter from the Development Bureau dated 6 November 2023 that due to the financial performance and conditions of Ming Shing, they request Ming Shing to increase its paid-up capital by at least HK\$80.76 million within one month from the date of the letter (i.e. by 6 December 2023). On 21 December 2023, the Development Bureau issued a reminder letter to Ming Shing to give Ming Shing a further two weeks for the action. If Ming Shing could not increase the paid-up capital within these two weeks, the Development Bureau will issue a letter of suspension and suspend Ming Shing from tendering for a minimum period of six months from the date of the suspension letter. Further, if such financial criteria are not rectified within one year from the commencement date of suspension, Ming Shing will be removed from the List.

The financial performance of the Group's civil engineering and building works business in Hong Kong has been dissatisfactory over the past years. Since 2020, the Group has been continuously recording segment loss from the civil engineering, building and other works segment, with segment loss amounted to approximately HK\$66.8 million, HK\$10.7 million, HK\$32.9 million and HK\$24.7 million for the years ended 31 December 2020, 2021, 2022 and the six months ended 30 June 2023, respectively. Although the disruption brought by the COVID-19 pandemic had lifted in 2023, the Directors are generally not optimistic on the construction industry in Hong Kong. According to the land sale record of the Lands Department, the government only sold two lands with premium of HK\$7.07 billion with two tenders cancelled during the current fiscal year ending 31 March 2024, as compared to 14 lands sold with premium of approximately HK\$30.9 billion for the fiscal year ended 31 March 2023. According to the Census and Statistics Department of Hong Kong, the gross value of construction works in real terms performed by main contractors in Hong Kong decreased from approximately HK\$148.9 billion in 2017 to approximately HK\$132.6 billion in 2022, representing a negative compound annual growth rate of 2.3%. Although the gross value of construction works started to rebound in 2023 as the impact of COVID-19 outbreak diminishes, with the low level of lands sold, the Directors expect that the prospect of the construction industry in Hong Kong is uncertain. As at the date of this announcement, the Group had no existing project on hand. On the other hand, the Group only had cash and cash equivalents of approximately HK\$164.9 million as at 30 June 2023.

Having considered (i) the Group has been loss making in the civil engineering, building and other works segment over the past years; (ii) the uncertain outlook in the construction industry in the coming years; (iii) no existing construction project; and (iv) the relevant capital requirement required to inject was significant and represented more than half of the existing cash balance of the Group, the Group decided not to increase the paid-up capital of Ming Shing. Going forward, the Group will focus its resources on the entertainment and education business in the PRC, and continues to explore other business opportunities with a view to diversifying the business and enhancing the financial performance of the Group.

By order of the Board
Fullwealth International Group Holdings Limited
Liu Xinyi
Executive Director

Hong Kong, 27 December 2023

As at the date of this announcement, the Board comprises Ms. Liu Xinyi, Mr. Tsang Chun Ho Anthony and Mr. Wang Tianzi as executive Directors; Ms. Ma Xiaoqiu and Mr. Choi Tan Yee as non-executive Directors; and Mr. Chen Wen, Mr. Cheng Wai Hei and Mr. Peng Peng as independent non-executive Directors.