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SUPPLEMENTAL ANNOUNCEMENT

THE 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

Reference is made to the announcement of HKE Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 4 February 2026 (the “**Announcement**”) in relation to the placing of new shares under the general mandate and connected transaction in relation to the appointment of the placing agent. Unless defined otherwise, capitalised terms used herein shall have the same meaning as those defined in the Announcement. The Board wishes to provide the Shareholders and potential investors of the Company with updated information in relation to the Placing.

FURTHER INFORMATION ON THE FINTECH PLATFORM BUSINESS

The Group aims to build 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. After the grant of conditional license by the SFC, the virtual asset trading platform under BGE was officially launched in January 2026 providing platform related services to clients upon completion of the onboarding process. The Group requires all clients to complete a comprehensive onboarding process before accessing the platform, including background checks, identity verification, anti-money laundering (“**AML**”) and know your customer (“**KYC**”) procedures, as well as risk assessments in compliance with regulatory requirements. Furthermore, the Group adheres to strict jurisdictional compliance protocols.

The platform accepts clients solely from jurisdictions where the provision and usage of virtual asset trading services are permitted under applicable local laws and regulations. Consequently, the Group will not onboard applicants residing in regions where such activities are prohibited or restricted.

The Group's goal is to provide full set of trading platform services with one-stop user experience to verified users. At the early stage of operations, the Group has prioritised the launch of its virtual asset trading capabilities as a key strategic milestone. Consistently, the platform currently facilitates trading in selected virtual assets. These initially include Bitcoin (BTC) and Ethereum (ETH), as well as the stablecoins Tether (USDT) and USD Coin (USDC). The platform services are currently focused on (i) exchange services; (ii) over-the-counter ("OTC") services and (iii) custody services.

Exchange services

BGE offers a licensed platform for trading virtual assets, with institutional security and seamlessly links to custody and OTC services. Clients submit limit orders (specifying max buy/min sell prices) or market orders (executing at best current price). BGE applies safeguards such as price caps to prevent off-market trades. The system matches orders in real-time, monitored by surveillance and risk controls for compliance with Hong Kong regulations. After transaction is completed, BGE charges volume-based commissions as an agent, in the settlement currency (crypto for crypto trades, fiat for fiat-crypto). Additional withdrawal fees will be applied when clients transfer funds out of the platform. The abovementioned commissions and withdrawal fees constitute revenue of the Group.

OTC services

BGE provides licensed OTC trading as a complement to its platform, ideal for large or customised virtual asset deals with enhanced flexibility, confidentiality, and minimal market impact versus order book trading. Targeting institutional investors for block trades, clients' request quotes on eligible virtual assets and receive execution through a transparent request-for-quote process. A subsidiary of the Group serves as liquidity provider and principal, offering market-based quotes for bilateral transactions. For the OTC services, revenue is generated primarily from the spread applied to quoted prices, which is on a net basis.

Custody services

Custody of client assets is a central obligation for Hong Kong-licensed virtual asset trading platform (“**VATP**”) operators, requiring that all client money and client virtual assets are held on trust exclusively through an “Associated Entity” that conducts no business other than receiving or holding client assets on behalf of the platform. A wholly owned subsidiary of BGE, having obtained a Trust or Company Service Provider (“**TCSP**”) license, provides virtual assets custody services to safeguard the client’s assets. While we reserve the right to charge custody fees based on total value of assets under custody, our current pricing aligns with market norms where such fees are generally not imposed by peer platforms.

Business Development Plan and Policy

Our business development strategy is anchored in the sustainable development of Hong Kong’s virtual asset ecosystem, prioritising market integrity and investor protection. We operate under a robust policy framework designed to meet the SFC’s stringent licensing requirements, ensuring all expansion is conducted with institutional-grade transparency and a commitment to the “same business, same risks, same rules” principle.

Team Expertise

Our leadership comprises seasoned professionals with deep expertise in the areas of traditional financial oversight, virtual asset custody, and cybersecurity. The team includes designated managers-in-charge (“**MIC**”) and responsible officers (“**Responsible Officers**”) with proven track records in AML & counter-financing of terrorism (CFT) compliance and the management of centralised trading architectures, ensuring a “fit and proper” leadership structure.

Decision-making Procedures

Governance of the platform is centered around a team of MIC and Responsible Officers. This team follows a documented, transparent process for all strategic actions—including asset onboarding and platform updates—ensuring that decisions are made collectively by heads of compliance, risk, and technology to eliminate conflicts of interest.

Risk Management & Internal Control Measures

The platform employs a “Three Lines of Defense” model to ensure comprehensive oversight. Under this model, the first line of defense rests with operational management, which owns and manages risks directly by identifying and mitigating them within daily business activities. The second line comprises specialised, independent functions including risk management, legal & compliance, and cyber security that are responsible for setting policies, monitoring adherence, and overseeing risk exposures. Regarding the third line of defense, the Group is in the process of establishing an independent internal audit function and provide objective assurance on the overall effectiveness of the governance and internal control systems.

To safeguard client interests, the Group maintains a highly resilient defense posture through continuous market surveillance and a rigorous requirement to store 98% of client assets in “cold wallets” (offline storage physically disconnected from the internet), while maintaining the remaining portion in “hot wallets” (online storage allowing for immediate transaction execution and operational liquidity) strictly for operational purposes, with all assets held on trust through a wholly-owned Associated Entity.

FURTHER DETAILS OF INTENDED USE OF PROCEEDS

As disclosed, assuming all 100,000,000 Placing Shares are fully subscribed, upon Completion, the gross proceeds from the Placing will be HK\$120.0 million and the Net Proceeds from the Placing will be HK\$118.8 million. The Company intends to use (i) approximately HK\$65 million, equivalent to approximately 55% of the Net Proceeds to finance the FinTech Platform Business; (ii) approximately HK\$30 million, equivalent to approximately 25% of the Net Proceeds for deployment towards strategic investment opportunity; and (iii) the remaining balance of approximately HK\$23.8 million, equivalent to approximately 20% of the Net Proceeds as general working capital of the Group.

Net Proceeds to Finance the FinTech Platform Business

Set out below is the breakdown of the use of Net Proceeds to finance the FinTech Platform Business:-

	<i>HK\$'000</i>	Approximate Percentage (%)
Payroll related expenses	35,959	55.32%
Projected working capital (<i>Note 1</i>)	12,672	19.50%
IT support	10,914	16.79%
Rent and building management fee	1,742	2.68%
Legal and professional fee	1,514	2.33%
Others (<i>Note 2</i>)	2,199	3.38%
Total	65,000	100.00%

Notes:

1. A licensed VATP operator must keep in Hong Kong, at all times, sufficiently liquid assets, such as cash, deposits, treasury bills, and certificates of deposit, but excluding virtual assets, equivalent to at least 12 months of actual operating expenses, calculated on a rolling basis. The amount provides an additional buffer to accommodate inflation and potential increases in IT-related service usage following commencement of operations.
2. Primarily comprised of insurance premiums and general administrative expenses.

Net Proceeds to Finance a Strategic Investment

The Group has identified an investment opportunity, among others, in the artificial intelligence (“AI”) chips industry. The target company, located in the People’s Republic of China, is engaged in designing and producing AI chips for specialised applications. It has developed a proprietary software–hardware ecosystem that delivers highly efficient domestic computing performance.

The Group intends to acquire a minority equity interest in the target company by way of subscription of new shares. The strategic fit and synergies between the target company and the Group's platform are compelling for the following reasons:

First, the investment aligns with and supports the long-term strategy of the FinTech Platform Business to integrate advanced AI technologies into the Group's core infrastructure;

Second, it will provide the Group with access to cutting-edge technologies across the AI value chain—from computing power and algorithms to applications—thereby accelerating the platform's innovation in key areas such as transaction processing, risk management, data encryption, and others; and

Third, the domestic semiconductor market in China exhibits strong growth potential, offering the Group attractive long-term financial returns.

In conclusion, the Board considers that the investment is in the best interest of the Company and its shareholders as a whole.

Net Proceeds to Strengthen General Working Capital

Set out below are the details of general working capital uses:-

	<i>HK\$'000</i>	Approximate Percentage (%)
Payroll related expenses	16,333	68.63%
Rent and building management fee	3,649	15.33%
Legal and professional fee	2,920	12.27%
Others	898	3.77%
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Total	23,800	100.00%
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Expected use of the Group's existing cash and bank balances

The unaudited consolidated bank and cash balances as at 31 January 2026 were approximately S\$12.2 million, equivalent to approximately HK\$75.2 million. Set out below is the breakdown of the expected use of the Group's existing cash and bank balances:-

HK\$'000

Unutilised balances from listing net proceeds	
– Acquisition of additional property for workshop and office use	4,377
– Issue of performance guarantees	4,656
– Acquisition of additional motor vehicles and machinery	4,000
– Marketing cost	641
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	13,674
Cash set aside under BGE for compliance purpose (<i>Note</i>)	35,000
Working capital for Engineering Business segment	13,850
Working capital for other segments	12,682
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Total	<u>75,206</u>

Note:

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In view of the Group's cash position and the designated nature of its existing resources, the Directors consider that the Placing is necessary to raise additional unencumbered working capital to support the commencement of the VATP operations and business expansion while ensuring the Group's regulatory compliance and ongoing operational stability remain uncompromised.

Expected timeline for utilising the proceeds from the Placing

Set out below is the expected date of full utilisation of the Net Proceeds from the Placing assuming all 100,000,000 Placing Shares are fully subscribed:-

	<i>HK\$'000</i>	Expected date of full utilisation of the Net Proceeds
FinTech Platform Business	65,000	On or before 31 January 2027
Strategic equity investment	30,000	On or before 30 June 2026
General working capital	<u>23,800</u>	On or before 30 June 2027
Total	<u>118,800</u>	

By order of the Board
HKE Holdings Limited
Ho Ying Kit
Company Secretary

Hong Kong, 16 February 2026

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