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Active Dynamic Limited

(Incorporated in British Virgin Islands with limited liability)

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

(Incorporated in Bermuda with limited liability)

(Stock Code: 01031)

**MONTHLY UPDATE ON
(1) PROPOSED PRIVATISATION OF
KINGSTON FINANCIAL GROUP LIMITED
BY ACTIVE DYNAMIC LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 99 OF THE COMPANIES ACT; AND
(2) PROPOSED WITHDRAWAL OF LISTING OF
KINGSTON FINANCIAL GROUP LIMITED; AND
CLARIFICATION IN RELATION TO THE R3.5 ANNOUNCEMENT**

References are made to the joint announcement (the “**R3.5 Announcement**”) of Active Dynamic Limited (the “**Offeror**”) and Kingston Financial Group Limited (the “**Company**”) dated 24 October 2022 in relation to, among other things, the proposed privatisation of the Company by the Offeror by way of a scheme of arrangement under section 99 of the Companies Act (the “**Proposal**”) and the joint announcement of the Offeror and the Company dated 14 November 2022 in relation to the delay in despatch of the scheme document in relation to, among other things, the Proposal (the “**Delay in Despatch Announcement**”). Unless the context otherwise requires, the capitalised terms used herein shall have the same meanings as those defined in the R3.5 Announcement.

UPDATE ON THE PROPOSAL

As stated in the Delay in Despatch Announcement, as additional time is required to finalise the financial information to be included in the Scheme Document, in particular the interim results of the Company for the six months ended 30 September 2022 and thereafter to submit the Scheme Document to the Bermuda Court to procure the holding of the Directions Hearing, the Offeror and the Company had made an application to the Executive pursuant to Rule 8.2 of the Takeovers Code for its consent to an extension of the time for the despatch of the Scheme Document to a date falling on or before 17 January 2023. The Executive had granted such consent on 15 November 2022.

As stated in the R3.5 Announcement, the Proposal and the Scheme will become effective and binding on the Company and all the Shareholders, subject to the fulfilment or waiver (as applicable) of the Conditions, including but not limited to the Scheme being approved by the Scheme Shareholders and the Disinterested Scheme Shareholders at the Scheme Meeting as set out in paragraphs (a) and (b) in the paragraph headed “Conditions of the Proposal and the Scheme” under the section headed “Terms of the Proposal” of the R3.5 Announcement. The proposed date of the Scheme Meeting will be directed by the Bermuda Court after the Bermuda Court has determined that it is satisfied with the terms and conditions of the Scheme Document at the Directions Hearing. As at the date of this joint announcement, the Company has been informed by its Bermuda legal adviser that the Directions Hearing will be held on 12 January 2023 at 10:30 a.m. (Bermuda time). Further, the Company and the Offeror are still in the process of finalising the Scheme Document.

As at the date of this joint announcement, none of the Conditions have been fulfilled or waived (as the case may be). Details of the Conditions are set out in the R3.5 Announcement.

CLARIFICATION IN RELATION TO THE R3.5 ANNOUNCEMENT

The Offeror and the Company would like to clarify the following:

1. As at the date of the R3.5 Announcement, the total number of the Ordinary Shares held by the Offeror Concert Parties was 44,958,078 Ordinary Shares representing approximately 0.330% of the total number of the issued Ordinary Shares (instead of 43,702,000 Ordinary Shares, representing approximately 0.321% of the total number of the issued Ordinary Shares as stated in the R3.5 Announcement). The breakdown is set out below:

	As stated in the R3.5 Announcement (before clarification)		As at the date of the R3.5 Announcement and as at the date of this joint announcement (after clarification)	
	No. of Ordinary Shares	% of total issued Ordinary Shares	No. of Ordinary Shares	% of total issued Ordinary Shares
Offeror Concert Parties				
Mr. Lee Wai Man (Notes 1 and 4)	550,000	0.004	550,000	0.004
Mr. Lee Shiu Ming Alex (Notes 1, 2 and 4)	—	—	6,000	0.000
Ms. Li Yuet Mei Dilys (Notes 1 and 4)	500,000	0.004	500,000	0.004
Mr. Wong Jimmy Hip Keung (Notes 1 and 4)	42,292,000	0.311	42,292,000	0.311
Ms. Wong Chi Ting Esther (Notes 1 and 4)	360,000	0.003	1,610,000	0.011
The Company (Notes 1, 3 and 4)	—	—	78	0.000
	<u>43,702,000</u>	<u>0.321%</u>	<u>44,958,078</u>	<u>0.330</u>

Note:

1. Mr. Lee Wai Man is the father of Mrs. Chu, Mr. Lee Shiu Ming Alex is the brother of Mrs. Chu, Ms. Li Yuet Mei Dilys is the sister of Mrs. Chu, Mr. Wong Jimmy Hip Keung is the brother-in-law of Mrs. Chu and Ms. Wong Chi Ting Esther is the niece of Mrs. Chu. Each of Mr. Lee Wai Man, Mr. Lee Shiu Ming Alex, Ms. Li Yuet Mei Dilys, Mr. Wong Jimmy Hip Keung and Ms. Wong Chi Ting Esther is presumed to be a party acting in concert with the Offeror under Class (8) of the definition of “acting in concert” under the Takeovers Code.
 2. As at the date of the R3.5 Announcement and as at the date of this joint announcement, neither the Offeror nor the Company was able to make contact with Mr. Lee Shiu Ming Alex and the total number of the Ordinary Shares held by Mr. Lee Shiu Ming Alex was unable to be confirmed. To the best knowledge of the Offeror having made all reasonable enquiry, Mr. Lee Shiu Ming Alex held 6,000 Ordinary Shares in the account under his name and maintained with Kingston Securities Limited, a wholly-owned subsidiary of the Company as at the date of the R3.5 Announcement and as at the date of this joint announcement.
 3. As at the date of the R3.5 Announcement and as at the date of this joint announcement, 78 Shares were held for the benefit of the Company as a result of previous share consolidations of the Company. As at the date of the R3.5 Announcement and as at the date of this joint announcement, Mrs. Chu is an executive Director, the sole director of the Offeror and the controlling shareholder of the Company. As such, the Company is presumed to be acting in concert with the Offeror under Class (2), (6) and (8) of the definition of “acting in concert” under the Takeovers Code.
 4. The Ordinary Shares held by the Offeror Concert Parties will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming effective. The Offeror Concert Parties will abstain from voting at the Scheme Meeting while the Company will abstain from voting at both the Scheme Meeting and the SGM.
2. As at the date of the R3.5 Announcement,
- (i) of the 3,457,274,771 Scheme Shares, 44,958,078 Scheme Shares were held by the Offeror Concert Parties (instead of 43,702,000 Scheme Shares as stated in the R3.5 Announcement);
 - (ii) the total number of the Ordinary Shares held by the Offeror and Offeror Concert Parties was 10,202,163,973 Ordinary Shares, representing approximately 74.936% of the total number of the issued Ordinary Shares (instead of 10,200,907,895 Ordinary Shares, representing approximately 74.927% of the total number of the issued Ordinary Shares as stated in the R3.5 Announcement); and
 - (iii) the total number of the Ordinary Shares held by the Disinterested Scheme Shareholders was 3,412,316,693 Ordinary Shares, representing approximately 25.064% of the total number of the issued Ordinary Shares (instead of 3,413,572,771 Ordinary Shares, representing approximately 25.073% of the total number of the issued Ordinary Shares as stated in the R3.5 Announcement).

There were no dealings by the Offeror or the Offeror Concert Parties in the Shares during the six-month period prior to the date of the R3.5 Announcement and up to the date of this joint announcement except that it is unable to make the aforesaid confirmation as to whether there were any dealings in the Shares by Mr. Lee Shiu Ming Alex as neither the Offeror nor the Company was able to make contact with Mr. Lee Shiu Ming Alex.

Save as disclosed in this joint announcement, all information set out in the R3.5 Announcement remains accurate. This joint announcement is supplemental to and should be read in conjunction with the R3.5 Announcement.

WARNING

Shareholders and potential investors of the Company should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. Shareholders and potential investors of the Company should therefore exercise caution when dealing in securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

By order of the board of
Active Dynamic Limited
Chu Yuet Wah
Sole Director

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

Hong Kong, 14 December 2022

As at the date of this joint announcement, the sole director of the Offeror is Mrs. Chu Yuet Wah.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirms, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Directors in their capacity as the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the executive directors of the Company 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 of the Company are Mr. Lau Man Tak, Ms. Lo, Miu Sheung Betty and Mr. Chiu Sin Nang, Kenny.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and the Offeror Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the director of the Offeror in her capacity as the director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.