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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)

**(I) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
AND
(II) PLACING OF NEW SHARES UNDER SPECIFIC MANDATE**

Placing Agent



PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

In order for the Company to accommodate the future expansion and growth of the Group, the Board proposes to increase the authorised capital of the Company from HK\$100,000,000 divided into 10,000,000,000 Shares to HK\$1,000,000,000 divided into 100,000,000,000 Shares by the creation of an additional 90,000,000,000 new Shares. The Authorised Share Capital Increase is subject to the passing of an ordinary resolution by the Shareholders at the EGM.

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

The Board is pleased to announce that on 17 June 2024 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, of up to 1,000,000,000 Placing Shares to not less than six (6) Placees who and whose ultimate beneficial owners shall be Independent Third Parties at a price of HK\$0.25 per Placing Share.

The Placing Price of HK\$0.25 per Placing Share represents (i) a premium of approximately 29.5% to the closing price of HK\$0.193 per Share as quoted on the Stock Exchange on 17 June 2024, being the date of the Placing Agreement; and (ii) a premium of approximately 33.7% to the average of the closing prices per Share of HK\$0.187 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The maximum number of the Placing Shares represents (i) approximately 10.9% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.8% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

Assuming all the Placing Shares are successfully placed by the Placing Agent, the gross proceeds from the Placing will be approximately HK\$250.0 million and the net proceeds will be approximately HK\$247.3 million (after deduction of commission and other expenses of the Placing). The Directors intend to apply (i) approximately HK\$56.0 million, being approximately 22.6% from the net proceeds to make repayment of liabilities; (ii) approximately HK\$50.0 million, being approximately 20.2% from the net proceeds on the business development of the Group's green resources investment; and (iii) approximately HK\$141.3 million, being approximately 57.2% from the net proceeds to replenish its working capital.

GENERAL

The Placing Shares will be allotted and issued under the Specific Mandate and the Placing will be subject to the Shareholders' approval at the EGM. A circular containing, among other things, (i) further details of the Authorised Share Capital Increase and the Placing; and (ii) a notice convening the EGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Shares, of which 9,155,955,680 Shares have been allotted and issued.

In order for the Company to accommodate the future expansion and growth of the Group, the Board proposes to increase the authorised capital of the Company from HK\$100,000,000 divided into 10,000,000,000 Shares to HK\$1,000,000,000 divided into 100,000,000,000 Shares by the creation of an additional 90,000,000,000 new Shares. Upon the completion of the Authorised Share Capital Increase and the Placing, the total number of Shares allotted and issued will increase to 10,155,955,680.

An ordinary resolution, to be voted by way of poll to improve the Authorised Share Capital, will be proposed at the EGM. Further information with respect to the Authorised Share Capital will be included in the circular to be issued and despatched by the Company in relation to the Placing together with the notice of the EGM.

The Directors are of the opinion that the Authorised Share Capital Increase is in the interests of the Company and the Shareholders as a whole.

THE PLACING AGREEMENT

The principal terms of the Placing Agreement are summarised below:

Date: 17 June 2024

Parties: Issuer: The Company

Placing Agent: Orient Securities Limited

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

The Placing Agent will charge the Company a placing commission of 1% of the gross proceeds from the Placing. The Placing commission was negotiated on arm's length basis between the Company and the Placing Agent and determined with reference to the prevailing market rates. The 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.

Placees

The Placing Shares are expected to be placed to not less than six (6) Placees, who and whose ultimate beneficial owners, shall be Independent Third Parties.

Number of Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of Placing Shares of up to 1,000,000,000 Shares under the Placing represents (i) approximately 10.9% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.8% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.25 per Placing Share represents:

- (i) a premium of approximately 29.5% to the closing price of HK\$0.193 per Share as quoted on the Stock Exchange on 17 June 2024, being the date of the Placing Agreement;
- (ii) a premium of approximately 33.7% to the average of the closing prices per Share of HK\$0.187 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement; and
- (iii) no theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of the theoretical diluted price of approximately HK\$0.25 per Share to the benchmarked price of approximately HK\$0.193 per Share as quoted on the Stock Exchange on 17 June 2024, being the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The 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 consider that the Placing is in the interests of the Company and the Shareholders as a whole.

Ranking of Placing Shares

The Placing Shares shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of this announcement.

Conditions of the Placing

Completion of the Placing is conditional upon the satisfaction of the following conditions on or before 30 September 2024 (or such later date as may be agreed between the Placing Agent and the Company in writing):

- (i) there shall not have occurred any breach or any event render untrue or inaccurate, any of the representations, warranties or undertakings under the Placing Agreement in all material respects;
- (ii) listing of and permission to deal in all the Placing Shares being granted (subject only to allotment) by the Listing Committee of the Stock Exchange in principle and dealings of the Placing Shares being allowed by the Stock Exchange (and such listing and permission not subsequently being revoked);

- (iii) the passing of necessary resolution(s) by the shareholders of the Company who are allowed to vote under the Listing Rules of the relevant resolution(s) to approve the Placing Agreement and the transactions contemplated hereunder, including the grant of the Authorised Share Capital Increase and Specific Mandate at the EGM;
- (iv) the Authorised Share Capital Increase becoming effective;
- (v) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Placing void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to the Placing (other than such orders or decisions as would not have a material adverse effect on the legal ability of the Company to proceed with the Placing); and
- (vi) the Placing Agreement not being rescinded by the Placing Agent pursuant to the terms and conditions of the Placing Agreement.

Completion of the Placing

Completion of the Placing shall take place within five (5) Business Days after the day on which the conditions as set out in the paragraph headed “Conditions of the Placing” above are fulfilled (or another time or date as the Company and the Placing Agent shall agree in writing).

Application for listing

The Company will make an application to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Specific Mandate

The Placing Shares will be allotted and issued under the Specific Mandate to be sought and approved by the Shareholders at the EGM.

Termination and rescission of the Placing Agreement

Under the Placing Agreement, if the conditions as set out in the paragraph headed “Conditions of the Placing” above are not fulfilled on or before the Completion Date, the obligations and liabilities of the Company under the Placing shall be null and void and the Company shall be released from all rights and obligations pursuant to the Placing (save for (i) the Company’s payment of all costs and expenses already incurred or to be incurred in consequence of such termination; and (ii) any antecedent breaches thereof).

Furthermore, the Placing Agent may rescind the Placing Agreement without liability to the Company by notice in writing given to the Company, if at any time prior to the Completion Date:

- (i) there has come to the notice of the Placing Agent:
 - a. that any statement contained in this announcement is, when this announcement is issued, or has become, untrue, incorrect or misleading in any material respect; or
 - b. any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this announcement, constitute a material omission; or
 - c. any material breach of the undertakings, warranties and representations set out in the Placing Agreement; or
 - d. any material breach of any of the obligations imposed upon any party to the Placing Agreement (other than the Placing Agent); or
 - e. any of the undertakings, warranties and representations set out in the Placing Agreement would be untrue or inaccurate or misleading in any material respect if given at that time; or
 - f. any adverse change in the business or in the financial or trading position or prospects of any member of the Group taken as a whole which is material in the context of the Placing; or
- (ii) there develops, occurs, or comes into effect:
 - a. any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the sole and absolute opinion of the Placing Agent would prejudice the success of the Placing; or
 - b. the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which, in the sole and absolute opinion of the Placing Agent, would prejudice the success of the Placing; or

- c. any change in conditions of local, national or international securities markets occurs which in the sole and absolute opinion of the Placing Agent would prejudice the success of the Placing; or
- d. any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong and if in the sole and absolute opinion of the Placing Agent any such new law or change would materially and adversely affect the business or financial prospects of the Group and/or prejudice the success of the Placing; or
- e. a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong which would, in the sole and absolute opinion of the Placing Agent, prejudice the success of the Placing; or
- f. any litigation or claim of material importance of any third party being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial prospects of the Group and which in the sole and absolute opinion of the Placing Agent would materially prejudice the success of the Placing.

If notice is given pursuant to the paragraph above, the Placing Agreement shall cease to have effect, and none of the parties shall have any rights or claims by reason thereof.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in (i) the provision of securities brokerage, margin financing, underwriting, placing and consultancy services; (ii) the provision of insurance brokerage services; (iii) the provision and arrangement of fund and assets management services; (iv) the provision and arrangement of money lending services; (v) carrying out membership business and the event hosting and management business; and (vi) development and operations of intelligent digital sales platforms and information technology services related to insurance business.

As previously disclosed in the Company's announcement dated 7 March 2024, the Cayman Court made an order for the appointment of the joint provisional liquidators ("**Joint Provisional Liquidators**") to provide guidance and supervision over the management of the Company's financial affairs and debt restructuring. During the period of when the Company was in provisional liquidation, (i) the Company was unable to make repayment to its creditors including for debts that were due; and (ii) the operation of the Group's subsidiaries which are licensed to carry out regulated activities with SFC was affected and they were unable to generate revenue. On 26 April 2024, the Company conducted and completed placing of new shares under general mandate which raised approximately HK\$89.6 million (the "**April 2024**

Placing Proceeds”). As disclosed in the Company’s announcement dated 10 June 2024, the Cayman Court made an order for the discharge of the Joint Provisional Liquidators and the withdrawal of the winding-up petition (the “**Discharge and Withdrawal**”).

In view of the Discharge and Withdrawal, the Company intends to utilise the April 2024 Placing Proceeds for gradual repayment of liabilities, of which approximately HK\$44.8 million has been utilised for repayment of liabilities as at the date of this announcement since the Discharge and Withdrawal. In addition to the resumption of normal operation of the Group, as disclosed in the Company’s announcements dated 2 May 2024, 20 May 2024 and 5 June 2024 in relation to its intention to develop ESG-related businesses and potential strategic cooperations including green financing and resources investment, the Company has been actively seeking opportunities to extend its business scope and diversify the Group’s business, especially to make up the Group’s less favourable performance in its interim due to, among others, internal conflict within the Board.

Subject to the completion of the Placing, the gross proceeds from the Placing will be HK\$250.0 million (assuming all the Placing Shares are fully placed). The net proceeds, after deduction of relevant expenses (including but not limited to placing commission, legal expenses and disbursements) of approximately HK2.7 million, are estimated to be HK\$247.3 million, representing a net issue price of approximately HK\$0.247 per Placing Share. In view of the aforementioned, assuming all the Placing Shares are fully placed, the Board intends to apply (i) approximately HK\$56.0 million, being approximately 22.6% from the net proceeds to make repayment of liabilities; (ii) approximately HK\$50.0 million, being approximately 20.2% from the net proceeds on the development of the Group’s green resources investment; and (iii) approximately HK\$141.3 million, being approximately 57.2% from the net proceeds to replenish its working capital to (a) ensure sufficient liquidity and improve the financial position for operation of the Group’s business, in particular, to stabilise the operation of the Group’s subsidiaries which are licensed to carry out regulated activities with the SFC; and (b) facilitate the Group’s green financing business.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm’s length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company carried out the following equity fund raising activities in the 12 months immediately preceding the date of this announcement.

Date of announcements	Fund-raising activity	Net proceeds raised	Intended use of proceeds	Actual use of proceeds
27 March 2024, 23 April 2024 and 26 April 2024	Placing of 1,525,992,613 placing Shares under general mandate at the placing price of HK\$0.060 per placing Share	Approximately HK\$89.6 million	Approximately HK\$89.6 million for repayment of liabilities	Approximately 44.8 million has been utilised for repayment of liabilities

Save as disclosed above, the Company had not conducted any other equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon completion of the Placing (assuming that all of the 1,000,000,000 Placing Shares will be placed in full and there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing) are set out below:

Shareholders	As at the date of this announcement		Immediately upon completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Public Shareholders	9,155,955,680	100.0	9,155,955,680	90.2
Independent placees	–	0.0	1,000,000,000	9.8
Total	9,155,955,680	100.0	10,155,955,680	100.0

GENERAL

The Placing Shares will be allotted and issued under the Specific Mandate and the Placing will be subject to the Shareholders' approval at the EGM. A circular containing, among other things, (i) further details of the Authorised Share Capital Increase and the Placing; and (ii) a notice convening the EGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Authorised Share Capital Increase”	the proposed increase in authorised share capital of the Company from HK\$100,000,000 (divided into 10,000,000,000 Shares) to HK\$1,000,000,000 (divided into 100,000,000,000 Shares) by the creation of an additional 90,000,000,000 new Shares
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	Kingkey Financial International (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 1468)
“Completion Date”	within five (5) Business Days after the day on which the conditions set out in the Placing Agreement have been fulfilled (or another time or date as the Company and the Placing Agent shall agree in writing) on which completion of the Placing shall take place
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held and convened to approve, among other things, the Authorised Share Capital Increase, the Placing and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	any persons or company(ies) and their respective ultimate beneficial owners, to the best of the Director’s knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Placee(s)”	professional, institutional and other investor(s) selected and procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 1,000,000,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Orient Securities Limited, a licensed corporation to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 17 June 2024 in relation to the Placing
“Placing Price”	HK\$0.25 per Placing Share
“Placing Share(s)”	up to 1,000,000,000 new Shares to be placed pursuant to the Placing Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holder(s) of the issued Shares

“Specific Mandate”	the specific mandate to allot and issue the Placing Shares to be sought from the Shareholders at the EGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 17 June 2024

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