

TARGET

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KINGKEY FINANCIAL INTERNATIONAL (HOLDINGS) LTD: ROUGH SEAS ARE ON THE HORIZON, TO BE SURE

Whether or not Management of Kingkey Financial International (Holdings) Ltd (京基金融國際[控股]有限公司) (Code: 1468, Main Board, The Stock Exchange of Hongkong Ltd) will be able to steer a safe course through the current stormy weather, building on the financial horizon, is anybody's guess, of course, but by the looks of things, today, Management appears to be in for a rather rough ride.

In the month of January 2021, in the High Court of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**, five litigants brought actions against one of the wholly owned subsidiary companies of Kingkey Financial International (Holdings) Ltd.

While these cases may be sufficient cause to raise the level of consternation with regard to Management, as well as put on notice to prospective and extant investors, these cases are only one of the many potential causes of concern.

Because there are other matters of materiality, hanging over the Company, also.

The Five Litigants And The Securities and Futures Commission

According to the database of **TOLFIN** (泰達資訊), the Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider, between January 22, 2021, and January 29, 2021, a total of five claims was lodged in the HKSAR High Court, wherein the aggregate sum of \$HK54,303,066.55 was demanded.

For a stockbrokerage company, the claims for \$HK54,303,066.55, naming Kingkey Securities Group Ltd (京基證券集團有限公司), a wholly owned subsidiary of Kingkey Financial International (Holdings) Ltd, being the lone Defendant in the five HKSAR High Court Actions, may not appear to be, on the surface, of substantial significance, but since the launching of the above-mentioned five claims, other matters of some importance have, also, come to light.

On Thursday, February 18, 2021, The Securities and Futures Commission (SFC) issued Restriction Notices on 13 stockbrokers to freeze client accounts, linked to suspected social media ramp-and-dump scam.

The following is a verbatim copy of the SFC's public announcement:

'The Securities and Futures Commission (SFC) has issued restriction notices to 13 brokers, prohibiting them from dealing with or processing certain assets held in 54 trading accounts, which are related to a suspected social media ramp-and-dump scam involving the manipulation of the market in the shares of a company listed on The Stock Exchange of Hong Kong Limited between September 2020 and November 2020 ...

'The 13 brokerages are: Celestial Securities Limited (時富證券有限公司), Central China International Securities Co., Limited (中州國際證券有限公司), China Industrial Securities International Brokerage Limited (興證國際證券有限公司), China Tonghai Securities Limited (中國通海證券有限公司), Core Pacific – Yamaichi International (H.K.) Limited (京華山一國際[香港]有限公司), KGI Asia Limited (凱基證券亞洲有限公司), Kingkey Securities Group Limited, Luk Fook Securities (HK) Limited (六福證券[香港]有限公司), Monmonkey Group Securities Limited, Shanxi Securities International Limited (山證國際證券有限公司), Zeus Securities Limited, Zhongtai International Securities Limited (中泰國際證券有限公司) and Zinvest Global Limited (尊嘉證券國際有限公司).

'The restriction notices prohibit them, without the SFC's prior written consent, from disposing of or dealing with, or assisting, counselling or procuring another person to dispose of or deal with, any assets in any way in the trading accounts up to certain amounts, including: (i) entering into transactions in respect of any securities; (ii) processing any withdrawals or transfers of securities and/or cash on the instructions of any authorized person of the trading accounts or by any person acting on their behalf; (iii) disposing of or dealing with any securities and/or cash on the instructions of any authorized person of the trading accounts or by any person acting on their behalf; and (iv) assisting another person to dispose of or deal with any relevant property in a specified manner. They are also required to notify the SFC if they receive any of these instructions.

'The SFC considers that the issuance of the restriction notices is desirable in the interest of the investing public or in the public interest.

'The SFC's investigation is continuing.'

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