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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 3 September 2024 (after trading hours of the Stock Exchange), 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 183,119,113 Placing Shares to not less than six (6) Placées at the Placing Price of HK\$0.41 per Placing Share who and whose ultimate beneficial owners shall be Independent Third Parties. The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM. The allotment and issue of the Placing Shares is not subject to the approval of the Shareholders.

The Placing Shares represent (i) 20% of the existing total number of issued Shares as at the date of this announcement; and (ii) approximately 16.67% of the total number of issued Shares as enlarged by the allotment and issue of the Placing Shares in full, assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Placing Completion Date. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$18,311,911.3.

Assuming that all the Placing Shares are successfully placed by the Placing Agent, the maximum gross proceeds from the Placing are estimated to be approximately HK\$75.08 million, and the maximum net proceeds, after deducting the placing commission, professional fees and all related expenses which may be borne by the Company, from the Placing are estimated to be approximately HK\$74.12 million. The Directors intend to apply (i) approximately HK\$14.82 million, being approximately 20% of the net proceeds, on the investment in and provision of financing for green energy projects; (ii) approximately HK\$14.82 million, being approximately 20% of the net proceeds, for the provision of financing for AI projects; and (iii) approximately HK\$44.48 million, being approximately 60% of the net proceeds, to replenish the Group's working capital.

THE PLACING AGREEMENT

The principal terms of the Placing Agreement are summarised below:

Date: 3 September 2024 (after trading hours of the Stock Exchange)

Parties: Issuer: The Company

Placing Agent: Orient Securities Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) is an Independent Third Party as at the date of this announcement.

Pursuant to the terms of the Placing Agreement, the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, a maximum of 183,119,113 Placing Shares to not less than six (6) Placees who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons.

Placing Commission

The Placing Agent will charge the Company a placing commission of 1% of the aggregate amount equal to the Placing Price multiplied by the number of the Placing Shares being placed by the Placing Agent. The placing commission in respect of the Placing was negotiated on arm's length basis between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions, and the Directors are of the view that the placing commission is fair and reasonable.

Placees

The Placing Agent will, on a best effort basis, place the Placing Shares to currently expected to be not less than six (6) Placees who and whose ultimate beneficial owner(s) (if applicable) shall be Independent Third Parties.

Number of Placing Shares

Assuming 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 under the Placing represent (i) approximately 20.0% of the existing issued share capital of the Company of 915,595,568 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$18,311,911.3.

Ranking of Placing Shares

The Placing Shares under the Placing, when issued and fully paid, shall rank *pari passu* in all respects with the existing Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.41 per Placing Share, which:

- (a) is equivalent to the closing price of HK\$0.41 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (b) represents a discount of approximately 18.0% to the adjusted average closing price of HK\$0.50 per Share as quoted on the Stock Exchange in the last five (5) consecutive trading days immediately prior to the date of the Placing Agreement and adjusted for the effect of the Share Consolidation.

The Placing Price of the Placing was determined with reference to the prevailing market prices of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the Placing Price are fair and reasonable based on the current market conditions.

Subject to completion of the Placing, it is expected that the maximum gross proceeds and net proceeds (after deducting placing commission and other relevant costs and expenses) from the Placing will be approximately HK\$75.08 million and approximately HK\$74.12 million respectively. On such basis, the net issue price will be approximately HK\$0.41 per Placing Share.

General Mandate to allot and issue of the Placing Shares

The Placing Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 183,119,113 Shares. As at the date of this announcement, no new Shares have been allotted and issued under the General Mandate. Accordingly, the General Mandate is sufficient for the allotment and issue of all the Placing Shares and the issue of the Placing Shares is not subject to Shareholders' approval. The General Mandate will be fully utilised upon the allotment and issue of all the Placing Shares.

Application for Listing of Placing Shares

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

Condition and Completion of the Placing

Completion of the Placing is conditional upon fulfilment of the following condition:

- (i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Placing Shares.

In the event that the above condition is not fulfilled on or before 24 September 2024 (or such later date as may be agreed between the parties to the Placing Agreement in writing), all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and neither of the parties thereto shall have any claim against the other save for any antecedent breach under the Placing Agreement prior to such termination.

Completion of the Placing

Completion of the Placing will take place within four (4) Business Days after the fulfillment of the above condition precedent or such other date to be agreed between the Company and the Placing Agent in writing.

Termination

The Placing Agent may terminate the Placing Agreement without any liability to the Company save for antecedent breach under the Placing Agreement prior to such termination, by notice in writing given to the Company at any time prior to 8:00 a.m. on the Placing Completion Date upon the occurrence of the following events:

- (i) the occurrence of 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, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or

- (ii) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would adversely affect the success of the Placing; or
- (iii) 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 or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) any litigation or claim being instigated against any member of the Group, which has or may have an adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (v) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (vi) any breach of any of the representations and warranties of the Company to the Placing Agent under the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Placing Completion Date which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (vii) any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

If notice is given pursuant to this section, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of this Agreement save for any antecedent breach under this Agreement prior to such termination.

REASONS FOR AND BENEFITS OF 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) sale of pelted skin and fur skin brokerage service; (iv) the provision and arrangement of fund and assets management services; (v) the provision and arrangement of money lending services; (vi) carrying out membership business and the event hosting business; (vii) development and operations of intelligent digital sales platforms and information technology services related to insurance business; (viii) the provision of multi-channel network and licensing service; and (ix) the provision of agency service related to trading.

As disclosed in the Company's announcements dated 2 May 2024, 20 May 2024, 5 June 2024, 19 June 2024 and 1 July 2024, the Company intends to develop ESG-related businesses. In view of the global increased awareness of the importance of ESG, the Company intends to apply the net proceeds from the Placing to invest in and provide financing for green energy projects with potential partners with relevant experience and shared values. The Company may consider acquiring, investing in or cooperating with asset investment and development companies that focus on green energy projects, such as the development of energy power plant.

Our Directors also consider it beneficial to broaden the Group's business scope to capture business opportunities. In view of the global development of artificial intelligent ("AI") technology which is considered to be effective in enhancing business operation efficiency, our Directors intend to apply the net proceeds from the Placing to provide financing for AI projects, such as the development of AI data centres and/or AI data analytic platforms which may be applied to the provision of fintech solutions. The Group will strive to utilise green energy in the development and operation of such AI data centres and/or data analytic platforms which aligns with the Group's motive in enhancing its ESG performance.

Furthermore, the Directors consider it necessary to replenish the Group's working capital through the Placing to ensure sufficient liquidity and improve the financial position (i) for the operation of the Group's existing business, in particular, for the operation of the subsidiaries licensed to carry out regulated activities with the Securities and Futures Commission and for the money lending business; and (ii) to repay outstanding liabilities.

Subject to completion of the Placing, it is expected that the maximum the gross proceeds and net proceeds (after deduction of placing commission and other expenses of the Placing) from the Placing will be approximately HK\$75.08 million and HK\$74.12 million respectively. The Company intends to apply the net proceeds from the Placing as follows:

- (i) approximately HK\$14.82 million, being approximately 20% of the net proceeds, on the investment in and provision of financing for green energy projects;

- (ii) approximately HK\$14.82 million, being approximately 20% of the net proceeds, for the provision of financing for AI projects; and
- (iii) approximately HK\$44.48 million, being approximately 60% of the net proceeds, to replenish the Group's working capital.

The Directors consider the Placing a good opportunity to strengthen the Group's financial position and raise additional funds for the development of new business so as to improve the future prospects of the Group. The Directors also consider that equity financing is favourable to the Company as it will not increase the Company's interest burden and can enable the Company to raise funds within a relatively shorter period of time and at a relatively low costs when compared with other means of fundraising. It can also enlarge the Company's shareholders' base which may in turn enhance the liquidity of the Shares.

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 with reference to the prevailing market conditions and the recent trading performance of the Shares 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.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fundraising activities in the past twelve months immediately prior to the date of this announcement:

| Date of relevant announcements | Event | Net proceeds | Intended use of proceeds | Actual use of proceeds as at the date of this announcement |
|--|---|--------------------------------|---|---|
| 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 | Fully utilised as intended |

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there being no other changes in the share capital of the Company from the date of this announcement and up to completion of the Placing, set out below is the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after completion of the Placing.

| | As at the date of this announcement | | Immediately after completion of the Placing (assuming all the Placing Shares are fully placed) | |
|---------------------------|--|----------------------|---|----------------------|
| | <i>Number of Shares</i> | <i>Approx. %</i> | <i>Number of Shares</i> | <i>Approx. %</i> |
| The Placees | – | – | 183,119,113 | 16.67 |
| Other Public Shareholders | <u>915,595,568</u> | <u>100.00</u> | <u>915,595,568</u> | <u>83.33</u> |
| Total | <u><u>915,595,568</u></u> | <u><u>100.00</u></u> | <u><u>1,098,714,681</u></u> | <u><u>100.00</u></u> |

Shareholders and potential investors of the Company should note that the completion of the Placing is subject to the fulfillment of the condition 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 Shares.

DEFINITIONS

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

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| “AGM” | the annual general meeting of the Company held on 22 August 2024 |
| “Board” | the board of Directors |
| “Business Day(s)” | 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 |

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|--------------------------------|---|
| “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) |
| “Director(s)” | the director(s) of the Company from time to time |
| “General Mandate” | the general mandate granted to the Directors by the Shareholders at the AGM, pursuant to which the Directors are authorised to allot, issue and deal in not more than 183,119,113 new Shares (after adjustment for the effect of the Share Consolidation representing 20% of the issued share capital of the Company (after adjustment for the effect of the Share Consolidation) as at the date of the AGM |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Third Party(ies)” | independent third party(ies), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, who is not connected with the Company and its connected persons (as defined under the Listing Rules) |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Old Share(s)” | the then 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 |
| “Placee(s)” | any person or entity procured by the Placing Agent or its agent(s) to subscribe for any Placing Share |
| “Placing” | the placing of the Placing Shares on and subject to the terms and condition set out in the Placing Agreement |
| “Placing Agent” | Orient Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities), and Type 9 (asset management) regulated activities under the SFO |

| | |
|---------------------------|--|
| “Placing Agreement” | the agreement entered into between the Company and the Placing Agent dated 3 September 2024 in respect of the Placing |
| “Placing Completion Date” | a date falling within four (4) Business Days after the day on which the condition set out in the section headed “Condition and completion of the Placing” of this announcement have been fulfilled (or such later date as may be agreed between the parties hereto in writing) |
| “Placing Price” | HK\$0.41 per Placing Share |
| “Placing Share(s)” | up to 183,119,113 new Shares to be placed pursuant to the Placing Agreement |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended and supplemented from time to time |
| “Share(s)” | the ordinary shares of HK\$0.10 each in the share capital of the Company |
| “Share Consolidation” | the share consolidation of the issued and unissued Old Shares in the share capital of the Company on the basis of ten (10) Old Shares with par value of HK\$0.01 each into one (1) existing Share with par value of HK\$0.10 each, which became effective on 2 September 2024 |
| “Shareholder(s)” | holder(s) of the Shares |
| “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
Executive Director

Hong Kong, 3 September 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.