

*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.*

## **FEG Holdings Corporation Limited**

### **鑄帝控股集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1413)**

## **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2026**

### **FINANCIAL HIGHLIGHTS**

- Revenue of the Group for the Year amounted to approximately HK\$197.3 million (FY2024/25: approximately HK\$405.0 million).
- Gross loss margin for the Year was approximately 2.0% (FY2024/25: approximately 14.8%).
- Loss and total comprehensive loss attributable to the owners of the Company for the Year amounted to approximately HK\$54.1 million (FY2024/25: approximately HK\$81.5 million).
- Basic and diluted loss per share for the Year amounted to approximately HK cents 19.58 (FY2024/25 (restated): approximately HK cents 33.97).
- The Board has resolved not to recommend the declaration of a final dividend for the Year (FY2024/25: Nil).

The board (the “**Board**”) of directors (the “**Directors**”) of FEG Holdings Corporation Limited, (the “**Company**”) is pleased to present the consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2026 (the “**Year**” or “**FY2025/26**”), together with the comparative figures for the corresponding year ended 31 March 2025 (the “**FY2024/25**”).

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

		2026	2025
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Revenue</b>	3	<b>197,270</b>	404,950
Cost of sales	5	<b>(201,160)</b>	(464,905)
<b>Gross loss</b>		<b>(3,890)</b>	(59,955)
Other income and gains, net	4	<b>4,398</b>	264
Administrative and other operating expenses	5	<b>(32,641)</b>	(29,320)
Fair value change on financial assets at fair value through profit or loss (“FVTPL”)		<b>(58)</b>	91
Provision for impairment loss on property, plant and equipment		<b>(9,699)</b>	–
Provision for impairment loss on right-of-use assets		<b>(3,923)</b>	–
Provision for impairment loss on intangible assets		<b>(3,923)</b>	–
Provision for expected credit loss on amount due from a non-controlling shareholder		<b>(492)</b>	–
(Provision for)/reversal of expected credit losses on financial assets, net	5	<b>(3,955)</b>	3,402
Loss from operations		<b>(54,183)</b>	(85,518)
Finance costs	6	<b>(344)</b>	(1,128)
Loss before tax		<b>(54,527)</b>	(86,646)
Income tax credit	7	<b>–</b>	5,122
<b>Loss for the year</b>		<b>(54,527)</b>	(81,524)
<b>Other comprehensive loss</b>			
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences arising on translation		<b>(7)</b>	–
Other comprehensive loss for the year		<b>(7)</b>	–
<b>Total comprehensive loss for the year</b>		<b>(54,534)</b>	(81,524)

	<i>Notes</i>	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
<b>Loss for the year attributable to:</b>			
– Owners of the Company		(54,115)	(81,516)
– Non-controlling interests		(412)	(8)
		<u>(54,527)</u>	<u>(81,524)</u>
<b>Total comprehensive loss for the year attributable to:</b>			
– Owners of the Company		(54,122)	(81,516)
– Non-controlling interests		(412)	(8)
		<u>(54,534)</u>	<u>(81,524)</u>
		<i>HK cents</i>	<i>HK cents</i> <i>(Restated)</i>
<b>Loss per share attributable to owners of the Company</b>			
– Basic and diluted	9	<u>(19.58)</u>	<u>(33.97)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>11,301</b>	24,015
Right-of-use assets		–	5,494
Intangible assets		–	190
Prepayments and deposits	<i>10</i>	<b>685</b>	595
<b>Total non-current assets</b>		<b>11,986</b>	30,294
<b>Current assets</b>			
Financial assets at FVTPL		<b>55</b>	–
Trade receivables	<i>11</i>	<b>3,035</b>	2,423
Contract assets		<b>197,475</b>	216,347
Prepayments, deposits and other receivables	<i>10</i>	<b>20,079</b>	8,216
Amount due from a non-controlling shareholder of a subsidiary		<b>2,808</b>	3,300
Current tax assets		<b>5,477</b>	4,113
Cash and cash equivalents		<b>33,219</b>	33,920
<b>Total current assets</b>		<b>262,148</b>	268,319
<b>Current liabilities</b>			
Trade and retention payables	<i>12</i>	<b>52,034</b>	46,794
Accruals and other payables		<b>7,250</b>	13,293
Lease liabilities		<b>2,547</b>	2,068
Provision for onerous contracts		<b>778</b>	–
<b>Total current liabilities</b>		<b>62,609</b>	62,155
<b>Net current assets</b>		<b>199,539</b>	206,164
<b>Total assets less current liabilities</b>		<b>211,525</b>	236,458

	<i>Notes</i>	<b>2026</b> <b>HK\$'000</b>	2025 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Accruals and other payables		<b>263</b>	263
Long service payment obligations		<b>763</b>	821
Lease liabilities		<b>1,581</b>	3,517
Deferred tax liabilities		–	–
Provision for onerous contracts		<b>408</b>	–
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>3,015</b>	4,601
		<hr/>	<hr/>
<b>Net assets</b>		<b>208,510</b>	231,857
		<hr/>	<hr/>
<b>Equity</b>			
Share capital	<i>13</i>	<b>16,400</b>	12,000
Reserves		<b>182,530</b>	209,865
		<hr/>	<hr/>
<b>Equity attributable to the owners of the Company</b>		<b>198,930</b>	221,865
Non-controlling interests		<b>9,580</b>	9,992
		<hr/>	<hr/>
<b>Total equity</b>		<b>208,510</b>	231,857
		<hr/>	<hr/>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

FEG Holdings Corporation Limited (the “**Company**”) was incorporated in the Cayman Islands with limited liability under the Companies Law of the Cayman Islands. The registered address of the Company is 71 Fort Street, PO Box 500, George Town, Grand Cayman, KY1-1106, Cayman Islands. The principal place of business of the Company is located at Unit 1801, 18/F, V. Heun Building, No. 138 Queen’s Road Central, Hong Kong.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Company is an investment holding company and together with its subsidiaries (collectively, the “**Group**”) are principally engaged in the provision of construction services in Hong Kong. In the opinion of the directors of the Company, the Company has no immediate and ultimate holding company or ultimate controlling party.

The consolidated financial statements are presented in thousands of Hong Kong dollars (“**HK\$’000**”), unless otherwise stated.

### 2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared on the historical cost basis except for a financial asset at fair value through profit or loss which has been measured at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

The consolidated financial statements are prepared on a going concern basis.

### 2.2 NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The Group has applied for the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time for their annual reporting period commencing 1 April 2025:

HKAS 21 and HKFRS 1	Lack of Exchangeability (amendments)
---------------------	--------------------------------------

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## 2.3 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

		<b>Effective for annual periods beginning on or after</b>
HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments (amendments)	1 January 2026
Amendments to HKFRS Accounting Standards – Volume 11	Annual Improvements to HKFRS Accounting Standards	1 January 2026
HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity (amendments)	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 (including the relevant amendments)	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HKAS 21	Translation to Hyperinflationary Presentation Currency (amendments)	1 January 2027
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)	To be determined

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards are not expected to have any significant impact on the Group's consolidated financial statements.

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements, carrying forward many of the requirements in HKAS 1 unchanged and complementing them with new requirements. HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations, and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings Per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs will be effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

### 3. REVENUE AND SEGMENT INFORMATION

#### 3.1 Segment information

The executive directors of the Company, being the chief operating decision maker, have identified that the Group has only one reportable operating segment, which the Group engages in contract work as a subcontractor. Accordingly, no segment information is presented.

##### *Geographical information*

(a) *Revenue from external customers*

No geographical information is presented as all of the Group's revenue from external customers was derived from customers located in Hong Kong during the year.

(b) *Non-current assets*

No geographical information is presented as all of the Group's non-current assets were located in Hong Kong as at 31 March 2026 and 2025.

##### *Information about major customers*

Revenue from each major customer which accounted for 10% or more of the Group's revenue for each reporting period during the year is set out below:

	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Customer A	<b>190,940</b>	124,382
Customer B	<b>N/A*</b>	244,392

\* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

The revenue from the above major customers was all derived from the construction work.

#### 3.2 Revenue

The Group's revenue recognised is as follows:

	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
<b>Revenue from contracts with customers</b>		
Provision of construction services	<b>197,270</b>	404,950

Disaggregation of revenue from contracts with customers within the scope of HKFRS 15 is as follows:

	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
<b>Type of construction services provided</b>		
Residential	<b>193,065</b>	246,609
Non-residential	<b>4,205</b>	158,341
	<hr/>	<hr/>
<b>Total</b>	<b>197,270</b>	404,950
	<hr/> <hr/>	<hr/> <hr/>
<b>Type of customer</b>		
From private sector	<b>197,270</b>	280,568
From public sector	<b>–</b>	124,382
	<hr/>	<hr/>
<b>Total</b>	<b>197,270</b>	404,950
	<hr/> <hr/>	<hr/> <hr/>
<b>Timing of revenue recognition</b>		
Services transferred over time	<b>197,270</b>	404,950
	<hr/> <hr/>	<hr/> <hr/>

#### 4. OTHER INCOME AND GAINS, NET

	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Loss on disposal of property, plant and equipment, net	–	(430)
Income from severance payment refund, net	<b>1,856</b>	–
Income from sale of scrap materials	<b>389</b>	–
Government grant ( <i>note</i> )	<b>1,600</b>	–
Interest income	<b>38</b>	219
Gain on disposal of a subsidiary	–	4
Others	<b>515</b>	471
	<hr/>	<hr/>
	<b>4,398</b>	264
	<hr/> <hr/>	<hr/> <hr/>

*Note:* During the year ended 31 March 2026, the Group applied funding support from the Construction Innovation and Technology Fund set by the Construction Industry Council for encourage wider adoption of innovative construction methods and new technologies in the construction industry. There is no unfilled conditions or contingencies related to the subsidy.

## 5. EXPENSE BY NATURE

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Auditor's remuneration	900	1,223
Direct materials and other costs	21,420	108,268
Sub-contracting fees	147,677	216,875
Amortisation of intangible assets	267	–
Depreciation of property, plant and equipment	10,078	11,565
Depreciation of right-of-use assets	2,336	1,316
Research expenses	2,204	3,962
Legal and professional fees	3,612	2,095
Provision for/(reversal of) ECL on financial assets		
– trade receivables	(5)	(1,540)
– contract assets	4,611	(3,171)
– deposit, loan and other receivables	(651)	1,309
	<u>3,955</u>	<u>(3,402)</u>
Employee benefit expenses	33,933	99,697
Short-term lease payments	5,825	38,333
Repair and maintenance	340	4,408
Transportation	132	1,006

## 6. FINANCE COSTS

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Interest expenses on bank loans and overdrafts	74	792
Interest expenses on lease liabilities	223	183
Interest expenses on bond	–	124
Interest expenses on loans from directors ( <i>Note</i> )	26	–
Interest expenses on long service payment	21	29
	<u>344</u>	<u>1,128</u>

*Note:* During the year ended 31 March 2026, the Group received loans from two directors totaling HK\$5,000,000, bearing interest at 5% per annum. The loans were unsecured and fully repaid during the year ended 31 March 2026. No loans from directors were outstanding at the year end. These transactions have been classified as related party transactions.

## 7. INCOME TAX CREDIT

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Deferred tax	<u>–</u>	<u>5,122</u>

For the years ended 31 March 2026 and 2025, Hong Kong Profits Tax has not been provided as the Group has no assessable profit.

For the years ended 31 March 2026 and 2025, the provision for Hong Kong Profits Tax was calculated at 16.5% of the estimated assessable profits for the year, except for one subsidiary of the Group which was a qualifying corporation under the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying entities were taxed at 8.25%, and the profits above HK\$2,000,000 were taxed at 16.5%.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Group is not subject to any income tax in the Cayman Islands or the BVI (2025: Nil).

PRC Enterprise Income Tax provision has been provided at a rate of 25% (2025: 25%).

No PRC Corporate Income Tax provision was made as the PRC subsidiaries has sustained a loss for taxation purpose for the year ended 31 March 2026 (2025: Nil).

## 8. DIVIDEND

The directors of the Company do not recommend the payment of any dividend in respect of the year ended 31 March 2026 (2025: Nil).

## 9. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following:

	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
<b>Loss</b>		
Loss attributable to the owners of the Company, used in the basic and diluted earnings per share calculation	<u><b>(54,115)</b></u>	<u>(81,516)</u>
	<b>2026</b>	2025 <i>(Restated)</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares used in basic and diluted earnings per share calculation (in thousand)	<u><b>276,405</b></u>	<u>240,000</u>

The weighted average number of ordinary shares for the purpose of basic loss per share for the year ended 31 March 2025 has been adjusted retrospectively for the effect of share consolidation completed on 16 December 2025 as if it had been effective on 1 April 2024.

The weighted average numbers of ordinary shares used as denominators in calculating the basic and diluted earnings per share are the same. As at 31 March 2026, the Company had no dilutive potential ordinary shares (2025: Nil).

## 10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Loan receivables	–	821
Less: ECL allowance	–	(175)
	<u>–</u>	<u>646</u>
Deposits ( <i>Note</i> )	14,677	7,018
Less: ECL allowance	(378)	(1,134)
	<u>14,299</u>	<u>5,884</u>
Other receivables	3,524	1,300
Less: ECL allowance	(280)	–
	<u>3,244</u>	<u>1,300</u>
Prepayments	3,221	981
	<u>20,764</u>	<u>8,811</u>
Less: Non-current portion	(685)	(595)
Current portion	<u>20,079</u>	<u>8,216</u>

The carrying amounts of prepayments, deposits, loan and other receivables approximate their fair values and are denominated in HK\$.

The movement in the ECL allowance of deposits, loan and other receivables is as follows:

	Stage 1 <i>HK\$'000</i>	Stage 2 <i>HK\$'000</i>	Stage 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2024	–	–	–	–
Provision for ECL, net	–	1,134	175	1,309
At 31 March 2025 and 1 April 2025	–	1,134	175	1,309
Provision for/(reversal of) ECL*, net	658	(1,134)	(175)	(651)
At 31 March 2026	<u>658</u>	<u>–</u>	<u>–</u>	<u>658</u>

\* During the year ended 31 March 2026, the Group has received repayment from certain debtors.

*Note:* During the years ended 31 March 2026 and 2025, the Group entered into several agreements with independent third parties for acquisition of excavators and procurement of rebar for construction services.

## 11. TRADE RECEIVABLES

	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Trade receivables	<b>3,058</b>	2,451
Less: ECL allowance	<u>(23)</u>	<u>(28)</u>
	<b><u>3,035</u></b>	<b><u>2,423</u></b>

The directors of the Company consider that the fair values of trade receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

The Group's trading terms with its customers are on credit. The Group's credit periods with customers range from 15 to 60 days (2025: 15 to 60 days). The Group seeks to maintain strict control over its outstanding receivables and has a policy to manage its risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The carrying amount of the Group's trade receivables is all denominated in HK\$.

An ageing analysis of the trade receivables as at the end of reporting period, based on the progress payment certificate date and net of ECL allowance, is as follows:

	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
0–30 days	<b><u>3,035</u></b>	<b><u>2,423</u></b>

The movement in the ECL allowance of trade receivables is as follows:

	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
At 1 April	<b>28</b>	1,568
Reversal of ECL, net	<u>(5)</u>	<u>(1,540)</u>
At 31 March	<b><u>23</u></b>	<b><u>28</u></b>

## 12. TRADE AND RETENTION PAYABLES

	<i>Notes</i>	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Trade payables	<i>(a)</i>	<b>16,919</b>	11,243
Retention payables	<i>(b)</i>	<b>35,115</b>	35,551
		<b>52,034</b>	46,794

The carrying amounts of trade and retention payables approximate their fair values and are denominated in HK\$.

*Notes:*

- (a) An ageing analysis of the trade payables, based on the invoice date, at the end of each reporting period, is as follows:

	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
0–30 days	<b>16,546</b>	8,080
31–90 days	<b>302</b>	2,994
91–180 days	<b>49</b>	48
181–365 days	<b>22</b>	116
Over 365 days	<b>–</b>	5
	<b>16,919</b>	11,243

The trade payables are non-interest-bearing and are normally settled within one month.

- (b) Retention payables held by the Group arose from the Group's construction works and are normally settled to subcontractors within a period ranging from one year to two years after the completion of the construction work by the subcontractors, as stipulated in the subcontracting contracts.

	<b>2026</b> <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Within one year	<b>19,995</b>	14,710
More than one year	<b>15,120</b>	20,841
	<b>35,115</b>	35,551



## **14. EVENT AFTER THE REPORTING PERIOD**

### **Termination of rights issue**

Reference is made to the prospectus of the Company dated 8 May 2026 in relation to the proposed rights issue on the basis of one (1) rights share for every two (2) existing shares held on the record date at the subscription price of HK\$0.214 per rights share, pursuant to which the Company proposed to issue up to 164,000,000 rights shares and raise gross proceeds of approximately HK\$35.1 million before expenses.

Reference is also made to the announcement of the Company dated 3 June 2026. On 3 June 2026, the Company announced the termination of the proposed rights issue. Accordingly, the proposed rights issue did not proceed and no rights shares were issued.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INDUSTRY OVERVIEW**

Hong Kong has experienced economic slowdown in recent years, leading to challenges in the residential and commercial property market. In particular, individuals and property investors have become more hesitant in purchasing property and property developers have become more cautious in tendering for residential developments. This leads to a decrease in demand for property developments as well as the overall demand for foundation works in residential and commercial developments. On the other hand, the Government of Hong Kong (the “**Government**”) has been actively developing lands, leading a surge in number of infrastructure developments.

The construction industry and foundation industry in Hong Kong have been negatively affected by the COVID-19 continuously. Hong Kong’s business activity has resumed normal since the end of COVID-19 at the beginning of 2023. However, the years that followed have evolved in an unexpected direction as businesses around the world continued to be tested by macroeconomic factors such as persistent high global interest rates, geopolitical uncertainties, and intense competition within the PRC’s “involution” economy. In particular, the cut-throat competition in the “involution” chinese economy has impacted the construction industry and foundation industry in Hong Kong as mainland chinese construction companies begin to expand their businesses to Hong Kong and tendering for property development projects as main contractors.

The continuous increase in market share, significance and influence of mainland chinese construction companies as main construction contractors has continued to bring in new construction methodologies and skills and lower the costs of construction. This however meant lower margin and more intense competition faced by the Group.

It is under such challenging backdrop that the directors of the Company present this year annual report. In the first half of Year, the Group construction business has been adversely affected by the legacy impact from last year unfinished construction work related to the three-runway system at the Hong Kong International Airport. Noting the improvement in the second half of the Year, together with the continued government support for infrastructure development, the Directors remain cautiously optimistic about the growth prospects of the construction industry in the coming years.

### **BUSINESS REVIEW AND OUTLOOK**

The Group is a foundation works contractor in Hong Kong. The Group has commenced its business in 1995 and has since undertaken foundation works in the role of subcontractor through Kwong Luen Engineering, the Group’s principal operating subsidiary. The Group’s foundation works services are widely required in residential and non-residential developments such as commercial and infrastructure developments. In particular, the Group has established a solid track record in undertaking foundation works mainly in residential developments initiated by private property developers in Hong Kong.

The construction industry has always played an important role in the Hong Kong economy, in particular the city's infrastructure and housing development. Hong Kong is renowned for its rapid construction of high-rise buildings and office towers, deployment of specialised techniques such as reclamation, and design-and-build methods. In the Chief Executive's latest Policy Address, covering the 2026-27 outlook, the Government reaffirmed land and housing supply as top priorities. Key initiatives include: (i) maintaining a robust public housing supply, with overall public housing production (including Light Public Housing) projected to reach 189,000 units over the five-year period starting from 2026-27; (ii) accelerating transport infrastructure and regional development, notably through the expedited development of the Northern Metropolis alongside a new mindset to remove administrative barriers and streamline workflows for adopting advanced construction methods; and (iii) advancing statutory environmental assessments and regulatory frameworks, such as the implementation of the new Basic Housing Unit regulatory regime to upgrade substandard housing, alongside continued long-term land reserve planning. In view of these steady land developments and large-scale housing targets, the management expects plenty of opportunities in the construction industry.

Looking into the future, the local economy of Hong Kong is expected to continue its path towards steady growth. The Group will leverage its solid track record in the foundation industry and capitalize on these favourable government policies to actively explore and capture emerging opportunities in the market.

During the Year, the Group has reduced its gross loss by a large extent. A resultant gross loss remained during the Year as the Group continued to be affected by the construction projects related to the three-runway system at the Hong Kong International Airport brought forward from the previous financial years.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue decreased to approximately HK\$197.3 million for the year ended Year (2025: HK\$405.0 million), representing a decrease of approximately 51.3%. The decrease in revenue was mainly attributable to the decrease in the number of construction projects with large contract value and renovation projects undertaken by the Group for the Year compared to the FY2024/25.

### **Gross loss and gross loss margin**

The Group's cost of sales decreased from approximately HK\$464.9 million for the year ended 31 March 2025 to approximately HK\$201.2 million for the Year, representing a decrease of approximately HK\$263.7 million or approximately (56.7%), mainly attributable to the decrease in revenue and the number of construction projects with large contract value and renovation projects. The Group recorded a gross loss of approximately HK\$3.9 million (2025: HK\$60.0 million) and gross loss margin of 2.0% (2025: 14.8%).

## **Other income and gains**

Other income and gains of the Group increased by approximately HK\$4.1 million from approximately HK\$0.3 million for the year ended 31 March 2025 to approximately HK\$4.4 million for the Year. The increase was mainly due to an increase of HK\$1.9 million in income from severance payment refund, net and an increase of HK\$1.6 million in Government grant. During the year ended 31 March 2026, the Group applied funding support from the Construction Innovation and Technology Fund set by the Construction Industry Council for encourage wider adoption of innovative construction methods and new technologies in the construction industry. As of the date of this announcement, there is no unfilled conditions or contingencies related to the subsidy.

## **Administrative and other operating expenses**

Administrative expenses of the Group increased from approximately HK\$29.3 million for the year ended 31 March 2025 to approximately HK\$32.6 million for the Year, representing an increase of approximately HK\$3.3 million or 11.3%. The increase was mainly due to the additional professional fee incurred for handling listing compliance matters and other corporate transactions during the Year.

## **(Provision for)/reversal of expected credit losses (“ECL”) on trade and other receivables, deposits and contract assets**

Provision for expected credit losses on trade and other receivables, deposits and contract assets for the year amounted to approximately HK\$4.0 million, compared with the reversal of ECL on trade and other receivables, deposits and contract assets for FY2024/25 amounted to approximately HK\$3.4 million. Such provision for ECL increased by HK\$7.4 million or 216.3% primarily due to an additional ECL on contract assets of approximately HK\$4.7 million and the write-off of approximately HK\$10.2 million of amounts previously provided for.

## **Provision for impairment loss on property, plant and equipment, right-of-use assets and intangible assets**

Provision for impairment loss on property, plant and equipment, right-of-use assets and intangible assets amounted to approximately HK\$17.5 million (FY2024/25: Nil). The provision was recognized during the Year primarily because the Group recorded a gross loss for the second consecutive year, although the loss was significantly reduced compared to the prior year ended 31 March 2025.

## **Finance costs**

Finance costs of the Group decreased from approximately HK\$1.1 million for the year ended 31 March 2025 to approximately HK\$0.3 million for the Year, representing a decrease of approximately HK\$0.8 million or 72.7%.

## **Income tax credit**

The income tax of the Group decreased from income tax credit of approximately HK\$5.1 million for FY2024/25 to NIL for the Year, representing a decrease of approximately HK\$5.1 million. The decrease was due to the reduction of the Group's gross loss as discussed above.

## **Loss and total comprehensive loss for the year attributable to owners of the Company**

The Group recorded a loss attributable to owners of the Company for the Year of approximately HK\$54.1 million (2025: HK\$81.5 million) for the preceding reasons above.

## **LIQUIDITY, FINANCIAL POSITION AND CAPITAL STRUCTURE**

As at 31 March 2026, the Company's issued capital was HK\$16.4 million and the number of its issued ordinary Shares was 328,000,000 Shares of HK\$0.05 each. As at 31 March 2025, the Company's issued capital was HK\$12.0 million and the number of its issued ordinary Shares was 1,200,000,000 Shares of HK\$0.01 each. During the Year, the changes of share capital structure of the Company were as follows:

On 26 September 2025, 200,000,000 new Shares, being all the placing shares, were allotted and issued to not less than six Placees at the Placing Price of HK\$0.063 per Share under general mandate granted to the Directors by resolution of the shareholders of the Company passed at the annual general meeting of the Company held on 27 September 2024. Upon the completion of the aforesaid placing of new shares, the total number of issued shares was increased from 1,200,000,000 shares to 1,400,000,000 shares.

On 1 December 2025, 240,000,000 new Shares, being all the placing shares, were allotted and issued to not less than six Placees at the Placing Price of HK\$0.083 per Share under general mandate granted to the Directors by resolution of the shareholders of the Company passed at the annual general meeting of the Company held on 18 September 2025. Upon the completion of the aforesaid placing of new shares, the total number of issued shares was increased from 1,400,000,000 shares to 1,640,000,000 shares.

On 12 December 2025, an extraordinary general meeting has been held and approved the Share Consolidation as proposed by the Board of Directors, on 21 November 2025, that every five (5) shares existed then of par value of HK\$0.01 each be consolidated into one (1) Consolidated Share of par value of HK\$0.05. Upon the procurement of the shareholders' approval, the share consolidation has become effective on Tuesday, 16 December 2025. Dealing in the Consolidated Shares was commenced on Tuesday, 16 December 2025. Please refer to the circular published on the website of the Stock Exchange on 26 November 2025 for details, including the trading arrangement, the Change in Board Lot Size, the exchange of share certificates and matching services for odd lots in connection with the Share Consolidation. Shareholders should note that, upon the Share Consolidation becoming effective, new share certificates of the Consolidated Shares are in light blue colour, while the existing share certificates in light yellow colour have ceased to be valid for delivery, trading

and settlement purposes after 4:10 p.m. on Monday, 26 January 2026, but remain valid and effective as documents of title. Upon the completion of the aforesaid share consolidation, the total number of issued shares was decreased from 1,640,000,000 shares to 328,000,000 shares.

As at 31 March 2026, the Group had total cash and cash equivalents of approximately HK\$33.2 million (31 March 2025: approximately HK\$33.9 million).

## **USE OF PROCEEDS FROM THE PLACING OF NEW SHARES UNDER GENERAL MANDATE**

During the Year and FY2024/25, the Group has issued new shares under general mandate. Net proceeds from the placing of new shares under general mandate on 30 August 2024, 26 September 2025 and 1 December 2025, after deducting the commissions and other fees and expenses in relation to the placing, amounted to approximately HK\$35.6 million, HK\$12.1 million and HK\$19.0 million respectively. The net proceeds have been applied in accordance with the proposed applications set out in the announcements of the Company dated 30 August 2024, 26 September 2025 and 1 December 2025.

As at 31 March 2026 and 2025, the Group had used the net proceeds as follows:

<b>Date of completion of share placement</b>	<b>Intended uses of the net proceeds</b>	<b>Net proceeds HK\$ (million)</b>	<b>Utilisation up to 31 March 2025 HK\$ (million)</b>	<b>Utilisation up to 31 March 2026 HK\$ (million)</b>	<b>Remaining balance of unused net proceeds as at 31 March 2026 HK\$ (million)</b>
30 August 2024	General working capital of the Group	35.6	(35.6)	–	–
26 September 2025	General working capital of the Group	12.1	N/A	(12.1)	–
1 December 2025	General working capital of the Group including rental payments, staff costs, professional fees and other general administrative and operating expenses.	19.0	N/A	(19.0)	–

The net proceeds raised from the Placing were fully utilised as at March 2026.

## **CURRENT RATIO**

Current ratio is calculated as current assets divided by current liabilities as at the respective reporting dates.

The current ratio of the Group decreased to approximately 4.2 times as at 31 March 2026 from approximately 4.3 times as at 31 March 2025. The decrease was mainly due to the decrease in contracts assets.

## **GEARING RATIO**

Gearing ratio is calculated as total borrowings (including lease liabilities, provision for onerous contracts and long services payment obligations) divided by the total equity as at the respective reporting dates.

The gearing ratio of the Group increased to approximately 2.9% as at 31 March 2026 from approximately 2.8% as at 31 March 2025. The increase was mainly due to the increase in provision for onerous contracts.

## **TREASURY POLICY**

The Group has adopted a conservative approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

## **PLEDGE OF ASSETS**

As at both 31 March 2026 and 2025, the Group did not pledge its assets.

## **FOREIGN EXCHANGE EXPOSURE**

As the Group mainly operated in Hong Kong and all of the revenue and transactions arising from its Hong Kong operations were settled in Hong Kong dollars for the Year, the Directors are of the view that the Group's foreign exchange rate risks are insignificant. Thus, the Group has not entered into any derivative contracts to hedge against the foreign exchange rate risk for the Year.

## **CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

As at 31 March 2026, the Group had capital commitments of HK\$500,000 (2025: HK\$Nil) and had no significant contingent liabilities (2025: Nil).

## **SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

There were no material acquisitions or disposals of subsidiaries, associates or joint ventures by the Group during the Year.

## **FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS**

Save as disclosed in the prospectus of the Company dated 26 February 2021 (the “**Prospectus**”) and this announcement, the Group did not have any other plans for material investments or capital assets during the Year.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 March 2026, we employed a total of 63 employees (including executive Directors but excluding independent non-executive Directors), as compared to a total of 156 employees as at 31 March 2025. The remuneration packages that the Group offers to employees includes salaries, allowances, discretionary bonuses, and/or other benefits in kind. In general, the Group determines employees’ salaries based on their qualifications, position and seniority. The Group also adopted a share option scheme whereby qualified participants may be granted options to acquire shares in the Company. The total staff cost, excluding independent non-executive Directors, incurred by the Group for the Year was approximately HK\$33.4 million compared to approximately HK\$99.2 million for FY2024/25.

The remuneration of the Directors is decided by the Board upon the recommendation from the remuneration committee of the Company having regard to the Group’s operating results, individual performance and comparable market statistics.

## **DIVIDENDS**

The Board has resolved not to recommend the declaration of final dividend for the Year (FY2024/25: Nil).

## **CORPORATE GOVERNANCE CODE/OTHER INFORMATION**

### **Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries of the Directors, all of the Directors have confirmed that they have complied with the requirements of the Model Code during the period from the Listing Date and up to the date of this announcement.

## **SHARE OPTION SCHEME**

The Company has adopted a share option scheme (the “**Share Option Scheme**”) on 19 February 2021. The purpose of the Share Option Scheme is to reward the participants who have contributed or will contribute to the Group and to encourage participants to work towards enhancing the value of the Company and the Shares for the benefit of the Company and shareholders as a whole, and to maintain or attract business relationships with the participants whose contributions are or may be beneficial to the growth of the Group.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 19 February 2021, and there is no outstanding share option as at 31 March 2026.

## **COMPETING INTERESTS**

The Directors confirm that neither the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group’s business which competes or is likely to compete, directly or indirectly, with the Group’s business during the Year, and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SECURITIES**

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s securities.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained a sufficient amount of public float for its Shares as required under the Listing Rules since the Listing Date and up to the date of this announcement.

## **AUDIT COMMITTEE**

The Company established an Audit Committee on 19 February 2021 with written terms of reference in compliance with the CG code. The primary duties of the Audit Committee are to, among other things, review and approve the Group’s financial reporting process and internal control and risk management system, oversee the Group’s audit process and perform other duties and responsibilities as assigned by the Board.

The Audit Committee consists of three members who are independent non-executive Directors, namely, Mr. Sin Kwok Chui Malon, Mr. Chan Siu Kei Ken and Mr. Tang Man Joe. Mr. Sin Kwok Chui Malon is the Chairman of the Audit Committee.

## **REVIEW OF ANNUAL RESULTS**

The Group's consolidated financial statements for the Year have been reviewed and approved by the Audit Committee. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

## **REVIEW OF PRELIMINARY ANNOUNCEMENT**

The figures in respect of the preliminary announcement of the Group's results for the Year have been agreed by the Company's auditor, Infinity CPA Limited ("**Infinity CPA**"), to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Infinity CPA in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Infinity CPA on the preliminary announcement.

## **PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT**

This results announcement is published on the Company's website at [www.feg-holdings.com](http://www.feg-holdings.com) and the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk). The FY2025/26 Annual Report will be made available on the same websites in due course.

## **APPRECIATION**

The Board would like to take this opportunity to express its sincere gratitude to the management team and staff for their hard work and contributions, and to the Group's shareholders, investors and business partners for their trust and support.

By order of the Board  
**FEG Holdings Corporation Limited**  
**Yang Zhenwei**  
*Co-chairperson & Executive Director*

Hong Kong, 30 June 2026

*As at the date of this announcement, the executive Directors are Ms. Yang Yuangui, Mr. Yang Zhenwei, Mr. Yip Kwong Cheung, Mr. Yang Wei, Mr. Deng Huacheng and Mr. Li Yujia; and the independent non-executive Directors are Mr. Tang Man Joe, Mr. Chan Siu Kei Ken, Mr. Sin Kwok Chui Malon, Mr. Wong Kok Hon and Mr. Gao Fan.*