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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)**

**CONTINUING CONNECTED TRANSACTIONS  
IN RELATION TO  
PROVISION OF FINANCIAL SERVICES**

On 21 September 2020, Kingston Securities has entered into the Financial Services Agreements with the Relevant Directors for provision of financial services to the Relevant Directors and their respective associates (where applicable) for a term commencing from 21 September 2020 to 31 March 2023.

**THE LISTING RULES IMPLICATIONS**

Given that the Relevant Directors are connected persons of the Company under Chapter 14A of the Listing Rules, the transactions contemplated under the Financial Services Agreements constitute continuing connected transactions of the Company.

Given that the proposed annual caps contemplated under the Financial Services Agreements for the term commencing from 21 September 2020 to 31 March 2023 are all less than 5% of the applicable percentage ratios as defined in Rule 14A.06(30) of the Listing Rules (other than the profits ratio), such agreement is only subject to the reporting, announcement and annual review requirements and is exempt from the independent shareholders' approval and circular requirements under Rule 14A.76(2) of the Listing Rules.

Both Mr. Ho, the executive Director, and Mr. Lau, the independent non-executive Director, are considered to have interest in the Financial Services Agreements. Both of them have abstained from voting on the related resolution at the board meeting of the Company in which the Financial Services Agreements was considered.

## CONTINUING CONNECTED TRANSACTIONS

On 21 September 2020, Kingston Securities has entered into the Financial Services Agreements with the Relevant Directors for provision of financial services to the Relevant Directors and their respective associates (where applicable) for a term commencing from 21 September 2020 to 31 March 2023.

Pursuant to the Financial Services Agreements, Kingston Securities may, upon request, (but not obliged to) provide to each of the Relevant Directors financial services, including margin and IPO financings, from time to time on normal commercial terms at the interest rate comparable to rates offered to other customers of Kingston Securities who are Independent Third Parties of similar credit standing, trading records and/or quality of collaterals given and in accordance with the policy of Kingston Securities from time to time. The provision of financial services shall be subject to the terms and conditions of the standard client agreement of Kingston Securities from time to time.

### Proposed annual caps

The proposed annual caps for each of the years ending 31 March 2021, 2022 and 2023 in respect of financial services which may be provided by Kingston Securities to each of the Relevant Directors and their respective associates (where applicable) under the Financial Services Agreements are set out as follows:

Annual caps	For the year ending 31 March		
	2021	2022	2023
	HK\$'000	HK\$'000	HK\$'000
Annual cap of IPO financing	30,000	30,000	30,000
Annual cap of margin financing	30,000	30,000	30,000

The proposed annual caps under the Financial Services Agreements were determined after arm's length negotiation with the Relevant Directors, after taking into account (i) their potential need for margin loans and IPO financings for their respective personal investment purpose; (ii) the interest rates offered to them in respect of these margin loans and IPO financings; (iii) their credit standing; (iv) the prevailing IPO securities markets condition; and (v) the economic conditions and market sentiments of the capital markets in Hong Kong. The Directors (including the independent non-executive Directors) are of the view that the above proposed annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### Reasons for, and benefits of, the Continuing Connected Transactions

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

Taking into consideration that (i) the provision of the margin/ IPO financing services is the principal activities of the Group and in the ordinary course of business of the Group; (ii) the services provided to the Relevant Directors are recurrent in nature; and (iii) the terms of the Financial Services Agreements, which were negotiated with the Relevant Directors after arm's length negotiations and are comparable to those offered to the Independent Third Parties, the Directors (including the independent non-executive Directors) are of the view that the terms of the Financial Services Agreements are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and have no impact on Mr. Lau's independence as an independent non-executive Director.

### **The Listing Rules implications**

Given that the Relevant Directors are connected persons of the Company under Chapter 14A of the Listing Rules, the transactions contemplated under the Financial Services Agreements constitute continuing connected transactions of the Company.

Given that the proposed annual caps contemplated under the Financial Services Agreements for the each of the years ending 31 March 2021, 2022 and 2023 are all less than 5% of the applicable percentage ratios as defined in Rule 14A.06(30) of the Listing Rules (other than the profits ratio), such agreement is only subject to the reporting, announcement and annual review requirements and is exempt from the independent shareholders' approval and circular requirements under Rule 14A.76(2) of the Listing Rules.

Both Mr. Ho, the executive Director, and Mr. Lau, the independent non-executive Director, are considered to have interest in the Financial Services Agreements. Both of them have abstained from voting on the related resolution at the board meeting of the Company in which the Financial Services Agreements was considered.

### **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 ascribed 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
“Continuing Connected Transactions”	the continuing connected transactions contemplated under the Financial Services Agreements
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company

“Financial Services Agreements”	the financial services agreement entered between Kingston Securities and the Relevant Directors dated 21 September 2020 regarding the provision of financial services
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	third parties independent of the Company and its connected persons
“IPO”	initial public offering
“Kingston Securities”	Kingston Securities Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation to carry on Type 1 (dealing in securities) regulated activity under the SFO, which is an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Mr. Ho”	Mr. Ho Chi Ho, being an executive Director
“Mr. Lau”	Mr. Lau Man Tak, being an independent non-executive Director
“Relevant Directors”	Mr. Ho and Mr. Lau
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“HK\$” Hong Kong dollars

“%” per cent.

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

Hong Kong, 21 September 2020

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