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**PLACING OF NEW SHARES UNDER THE GENERAL MANDATE
AND
CONNECTED TRANSACTION IN RELATION TO
THE APPOINTMENT OF PLACING AGENT**

Placing Agent



Monmonkey Group Securities Limited

The Placing

The Board is pleased to announce that on 10 May 2024 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 30,000,000 Placing Shares at the Placing Price of HK\$2.00 per Placing Share, to not less than six (6) Placees, who and whose respective ultimate beneficial owners shall be Independent Third Parties who are not related to each other or a party not acting in concert with any other Placee(s).

The maximum number of the Placing Shares represents (i) approximately 2.86% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 2.78% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement and up to Completion).

The Placing Shares will be allotted and issued under the General Mandate. The allotment and issue of the Placing Shares is not subject to the approval of the Shareholders.

Assuming all 30,000,000 Placing Shares are subscribed for in full, upon Completion, the gross proceeds from the Placing will be HK\$60.00 million and the Net Proceeds from the Placing will be HK\$59.40 million (after deduction of commission and other expenses of the Placing), representing a net issue price of HK\$1.98 per Placing Share.

The Company intends to use (i) approximately 90% of the Net Proceeds to finance the Fintech Platform Business (as defined below); and (ii) approximately 10% of the Net Proceeds as general working capital of the Group.

Listing Rules Implications

The Placing Agent is owned as to 94% by Mr. Lin, a substantial Shareholder, the chairman of the Company and an executive Director and 3% by Mr. Tsang, a Shareholder and an executive Director. As such, the Placing Agent is an associate of Mr. Lin and a connected person of the Company under the Listing Rules. Accordingly, the Placing constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. However, as all the percentage ratios (other than the profit ratio) are less than 5% and the total consideration is less than HK\$3,000,000, it falls below the de minimis threshold as stipulated under Rule 14A.76(1) of the Listing Rules and therefore the transaction is fully exempt from independent shareholders' approval, annual review, and all disclosure requirements under Chapter 14A of the Listing Rules.

WARNINGS

Since the Completion is subject to the satisfaction of the condition precedent as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

THE PLACING

On 10 May 2024 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 30,000,000 Placing Shares at the Placing Price of HK\$2.00 per Placing Share. The principal terms of the Placing Agreement are set out below.

THE PLACING AGREEMENT

Date : 10 May 2024

Parties : The Company (as the issuer); and
Monmonkey Group Securities Limited (as the Placing Agent)

The Placing Agent has been appointed to place up to 30,000,000 Placing Shares at the Placing Price of HK\$2.00 on a best effort basis, to not less than six (6) Places.

Information of the parties

The Group

The Company was incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on Main Board of the Stock Exchange. The Group has four operating segments: (i) engineering business segment which engaged in provision of integrated designs and building services for hospitals and clinics in Singapore, 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; and (iv) investment holding segment which engaged in provision of investment services.

Placing Agent

The Placing Agent is a company incorporated in Hong Kong with limited liability and a licensed corporation to carry out Type 1 regulated activity (dealing in securities) under the SFO. The Placing Agent is owned as to 94% by Mr. Lin, a substantial Shareholder, the chairman of the Company and an executive Director and 3% by Mr. Tsang, a Shareholder and an executive Director. As such, the Placing Agent is a connected person of the Company under the Listing Rules. Accordingly, the Placing constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. However, as all the percentage ratios (other than the profit ratio) are less than 5% and the total consideration is less than HK\$3,000,000, it falls below the de minimis threshold as stipulated under Rule 14A.76(1) of the Listing Rules and therefore the transaction is fully exempt from independent shareholders’ approval, annual review, and all disclosure requirements under Chapter 14A of the Listing Rules.

Mr. Lin and Mr. Tsang have a material interest with the Placing Agent, and therefore they have abstained from voting on the relevant Board resolutions. Save as disclosed above, none of the Directors had a material interest with the Placing Agent and was required to abstain from voting on the relevant Board resolutions according to the Listing Rules and/or the articles of association of the Company.

Placees

The Placing Shares are expected to be placed, on a best effort basis, to not less than six (6) Placees, who and whose ultimate beneficial owners, shall be Independent Third Parties who are not related to each other or any party acting in concert with any other Placee(s). Upon Completion, it is expected that none of the Placees will become a substantial Shareholder.

Placing Shares

The maximum number of 30,000,000 Placing Shares under the Placing represents (i) approximately 2.86% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 2.78% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Completion). The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$300,000.

Placing Price

The Placing Price of HK\$2.00 per Placing Share represents:

- (i) a discount of approximately 4.76% to the closing price of HK\$2.10 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 0.60% to the average of the closing prices per Share of HK\$2.012 as quoted on the Stock Exchange for the last five consecutive Business Days immediately preceding the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares between the Company and the Placing Agent.

The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Directors (including the independent non-executive Directors) consider that the Placing is in the interests of the Company and the Shareholders as a whole. After taking into account all related costs, fees, expenses and commission of the Placing, the net issue price of the Placing Shares is HK\$1.98 per Share.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, shall rank pari passu in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Placing Shares.

Placing Commission

The Placing Agent will charge the Company a placing commission of 1.00% of the Placing Price multiplied by the number of the Placing Shares placed by the Placing Agent. The Placing commission was determined between the Company and the Placing Agent by reference to the prevailing market rates charged by other placing agents. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement, including the Placing commission, are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

General Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM, subject to the limit of up to 20% of the then total number of Shares in issue of 1,050,030,000 Shares as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 210,006,000 new Shares. Up to the date of this announcement, no Share has been allotted and issued under the General Mandate. Accordingly, the allotment and issue of the Placing Shares is not subject to the approval of the Shareholders.

Condition of the Placing

The Placing is conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant the approval for the listing of, and permission to deal in, the Placing Shares.

Completion of the Placing

Completion of the Placing shall take place on the third (3rd) Business Day after the fulfilment of the condition as set out in paragraph headed “Condition of the Placing” above (or such later date as may be agreed between the parties to the Placing Agreement) or such other date as the Company and the Placing Agent may agree in writing.

Termination

The Placing Agreement may be terminated by the Placing Agent prior to the Completion Date if the condition set out in the Placing Agreement is not fulfilled on or prior to the Long Stop Date, in which case the obligations of the Company and the Placing Agent under the Placing Agreement shall terminate and neither of the parties thereto shall have any claim against the others for costs, damages, compensation or otherwise in respect of the Placing.

If for any reason (other than any breach by the Placing Agent of its obligations under the Placing Agreement) the Placing Agreement is terminated or the Placing is not completed, the Company shall remain liable for the payment of all costs and expenses in accordance with the Placing Agreement.

TOTAL FUNDS TO BE RAISED AND THE USE OF PROCEEDS

Assuming all 30,000,000 Placing Shares are subscribed for in full, upon Completion, the gross proceeds from the Placing will be HK\$60.00 million and the Net Proceeds from the Placing will be HK\$59.40 million (after deduction of commission and other expenses of the Placing), representing a net issue price of HK\$1.98 per Placing Share.

The Company intends to use (i) approximately 90% of the Net Proceeds to finance the Fintech Platform Business; and (ii) approximately 10% of the Net Proceeds as general working capital of the Group.

REASONS OF THE PLACING

As disclosed in announcements relating to the 2023 Placing, the Company has been focusing on the application of the Type 1 and Type 7 SFC's licence (the "**Licence**") related to the virtual asset trading platform (the "**Platform**") through Hong Kong BGE Limited ("**HKBGE**"), one of the subsidiaries of the Company under the Fintech Platform Business. HKBGE has submitted the application for the Licence. Since then, HKBGE has been collaborating with regulators and dedicated external professionals to acquire the Licence. HKBGE will operate the Platform after obtaining the Licence and the Directors (including the independent non-executive Directors) consider that funds will be required in the process of obtaining the Licence, particularly, the payroll related expenses for the employees.

As disclosed in the interim report of the Company for the six months ended 31 December 2023, (i) the Group had bank and cash balances of approximately S\$13.33 million as at 31 December 2023, while recording net cash used in operating activities of approximately S\$5.62 million for the six months ended 31 December 2023; and (ii) except for the projected working capital, which shall be maintained under the liquidity requirements for the licensed corporation upon the Licence granted by the SFC, all the proceeds from the 2023 Placing were fully utilised to finance the Engineering Business and FinTech Platform Business as disclosed in announcements relating to the 2023 Placing.

As such, the Directors (including the independent non-executive Directors) consider that the Placing represents a good opportunity to raise additional funds to continue sustaining the smooth operations of the Group, to finance the FinTech Platform Business and to strengthen the financial position of the Group.

The Directors (including the independent non-executive Directors) also consider other alternative fund-raising methods such as debt financing, rights issue or open offer. The Directors (including the independent non-executive Directors) consider that debt financing may incur additional interest burden on the Group and may be subject to due diligence and negotiations with the financial institutions with reference to the Group's financial position and the then financial market condition. On the other hand, rights issue or open offer may also involve relatively longer time and higher cost to complete as compared to the equity financing through issue of the new Shares under the General Mandate.

In view of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement are on normal commercial terms and are fair and reasonable based on current market conditions. Hence, the Directors (including the independent non-executive Directors) consider the Placing is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company had not conducted any equity fund raising activity in the past 12 months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

Set out below are the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion (assuming all the Placing Shares are issued and allotted, and there is no change in the issued share capital of the Company from the date of this announcement and up to Completion):

Shareholders	At the date of this announcement		Immediately upon Completion	
	No. of Shares (Note 1)	Approximate %	No. of Shares	Approximate %
Flourish Nation Enterprises Limited (Note 2)	568,000,000	54.09	568,000,000	52.59
Mr. Tsang (Note 3)	16,000,000	1.52	16,000,000	1.48
Placees	–	–	30,000,000	2.78
Public Shareholders	466,091,972	44.39	466,091,972	43.15
Total	1,050,091,972	100.00	1,080,091,972	100.00

Notes:

1. The percentage of shareholding is calculated based on 1,050,091,972 Shares in issue as at the date of this announcement and the Company has outstanding options granted under the Share Option Scheme to subscribe for 33,277,727 Shares as at the date of this announcement.
2. 568,000,000 Shares are held by Flourish Nation Enterprises Limited which is owned as to 100% by Mr. Lin. By virtue of the SFO, Mr. Lin is deemed to be interested in the Shares held by Flourish Nation Enterprises Limited. Mr. Lin, in personal capacity, owns 1,050,000 Share Options, representing 0.09% of issued share capital of the Company as at the date of this announcement.
3. Mr. Tsang, in personal capacity, also owns 10,500,000 Share Options, representing 0.99% of the issued share capital of the Company as at the date of this announcement.

APPLICATION FOR LISTING OF THE PLACING SHARES

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

LISTING RULES IMPLICATIONS

The Placing Agent is owned as to 94% by Mr. Lin, a substantial Shareholder, the chairman of the Company and an executive Director and 3% by Mr. Tsang, a Shareholder and an executive Director. As such, the Placing Agent is an associate of Mr. Lin and a connected person of the Company under the Listing Rules. Accordingly, the Placing constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. However, as all the percentage ratios (other than the profit ratio) are less than 5% and the total consideration is less than HK\$3,000,000, it falls below the de minimis threshold as stipulated under Rule 14A.76(1) of the Listing Rules and therefore the transaction is fully exempt from independent shareholders' approval, annual review, and all disclosure requirements under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Placing Agreement are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

WARNINGS

Since the Completion is subject to the satisfaction of the condition precedent as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“2023 Placing”	a placing exercise of 90,000,000 new shares of the Company of par value of HK\$0.01 each with the placing price of HK\$1.05 per share as disclosed in the announcements of the Company dated 27 January 2023, 31 January 2023, 13 February 2023, 15 February 2023 and 22 February 2023
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“AGM”	the annual general meeting held on 28 November 2023
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday) on which banks generally are open for business in Hong Kong and on which the Stock Exchange is open for the business of dealing in securities
“Company”	HKE Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability whose Shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Placing in accordance with the Placing Agreement
“Completion Date”	the date which is the third (3 rd) Business Day after the fulfilment of the condition set out in the Placing Agreement (or such later date as may be agreed between the Company and the Placing Agent)
“Director(s)”	director(s) of the Company

“General Mandate”	the unconditional general mandate granted to the Directors at the AGM to allot, issue and deal with Shares of not exceeding 210,006,000 Shares, being 20% of the total number of Shares in issue as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency in Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) or company(ies) which is or are not a connected person(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 May 2024 or such later date as may be agreed between the Placing Agent and the Company in writing
“Mr. Lin”	Mr. Lin Ho Man, the chairman of the Company, an executive Director, and the substantial Shareholder as at the date of this announcement
“Mr. Tsang”	Mr. Tsang Wing Fung, an executive Director, and a Shareholder as at the date of this announcement
“Net Proceeds”	net proceeds arising from the Placing
“Placee(s)”	any individual(s), corporation(s) and/or institutional or professional investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of up to 30,000,000 Placing Shares by the Placing Agent, on a best effort basis, to not less than six (6) Placees pursuant to the terms and conditions of the Placing Agreement

“Placing Agent”	Monmonkey Group Securities Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation to carry out Type 1 regulated activity (dealing in securities) under the SFO
“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent in respect of the Placing on 10 May 2024
“Placing Price”	HK\$2.00 per Placing Share
“Placing Shares”	up to 30,000,000 new Shares to be allotted and issued under the Placing in accordance with the Placing Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“S\$”	Singapore dollar, the lawful currency in Singapore
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Options”	share options granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company adopted on 15 March 2018
“Share(s)”	fully paid ordinary share(s) having a par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Singapore”	the Republic of Singapore

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“Takeovers Code” the Codes on Takeovers and Mergers and Share Buy-backs

“%” per cent.

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

Hong Kong, 10 May 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.