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FEG Holdings Corporation Limited
鑄帝控股集團有限公司

*(Formerly known as “Kwong Luen Engineering Holdings Limited 廣聯工程控股有限公司”)
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1413)*

**DISCLOSEABLE TRANSACTION
FORMATION OF JOINT VENTURE COMPANY**

FORMATION OF THE JOINT VENTURE COMPANY

On 22 November 2024, Kwong Luen Information (an indirect wholly-owned subsidiary of the Company) entered into the Joint Venture Agreement with the Joint Venture Partner, pursuant to which the parties agreed to establish the Joint Venture Company to build and operate the digital asset business in virtual real estate and decentralised finance aspect.

Pursuant to the terms of the Joint Venture Agreement, the registered share capital of the Joint Venture Company will be HK\$25,000,000. The Subsidiary will contribute HK\$15 million and the Joint Venture Partner will contribute the remaining HK\$10 million towards the registered capital of the Joint Venture Company. The Joint Venture Company will be owned as to 60% by the Subsidiary and as to 40% by the Joint Venture Partner upon its establishment.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Group’s investment in the Joint Venture Company is more than 5% but less than 25%, the transactions contemplated under the Joint Venture Agreement constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

FORMATION OF THE JOINT VENTURE COMPANY

On 22 November 2024, Kwong Luen Information (an indirect wholly-owned subsidiary of the Company) entered into the Joint Venture Agreement with the Joint Venture Partner, pursuant to which the parties agreed to establish the Joint Venture Company.

The principal terms of the Joint Venture Agreement are set out below.

Subject matter

The Joint Venture Company will be a limited liability company to be established in accordance with the laws of Hong Kong and the provisions of the Joint Venture Agreement.

Purpose of the Joint Venture Company

The Joint Venture Company will focus on building and operating the digital asset business in virtual real estate and decentralised finance aspect.

Capital contribution

Pursuant to the terms of the Joint Venture Agreement, the registered share capital of the Joint Venture Company will be HK\$25 million. The capital to be contributed by the parties to the Joint Venture Company and the shareholding of the Joint Venture Company upon its establishment will be as follows:

Shareholder	Capital contribution (HK\$)	Shareholding percentage
Kwong Luen Information	15,000,000	60%
Joint Venture Partner	10,000,000	40%
Total	25,000,000	100%

An initial capital contribution in the amount of HK\$16 million shall be made in cash as to 60% by Kwong Luen Information and as to 40% by the Joint Venture Partner prior to the establishment of the Joint Venture Company. The remaining balance of the registered share capital in the amount of HK\$9 million shall be paid in instalments by each of Kwong Luen Information and the Joint Venture Partner in proportion to its shareholding in the Joint Venture Company based on the funding needs of the Joint Venture Company and applicable laws and regulations.

The amount of capital contribution was determined after arm's length negotiations between the parties with reference to the initial capital requirement of the Joint Venture Company for setting up its operations.

The Group intends to finance its investment in the Joint Venture Company from its internal resources.

Management of the Joint Venture Company

The Joint Venture Company will not have a board of directors. Kwong Luen Information is entitled to nominate one director of the Joint Venture Company who will be responsible for the management and operation of the Joint Venture Company.

The Joint Venture Company will not have a supervisory committee. The Joint Venture Partner is entitled to nominate one supervisor to monitor the operations of the Joint Venture Company.

Certain material corporate matters, including (i) amendments of the articles of association of the Joint Venture Company; (ii) the increase or reduction of the registered share capital of the Joint Venture Company; (iii) the transfer of shares in the Joint Venture Company; (iv) the merger, division, dissolution, liquidation or change of the company form of the Joint Venture Company; (v) issuance of corporate bonds; (vi) provision of any form of guarantee internally and/or externally; or (vii) external investment and financing, will require resolutions of two-thirds of the shareholders of the Joint Venture Company.

Pursuant to the relevant accounting policies adopted by the Group, the Joint Venture Company will be accounted for as a subsidiary of the Company and its financial statements will be consolidated in the financial statements of the Group.

Information on the parties

The Company

The Company is an investment holding company and the Group is principally engaged in the provision of construction services in Hong Kong.

Kwong Luen Information

Kwong Luen Information is a limited liability company established in Hong Kong and is an investment holding company. It is an indirect wholly-owned subsidiary of the Company.

Joint Venture Partner

The Joint Venture Partner is a company incorporated in Caymen Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock code: 804).

To the best of the Directors' knowledge, information and belief and after making reasonable enquires, the Joint Venture Partner and its ultimate beneficial owners are not connected persons of the Company.

Reasons and benefits

The Company has decided to enter into the Joint Venture Agreement as part of its strategy to diversify its investment portfolio and capitalize on emerging opportunities in the digital asset sector, particularly in virtual real estate.

The Company believes that the formation of the Joint Venture Company presents a timely opportunity to benefit from potential investment gains driven by the anticipated boost in the digital economy, particularly following the recent election in the United States of America. The digital economy is poised to grow rapidly, especially after the aforesaid election, which is expected to positively impact market sentiment and stimulate further investment in digital assets. By establishing the Joint Venture Company, the Company aims to capture potential investment gains from this anticipated growth, particularly in the virtual real estate sector. By forming the Joint Venture Company, the Company is positioning itself to benefit from long-term growth in the digital economy, which could lead to substantial value creation for the Shareholders.

The terms of the Joint Venture Agreement were negotiated after arm's length negotiations and on normal commercial terms. The Directors are of the view that the terms of the Joint Venture Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“Board”	the board of Directors;
“Company”	FEG Holdings Corporation Limited (鑄帝控股集團有限公司), a company incorporated in the Caymans Islands with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1413);
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Joint Venture Agreement”	the Joint Venture Agreement dated 22 November 2024 entered into between the Subsidiary and the Joint Venture Partner in relation to the formation and management of the Joint Venture Company;
“Joint Venture Company”	the joint venture company to be established pursuant to the terms of the Joint Venture Agreement;
“Joint Venture Partner”	Pinestone Capital Limited, a company incorporated in Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock code: 804);
“Kwong Luen Information”	Kwong Luen Information Technology Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Shareholder(s)”	shareholder(s) of the Company;

“Stock Exchange”

The Stock Exchange of Hong Kong Limited; and

“%”

per cent.

On behalf of the Board
FEG Holdings Corporation Limited
Cheung Tung Tsun Billy
Chairman

Hong Kong, 22 November 2024

As at the date of this announcement, the executive directors are Mr. CHEUNG Tung Tsun Billy, Mr. YIP Kwong Cheung, Ms. LUO Tingting, Ms. HUANG Jiayi and Mr. YANG Zhenwei; and the independent non-executive directors are Ms. LAI Pik Chi Peggy, Mr. WONG Kwok On and Mr. TANG Man Joe.