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**KINGKEY FINANCIAL INTERNATIONAL (HOLDINGS) LIMITED**  
**京基金融國際 (控股) 有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 01468)**

**INSIDE INFORMATION**  
**(I) UPDATE ON THE WINDING UP PETITION;**  
**(II) APPLICATION FOR APPOINTMENT OF**  
**PROVISIONAL LIQUIDATORS;**  
**(III) STATUTORY DEMANDS;**  
**AND**  
**(IV) RESUMPTION OF TRADING**

This announcement is made by Kingkey Financial International (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 and 13.10 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 25 February 2024 in relation to the filing of the winding up petition for restructuring purposes (the “**Petition**”) to the Cayman Court (the “**Announcement**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as defined in the Announcement.

**REASONS FOR FILING THE PETITION AND APPLICATION FOR APPOINTMENT OF PROVISIONAL LIQUIDATORS**

As previously announced, the Company filed the Petition for financial restructuring purpose. The Board would like to elaborate on the reason for filing the Petition.

It is the Company’s intention to apply for the appointment of joint provisional liquidators (“**JPLs**”). Having considered (i) the latest financial position of the Group and the imminent funding needs, in particular, the demands received by the Company from its creditors; (ii)

the recent unsuccessful attempts to raise funds due to internal conflict within the Board; (iii) inefficient operation of the Board due to internal conflict among the Directors; and (iv) complaints received by the Company in relation to serious allegations made against the Company's executive Director, Mr. Chen Jiajun, the special board committee (the "**Special Board Committee**") (which was established on 12 February 2024 for the purpose of, among other things, reviewing the Company's financial position and formulating strategies and action plans, as per the Company's announcement dated 14 February 2024) considered it desirable to involve experienced experts who are independent from the Group in navigating through the imminent financial difficulties faced by the Group.

When considering the financial position of the Group, the Special Board Committee took in consideration (i) the cash level of the Group in early February 2024 of less than HK\$50 million; (ii) overdue debts comprising loans from creditors of approximately HK\$25 million and licence fee owed to Energetic Force Investments Limited of approximately HK\$14.7 million; (iii) cash outflow expected to be incurred within February 2024; and (iv) liabilities that will fall due before 31 December 2024. The Special Board Committee considered that in the absence of immediate new funds to support the Group's operation, it is estimated that the Group's remaining bank and cash balance would not be sufficient to cover the cash requirements of the Group within February 2024.

Furthermore, on 9 February 2024, the Group has received a statutory demand dated 8 February 2024 demanding the Group for HK\$1 million together with the interest accrued, arisen out of a bond subscription agreement. On 19 February 2024, the Group received a notice of termination of the sub-licence agreement from Energetic Force Investments Limited claiming that the Group's failure to repay its creditors results in an event of default. For further details of the statutory demand and the notice of termination, please refer to the Company's announcement dated 15 February 2024 and 23 February 2024, respectively.

Having considered the above, on 21 February 2024, the Special Board Committee resolved to recommend the filing of the Petition to the Board, and on 23 February 2024, the majority of the Board resolved, among other things, that the Petition is appropriate to facilitate restructuring proceedings, that it is in the best interests of the Company to file the Petition and that any member of the Special Board Committee be authorised to present the Petition to the Grand Court of the Cayman Islands. It was further resolved that any member of the Special Board Committee be authorised to file and sign further documents with the Grand Court of the Cayman Islands in relation to the intended restructuring proceedings, on behalf of the Company.

Subsequently, the Special Board Committee instructed its legal adviser of the Company as to Cayman Islands law ("**Cayman Legal Adviser**") to prepare the Company's application for the appointment of JPLs over the Company, to seek for an order that the JPLs to be appointed to provide impartial guidance and supervision over the management of the Group's financial affairs and debt restructuring.

The Board is optimistic that the restructuring, under the guidance of the JPLs, will be successful and anticipates that the return for creditors as a result of the JPLs' efforts will be significantly higher than putting the Company into liquidation at this stage.

The Board would like to stress that it is not the intention of the Board to eventually wind up the Company. The Petition was filed in order to facilitate the filing of the application for appointment of JPLs, as a matter of procedure. However, the Board cannot determine whether the winding up order will or will not be granted eventually.

## **UPDATE ON THE WINDING UP PETITION AND THE APPLICATION FOR APPOINTMENT OF JPLs**

In relation to the Petition presented to the Cayman Court on 23 February 2024 (Cayman time) (the "**Commencement Date**"), a hearing has been listed and the Petition will be heard before the Cayman Court on 19 April 2024 at 10:00 a.m. (Cayman time). On 28 February 2024 (Cayman time), an application for appointment of JPLs, including, among other things, a draft order (the "**Draft Order**") setting out the scope of powers proposed to be granted to the JPLs was presented and filed with the Cayman Court by the Cayman Legal Adviser (together with the Winding Up Petition, the "**Cayman Court Proceedings**"). A hearing has been listed and the application of appointment of JPLs will be heard before the Cayman Court on 6 March 2024 at 10:00 a.m. (Cayman time).

## **POTENTIAL IMPACTS OF THE CAYMAN COURT PROCEEDINGS**

Given the serious dispute and pending litigation commenced by Mr. Chen, certain management powers are proposed to be vested to the JPLs for the purposes of stabilising the financial management challenges faced by the Company in the interim.

The Board would like to remind the shareholders of the Company (the "**Shareholders**") and potential investors to consider the uncertainties of the development of the Cayman Court Proceedings when dealing with the shares of the Company (the "**Shares**"). As at the date of this announcement, the JPLs are not appointed and their power is yet to be decided by the Cayman Court. In the event that the JPLs are appointed, (i) it is unclear whether and to what extent the Board's management power will be surrendered to the JPLs; and (ii) current powers of the Board in managing the Company's affairs may be limited. At this stage, the Company cannot ascertain the relevant impact on the Group's business operation.

The Board confirms that there is no other undisclosed inside information of the Company as at the date of this announcement. The Company will keep the Shareholders and potential investors informed of the development of the Cayman Court Proceedings and will make further announcement(s) as and when appropriate in accordance with the Listing Rules.

## **POTENTIAL RESTRICTIONS ON TRANSFER OF SHARES**

Under section 99 of the Companies Act of the Cayman Islands (“**Cayman Companies Act**”), when a winding up order has been made, any disposition of the Company’s property and any transfer of Shares or alteration in the status of the Company’s members made after the Commencement Date is, unless the Cayman Court otherwise orders, void.

Pursuant to the circular dated 28 December 2016 (the “**HKSCC Circular**”) issued by Hong Kong Securities Clearing Company Limited (“**HKSCC**”) in relation to the transfer of shares of listed issuers after the presentation of winding-up petition, and in view of the restrictions and the uncertainties which may arise in relation to the transfer of Shares, for participants who conduct share transfers through HKSCC (the “**CCASS Participants**”), HKSCC may at any time, and without notice, exercise its powers under the General Rules of HKSCC to temporarily suspend any of its services in respect of the Shares, including the suspension of acceptance of deposits of share certificates of the Company into CCASS. The share certificates of the Company received by HKSCC but not yet re-registered in the name of HKSCC Nominees Limited will be returned to the relevant CCASS Participant, and HKSCC shall reserve the right to reverse any credit granted to such CCASS Participant by debiting the relevant securities from its CCASS account. These measures will generally cease to apply from the date on which the winding-up petition has been struck out, dismissed or permanently stayed, or if the Company has obtained a validation order from the Cayman Court. The Board is assessing whether to apply for a validation order.

Given the effect of section 99 of the Cayman Companies Act and the HKSCC Circular, the Board wishes to remind the Shareholders and potential investors of the Company that the transfer of the Shares made on or after the Commencement Date will be void in the absence of a validation order from the Cayman Court if, as a result of the Petition, a winding-up order is ultimately made by the Cayman Court against the Company. The Board also wishes to remind Shareholders and potential investors of the risk that transfers of the Shares after the Commencement Date may be restricted due to potential suspension of deposits of the Shares into the CCASS due to the Petition.

## **POTENTIAL RISK OF TRADING IN THE SHARES**

The Board noted that there was unusual price and trading volume movement of the Shares on 1 February 2024 and 2 February 2024 (before the trading halt), and subsequently upon enquiry by the Board, Mr. Chen admitted that there was forced sale and disposal of Shares on the two days respectively. Furthermore, as previously announced, the Directors (except Mr. Chen) considered that the disposal of Shares by Mr. Chen without first notifying the Board may have breached Code B.8 of the Model Code for Securities Transactions by Directors of Listed Issuers. However, Mr. Chen denied the allegation. For further details of the forced sale and disposal, please refer to the Company’s announcement dated 2 February 2024 and 23 February 2024.

The Board cannot foresee whether there will be unusual price and trading volume movement of the Shares upon resumption of trading. The Directors (except Mr. Chen) also have no knowledge of whether Mr. Chen will continue to dispose his Shares without notifying the Board. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

## **STATUTORY DEMANDS**

The Board announces that on 29 February 2024, the Company received two statutory demands dated (i) 28 February 2024, pursuant to Sections 178(1)(a) or 327(4)(a) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of Laws of Hong Kong) (“**CWUMPO**”); and (ii) 29 February 2024, pursuant to Section 6A(1)(a) of the Bankruptcy Ordinance (Chapter 6) Debt for Liquidated Sum Payable Immediately, respectively (the “**Statutory Demands**”). It is demanded in the Statutory Demands that the Company to pay the amount of (i) HK\$1,000,000.00 being the principal amount of the bond issued by the Company together with interest accrued thereon; and (ii) USD750,000, being the amount of an outstanding invoice of a marketing service agreement, within 3 weeks from the date of service of the Statutory Demands, failing which each of the creditors may present a winding up petition against the Company.

Furthermore, on 1 March 2024, Kingkey Finance Limited (“**KFI**”), a wholly-owned subsidiary of the Company, received a statutory demand (the “**KFI Statutory Demand**”) dated 1 March 2024 pursuant to Sections 178(1)(a) or 327(4)(a) of the CWUMPO, demanding payment from KFI to pay the amount of HK\$1,080,000 being the total sum of a loan between KFI and the creditor together with interests accrued thereon, within 3 weeks from the date of service of the KFI Statutory Demand, failing which the creditor may present a winding up petition against KFI.

The Board is in the course of seeking legal advice in respect of the Statutory Demands and the KFI Statutory Demand. The Company will make further announcement(s) as and when appropriate in accordance with the Listing Rules.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 11:18 a.m. on Friday, 2 February 2024. An application will be made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Monday, 4 March 2024.

**Shareholders and potential investors are accordingly advised to exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**Kingkey Financial International (Holdings) Limited**  
**Mong Cheuk Wai**  
*Chairman and Executive Director*

Hong Kong, 1 March 2024

*As at the date of this announcement, the executive Directors are Mr. Chen Jiajun and Mr. Mong Cheuk Wai; and the independent non-executive Directors are Ms. Mak Yun Chu, Mr. Hung Wai Che, Mr. Leung Siu Kee and Mr. Chan Ting Fung.*