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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)**

**SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

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On 15 January 2024 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which, the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, a total of 900,000,000 Subscription Shares at the Subscription Price of HK\$0.20 per Subscription Share.

The total number of 900,000,000 Subscription Shares to be issued and allotted under the Subscription Agreement represents (i) approximately 11.80% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 10.55% of the issued share capital of the Company immediately upon Completion (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the Completion Date save for the issue of the Subscription Shares) as enlarged by the issue and allotment of the Subscription Shares.

The Directors considered that the Subscription represents an opportunity to raise capital for the business operations of the Group while broadening the Shareholder base of the Company. The gross proceeds of the Subscription will be approximately HK\$180.0 million. After taking into account the estimated expenses related to the Subscription, the estimated net proceeds of the Subscription will be approximately HK\$179.7 million, representing the net price of approximately HK\$0.20 per Subscription Share. The Company intends to use the net proceeds from the issue of the Subscription Shares for repayment of liabilities and as general working capital.

**Shareholders and potential investors of the Company should note that the Subscription is subject to the fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

## **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

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### **THE SUBSCRIPTION AGREEMENT**

The principal terms of the Subscription Agreement are set out as follows:

Date: 15 January 2024 (after trading hours)

Parties: (1) the Company (as issuer); and

(2) the Subscriber (as subscriber)

The Subscriber is wholly-owned by Mr. Chu Kai, who is citizen of Canada and a businessman. To the best of the Director's knowledge, information and belief, and having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner are Independent Third Parties.

Given the Subscription Shares represent approximately 10.55% of the enlarged total number of issued Shares, the Subscriber will become a substantial shareholder of the Company immediately after the Completion.

### **Subscription Shares**

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, a total of 900,000,000 Subscription Shares, representing (i) approximately 11.80% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 10.55% of the issued share capital of the Company immediately upon Completion (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the Completion Date save for the issue of the Subscription Shares) as enlarged by the issue and allotment of the Subscription Shares.

Based on the closing price of the Shares of HK\$0.227 per Share on 15 January 2024, being the date of the Subscription Agreement, the Subscription Shares have a market value of approximately HK\$204.3 million. The aggregate nominal value of the Subscription Shares is approximately HK\$9.0 million.

### **Subscription Price**

The Subscription Price is HK\$0.20 per Subscription Share, representing:

- (i) a discount of approximately 11.89% to the closing price of HK\$0.227 per Share as quoted on the Stock Exchange on 15 January 2024, being the date of the Subscription Agreement; and
- (ii) a discount of approximately 17.97% to the average closing price per Share of HK\$0.2438 for the last five (5) consecutive trading days immediately preceding the date of the Subscription Agreement.

The total Subscription Price for the Subscription shall be paid by the Subscriber to the Company in cash upon Completion.

The Subscription Price was determined after arm's length negotiation between the Company and the Subscriber with reference to the prevailing market price of the Shares. The Board considers that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Conditions precedent to the Subscription Agreement**

Completion is conditional upon the fulfilment of the following conditions:

- (i) the Stock Exchange having granted the listing of, and permission to deal in, the Subscription Shares; and
- (ii) the representation and warranties of the Company and the Subscriber remaining true and accurate in all material respects and are not misleading as of the date of the Subscription Agreement and the Completion Date.

The Subscriber shall be entitled in its absolute discretion, by written notice to the Company, to waive the condition relating to the obligations of the Company under the Subscription Agreement in condition (ii) as disclosed above in whole or in part. The Company shall be entitled in its absolute discretion, by written notice to the Subscriber, to waive the condition relating to the obligations of the Subscriber under the Subscription Agreement in condition (ii) as disclosed above in whole or in part. Neither party to the Subscription Agreement shall be entitled to waive compliance with condition (i) as disclosed above.

In the event that any of the conditions precedent shall not have been fulfilled (or waived) prior to the Long Stop Date, the Subscription Agreement shall terminate and cease to be of any effect, (i) except for certain provisions relating to representation and warranties, confidentiality and certain miscellaneous matters shall remain applicable after termination and such provisions shall remain in full force and effect, and (ii) neither party shall (save to such extent and to the extent of obligations or rights of any of the parties which have accrued prior to such termination) have any claim against the other party for costs, damages, compensation or otherwise.

### **Completion**

Completion shall take place on the Completion Date in accordance with the terms of the Subscription Agreement.

### **Ranking**

The Subscription Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue at the time of issue and allotment of the Subscription Shares.

### **General mandate to issue the Subscription Shares**

The Subscription Shares will be allotted and issued under the General Mandate, which has been granted to the Directors at the AGM to allot and issue up to 1,525,992,613 Shares, representing 20% of the issued share capital of the Company as at the date of the AGM.

Since the date of the AGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate. The General Mandate is sufficient for the allotment and issue of the Subscription Shares and the issue of the Subscription Shares is not subject to the approval by the Shareholders.

### **APPLICATION FOR LISTING**

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

## EFFECT ON THE SHAREHOLDING OF THE COMPANY

As at the date of this announcement, the Company has 7,629,963,067 Shares in issue. The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the Completion Date save for the issue of the Subscription Shares):

Shareholders	As at the date of this announcement		Immediately upon Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
The Subscriber and Mr. Chu Kai ( <i>note 1</i> )	–	–	900,000,000	10.55
Kingkey Holdings (International) Limited ( <i>note 2</i> )	3,363,819,533	44.09	3,363,819,533	39.44
Public Shareholders	<u>4,266,143,534</u>	<u>55.91</u>	<u>4,266,143,534</u>	<u>50.01</u>
Total	<u><u>7,629,963,067</u></u>	<u><u>100.00</u></u>	<u><u>8,529,963,067</u></u>	<u><u>100.00</u></u>

Notes:

- (1) The Subscriber is wholly-owned by Mr. Chu Kai.
- (2) Kingkey Holdings (International) Limited is wholly and beneficially owned by Mr. Chen Jiajun, the executive Director.

## REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

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.

The Directors considered that the Subscription represents an opportunity to raise capital for the business operations of the Group while broadening the Shareholder base of the Company. The gross proceeds of the Subscription will be approximately HK\$180.0 million. After taking into account the estimated expenses related to the Subscription, the estimated net proceeds of the Subscription will be approximately HK\$179.7 million, representing the net price of approximately HK\$0.20 per Subscription Share. The Company intends to apply approximately

HK\$125.7 million, being approximately 69.9% of the net proceeds from the issue of the Subscription Shares for repayment of liabilities and the remaining approximately HK\$54.0 million, being approximately 30.1% of the net proceeds as general working capital.

The Board considers the terms of the Subscription Agreement to be normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **EQUITY FUND RAISING ACTIVITY OVER THE PAST 12 MONTHS**

The Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

**Shareholders and potential investors of the Company should note that the Subscription is subject to the fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

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

“AGM”	the annual general meeting of the Company held on 7 September 2023
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday, a public holiday or a day on which “extreme conditions” is announced by the Government of Hong Kong or a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business
“Company”	Kingkey Financial International (Holdings) Limited (京基金融國際(控股)有限公司), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on main board of the Stock Exchange (with stock code: 1468)
“Completion”	completion of the Subscription in accordance with the Subscription Agreement

“Completion Date”	the date on which Completion takes place in accordance with the terms of the Subscription Agreement, which shall be within four (4) Business Days following the fulfillment or waiver (as the case may be) of all the conditions precedent to the Subscription Agreement, or such other date as the parties to the Subscription Agreement shall otherwise agree
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot and issue up to 1,525,992,613 Shares, representing 20% of the issued share capital of the Company as at the date of the passing of such resolution
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a party who is not a connected person (as defined in the Listing Rules) of the Company and who together with its ultimate beneficial owner(s) are independent of the Company and of the connected persons (as defined in the Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	5 February 2024, or such later date as the parties to the Subscription Agreement may agree
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	DC Universe Investment Limited, a company incorporated in the British Virgin Islands with limited liability, being the subscriber of the Subscription

“Subscription”	the subscription of 900,000,000 Subscription Shares at the Subscription Price by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement entered into between the Company and the Subscriber dated 15 January 2024 in relation to the Subscription
“Subscription Price”	HK\$0.20 per Subscription Share
“Subscription Shares”	900,000,000 new Shares to be issued by the Company to the Subscriber pursuant to the terms of the Subscription Agreement
“%”	per cent

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

Hong Kong, 15 January 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.*