

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)

FURTHER UPDATE ON RESULTS OF THE INTERNAL CONTROL REVIEW

This announcement is made by FEG Holdings Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”). References are made to the announcement of annual results for the year ended 31 March 2024 and resumption of trading of the Company dated 11 July 2024, the 2023/24 annual report of the Company dated 25 July 2024 (the “**Annual Report**”), the announcement of the Company dated 20 January 2025 (the “**Announcement**”) and the supplemental announcement on delay in publication of annual results and continued suspension of trading dated 15 July 2025 (the “**Supplemental Announcement**”). Unless otherwise defined, herein, capitalised terms used herein shall have the same meanings as those defined in the Annual Report, the Announcement and the Supplemental Announcement.

As disclosed in the Announcement, the Board has engaged GRC Chamber Limited (the “**IC Consultant**”) to conduct an independent internal control review of the Group (the “**IC Review**”) and provide corresponding recommendations for improving the internal control of the Company. The Board would like to provide further update to the IC Review.

KEY FINDINGS OF THE IC REVIEW

The Board is pleased to announce that it has taken actions to address the findings and implement or will implement the recommendations made by the IC Consultants. The key findings of the IC Review for the Review Period with risk level categorized as high-risk findings, the corresponding recommendations for rectification (the “**Rectification Recommendations**”), the Company’s responses and the remediation status are summarised as follows:

Summary of Key Findings	Rectification Recommendation	Company’s responses and remediation status
<p><i>Matters Reserved for the Board</i></p> <p>The Group did not have any documented policy that clearly defines the authority and procedures for delegation.</p>	<p>The Group should establish a “Matters reserved for the Board” policy and approve the policy at the board level.</p>	<p>The Board has approved “Matters reserved for the Board” policy that certain decisions, including (i) endorsing annual budget and authorize capital expenditures exceeding the threshold set by the Board; (ii) entering into new markets, industries or business areas with significant impact; (iii) authorize mergers, acquisitions, disposals, joint ventures or other major transactions; and (iv) approving key corporate policies related to governance, risk management, compliance and ethics. For matters exceeding delegated authority or reserved for the Board, prior approval must be sought from the Board.</p>
<p><i>Monthly Management Report</i></p> <p>The management of the Group did not provide monthly updates of the Group’s performance to the Board.</p>	<p>The Group should implement a structured and consistent approach to monthly management update procedures including provision of management accounts, budgets and any material updates requiring the Board’s attention.</p>	<p>Since October 2024, the management has provided a monthly report to the Board with containing consolidated financial information. The Audit Committee reviewed and agreed the mechanism and format of this reporting.</p>

Summary of Key Findings	Rectification Recommendation	Company's responses and remediation status
<p><i>Managing Directorship at Subsidiary Level</i></p> <p>Kwong Luen Information Technology Limited (“KLIT”) only had one director and there was a concentration of decision-making under a sole directorship.</p>	<p>The Group should appoint an additional director to KLIT and include controls to define roles and responsibilities, regular reporting to the Group's Board, require approval for significant decisions and conduct ongoing evaluation of governance effectiveness.</p>	<p>Saved as one joint-venture business vehicle (the “JV”), the Company appointed at least one executive director from the listed company level to oversee the Company's operating subsidiaries. For the JV, it is stipulated that only one director is to be appointed under the joint venture agreement. The Board is of the view, and the Audit Committee agrees, that the arrangement for the JV is acceptable.</p>
<p><i>Segregating Payment Signing Rights at Subsidiary Level</i></p> <p>KLIT did not have segregating payment signing rights.</p>	<p>The Group should reset signing rights, implement dual-approval mechanism (i.e. transaction exceeding a reasonable threshold require approval from two directors) and limit finance personnel signing authority.</p>	<p>Save as the JV, the payment signing rights of the Company's operating subsidiaries have been revised to require the joint signatures of one director and the finance manager. For the JV, the Company has submitted the application of joint signatures to the bank and the bank is approving the application.</p>
<p><i>Ratifying Expenses exceeding the Pre-set Approval Limit of HK\$500,000 thresholds</i></p> <p>The policy has not been adhered to uniformly. Certain non-revenue related payments exceeding the HK\$500,000 threshold have been approved by individual directors instead of being escalated to the Board as required.</p>	<p>The Group should prepare a comprehensive list of all non-revenue-related expenses and payments, especially those exceeding the HK\$500,000. The Group should establish clear and detailed guidelines specific to capital expenditures and other non-revenue-related expenses. The Group should conduct a periodic review of the HK\$500,000 threshold to assess whether it remains appropriate given the current operational, financial and market context.</p>	<p>The Board has approved a delegation framework which certain transactions are prohibited unless prior approval of the Board is obtained, including transactions outside the scope of the Group's principal business activities. For non-revenue transactions, non-ordinary course of business transaction or non-routine transactions, the financial threshold is set at HK\$500,000, which require the Board's approval. For advance payments, the threshold is set at HK\$300,000 (single or accumulated over 90 days).</p>

Summary of Key Findings	Rectification Recommendation	Company's responses and remediation status
<p><i>Establishing Formal Due Diligence & Follow-Up Procedures for Advancement and Non-Routine Expenses</i></p> <p>The Group did not have a formal policy and procedure to govern due diligence and follow-up processes for advancements and non-routine expenses.</p>	<p>The Group should conduct a thorough review of all advancements and non-routine transactions by 31 March 2025 and develop and implement comprehensive policies for due diligence and follow-up procedures.</p>	<p>The Group has conducted a thorough review of all advancements and non-routine transactions up to May 2025. The Company also established standardized criteria for advancements.</p>

The Alleged Consultancy Agreement Incident

Reference is made to the Supplemental Announcement. The Board has engaged the IC Consultant to conduct an IC Review on the Alleged Consultancy Agreement. The IC Review did not note any high risk findings but one medium-risk finding and one finding with risk level not established. The Company's responses and the remediation status are summarised as follows:

Summary of Key Findings	Rectification Recommendation	Company's responses and remediation status
<p><i>Board's Assessment of the Alleged Consultancy Agreement</i></p> <p>Reference is made to the Supplemental Announcement. The possibility that the alleged agreement may have been signed without the Board's consent, would, if true, highlight similar control deficiencies identified as "Managing Directorship at Subsidiary Level", "Segregating Payment Signing Rights at Subsidiary Level" and "Ratifying Expenses exceeding the Pre-set Approval Limit of HK\$500,000 threshold", as aforementioned (Risk level: Not established).</p>	<p>While these deficiencies appear to have been addressed through the implementation of new and revised measures, the Audit Committee and the Board should ensure these measures are consistently upheld over time and remain attentive to any new or adverse information that could warrant a reassessment of their conclusion.</p>	<p>The Board has implemented measures on the three control deficiencies as mentioned above. The Audit Committee and the Board will continue to monitor the implementation of the measures annually to ensure they are upheld over time. Upon receiving any new or adverse information that could warrant a reassessment of their conclusion, the director or officer shall immediately report to the Audit Committee and the Board and the matter be investigated.</p>
<p><i>Handling Inside Information</i></p> <p>The Group did not have an effective framework for handling statutory demands or similar matters (Risk level: Medium).</p>	<p>The Group should establish an effective framework for handling statutory demands or similar matters and assess the extent of accountability of relevant management.</p>	<p>The Board has implemented the policy "Internal control policy for receiving legal and financial related documents", which standardize the timely identification, proper handling and secure archiving of legal and financial correspondences.</p>

VIEW OF THE AUDIT COMMITTEE AND THE BOARD

Having considered the findings of the IC Review, the Rectification Recommendations and the remedial actions taken by the Group, the Board is of the view, and the Audit Committee agrees, that the Company have in place an adequate and effective internal control system to comply with its obligations under the Listing Rules as of the date of this announcement.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 July 2025 due to delay in publication of financial results under the Listing Rules and will remain suspended until further notice.

By order of the Board
FEG Holdings Corporation Limited
Cheung Tung Tsun Billy
Chairman

Hong Kong, 16 July 2025

As at the date of this announcement, the executive Directors are Mr. Cheung Tung Tsun Billy, Mr. Yip Kwong Cheung, Ms. Luo Tingting, Mr. Yang Zhenwei, Mr. Xie Rong, Mr. Yang Wei, Mr. Yuen Koon Tung and Mr. Deng Huacheng; and the independent non-executive Directors are Ms. Lai Pik Chi Peggy, Mr. Wong Kwok On, Mr. Tang Man Joe and Mr. Andre Pierre Lajeunesse.