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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) COMPLAINT MADE TO THE COMPANY;
(II) DISPOSAL OF SHARES BY CONTROLLING SHAREHOLDER;
AND
(III) CONTINUED SUSPENSION OF TRADING

This announcement is made by Kingkey Financial International (Holdings) Limited (the “**Company**”) 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 issued by the Company at 8:07 a.m. on 2 February 2024 in relation to, among other things, inside information of unusual price and trading volume of the shares of the Company (the “**Shares**”) on 1 February 2024 and the Forced Sale of Shares by stockbroker of KHIL, being a controlling shareholder of the Company ultimately owned by Mr. Chen (the “**Announcement**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as defined in the Announcement.

COMPLAINT MADE TO THE COMPANY

At around 11:00 p.m. on 1 February 2024, an anonymous complaint was sent to the Company’s email (the “**Complaint Email**”) which was then brought to the attention of the Board at around 11:00 a.m. on 2 February 2024, alleging Mr. Chen of purported market manipulation activities (which was denied by Mr. Chen). It was alleged that Mr. Chen has provided advantage to a financial institution and conspired to manipulate the price of the Shares through the Forced Sale that took place on 1 February 2024 (which was denied by Mr. Chen). The Directors (except Mr. Chen) considered such serious allegation against an executive Director to be a piece of inside information that is required to be disclosed to

the public. Furthermore, the Board noticed that the Complaint Email was sent to a number of recipients. As such, the Directors (except Mr. Chen) considered that there was a risk of leakage of inside information to a group of recipients but such information was not generally known to the public.

In view of the above, the Directors (except Mr. Chen) considered it necessary to apply for trading halt pending the publication of this announcement containing inside information and applied for trading halt at 11:18 a.m. on 2 February 2024.

Immediately after receipt of the Complaint Email, the Board attempted to make enquiry with Mr. Chen on various occasions in relation to the allegations made in the Complaint Email, including the Forced Sale. Through the enquiries, the Board also tried to ascertain whether the contents in the Announcement remain accurate. Mr. Chen denied all allegations made against him in the Complaint Email, commented (*inter alia*) that: (a) the Complaint Email was vague baseless accusations made by unknown persons with unknown motives; (b) the Complaint Email contained scandalous allegations not only against him but also a regulated financial institution; and (c) he disagreed that the Complaint Email constitutes inside information. Mr. Chen demanded other Directors not to use anonymous complaints and purported disclosure of inside information as a channel to spread defamatory statements about him and he reserved his rights in taking action against anyone seeking to do so.

DISPOSAL OF SHARES BY CONTROLLING SHAREHOLDERS

In the morning on 2 February 2024 before the trading halt, the Board also noticed that there was unusual price and trading volume of the Shares and enquired the Directors whether there was inside information leading to such price fluctuation.

The Board was subsequently informed by Mr. Chen at around 1:20 p.m., i.e. after the trading halt, that on 2 February 2024 in the morning, KHIL disposed of 238,010,000 Shares (the “**Disposal**”) in the open market, representing approximately 3.12% of the total issued share capital of the Company, at an average price of approximately HK\$0.31 per Share.

Immediately before the completion of the Disposal, KHIL held approximately 40.30% of the total issued share capital of the Company. Immediately after completion of the Disposal and as at the date of this announcement, the percentage interest of KHIL in the Company has been reduced to approximately 37.18% of the total issued share capital of the Company. The Directors (except Mr. Chen) consider that the Disposal by KHIL may have breached Code B.8 of the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix C3 of the Listing Rules (the “**Model Code**”), requiring a director to notify the Board before dealing in any securities of the Company. Mr. Chen denied such allegation.

FOLLOW UP ACTIONS

During the enquiry with Mr. Chen in relation to the allegations made against him in the Complaint Email and the unusual price and trading volume fluctuation, Mr. Chen claimed that since there was a litigation case between KHIL on one hand and the Company and other Directors on the other hand (under the action number HCMP 97 of 2024) (the “**Litigation Case**”), it is inappropriate for the Board to extract information from him for unfair litigation advantage and that he was not required to report to the Board. For further detail of the Litigation Case, please refer to the announcements of the Company dated 19 January 2024, 25 January 2024 and 26 January 2024.

In light of the above, during the enquiry process, Mr. Chen only denied all allegations made against him and commented (*inter alia*) that (a) his financial position does not concern the Company; (b) KHIL’s previous dealings in the Company’s shares are not matters that constitute inside information; and (c) he should not be shadowboxed against the allegations in the Complaint Email which are baseless and made by someone unknown. As at the date of this announcement, nothing has come to the attention of the Board that requires clarification on any of the announcements previously published by the Company.

Other than enquiring with Mr. Chen, the Board has also taken the following actions:

1. brought to the attention of the Stock Exchange of the Complaint Email and the potential breach of Model Code by Mr. Chen in relation to the Disposal;
2. conducted enquiry with a financial institution pursuant to s329 of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) to investigate ownership of interests in the Company’s voting shares and reported the findings to the Securities and Futures Commission; and
3. established a special board committee for the purpose of, among other things, (i) handling complaints received by the Board from time to time; and (ii) approving any business of the Company with the aim to avoid conflict of interest between the Directors as a result of the undecided Litigation Case. For further details of the special board committee, please refer to the announcement and the terms of reference published by the Company on 14 February 2024.

NOTICE OF TERMINATION OF SUB-LICENSE AGREEMENT

On 19 February 2024, the Group received a notice of termination of sub-license agreement between FGA (Hong Kong) Limited (the “**Sub-Licensee**”) and Energetic Force Investments Limited (the “**Licensor**”) dated 6 June 2022 (the “**Sub-License Agreement**”) from the Licensor. Under the Sub-License Agreement, the Licensor granted the Sub-Licensee intellectual property rights for the use of the trademarks “Forbes Global Alliance” and “福布斯環球聯盟” in the PRC (excluding Hong Kong, Macau and Taiwan). The Group has been

relying on the Sub-License Agreement to conduct its membership and events business. For the year ended 31 March 2023, the Group's revenue from the membership and events segment amounted to approximately HK56.2 million, representing approximately 17.0% of the total revenue during the year.

The Licensor noticed the announcement issued by the Company on 15 February 2024 in relation to the receipt of statutory demand and claimed that in accordance with the Sub-License Agreement, the failure to pay creditors results in an event of default. Should the Company or the Sub-Licensee fail to rectify the situation, the Licensor will exercise its right to terminate the Sub-License Agreement.

The Board is currently reviewing the terms of the Sub-License Agreement and will negotiate with the Licensor in relation to the potential termination. The Company will keep the shareholders of the Company and potential investors informed of any update and will make further announcement(s) as and when appropriate in accordance with the Listing Rules.

In the event that the Sub-License Agreement is terminated, it is likely that there will be adverse impact on the Group's business conducted by FGA Holdings Limited and its subsidiaries in relation to the membership and events business which has contributed a substantial part of the Group's revenue since the completion of acquisition of interest in FGA Holdings Limited in June 2022.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares has been suspended since 11:18 a.m. on Friday, 2 February 2024 pending the publication of this announcement which constitutes inside information of the Company. Trading of in the Shares will continue to be suspended pending the release of another announcement which constitutes inside information of the Company.

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, 23 February 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.