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# 金利豐金融集團有限公司

## KINGSTON FINANCIAL GROUP LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 01031)**

### FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2013

<b>FINANCIAL HIGHLIGHTS:</b>		
<i>HK\$'000</i>		
	<b>Year ended 31 March 2013</b>	<b>15 months ended 31 March 2012</b>
Revenue		
— Securities brokerage, underwriting and placements	<b>150,578</b>	179,858
— Margin and IPO financing	<b>453,410</b>	489,762
— Other financial services	<b>12,980</b>	20,427
— Hotel ownership and management	<b>175,268</b>	203,199
— Food and beverage	<b>58,078</b>	59,709
— Gaming revenue	<b>523,899</b>	613,771
— Other rental income	<b>3,775</b>	7,245
Total Revenue	<b><u>1,377,988</u></b>	<b><u>1,573,971</u></b>
Profit for the year/period attributable to owners of the Company	<b><u>537,884</u></b>	<b><u>548,988</u></b>
Earnings per share		
— Basic	<b><u>HK 3.10 cents</u></b>	HK 3.69 cents
— Diluted	<b><u>HK 3.10 cents</u></b>	HK 3.65 cents

The board of directors (the “Board”) of Kingston Financial Group Limited (the “Company”) announces the audited consolidated final results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2013 together with comparative figures for the fifteen months ended 31 March 2012 as follows:

## CONSOLIDATED INCOME STATEMENT

*For the year ended 31 March 2013*

	Notes	1.4.2012 to 31.3.2013 HK\$'000	1.1.2011 to 31.3.2012 HK\$'000
Revenue	3	1,377,988	1,573,971
Other income		15,727	35,713
		<u>1,393,715</u>	<u>1,609,684</u>
Inventory consumed		(22,697)	(26,307)
Staff costs		(169,226)	(165,109)
Gaming commission		(170,827)	(233,623)
Broker commission		(30,068)	(44,543)
Interest expenses for securities brokerage and margin financing operations		(43,093)	(43,585)
Depreciation		(109,103)	(118,365)
Impairment loss on trade and other receivables		(874)	(27,799)
Administrative expenses		(122,688)	(131,832)
Other operating expenses		(64,334)	(61,681)
		<u>(732,910)</u>	<u>(852,844)</u>
Finance income		5,427	11,573
Finance cost		(56,552)	(54,290)
Loss from sales of trading securities		(195)	(74,688)
Fair value loss on trading securities		(759)	(15,817)
Exchange (loss)/gain		(4,781)	11,999
Surplus on revaluation of leasehold land and buildings		10,732	4,521
Share of results of jointly controlled entities		(435)	(235)
		<u>(46,563)</u>	<u>(116,937)</u>
Profit before taxation	6	614,242	639,903
Taxation	5	(74,209)	(83,512)
<b>Profit for the year/period</b>		<u><u>540,033</u></u>	<u><u>556,391</u></u>
<b>Attributable to:</b>			
Owners of the Company		537,884	548,988
Non-controlling interests		2,149	7,403
		<u><u>540,033</u></u>	<u><u>556,391</u></u>
<b>Earnings per share (cents per share)</b>	8		
— Basic		3.10	3.69
— Diluted		3.10	3.65

# **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the year ended 31 March 2013*

		<b>1.4.2012 to 31.3.2013 <i>HK\$'000</i></b>	<b>1.1.2011 to 31.3.2012 <i>HK\$'000</i></b>
	<i>Note</i>		
<b>Profit for the year/period</b>		<b>540,033</b>	<b>556,391</b>
Other comprehensive income	9		
Surplus on revaluation of leasehold land and buildings		<b>304,229</b>	291,011
Available-for-sale investments:			
Unrealised gain/(loss) arising from change in fair value		<b>323</b>	(1,388)
Other comprehensive gain for the year/period, net of tax		<b>304,552</b>	289,623
<b>Total comprehensive income for the year/period</b>		<b>844,585</b>	<b>846,014</b>
<b>Attributable to:</b>			
Owners of the Company		<b>842,436</b>	838,611
Non-controlling interests		<b>2,149</b>	7,403
		<b>844,585</b>	<b>846,014</b>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 March 2013*

	<i>Notes</i>	<b>31.3.2013</b> <b>HK\$'000</b>	31.3.2012 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		<b>2,847,791</b>	2,544,837
Deferred tax assets		<b>6,107</b>	6,107
Deposit for hotel renovation		<b>1,128</b>	9,191
Statutory deposit for financial business		<b>4,452</b>	2,773
Goodwill		<b>10,996,683</b>	10,996,683
Interests in jointly controlled entities		<b>1,281</b>	1,818
		<b>13,857,442</b>	13,561,409
<b>Current assets</b>			
Inventories		<b>2,942</b>	3,366
Available-for-sale investments		<b>4,895</b>	4,572
Trading securities		<b>50,121</b>	51,365
Loan receivable		<b>406,827</b>	414,820
Trade and other receivables	10	<b>6,408,637</b>	4,752,415
Tax recoverable		<b>990</b>	895
Cash and bank balances — trust accounts		<b>731,306</b>	584,197
Cash and bank balances — general accounts		<b>188,102</b>	145,172
		<b>7,793,820</b>	5,956,802
<b>Current liabilities</b>			
Trade and other payables	11	<b>872,082</b>	698,469
Amounts due to shareholders		<b>1,661,111</b>	1,924,411
Loan from a related company		<b>2,289,821</b>	16,017
Subordinated loans		<b>700,000</b>	700,000
Promissory notes		<b>961,200</b>	—
Bank loans		<b>150,000</b>	981,000
Tax payable		<b>31,363</b>	9,933
		<b>6,665,577</b>	4,329,830
<b>Net current assets</b>		<b>1,128,243</b>	1,626,972
<b>Total assets less current liabilities</b>		<b>14,985,685</b>	15,188,381

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION — CONTINUED**

*As at 31 March 2013*

	<b>31.3.2013</b> <i>HK\$'000</i>	31.3.2012 <i>HK\$'000</i>
<b>Non-current liabilities</b>		
Deferred tax liabilities	<b>158,670</b>	120,379
Promissory notes	<u>—</u>	<u>924,648</u>
	<b>158,670</b>	<u>1,045,027</u>
<b>Total liabilities</b>	<b>6,824,247</b>	<u>5,374,857</u>
<b>Net assets</b>	<b>14,827,015</b>	<u>14,143,354</u>
<b>Capital and reserves</b>		
Share capital — ordinary shares	<b>242,290</b>	240,865
Share capital — non-redeemable convertible preference shares	<b>105,000</b>	105,000
Reserves	<b>14,466,287</b>	<u>13,786,200</u>
<b>Total equity attributable to owners of the Company</b>	<b>14,813,577</b>	14,132,065
<b>Non-controlling interests</b>	<b>13,438</b>	<u>11,289</u>
<b>Total equity</b>	<b>14,827,015</b>	<u>14,143,354</u>

## **SCOPE OF WORKS OF MESSRS. BDO LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2013 as set out in this announcement have been agreed by the Group's auditors, Messrs. BDO Limited to the amounts set out in the Group's audited consolidated financial statement for the year. The work performed by Messrs. BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. BDO Limited in this announcement.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs issued by the Hong Kong Institute of Certified Public Accountants. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The financial year end date of the Group has been changed from 31 December to 31 March to conform with the financial year end date of its subsidiary, Kingston Capital Asia Limited. Accordingly the current financial period covered a twelve-month period from 1 April 2012 to 31 March 2013 and the comparative figures covered a fifteen-month period from 1 January 2011 to 31 March 2012.

### **2. ADOPTION OF NEW AND REVISED STANDARDS**

#### **Adoption of new/revised HKFRSs — effective 1 April 2012**

Amendments to HKFRS 1	Severe Hyper Inflation and Removal of Fixed Dates for First-time Adopters
Amendments to HKFRS 7	Disclosures — Transfers of Financial Assets
Amendments to HKAS 12	Deferred Tax — Recovery of Underlying Assets

The adoption of these amendments has no material impact on the Group's financial statements.

### 3. REVENUE

An analysis of the Group's revenue, which are also the Group's turnover, is as follows:

	<b>1.4.2012 to 31.3.2013 HK\$'000</b>	1.1.2011 to 31.3.2012 HK\$'000
Financial services business		
— securities brokerage, underwriting and placements	<b>150,578</b>	179,858
— margin and IPO financing	<b>453,410</b>	489,762
— other financial services	<b>12,980</b>	20,427
Hotels and gaming business		
— room rental	<b>175,268</b>	203,199
— food and beverage	<b>58,078</b>	59,709
— gaming revenue	<b>523,899</b>	613,771
— other rental income	<b>3,775</b>	7,245
	<b><u>1,377,988</u></b>	<b><u>1,573,971</u></b>

### 4. SEGMENTAL INFORMATION

For management purposes, the Group is organised into business units based on their services, and has seven (31 March 2012: seven) reporting operating segments as follows:

#### Financial services segments:

- Securities brokerage, underwriting and placements segment is the provision of brokerage, underwriting and placements services for dealings in securities on recognised stock exchanges.
- Margin and initial public offering ("IPO") financing segment is the provision of credits in these transactions.
- Other financial services include provision of corporate finance advisory services, futures brokerage and asset management.

#### Hotel and gaming segments:

- Hotel ownership and management segment is the operation of hotels and provision of hotel management services.
- Food and beverage segment is the operation of restaurants in hotels.
- Casino segment is the operation of casino in hotels.

#### Securities investment segment:

- Securities investment segment is the trading of listed securities.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on a measure of adjusted earnings before interest, income tax, depreciation and amortisation (adjusted EBITDA). Interest income and expenditure and certain income and expenses (including depreciation, taxation, expenses in relation to the grant of share options, impairment losses, write-off of property, plant and equipment, revaluation of property, plant and equipment) are not included in the result of each operating segment that is reviewed by the management. Other information provided, except as noted below, to the management is measured in a manner consistent with that in the financial statements.

Revenue between segments are carried out on terms equivalent to those that prevail in arm's length transactions. The revenue from external customers reported to the management is measured in a manner consistent with that in the income statement.

### Operating segments

The following tables represent segment information of the Group provided to the Group's management for the year ended 31 March 2013 and fifteen months ended 31 March 2012, respectively.

#### For the year ended 31 March 2013

	Securities brokerage, underwriting and placements HK\$'000	Margin and IPO financing HK\$'000	Other financial services HK\$'000	Financial service business HK\$'000	Hotel ownership and management HK\$'000	Food and beverage HK\$'000	Casino HK\$'000	Securities Investment HK\$'000	Total HK\$'000
<b>Segment Revenue</b>									
External customers	150,578	453,410	12,980	616,968	178,738	39,482	542,800	–	1,377,988
Inter-segment	24	–	960	984	59,836	–	6,152	–	66,972
	<u>150,602</u>	<u>453,410</u>	<u>13,940</u>	<u>617,952</u>	<u>238,574</u>	<u>39,482</u>	<u>548,952</u>	<u>–</u>	<u>1,444,960</u>
<b>Adjusted EBITDA</b>	<u>165,578</u>	<u>407,583</u>	<u>12,982</u>	<u>586,143</u>	<u>169,179</u>	<u>(4,530)</u>	<u>207,305</u>	<u>1,733</u>	<u>959,830</u>
<b>Segment Assets</b>				<u>18,102,133</u>	<u>2,151,112</u>	<u>457,142</u>	<u>422,787</u>	<u>50,121</u>	<u>21,183,295</u>
Capital expenditure				–	33,264	7,474	23,704	–	64,442
<b>Segment Liabilities</b>				<u>4,726,108</u>	<u>179,168</u>	<u>14,692</u>	<u>29,993</u>	<u>–</u>	<u>4,949,961</u>

#### For the fifteen months ended 31 March 2012

	Securities brokerage, underwriting and placements HK\$'000	Margin and IPO financing HK\$'000	Other financial services HK\$'000	Financial service business HK\$'000	Hotel ownership and management HK\$'000	Food and beverage HK\$'000	Casino HK\$'000	Securities Investment HK\$'000	Total HK\$'000
<b>Segment Revenue</b>									
External customers	179,787	489,762	20,498	690,047	210,443	47,678	625,803	–	1,573,971
Inter-segment	71	–	960	1,031	78,235	–	6,715	–	85,981
	<u>179,858</u>	<u>489,762</u>	<u>21,458</u>	<u>691,078</u>	<u>288,678</u>	<u>47,678</u>	<u>632,518</u>	<u>–</u>	<u>1,659,952</u>
<b>Adjusted EBITDA</b>	<u>187,102</u>	<u>457,253</u>	<u>20,499</u>	<u>664,854</u>	<u>208,318</u>	<u>(4,474)</u>	<u>230,077</u>	<u>(86,664)</u>	<u>1,012,111</u>
<b>Segment Assets</b>				<u>16,309,805</u>	<u>2,034,880</u>	<u>443,193</u>	<u>203,709</u>	<u>51,364</u>	<u>19,042,951</u>
Capital expenditure				–	32,090	414	5,439	–	37,943
<b>Segment Liabilities</b>				<u>3,380,560</u>	<u>135,530</u>	<u>8,806</u>	<u>13,769</u>	<u>5</u>	<u>3,538,670</u>



*Reconciliations of segment revenues, adjusted EBITDA, assets and liabilities*

	<b>1.4.2012 to 31.3.2013 HK\$'000</b>	1.1.2011 to 31.3.2012 HK\$'000
<b>Segment revenue</b>	<b>1,444,960</b>	1,659,952
Elimination of inter-segment revenue	<u>(66,972)</u>	<u>(85,981)</u>
<b>Consolidated revenue</b>	<b><u>1,377,988</u></b>	<b><u>1,573,971</u></b>
<b>Adjusted EBITDA</b>	<b>959,830</b>	1,012,111
Other income	<b>5,050</b>	5,970
Interest income	<b>734</b>	17,952
Exchange (loss)/gain	<b>(4,781)</b>	11,999
Corporate staff cost	<b>(73,054)</b>	(63,929)
Corporate overhead	<b>(105,811)</b>	(145,647)
Depreciation	<b>(109,103)</b>	(118,365)
Expenses in relation to the grant of share option	<b>(494)</b>	(2,385)
Impairment losses on trade and other receivables	<b>(874)</b>	(27,799)
Share of results of jointly controlled entities	<b>(435)</b>	(235)
Write off of property, plant and equipment	<b>(11,856)</b>	–
Loss on disposal of property, plant and equipment	<b>(503)</b>	–
Surplus on revaluation of leasehold land and buildings	<b>10,732</b>	4,521
Finance cost	<b>(56,552)</b>	(54,290)
Reversal of bad debts	<b>1,359</b>	–
<b>Profit before taxation</b>	<b>614,242</b>	639,903
<b>Segment assets</b>	<b>21,183,295</b>	19,042,951
Deferred tax assets	<b>6,107</b>	6,107
Loan receivable	<b>406,827</b>	414,820
Available-for-sale investments	<b>4,895</b>	4,572
Unallocated corporate assets	<b>50,138</b>	49,761
<b>Total assets</b>	<b><u>21,651,262</u></b>	<b><u>19,518,211</u></b>
<b>Segment liabilities</b>	<b>4,949,961</b>	3,538,670
Unallocated corporate liabilities	<b>1,874,286</b>	1,836,187
<b>Total liabilities</b>	<b><u>6,824,247</u></b>	<b><u>5,374,857</u></b>

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments other than deferred tax assets, loan receivables, available-for-sale investments and assets used jointly by reportable segments.
- all liabilities are allocated to reportable segments other than the liabilities for which reportable segments are jointly liable.

### *Geographical segment information*

The Group's financial services are located in Hong Kong and the other operations are mainly located in Macau of The People's Republic of China ("PRC").

### *Information about major customers*

Revenue from customers of corresponding years contributing over 10% of total revenue of the Group are as follows:

	<b>1.4.2012 to 31.3.2013 HK\$'000</b>	1.1.2011 to 31.3.2012 HK\$'000
Sociedade De Jogos De Macau, S.A. ( <i>note</i> )	<u><b>523,899</b></u>	<u>613,771</u>

*Note:* Revenue from income from casino

## **5. TAXATION**

	<b>1.4.2012 to 31.3.2013 HK\$'000</b>	1.1.2011 to 31.3.2012 HK\$'000
Current tax:		
Hong Kong profits tax	77,404	85,860
Deferred tax	<u>(3,195)</u>	<u>(2,348)</u>
	<u><b>74,209</b></u>	<u>83,512</u>

- (a) Hong Kong profits tax has been provided for the year ended 31 March 2013 at a rate of 16.5% (fifteen months ended 31 March 2012: 16.5%).
- (b) No provision for Macau Complementary Tax has been made as the subsidiaries operating in Macau have accumulated tax losses to set off against the assessable profit for the year (fifteen months ended 31 March 2012: nil).
- (c) The taxation for the year/period can be reconciled to the profit before taxation per the consolidated income statement as follows:

	<b>1.4.2012 to 31.3.2013 HK\$'000</b>	1.1.2011 to 31.3.2012 HK\$'000
Profit before taxation	<u><b>614,242</b></u>	<u>639,903</u>
Tax calculated at domestic tax rate of 16.5%	<b>101,350</b>	105,584
Effect of different tax rates of subsidiaries operating in other jurisdictions	<b>(11,555)</b>	(13,778)
Tax effect of non-deductible expenses	<b>97,254</b>	107,016
Tax effect of non-taxable income	<b>(119,361)</b>	(113,260)
Deferred tax assets not recognised	<b>7,513</b>	769
Others	<u><b>(992)</b></u>	<u>(2,819)</u>
Taxation for the year/period	<u><b>74,209</b></u>	<u>83,512</u>

*Note:* The tax rates adopted here are 16.5% for those entities operating in Hong Kong and 12% for entities operating in other jurisdictions.

## 6. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging the following:

	<b>1.4.2012 to 31.3.2013 HK\$'000</b>	<b>1.1.2011 to 31.3.2012 HK\$'000</b>
Auditors' remuneration		
— audit services	<b>1,973</b>	1,984
— tax services	<b>70</b>	4
— other services	<b>—</b>	780
Operating lease charges	<b><u>34,897</u></b>	<b><u>32,390</u></b>

## 7. DIVIDEND

No interim dividend was declared for the six months ended 30 September 2012 (six months ended 30 June 2011: HK0.5 cents).

The directors of the Company recommended the payment of final dividend of HK1 cent per share for the year ended 31 March 2013 (fifteen months ended 31 March 2012: HK1 cent per share).

Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year were amounted to HK\$183,645,000 (fifteen months ended 31 March 2012: nil).

## 8. EARNINGS PER SHARE

	<b>1.4.2012 to 31.3.2013 HK cent</b>	<b>1.1.2011 to 31.3.2012 HK cent</b>
Basic earnings per share	<b><u>3.10</u></b>	<b><u>3.69</u></b>
Diluted earnings per share	<b><u>3.10</u></b>	<b><u>3.65</u></b>

### (a) Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	<b>1.4.2012 to 31.3.2013 HK\$'000</b>	<b>1.1.2011 to 31.3.2012 HK\$'000</b>
<b>Profit for the purpose of basic earnings per share</b>	<b><u>537,884</u></b>	<b><u>548,988</u></b>
	<b>1.4.2012 to 31.3.2013</b>	<b>1.1.2011 to 31.3.2012</b>
Weighted average number of ordinary shares	<b>12,101,794,803</b>	10,666,736,006
Weighted average number of non-redeemable convertible preference shares	<b><u>5,250,000,000</u></b>	<b><u>4,223,076,923</u></b>
Weighted average number of shares for the purposes of basic earnings per share	<b><u>17,351,794,803</u></b>	<b><u>14,889,812,929</u></b>

**(b) Diluted earnings per share**

The earnings used in the calculation of diluted earnings per share are the same as those for the basic earnings per share, as outlined above.

The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	<b>1.4.2012 to 31.3.2013</b>	<b>1.1.2011 to 31.3.2012</b>
Weighted average number of ordinary shares used in the calculation of basic earnings per share	<b>17,351,794,803</b>	14,889,812,929
Shares deemed to be issued for no consideration in respect of:		
— Share options	<u>—</u>	<u>167,406,224</u>
	<b><u>17,351,794,803</u></b>	<b><u>15,057,219,153</u></b>

**9. OTHER COMPREHENSIVE INCOME/(LOSS)**

	<b>1.4.2012 to 31.3.2013</b>			<b>1.1.2011 to 31.3.2012</b>		
	<b>Before tax</b>	<b>Tax</b>	<b>After tax</b>	<b>Before tax</b>	<b>Tax</b>	<b>After tax</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Revaluation gain recognised in profit or loss	(10,732)	1,288	(9,444)	—	—	—
Revaluation for the year/period	<u>356,447</u>	<u>(42,774)</u>	<u>313,673</u>	<u>413,738</u>	<u>(122,727)</u>	<u>291,011</u>
Surplus on revaluation of leasehold land and buildings	345,715	(41,486)	304,229	413,738	(122,727)	291,011
Available-for-sale investments						
Unrealised gain/(loss) arising from change in fair value	<u>323</u>	<u>—</u>	<u>323</u>	<u>(1,388)</u>	<u>—</u>	<u>(1,388)</u>
Other comprehensive income	<u>346,038</u>	<u>(41,486)</u>	<u>304,552</u>	<u>412,350</u>	<u>(122,727)</u>	<u>289,623</u>

**10. TRADE AND OTHER RECEIVABLES**

	<b>The Group</b>		<b>The Company</b>	
	<b>31.3.2013</b>	<b>31.3.2012</b>	<b>31.3.2013</b>	<b>31.3.2012</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Trade receivables from financial services segments	<b>6,306,548</b>	4,668,514	—	—
Trade receivables from hotel and gaming segments	<b>63,724</b>	53,653	—	—
Other receivables, deposits and prepayments	<u>38,365</u>	<u>30,248</u>	<u>7,706</u>	<u>8,643</u>
	<b><u>6,408,637</u></b>	<b><u>4,752,415</u></b>	<b><u>7,706</u></b>	<b><u>8,643</u></b>

## Trade receivables from financial services segments

	<b>The Group</b>	
	<b>31.3.2013</b>	31.3.2012
	<b>HK\$'000</b>	HK\$'000
Accounts receivable arising from the ordinary course of business of dealing in securities:		
Cash clients	<b>18,544</b>	19,045
Margin clients:		
Directors of the subsidiaries and their associates	<b>270,289</b>	37,271
Other margin clients	<b>6,032,185</b>	4,623,623
Less: Allowance for doubtful debt	<b>(23,430)</b>	(23,430)
	<b>6,297,588</b>	4,656,509
Brokers and dealers	<b>26</b>	18
Accounts receivable arising from the ordinary course of business of dealing in futures contracts:		
Clearing house	<b>7,539</b>	10,747
Accounts receivable arising from the ordinary course of business of provision of:		
Corporate finance advisory services	<b>1,395</b>	1,240
	<b>6,306,548</b>	4,668,514

The settlement terms of accounts receivable attributable to dealing in securities are two days after trade date, and those of accounts receivable attributable to dealing in futures are one day after the trade date. Except for disclosed as allowance for doubtful debt above, all accounts receivable from cash clients are not past due at the reporting dates for which the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are considered fully recoverable.

No aging analysis is disclosed for receivables from margin clients as, in the opinion of the directors, an aging analysis is not meaningful in view of the business nature of securities dealings and margin financing. Accounts receivable from margin clients are repayable on demand and carry interest at approximately Hong Kong Dollar Prime rate plus 3%. Margin clients are required to pledge securities collateral to the Group in order to obtain credit facilities for securities trading. The amount of credit facilities granted to them is determined by the discounted value of securities accepted by the Group. At 31 March 2013, total market value of securities pledged as collateral in respect of the loan to margin clients was approximately HK\$24,582,215,000 (31 March 2012: HK\$18,550,902,000).

Accounts receivable from clearing houses, brokers, dealers and corporate finance clients are current.

Trading limits are set for customers. The Group seeks to maintain tight control over its outstanding accounts receivable in order to minimise credit risk. Overdue balances are regularly monitored by management.

## Trade receivables from hotel and gaming segments

The Group generally allows an average credit period of 30 days to its customers. The following is an aging analysis of trade receivables at the end of the reporting period:

	<b>The Group</b>	
	<b>31.3.2013</b>	31.3.2012
	<b>HK\$'000</b>	HK\$'000
0–30 days	<b>48,797</b>	45,758
31–60 days	<b>14,042</b>	7,003
61–90 days	<b>590</b>	1,707
Over 90 days	<b>23,679</b>	23,054
	<b>87,108</b>	77,522
Allowance for doubtful debt	<b>(23,384)</b>	(23,869)
	<b>63,724</b>	53,653

The movements of impairment loss on trade receivables of the hotel and gaming segment are as follows:

	<b>The Group</b>	
	<b>31.3.2013</b>	31.3.2012
	<b>HK\$'000</b>	HK\$'000
At beginning of the year/period	<b>23,869</b>	19,500
Impairment loss recognised	<b>874</b>	4,369
Impairment loss reversed	<b>(1,359)</b>	–
At end of the year/period	<b>23,384</b>	23,869

	<b>The Group</b>	
	<b>31.3.2013</b>	31.3.2012
	<b>HK\$'000</b>	HK\$'000
Neither past due nor impaired	<b>48,797</b>	45,467
Past due but not impaired:		
Less than 1 month past due	<b>14,042</b>	6,712
1 to 3 months past due	<b>885</b>	1,474
	<b>14,927</b>	8,186
	<b>63,724</b>	53,653

The balances which are past due but not impaired relate to a number of customers who have a good track record with the Group, or are active during the year/period.

The balances of other classes within trade and other receivables of the Group and of the Company are neither past due nor impaired. They comprise other receivables which are currently aged, and receivables from related companies and group companies which are active during the year/period. Management considers that these related parties have sufficient financial capacities to repay.

The balances of other classes within trade and other receivables of the Group are neither past due nor impaired. Management considers that the credit risk associated with these receivables is minimal.

## 11. TRADE AND OTHER PAYABLES

	<b>The Group</b>		<b>The Company</b>	
	<b>31.3.2013</b>	31.3.2012	<b>31.3.2013</b>	31.3.2012
	<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
Trade payables from financial services segments	<b>778,769</b>	640,306	–	–
Trade payables from hotel and gaming segments	<b>17,095</b>	11,894	–	–
Other payable and accruals	<b>76,218</b>	46,269	<b>13,068</b>	13,320
	<b>872,082</b>	698,469	<b>13,068</b>	13,320

### Trade payables from financial services segments

	<b>The Group</b>	
	<b>31.3.2013</b>	31.3.2012
	<b>HK\$'000</b>	HK\$'000
Accounts payable arising from ordinary course of business of dealing in securities:		
Cash clients	<b>330,128</b>	173,410
Margin clients	<b>416,185</b>	413,976
	<b>746,313</b>	587,386
Dividend payable to clients	<b>2</b>	4
Clearing house	<b>15,783</b>	36,729
Brokers and dealers	<b>1</b>	1
Accounts payable arising from ordinary course of business of dealing in futures contracts:		
Clients	<b>15,352</b>	14,387
Accounts payable arising from ordinary course of business of provision of:		
Corporate finance advisory services	<b>13</b>	14
Assets management services	<b>1,305</b>	1,785
	<b>778,769</b>	640,306

The settlement terms of accounts payable attributable to dealing in securities are two days after the trade date, and those of accounts payable attributable to dealing in futures are one day after trade date.

No aging analysis is disclosed for payables to margin clients as, in the opinion of the directors, an aging analysis is not meaningful in view of the business nature of securities dealings and margin financing.

As at the 31 March 2013, included in accounts payable was an amount of HK\$731,306,000 (31 March 2012: HK\$584,197,000) payable to clients and other institutions in respect of trust and segregated bank balances received and held for clients and other institutions in the course of the conduct of regulated activities.

### Trade payables from hotel and gaming segments

The following is an aging analysis of trade payables at the end of the reporting period:

	<b>The Group</b>	
	<b>31.3.2013</b>	31.3.2012
	<b>HK\$'000</b>	HK\$'000
0–30 days	<b>12,251</b>	11,797
31–60 days	<b>4,484</b>	49
61–90 days	<b>208</b>	29
Over 90 days	<b>152</b>	19
	<hr/>	<hr/>
	<b>17,095</b>	11,894
	<hr/>	<hr/>

## MANAGEMENT DISCUSSION AND ANALYSIS

On behalf of the board of directors (the “Board”) of Kingston Financial Group Limited (the “Company”), I am pleased to announce the result of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 March 2013.

### CHANGE OF FINANCIAL YEAR END DATE IN PRIOR YEAR

As disclosed in the Company’s announcement dated 1 April 2011, the Company has changed its financial year end from 31 December to 31 March. Accordingly, these audited financial statements cover the year ended 31 March 2013 while the comparative figures cover a fifteen-month period from 1 January 2011 to 31 March 2012.

### OVERVIEW

The Group is principally engaged in the provision of a wide range of financial services which include securities underwriting and placements, margin and initial public offering financing, securities brokerage, corporate finance advisory services, futures brokerage and asset management services. The Group also provides entertainment and hospitality services in Macau.

The Group’s turnover was approximately HK\$1,377,988,000 for the year ended 31 March 2013, representing a decrease of 12.5% as compared with approximately HK\$1,573,971,000 for the fifteen months ended 31 March 2012.

The net profit attributable to the Company’s shareholders year ended 31 March 2013 amounted to approximately HK\$537,884,000 (fifteen months ended 31 March 2012: HK\$548,988,000). The basic earnings per share for the year ended 31 March 2013 was HK3.10 cents (fifteen months ended 31 March 2012: HK3.69 cents).



## **BUSINESS AND FINANCIAL REVIEW**

### **Securities Brokerage, Underwriting and Placements**

For the year ended 31 March 2013, the debt crisis in Europe and slowdown in the global economy continued to affect the Hong Kong financial market although there were signs of recovering and the turnover of the stock market has been improving since the fourth quarter of 2012. As a result, the average daily turnover of the stock market in Hong Kong for the year under review was approximately HK\$56.5 billion, representing a decrease of 15% as compared with HK\$66.5 billion for the same period last year.

In addition, the total funds raised of new listings in Hong Kong during the year under review decreased significantly by 65% to HK\$88.4 billion as compared with HK\$251.8 billion for the same period last year. The Group mainly offers trading services in Hong Kong and does not have any representative office in overseas jurisdictions. However, to accommodate the investment need of its clients, the Group arranges dealing and brokerage services in overseas markets including Singapore, Australia, Taiwan, Japan, Korea, Canada, the United States of America and the United Kingdom through brokers which are licensed in the respective jurisdictions. Customers may place orders by telephone as well as via the internet system. The securities brokerage business generates revenue by charging commissions for transactions executed through the trading platform provided by the Group.

Securities underwriting and placement services is one of the main revenue streams of the Group. The Group undertakes the origination, structuring and marketing of placements of equity and equity-related securities. It also provides comprehensive solutions to clients' financing needs. The Group has successfully undertaken the roles of placing agents and underwriters for listed companies in a wide range of industries.

During the year, this segment recorded revenue of approximately HK\$150,578,000 (fifteen months ended 31 March 2012: HK\$179,787,000) which accounted for 24% (fifteen months ended 31 March 2012: 26%) of the Group's financial service segment revenue.

### **Margin and IPO Financing**

Margin and IPO financing services are provided by the Group to complement its securities brokerage business. Margin financing is made available to clients who have opened margin accounts with the Group to purchase securities with funds borrowed from it to leverage their investments. IPO financing is the grant of loans to clients for subscriptions of shares relating to an IPO.

During the year, revenue generated from the margin and IPO financing segment amounted to approximately HK\$453,410,000 (fifteen months ended 31 March 2012: HK\$489,762,000), accounted for 74% (fifteen months ended 31 March 2012: 71%) of the Group's financial service segment revenue.

### **Corporate Finance Advisory services, Futures Brokerage and Asset Management**

Complementing the securities brokerage, underwriting and placements, and margin and IPO financing, the Group also provides a full range of financing services to its clients including corporate finance advisory services, futures brokerage and asset management.

The Group holds licence under the Securities and Futures Ordinance to engage in advising on corporate finance activities. The scope of services provided includes advising on corporate finance transactions, sponsoring IPOs and advising clients on financing strategies in the context of mergers and acquisitions, equity fund raising exercises, takeovers and other notifiable transactions.

The Group provides brokerage services for index futures trading on the Futures Exchange. Clients can place orders on the internet in addition to telephone. In addition, After Hours Futures Trading has been launched on 8 April 2013.

The Group also provides portfolio management services. The asset management business generates revenue by charging management fees and incentive fees based on the amount of assets under management, and returns of portfolios, respectively.

During the year, this segment recorded revenue of approximately HK\$12,980,000 (fifteen months ended 31 March 2012: HK\$20,498,000) which accounted for 2% (fifteen months ended 31 March 2012: 3%) of the Group's financial service segment revenue.

### **Goodwill Impairment Assessment**

Goodwill was arisen upon the Group's acquisition of financial services business completed in April 2011. An independent professional valuer was engaged to perform impairment assessment on the goodwill. It was found that the recoverable amount of all 3 cash generating units, namely the Placing and Underwriting segment, the Margin and IPO Financing segment and the Corporate Finance segment, exceed their respective carrying amount. Under these circumstances, no impairment on the goodwill is considered necessary.

### **Hotel Business**

The Group's hotel operation, mainly comprised of hotel rooms, food and beverage sale and other rental income, continued to provide solid return to the Group. The revenue for the year ended 31 March 2013 amounted to approximately HK\$218,220,000 (fifteen months ended 31 March 2012: HK\$258,121,000). Hotel business contributed 29% (fifteen months ended 31 March 2012: 29%) of the total hotel and gaming business turnover. During the year under review, the average occupancy rate of the two hotels was approximately 79%. The potential of newly renovated guest rooms were nearly fully realised and reflected in the current year's room rates and occupancy rates.

### **Gaming Business**

The Group's casino operation is run by the licence holder Sociedade de Jogos de Macau, S.A.. The two casinos consistently provided solid contributions to the Group in line with the rapid development of the gaming industry in Macau. To retain quality customers and attract potential ones, the Group strengthened its membership programmes and provided a variety of incentives for members to increase their spending in the casinos as well.

Casino revenue, including gaming revenue and food and beverage sale in casino, amounted to approximately HK\$542,800,000 for the year ended 31 March 2013 (fifteen months ended 31 March 2012: HK\$625,803,000). Casino revenue accounted for 71% (fifteen months ended 31 March 2012: 71%) of total hotel and gaming business turnover.

As at 31 March 2013, the Group has 61 tables in the 2 mass market halls, 11 tables in the 2 self-managed VIP rooms and 255 slot machines and 140 live baccarat machines in the 2 electronic gaming halls. The live baccarat machines at Casa Real newly opened in October 2012 brought additional crowd to the property, achieving synergy with the slot machines business as well.

### **Trading of listed securities**

Approaching end of year 2012, the global equity market experienced strong rebound and the market value of the trading securities held by the Group during the year under review recorded a slight revaluation deficit approximately HK\$759,000 (fifteen months ended 31 March 2012: deficit of HK\$15,817,000). As at 31 March 2013, the Group was holding trading securities of approximately HK\$50,121,000 in market value.

### **Inventory consumed**

Inventory consumed represents the cost of guest supplies and food and beverage consumed upon provision of accommodation and catering services to the customers. During the year under review, it amounted to approximately HK\$22,697,000 (fifteen months ended 31 March 2012: HK\$26,307,000).

### **Staff costs**

Staff costs amounted to approximately HK\$169,226,000 (fifteen months ended 31 March 2012: HK\$165,109,000), the increase was mainly due to additional staff employed. Remuneration packages commensurate with employees' qualification and experience were provided to retain good employees in the Group as well as to hire potential talents.

### **Gaming commission**

Gaming commission represents amount paid as an incentive for attract customers. The commission paid by the Group was in line with market level. During the year under review, it amounted to approximately HK\$170,827,000 (fifteen months ended 31 March 2012: HK\$233,623,000).

### **Administrative expenses**

Administrative expenses mainly consist of rent and rates, legal and professional fees, advertising and promotion expenses and Macau property tax. During the year under review, it amounted to approximately HK\$122,688,000 (fifteen months ended 31 March 2012: HK\$131,832,000).

## **Other operating expenses**

Other operating expenses mainly consist of operating expenses for hotel rooms and gaming facilities. During the year under review, it amounted to approximately HK\$64,334,000 (fifteen months ended 31 March 2012: HK\$61,681,000). The increase was mainly due to certain staff associated welfare improvement during the year.

## **Finance cost**

During the year under review, finance cost represents the effective interest expense on promissory notes. It amounted to approximately HK\$56,552,000 (fifteen months ended 31 March 2012: HK\$54,290,000).

## **FUTURE PROSPECTS**

Looking forward, the expectations of the sustained exceptionally low interest rate environment in the Euro-Zone and the U.S., as well as the implementation of the loose monetary policies, will constantly enhance global capital mobility. In Asia, the Japanese yen weakened as the Bank of Japan expanded the quantitative easing strategy to improve the economic contraction. Meanwhile, the central banks of Australia, Korea and Vietnam, etc, all cut their key interest rates to boost economic growth, further strengthening the liquidity in the Asia-Pacific region.

However, the global economic outlook remained uncertain as the Euro-Zone was still subject to downside risks, and the U.S. is struggling with large debt burdens caused by the excessive fiscal consolidation. Generally speaking, the tensions in financial markets may gradually subside, leading to the recovery in the global market. Moreover, with the recent decline in the sovereign bond yield of the Euro periphery countries, global investors may continue their pursuit of risky assets, especially equities, posting high fund inflows to the emerging markets.

China's economy restored growth in Q4 2012, reporting a year-on-year GDP growth of 7.8% for the whole year, moving towards a soft landing. New China leaders' acceleration in urbanization would support the sustainable economic growth in the country. At the same time, the China Securities Regulatory Commission (CSRC) further raised the quotas for QFII and RQFII, and attempted pilot programs in Taiwan, enabling greater investment flexibility. Also, CSRC still encourages the development of cross-border financial services, as well as the overseas listing of domestic firms. In the hope of having QDII2 to be launched this year, more opportunities may arise in the Hong Kong equity market.

## **Financial services segments**

Facing with uncertainty and ever-growing market competition, the Group endeavours to maintain its competitive leading position as a one-stop financial services to its clients.

The Group has achieved an impressive performance for its securities underwriting and placements, margin and IPO financing and securities brokerage businesses during the year under review. Leveraging the long-established reputation and a strong client base, the Group will further reinforce the foundation in these key revenue generating businesses by recruiting qualified professionals, improving the trading infrastructure and delivering more value-added services to its clients.

The Group will continue to leverage its strong equity capital markets (“ECM”) client base to capture the market share in corporate finance advisory business. The Group will also continually pursue opportunities to gain exposure to various types of corporate transactions and actively explore potential business with the existing ECM clients. It will deploy more resources and experienced personnel to cope with the potential growth of its corporate finance advisory business.

### **Hotel and gaming segments**

The Group continuously pursues various marketing and promotion activities through the comprehensive membership programmes. Our guests enjoy impressive services within the Group’s properties with the use of our casino package. In view of the consistent growth in membership base of the programmes, the Group will further enhance the programmes to attract new customers.

The newly renovated guest rooms have proved to be in popular demand and the Group will continue to invest in this area to pave the way for revenue enhancement. The Group will also further strengthen its relationship with travel agencies and offer packages and joint promotions with business partners so as to broaden the scope of customers of the two hotels.

Active floor management will continuously be in place in the electronic gaming halls of the Group’s casinos, bringing extra revenue to the gaming segment.

### **LIQUIDITY, FINANCIAL RESOURCES AND FUNDING**

As at 31 March 2013 the shareholders’ fund and net current assets of the Group amounted to approximately HK\$14,813,577,000 (31 March 2012: HK\$14,132,065,000) and approximately HK\$1,128,243,000 (31 March 2012: HK\$1,626,972,000) respectively. On the same date, the Group had cash and bank balances of approximately HK\$188,102,000 (31 March 2012: HK\$145,172,000) and the current ratio was 1.2 (31 March 2012: 1.4).

As at 31 March 2013, the Group had bank borrowings of approximately HK\$150,000,000 (31 March 2012: HK\$981,000,000), amounts due to shareholders of approximately HK\$1,661,111,000 (31 March 2012: HK\$1,924,411,000), loan from a related company of approximately HK\$2,289,821,000 (31 March 2012: HK\$16,017,000), promissory notes of approximately HK\$961,200,000 (31 March 2012: HK\$924,648,000) and subordinated loans of approximately HK\$700,000,000 (31 March 2012: HK\$700,000,000). On the same date, the net gearing ratio, measured on the basis of total borrowings less bank and cash balances over net assets, was 38% (31 March 2012: 31%).

The following table details the Cash and bank balances — general account and bank loans of the Group at the end of the reporting year/period denominated in original currencies:

	2013							
	HKD (‘000)	CNY (‘000)	USD (‘000)	JPY (‘000)	SGD (‘000)	GBP (‘000)	AUD (‘000)	MOP (‘000)
Cash and bank balances								
— general account	159,030	4,425	358	100	46	8	6	19,740
Bank loans	<u>150,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	2012							
	HKD (‘000)	CNY (‘000)	USD (‘000)	JPY (‘000)	SGD (‘000)	GBP (‘000)	AUD (‘000)	MOP (‘000)
Cash and bank balances								
— general account	123,920	6,492	4,551	100	373	8	2	6,917
Bank loans	<u>981,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

## CONTINGENT LIABILITIES

No material contingent liabilities of the Group were noted as at 31 March 2013.

## CAPITAL STRUCTURE

During the year ended 31 March 2013, certain consultants exercised their options to subscribe for 71,236,000 new shares of HK\$0.02 each of the Company. The proceeds from the exercise of options amounted to approximately HK\$22,227,000.

## FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK1 cent per Share for the year ended 31 March 2013 (“Final Dividend”), amounting to approximately HK\$173,645,000. The proposed Final Dividend is subject to approval by the Shareholders at the AGM and a resolution will be proposed to the Shareholders for voting at the AGM. If the resolution for the proposed Final Dividend is passed at the AGM, the proposed Final Dividend will be payable on or about 10 September 2013 to the Shareholders whose names appear on the register of members of the Company on 28 August 2013.



## **CLOSURE OF REGISTER OF MEMBERS**

### **For ascertaining shareholders' right to attend and vote at AGM**

Latest time to lodge transfers	4:30 p.m. on 16 August 2013 (Friday)
Book close date	19 August 2013 (Monday) to 20 August 2013 (Tuesday)
Record date	20 August 2013 (Tuesday)
AGM	20 August 2013 (Tuesday)

### **For ascertaining shareholders' entitlement to the proposed Final Dividend**

Latest time to lodge transfers	4:30 p.m. on 26 August 2013 (Monday)
Book close date	27 August 2013 (Tuesday) to 28 August 2013 (Wednesday)
Record date	28 August 2013 (Wednesday)
Final Dividend payment date	10 September 2013 (Tuesday)

In order to qualify for the right to attend and vote at the AGM and for the proposed Final Dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Abacus Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wan Chai, Hong Kong before the above latest time to lodge transfers.

## **MAJOR CUSTOMERS AND SUPPLIERS**

The aggregate sales attributable to the Group's five largest customers were approximately 42% of the Group's total revenue and the revenue attributable to the Group's largest customer were approximately 38% of the Group's total revenue for the year.

The aggregate purchases and service received during the year ended 31 March 2013 attributable to the Group's five largest suppliers were less than 30% of the Group's total purchases and service received.

At no time during the year ended 31 March 2013 did a Director, an associate of a Director or a shareholder of the Company, which to the knowledge of the Directors, owns more than 5% of the Company's issued share capital, have an interest in the share capital of any of the five largest customers of the Group.

## **EMPLOYEES**

As at 31 March 2013, the Group employed a total of approximately 880 staff. The total staff cost for the year ended 31 March 2013 was approximately HK\$169,226,000 (31 March 2012: HK\$165,109,000). The employees' remuneration, promotion and salary adjustment are assessed based on their work performance, working and professional experiences and the prevailing market condition.

## **PLEDGE OF ASSETS**

As at 31 March 2013, the Group had pledged clients' securities at a value of approximately HK\$24,582,215,000 (31 March 2012: HK\$18,550,902,000) to secure certain banking facilities provided to the Group.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

During the year under review, no material acquisition or disposal was conducted by the Group.

## **FOREIGN CURRENCY EXPOSURE**

As the Group's hotel revenues are mostly denominated in Macau Patacas ("MOP"), and given the exchange rate of MOP has been fairly stable, its exposure to exchange rate risk is considered to be limited.

The Group's financial service businesses and gaming revenue are mainly denominated in Hong Kong Dollars and hence no significant exchange rate risk is identified.

The Group is exposed to foreign currency risk primarily through loan receivable that are denominated in a currency other than its functional currency. The currency giving rise to this risk to the Group is primarily Canadian dollars. The Group currently does not have a foreign currency hedging policy. However, the management monitors the foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

## **REVIEW BY AUDIT COMMITTEE**

The audit committee of the Company (the "Audit Committee") meets the external auditors at least twice a year to discuss any areas of concerns during the audits. The Audit Committee reviews the interim and annual reports before submission to the Board. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Rules Governing the Listing of Securities (the "Listing Rules") and the legal requirements in relation to financial reporting in the review of the Company interim and annual reports.

## **CORPORATE GOVERNANCE**

The Group had complied with the code provisions set out in the Corporate Governance Code (the "Code") contained in Appendix 14 of the Listing Rules on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the year ended 31 March 2013, except that the independent non-executive directors are not appointed for specific terms but are still subject to re-election at the annual general meeting of the Company in accordance with the provisions of the Company's bye-laws. On 1 April 2013, each of them has been appointed for an initial term of one year.



## **PUBLICATION OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE**

The Company's 2013 annual report, as well as the announcement of final results, containing the relevant information required by the Listing Rules will be published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the Company's website (<http://www.kingston.com.hk>) in due course.

By order of the Board  
**Kingston Financial Group Limited**  
**Chu, Nicholas Yuk-yui**  
*Chairman*

Hong Kong, 25 June 2013

*As at the date of this announcement, the executive directors of the Company are Mr. Chu, Nicholas Yuk-yui (Chairman) and Mrs. Chu Yuet Wah (Chief Executive Officer) and the independent non-executive directors of the Company are Dr. Wong Yun Kuen, Mr. Lau Man Tak and Mr. Yu Peter Pak Yan.*