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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)

PROPOSED SHARE CONSOLIDATION

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The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and issued and unissued Existing Shares with par value of HK\$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share with par value of HK\$0.10 each.

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 Existing Shares with par value of HK\$0.01 each, of which 9,155,955,680 Existing Shares have been issued and are fully paid or credited as fully paid. Upon the Authorised Share Capital Increase and the Share Consolidation becoming effective, and assuming there will be no change in the number of Existing Shares in issue from the date of this announcement to the effective date of the Share Consolidation, the authorised share capital of the Company will become HK\$1,000,000,000 divided into 10,000,000,000 Consolidated Shares with par value of HK\$0.10 each, of which 915,595,568 Consolidated Shares (which are fully paid or credited as fully paid) will be in issue.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, further detail of the proposed Share Consolidation and the notice convening the EGM is expected to be despatched to the Shareholders on or before Wednesday, 7 August 2024.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as none of the Shareholders or their associates would have any interest in the Share Consolidation, no Shareholder would be required to abstain from voting in favour of the resolutions relating to the Share Consolidation at the EGM.

Shareholders should note that the Share Consolidation is conditional upon the fulfilment of the conditions as set out in the section headed "Conditions of the Share Consolidation" in this announcement. Therefore, the Share Consolidation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares with par value of HK\$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share with par value of HK\$0.10 each.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions being fulfilled:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with the relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of the above conditions, the Share Consolidation is expected to become effective on Monday, 26 August 2024, which is the second Business Day immediately after the date of the EGM.

As at the date of this announcement, none of the conditions above had been fulfilled.

Effects of the Share Consolidation

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 Existing Shares with par value of HK\$0.01 each, of which 9,155,955,680 Existing Shares have been issued and are fully paid or credited as fully paid.

Immediately upon the Authorised Share Capital Increase and the Share Consolidation becoming effective, and assuming there will be no change in the number of Existing Shares in issue from the date of this announcement to the effective date of the Share Consolidation, the authorised share capital of the Company shall remain HK\$1,000,000,000 but will be divided into 10,000,000,000 Consolidated Shares with par value of HK\$0.10 each, of which 915,595,568 Consolidated Shares will be in issue and fully paid or credited as fully paid.

As at the date of this announcement, the Company has no outstanding convertible bonds, options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange into Shares.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each. Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares will not be allocated to the Shareholders who may otherwise be entitled.

Application for listing of the Consolidated Shares

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

The Consolidated Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

None of the Existing Shares or any debt securities of the Company are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Exchange of share certificates for the Consolidated Shares

Subject to the Share Consolidation becoming effective, Shareholders may submit share certificates for the Existing Shares to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre 16 Harcourt Road, Hong Kong, for exchange, at the expense of the Company, for new share certificates for the Consolidated Shares (on the basis of ten (10) Existing Shares for one (1) Consolidated Share) within the prescribed time.

Thereafter, all existing share certificates of the Existing Shares will remain effective as documents of title on the basis of ten (10) Existing Shares for every one (1) Consolidated Share, but will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) per certificate issued or cancelled, whichever is higher, payable by Shareholders. The existing share certificates of the Existing Shares will only be valid for delivery, trading and settlement purposes for the period up to 4:10 p.m. on Monday, 30 September 2024, and thereafter will not be accepted for delivery, trading and settlement purposes.

The colour of the new share certificates for the Consolidated Shares will be announced by the Company in due course.

Fractional entitlement to the Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Odd lots arrangements and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, a designated broker will be appointed by the Company to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lots arrangement, is recommended to consult his/her/its own professional advisers. Further details in respect of the matching service will be provided in the circular to be despatched by the Company to the Shareholders. Shareholders or potential investors should note that (i) the above odd lots arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (ii) odd lots might be sold below the market price.

REASONS FOR THE SHARE CONSOLIDATION

According to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities.

According to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated in June 2024, (i) any trading price less than HK\$0.10 will be considered as approaching the extremities of HK\$0.01; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

As at the date of this announcement, the closing price of an Existing Share of the Company was HK\$0.084, with the board lot size of 10,000 Existing Shares, the existing board lot value was only HK\$840, which was less than HK\$2,000.

The Company’s share prices have remained below HK\$0.10 and the value of each board lot has remained below HK\$2,000 most of the time for the past 4 months. In view of the prolonged period of share prices approaching extremity, the proposed Share Consolidation is justified to increase the corresponding share prices and to facilitate trading activities.

The Board considers that after the Share Consolidation becomes effective, the estimated board lot size value would be HK\$8,000. This will enable the Company to comply with the trading requirements under the Listing Rules and reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction cost for each securities trade.

Accordingly, the Board is of the view that the Share Consolidation is beneficial to and in the interest of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no plan or intention to carry out any further corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation. Nevertheless, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund-raising opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

NO CHANGE IN BOARD LOT SIZE

The Existing Shares are currently traded on the Stock Exchange in board lot size of 10,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain unchanged at 10,000 Consolidated Shares per board lot.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Share Consolidation, which is subject to the results of the EGM and has been prepared on the assumption that all the conditions to the Share Consolidation will be fulfilled or otherwise waived, and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to the Hong Kong local times and dates:

Event	Time and date
Despatch date of circular with notice of EGM	Wednesday, 7 August 2024
Latest time for lodging transfer documents to qualify for attendance and voting at the EGM	4:30 p.m. on Friday, 16 August 2024
Closure of register of members of the Company to determine the entitlements of the Shareholders to attend and vote at the EGM	Monday, 19 August 2024 to Thursday, 22 August 2024 (both days inclusive)
Latest time for lodging proxy forms for the EGM	12:00 noon on Tuesday, 20 August 2024
Record date for determining attendance and voting at the EGM	Thursday, 22 August 2024
Expected date and time of the EGM	12:00 noon on Thursday, 22 August 2024
Announcement of poll results of the EGM.	Thursday, 22 August 2024
Register of members of the Company re-opens	Friday, 23 August 2024
The following events are conditional on the fulfilment of the conditions for the implementation of the Share Consolidation and therefore the dates are tentative:	
Effective date of the Share Consolidation	Monday, 26 August 2024
Commencement of dealings in the Consolidated Shares	9:00 a.m. on Monday, 26 August 2024

Event	Time and date
Original counter for trading in the Existing Shares, in board lots of 10,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Monday, 26 August 2024
Temporary counter for trading in the Consolidated Shares, in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Monday, 26 August 2024
First day for the free exchange of existing share certificates of the Existing Shares into new share certificates of the Consolidated Shares commences	Monday, 26 August 2024
Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Monday, 9 September 2024
Parallel trading in the Consolidated Shares (in the form of both existing share certificates and new share certificates) commences	9:00 a.m. on Monday, 9 September 2024
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares	9:00 a.m. on Monday, 9 September 2024
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares	4:00 p.m. on Monday, 30 September 2024
Temporary counter for trading in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Monday, 30 September 2024

Event	Time and date
Parallel trading in the Consolidated Shares (in the form of new and existing share certificates) ends	4:10 p.m. on Monday, 30 September 2024
Latest time for free exchange of existing share certificates for new share certificates for the Consolidated Shares	4:00 p.m. on Thursday, 3 October 2024

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, further details of the proposed Share Consolidation and the notice convening the EGM is expected to be despatched to the Shareholders on or before Wednesday, 7 August 2024.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as none of the Shareholders or their associates would have any interest in the Share Consolidation, no Shareholder would be required to abstain from voting in favour of the resolutions relating to the Share Consolidation at the EGM.

Shareholders should note that the Share Consolidation is conditional upon the fulfilment of the conditions as set out in the section headed “Conditions of the Share Consolidation” in this announcement. Therefore, the Share Consolidation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“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 Existing Shares to HK\$1,000,000,000 divided into 100,000,000,000 Existing Shares (or 10,000,000,000 Consolidated Shares upon the Share Consolidation becoming effective) by the creation of an additional 90,000,000,000 Existing Shares as disclosed in the announcement of the Company dated 17 June 2024 and in the circular of the Company dated 31 July 2024

“Board”	the board of Directors
“Business Day”	means a day (other than a Saturday and a day on which “extreme conditions” is announced by the Government of Hong Kong or a tropical cyclone warning no. 8 or above is hoisted in Hong Kong at any time 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
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“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)
“Consolidated Share(s)”	ordinary share(s) with par value HK\$0.10 each in the share capital of the Company immediately upon the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held and convened to consider and, if thought fit, approve, among other things, the Share Consolidation
“Existing Share(s)”	ordinary share(s) with par value of HK\$0.01 each in the share capital of the Company prior to the Share Consolidation becoming effective
“General Rules of HKSCC”	the terms and conditions regulating the use of HKSCC’s services, as may be amended, supplemented and/or otherwise modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited

“HKSCC Operational Procedures”	the operational procedures of the HKSCC, containing the practices, procedures and administrative or other requirements relating to the operations and functions of CCASS, as from time to time in force
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s) as the case may be
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares with par value of HK\$0.01 each in the share capital of the Company into one (1) Consolidated Share with par value of HK\$0.10 each
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 31 July 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.