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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)

LAPSE OF THE CPC SASK OPTION

This announcement is made pursuant to Rule 14.77 of the Listing Rules.

Reference is made to (i) the announcements of the Company dated 2 June 2013 and 17 June 2013 (the “**Announcements**”) in respect of the Settlement Agreement and transactions contemplated thereunder, including the grant of CPC Sask Option and (ii) the interim result announcement of the Company for the six months ended 30 September 2013. Capitalised terms used herein shall have the same meanings as those defined in the Announcements, unless the context otherwise requires.

On 1 June 2013, the Company, the Lender, which is a wholly-owned subsidiary of the Company, the SubCo and the Defendant Group entered into the Settlement Agreement. Pursuant to the terms of the Settlement Agreement, the Plaintiffs granted the right to CPC Sask to purchase all the SubCo Shares or all the shares of the Lender (as determined by CPC Sask) at an exercise price of CAD82 million (equivalent to approximately HK\$626.07 million) net of any Liability during a period which shall commence immediately after the SubCo Shares Transfer and expire 180 days from the closing date on 7 June 2013 (i.e. on 4 December 2013) (the “**Option Period**”). The principal assets of the SubCo, currently an indirect wholly-owned subsidiary of the Company, are the Permits, which are recognised as intangible assets held for sale under current assets in the consolidated financial statements of the Company.

During the Option Period, CPC Sask had not served the written notice to exercise the CPC Sask Option to the Plaintiffs. Accordingly, the CPC Sask Option had lapsed and will not take any further effect. In view of (i) there having been no specific plan on the use of proceeds from exercise of the CPC Sask Option other than for the purpose of general working capital of the Group; and (ii) the existing financial position of the Group, the Directors consider that the lapse of the CPC Sask Option shall not have any material adverse impact on the financial position of the Group.

The management of the Group intends to dispose of its entire interest in the SubCo (the “**Disposal**”). Preliminary discussions with third parties regarding the Disposal have commenced. Up to the date of this announcement, no agreement or arrangement regarding the Disposal has been entered into.

Further announcement(s) in relation to the Disposal will be made by the Company as and when appropriate, if required by the Listing Rules.

Shareholders of the Company and potential investors are reminded that the Disposal may or may not proceed, and therefore they should exercise caution when dealing in the Company’s shares.

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

Hong Kong, 5 December 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.