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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)

JOINT ANNOUNCEMENT

**(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;**

**(2) PROPOSED WITHDRAWAL OF LISTING OF
KINGSTON FINANCIAL GROUP LIMITED;**

AND

(3) DESPATCH OF SCHEME DOCUMENT

Financial Adviser to the Offeror

Nuada Limited

Financial Adviser to the Company



**金利豐財務顧問
KINGSTON CORPORATE FINANCE**

Independent Financial Adviser

ALTUS CAPITAL LIMITED

References are made to (i) the joint announcement (the “**Rule 3.5 Announcement**”) of Active Dynamic Limited (the “**Offeror**”) and Kingston Financial Group Limited (the “**Company**”) dated 24 October 2022 in relation to, among others things, the proposed privatisation of the Company by the Offeror by way of a scheme of arrangement (the “**Scheme**”) under Section 99 of the Companies Act (the “**Proposal**”); (ii) the joint announcement of the Offeror and the Company dated 14 November 2022 in relation to the delay in despatch of the Scheme Document (as defined below) in relation to, among other things, the Proposal; (iii) the joint announcement of the Offeror and the Company dated 14 December 2022 in relation to the monthly update on the Proposal and the clarification in relation to the Rule 3.5 Announcement; and (iv) the scheme document (the “**Scheme Document**”) jointly issued by the Offeror and the Company dated 17 January 2023 in relation to, among other things, the Proposal and the Scheme. Unless otherwise defined, capitalised terms used in this joint announcement shall have the same meanings as those defined in the Scheme Document.

DESPATCH OF THE SCHEME DOCUMENT

The Scheme Document with the notices convening the Scheme Meeting and the SGM to be held on Thursday, 9 February 2023 contained therein, together with the relevant forms of proxy, will be despatched to the Shareholders on Tuesday, 17 January 2023. The Scheme Document contains, among other things, (i) further details of the Proposal and the Scheme; (ii) the expected timetable relating to the Proposal; (iii) an explanatory statement as required under the Companies Act; (iv) the letters from the Board, the Independent Board Committee and the Independent Financial Adviser; (v) financial information of the Group; and (vi) notices of the Scheme Meeting and the SGM.

RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising Mr. Lau Man Tak, Ms. Lo, Miu Sheung Betty and Mr. Chiu Sin Nang, Kenny, being all the independent non-executive Directors, has been established by the Board to make a recommendation to the Disinterested Scheme Shareholders as to whether or not the terms of the Proposal are fair and reasonable, and whether to vote in favour of the relevant resolutions at the Scheme Meeting and the SGM. The Board has appointed Altus Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Disinterested Scheme Shareholders in relation to the Proposal and the Scheme and its recommendation as to voting of the relevant resolutions at the Scheme Meeting and the SGM. Such appointment has been approved by the Independent Board Committee. Shareholders are urged to read carefully the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser in relation to the Proposal and the Scheme as set out in the letters from the Independent Board Committee and the Independent Financial Adviser as contained in the Scheme Document.

SCHEME MEETING AND SGM

The Scheme Meeting and the SGM are scheduled to be held at 72/F, The Center, 99 Queen’s Road Central, Central, Hong Kong on Thursday, 9 February 2023 at 10:00 a.m. and 11:00 a.m. respectively (or in the case of the SGM, if later, as soon as practicable after the conclusion or adjournment of the Scheme Meeting). Shareholders who are entitled to attend and vote at the Scheme Meeting and the SGM are those whose names appear on the Register

as at the Meeting Record Date (i.e., 9 February 2023 or such other date as shall have been announced to the Shareholders). Notices of the Scheme Meeting and the SGM are contained in the Scheme Document. A joint announcement will be made by the Offeror and the Company in relation to the results of the Scheme Meeting and the SGM on Thursday, 9 February 2023.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Scheme Meeting and the entitlements of the Shareholders to attend and vote at the SGM, the Register will be closed from Monday, 6 February 2023 to Thursday, 9 February 2023 (both days inclusive) (or such other date as the Shareholders may be notified by an announcement), during which period no transfer of Ordinary Shares will be registered. In order to qualify to attend and vote at the Scheme Meeting and the SGM, all transfers documents accompanied by the relevant share certificates must be lodged with the Registrar, Tricor Abacus Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by not later than 4:30 p.m. on Friday, 3 February 2023.

CONDITIONS OF THE PROPOSAL AND THE SCHEME

Shareholders and potential investors of the Company should be aware that the implementation of the Proposal is subject to the Conditions being satisfied or waived, as applicable. Therefore, the Proposal may or may not be implemented and the Scheme may or may not become effective. All of the Conditions must be satisfied or waived, as applicable, on or before the Long Stop Date (i.e., 31 March 2023) (or such later date as the Offeror and the Company may agree and, to the extent applicable, as the Bermuda Court on the application of the Company may direct and, in all cases, as permitted by the Executive), failing which the Proposal and the Scheme will lapse. If the Conditions are satisfied or waived (as applicable), the Proposal and the Scheme will be binding on the Company and all the Shareholders, irrespective of whether or not the Scheme Shareholders and/or the Shareholders attended or voted for or against the resolution at the Scheme Meeting and/or the SGM. If all of the requisite resolutions are passed at the Scheme Meeting and the SGM, further announcement(s) will be made in relation to, among other things, the results of the Court Hearing, the Effective Date and the date of withdrawal of the listing of the Ordinary Shares on the Stock Exchange in accordance with the requirements of the Takeovers Code and the Listing Rules.

EXPECTED TIMETABLE

The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company. All references in this joint announcement to times and dates are references to Hong Kong times and dates, other than references to the expected dates of the Court Hearing and the Effective Date which are the relevant times and dates in Bermuda. For reference only, Bermuda time is 12 hours behind Hong Kong time as at the date of this joint announcement.

Date of despatch of the Scheme Document..... Tuesday, 17 January 2023

Latest time for lodging transfers of Ordinary Shares documents to qualify for entitlement to attend and vote at the Scheme Meeting and the SGM	4:30 p.m. on Friday, 3 February 2023
Closure of the register of members for determining entitlements to attend and vote at the Scheme Meeting and the SGM ^(Note 1)	from Monday, 6 February 2023 to Thursday, 9 February 2023 (both dates inclusive)
Latest time for lodging pink form of proxy in respect of the Scheme Meeting ^(Note 2)	10:00 a.m. on Tuesday, 7 February 2023
Latest time for lodging white form of proxy in respect of the SGM ^(Note 2)	11:00 a.m. on Tuesday, 7 February 2023
Meeting Record Date	Thursday, 9 February 2023
Scheme Meeting ^(Note 2 & 3)	10:00 a.m. on Thursday, 9 February 2023
SGM ^(Note 2 & 3)	11:00 a.m. on Thursday, 9 February 2023 (or, if later, as soon as practicable after the conclusion or adjournment of the Scheme Meeting)
Announcement of the results of the Scheme Meeting and the SGM, published on the websites of the Stock Exchange and the Company	not later than 7:00 p.m. on Thursday, 9 February 2023
Expected last day for trading in the Ordinary Shares on the Stock Exchange	Friday, 10 February 2023
Latest time for lodging transfers of Ordinary Shares documents to qualify for entitlements under the Scheme.....	4:30 p.m. on Wednesday, 15 February 2023
Closure of the register of members for determining entitlements under the Scheme ^(Note 4)	from Thursday, 16 February 2023 onwards
Court Hearing of the petition for the sanction of the Scheme	Friday, 24 February 2023 (Bermuda time)

Announcement of (1) the results of the Court Hearing;
(2) the expected Effective Date; and (3) the expected date
of the withdrawal of the listing of the Ordinary Shares
on the Stock Exchange, published on the websites
of the Stock Exchange and the Company..... Monday, 27 February 2023

Scheme Record Date Wednesday, 1 March 2023

Effective Date ^(Note 5) Wednesday, 1 March 2023
(Bermuda time)

Announcement of (1) the Effective Date; and
(2) the withdrawal of listing of Ordinary Shares
on the Stock Exchange, published on the websites
of the Stock Exchange and the Company..... Thursday, 2 March 2023

Withdrawal of listing of the Ordinary Shares on
the Stock Exchange becomes effective ^(Note 5) 9:00 a.m. on Monday,
6 March 2023

Latest date to despatch cheques for payment of
the Cancellation Price to the Scheme Shareholders ^(Note 6) on or before
Friday, 10 March 2023

Notes:

- (1) The Register will be closed during such period for the purpose of determining the entitlement of the Scheme Shareholders to attend and vote at the Scheme Meeting and of the Shareholders to attend and vote at the SGM. For the avoidance of doubt, this period of closure is not for determining entitlements under the Scheme.
- (2) The **pink** form of proxy in respect of the Scheme Meeting and the **white** form of proxy in respect of the SGM must be completed and signed in accordance with the instructions respectively printed thereon. The **pink** form of proxy in respect of the Scheme Meeting should be lodged with the Registrar, Tricor Abacus Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by the times and dates stated above (or not later than 48 hours before an adjourned Scheme Meeting). Alternatively, the **pink** form of proxy in respect of the Scheme Meeting may be handed to the chairman of the Scheme Meeting at the Scheme Meeting (who shall have absolute discretion as to whether or not to accept it) if it is not so lodged. The **white** form of proxy in respect of the SGM must be lodged with the Registrar, Tricor Abacus Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by the times and dates stated above (or not later than 48 hours before an adjourned SGM), failing which, it will not be valid. If more than one proxy forms for the Scheme Meeting is submitted by a Scheme Shareholder and the voting instructions require the proxies to vote both FOR and AGAINST the Scheme, the chairman of the Scheme Meeting shall have absolute discretion as to whether or not to accept those proxy forms. Completion and return of a form of proxy for the Scheme Meeting and/or the SGM will not preclude a Scheme Shareholder or a Shareholder (as the case may be) from attending and voting in person at the relevant meeting if he/she so wishes. In such event, the relevant form of proxy will be revoked by operation of law.
- (3) If a tropical cyclone warning signal No.8 or above is or is expected to be hoisted or “extreme conditions” caused by super typhoons or a black rainstorm warning signal is or is expected to be in force at any time after 8:00 a.m. on the date of the Scheme Meeting and the SGM, the Scheme Meeting and the

SGM will be adjourned with the consent of the meeting. The Company will post an announcement on the respective websites of the Stock Exchange and the Company to notify the members of the date, time and venue of the adjourned meetings.

- (4) The Register will be closed during such period for the purpose of determining the Scheme Shareholders, who are qualified for entitlements under the Scheme.
- (5) The Scheme will become effective upon all the Conditions set out in the paragraph headed “Conditions of the Proposal and the Scheme” under the section headed “Terms of the Proposal” in the Explanatory Statement in Part VI of the Scheme Document having been fulfilled or waived (as applicable). The withdrawal of listing of Ordinary Shares will take place as soon as practicable after the Effective Date. Shareholders will be advised by an announcement of the exact date upon which the Scheme becomes effective and the exact date of withdrawal of the listing of the Ordinary Shares on the Stock Exchange. All of the Conditions will have to be fulfilled or waived (as applicable) on or before the Long Stop Date (i.e., 31 March 2023) (or such later date as the Offeror and the Company may agree and, to the extent applicable, as the Bermuda Court on the application of the Company may direct and, in all cases, as permitted by the Executive), failing which the Proposal and the Scheme will lapse.
- (6) Cheques for entitlements of Scheme Shareholders will be despatched by ordinary post in postage pre-paid envelopes addressed to Scheme Shareholders at their respective addresses as appearing in the Register as at the Scheme Record Date or, in the case of joint holders, at the address appearing in the Register as at the Scheme Record Date of the joint holder whose name then stands first in the Register in respect of the relevant joint holding as soon as possible but in any event within seven (7) Business Days following the Effective Date. Cheques shall be posted at the risk of the addressees and none of the Offeror, the Company, Nuada, Kingston Corporate Finance, Altus Capital, the Registrar or any of their respective directors, officers, employees, agents, affiliates or advisers or any other persons involved in the Proposal shall be responsible for any loss or delay in transmission.

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, 17 January 2023

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 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 sole 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.