

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.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase, or subscribe for the securities of the Company.

HKE Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1726)

SUPPLEMENTAL ANNOUNCEMENT REGARDING THE PLACING OF NEW SHARES UNDER THE GENERAL MANDATE

Placing Agent



Monmonkey Group Securities Limited

Reference is made to the announcements of HKE Holdings Limited (the “**Company**”) dated 27 January 2023, 31 January 2023 and 13 February 2023 (collectively, the “**Announcements**”) in relation to the placing of new shares under the general mandate. Unless defined otherwise, capitalised terms used herein shall have the same meaning as those defined in the Announcements. The Board wishes to provide the Shareholders and potential investors of the Company with updated information in relation to the Placing.

BUSINESS INFORMATION OF THE GROUP

Existing Business

The principal activities of the Group are the provision of integrated design and building services in the medical and healthcare sectors with expertise in performing radiation shielding works (the “**Existing Business**”). The Existing Business is a revenue-generating segment, and there are numbers of projects on hand and in discussion which will bring a stable income to the Group. The Company has no intention to scale down the Existing Business, and the Directors expect continuous growth of the Existing Business.

New Business

The Company has been building up a comprehensive FinTech service platform for multi classes of assets including but not limited to virtual assets, listed securities, listed bonds and alternative assets since May 2021.

The Company has been focusing on the application of the virtual asset trading platform (the “**Platform**”) licence from SFC (the “**Licence**”) through Hong Kong BGE Limited (“**HKBGE**”), one of the subsidiaries of the Company under the New Business segment. HKBGE submitted the application for Type 1 and Type 7 SFC’s licence related to virtual asset trading platform in 2022.

HKBGE will operate the Platform after obtaining the Licence. It will provide the services including but not limited to (1) brokerage service; (2) custody service; and (3) security token offering service through the Platform, in the following manner:

- (1) **Brokerage service:** HKBGE will provide automated trading service to its clients by matching the sell and purchase order they submitted. After transaction is matched and completed, HKBGE will charge commission fee to its clients for both sell and purchase side.
- (2) **Custody service:** HKBGE will provide custody service for client virtual assets held on behalf of clients. Custody service fee will be charged on monthly basis based on total value of assets under custodian.
- (3) **Security token offering service:** HKBGE will provide security token offering service for listing a new security token on the Platform. Listing fee will be charged on project basis.

The target customers of the Platform are the professional investors such as hedge funds, securities firms under current regulatory requirement of the Licence.

Moreover, HKBGE TSP Limited and BGC Limited, two of the subsidiaries of the Company under the New Business segment both have obtained the Trust or Company Service Provider Licence from the Registry for Trust and Company Service Providers of the Companies Registry of Hong Kong.

TOTAL FUNDS RAISED AND THE USE OF PROCEEDS

The gross and Net Proceeds (after deducting the placing commission and other related expenses incurred in the Placing) from the Placing are approximately HK\$94.50 million and approximately HK\$93.56 million, respectively. The Company intends to use (i) approximately 80% of the Net Proceeds to finance the New Business; (ii) approximately 10% of the Net Proceeds to finance the Existing Business; and (iii) approximately 10% of the Net Proceeds as general working capital of the Group.

Set out below is the breakdown of the use of Net Proceeds:

Use of Net Proceeds	Approximate	
	HK\$	Percentage (%)
Payroll related expenses (<i>Note 1</i>)	46,044,000	49.22%
Projected working capital (<i>Note 2</i>)	22,500,000	24.05%
IT support	6,300,000	6.73%
Existing Business	9,355,500	10.00%
General working capital (<i>Note 3</i>)	9,355,500	10.00%
Total	93,555,000	100.00%

Notes:

1. The payroll related expenses are mainly for approximately 85 employees in Hong Kong and the PRC under the subsidiaries of the Group, which are under the New Business segment. Under the New Business segment, the Hong Kong employees are responsible for the research and development (the “R&D”) and the Licence application; and the PRC employees are responsible for the R&D and the building up the infrastructure of the Platform.
2. Regarding the application for the Licence, HKBGE is required to maintain certain level of liquidity for the licensed corporation (i.e., equivalent to at least 12 months of its actual operating expenses calculated on a rolling basis) upon the license granted to satisfy the requirement pursuant to the terms and conditions for virtual asset trading platform operators set out by SFC. For further details, please refer to the breakdown below regarding the calculation basis of the projected working capital.
3. General working capital includes the remuneration of the Directors, rental and building management fee and other expenses.

Set out below is the breakdown of the calculation basis of the projected working capital set out in the Net Proceeds:

Expenses	<i>HK\$</i>	Approximate Percentage (%)
Payroll related expenses (<i>Note</i>)	6,800,000	30.22%
Cloud services	13,180,000	58.58%
Professional fees	1,160,000	5.16%
Software subscription	1,080,000	4.80%
Others	280,000	1.24%
Total	<u>22,500,000</u>	<u>100.00%</u>

Note: The payroll related expenses mainly refer to the employees of HKBGE.

USE OF NET PROCEEDS FROM THE 2021 PLACING

The Company has applied approximately HK\$56.70 million, representing approximately 90% of the 2021 Placing net proceeds to finance the New Business and approximately HK\$6.30 million, representing approximately 10% of 2021 Placing net proceeds to general working capital.

Set out below is the breakdown of the use of 2021 Placing net proceeds:

Use of net proceeds from 2021 Placing	Approximate Percentage
	(%)
	HK\$
Payroll related expenses	45,600,000 72.38%
IT support	5,700,000 9.05%
Professional & audit fee	1,700,000 2.70%
Rental and building management fee	2,600,000 4.13%
Others	1,100,000 1.74%
General working capital (<i>Note</i>)	6,300,000 10.00%
Total	63,000,000 100.00%

Note: The general working capital includes payroll related expenses, professional and audit fee, rental and building management fee and other expenses.

By order of the Board
HKE Holdings Limited
Yip Chi Keung
Company Secretary

Hong Kong, 15 February 2023

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Lin Ho Man, Mr. Tsang Wing Fung and Mr. Koh Lee Huat, two non-executive Directors, namely Mr. Cheng Yiu Mo and Mr. Lim Kai Jia Kesley, and three independent non-executive Directors, namely Mr. Siu Man Ho Simon, Prof. Pong Kam Keung, and Mr. Cheung Kwok Yan Wilfred.