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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)**

**UNAUDITED INTERIM RESULTS**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018**

**FINANCIAL HIGHLIGHTS**

- Turnover for the six months ended 30 September 2018 decreased by approximately 3% to approximately HK\$1,571,468,000 when compared to approximately HK\$1,616,034,000 in the corresponding period of last year.
- Profit attributable to the owners of the Company for the six months ended 30 September 2018 decreased by approximately 35% to approximately HK\$592,157,000 when compared to approximately HK\$908,887,000 in the corresponding period of last year, which was mainly due to a one-time written-off of the Group's intangible assets amounted to approximately HK\$266,157,000 during the period under review.
- Earnings per share for the six months ended 30 September 2018 decreased by approximately 35% to approximately HK3.41 cents when compared to approximately HK5.23 cents in the corresponding period of last year.

The Board of Directors (“the Board”) of Kingston Financial Group Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, “the Group”) for the six months ended 30 September 2018 together with comparative figures for the six months ended 30 September 2017.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the six months ended 30 September 2018*

		Six months ended 30 September	
		2018	2017
		(unaudited)	(unaudited)
	Notes	HK\$'000	HK\$'000
Revenue	2	1,571,468	1,616,034
Other income		13,822	16,771
		<u>1,585,290</u>	<u>1,632,805</u>
Inventory consumed		(11,110)	(10,267)
Staff costs	3	(148,912)	(149,534)
Gaming commission		(48,151)	(41,252)
Broker commission		(13,187)	(22,730)
Interest expenses for securities brokerage, underwriting and placements, margin and IPO financing operations		(139,995)	(128,119)
Depreciation		(52,064)	(54,622)
Impairment loss on advances to customers in margin financing		(1,613)	–
Written-off of intangible assets		(266,157)	–
Administrative expenses		(53,910)	(60,736)
Other operating expenses		(64,135)	(64,261)
		<u>(799,234)</u>	<u>(531,521)</u>
Finance income		8,798	7,436
Finance cost		(15,176)	(15,197)
Fair value loss on held for trading investments		–	(1,776)
Fair value loss on financial assets at fair value through profit or loss		(25,653)	–
Exchange gain		1,907	530
Amortisation		–	(7,066)
		<u>(30,124)</u>	<u>(16,073)</u>
Profit before taxation	4	755,932	1,085,211
Taxation	5	(160,407)	(173,923)
Profit for the period		<u>595,525</u>	<u>911,288</u>

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2018</b>	<b>2017</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
<i>Notes</i>			
Profit for the period		<b>595,525</b>	911,288
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Surplus on revaluation of leasehold			
land and buildings	8	<b>39,101</b>	37,078
Change in fair value of financial assets at			
fair value through other comprehensive income		<b>(167)</b>	–
Item that may be reclassified subsequently to			
profit or loss:			
Unrealised loss arising from change in			
fair value of available-for-sale investments		<b>–</b>	(99)
Other comprehensive income for the period,			
net of tax		<b>38,934</b>	36,979
<b>Total comprehensive income for the period</b>		<b>634,459</b>	948,267
<b>Profit for the period attributable to:</b>			
Owners of the Company		<b>592,157</b>	908,887
Non-controlling interests		<b>3,368</b>	2,401
		<b>595,525</b>	911,288
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<b>631,091</b>	945,866
Non-controlling interests		<b>3,368</b>	2,401
		<b>634,459</b>	948,267
<b>Earnings per share (cents per share)</b>	7		
— Basic		<b>3.41</b>	5.23
— Diluted		<b>3.41</b>	5.23

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2018

		30 September 2018 (unaudited) HK\$'000	31 March 2018 (audited) HK\$'000
	Notes		
Non-current assets			
Property, plant and equipment	8	2,848,522	2,848,724
Statutory deposit for financial services business		5,307	10,281
Goodwill		10,996,683	10,996,683
Intangible assets	9	—	266,157
		<u>13,850,512</u>	<u>14,121,845</u>
Current assets			
Inventories		2,402	2,390
Available-for-sale investments		—	410
Financial assets at fair value through other comprehensive income		243	—
Held for trading investments		—	192,805
Financial assets at fair value through profit or loss		167,268	—
Advances to customers in margin financing	10	20,909,474	20,582,355
Trade and other receivables	11	142,709	152,521
Tax recoverable		97,175	97,175
Cash and bank balances			
— held on behalf of customers		1,333,461	2,049,601
Cash and bank balances			
— general accounts		615,897	395,793
		<u>23,268,629</u>	<u>23,473,050</u>
Current liabilities			
Trade and other payables	12	1,589,533	2,284,507
Amounts due to shareholders		4,196,911	4,219,911
Loan from a related company		6,297,143	7,142,999
Subordinated loans		700,000	700,000
Bank loans		2,009,300	1,710,000
Tax payable		155,129	65,217
		<u>14,948,016</u>	<u>16,122,634</u>
Net current assets		<u>8,320,613</u>	<u>7,350,416</u>
Total assets less current liabilities		<u>22,171,125</u>	<u>21,472,261</u>

	<b>30 September 2018 (unaudited) HK\$'000</b>	<b>31 March 2018 (audited) HK\$'000</b>
<b>Non-current liabilities</b>		
Bank loans	<b>1,060,000</b>	640,000
Deferred tax liabilities	<b>195,236</b>	192,901
<b>Total non-current liabilities</b>	<b>1,255,236</b>	832,901
<b>Total liabilities</b>	<b>16,203,252</b>	16,955,535
<b>Net assets</b>	<b>20,915,889</b>	20,639,360
<b>Capital and reserves</b>		
Share capital — ordinary shares	<b>272,290</b>	272,290
Share capital — non-redeemable convertible preference shares	<b>75,000</b>	75,000
Reserves	<b>20,549,625</b>	20,276,464
<b>Total equity attributable to owners of the Company</b>	<b>20,896,915</b>	20,623,754
<b>Non-controlling interests</b>	<b>18,974</b>	15,606
<b>Total equity</b>	<b>20,915,889</b>	20,639,360

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

These unaudited interim condensed consolidated financial statements have been prepared with the same accounting policies adopted in the Group’s annual consolidated financial statements for the year ended 31 March 2018, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 April 2018. This is the first set of the Group’s financial statements in which HKFRS 9 “Financial Instruments” and HKFRS 15 “Revenue from Contracts with Customers” have been adopted. The Group has applied the transitional provision in HKFRS 9 such that HKFRS 9 was generally adopted without restating comparative information. The reclassifications and the adjustments arising from the new expected credit losses rules are therefore not reflected in the statement of financial position as at 31 March 2018, but are recognised in the statement of financial position on 1 April 2018. This means that differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of HKFRS 9 are recognised in accumulated profits and reserves as at 1 April 2018. Accordingly, the information presented for 2018 does not reflect the requirements of HKFRS 9 but rather those of HKAS 39 “Financial Instruments: Recognition and Measurement”. The Group has adopted HKFRS 15 using the cumulative effect method without practical expedients. The Group has recognised the cumulative effect of initially applying HKFRS 15 as an adjustment to the opening balance of accumulated profits at the date of initial application (that is, 1 April 2018). As a result, the financial information presented for 2018 has not been restated.

The preparation of these interim condensed consolidated financial statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The areas where significant judgements and estimates have been made in preparing the financial statements.

These unaudited interim condensed consolidated financial statements are presented in thousands of units of Hong Kong Dollars (“HK\$’000”), unless otherwise stated. These unaudited interim condensed consolidated financial statements contain unaudited condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2018 annual financial statements. These unaudited interim condensed consolidated financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”) and should be read in conjunction with the 2018 consolidated financial statements.

## 2 SEGMENTAL INFORMATION

For management purposes, the Group is organised into business units based on their services, and has seven (six months ended 30 September 2017: 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 mainly 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.
- Gaming segment is the provision of services to casino run by the licence holder Sociedade de Jogos de Macau, S.A. (“SJM”) 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, amortisation, finance cost, taxation and exchange gain) 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 consolidated 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 consolidated statement of profit or loss and other comprehensive income.

## Operating segments

The following tables represent segment information of the Group provided to the Group's management for the six months ended 30 September 2018 and 2017, respectively.

### For the six months ended 30 September 2018 (unaudited)

	Securities brokerage, underwriting and placements HK\$'000	Margin and IPO financing HK\$'000	Other financial services HK\$'000	Financial services business HK\$'000	Hotel ownership and management HK\$'000	Food and beverage HK\$'000	Gaming HK\$'000	Securities investment HK\$'000	Total HK\$'000
<b>Segment revenue</b>									
External customers	111,672	1,080,709	32,663	1,225,044	90,817	13,704	241,903	-	1,571,468
Inter-segment	-	-	-	-	28,752	-	4,292	-	33,044
	<u>111,672</u>	<u>1,080,709</u>	<u>32,663</u>	<u>1,225,044</u>	<u>119,569</u>	<u>13,704</u>	<u>246,195</u>	<u>-</u>	<u>1,604,512</u>
<b>Adjusted EBITDA</b>	<u>102,874</u>	<u>900,351</u>	<u>24,857</u>	<u>1,028,082</u>	<u>79,645</u>	<u>(5,687)</u>	<u>67,164</u>	<u>(25,372)</u>	<u>1,143,832</u>
<b>Segment Assets</b>				<u>33,723,958</u>	<u>2,390,948</u>	<u>355,061</u>	<u>441,601</u>	<u>167,268</u>	<u>37,078,836</u>
Capital Expenditure				-	2,430	362	4,637	-	7,429
<b>Segment Liabilities</b>				<u>11,981,771</u>	<u>214,469</u>	<u>12,579</u>	<u>50,763</u>	<u>-</u>	<u>12,259,582</u>

### For the six months ended 30 September 2017 (unaudited)

	Securities brokerage, underwriting and placements HK\$'000	Margin and IPO financing HK\$'000	Other financial services HK\$'000	Financial services business HK\$'000	Hotel ownership and management HK\$'000	Food and beverage HK\$'000	Gaming HK\$'000	Securities investment HK\$'000	Total HK\$'000
<b>Segment revenue</b>									
External customers	150,364	1,084,977	58,499	1,293,840	85,026	11,307	225,861	-	1,616,034
Inter-segment	10	-	660	670	29,579	-	5,970	-	36,219
	<u>150,374</u>	<u>1,084,977</u>	<u>59,159</u>	<u>1,294,510</u>	<u>114,605</u>	<u>11,307</u>	<u>231,831</u>	<u>-</u>	<u>1,652,253</u>
<b>Adjusted EBITDA</b>	<u>137,908</u>	<u>884,987</u>	<u>50,039</u>	<u>1,072,934</u>	<u>75,219</u>	<u>(6,201)</u>	<u>65,937</u>	<u>(1,685)</u>	<u>1,206,204</u>
<b>Segment Assets</b>				<u>34,781,860</u>	<u>2,334,498</u>	<u>314,965</u>	<u>435,981</u>	<u>133,535</u>	<u>38,000,839</u>
Capital Expenditure				110	3,596	474	1,064	-	5,244
<b>Segment Liabilities</b>				<u>15,960,550</u>	<u>203,016</u>	<u>12,560</u>	<u>40,894</u>	<u>-</u>	<u>16,217,020</u>

As the assets and liabilities of financial services segments, including securities brokerage, underwriting and placements, margin and IPO financing and other financial services, are regularly reviewed by the directors of the Company in total for the Group as a whole, the measure of total assets and liabilities by each operating segments under financial services business is therefore not presented.

### 3 STAFF COSTS

	Six months ended 30 September	
	2018	2017
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Staff costs (including directors' remuneration)		
— salaries, wages and other benefits	148,249	148,822
— contributions to defined contribution retirement plan	663	712
	<u>148,912</u>	<u>149,534</u>

### 4 PROFIT BEFORE TAXATION

The profit before taxation has been arrived at after charging/(crediting) the following:

	Six months ended 30 September	
	2018	2017
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Operating lease charges	17,238	14,788
Bad debts recovery	(65)	—
	<u>17,173</u>	<u>14,788</u>

### 5 TAXATION

	Six months ended 30 September	
	2018	2017
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Current tax:		
Hong Kong profits tax	162,034	175,000
Macau Complementary Tax	1,371	1,645
Deferred tax	(2,998)	(2,722)
	<u>160,407</u>	<u>173,923</u>

Hong Kong profits tax has been provided for six months ended 30 September 2018 and 2017 at a rate of 16.5%.

Macau Complementary Tax has been provided for the six months ended 30 September 2018 and 2017 at a rate of 12%. Details of contingent liabilities for Macau Complementary Tax are disclosed in note 13.

## 6 DIVIDENDS

A dividend of approximately HK\$347,290,000 that related to the financial year ended 31 March 2018 was paid in September 2018 (2017: approximately HK\$434,113,000).

The board has resolved not to declare any interim dividend for the six months ended 30 September 2018 (six months ended 30 September 2017: Nil).

## 7 EARNINGS PER SHARE

	<b>Six months ended 30 September</b>	
	<b>2018</b>	<b>2017</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>HK cent</b>	<b>HK cent</b>
Basic earnings per share	<u><b>3.41</b></u>	<u><b>5.23</b></u>
Diluted earnings per share	<u><b>3.41</b></u>	<u><b>5.23</b></u>

### (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>Six months ended 30 September</b>	
	<b>2018</b>	<b>2017</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Profit for the purpose of basic earnings per share	<u><b>592,157</b></u>	<u><b>908,887</b></u>

	<b>Six months ended 30 September</b>	
	<b>2018</b>	<b>2017</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Weighted average number of ordinary shares	<b>13,614,480,666</b>	13,614,480,666
Weighted average number of non-redeemable convertible preference shares	<u><b>3,750,000,000</b></u>	<u><b>3,750,000,000</b></u>
Weighted average number of shares for the purpose of basic earnings per share	<u><b>17,364,480,666</b></u>	<u><b>17,364,480,666</b></u>

### (b) Diluted earnings per share

Diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares in issue during the six months ended 30 September 2018 and 2017.

## 8 PROPERTY, PLANT AND EQUIPMENT

As at 30 September 2018, the directors considered that the fair value of the Group's leasehold land and buildings for own use was approximate to the valuation amounts as at 31 March 2018 for which the valuations were carried out by an independent valuer AA Property Services Limited. During the period under review, in the opinion of directors, there were no changes in valuation techniques for their assessment and such techniques were consistent with those adopted in the preparation of the Group's annual report for the year ended 31 March 2018.

During the period under review, the after tax revaluation surplus of approximately HK\$39,101,000 (six months ended 30 September 2017: revaluation surplus approximately HK\$37,078,000) has been recognised in other comprehensive income and accumulated in the property revaluation reserve of the Group.

During the period under review, the Group's acquisition of property, plant and equipment amounted to approximately HK\$7,429,000 (six months ended 30 September 2017: approximately HK\$5,244,000).

## 9 INTANGIBLE ASSETS

The intangible assets represented the costs of the 15 subsurface mineral leases which were transferred from 15 permits during the financial year ended 31 March 2017. The 15 permits were initially granted by the Saskatchewan Ministry of Energy and Resources, currently known as the Ministry of the Economy of Saskatchewan, in 2008 to prospect for subsurface minerals in mining Elk Point, Saskatchewan, Canada with area of approximately 3,989.95 square kilometers.

The intangible asset is amortised on a straight-line basis over its estimated useful life of 24 years.

On 14 September 2018, the Group received a notice from the Ministry of the Economy of Saskatchewan regarding the cancellation of all the 15 subsurface mineral leases and accordingly the Group had fully written-off the carrying amount of intangible assets.

## 10 ADVANCES TO CUSTOMERS IN MARGIN FINANCING

	<b>30 September 2018 (unaudited) HK\$'000</b>	31 March 2018 (audited) HK\$'000
Directors of subsidiaries and their associates	<b>3,083</b>	117,442
Other margin clients	<b>21,414,354</b>	20,961,400
Less: Allowance for doubtful debt	<b>(507,963)</b>	(496,487)
	<b><u>20,909,474</u></b>	<u>20,582,355</u>

The movements in impairment loss on advances to customers in margin financing, all assessed individually, are as follows:

	<b>30 September 2018 (unaudited) HK\$'000</b>	31 March 2018 (audited) HK\$'000
At the beginning of the period/year	<b>496,487</b>	66,749
Impact of adopting HKFRS 9	<b>11,476</b>	–
Impairment loss recognised	–	430,573
Impairment loss reversed	–	(835)
At the end of the period/year	<b><u>507,963</u></b>	<u>496,487</u>

Advances to customers in margin financing 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 30 September 2018, total market value of securities pledged as collateral in respect of the loan to margin clients was approximately HK\$69,067,916,000 (31 March 2018: approximately HK\$84,466,301,000).

No aging analysis is disclosed for advances to customers in margin financing 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.

## 11 TRADE AND OTHER RECEIVABLES

	<b>30 September 2018 (unaudited) HK\$'000</b>	<b>31 March 2018 (audited) HK\$'000</b>
Trade receivables from financial services segments	<b>42,353</b>	36,370
Trade receivables from hotel and gaming segments	<b>65,892</b>	59,205
Other receivables, deposits and prepayments	<b>34,464</b>	56,946
	<b>142,709</b>	152,521

### Trade receivables from financial services segments

	<b>30 September 2018 (unaudited) HK\$'000</b>	<b>31 March 2018 (audited) HK\$'000</b>
Accounts receivable arising from the ordinary course of business of dealing in securities:		
Cash clients	<b>22,380</b>	9,959
Impact of adopting HKFRS 9	<b>(114)</b>	–
Sub total	<b>22,266</b>	9,959
Clearing House	<b>4,295</b>	7,839
Impact of adopting HKFRS 9	<b>(22)</b>	–
Sub total	<b>4,273</b>	7,839
Brokers and dealers	<b>638</b>	673
Impact of adopting HKFRS 9	<b>(3)</b>	–
Sub total	<b>635</b>	673
Accounts receivable arising from the ordinary course of business of dealing in futures contracts:		
Clearing house	<b>11,522</b>	10,571
Impact of adopting HKFRS 9	<b>(59)</b>	–
Sub total	<b>11,463</b>	10,571
Accounts receivable arising from the ordinary course of business of provision of:		
Corporate finance advisory services	<b>3,735</b>	7,328
Impact of adopting HKFRS 9	<b>(19)</b>	–
Sub total	<b>3,716</b>	7,328
Total	<b>42,353</b>	36,370

The settlement terms of trade receivables attributable to dealing in securities are one or two days after trade date, and those of trade receivables attributable to dealing in futures are one day after trade date. All trade receivables 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.

Trade receivables 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 trade receivables in order to minimise credit risk. Overdue balances are regularly monitored by management.

No aging analysis is disclosed for trade receivables from financial services segments as, in the opinion of the directors, an aging analysis is not meaningful in view of the business nature of securities dealings.

### 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>30 September 2018 (unaudited) HK\$'000</b>	<b>31 March 2018 (audited) HK\$'000</b>
0–30 days	<b>43,247</b>	44,644
31–60 days	<b>10,927</b>	11,321
61–90 days	<b>30</b>	75
Over 90 days	<b>35,410</b>	26,549
	<b>89,614</b>	82,589
Allowance for doubtful debt	<b>(23,384)</b>	(23,384)
Impact of adopting HKFRS 9	<b>(338)</b>	–
	<b>65,892</b>	59,205

## 12 TRADE AND OTHER PAYABLES

	<b>30 September 2018 (unaudited) HK\$'000</b>	<b>31 March 2018 (audited) HK\$'000</b>
Trade payables from financial services segments	<b>1,403,833</b>	2,112,096
Trade payables from hotel and gaming segments	<b>15,242</b>	14,466
Other payables and accruals	<b>170,458</b>	157,945
	<b>1,589,533</b>	2,284,507

## Trade payables from financial services segments

	<b>30 September 2018 (unaudited) HK\$'000</b>	31 March 2018 (audited) HK\$'000
Trade payables arising from the ordinary course of business of dealing in securities:		
Cash clients	<b>465,257</b>	318,265
Margin clients	<b>905,264</b>	1,731,404
	<b>1,370,521</b>	2,049,669
Dividend payable to clients	<b>997</b>	1,667
Clearing house	<b>12,354</b>	42,948
Trade payables arising from the ordinary course of business of dealing in futures contracts:		
Clients	<b>19,910</b>	17,768
Trade payables arising from the ordinary course of business of provision of:		
Corporate finance advisory services	<b>51</b>	44
	<b>1,403,833</b>	2,112,096

The settlement terms of trade payables attributable to dealing in securities are one or two days after the trade date, and those of trade payables 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.

## Trade payables from hotel and gaming segments

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

	<b>30 September 2018 (unaudited) HK\$'000</b>	31 March 2018 (audited) HK\$'000
0–30 days	<b>10,684</b>	9,901
31–60 days	<b>1,396</b>	4,130
61–90 days	<b>3,121</b>	249
Over 90 days	<b>41</b>	186
	<b>15,242</b>	14,466

As at the 30 September 2018, included in trade and other payables was an amount of approximately HK\$1,333,461,000 (31 March 2018: approximately HK\$2,049,601,000) 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.

### 13 COMMITMENTS AND CONTINGENT LIABILITIES

	30 September 2018 (unaudited) HK\$'000	31 March 2018 (audited) HK\$'000
Expenditure contracted but not provided for in respect of:		
— Property, plant and equipment	<u>868</u>	<u>630</u>

The Group's wholly owned subsidiary Good Start Group Limited received tax notices issued by Macau Financial Services Bureau dated 29 April 2014 and 18 May 2016 assessing its Macau Complementary Tax payable for the years of assessment 2009 and 2010 and years of assessment 2011 and 2012 respectively. The tax amounts per tax notices for aforementioned years of assessment were approximately HK\$15,000,000, HK\$20,000,000, HK\$24,400,000 and HK\$25,400,000 respectively.

The Group's another wholly owned subsidiary Target All Investments Limited received tax notices issued by Macau Financial Services Bureau dated 26 August 2015 and 24 October 2016 assessing its Macau Complementary Tax payable for the years of assessment 2011 and 2012 and years of assessment 2013 and 2014 respectively. The tax amounts per tax notices for aforementioned years of assessment were approximately HK\$1,300,000, HK\$1,000,000, HK\$3,800,000 and HK\$6,300,000.

The Group lodged objection to appeal against the aforesaid notices according to stipulated appeal procedures. The Review Committee of Macau Financial Services Bureau (the "Committee") issued their decisions to reject all appeals by the Group in relation to the aforesaid Macau Complementary Tax payable.

After receiving the final decision of the Committee on their rejection of the Group's appeal, the Group made the tax payment according to stipulated regulation requirement before making further appeal in court. With regard to each of the Committee's rejection of the Group's appeal, the Group separately submitted initial petitions to the court on 9 December 2014 and 24 October 2016 for Good Start Group Limited and submitted initial petitions to the court on 10 March 2016 and 17 February 2017 for Target All Investments Limited. As advised by local tax consultant and lawyer, the directors considered that the Group has valid grounds for the legal proceedings and they believed that the gaming revenue generated through Good Start Group Limited and Target All Investments Limited's Service Agreement with SJM is not subject to Macau Complementary Tax since it is derived from SJM gaming revenue, which gaming revenue is exempted pursuant to Macau Law. Accordingly, no provision of taxation is considered necessary given that the chances for the chargeability is not probable. Up to the date of this announcement, four legal proceedings have received favorable decisions and the remaining four legal proceedings are still in progress.

The Company had no other material contingent liabilities at the end of the reporting period.

## **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 interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2018 (the “Period”).

### **OVERVIEW**

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

The Group’s unaudited turnover was approximately HK\$1,571,468,000 for the Period, representing a decrease of approximately 3% as compared to approximately HK\$1,616,034,000 for the six months ended 30 September 2017 (the “Previous Period”).

The unaudited net profit attributable to the owners of Company for the Period amounted to approximately HK\$592,157,000, representing a decrease of approximately 35% as compared to approximately HK\$908,887,000 for the Previous Period. The decrease was mainly attributed to a one-time written-off of the Group’s intangible assets amounted to approximately HK\$266,157,000 during the Period under review. Basic earnings per share for the Period decreased by approximately 35% to approximately HK3.41 cents when compared to approximately HK5.23 cents in the Previous Period.

### **BUSINESS AND FINANCIAL REVIEW**

During the Period, the global financial market was volatile with significant corrections across major stock markets. Concerns over the US-China trade tensions and geopolitical risks in certain regions posed uncertainties to the global economy. Besides, with the slightly slowdown of China’s GDP growth which decreased from 6.7% in the second quarter to 6.5% in the third quarter of 2018, the market was glutted with prudent investment sentiment.

Though it was generally expected that the deepened connection between the Hong Kong and China capital markets and the implementation of the Belt and Road Initiative would boost the market sentiment, financial activities during the Period had slowed down. The average daily turnover of Hong Kong securities market shrank from HK\$108,363 million in April 2018 to HK\$91,523 million in September 2018.

During the Period under review, the Group’s revenue from its financial services segment dropped by 5% from approximately HK\$1,293,840,000 in the Previous Period to approximately HK\$1,225,044,000 in the Period.

Looking into Macau, which has its unique business environment, has recorded positive economic growth during the Period. With the newly built casinos and hotels in the last few years, the Macau gaming and hotel sector has been maintaining growth. The Macau Gross Gaming Revenue (GGR) has continued to keep year-on-year significant growth since February 2017. The visitor arrival to the territory during the Period from April 2018 to September 2018 has reached 17,267,551, representing an increase of 8.2% over the same period in 2017. Benefited from this growth momentum, the Group's hotel and gaming operations recorded satisfactory results.

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

Securities brokerage, 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 across-the-board 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.

With concerns over the economic outlook amid the ongoing US-China trade war, investors were staying on the sidelines of the stock market which resulted in curbed trading activities and negative sentiment. During the Period, the Group recorded a revenue in this segment of approximately HK\$111,672,000 (the Previous Period: approximately HK\$150,364,000), representing a decrease of approximately 26% as compared to the Previous Period, which also accounted for approximately 9% (the Previous Period: approximately 12%) of the Group's financial service segment revenue and approximately 7% (the Previous Period: approximately 9%) of the Group's total revenue.

### **Margin and IPO Financing**

To complement the Group's securities brokerage services, the Group also provides margin and IPO financing services. 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.

Leveraging on the Group's compelling advantages from strong capital base and prudent risk management policies to credit control, the Group managed to achieve stable contribution in margin and IPO financing. During the Period, the Group continued its steady performance in the segment, with revenue amounted to approximately HK\$1,080,709,000 (the Previous Period: approximately HK\$1,084,977,000), which also accounted for approximately 88% (the Previous Period: approximately 84%) of the Group's financial service segment revenue and approximately 69% (the Previous Period: approximately 67%) of the Group's total revenue.

### **Other Financial Services mainly include 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 deal structure and 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, including After Hours Futures Trading. Clients can place orders online and through telephone.

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.

After a boom in the Previous Period, this segment has set back but still maintained a steady performance as compared to the years before the Previous Period. This segment recorded revenue of approximately HK\$32,663,000 for the Period (the Previous Period: approximately HK\$58,499,000), representing a decrease of approximately 44%, which also accounted for approximately 3% (the Previous Period: approximately 4%) of the Group's financial service segment revenue and approximately 2% (the Previous Period: approximately 4%) of the Group's total revenue.

### **Hotel Business**

In addition to financial services business, the Group is also engaged in hotel business in Macau, which comprises hotel room rental, food and beverage operation catering to international and local markets.

Benefited from the growth of the Macau tourism industry, revenue for the Period amounted to approximately HK\$104,521,000 (the Previous Period: approximately HK\$96,333,000), representing an increase of approximately 8% as compared to the Previous Period. Hotel business contributed approximately 30% (the Previous Period: approximately 30%) of the total hotel and gaming business revenue and approximately 7% (the Previous Period: approximately 6%) of the Group's total revenue.

The average occupancy rates of the two hotels, namely Casa Real and Grandview, were approximately 91% (the Previous Period: approximately 88%) and approximately 89% (the Previous Period: approximately 89%) respectively.

### **Gaming Business**

The Group's gaming operation is run by the licence holder Sociedade de Jogos de Macau, S.A. The two casinos continued to provide solid contributions to the Group.

Gaming revenue, including gaming revenue and food and beverage sales in casino, amounted to approximately HK\$241,903,000 for the Period, representing a rise of approximately 7% as compared to approximately HK\$225,861,000 of the Previous Period. Gaming revenue accounted for approximately 70% (the Previous Period: approximately 70%) of total hotel and gaming business turnover and approximately 15% (the Previous Period: approximately 14%) of the Group's total revenue.

As at 30 September 2018, the Group's gaming operations include 64 (31 March 2018: 64) tables in the two mass market halls, 12 (31 March 2018: 12) tables in the VIP rooms and 215 (31 March 2018: 277) slot machines and 140 (31 March 2018: 140) live baccarat machines in the electronic gaming halls. Live baccarat machines brought additional crowd to the property, achieving synergy with the slot machine business as well.

### **Other Income**

Other income mainly represented handling charges received from securities clients and other miscellaneous income. The income decreased by approximately 18% from approximately HK\$16,771,000 in the Previous Period to approximately HK\$13,822,000 in the Period. This was because there were less securities handling charge in the Period.

### **Written-off of intangible assets**

The potash industry worldwide has been suffering from oversupply for a number of years and the potash price has been under pressure. In addition, the initial exploration and exploitation costs for potash mines overseas were very high. Despite years of efforts made to identify potential investors to invest in potash projects, aiming for realising or otherwise disposing of such assets of those projects, no progress had been made. As the total annual leasing charge of those leases exceeded 4.4 million Canadian dollars, after taking into consideration certain factors including, market conditions, cost of investments and annual leasing charges, the Group ceased payment of leasing charges and notice was received on 14 September 2018 that those leases were cancelled. The Group's intangible assets of approximately HK\$266,157,000 were therefore written off. Such mineral leases were non-core assets of the Group and were not related to the principal lines of businesses of the Group. The cancellation of those leases has no material adverse impact on the overall financial and trading position of the Group.

### **Fair value loss on financial assets at fair value through profit or loss/fair value loss on held for trading investments**

During the Period, the Hong Kong equity market experienced fluctuations. The market value of the held for trading investments held by the Group during the Period recorded a revaluation loss of approximately HK\$25,653,000 (the Previous Period: approximately HK\$1,776,000). Under HKFRS 9, held for trading investments in the Previous Period were reclassified as financial assets at fair value through profit or loss in the Period. As at 30 September 2018, the Group was holding financial assets at fair value through profit or loss of approximately HK\$167,268,000 (31 March 2018: held for trading investments of approximately HK\$192,805,000) in market value.

### **Inventory consumed**

Inventory consumed represented the cost of guest supplies and food and beverage consumed upon provision of accommodation and catering services to the customers. During the Period, it amounted to approximately HK\$11,110,000 (the Previous Period: approximately HK\$10,267,000). The increase of approximately 8% was in line with the increase in revenue from hotel business.

## **Staff costs**

Staff costs amounted to approximately HK\$148,912,000 (the Previous Period: approximately HK\$149,534,000), representing an approximately 1% decrease. The Group reviewed and adjusted compensation and benefits to employee regularly to match market rates. 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 represented amount paid as an incentive to attract customers. The commission expenses of the Group was in line with market level. During the Period under review, the gaming commission amounted to approximately HK\$48,151,000 (the Previous Period: approximately HK\$41,252,000), representing an approximately 17% increase. The increase was mainly due to the increase in chips turnover in the Group's two casinos during the Period.

## **Broker Commission**

Broker commission decreased approximately 42% from approximately HK\$22,730,000 in the Previous Period to approximately HK\$13,187,000 in the Period. The decrease match with the decrease in income from securities brokerage, underwriting and placement segment during the Period.

## **Interest expenses for securities brokerage, underwriting and placements, margin and IPO financing operations**

During the Period, overall cost of funding increased. The interest expenses for securities brokerage, underwriting and placement, margin and IPO financing operations increased from approximately HK\$128,119,000 in the Previous Period to approximately HK\$139,995,000 in the Period, representing an approximately 9% increase.

## **Administrative expenses**

Administrative expenses mainly included rent and rates, lease expenses, electricity and water, fuel and etc.. During the Period under review, it amounted to approximately HK\$53,910,000 (the Previous Period: approximately HK\$60,736,000), representing an approximately 11% decrease because less leases expenses were recorded in the Period.

## **Other operating expenses**

Other operating expenses mainly represented other operating expenses for gaming facilities, promotion expenses and other hotel room operating expenses. During the Period under review, it amounted to approximately HK\$64,135,000 (the Previous Period: approximately HK\$64,261,000).

## **Finance cost**

During the Period under review, finance cost of approximately HK\$15,176,000 (the Previous Period: approximately HK\$15,197,000) represented the interest expenses for the amount due to a shareholder.

## **Amortisation**

The amount of approximately HK\$7,066,000 in the Previous Period represented the amortisation expenses of the intangible assets which has been amortised on a straight-line basis over its estimated useful life of 24 years. The intangible assets was written-off during the Period.

## **FUTURE PROSPECTS**

### **Financial service segments**

The volatility of the global stock markets during past few months, which was triggered by the escalating trade dispute between the US and China, has posed uncertainties to the global economy. However, global stock markets are expecting that the two countries will work out a trade agreement after the leaders of the two nations meet in late 2018.

Besides, the investment sentiment is expected to recover upon the positive progress of the development of the Guangdong-Hong Kong-Macao Greater Bay Area (“GBA”). The growth of new business in the GBA region will offer ample opportunities for financial services industry, with the Stock and Bond Connect schemes between the Mainland China and Hong Kong continuing to fuel the growth by means of increasing number of international and Mainland Chinese investors trading securities and bonds across different markets. The expansion of the daily quota of Stock Connect and the inclusion of A shares in the MSCI indexes may also enhance the attractiveness of the Mainland and Hong Kong stock markets. Moreover, the anticipated lowering of required reserve ratios (RRR) by the People’s Bank of China (PBoC) would stimulate positive market sentiment and bring in positive impact to the financial markets.

Looking forward, the Group will adopt a responsive approach, to prudently deploy and implement expansion plans that are in line with the market situation in Hong Kong and the Mainland China. With our strong visibility across the region, the Group is well-poised to grasp the opportunities arising from the existing mature Hong Kong market, as well as the emerging capital market in the GBA.

### **Hotel and gaming segments**

With the opening of the Hong Kong – Zhuhai – Macao Bridge, the Group expects the Macau gaming and tourism market to maintain a positive development prospect. With increasing traffic flow and enhanced accessibility, more new resorts equipped with gaming and non-gaming entertainment facilities are planned to roll out. The Group will continue to drive its revenue growth in the region.

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

As at 30 September 2018, the shareholders' fund and net current assets of the Group amounted to approximately HK\$20,896,915,000 (31 March 2018: approximately HK\$20,623,754,000) and approximately HK\$8,320,613,000 (31 March 2018: approximately HK\$7,350,416,000) respectively. On the same date, the Group had cash and bank balance of approximately HK\$615,897,000 (31 March 2018: approximately HK\$395,793,000) and the current ratio was approximately 1.6 (31 March 2018: approximately 1.5).

As at 30 September 2018, the Group had bank borrowings of approximately HK\$3,069,300,000 (31 March 2018: approximately HK\$2,350,000,000), amounts due to shareholders of approximately HK\$4,196,911,000 (31 March 2018: approximately HK\$4,219,911,000), loan from a related company of approximately HK\$6,297,143,000 (31 March 2018: approximately HK\$7,142,999,000) and subordinated loans of approximately HK\$700,000,000 (31 March 2018: approximately 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 approximately 65% (31 March 2018: approximately 68%).

## **COMMITMENTS AND CONTINGENT LIABILITIES**

Details of commitments and contingent liabilities of the Group as at 30 September 2018 are set out in Note 13 to the financial statements.

## **CAPITAL STRUCTURE**

During the six months ended 30 September 2018, no material fluctuation was noted on the Company's overall capital structure.

## **CAPITAL COMMITMENTS**

At 30 September 2018, the Group had capital commitments of approximately HK\$868,000 (31 March 2018: approximately HK\$630,000) in respect of acquisition of plant and equipment.

## **EMPLOYEES**

As at 30 September 2018, the Group employed a total of 858 (31 March 2018: 885) staff. The total staff cost for the Period was approximately HK\$148,912,000 (the Previous Period: approximately HK\$149,534,000). 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 30 September 2018, the Group had pledged client's securities at a value of approximately HK\$7,003,920,000 (31 March 2018: approximately HK\$7,259,478,000), and certificates of deposits at a value of approximately HK\$92,401,000 (31 March 2018: a bond at value of approximately HK\$44,183,000 and a certificate of deposit at a value of approximately HK\$47,950,000 ) to secure certain banking facilities provided to the Group.

In addition, the Group's term loan is secured by:

- the pledge of leasehold land and building held for own use with carrying amounts of approximately HK\$2,200,000,000 (31 March 2018: approximately HK\$2,200,000,000);
- shares of two subsidiaries;
- corporate guarantee from a subsidiary;
- a charge over operating bank accounts of two subsidiaries;
- assignment of income and receivables arising from commercial operations of two subsidiaries.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

There was no material acquisition nor disposal conducted by the Group during the Period under review.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risk and uncertainty facing the Group is the market economy of China, Hong Kong and the surrounding regions as significant changes in their economic conditions will have significant impact on China and Hong Kong's stock market, as well as Macau's tourism.

Other risks include credit risks, market risks, liquidity risks and interest rate risks. The Group has been adopting prudent risk management policy to mitigate exposure to various risks.

## **RISK MANAGEMENT**

### **Credit risk**

The Group's Risk Management Committee has put in place credit management policies and procedures which cover the examination of the approval of clients' trading and credit limits, approval and review of the margin lending ratio of individual stock, monitoring of credit exposures and the follow up of credit risks associated with overdue debts. Day-to-day credit monitoring is performed by the Group's Credit and Risk Control Department in accordance with the policies and procedures approved by the Risk Management Committee with toleration and exception reports reviewed by Responsible Officers and senior management of the Group as well as by the Risk Management Committee at regular meetings.

## **Market risk**

If the market value of a margin client's portfolio falls below his margin loan amount and the margin client fails to meet margin calls, the Group will be exposed to the risk that the margin loan being delinquent. Similarly, if the value of the underlying products of a client's futures contract fluctuates such that the outstanding balances in his account falls below the required maintenance margin level, the Group may suffer loss if the client's account incurs loss even after liquidation of the open position. The management of the Group keeps close monitoring of the market condition so that immediate precautionary measures will be taken to reduce such risk that the Group may encounter. Follow up actions such as reducing the margin ratio for the pledged securities and requiring clients to top up their positions would be taken if considered appropriate.

## **Liquidity risk**

As part of its ordinary brokerage activities, the Group is exposed to liquidity risk arising from timing difference between settlement with clearing houses or brokers and clients. The goal of liquidity management is to enable the Group to adequately fund such business commitments as well as to comply with relevant financial resources rules applying to various licensed subsidiaries. To address the risk, the Group's Accounts Department and the senior management will review and monitor the Group's liquidity position on daily basis to ensure the availability of sufficient liquid funds. In addition, the Group has also put in place stand-by banking and other facilities in order to meet any contingency in its operations. The management believes the Group's working capital is adequate to meet its financial obligations.

## **Interest rate risk**

The Group charged interest on its margin clients on the basis of its cost of fund plus mark-up. Financial assets such as margin loans and deposit with banks are primarily at floating rates. Financial liabilities such as bank loans are primarily at floating rates. The Group income and operating cash flows are not subject to significant interest rate risk.

## **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 business and gaming revenue are mainly denominated in Hong Kong Dollars and hence no significant exchange rate risk is identified.

## **TREASURY POLICY**

The Group may invest its surplus funds or funds not designated for specific purpose or funds designated for specific purpose but application of which is not immediately required (collectively “the Group’s Funds”) in the form of short term (i.e. less than one year) and liquid stocks through investing the Group’s Funds in diversified portfolio of investments products including listed or unlisted securities, unit trust funds, or such other investments as the Board of the Company, or such committees or person(s) as the Board may authorise, may decide from time to time so as to preserve the value of the Group’s Funds and/or achieve capital appreciation.

## **INTERIM DIVIDEND**

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2018 (six months ended 30 September 2017: Nil).

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

During the six months ended 30 September 2018, there were no purchases, sales or redemption of the Company’s listed securities by the Company or any of its subsidiaries.

## **CORPORATE GOVERNANCE**

Throughout the six months ended 30 September 2018, the Company has complied with all code provisions under the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standards set out in the Model Code during the six months ended 30 September 2018.

## **AUDIT COMMITTEE**

The Audit Committee is composed of all the three Independent Non-Executive Directors of the Company. The Audit Committee has reviewed with management the accounting policies adopted by the Group and discussed auditing, internal control, risk management and financial reporting matters, including the review of the unaudited interim financial statements for the six months ended 30 September 2018.

## **PUBLICATION OF INTERIM REPORT**

The Company's 2018 interim report, containing the relevant information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 28 November 2018

*As at the date of this announcement, the executive Directors are Mr. Chu, Nicholas Yuk-yui (Chairman), Mrs. Chu Yuet Wah (Chief Executive Officer), Mr. Chu, Kingston Chun Ho and Mr. Ho Chi Ho, and the independent non-executive Directors are Dr. Wong Yun Kuen, Mr. Lau Man Tak and Ms. Lo, Miu Sheung Betty.*