

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Kingston Financial Group Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



金利豐金融集團有限公司
KINGSTON FINANCIAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 01031)

(1) GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES
(2) RE-ELECTION OF DIRECTORS
(3) ADOPTION OF THE NEW SHARE OPTION SCHEME
AND TERMINATION OF THE EXISTING SHARE OPTION SCHEME
AND
(4) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of the Company (the “2013 AGM”) to be held at Suite 2801, 28th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong on 20 August 2013 at 11:00 a.m. is set out on pages 26 to 30 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk and the Company at www.kingston.com.hk.

Whether or not you are able to attend the 2013 AGM, you are requested to complete the accompanying form of proxy for use at the 2013 AGM in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meetings should you so wish.

19 July 2013

CONTENT

	<i>Page</i>
Definitions	1
Letter from the Board	5
Appendix I — Details of Retiring Directors Proposed to be Re-elected at the 2013 AGM	11
Appendix II — Explanatory Statement	14
Appendix III — Summary of the principal terms of the New Share Option Scheme	17
Notice of 2013 AGM	26

DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“2012 AGM”	the annual general meeting of the Company held on 17 August 2012
“2013 AGM”	the 2013 annual general meeting of the Company to be held at Suite 2801, 28th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong on 20 August 2013 at 11:00 a.m., notice of which is set out on pages 26 to 30 of this circular
“Adoption Date”	the date on which the New Share Option Scheme is adopted, conditionally or unconditionally, by the resolution of the Shareholders at the general meeting
“associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors or a duly authorised committee thereof
“Business Day”	any day on which the Stock Exchange is open for business of dealing in securities
“Bye-laws”	the bye-laws of the Company
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Kingston Financial Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Connected Person(s)”	has the meaning as defined in the Listing Rules
“Contract”	in relation to an employee or a director, his/her contract of employment or service contract or terms of employment with his/her Employer (as amended from time to time), whether or not such contract is written or oral and comprised in one or more documents
“Controlling Shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company, and in relation to the New Share Option Scheme, the directors of any Eligible Entity, including executive and non-executive director(s)

DEFINITIONS

“Eligible Entity”	the Company and its subsidiaries (as defined in the Companies Ordinance), and any entity (including associated company) in which the Company, or any of its subsidiaries holds any equity interest
“Employer”	in relation to a Participant, the Eligible Entity which employs or has appointed him/her under his/her Contract
“Existing Share Option Scheme”	the share option scheme adopted by the Company on 7 June 2004
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Non-Executive Director”	in relation to any company, a person who from time to time is an independent non-executive director of that company within the meaning of the Listing Rules
“Issue Mandate”	a general and unconditional mandate to the Directors to allot and issue and deal with additional Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the 2013 AGM
“Latest Practicable Date”	16 July 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“New Share Option Scheme”	the share option scheme proposed to be adopted by the Shareholders at the 2013 AGM
“Notice”	the notice of the 2013 AGM set out on pages 26 to 30 of this circular
“Offer Date”	in relation to an Option, the date (which must be a Business Day) on which a Participant is offered such Option
“Option”	as the context may require, in relation to the New Share Option Scheme or the Existing Share Option Scheme, a right granted under the New Share Option Scheme or the Existing Share Option Scheme (as the case may be) to subscribe for Shares in accordance with the New Share Option Scheme or the Existing Share Option Scheme (as the case may be)

DEFINITIONS

“Option-holder”	a person holding an Option (and, where relevant, includes his personal representatives)
“Option Period”	in relation to an Option, the period, which is notified by the Board when making an offer to a Participant, during which the Option may be exercised, such period must not exceed the period of 10 years from the Offer Date of such Option
“Option Price”	in respect of any Option granted under the New Share Option Scheme, the subscription price for each Share payable by the Option-holder on exercise of the Option as determined by the Board and notified to an Option-holder in accordance with the Rules
“Other Scheme(s)”	any other share option scheme(s) involving the grant by the Company or any of its subsidiaries of options over new securities issued by the Company or any of its subsidiaries established by the Company or any of its subsidiaries in accordance with Chapter 17 of the Listing Rules or any other share option scheme(s) which is determined by the Stock Exchange to be analogous to a share option scheme as described in Chapter 17 of the Listing Rules (including the Existing Share Option Scheme)
“Participant”	any person who is (or will be on and following the Offer Date) an employee (whether full time or part time) holding salaried office or employment under a Contract with an Eligible Entity or is a Director (including executive and non-executive directors) of an Eligible Entity or any adviser, consultant, agent, contractor, customer and supplier of any member of the Group or any Eligible Entity whom the Board in its sole discretion considers eligible for the New Share Option Scheme on the basis of his or her contribution to the Group
“PRC”	The People’s Republic of China
“Repurchase Mandate”	a general and unconditional mandate to the Directors to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the 2013 AGM
“Rules”	the rules of the New Share Option Scheme
“SFO”	The Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holders of Share(s) in issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$ and cents”	Hong Kong dollar and cents respectively, the lawful currency of Hong Kong
“%”	per cent



金利豐金融集團有限公司
KINGSTON FINANCIAL GROUP LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 01031)

Executive Directors:

Mr. Chu, Nicholas Yuk-yui (*Chairman*)
Mrs. Chu Yuet Wah (*Chief Executive Officer*)

Independent Non-executive Directors:

Dr. Wong Yun Kuen
Mr. Lau Man Tak
Mr. Yu Peter Pak Yan

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Principal place of business
in Hong Kong:*

Suite 2801, 28th Floor
One International Finance Centre
1 Harbour View Street
Central
Hong Kong

19 July 2013

(1) GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES
(2) RE-ELECTION OF DIRECTORS
(3) ADOPTION OF THE NEW SHARE OPTION SCHEME
AND TERMINATION OF THE EXISTING SHARE OPTION SCHEME
AND
(4) NOTICE OF ANNUAL GENERAL MEETING

To Shareholders,

Dear Sirs or Madams,

INTRODUCTION

The purpose of this circular is to provide you with details in respect of (i) the grant of general mandates to Directors to issue and repurchase Shares; (ii) the re-election of Directors; (iii) details of the New Share Option Scheme; and (iv) to give you notice of the 2013 AGM.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the 2012 AGM, general mandates were granted to the Directors to (i) allot, issue and deal with additional Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at that date, and (ii) repurchase the Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at that date, at any time until the next annual general meeting or such earlier period as stated in the relevant ordinary resolutions. Such general mandates will be expired after the conclusion of the 2013 AGM and therefore, the ordinary resolutions numbered 7A, 7B and 7C will be proposed at the 2013 AGM to grant new general mandates to the Directors (i) to allot, issue and otherwise deal with additional Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the relevant resolution and the extension of the aforesaid mandate by addition thereto the number of Shares repurchased pursuant to the proposed general mandate for repurchase of Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the relevant resolution as described below, and (ii) to repurchase Shares with total nominal amount not exceeding 10% of the total fully paid-up nominal amount of the share capital of the Company in issue at the date of passing the relevant resolution, at any time during the period ending on the earlier of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or its Bye-laws or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in the general meeting of the Company.

As at the Latest Practicable Date, the number of Shares in issue was 12,114,480,666 Shares. On the basis that no further Shares will be issued or repurchased prior to 2013 AGM, (i) the Issue Mandate would enable the Company to allot, issue and deal with a maximum of 2,422,896,133 Shares, and (ii) the Repurchase Mandate would enable the Company to repurchase a maximum of 1,211,448,066 Shares.

The purpose of the grant of the general mandate to the Directors to allot, issue and deal with additional Shares is to enable the Directors to capture right timing of the securities market to widen the capital base of the Company. The Directors believe that the grant of the general mandates is in the interests of the Company and the Shareholders. As at the Latest Practicable Date, the Directors have no present intention to issue or repurchase any Shares under the general mandates to be sought at the 2013 AGM.

An explanatory statement required under Rule 10.06(1)(b) of the Listing Rules containing all the information reasonably necessary to enable the Shareholders to make an informed decision on whether the vote for or against the ordinary resolutions in relation to the Repurchase Mandate is set out in Appendix II to this circular.

RE-ELECTION OF DIRECTORS

In accordance with the bye-law 87(1) of the Bye-laws, Mrs. Chu Yuet Wah and Mr. Lau Man Tak, shall retire at the 2013 AGM and, being eligible, will offer themselves for re-election at the 2013 AGM.

LETTER FROM THE BOARD

Details of the above retiring Directors to be re-elected at the 2013 AGM are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

PROPOSAL FOR ADOPTION OF THE NEW SHARE OPTION SCHEME AND TERMINATION OF EXISTING SHARE OPTION SCHEME

Existing Share Option Scheme

The Existing Share Option Scheme was adopted on 7 June 2004 and it will expire on 6 June 2014. The Existing Share Option Scheme is the only share option scheme of the Company. As at the Latest Practicable Date, the Company has no outstanding Options granted and not yet exercised under the Existing Share Option Scheme and the Board has no present intention to grant any Option under the Existing Share Option Scheme up to the date of the 2013 AGM. Up to the Latest Practicable Date, the numbers of Options granted, exercised, cancelled and lapsed under the Existing Share Option Scheme amount to 911,578,867, 233,171,500, 47,816,619 and 630,590,748, respectively. As the Existing Share Option Scheme will expire on 6 June 2014, the Board proposes for the approval of the Shareholders at the 2013 AGM to adopt the New Share Option Scheme and, subject to approval and adoption of the New Share Option Scheme by the Shareholders at the 2013 AGM, terminate the Existing Share Option Scheme.

As at the Latest Practicable Date, the Company had 5,250,000,000 convertible preference shares conferring rights to subscribe for 5,250,000,000 new Shares. Save as disclosed above, as at the Latest Practicable Date, the Company had no outstanding options, warrants and convertible securities which confer any rights to subscribe for, convert or exchange into the Shares.

New Share Option Scheme

At the 2013 AGM, an ordinary resolution will be proposed for the Company to approve and adopt the New Share Option Scheme, which will take effect on the date of its adoption at the 2013 AGM subject to the Stock Exchange granting approval for the listing of and dealing in the shares to be issued and allotted pursuant to the exercise of options in accordance with the terms and conditions of the New Share Option Scheme.

The purpose of the New Share Option Scheme is to enable the Company to grant Options to the Participants in recognition of their contribution to the Group.

Assuming that there is no further change in the issued share capital between the period from the Latest Practicable Date to the Adoption Date, and the number of Shares issuable pursuant to the New Share Option Scheme on the Adoption Date will be 1,211,448,066 Shares.

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the Option value have not been determined. Such variables include but are not limited to the exercise

LETTER FROM THE BOARD

price, exercise period, lock-up period (if any). The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful to Shareholders.

None of the Directors is trustee of the New Share Option Scheme or has a direct or indirect interest in the trustee.

With respect to the operation of the New Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

Conditions precedent of the New Share Option Scheme

The adoption of the New Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution to adopt the New Share Option Scheme by the Shareholders; and
- (b) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares which may fall to be issued by the Company pursuant to the exercise of Options in accordance with the terms of the New Share Option Scheme.

Subject to the obtaining of Shareholders' approval with respect to the adoption of the New Share Option Scheme at the 2013 AGM, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any Other Schemes must not in aggregate exceed 10 per cent. of the total issued capital of the Company as at the Adoption Date unless the Company obtains a fresh approval from Shareholders to renew the 10 per cent. limit on the basis that the maximum number of Shares in respect of which Options may be granted under the New Share Option Scheme together with any Options outstanding and yet to be exercised under the New Share Option Scheme and any Other Schemes must not exceed 30 per cent. of the issued share capital of the Company from time to time.

A summary of the principal terms of the New Share Option Scheme which is proposed to be approved and adopted by the Company at the 2013 AGM is set out in the Appendix III to this circular on pages 17 to 25. A copy of the rules of the New Share Option Scheme is available for inspection at the Company's principal place of business in Hong Kong at Suite 2801, 28th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong during normal business hours from the date hereof up to and including the date of the 2013 AGM.

In accordance with the requirements of the Listing Rules, the Company will publish an announcement on the outcome of the 2013 AGM in respect of the resolution relating to the adoption of the New Share Option Scheme on the website of the Stock Exchange.

LETTER FROM THE BOARD

APPLICATION FOR LISTING

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

2013 AGM

The notice of the 2013 AGM is set out on pages 26 to 30 of this circular. At the 2013 AGM, ordinary resolutions will be proposed for the Shareholders to consider and, if thought fit, among other things, to approve (i) the grant of general mandates to Directors to issue and repurchase Shares; and (ii) the re-election of the Directors.

A form of proxy for use at the 2013 AGM is sent to the Shareholders together with this circular. Whether or not the Shareholders are able to attend the 2013 AGM, the Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time for holding of the 2013 AGM or adjournment thereof.

Completion and return of the form of proxy will not preclude the Shareholders from attending and voting at the 2013 AGM should the Shareholders so wish.

All the resolutions proposed to be approved at the 2013 AGM will be taken by poll save that the chairman of the 2013 AGM may in good faith, allow resolutions which relate purely to a procedural or administrative matter to be voted on by a show of hands in which case every Shareholder present in person (or being a corporation, is present by a duly authorised representative) or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Shareholder which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. An announcement will be made by the Company after the 2013 AGM on the results of the 2013 AGM.

RESPONSIBILITY STATEMENT

This circular, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Board believes that the grant of general mandates to Directors to issue and repurchase Shares, the re-election of Directors and the adoption of the New Share Option Scheme are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the 2013 AGM.

LETTER FROM THE BOARD

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at Suite 2801, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong from the date of this circular up to and including the date of 2013 AGM:

- the annual reports of the Group for the year ended 31 March 2013 and the fifteen months ended 31 March 2012.

GENERAL

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the 2013 AGM.

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation. Your attention is drawn to the information set out in appendices to this circular.

Yours faithfully
By Order of the Board of
Kingston Financial Group Limited
Chu, Nicholas Yuk-yui
Chairman

Pursuant to the Listing Rules, details of the Directors who will retire at the conclusion of the 2013 AGM according to the Bye-laws and, being eligible, will offer themselves for re-election are provided below:

EXECUTIVE DIRECTOR

Mrs. Chu Yuet Wah

Mrs. Chu, aged 54, is the Chief Executive Officer and an Executive Director of the Company. She is the co-founder of Kingston group of companies and is very experienced in the financial services industry. She has also been involved in gaming entertainment related services and has profound knowledge in the development of the gaming entertainment industry in Macau. She is the Member of National Committee of Chinese People's Political Consultative Conference, Vice Chairman of Hong Kong Committee of the Chinese People's Political Consultative Conference (Provincial) Member Association Foundation, Vice Chairman of The Chamber of Hong Kong Listed Companies, Chairman of The Institute of Securities Dealers Limited, Chairman of Hong Kong Securities Professionals Association, Director of China Red Cross Jet Li One Foundation, Vice Chairman of Po Leung Kuk, Chairman of Federation of Hong Kong Guangdong Community Organizations, Chairman of Aplichau Promotion of Tourism Association, School Manager of Aplichau KaiFong Primary School, Chairman of The Aplichau KaiFong Welfare Association, Honorary President of Hong Kong Federation of Women, Vice President of The Tung Koon District General Association, President of the Women's Community of Tung Koon General Association and Honorary Vice President of The Hong Kong Girl Guides Association. She received an Honorary Doctorate of Philosophy in Business Management degree from York University, the U.S.A. and holds a Bachelor of Science in Management degree from Golden Gate University, the U.S.A.. Mrs. Chu is currently the chairman and executive director of Sincere Watch (Hong Kong) Limited which is a company listed on the Main Board of Stock Exchange. She is the spouse of Mr. Chu, Nicholas Yuk-yui and she joined the Group in April 2005.

Save as disclosed above and also being director of various subsidiaries of the Group, Mrs. Chu did not held directorships in any other listed companies or any other major appointments and qualifications in the last three years and does not have any relationships with any Directors, senior management or substantial or controlling Shareholder. As at the Latest Practicable Date, Mrs. Chu has the following interests in the securities of the Company within the meaning of Part XV of the SFO:

- (a) 6,785,639,895 Shares, of which (i) 1,894,699,896 Shares were held by Sure Expert Limited; (ii) 15,939,999 Shares were held by Kingston Capital Limited; and (iii) 4,875,000,000 Shares were held by Active Dynamic Limited. Both Sure Expert Limited and Active Dynamic Limited are wholly owned by Mrs. Chu whereas Kingston Capital Limited is controlled by Mrs. Chu.
- (b) 5,250,000,000 convertible preference shares conferring rights to subscribe for up to HK\$4,200,000,000 in aggregate in cash for 5,250,000,000 new Shares at the conversion price of HK\$0.80 (subject to adjustments) per Share held by Active Dynamic Limited.

Saved as disclosed above, Mrs. Chu does not have any interests in the securities of the Company within the meaning of Part XV of the SFO.

Mrs. Chu has entered into a service contract with the Company for an initial term of three years which commenced from 1 April 2011, and will continue thereafter until terminated by either party by giving not less than six months' written notice. She will be subject to retirement by rotation and reelection at the general meetings of the Company. Mrs. Chu's remuneration has been fixed at approximately HK\$16,250,000 per annum with discretionary bonus, which is determined by the Board with reference to her duties, performance and responsibilities within the Company, the Company's remuneration policy and the prevailing market conditions. Save as disclosed above, the Board is not aware of any matter in relation to Mrs. Chu that is required to be disclosed pursuant to paragraphs (h) to (w) of Rule 13.51(2) of the Listing Rules or any other matter that needs to be brought to the attention of the holders of securities of the Company in relation to Mrs. Chu's re-election.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Lau Man Tak

Mr. Lau, aged 43, holds a bachelor degree in Accountancy from the Hong Kong Polytechnic University. He has more than 15 years of experience in corporate finance, accounting and auditing. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom, an associate member of the Hong Kong Institute of Certified Public Accountants, a member of the Hong Kong Securities Institute and a fellow member of Hong Kong Institute of Directors. He is currently an executive director, the chairman, compliance officer and substantial shareholder of Aurum Pacific (China) Group Limited, which is a company listed on the Growth Enterprise Market of the Stock Exchange, an independent non-executive director of Sincere Watch (Hong Kong) Limited, Climax International Company Limited, Kong Sun Holdings Limited and AMCO United Holdings Limited, which are companies listed on the Main Board of the Stock Exchange. He was also an executive director of China Grand Forestry Green Resources Group Limited (presently known as China Sandi Holdings Limited) from April 2010 to September 2012, which is a company listed on the Main Board of the Stock Exchange. He joined the Group in October 2005.

Save as disclosed above, Mr. Lau has not held directorships in any other listed companies in the last three years. Mr. Lau does not have any relationships with any Directors, senior management, substantial or controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Lau does not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Lau has executed a letter of appointment with the Company for a term of one year which commenced on 1 April 2013, and subject to compliance with relevant requirements of the Listing Rules, and will continue thereafter until terminated by either party by giving not less than three months' written notice. He will be subject to retirement by rotation and reelection at annual general meeting of the Company in accordance with the bye-laws of the Company. Mr. Lau received a remuneration of approximately HK\$100,000 for the year ended

31 March 2013. His remuneration after the re-election will be determined by the remuneration committee of the Company with reference to his duties and responsibilities with the Company. Save as disclosed above, the Board is not aware of any matter in relation to Mr. Lau that is required to be disclosed pursuant to paragraphs (h) to (w) of Rule 13.51(2) of the Listing Rules or any other matter that need to be brought to the attention of the holders of securities of the Company in relation to Mr. Lau's re-election.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to the Shareholders for their consideration of the Repurchase Mandate.

REPURCHASE MANDATE

The following is the explanatory statement required to be sent to the Shareholders under the Listing Rules relating to an ordinary resolution to be proposed at the 2013 AGM to be held on 20 August 2013, to approve a general and unconditional mandate to be given to the Directors to exercise the powers of the Company to repurchase, at any time until the next annual general meeting of the Company or such earlier period as stated in the ordinary resolution, Shares of HK\$0.02 each in the capital of the Company, up to a maximum of 10% of the aggregate nominal amount of issued share capital of the Company as at the date of passing the resolution.

The Directors believe the Repurchase Mandate is in the interests of the Company and the Shareholders, and accordingly recommend the Shareholders to vote in favour of the relevant resolution to be proposed at the 2013 AGM.

SHARE CAPITAL

As at the Latest Practicable Date, the number of Shares in issue was 12,114,480,666 Shares. On the basis that no further Shares will be issued or repurchased prior to the 2013 AGM, the exercise of the Repurchase Mandate in full would enable the Company to repurchase a maximum of 1,211,448,066 Shares.

REASONS FOR REPURCHASE

Repurchase of Shares will only be made if the Directors believe that such repurchase will be in the best interests of the Company and the Shareholders. Such repurchase may, depending on market conditions and funding arrangement at the time, lead to an enhancement of the net asset value of the Company and/or earnings per share.

FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Company's constitutive documents and the laws of Bermuda in which the Company was incorporated.

The Company shall not repurchase Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

There might be a material adverse impact on the working capital and/or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 March 2013, being the date to which the latest published audited financial statements of the Company have been made up) in the event that the Repurchase Mandate is exercised in full. However, the Directors do

not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company and/or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

UNDERTAKING

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchase pursuant to the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of Bermuda and the Bye-laws.

None of the Directors, or to the best of their knowledge having made all reasonable enquiries, any of their associates have any present intention to sell to the Company or its subsidiaries any of the Shares in the event that the Repurchase Mandate is granted.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell to the Company or its subsidiaries any of his Shares, or has undertaken not to do so, in the event that the Repurchase Mandate is exercised.

TAKEOVERS CODE AND SHARE REPURCHASES

In the event that the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory general offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Mrs. Chu Yuet Wah and parties acting in concert with her are interested or deemed to be interested in an aggregate of 8,335,241,895 Shares, representing approximately 68.80% of the existing issued share capital of the Company. In the event that the Directors exercise in full their power to repurchase Shares in accordance with the terms of the ordinary resolution to be proposed at the 2013 AGM, the interest of Mrs. Chu Yuet Wah and parties acting in concert with her will be increased to approximately 76.44% of the issued share capital of the Company. Such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors are not aware of any consequence which may arise under the Takeovers Code as a result of any repurchases to be made under the Repurchase Mandate.

Assuming there is no further issue of Shares between the Latest Practicable Date and the date of purchase, the exercise of the Repurchase Mandate whether in whole or in substantial part will result in less than 25% of the issued share capital of the Company being held by the public as required by Rule 8.08 of the Listing Rules. The Directors, however, have no present intention to exercise the Repurchase Mandate to an extent as may result in a public shareholding of less than such prescribed percentage.

SHARE PRICE

The highest and the lowest prices at which the Shares have were on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2012		
July	0.78	0.72
August	0.80	0.45
September	0.63	0.49
October	0.64	0.58
November	0.73	0.60
December	0.69	0.62
2013		
January	0.83	0.67
February	0.68	0.54
March	0.62	0.55
April	0.63	0.51
May	0.70	0.58
June	0.68	0.56
July (up to the Latest Practicable Date)	0.68	0.63

Source: The Stock Exchange of Hong Kong Limited.

SHARE REPURCHASE MADE BY THE COMPANY

During the six months preceding the Latest Practicable Date, the Company has not repurchased any Shares on the Stock Exchange.

The following is a summary of the principal terms of the New Share Option Scheme proposed to be approved at the 2013 AGM:

1. PURPOSE

The purpose of the New Share Option Scheme is to provide the Company with a flexible and effective means of incentivising, rewarding, remunerating, compensating and/or providing benefits to Participants.

2. WHO MAY JOIN

To determine the eligibility of the Participant, the Board may offer to grant an Option to any Participant who has contribution to the Group to subscribe for such number of Shares at the Option Price calculated according to paragraph 5 below, subject always to any limits and restrictions specified in the Rules.

3. PAYMENT ON ACCEPTANCE OF OPTION OFFER

A Participant shall pay the Company HK\$1.00 for the grant of an Option on acceptance of an Option offer within 21 days after the Offer Date.

4. TERMS OF OPTIONS

Options granted under the New Share Option Scheme are subject to such terms and conditions as may be determined by the Board at its absolute discretion and specified in the offer of an Option, which terms and conditions may include:

- (A) vesting conditions which must be satisfied before an Option-holder's Option shall become vested and capable of being exercised; and
- (B) the Board may, in its absolute discretion, specify performance conditions that must be achieved before an Option can be exercised and/or the minimum period for which an Option must be held before it can be exercised.

These provisions will give the Board flexibility to impose conditions suitable for fulfilling the various purposes of the New Share Option Scheme. Apart from this general discretion of the Board, the Rules do not contain specific provisions on the minimum period during which an Option must be held before exercise or on performance targets applicable to Options.

Under the New Share Option Scheme, the Directors have discretion to set a minimum period for which an option has to be held before the exercise of the subscription rights attaching thereto. This discretion allows the Directors to provide incentive to eligible Participants to remain as eligible Participants and thereby enable the Group to continue to benefit from the services and contributions of the eligible Participants. This discretion, coupled with the power of the Directors to impose any performance target or other restrictions as they consider appropriate before the Option can be exercised, enable the Group to provide incentives to the Participants to use their best endeavours in assisting the growth and

development of the Group. Although the New Share Option Scheme does not provide for the granting of Options with rights to subscribe for Shares at a discount to the traded prices of the Shares on the Stock Exchange, the Directors are of the view that the flexibility given to the Directors in granting Options to Participants and to impose minimum period for which the Options can be exercised, will place the Group in a better position to attract human resources that are valuable to the growth and development of the Group as a whole.

5. OPTION PRICE

The Option Price will be determined by the Board at its absolute discretion and notified to an Option-holder. The minimum Option Price shall not be less than the highest of:

- (A) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date;
- (B) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Offer Date; and
- (C) the nominal value of the Shares.

6. MAXIMUM NUMBER OF SHARES SUBJECT TO THE NEW SHARE OPTION SCHEME

6.1 Subject to the limits referred to in paragraphs 6.2, 6.3 and 6.4, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any options to be granted under any Other Scheme must not in aggregate exceed 10% of the aggregate of the Shares in issue as at the Adoption Date.

Options lapsed in accordance with the terms of the New Share Option Scheme and any Other Scheme will not be counted for the purpose of calculating the 10% limit in this paragraph 6.1.

6.2 With the approval of the Shareholders in general meeting, the Board may "refresh" the 10% limit under paragraph 6.1 (and may further refresh such limit in accordance with this paragraph) provided that the total number of Shares which may be issued upon the exercise of all Options to be granted under the New Share Option Scheme and any Other Scheme under the limit as "refreshed" shall not exceed 10% of the Shares in issue as at the date on which the Shareholders approve the "refreshed" limit.

Options previously granted under the New Share Option Scheme and Option granted under any Other Schemes (including those outstanding, cancelled and lapsed in accordance with the terms of the relevant scheme, or exercised options) will not be counted for the purpose of calculating the limit as "refreshed".

- 6.3 Subject to the limits referred to in paragraphs 6.4, 7 and 23 below, the Board may, with the approval of the Shareholders, grant Options in excess of the 10% limit to Participants specifically identified. In such situation, the Company will send a circular to the Shareholders containing a generic description of the specified Participants who may be granted such Options, the number and terms of such Options to be granted and the purpose of granting such Options to the specified Participants with an explanation of how the terms of the Options will serve the purpose.
- 6.4 The total number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and all outstanding options granted and yet to be exercised under any Other Scheme shall not exceed 30% of the Shares in issue from time to time. No Options may be granted under the New Share Option Scheme and no options may be granted under any Other Schemes if this will result in the limit being exceeded.

7. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

Subject always to the limits referred to in paragraphs 6 above and 23 below, the Board shall not grant any Options to any Participant which, if exercised, would result in such Participant becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him under all Options granted to him (including those Options exercised or outstanding) in any 12-month period exceed 1% of the Shares in issue at such date.

The Board may grant Options to any Participant in excess of the individual limit of 1% in any 12-month period with the approval of the Shareholders in general meeting (with such Participant and his associates abstaining from voting). In such situation, the Company will send a circular to the Shareholders and the circular must disclose the identity of the Participant, the number and terms of the Options to be granted (and previously granted to such Participant).

8. TIME OF EXERCISE OF OPTIONS

Subject to the provisions in paragraphs 10 to 15 below, an Option under the New Share Option Scheme which is vested and has not lapsed may be exercised at any time during such period notified by the Board as not exceeding 10 years from the Offer Date. The exercise of Options may also be subject to any conditions imposed by the Board at the time of offer (see paragraph 4 above).

9. NON-TRANSFERABILITY OF OPTIONS

Except for the transmission of an Option on the death of an Option-holder to his personal representatives, neither the Option nor any rights in respect of it may be transferred, assigned or otherwise disposed of by any Option-holder to any other person. If an Option-holder transfers, assigns or disposes of any such Option or rights, whether voluntarily or involuntarily, then the relevant Option will immediately lapse.

10. RIGHTS ON CEASING EMPLOYMENT

If an Option-holder ceases to be a Participant as a result of the cessation of his employment or engagement for any reason other than his death or the termination of his employment or engagement on certain grounds specified in the Rules and this paragraph 10, then the Option-holder may exercise any vested Option at the date of cessation of his employment or engagement within the period of 1 month following the date of such cessation or such other period as the Board may determine. The Board shall have the discretion to decide whether any unvested Option can be exercised by such Option-holder and the time period for exercise. All Options not exercised shall lapse upon the expiry of the 1-month period or such other period as the Board may determine.

If an Option-holder ceases to be a Participant by reason of the termination of his employment or engagement on one or more grounds of misconduct or conviction of a criminal offence involving dishonesty, all Options not exercised shall lapse automatically on the date which the Option-holder ceases to be a Participant.

11. RIGHTS ON DEATH

If an Option-holder ceases to be a Participant by reason of his death and none of the events which would be a ground for termination of his employment specified in the Rules and paragraph 10 above has occurred, the legal personal representative(s) of the Option-holder may exercise any vested Option within a period of 12 months from the date of his death or such other period as the Board may determine. The Board shall have the discretion to decide whether any unvested Option can be exercised by the legal personal representative(s) of such Option-holder and the time period for exercise. All Options not exercised shall lapse upon the expiry of the 12-month period or such other period as the Board may determine.

12. RIGHTS ON A GENERAL OFFER

If more than 50% of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror, any company controlled by the offeror or any person associated with or acting in concert with the offeror, the Board will notify every Option-holder of such event within 14 days of becoming so aware (or as soon as practicable). Each Option-holder will be entitled to exercise his vested Options during the 6-month period starting on the later of:

- (A) the date of the Board's notification to the Option-holders; and
- (B) the date on which the person making the offer obtains control of the Company.

The Options will only lapse on expiry of this 6-month period if the Board gives notice to the Option-holder before the end of the period specifying that the Options will lapse.

13. RIGHTS ON WINDING UP

In the event that a notice is given by the Company to its Shareholders to convene a Shareholders' meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall forthwith give notice thereof to each Participant and thereupon, every Participant shall be entitled to exercise his/her Option (if not already exercised) to its full extent or to the extent specified (such exercise to occur not later than two Business Days prior to the proposed Shareholders' meeting referred to above) by notice in writing to the Company, stating that the Option is thereby exercised and the number of shares in respect of which it is exercised, accompanied by a remittance for the full amount of the subscription price for the Shares in respect of which the notice is given, and the Company shall, as soon as possible and, in any event, no later than the day immediately prior to the date of the proposed Shareholders' meeting, allot such number of Shares to the Participant which fall to be issued pursuant to the exercise of the Option. The Company shall give notice to the Participant of the passing of such resolution within seven days after the passing thereof.

14. REORGANISATION OF CAPITAL STRUCTURE

In the event of a capitalisation of profits or reserves, further rights issues of Shares, consolidation or subdivision of Shares, or reduction of the share capital of the Company in accordance with applicable laws and regulatory requirements (other than an issue of any share capital as consideration in respect of a transaction), such corresponding adjustments (if any) shall be made to:

- (A) the number of Shares, the subject matter of the Option (insofar as it is unexercised); and/or
- (B) the price at which the Options are exercisable.

Any such adjustment shall be made on the basis that:

- (A) the proportion of the issued share capital of the Company to which an Option-holder is entitled after such adjustment shall remain the same as that to which he was entitled before such adjustment; and
- (B) it will not enable any Share to be issued at less than its nominal value, or to increase the proportion of the issued share capital of the Company for which any Option-holder would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustments. For the avoidance of doubt, the issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment; and
- (C) the auditors or independent financial adviser selected by the Board (as appropriate) must confirm to the Board in writing that the adjustment satisfies the requirements of the note to Rule 17.03 (13) of the Listing Rules, except where such adjustment is made on a capitalisation issue.

15. LAPSE OF OPTIONS

An Option will lapse on the earliest of:

- (A) the expiry of the Option Period; or
- (B) the expiry of any of the other periods referred to in paragraphs 10, 11, 12 and 13 above; or
- (C) the expiry of 3 months following a court order sanctioning a compromise or arrangement in relation to the reconstruction of the Company or its amalgamation with another company or companies; or
- (D) the date on which a breach of paragraph 9 above is committed.

16. RANKING OF SHARES

No dividends will be payable and no voting rights will be exercisable in relation to an Option that has not been exercised (including those arising on liquidation of the Company). Shares issued on the exercise of an Option will rank equally in all respects with the Shares in issue on the date of allotment. They will not rank for any rights (which include, among other things, voting rights and dividend rights) attaching to Shares by reference to a date preceding the date of allotment. The Shares subject to the New Share Option Scheme are not required to be separately designated.

17. CANCELLATION OF OPTIONS

Notwithstanding any other provision in the New Share Option Scheme (except for the provisions in paragraph 18 below), the Board may cancel any Option (which has been granted but not yet exercised). Unless the Option-holder otherwise agrees, the Board may only cancel such Option if, at the election of the Board:

- (A) the Company pays to the Option-holder an amount equal to the fair market value of the Option at the date of cancellation as determined by the Board, after consultation with the auditors or an independent financial adviser appointed by the Board; or
- (B) the Board offers to grant to the Option-holder replacement Options (or options under any Other Scheme) of equivalent value to the Options to be cancelled, provided that the grant of such replacement Options (or options under any Other Scheme) shall not cause the limits set out in paragraphs 6, 7 above and 23 below to be breached; or
- (C) the Board makes such arrangements as the Option-holder may agree to compensate him for the loss of the Option.

18. AMENDMENTS TO THE NEW SHARE OPTION SCHEME AND TERMS OF OPTIONS

Subject to the provisions of this paragraph 18, the Board may amend any of the provisions of the New Share Option Scheme and the terms of any Options (including amendments in order to comply with changes in legal or regulatory requirements) at any time (but not so as to affect adversely any rights which have accrued to any Option-holders at that date) and provided that amendments which are to the advantage of present or future Option-holders and which relate to matters contained in Rule 17.03 of the Listing Rules are sanctioned by the Shareholders in general meeting.

Any amendment to the Rules which is of a material nature or any amendment to the terms and conditions of the Options granted may only be made with the approval of the Shareholders save where the amendments take effect automatically under the Rules. The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

Any change to the authority of the Board in relation to any amendment of the Rules may only be made with the approval of the Shareholders in general meeting.

19. TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company, by ordinary resolution in general meeting, or the Board may terminate the New Share Option Scheme at any time and in such event no further Options shall be granted under the New Share Option Scheme but any Options which have been granted but not yet exercised shall continue to be valid and exercisable in accordance with the Rules.

20. PERIOD OF THE NEW SHARE OPTION SCHEME

Subject to the Board exercising its right under the Rules to terminate the New Share Option Scheme, the New Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Options will be granted. The provisions of the New Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior to the expiry of the 10-year period and which are at that time or become thereafter capable of exercise under the Rules, or otherwise to the extent as may be required in accordance with the provisions of the New Share Option Scheme.

21. CONDITIONS

The New Share Option Scheme will be conditional on:

- (A) the passing of an ordinary resolution to adopt the New Share Option Scheme by the Shareholders; and

- (B) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares which may fall to be issued pursuant to the exercise of the Options in accordance with the terms of the New Share Option Scheme.

22. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

A grant of Options may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published in the newspapers. In particular, no Option may be granted during the period commencing one month immediately preceding the earlier of:

- (A) the date of the Board meeting for the approval of the Company's interim or annual results; and
- (B) the deadline for the Company to publish its interim or annual results announcement, and ending on the date of the results announcement.

The period during which no Option may be granted will cover any period of delay in the publication of a results announcement.

23. RESTRICTIONS ON GRANT OF OPTIONS TO DIRECTORS, CHIEF EXECUTIVES OR SUBSTANTIAL SHAREHOLDERS ETC.

Each grant of Options to a Participant who is a Director, chief executive or Substantial Shareholder of the Company, or any of their respective associates, under the New Share Option Scheme must be approved by the Independent Non-Executive Directors of the Company (excluding any Independent Non-Executive Director who is the proposed grantee of the Options).

Where any grant of Options to a Substantial Shareholder or an Independent Non-Executive Director of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted under the New Share Option Scheme (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (A) representing in aggregate over 0.1% of the Shares in issue; and
- (B) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

such further grant of Options by the Board must be approved by the Shareholders in general meeting (the vote on such approval to be taken on a poll). Any Shareholder who is a Connected Person of the Company must abstain from voting in favour of the resolution to approve such further grant of Options.

A Shareholders' circular must be prepared by the Company explaining the proposed grant, disclosing the number and terms of the Options to be granted and containing the recommendation from the Independent Non-Executive Directors (excluding any Independent Non-Executive Director who is the grantee of the Option) as to voting and any other information as required under the Listing Rules.

Any change in the terms of Options granted to Substantial Shareholders or Independent Non-Executive Directors or any of their respective associates must be approved by the Shareholders in general meeting.

24. ADMINISTRATION

The Board will have responsibility for administering the New Share Option Scheme. There are no trustees appointed for the purposes of the New Share Option Scheme.



金利豐金融集團有限公司
KINGSTON FINANCIAL GROUP LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 01031)

NOTICE IS HEREBY GIVEN that the annual general meeting of Kingston Financial Group Limited (the “Company”) will be held at Suite 2801, 28th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong on 20 August 2013 at 11:00 a.m. for the purpose of considering and, if thought fit, with or without modification, passing the following ordinary resolutions:

As ordinary business:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and of the auditors of the Company for the year ended 31 March 2013;
2. To declare a final dividend for the year ended 31 March 2013;
3. To re-elect Mrs. Chu Yuet Wah as an executive director of the Company;
4. To re-elect Mr. Lau Man Tak as an independent non-executive director of the Company;
5. To authorise the board of directors to fix the remuneration of the directors of the Company;
6. To re-appoint BDO Limited as auditors and to authorise the board of directors of the Company to fix the remuneration of the auditors;
7. To consider as special business and, if thought fit, pass with or without modifications, the following resolutions as ordinary resolutions of the Company:

A. **“THAT:**

- (a) subject to paragraph (c) of this resolution below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company (“Shares”) and to make or grant offers, agreements and options, including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into Shares, which might require the exercise of such powers be and is hereby generally and unconditionally approved;

NOTICE OF 2013 AGM

- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options, including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into the Shares, which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to:
- (i) a rights issue (as hereinafter defined);
 - (ii) the exercise of rights of subscription, exchange or conversion under the terms of any warrants, bonds, debentures, notes and other securities issued by the Company;
 - (iii) the exercise of options granted under any share option scheme or any similar arrangement from time to time adopted for the grant or issue to officers and/or employees and/or other eligible persons of the Company and/or any subsidiaries of shares or rights to acquire Shares;
 - (iv) any scrip dividend or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Bye-laws of the Company in force from time to time;
 - (v) the exercise of any conversion rights attaching to any convertible notes issued or to be issued by the Company; and
 - (vi) a specified authority granted by the shareholders of the Company in general meeting;
- shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this Resolution; and the said approval shall be limited accordingly;
- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and

NOTICE OF 2013 AGM

(e) for the purposes of this resolution:

“Relevant Period” means the period from the date of passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation or renewal of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Bye-laws of the Company or any applicable laws.

“rights issue” means an offer of Shares, or an offer or issue of warrants options or other securities giving rights to subscribe for Shares, open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusion or to other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory bodies or any stock exchanges in, any territory applicable to the Company).”

B. “THAT:

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with the applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved; and
- (b) the aggregate nominal amount of the Shares which the Directors are authorised to purchase pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution; and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly.

NOTICE OF 2013 AGM

(c) for the purposes of this resolution:

“Relevant Period” means the period from the date of passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation or renewal of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Bye-laws of the Company or any applicable laws.”

C. “**THAT** subject to the passing of the above resolutions A and B, the aggregate nominal amount of shares which are to be purchased by the Company pursuant to the authority granted to the Directors as mentioned in resolution B shall be added to the aggregate nominal amount of share capital that may be allotted or agreed to be allotted by the Directors pursuant to resolution A.”

8. “**THAT**

- (A) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the shares (the “**Shares**”) of the Company falling to be issued pursuant to the share option scheme (the “**New Share Option Scheme**”), the terms of which are set out in the document marked “A” which has been produced to this meeting and signed by the chairman of this meeting for the purpose of identification, the rules of the New Share Option Scheme be and are hereby approved and adopted and the directors of the Company be and are hereby authorized to grant options and to allot, issue and deal with Shares pursuant to the exercise of any option granted thereunder and to take all such steps as they may consider necessary or expedient to implement the New Share Option Scheme; and
- (B) the share option scheme adopted by the Company on 7 June 2004 be and is hereby terminated with immediate effect.”

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

Hong Kong, 19 July 2013

NOTICE OF 2013 AGM

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Place of Business in Hong Kong:
Suite 2801, 28th Floor
One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Notes:

1. Every member of the Company entitled to attend and vote at the above meeting (or at any adjournment thereof) is entitled to appoint more than one proxy (if a member who is holder of two or more Shares) to attend and vote for him/her on his/her behalf at the meeting. A proxy need not be a member of the Company but must attend the meeting in person to represent you.
2. A form of proxy for use at the meeting is enclosed. In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be lodged with the Company's branch share registrar and transfer office of the Company in Hong Kong, Tricor Abacus Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, in accordance with the instructions printed thereon as soon as possible but in any event not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting (as the case may be).
3. For the purposes of determining the eligibility of the Company's shareholders to attend and vote at the 2013 AGM and the entitlement of the 2013 final dividend, the details of the record date and the closure of register of members are set out as below:

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 date	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 2013 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.

4. The Chinese translation of this notice is for reference only, and in case of any inconsistency, the English version shall prevail.