

TARGET

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**KINGKEY FINANCIAL INTERNATIONAL (HOLDINGS) LTD:
MANAGEMENT ANNOUNCES
THE SIXTH, CONSECUTIVE YEAR OF LOSSES**

And More Losses Could Be Forthcoming

On Tuesday, June 29, 2021, 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) announced the Annual Results in respect of the Company's Financial Year, ended March 31, 2021.

In that announcement, it was stated, inter alia, that, on Total Revenue of \$HK148,642,000, the Company had reported a Net Loss Attributable to Shareholders of \$HK8,440,000.00.

In respect of the 2020 Financial Year, the Company reported a Net Loss Attributable to Shareholders of about \$HK70,314,000.00.

Thus, comparing the two Financial Years, it could be held in some circles that Kingkey Financial International (Holdings) Ltd had materially improved its financial position with regard to the 2021 Financial Year, since Revenue had increased by about 18.87 percent, Year-On-Year, with Net Losses Attributable to Shareholders having been reduced by about 88 percent, Year-On-Year.

However, according to the database of **TOLFIN** (泰達資訊), the Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider, the Net Loss Attributable to Shareholders for the Financial Year, ended March 31, 2021, represented the sixth consecutive Financial Year that the Company had suffered Net Losses Attributable to Shareholders, going back to the 2016 Financial Year.

At Page 20 of the Annual Results Announcement of June 29, 2021, it was stated, under the heading, '**TRADE AND OTHER PAYABLES**', that trade and other payables had ballooned from the 2020-Year's figure of \$HK36,649,000.00 to the 2021-Year's figure of \$HK207,424,000.00.

About 94 percent of the '**TRADE AND OTHER PAYABLES**' with regard to the 2021 Financial Year, compared with the 2020 Financial Year's figure, were in respect of:

Securities brokerage business

	2021	2020
Cash clients	\$HK28,476,000	\$HK13,135,000
Margin clients	\$HK159,382,000	\$HK9,714,000
Clearing house	\$HK6,870,000	\$HK3,349,000
Subtotal:	<u>\$HK194,728,000</u>	<u>\$HK26,198,000</u>

Also shown in the June 29, 2021 Announcement, under the heading, ‘**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**’, it was indicated that \$HK35,864,000 was owed to a Director and Shareholder.

Also, under the subheading, ‘**Loan receivable**’, it was shown that \$HK91,017,000 was outstanding.

This item was broken down as follows:

	‘2021 HK\$’000	2020 HK\$’000
<i>Loans from money lending business – unsecured</i>	29,869	15,000
<i>Loans from money lending business – secured</i>	56,807	-
<i>Interest receivables</i>	<u>4,560</u>	<u>-</u>
	91,236	15,000
<i>Less: Provision for impairment</i>	<u>(219)</u>	<u>-</u>
	<u>91,017</u>	<u>15,000</u>

Further, during the 2021 Financial Year, Management of Kingkey Financial International (Holdings) Ltd had successfully launched a cash-raising exercise whereby it had managed to Place a total of 1,875,000,000 Placing Shares at the Net Issue Price Per Placing Share of 23.85 cents, netting the Company approximately \$HK447.20 million from this cash-raising operation.

According to Mr Wong Chun Chau (黃振宙), the Chairman of Kingkey Financial International (Holdings) Ltd, the Company intends to use the net proceeds of the Share Placements for establishing and seeding multiple investment funds and the development of existing securities brokerage and financial services business and as working capital and general corporate purposes for the Group.

The following are copies of part of the verbatim statements of Mr Wong Chun Chau:

‘The Company intends to use the net proceeds for establishing and seeding multiple investment funds and the development of existing securities brokerage and financial services business and as working capital and general corporate purposes for the Group.’

The Share Price of the Company, as at Tuesday, July 13, 2021, stood at 70 cents.

Today’s Share Price is about 71 cents.

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