

Hong Kong Exchanges and Clearing Limited and the Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



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

(Incorporated in Bermuda with limited liability)

(Stock Code: 01031)

CONNECTED TRANSACTION ENTERING INTO TENANCY AGREEMENT

On 15 January 2019, the Company as the tenant, entered into the Tenancy Agreement with The Center (72) Limited as the landlord of the Premises, in relation to the leasing of the Premises for a term of three years.

As at the date of this announcement, the Landlord is wholly owned by Mrs. Chu, who is the controlling shareholder of the Company, hence a connected person of the Company, the entry into the Tenancy Agreement constitutes a connected transaction under Chapter 14A of the Listing Rules.

Given that one or more of the applicable percentage ratios are more than 0.1% but less than 5%, the aggregate transaction amount under the Tenancy Agreement falls within the thresholds prescribed in Rule 14A.76(2) of the Listing Rules. Hence, the entering into of the Tenancy Agreement is exempt from circular and independent shareholders' approval requirements, but is subject to the annual review and reporting and announcement requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

On 15 January 2019, the Company as the tenant, entered into the Tenancy Agreement with The Center (72) Limited as the landlord of the Premises, in relation to the leasing of the Premises for a term of three years.

THE TENANCY AGREEMENT

A summary of the principal terms of the Tenancy Agreement is as follows:

Date	:	15 January 2019
Parties	:	(i) the Company as tenant; and (ii) The Center (72) Limited as landlord The Landlord is principally engaged in property holding.
Premises	:	the whole of 72th floor, The Center, 99 Queen's Road Central, Central, Hong Kong Island, the gross floor area of which is approximately 26,586 square feet
Terms	:	three (3) years, commencing from 15 January 2019 to 14 January 2022
Rental and payment terms	:	HK\$3,057,390 per month (excluding Government rates, Government rent, air-conditioning and management charges), with a rent-free period of three months commencing from 15 January 2019 to 14 April 2019
Air-conditioning and management charges	:	HK\$218,540 per month
Deposit	:	HK\$10,561,563.60, equivalent to three months' rental, Government rates, Government rent, air-conditioning and management charges by the Company to the Landlord on the date of the Tenancy Agreement

Based on the monthly rental, air-conditioning and management charges, and taking into account the rent-free period of three months under the Tenancy Agreement, the aggregate amount payable by the Company under the Tenancy Agreement will be approximately HK\$109 million and is expected to be financed by the internal resources of the Group.

REASONS FOR, AND BENEFITS OF, THE ENTERING INTO THE TENANCY AGREEMENT

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

The Tenancy Agreement was entered into in the ordinary and usual course of business of the Group. The Premises will be used as the principal office of the Group. The aggregate rentals payable under the Tenancy Agreement for the three years ending 31 March 2022 were arrived after arm's length negotiation between the parties to the Tenancy Agreement and determined with reference to, amongst other things, the current market rent payable for a property similar to the subject property and of comparable utility. The Directors (including

the independent non-executive Directors) are of the view that the abovementioned rentals are fair, reasonable and in line with the market level, and the entry into the Tenancy Agreement is in the interests of the Group and the Shareholders as a whole.

THE LISTING RULES IMPLICATIONS

As at the date of this announcement, the Landlord is wholly owned by Mrs. Chu, who is the controlling shareholder of the Company, hence a connected person of the Company, the entry into the Tenancy Agreement constitutes a connected transaction under Chapter 14A of the Listing Rules.

Given that Mr. Chu, Nicholas Yuk-yui, being the executive Director and chairman of the Company and Mr. Chu, Kingston Chun Ho, being the executive Director are the associates of Mrs. Chu, each of Mrs. Chu, Mr. Chu, Nicholas Yuk-yui and Mr. Chu, Kingston Chun Ho is considered to be interested in the Tenancy Agreement and each of them has abstained from voting on the board resolution approving the Tenancy Agreement. In addition, Ms. Lo, Miu Sheung Betty, being the independent non-executive Director, is a consultant of a law firm which involved in the preparation of the Tenancy Agreement, and therefore, has abstained from voting on the board resolution approving the Tenancy Agreement. Save as disclosed above, to the best of knowledge of the Directors having made all reasonable enquiries, no other Directors had a material interest in the Tenancy Agreement and thus was required to abstain from voting on the board resolution approving the Tenancy Agreement.

Given that one or more of the applicable percentage ratios are more than 0.1% but less than 5%, the aggregate transaction amount under the Tenancy Agreement falls within the thresholds prescribed in Rule 14A.76(2) of the Listing Rules. Hence, the entering into of the Tenancy Agreement is exempt from circular and independent shareholders' approval requirements, but is subject to the annual review and reporting and announcement requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“associate(s)”	has the meaning ascribe thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Kingston Financial Group Limited, a company incorporated under the laws of Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly
“controlling shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Landlord”	The Center (72) Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly and beneficially owned by Mrs. Chu
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mrs. Chu”	Mrs. Chu Yuet Wah, the controlling shareholder, the chief executive officer and the executive Director of the Company, and the ultimate beneficial owner of the Landlord
“Premises”	the whole of 72th floor, The Center, 99 Queen’s Road Central, Central, Hong Kong
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the agreement dated 15 January 2019 entered into between The Center (72) Limited as landlord and the Company as tenant in relation to the leasing of the Premises for a term of three years
“HK\$”	Hong Kong dollars
“%”	per cent.

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

Hong Kong, 15 January 2019

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.