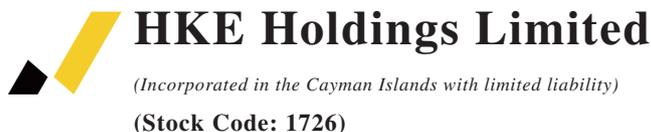


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INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of HKE Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), hereby announces the unaudited results of the Group for the six months ended 31 December 2023, together with comparative amounts for the corresponding period ended 31 December 2022, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2023

| | | Six months ended | |
|---------------------------------|-------------|-------------------------|--------------------|
| | | 31 December | |
| | | 2023 | 2022 |
| | <i>Note</i> | S\$ | S\$ |
| | | (Unaudited) | (Unaudited) |
| Revenue | 5 | 8,276,252 | 6,586,372 |
| Cost of services rendered/sales | | (4,343,635) | (4,439,232) |
| Gross profit | | 3,932,617 | 2,147,140 |
| Other income | 6 | 320,257 | 211,702 |
| Other gains and losses, net | 7 | 166,570 | 53,468 |
| Administrative expenses | | (11,146,585) | (9,650,470) |
| Finance costs | | (33,464) | (55,861) |
| Loss before taxation | 8 | (6,760,605) | (7,294,021) |
| Income tax expense | 9 | (51,650) | (117,121) |
| Loss for the period | | (6,812,255) | (7,411,142) |

| | Six months ended | |
|-----------------------------------------------------------------------|------------------------------|---------------------------|
| | 31 December | |
| | 2023 | 2022 |
| <i>Note</i> | S\$ | S\$ |
| | (Unaudited) | (Unaudited) |
| Other comprehensive loss: | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | |
| Exchange differences on translation of foreign operations, net of tax | <u>(69,495)</u> | <u>(500,346)</u> |
| Total comprehensive loss for the period | <u>(6,881,750)</u> | <u>(7,911,488)</u> |
| Loss for the period attributable to: | | |
| Owners of the Company | <u>(6,811,489)</u> | (7,410,525) |
| Non-controlling interests | <u>(766)</u> | <u>(617)</u> |
| | <u>(6,812,255)</u> | <u>(7,411,142)</u> |
| Total comprehensive loss for the period attributable to: | | |
| Owners of the Company | <u>(6,880,984)</u> | (7,910,871) |
| Non-controlling interests | <u>(766)</u> | <u>(617)</u> |
| | <u>(6,881,750)</u> | <u>(7,911,488)</u> |
| Loss per share | | |
| Basic and diluted (Singapore cents) | <i>11</i> <u>0.65</u> | <u>0.82</u> |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

| | | 31 December | 30 June |
|-------------------------------------------------------|-------------|--------------------|------------------|
| | | 2023 | 2023 |
| | <i>Note</i> | S\$ | S\$ |
| | | (Unaudited) | (Audited) |
| ASSETS AND LIABILITIES | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 1,267,102 | 1,164,771 |
| Investment properties | | 5,005,508 | 5,112,193 |
| Intangible assets | | 32,066 | – |
| Right-of-use assets | | 711,654 | 624,196 |
| Financial assets at fair value through profit or loss | | 4 | – |
| Deposits and prepayments | | 197,715 | 404,051 |
| | | <hr/> | <hr/> |
| Total non-current assets | | 7,214,049 | 7,305,211 |
| Current assets | | | |
| Cryptocurrencies | | 1,012,474 | 439,686 |
| Trade receivables | <i>12</i> | 5,281,514 | 3,744,126 |
| Other receivables, deposits and prepayments | | 4,046,815 | 472,056 |
| Derivative financial instruments | <i>13</i> | 848,028 | – |
| Contract assets | | 2,787,297 | 3,645,257 |
| Bank and cash balances | | 13,330,402 | 19,155,015 |
| | | <hr/> | <hr/> |
| Total current assets | | 27,306,530 | 27,456,140 |
| Current liabilities | | | |
| Trade and other payables | <i>14</i> | 3,899,111 | 2,014,095 |
| Derivative financial instruments | <i>13</i> | 4,199,155 | – |
| Contract liabilities | | 1,908,506 | 1,753,661 |
| Lease liabilities | | 432,751 | 527,430 |
| Tax payable | | 211,674 | 255,659 |
| | | <hr/> | <hr/> |
| Total current liabilities | | 10,651,197 | 4,550,845 |
| Net current assets | | 16,655,333 | 22,905,295 |
| | | <hr/> | <hr/> |
| Total assets less current liabilities | | 23,869,382 | 30,210,506 |

| | 31 December | 30 June |
|-------------------------------------------------------------------------------|----------------------------|------------------|
| | 2023 | 2023 |
| <i>Note</i> | <i>S\$</i> | <i>S\$</i> |
| | (Unaudited) | (Audited) |
| Non-current liabilities | | |
| Lease liabilities | 311,426 | 128,285 |
| Deferred tax liabilities | 27,310 | 27,310 |
| | <hr/> | <hr/> |
| Total non-current liabilities | 338,736 | 155,595 |
| | <hr/> | <hr/> |
| Net assets | 23,530,646 | 30,054,911 |
| | <hr/> | <hr/> |
| EQUITY | | |
| Capital and reserves attributable to the equity holders of the Company | | |
| Share capital | <i>15</i> 1,767,677 | 1,767,677 |
| Reserves | 21,766,570 | 28,290,069 |
| | <hr/> | <hr/> |
| | 23,534,247 | 30,057,746 |
| | <hr/> | <hr/> |
| Non-controlling interests | (3,601) | (2,835) |
| | <hr/> | <hr/> |
| Total equity | 23,530,646 | 30,054,911 |
| | <hr/> | <hr/> |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 December 2023

| | Attributable to equity holders of the Company | | | | | | Total | Non-controlling interests | Total |
|------------------------------------------------------|-----------------------------------------------|-------------------|------------------|---------------------|-----------------------------|---------------------|-------------------|---------------------------|-------------------|
| | Share capital | Share premium | Merger reserve | Translation reserve | Share-based payment reserve | Accumulated losses | | | |
| | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ |
| Balance at 1 July 2022 (audited) | 1,613,181 | 26,060,809 | 1,000,119 | 75,035 | 394,205 | (699,981) | 28,443,368 | (885) | 28,442,483 |
| Loss for the period | - | - | - | - | - | (7,410,525) | (7,410,525) | (617) | (7,411,142) |
| Other comprehensive loss for the period | - | - | - | (500,346) | - | - | (500,346) | - | (500,346) |
| Total comprehensive loss for the period | - | - | - | (500,346) | - | (7,410,525) | (7,910,871) | (617) | (7,911,488) |
| Transactions with owners of the Company | | | | | | | | | |
| Equity-settled share-based payment transactions | - | - | - | - | 272,563 | - | 272,563 | - | 272,563 |
| Total transactions with owners of the Company | - | - | - | - | 272,563 | - | 272,563 | - | 272,563 |
| Balance at 31 December 2022 (unaudited) | <u>1,613,181</u> | <u>26,060,809</u> | <u>1,000,119</u> | <u>(425,311)</u> | <u>666,768</u> | <u>(8,110,506)</u> | <u>20,805,060</u> | <u>(1,502)</u> | <u>20,803,558</u> |
| Balance at 1 July 2023 (audited) | 1,767,677 | 41,969,550 | 1,000,119 | (381,799) | 935,223 | (15,233,024) | 30,057,746 | (2,835) | 30,054,911 |
| Loss for the period | - | - | - | - | - | (6,811,489) | (6,811,489) | (766) | (6,812,255) |
| Other comprehensive loss for the period | - | - | - | (69,495) | - | - | (69,495) | - | (69,495) |
| Total comprehensive loss for the period | - | - | - | (69,495) | - | (6,811,489) | (6,880,984) | (766) | (6,881,750) |
| Transactions with owners of the Company | | | | | | | | | |
| Equity-settled share-based payment transactions | - | - | - | - | 357,485 | - | 357,485 | - | 357,485 |
| Forfeiture of share options | - | - | - | - | (1,873) | 1,873 | - | - | - |
| Total transactions with owners of the Company | - | - | - | - | 355,612 | 1,873 | 357,485 | - | 357,485 |
| Balance at 31 December 2023 (unaudited) | <u>1,767,677</u> | <u>41,969,550</u> | <u>1,000,119</u> | <u>(451,294)</u> | <u>1,290,835</u> | <u>(22,042,640)</u> | <u>23,534,247</u> | <u>(3,601)</u> | <u>23,530,646</u> |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2023

| | Six months ended | |
|--------------------------------------------------------------------|--------------------|--------------------|
| | 31 December | |
| | 2023 | 2022 |
| | S\$ | S\$ |
| | (Unaudited) | (Unaudited) |
| Operating activities | | |
| Loss before taxation | (6,760,605) | (7,294,021) |
| Adjustments for: | | |
| Depreciation for right-of-use assets | 307,629 | 287,887 |
| Depreciation for property, plant and equipment | 161,818 | 210,473 |
| Gain on disposal of property, plant and equipment | (415) | – |
| Gain on disposal of a subsidiary | (253,476) | – |
| Gain on bargain purchase | (31,279) | – |
| Interest income | (208,093) | (36,102) |
| Interest on lease liabilities | 33,464 | 55,861 |
| Unrealised foreign exchange loss/(gain), net | 222,671 | (54,039) |
| Fair value (gain)/loss on cryptocurrencies | (104,071) | 571 |
| Impairment loss on cryptocurrencies | – | 147 |
| Share option expenses | 363,920 | 281,520 |
| | <hr/> | <hr/> |
| Operating cash flows before working capital changes | (6,268,437) | (6,547,703) |
| <i>Movements in working capital:</i> | | |
| (Increase)/Decrease in trade receivables | (1,501,796) | 265,687 |
| (Increase)/Decrease in other receivables, deposits and prepayments | (1,362,277) | 135,786 |
| Increase in derivative financial assets | (185,100) | – |
| (Increase)/Decrease in cryptocurrencies | (479,312) | 601 |
| Decrease/(Increase) in contract assets | 857,960 | (2,069,948) |
| Increase in trade and other payables | 1,752,184 | 267,916 |
| Increase in derivative financial liabilities | 1,478,153 | – |
| Increase in contract liabilities | 154,845 | 697,012 |
| | <hr/> | <hr/> |
| Cash used in operations | (5,553,780) | (7,250,649) |
| Income tax paid | (37,634) | (192,294) |
| Interest on lease liabilities | (33,464) | (55,861) |
| | <hr/> | <hr/> |
| Net cash used in operating activities | (5,624,878) | (7,498,804) |

| | Six months ended | |
|----------------------------------------------------------------------------------------------|-------------------------|--------------------|
| | 31 December | |
| | 2023 | 2022 |
| | <i>S</i> \$ | <i>S</i> \$ |
| | (Unaudited) | (Unaudited) |
| Investing activities | | |
| Purchase of property, plant and equipment | (278,210) | (90,849) |
| Net cash acquired from acquisition of subsidiaries | 62,003 | – |
| Proceeds from disposal of a subsidiary | 253,481 | – |
| Placement of time deposits | (1,621,799) | (508,704) |
| Withdrawal of time deposits | 6,422,927 | 1,800,000 |
| Interest received | 208,093 | 36,102 |
| | <u>5,046,495</u> | <u>1,236,549</u> |
| Net cash from investing activities | | |
| Financing activities | | |
| Repayment of lease liabilities | (305,879) | (376,271) |
| | <u>(305,879)</u> | <u>(376,271)</u> |
| Net cash used in financing activities | | |
| Net decrease in cash and cash equivalents | (884,262) | (6,638,526) |
| Effect of foreign exchange rate changes on the balance of cash held in foreign currencies | (139,223) | (215,620) |
| Cash and cash equivalents at beginning of the period | 12,732,088 | 17,132,359 |
| | <u>11,708,603</u> | <u>10,278,213</u> |
| Cash and cash equivalents at end of the period, represented by bank and cash balances | | |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 18 August 2017 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The principal place of business is at Unit 2414-2416, 24/F, China Merchants Tower Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong. The Company is an investment holding company. The Group are principally engaged in (i) provision of engineering business in the Republic of Singapore (“**Singapore**”); (ii) financial technology (“**FinTech**”) platform business; and (iii) trading and asset management business.

The Directors regard Flourish Nation Enterprises Limited, a company incorporated in the British Virgin Islands, as the ultimate holding company, and Mr. Lin Ho Man is the ultimate controlling party of the Company.

The functional currency of the Company is Hong Kong dollars (“**HK\$**”), and the presentation currency of the Company and its principal subsidiaries is Singapore dollars (“**S\$**”).

The unaudited condensed consolidated financial statements for the six months ended 31 December 2023 were approved by the Board on 28 February 2024.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (the “**IASB**”). In addition, the unaudited condensed consolidated financial statements also comply with the applicable disclosures provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the disclosure requirement of the Companies Ordinance (Cap. 622). These unaudited condensed consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies (e.g. investment properties and inventories-cryptocurrencies that are measured at fair value).

3. APPLICATION OF NEW AND REVISED IFRSs

The Group has applied the following amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the six months period beginning on or after 1 July 2023 for the preparation of the unaudited condensed consolidated financial statements:

| | |
|---------------------------------------------------|----------------------------------------------------------------------------------|
| IFRS 17 | Insurance contracts and the related Amendments |
| Amendments to IAS 1 and IFRS Practice Statement 2 | Disclosure of Accounting Policies |
| Amendments to IAS 8 | Definition of Accounting Estimates |
| Amendments to IAS 12 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |
| Amendments to IAS 12 | International Tax Reform – Pillar Two Model Rules |

The application of the Amendments to References to the Conceptual Framework in IFRSs and the amendments to IFRSs in the current period had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

4. NEW AND REVISED IFRSs IN ISSUE BUT NOT YET EFFECTIVE

The Group has not applied new and revised IFRSs that have been issued but are not yet effective for the six months period beginning on or after 1 July 2023. The Group has already commenced an assessment of the impact of these new and revised IFRSs but is not yet in a position to state whether these new and revised IFRSs would have a material impact on its results of operations and financial position.

5. REVENUE AND SEGMENT INFORMATION

The chief operating decision-makers (“CODM”) have been identified as the executive Directors of the Company. The CODM assess the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment. Segment results do not include other income, because this information is not used by CODM as a basis for the purpose of resource allocation and assessment of segment performance. The accounting policies of the operating segments are the same as those adopted by the Group.

On 24 August 2023, the Group had acquired 100% equity interests in Monmonkey Group Asset Management Limited and Quality Union Limited, which are engaged in provision of advisory and asset management services and trading of derivatives respectively. As a result, the Group determined four operating segments: (i) Engineering business segment which engaged in provision of integrated designs and building services, maintenance and other service as well as sales of tools and materials (“**Engineering Business**”); (ii) FinTech platform business segment which engaged in provision of virtual assets platform services (“**FinTech Platform Business**”); (iii) Trading and asset management segment which engaged in trading of derivatives and provision of advisory and asset management services (“**Trading and Asset Management Business**”); and (iv) Investment holding segment which engaged in provision of investment services (“**Investment Holding**”).

There were no material inter-segment sales during the period. The revenue from external customers reported to the CODM is measured in a manner consistent with that applied in the unaudited condensed consolidated financial statements.

| | Engineering Business S\$ | FinTech Platform Business S\$ | Trading and Asset Management Business S\$ | Investment Holding S\$ | Total S\$ |
|------------------------------------------------------|-----------------------------------------|--------------------------------------------------|------------------------------------------------------------------|---------------------------------------|---------------------------|
| For the six months ended 31 December 2023 | | | | | |
| Revenue from external customers | <u>7,593,283</u> | <u>306,107</u> | <u>376,862</u> | <u>–</u> | <u>8,276,252</u> |
| Segment results | <u>239,244</u> | <u>(5,558,195)</u> | <u>60,879</u> | <u>(1,822,790)</u> | <u>(7,080,862)</u> |
| Other income | | | | | <u>320,257</u> |
| Consolidated loss before tax | | | | | (6,760,605) |
| Income tax expense | | | | | <u>(51,650)</u> |
| Consolidated loss after tax | | | | | <u>(6,812,255)</u> |
| Other information | | | | | |
| Depreciation for: | | | | | |
| – property, plant and equipment | 15,283 | 47,484 | – | 99,051 | 161,818 |
| – right-of-use assets | 53,316 | 80,960 | – | 173,353 | 307,629 |
| Interest income | 60,264 | 2,232 | 895 | 144,702 | 208,093 |
| Interest expenses | 1,195 | 13,431 | – | 18,838 | 33,464 |
| Gain/(Loss) on disposal of | | | | | |
| property, plant and equipment | 1,000 | (585) | – | – | 415 |
| Gain on disposal of a subsidiary | – | – | – | 253,476 | 253,476 |
| Gain on bargain purchase | – | – | – | 31,279 | 31,279 |
| Fair value gain on | | | | | |
| cryptocurrencies | – | (104,071) | – | – | (104,071) |
| Segment assets | <u>13,192,008</u> | <u>4,892,577</u> | <u>4,714,186</u> | <u>11,721,808</u> | <u>34,520,579</u> |
| Segment liabilities | <u>4,708,869</u> | <u>1,048,105</u> | <u>4,265,606</u> | <u>967,353</u> | <u>10,989,933</u> |

| | Engineering Business S\$ | FinTech Platform Business S\$ | Investment Holding S\$ | Total S\$ |
|-------------------------------------|--------------------------------|----------------------------------------|------------------------------|--------------------|
| For the six months ended | | | | |
| 31 December 2022 | | | | |
| Revenue from external customers | <u>6,482,042</u> | <u>104,330</u> | <u>–</u> | <u>6,586,372</u> |
| Segment results | <u>649,165</u> | <u>(6,458,213)</u> | <u>(1,696,675)</u> | <u>(7,505,723)</u> |
| Other income | | | | <u>211,702</u> |
| Consolidated loss before tax | | | | (7,294,021) |
| Income tax expense | | | | <u>(117,121)</u> |
| Consolidated loss after tax | | | | <u>(7,411,142)</u> |
| Other information | | | | |
| Depreciation for: | | | | |
| – property, plant and equipment | 28,451 | 83,951 | 98,071 | 210,473 |
| – right-of-use assets | 26,466 | 111,398 | 150,023 | 287,887 |
| Interest income | 32,580 | 1,988 | 1,534 | 36,102 |
| Interest expenses | 918 | 17,056 | 37,887 | 55,861 |
| Fair value loss on cryptocurrencies | – | 571 | – | 571 |
| Impairment loss on cryptocurrencies | – | – | 147 | 147 |
| Segment assets | 10,117,942 | 6,712,710 | 9,284,697 | 26,115,349 |
| Segment liabilities | <u>3,697,600</u> | <u>842,311</u> | <u>771,880</u> | <u>5,311,791</u> |

Major customers

The revenue from customers individually contributed over 10% of total revenue of the Group during the period ended 31 December 2023 are as follows:

| | Six months ended 31 December | |
|------------|---------------------------------|-------------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| | (Unaudited) | (Unaudited) |
| Customer A | 985,238 | 1,329,358 |
| Customer B | 3,259,910 | 2,850,346 |

Geographical information

The Group principally operates in Hong Kong, Mainland China and Singapore. Revenue derived from Singapore represents 92% (2022: 98%) of total revenue for the six months ended 31 December 2023 based on the location of products, services delivered. The breakdown of the total revenue and non-current assets by geographical location are as follows:

| | Revenue | | Non-current assets | |
|----------------------|---------------------------------|-------------|--------------------|-----------|
| | Six months ended 31 December | | 31 December | 30 June |
| | 2023 | 2022 | 2023 | 2023 |
| | S\$ | S\$ | S\$ | S\$ |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| Hong Kong and Others | 682,969 | 104,330 | 6,338,937 | 6,440,981 |
| Mainland China | – | – | 308,350 | 243,325 |
| Singapore | 7,593,283 | 6,482,042 | 566,762 | 620,905 |
| | 8,276,252 | 6,586,372 | 7,214,049 | 7,305,211 |

| | Six months ended | |
|-------------------------------------------------------------------------------------------------------------|-------------------------|-------------|
| | 31 December | |
| | 2023 | 2022 |
| | S\$ | S\$ |
| | (Unaudited) | (Unaudited) |
| Revenue from contracts with customers within the scope of IFRS 15 | | |
| – Integrated design and building services | 7,114,902 | 6,087,677 |
| – Maintenance and other services | 478,381 | 394,365 |
| – Virtual assets custodian solutions services | 306,107 | 104,330 |
| – Asset management services | 147,461 | – |
| | 8,046,851 | 6,586,372 |
| Revenue from trading in derivative financial instruments and net fair value change in financial instruments | 229,401 | – |
| Total revenue | 8,276,252 | 6,586,372 |
| Timing of revenue recognition | | |
| – Over time | 7,567,116 | 6,190,944 |
| – At a point in time | 479,735 | 395,428 |
| | 8,046,851 | 6,586,372 |

Except for the asset management service contracts with customers that have no fixed duration and can be terminated or modified by other party at any time, all other contracts with customers are agreed at fixed price and the expected duration of the contracts is one year or less.

Revenue derived from trading in derivative financial instruments and net fair value change in financial instruments are under the scope of IFRS 9, while all other revenue are arising from IFRS 15.

6. OTHER INCOME

| | Six months ended | |
|-------------------|-------------------------|-----------------------|
| | 31 December | |
| | 2023 | 2022 |
| | S\$ | S\$ |
| | (Unaudited) | (Unaudited) |
| Government grants | 992 | 52,789 |
| Interest income | 208,093 | 36,103 |
| Rental income | 87,312 | 89,391 |
| Others | 23,860 | 33,419 |
| | <u>320,257</u> | <u>211,702</u> |

7. OTHER GAINS AND LOSSES, NET

| | Six months ended | |
|---------------------------------------------------|-------------------------|----------------------|
| | 31 December | |
| | 2023 | 2022 |
| | S\$ | S\$ |
| | (Unaudited) | (Unaudited) |
| Foreign exchange (losses)/gains, net | (222,671) | 54,039 |
| Gain on disposal of property, plant and equipment | 415 | – |
| Gain on disposal of a subsidiary | 253,476 | – |
| Gain on bargain purchase | 31,279 | – |
| Fair value gain/(loss) on cryptocurrencies | 104,071 | (571) |
| | <u>166,570</u> | <u>53,468</u> |

8. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging/(crediting):

| | Six months ended | |
|---------------------------------------------------|------------------|----------------|
| | 31 December | |
| | 2023 | 2022 |
| | S\$ | S\$ |
| | (Unaudited) | (Unaudited) |
| Finance costs | | |
| – Interest on lease liabilities | <u>33,464</u> | <u>55,861</u> |
| Depreciation for right-of-use assets | | |
| – Recognised as cost of services rendered/sales | 73,952 | 26,465 |
| – Recognised as administrative expenses | <u>233,677</u> | <u>261,422</u> |
| | <u>307,629</u> | <u>287,887</u> |
| Depreciation for property, plant and equipment | | |
| – Recognised as cost of services rendered/sales | 6,026 | 19,343 |
| – Recognised as administrative expenses | <u>155,792</u> | <u>191,130</u> |
| | <u>161,818</u> | <u>210,473</u> |
| Gain on disposal of property, plant and equipment | 415 | – |
| Gain on disposal of a subsidiary (<i>Note</i>) | 253,476 | – |
| Gain on bargain purchase | 31,279 | – |
| Impairment loss on cryptocurrencies | – | 147 |
| Fair value (gain)/loss on cryptocurrencies | <u>(104,071)</u> | <u>571</u> |

Note:

On 22 December 2023, the Company disposed of its 100% equity interest in BG Technologies Limited for a cash consideration of HK\$1,500,000 (equivalent to S\$253,481).

The carrying amount of net identifiable assets disposed of amounted to S\$5 at 22 December 2023, resulting in a gain on disposal of S\$253,476.

9. INCOME TAX EXPENSE

| | Six months ended 31 December | |
|----------------------------------|---------------------------------|----------------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| | (Unaudited) | (Unaudited) |
| Current tax: | | |
| – Singapore corporate income tax | <u>51,650</u> | <u>117,121</u> |

10. DIVIDENDS

The Board does not recommend any payment of an interim dividend for the six months ended 31 December 2023 (2022: Nil).

11. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following:

| | Six months ended 31 December | |
|---------------------------------------------------------------------------------------------------------------|---------------------------------|-------------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| | (Unaudited) | (Unaudited) |
| Loss attributable to owners of the Company | | |
| Loss for the purpose of calculating basic and diluted loss per share (S\$) | 6,811,489 | 7,410,525 |
| Number of shares | | |
| Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share | 1,050,030,000 | 898,630,137 |
| Basic and diluted loss per share (Singapore Cents) | <u>0.65</u> | <u>0.82</u> |

The computation of diluted loss per share for the six months ended 31 December 2023 and 2022 do not assume the exercise of the Company's outstanding share options as their assumed exercise would result in a decrease in loss per share.

12. TRADE RECEIVABLES

| | 31 December 2023 <i>S\$</i> (Unaudited) | 30 June 2023 <i>S\$</i> (Audited) |
|-------------------|-----------------------------------------------------------------------|--------------------------------------------|
| Trade receivables | <u>5,281,514</u> | <u>3,744,126</u> |

The Group grants credit terms to customers typically for 30, 60 or 90 days from the invoice date for trade receivables.

The Group applied simplified approach to provide the expected credit losses (“ECL”) prescribed by IFRS 9.

As part of the Group’s credit risk management, the Group assesses the impairment for its customers based on different group of customers which share common risk characteristics that are representative of the customers’ abilities to pay all amounts due in accordance with the contractual terms.

Loss allowance for trade receivables has been measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate.

During the six months ended 31 December 2023 and 2022, no impairment loss was recognised for the trade receivables.

The ageing analysis of the trade receivables based on invoice date is as follows:

| | 31 December 2023 <i>S\$</i> (Unaudited) | 30 June 2023 <i>S\$</i> (Audited) |
|---------------------|-----------------------------------------------------------------------|--------------------------------------------|
| Within 30 days | 1,591,321 | 658,643 |
| 31 days to 60 days | 2,130,112 | 1,116,417 |
| 61 days to 90 days | 234,287 | 1,849,742 |
| 91 days to 180 days | 1,286,811 | 1,693 |
| Over 180 days | <u>38,983</u> | <u>117,631</u> |
| | <u>5,281,514</u> | <u>3,744,126</u> |

13. DERIVATIVE FINANCIAL INSTRUMENTS

| | 31 December 2023 S\$ (Unaudited) | 30 June 2023 S\$ (Audited) |
|--------------------|----------------------------------------------------------------|-------------------------------------|
| Assets | | |
| Swaps | 119,705 | – |
| Unlisted options | <u>728,323</u> | <u>–</u> |
| | <u>848,028</u> | <u>–</u> |
| Liabilities | | |
| Swaps | 3,470,832 | – |
| Unlisted options | <u>728,323</u> | <u>–</u> |
| | <u>4,199,155</u> | <u>–</u> |

14. TRADE AND OTHER PAYABLES

| | 31 December 2023 S\$ (Unaudited) | 30 June 2023 S\$ (Audited) |
|--------------------------------|----------------------------------------------------------------|-------------------------------------|
| Trade payables | 1,107,900 | 585,428 |
| Accruals | 401,704 | 526,521 |
| Goods and services tax payable | 307,330 | 219,325 |
| Staff cost payable | 1,560,350 | 595,942 |
| Others | <u>521,827</u> | <u>86,879</u> |
| | <u>3,899,111</u> | <u>2,014,095</u> |

The credit period on purchases from suppliers and subcontractors is between 14 and 90 days or payable upon delivery and rendering of services.

The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

| | 31 December 2023 | 30 June 2023 |
|---------------------|-----------------------------|-----------------------|
| | S\$ | S\$ |
| | (Unaudited) | (Audited) |
| Within 90 days | 1,057,342 | 564,347 |
| 91 days to 180 days | 50,558 | 21,081 |
| | <u>1,107,900</u> | <u>585,428</u> |

15. SHARE CAPITAL

| | 31 December 2023 | | | 30 June 2023 | | |
|----------------------------------------------------|-----------------------------|--------------------------|-------------------------------------|-----------------------------|--------------------------|-----------------------------------|
| | No. of shares | HK\$ | Equivalent to S\$ (Unaudited) | No. of shares | HK\$ | Equivalent to S\$ (Audited) |
| Authorised: | | | | | | |
| At beginning of period/year and end of period/year | 1,500,000,000 | 15,000,000 | - | 1,500,000,000 | 15,000,000 | - |
| Issued and fully paid ordinary shares: | | | | | | |
| At beginning of period/year | 1,050,030,000 | 10,500,300 | 1,767,677 | 960,000,000 | 9,600,000 | 1,613,181 |
| Issuance of shares (Note a) | - | - | - | 90,000,000 | 900,000 | 154,444 |
| Exercise of share options (Note b) | - | - | - | 30,000 | 300 | 52 |
| At end of period/year | <u>1,050,030,000</u> | <u>10,500,300</u> | <u>1,767,677</u> | <u>1,050,030,000</u> | <u>10,500,300</u> | <u>1,767,677</u> |

Notes:

- (a) On 22 February 2023, the Company allotted and issued a total of 90,000,000 ordinary share at a placing price of HK\$1.05 per share to no less than six independent placees through a placing agreement. Upon the issuance of the shares, a sum of HK\$900,000 (equivalent to S\$154,444) was credited to the share capital and HK\$92,655,000 (equivalent to S\$15,899,947), net of issuance expense, was credited to share premium.
- (b) During the period ended 30 June 2023, a total of 30,000 share options at a weighted average exercise price of HK\$1.25 per share were exercised. Upon the exercise of share options, a sum of HK\$300 (equivalent to S\$52) was credited to share capital and HK\$37,200 (equivalent to S\$6,420) was credited to share premium. The new shares issued rank pari passu in all respects with the existing shares in issue.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a contractor specialised in the medical and healthcare sectors with expertise in performing radiation shielding works. The Group mainly provides integrated designs and building services for hospitals and clinics in Singapore (the “**Engineering Business**”). To a lesser extent, the Group is also engaged in providing maintenance and other services, as well as sales of tools and materials. Since May 2021, the Group has also been building up a comprehensive FinTech service platform (the “**FinTech Platform Business**”) for multi classes of assets including but not limited to virtual assets, listed securities, listed bonds and alternative assets. During the period, the Group acquired two subsidiaries which are principally engaged in trading of derivatives and provision of advisory and asset management services (the “**Trading and Asset Management Business**”) to diversify its income sources and provide a full spectrum of financial services.

For the six months ended 31 December 2023, the revenue of the Group was approximately S\$8.3 million, representing an increase of approximately S\$1.7 million, or 26%, as compared to approximately S\$6.6 million for the six months ended 31 December 2022.

Engineering Business

In Singapore, the transformation journey of healthcare is to ensure that a good and sustainable system will be in place. The trend of increasing demand for healthcare and elderly care services will continue as Singapore’s aging population increases. The Ministry of Health plans to expand its network to 32 polyclinics by 2030, as there are currently only 25 polyclinics in Singapore. Meanwhile, Sembawang and Tampines North polyclinics were opened in 2023. Khatib polyclinic will open in 2024, and Serangoon and Tengah polyclinics in 2025. The polyclinic planned in Kaki Bukit is scheduled to be completed by 2026. Four polyclinics planned in Bidadari, Bishan, Taman Jurong and Yew Tee are scheduled to be completed by 2030. Six polyclinics planned in Bukit Merah, Clementi, Jurong, Outram, Pasir Ris and Queenstown will be redeveloped by 2030, and Bukit Merah and Outram polyclinics will be consolidated into one polyclinic after the redevelopment. Furthermore, a new hospital at Bedok North is scheduled to be completed in or around 2030.

As such, the Directors are of the view that the Singapore Government's initiative to increase medical-related facilities will, therefore, drive demand for medical-related radiation shielding works. Currently, public hospitals are still unable to cope with the high demand for medical scans and the average waiting time for Magnetic Resonance Imaging (MRI) scans is 3 months, hence a lot of hospitals are increasing diagnostic imaging machines. Overall, healthcare facilities in Singapore are still in high demand.

In the meantime, the Group is involved in the process of planning a new hospital in the east of Singapore. Additionally, there are lots of old machines that are undergoing the process of replacement and upgrades, and facilities are also undergoing changes and upgrades to address future pandemics. Thus, there are opportunities for the Group to engage in more projects.

FinTech Platform Business

The Group has been developing a trusted, user-centric and compliance-focused FinTech trading service platform to empower global users to discover and monetise the potential of different asset classes from traditional financial markets such as virtual and Web3 assets.

In 2023, the Group has been collaborating with regulators and dedicated external professionals to acquire the Virtual Asset Trading Platform Operators Licence regulated by The Securities and Futures Commission ("SFC") through its indirect wholly-owned subsidiary, Hong Kong BGE Limited. The Group is optimistic and ready to embrace Hong Kong's new licensing regime and the proposed regulatory requirements which will be a more comprehensive approach focusing on investor protection.

Trading and Asset Management Business

Despite the growing concerns over global economic uncertainty and geopolitical tensions, the Group strives to seize business opportunities by enriching the eco-system around its core FinTech trading service platform. In 2023, the Company acquired two subsidiaries engaged in the provision of advisory and asset management services and trading of derivatives, and the Group began the new Trading and Asset Management Business segment. Revenue from this business segment composed of gain or loss on trading of the derivative financial instruments (primarily unlisted options and total return swaps traded over-the-counter) and asset management fee income from the funds managed.

FUTURE OUTLOOK

The Group will continue to strengthen its market position in the medical and healthcare construction sectors in Singapore and other markets, and continue to develop the FinTech Platform and Trading and Asset Management Businesses to capture the fast-growing business opportunities.

As the financial landscape continues to evolve and virtual assets are becoming mainstream with lots of investment opportunities and thriving interests, the market yearns for multi-asset classes of FinTech trading service platforms to help global users easily navigate this complexity, access a wider range of investment choices and achieve their financial goals.

With tremendous support from the government to develop Hong Kong as an international financial centre for virtual assets, the Group is confident that the FinTech Platform Business will continue to grow and provide value-add services to various participants in the eco-system such as virtual assets spot exchange-traded funds (ETFs) issuers, token issuers and investors with investment needs in trading virtual assets with state-of-the-arts virtual assets custodian solutions.

As the virtual assets industry continues to bloom, regulators around the globe are paying more attention to the regulation of the virtual assets industry in order to strengthen investor protection. The Group embraces regulations and regards them as opportunities for the long-term development of the industry. The Group is committed to be a regulated and transparent market leader in the virtual assets industry and will continue to closely follow current regulatory requirements, monitor regulatory changes, and react expeditiously to these changes and to hold on to new market opportunities.

In connection with Trading and Asset Management Business, with strict risk control guidelines, the Group will continue to increase its participation in trading various financial instruments and enlarging the scale of our assets under management to explore more business potentials.

Save as disclosed in this announcement, there have been no material changes in respect of the development or future development of the Group's business since the publication of the latest annual report of the Company for the year ended 30 June 2023.

FINANCIAL REVIEW

Revenue

The table below sets forth the Group's revenue by operating activities:

| | Six months ended | |
|------------------------------------------------------|------------------|------------------|
| | 31 December | |
| | 2023 | 2022 |
| | S\$ | S\$ |
| | (Unaudited) | (Unaudited) |
| Revenue from: | | |
| Integrated design and building services | 7,114,902 | 6,087,677 |
| Maintenance and other services | 478,381 | 394,365 |
| Virtual assets custodian solutions services | 306,107 | 104,330 |
| Trading of derivatives and asset management services | 376,862 | – |
| | <u>8,276,252</u> | <u>6,586,372</u> |

The Group's revenue for the six months ended 31 December 2023 was approximately S\$8.3 million, representing an increase of approximately S\$1.7 million, or 26%, as compared to approximately S\$6.6 million for the six months ended 31 December 2022. The increase in revenue was primarily driven by a more diversified customer base in the Engineering Business, from which more projects with greater contract sums and gross profit margin have been obtained. In addition, there is new revenue generated from subsidiaries of the Group acquired during the six months ended 31 December 2023.

Revenue deriving from integrated design and building services was approximately S\$7.1 million for the six months ended 31 December 2023, representing an increase of approximately S\$1.0 million, or 17%, as compared to approximately S\$6.1 million for the six months ended 31 December 2022.

Revenue from maintenance and other services was approximately S\$0.5 million for the six months ended 31 December 2023, representing an increase of approximately S\$0.1 million, or 21%, as compared to approximately S\$0.4 million for the six months ended 31 December 2022.

Revenue from virtual assets custodian solutions services was approximately S\$0.3 million for the six months ended 31 December 2023, representing an increase of approximately S\$0.2 million, or 193%, as compared to approximately S\$0.1 million for the six months ended 31 December 2022.

Revenue from Trading and Asset Management Business was approximately S\$0.4 million for the six months ended 31 December 2023 (six months ended 31 December 2022: Nil).

Gross Profit and Gross Profit Margin

The Group's gross profit was approximately S\$3.9 million for the six months ended 31 December 2023 (six months ended 31 December 2022: approximately S\$2.1 million), with a gross profit margin of approximately 47.5% (six months ended 31 December 2022: 32.6%). The increase in the gross profit margin over the six months ended 31 December 2023 was mainly attributed to more new projects with higher contract sums and gross profit margin have been obtained from diversified customers of the Engineering Business, while better cost control measures have been implemented by the Group and new income generated from Trading and Asset Management Business during the six months ended 31 December 2023.

Other Income

For the six months ended 31 December 2023, the Group's other income was approximately S\$0.3 million, or 3.9% of the revenue for the six months ended 31 December 2023 (six months ended 31 December 2022: approximately S\$0.2 million, or 3.2% of the revenue for the six months ended 31 December 2022).

Other Gains and Losses, net

For the six months ended 31 December 2023, the net other gains and losses was approximately S\$0.2 million, or 2.0% of the revenue for the six months ended 31 December 2023 (six months ended 31 December 2022: approximately S\$0.05 million or 0.8% of the revenue for the six months ended 31 December 2022). The increase in net other gains and losses was mainly attributed to gain on disposal of a subsidiary during the period.

Administrative Expenses

For the six months ended 31 December 2023, the Group's administrative expenses increased by approximately S\$1.5 million or 16% to approximately S\$11.1 million, or 134.7% of the revenue for the six months ended 31 December 2023, as compared to approximately S\$9.7 million, or 146.5% of revenue for the six months ended 31 December 2022. The increase was mainly attributed to the increase in staff costs mainly arising from the expanding headcount of professional talents for the development of the FinTech Platform Business and the application of the Virtual Asset Trading Platform Operators Licence, and the increase in IT related expenses for the FinTech Platform Business.

Loss for the Period

As a combined effect of the above, during the six months ended 31 December 2023, the Group recorded a loss of approximately S\$6.8 million, as compared to a loss of approximately S\$7.4 million for the six months ended 31 December 2022.

Liquidity and Financial Resources

Shareholders' funds

As at 31 December 2023, total shareholders' funds amounted to approximately S\$23.5 million, as compared to approximately S\$30.1 million as at 30 June 2023.

Financial position

As at 31 December 2023, the Group had current assets of approximately S\$27.3 million (30 June 2023: S\$27.5 million), and current liabilities of S\$10.7 million (30 June 2023: S\$4.6 million). The Group's current ratio (defined as current assets divided by current liabilities) as at 31 December 2023 was 2.6 (30 June 2023: 6.0).

The Group's gearing ratio, expressed as a percentage of interest-bearing liabilities to total assets, was at 2.2% as at 31 December 2023 (30 June 2023: 1.9%).

Cash and cash equivalents

As at 31 December 2023, the Group had cash and cash equivalents of approximately S\$13.3 million (30 June 2023: S\$19.2 million), most of which were denominated in Hong Kong dollar.

Capital Structure

The shares of the Company were successfully listed (the "**Listing**") on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 18 April 2018 (the "**Listing Date**").

On 17 November 2021, a placement of 160,000,000 new shares of the Company at par value of HK\$0.01 each (the "**2021 Placing**") was completed with a placing price of HK\$0.40 per share.

On 22 February 2023 (the "**2023 Placing Date**"), a placement of 90,000,000 new shares of the Company at par value of HK\$0.01 each (the "**2023 Placing**") was completed with a placing price of HK\$1.05 per share.

Funding and Treasury Policy

The Group has adopted a prudent financial management approach towards its funding and treasury policy and thus maintained a healthy financial position throughout the six months ended 31 December 2023. 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 all the time.

Capital Expenditure

The Group's capital expenditure mainly represents additions to property, plant and equipment and right-of-use assets totaling approximately S\$684,000 for the six months ended 31 December 2023 (six months ended 31 December 2022: S\$91,000).

Pledge of Assets

As at 31 December 2023, the Group had no pledged assets (30 June 2023: Nil).

Foreign Exchange Risk

The Group transacts mainly in Singapore dollars (“**S\$**”), which is the functional currency of the Group's principal operating subsidiaries. However, the Group mainly retains proceeds from the Listing, the 2021 Placing and the 2023 Placing in Hong Kong dollars (“**HK\$**”) which are exposed to foreign exchange risks. The Group does not use any derivative financial instrument to hedge the foreign exchange risk. Instead, the Group manages the foreign exchange risk by closely monitoring the movement of the foreign currency rates and may, depending on the circumstances and trend of foreign currency, consider adopting significant foreign currency hedging policy in the future.

Changes in Subsidiaries of the Group

During the period, the Company through a subsidiary, Apex Goal Worldwide Limited (“**Apex Goal**”) completed the acquisition of the entire equity interests in Monmonkey Group Asset Management Limited and Quality Union Limited (the “**Target Group**”) pursuant to two sale and purchase agreements entered into between Apex Goal and Monmonkey Group Holdings Limited and Smart Unicorn Enterprises Limited, respectively for an aggregate consideration of HK\$2,300,001. The Target Group was controlled by the substantial shareholder of the Company prior to the acquisition and is principally engaged in provision of advisory and asset management services and trading of derivatives. Monmonkey Group Asset Management Limited is licensed by the SFC to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities as defined in the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong. Following the acquisition, the Target Group became indirect wholly-owned subsidiaries of the Company. The transaction was fully exempted from the reporting, announcement and independent shareholder's approval requirements under 14A.76 of the Listing Rules.

During the period, the Company completed the disposal of the entire equity interests in BG Technologies Limited (the “**Target Company**”) pursuant to the sale and purchase agreement entered into between the Company and Solar Patch Limited (an independent third party) for an aggregate consideration of HK\$1,500,000. The Target Company is a technology service provider and operator of a portal company. The transaction was completed on 22 December 2023 and the transaction was fully exempted from the reporting and announcement requirements under 14.06(2) of the Listing Rules.

Material Acquisitions and Disposal of a Subsidiary

Save as disclosed in this announcement, there were no material acquisitions or disposals of subsidiaries by the Group during the six months ended 31 December 2023.

Significant Investments Held and Future Plans for Material Investments or Capital Assets

Save as disclosed in this announcement, there were no significant investments made by the Group for the six months ended 31 December 2023.

Save as disclosed under the sections headed “Use of Net Proceeds from the Listing” and “Use of Net Proceeds from the 2023 Placing” in this announcement, the Group may explore potential opportunities to invest from time to time for its sustainable growth, and may have plans for making material investments or acquiring capital assets in the future.

Employees and Emolument Policy

As at 31 December 2023, the Group employed a total of 151 full-time employees (including three executive Directors) (31 December 2022: 145). The total staff costs during the six months ended 31 December 2023 amounted to approximately S\$10.1 million (six months ended 31 December 2022: approximately S\$8.3 million), which included Directors’ emoluments, salaries, wages and other staff benefits, and contributions to retirement benefit schemes. According to the emolument policy of the Company, in order to attract and retain valuable employees, the performance of the Group’s employees are annually reviewed. The Group provides adequate job training to employees to equip them with practical knowledge and skills. Apart from the job training programs, salary increments and discretionary bonuses may be awarded to employees according to the assessment of individual performance and market conditions.

According to the emolument policy of the Company, the emoluments of the Directors have been reviewed by the remuneration committee of the Board (the “**Remuneration Committee**”), having regards to the Company’s operating results, market competitiveness, individual performance and achievement, and the approvement of the Board.

Capital Commitments and Contingent Liabilities

As at 31 December 2023, the Group has not provided guarantees to any customer (30 June 2023: Nil), and did not have any material capital commitments (30 June 2023: Nil).

Use of Net Proceeds from the Listing

The net proceeds from the Listing, after deducting listing expenses which includes underwriting fees, and other expenses arising from the Listing (“**Listing Net Proceeds**”) were approximately HK\$74.0 million. The Group intends to apply the Listing Net Proceeds in accordance with the proposed applications set out in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 28 March 2018 (the “**Prospectus**”). As stated in the Prospectus, the Company intended to apply the Listing Net Proceeds for: (i) acquisition of additional property for workshop and office use; (ii) strengthening the Group’s manpower by recruiting additional staff; (iii) increasing the Group’s reserve for financing the issue of performance guarantees in favour of our customers; (iv) financing the acquisition of additional motor vehicles and additional machinery; (v) increasing the Group’s marketing efforts; and (vi) general working capital.

The Listing Net Proceeds applied by the Group during the period from the Listing Date up to 31 December 2023 are as follows:

| | Planned use of Listing Net Proceeds <i>HK\$’000</i> | Actual use of Listing Net Proceeds from the Listing Date to 31 December 2023 <i>HK\$’000</i> | Unutilised balance up to 31 December 2023 <i>HK\$’000</i> | Expected date of full utilisation of Listing Net Proceeds |
|-------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------|
| Use of Listing Net Proceeds: | | | | |
| Acquisition of additional property for workshop and office use | 34,000 | 29,623 | 4,377 | on or before 30 June 2024 |
| Recruiting additional staff | 21,500 | 21,500 | – | N/A |
| Issue of performance guarantees | 4,800 | 144 | 4,656 | on or before 30 June 2024 |
| Acquisition of additional motor vehicles and machinery | 5,100 | 875 | 4,225 | on or before 30 June 2024 |
| Increasing our marketing efforts | 2,300 | 1,484 | 816 | on or before 30 June 2024 |
| General working capital | 6,300 | 6,300 | – | N/A |

Use of Net Proceeds from the 2021 Placing

The gross and net proceeds (after deducting the placing commission and other related expenses incurred) from the 2021 Placing (“**2021 Placing Net Proceeds**”) were approximately HK\$64.0 million and approximately HK\$63.0 million, respectively. The Company has applied 90% of the 2021 Placing Net Proceeds for financing the FinTech Platform Business and 10% of the 2021 Placing Net Proceeds for the general working capital of the Group. The 2021 Placing Net Proceeds were fully utilised as intended.

Use of Net Proceeds from the 2023 Placing

The gross and net proceeds (after deducting the placing commission and other related expenses incurred) from the 2023 Placing (“**2023 Placing Net Proceeds**”) were approximately HK\$94.50 million and approximately HK\$93.56 million, respectively. The Company intends to use (i) approximately 80% of the 2023 Placing Net Proceeds to finance the FinTech Platform Business; (ii) approximately 10% of the 2023 Placing Net Proceeds to finance the Engineering Business; and (iii) approximately 10% of the 2023 Placing Net Proceeds for the general working capital of the Group.

The 2023 Placing Net Proceeds applied by the Group during the period from the 2023 Placing Date up to 31 December 2023 are as follows:

| | Planned use of 2023 Placing Net Proceeds <i>HK\$'000</i> | Actual use of 2023 Placing Net Proceeds from the 2023 Placing Date to 31 December 2023 <i>HK\$'000</i> | Unutilised balance up to 31 December 2023 <i>HK\$'000</i> | Expected date of full utilisation of 2023 Placing Net Proceeds |
|-----------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------------------------------|
| Use of 2023 Placing Net Proceeds: | | | | |
| Payroll related expenses | 46,044 | 46,044 | – | N/A |
| Projected working capital | 22,500 | – | 22,500 | on or before 30 June 2024 |
| IT support | 6,300 | 6,300 | – | N/A |
| Engineering Business | 9,355 | 9,355 | – | N/A |
| General working capital | 9,356 | 9,356 | – | N/A |

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

There are no important events affecting the Group which have occurred since 31 December 2023 and up to the date of this announcement.

DISCLOSURE OF CHANGE IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, changes of information of the Directors during the period are set out as below:

(a) Changes of information of the Directors

Chairman and Executive Director – Mr. Lin Ho Man (“Mr. Lin”)

- With effect from 1 January 2024, Mr. Lin was appointed as a member of the seventh-term Kwun Tong District Council for a term of four years until 31 December 2027.
- With effect from 25 November 2023, Mr. Lin was appointed as the executive vice-chairman of Hong Kong Youth Patriotic Education Foundation Company Limited.

Executive Director – Mr. Tsang Wing Fung (“Mr. Tsang”)

- With effect from 13 December 2023, Mr. Tsang was appointed as a member of the Remuneration Committee.
- With effect from 13 December 2023, Mr. Tsang was appointed as a member of the nomination committee of the Board.

Non-Executive Director – Mr. Lim Kai Jia Kesley (“Mr. Lim”)

- With effect from 1 July 2023, Mr. Lim resigned as Venture Partner to Teja Ventures.

Independent Non-Executive Director – Prof. Pong Kam Keung (“Prof. Pong”)

- With effect from 25 August 2023, Prof. Pong resigned as an independent non-executive director of Shuang Yun Holdings Limited.

(b) Changes in Directors' emoluments and the basis of determining Directors' emoluments

- With effect from 28 November 2023, the Director's fee for each of the independent non-executive Directors of the Company (comprising Mr. Siu Man Ho Simon, Prof. Pong Kam Keung, and Mr. Cheung Kwok Yan Wilfred) was adjusted to HK\$180,000 per annum.
- With effect from 28 September 2023, the Director's emoluments for Mr. Koh Lee Huat as the executive Director of the Company was adjusted to S\$792,000 per annum.

The above-mentioned changes in Directors' emoluments were based on the recommendation from the Remuneration Committee after taking into account the qualification and working experience of each of the Directors and the prevailing market conditions.

CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance to safeguard the interests of its shareholders and enhance its corporate value. For the six months ended 31 December 2023, the Company adopted and complied with all the mandatory disclosure requirements and code provisions in the Corporate Governance Code (the “**CG Code**”) in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code on corporate governance practices.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company 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 the code of conduct regarding securities transactions by Directors. All Directors have confirmed, following specific enquiries by the Company, that they have fully complied with the required standards set out in the Model Code and its code of conduct regarding Directors' securities transactions during the six months ended 31 December 2023.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the six months ended 31 December 2023, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Company has established an audit committee of the Board (the “**Audit Committee**”) and adopted the written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review and approve the Group’s financial reporting process, risk management and internal control system. The Audit Committee comprises all independent non-executive Directors, namely, Mr. Siu Man Ho Simon, Prof. Pong Kam Keung, and Mr. Cheung Kwok Yan Wilfred. Mr. Cheung Kwok Yan Wilfred is the chairman of the Audit Committee.

The Group’s results for the six months ended 31 December 2023 have been reviewed by the Audit Committee, and it was of the opinion that the preparation of such results has complied with the applicable accounting standards and requirements and agreed with the accounting treatment adopted by the Company, in which adequate disclosures have been made.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 31 December 2023 (six months ended 31 December 2022: Nil).

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The results announcement is required to be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (hke.holdings), respectively. The interim report of the Company for the six months ended 31 December 2023 containing all information required by the Listing Rules will be despatched to the shareholders of the Company and will be available on the above websites in due course.

By order of the Board
HKE Holdings Limited
Lin Ho Man
Chairman and Executive Director

Hong Kong, 28 February 2024

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.