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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;**

(3) SANCTION OF THE SCHEME BY THE BERMUDA COURT;

(4) EXPECTED EFFECTIVE DATE OF THE SCHEME;

AND

**(5) EXPECTED DATE OF WITHDRAWAL OF LISTING OF
THE ORDINARY SHARES**

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

INTRODUCTION

References are made to the composite scheme document dated 17 January 2023 (the “**Scheme Document**”) jointly issued by Active Dynamic Limited (the “**Offeror**”) and Kingston Financial Group Limited (the “**Company**”) in relation to, among other 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**”) and the announcement dated 9 February 2023 jointly issued by the Offeror and the Company in relation to, among other things, the results of the Scheme Meeting and the SGM. Unless otherwise defined, capitalised terms used in this joint announcement shall have the same meanings as those used in the Scheme Document.

SANCTION OF THE SCHEME

The Scheme was sanctioned (without modification) by the Bermuda Court on Friday, 17 February 2023 (Bermuda time).

UPDATE ON THE CONDITIONS OF THE PROPOSAL

As at the date of this joint announcement, the implementation of the Proposal is still subject to the fulfillment or waiver (as applicable) of the Conditions in paragraphs (d) to (i) as 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 on page 56 of the Scheme Document, and therefore the Proposal may or may not become effective.

Set out below are the text of Conditions in paragraphs (d) to (i) as 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:

- (d) the sanction of the Scheme (with or without modifications) by the Bermuda Court and the delivery to the Registrar of Companies of a copy of the order of the Bermuda Court for registration;
- (e) to the extent necessary, compliance with the procedural requirements and conditions under section 46(2) of the Companies Act in relation to any reduction of the issued share capital of the Company associated with the cancellation and extinguishment of the Scheme Shares;
- (f) all Authorisations (if any) having been obtained or made from, with or by (as the case may be) the Relevant Authorities in Bermuda, Hong Kong, Macau and any other relevant jurisdictions; and, if applicable, any waiting periods having expired or terminated;

- (g) all Authorisations (if any) remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no legal or regulatory requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, which are material in the context of the Group (taken as a whole), in each aforesaid case up to and at the time when the Scheme becomes effective;
- (h) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal; and
- (i) all necessary consents in connection with the Proposal and the withdrawal of listing of the Ordinary Shares on the Stock Exchange which may be required under any existing contractual obligations of any member of the Group being obtained or waived by the relevant party(ies) and remaining in effect (if applicable).

Save for the above, all of the Conditions as 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 were fulfilled.

A copy of the order of the Bermuda Court sanctioning the Scheme is expected to be delivered to the Registrar of Companies for registration on or by Wednesday, 22 February 2023 (Bermuda time) whereupon Condition in paragraph (d) will be fulfilled.

The Offeror reserves the right to waive all or any of the Conditions in paragraphs (f) to (i), to the extent permissible by relevant laws and regulations, the Listing Rules and the Takeovers Code, either in whole or in respect of any particular matter.

EXPECTED EFFECTIVE DATE OF THE SCHEME

Assuming that all of the outstanding Conditions are fulfilled or waived (as applicable), it is expected that the Scheme will become effective on Wednesday, 22 February 2023 (Bermuda time). Further announcement will be made when the Scheme has become effective.

The Proposal and the Scheme will lapse if it does not become effective on or before 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 (being the Long Stop Date). The Offeror and the Company will make further announcement(s) as and when necessary.

EXPECTED DATE OF WITHDRAWAL OF LISTING OF THE ORDINARY SHARES

An application for the withdrawal of the listing of the Ordinary Shares on the Stock Exchange has been made and the Stock Exchange has approved the withdrawal of the listing of the Ordinary Shares on the Stock Exchange with effect from 9:00 a.m. on Monday, 27 February 2023, subject to the Scheme becoming effective.

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 reference to the expected date of the Effective Date which is the relevant time and date in Bermuda. For reference only, Bermuda time is 12 hours behind Hong Kong time as at the date of this joint announcement.

Scheme Record Date Wednesday, 22 February 2023

Effective Date^(Note 1) Wednesday, 22 February 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, 23 February 2023

Withdrawal of listing of the Ordinary Shares on the

Stock Exchange becomes effective^(Note 1) 9:00 a.m. on
Monday, 27 February 2023

Latest date to despatch cheques for payment of the

Cancellation Price to the Scheme Shareholders^(Note 2) on or before
Friday, 3 March 2023

Notes:

1. 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.
2. 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, 20 February 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.