

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt about any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountants or other professional adviser.

If you have sold or transferred all your securities in **Merdeka Mobile Group Limited** (the “Company”), you should at once hand this circular together with the accompanying form of proxy to the purchaser, transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.



**MERDEKA**  
**MERDEKA MOBILE GROUP LIMITED**  
**(萬德移動集團有限公司\*)**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8163)**

**(1) PROPOSED GRANT OF SHARE OPTIONS  
BEYOND THE SCHEME MANDATE LIMIT AND  
MAXIMUM ENTITLEMENT OF INDIVIDUAL PARTICIPANTS AND  
GRANT OF SHARE OPTIONS TO THE DIRECTORS,  
(2) PROPOSED REFRESHMENT OF  
THE SCHEME MANDATE LIMIT,  
(3) PROPOSED REFRESHMENT OF  
CURRENT GENERAL MANDATE,  
AND  
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Financial adviser to the Company**



**Independent Financial Adviser**



A letter from the board of directors of the Company is set out on pages 5 to 28 of this circular.

A notice convening the EGM to be held at Jasmine Room, 3/F., Best Western Plus Hotel Hong Kong, 308 Des Voeux Road West, Hong Kong at 11:30 a.m. on Friday, 2 October 2015 or any adjournment thereof is set out on pages 40 to 44 of this circular.

Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company's branch share registrar in Hong Kong, Tricor Tengis Ltd., Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the appointed time for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and any adjournment thereof (as the case may be) should you so wish.

## CHARACTERISTICS OF THE GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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## DEFINITIONS

*In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:*

“AGM”	the annual general meeting of the Company held on 8 June 2015;
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Board”	the board of Directors;
“Business Day(s)”	a day (other than a Saturday, Sunday and public holiday) on which banks are open for business in Hong Kong;
“BVI”	the British Virgin Islands;
“Company”	Merdeka Mobile Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM;
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Current General Mandate”	The general mandate granted by the Shareholders at the AGM to allot, issue or otherwise deal with up to a maximum of 76,606,277 additional Shares;
“Director(s)”	the director(s) of the Company;
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving (i) the Proposed Grant; (ii) the proposed refreshment of the Scheme Mandate Limit; and (iii) the proposed refreshment of the Current General Mandate;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of the Securities on GEM;
“Group”	the Company and its subsidiaries;

## DEFINITIONS

“Heng He”	恒河融資租賃(上海)有限公司 (Heng He Financial Lease (Shanghai) Company Limited*), a sino-foreign joint venture company established in the PRC with limited liability and a non-wholly owned subsidiary of the Company as at the Latest Practicable Date;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	the committee of the Board comprising all the Independent Non-executive Directors (namely Ms. Yeung Mo Sheung, Ann, Mr. Ng Kay Kwok and Mr. Yip Kat Kong, Kenneth);
“Independent Financial Adviser”	Goldin Financial Limited, a licensed corporation under the SFO licensed to conduct type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed refreshment of the Current General Mandate;
“Independent Shareholders”	Shareholders other than those who are required by the GEM Listing Rules to abstain from voting on the resolutions approving (i) the Proposed Grant; (ii) the proposed grant of the refreshed Scheme Mandate Limit; and/or (iii) the proposed refreshment of the Current General Mandate, as the case may be;
“Individual Limit”	1% of the Shares in issue as at the date of grant, being the maximum limit of the number of the Shares issued and to be issued upon exercise of the Share Options granted and to be granted to each Participant (including both exercised and outstanding Share Options) in any 12-month period up to the date of grant;

\* For identification purpose only

## DEFINITIONS

“Ivana”	Ivana Investments Limited, a company incorporated in the British Virgin Islands owned as to 100% by CW Limited, which in turn is wholly-owned by Asiatrust Limited, a trust company in its capacity as the trustee of a discretionary trust, the founder (as defined in the Securities and Futures Ordinance (Cap. 571)) of which is Mr. Cheung and the discretionary objects of which are family members of Mr. Cheung (including Mr. Cheung himself);
“Latest Practicable Date”	14 September 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein;
“Listing Committee”	has the meaning ascribed to this term under the GEM Listing Rules;
“Mr. Cheung”	Mr. Cheung Wai Yin, Wilson, an executive Director, the chairman of the Board and a substantial Shareholder, being an eligible Participant;
“Participant(s)”	any employee or director of any member of the Group (including a Director) and any consultant of or adviser to any member of the Group, who is entitled to participate in the Share Option Scheme;
“Placing”	the offer by way of private placing of an aggregate of 76,000,000 new Shares by a placing agent to not less than six (6) Placees at the price of HK\$0.120 per Shares under the Current General Mandate, which was announced by the Company on 17 August 2015 and completed on 26 August 2015;
“PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, Taiwan and the Macau Special Administrative Region;
“Proposed Grant”	The conditional grant of Share Option beyond the Scheme Mandate Limit to subscribe for an aggregate of 233,000,000 Shares under the Share Option Scheme to the Proposed Grantees;

## DEFINITIONS

“Proposed Grantees”	Participants who are eligible to participate in the Share Option Scheme to whom the Proposed Grant is made, as set out under the sub-section headed “The Proposed Grantees” in the “Letter from the Board” of this circular;
“Refreshed General Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the EGM to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution;
“Scheme Mandate Limit”	the limit imposed under the rules of the Share Option Scheme on the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme, being 10% of the Shares in issue as at the date of approval of the proposed refreshment by the Shareholders;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company;
“Share Option(s)”	share options to subscribe for the Shares granted and to be granted under the Share Option Scheme;
“Share Option Scheme”	the share option scheme adopted by the Company on 3 May 2012;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“%”	per cent.

LETTER FROM THE BOARD



MERDEKA

**MERDEKA MOBILE GROUP LIMITED**

**(萬德移動集團有限公司\*)**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8163)**

**Directors**

*Executive Directors:*

Mr. Cheung Wai Yin, Wilson

*(Chairman and Chief Executive Officer)*

Mr. Lau Chi Yan, Pierre *(Managing Director)*

*Non-executive Director:*

Mr. Wong Chi Man

*Independent Non-executive Directors:*

Ms. Yeung Mo Sheung, Ann

Mr. Ng Kay Kwok

Mr. Yip Kat Kong, Kenneth

*Registered office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

British West Indies

*Head office and principal place of  
business in Hong Kong:*

Room 1502

Chinachem Century Tower

178 Gloucester Road

Wanchai, Hong Kong

15 September 2015

*To the Shareholders,*

Dear Sir or Madam,

**(1) PROPOSED GRANT OF SHARE OPTIONS  
BEYOND THE SCHEME MANDATE LIMIT AND  
MAXIMUM ENTITLEMENT OF INDIVIDUAL PARTICIPANTS AND  
GRANT OF SHARE OPTIONS TO THE DIRECTORS,  
(2) PROPOSED REFRESHMENT OF  
THE SCHEME MANDATE LIMIT,  
(3) PROPOSED REFRESHMENT OF  
CURRENT GENERAL MANDATE**

**INTRODUCTION**

As set out in the announcement of the Company on 19 August 2015, the Company proposed to, among others, grant of an aggregate of 233,000,000 Share Option to eligible Participants to subscribe for the Shares, of which the grant of all 233,000,000 Share Options, representing approximately 20.28% of the Shares in issue as at 19 August 2015, to the Proposed Grantees is beyond the existing Scheme Mandate Limit and is conditional on the approval of the Shareholders at the EGM.

\* *For identification purpose only*



## LETTER FROM THE BOARD

Besides, as exercise of the Share Options granted to certain Directors and directors of subsidiaries of the Company would entitle the corresponding Participants to subscribe for Shares (i) in excess of the Individual Limit; (ii) representing over 0.1% of the Shares in issue on 19 August 2015; and/or (iii) in excess of HK\$5 million, based on the closing price of the Shares at 19 August 2015, the grant of the corresponding Share Options is subject to approval by the Shareholders at the EGM.

In addition, the Board proposes to seek the Shareholders' approval for the grant of the refreshment of the Scheme Mandate Limit and the Refreshed General Mandate.

The purpose of this circular is to provide the Shareholders with information regarding (i) the proposed grant of 233,000,000 Share Options beyond the Scheme Mandate Limit; (ii) the grant of Share Options to individual Participants beyond the Individual Limit; (iii) the grant of Share Options to certain Directors and directors of the subsidiaries of the Company; (iv) the proposed refreshment of the Scheme Mandate Limit; and (v) the proposed refreshment of the Current General Mandate.

### THE PROPOSED GRANT OF SHARE OPTION

#### The Proposed Grant

On 19 August 2015, the Board proposed to grant Share Options to the Proposed Grantees to subscribe for a total of 233,000,000 Shares, representing approximately 20.28% of the Shares in issue as at 19 August 2015. As the Proposed Grant exceeds the maximum limit of Share Options that may be granted by the Company under the existing Scheme Mandate Limit, it is subject to the approval by the Independent Shareholders at the EGM. Details of the Proposed Grant are set out below:

1. Date of grant : 19 August 2015
2. Exercise price of the Share Options granted : HK\$0.147 per Share, which represents the highest of:
  - (i) HK\$0.147, being the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on 19 August 2015;
  - (ii) HK\$0.146, being the average of the closing price prices of the Shares as stated in the daily quotation sheet issued by the Stock Exchange for the five (5) trading days immediately preceding 19 August 2015; and
  - (iii) HK\$0.001, being the nominal value of each Share

## LETTER FROM THE BOARD

3. Number of the Share Options granted : 233,000,000 Share Options, of which the grant of all 233,000,000 Share Options is subject to the approval of the Independent Shareholders at the EGM
4. Closing price of the Shares on the date of grant : HK\$0.147 per Share
5. Validity period of the Share Options : 19 August 2015 to 18 August 2025
6. Consideration of the grant : HK\$1.00 to be paid by each Grantee upon acceptance of the Share Options granted
7. The Proposed Grantees shall be entitled to exercise 100% of their respective entitlement under the Share Options granted at any time after the acceptance of the Proposed Grant; and
8. The Proposed Grantees are not subject to any performance targets before being able to exercise their rights under the Share Options.

### The Proposed Grantees

The Proposed Grantees comprise the Directors, directors of subsidiaries of the Company and employees of the Group. The following table illustrates the number of Shares to be issued upon exercise in full of the Share Options under the Proposed Grant:

Name and capacity of the Proposed Grantees	Number of Shares to be issued upon exercise in full of the Share Options proposed to be granted	Approximately percentage of shareholding in the Company represented by the Shares which may fall to be issued upon exercise in full of the Share Options under the Proposed Grant as at the date of grant (i.e. 1,149,094,152 Shares) (%)
<b>Executive Directors:</b>		
Mr. Cheung	100,000,000	8.70
Lau Chi Yan, Pierre (“Mr. Lau”)	20,000,000	1.74
<b>Non-executive Directors:</b>		
Wong Chi Man (“Mr. Wong”)	10,000,000	0.87

## LETTER FROM THE BOARD

Name and capacity of the Proposed Grantees	Number of Shares to be issued upon exercise in full of the Share Options proposed to be granted	Approximately percentage of shareholding in the Company represented by the Shares which may fall to be issued upon exercise in full of the Share Options under the Proposed Grant as at the date of grant (i.e. 1,149,094,152 Shares) (%)
<b>Independent non-executive Directors:</b>		
Yeung Mo Sheung, Ann ("Ms. Yeung")	1,000,000	0.09
Ng Kay Kwok ("Mr. Ng")	1,000,000	0.09
Yip Kat Kong, Kenneth ("Mr. Yip")	1,000,000	0.09
<b>Directors of subsidiaries of the Company:</b>		
Chan Ka Wing ("Mr. Chan")	20,000,000	1.74
Su Zhong Hua ("Mr. Su")	20,000,000	1.74
<b>Consultant of the Company:</b>		
Yu Yi Jian ("Mr. Yu")	20,000,000	1.74
<b>Employees the Company:</b>		
Gao Rong ("Mr. Gao")	20,000,000	1.74
Lai Yau Hong, Thomson ("Mr. Lai")	20,000,000	1.74
<b>TOTAL:</b>	<b>233,000,000</b>	<b>20.28</b>

As at the Latest Practicable Date, to the best of the Directors' knowledge and belief, having made all reasonable enquiries, the following Proposed Grantees currently hold the following number of Share Options and/or Shares. Based on the information as set out below, each of Mr. Cheung and Mr. Lau is existing Shareholder. As they are the Shareholders with material interest in the Proposed Grant, they and their associates will be required to abstain from voting at the EGM on the proposed resolution numbered (1) in respect of the Proposed Grant beyond the existing Scheme Mandate Limit as stated in the notice of the EGM in accordance with Rule 2.26 of the GEM Listing Rules. With regard to the resolutions to approve the grant of Share Options beyond the Individual Limit, (i) Mr. Cheung together with his associates will have to abstain from voting on the resolutions numbered (2); and (ii) Mr. Lau together with his associates will have to abstain from voting on the resolutions numbered (3). The remaining Proposed Grantees (excluding Mr. Cheung and Mr. Lau) and their respective associates are not existing Shareholders, and

## LETTER FROM THE BOARD

they do not control or are not entitled to control over the voting rights of any Shares as at the Latest Practicable Date. None of the Proposed Grantees had been granted any Share Options under the Share Option Scheme in the previous 12 months.

Name of the Proposed Grantees	Number of Shares currently held and the approximate percentage of shareholding as at the Latest Practicable Date	Number of Shares that fall to be issued pursuant to the exercise of Share Options currently held	Number of Shares to be issued upon exercise in full of Share Options proposed to be granted and the approximate percentage of shareholding as at the Latest Practicable Date	Aggregate number and approximate percentage of Shares held and the shareholding to be held upon exercise in full of the Share Options proposed to be granted and the Share Options already granted under the Share Option Scheme with respect to the issued share capital as at the Latest Practicable Date	Aggregate number and approximate percentage of Shares held and the shareholding to be held upon exercise in full of the Share Options proposed to be granted and the Share Options already granted under the Share Option Scheme with respect to the enlarged issued share capital resulting from the exercise in full of the Share Options under the Proposed Grant
					(1,458,499,133 Shares)
Mr. Cheung	98,995,314 8.081%	–	100,000,000 8.163%	198,995,314 16.243%	198,995,314 13.644%
Mr. Lau	3,984,375 0.325%	–	20,000,000 1.633%	23,984,375 1.958%	23,984,375 1.644%
Mr. Wong	–	14,128 <sup>#</sup>	10,000,000 0.816%	10,014,128 0.817%	10,014,128 0.687%
Ms. Yeung	–	16,483 <sup>#</sup>	1,000,000 0.082%	1,016,483 0.083%	1,016,483 0.070%
Mr. Ng	–	–	1,000,000 0.082%	1,000,000 0.082%	1,000,000 0.069%
Mr. Yip	–	–	1,000,000 0.082%	1,000,000 0.082%	1,000,000 0.069%
Mr. Chan	–	–	20,000,000 1.633%	20,000,000 1.633%	20,000,000 1.371%
Mr. Su	–	–	20,000,000 1.633%	20,000,000 1.633%	20,000,000 1.371%
Mr. Yu	–	–	20,000,000 1.633%	20,000,000 1.633%	20,000,000 1.371%
Mr. Gao	–	–	20,000,000 1.633%	20,000,000 1.633%	20,000,000 1.371%
Mr. Lai	–	23,532 <sup>#</sup>	20,000,000 1.633%	20,023,532 1.634%	20,023,532 1.373%
Other employees and other eligible Participants	–	350,838 <sup>#</sup>	–	350,838 0.029%	350,838 0.024%

<sup>#</sup> As at the Latest Practicable Date, these Share Options have not been exercised.

## LETTER FROM THE BOARD

### Reasons for and benefits of the Proposed Grant

The purpose of the Proposed Grant is to provide incentive or rewards to each individual's respective contribution and dedication towards the Group. The Directors consider that the above purpose can be achieved by granting the Share Options as proposed as it demonstrates to the Proposed Grantees that their efforts and contribution to the Group are recognised and will be rewarded. The Board also believes that the Proposed Grant is the best way to reward and encourage the ongoing performance of the Proposed Grantees in contribution to the success of the Group without imposing financial burden to the Group. Upon the exercise of the Share Options, if any, the Company would be able to receive cash as well.

The Proposed Grant of and the maximum entitlement of each of Mr. Cheung, Mr. Lau, Mr. Chan, Mr. Su, Mr. Yu, Mr. Gao and Mr. Lai is additionally conditional on the passing of an ordinary resolution by the Shareholders in the EGM to approve the Proposed Grant beyond the Individual Limit. The said seven Proposed Grantees, as the Directors, directors of the Company's Subsidiaries, consultant or senior management of the Group, hold their respective responsibility for the strategic planning and/or corporate development of the Group and for driving the efforts of the Group.

Mr. Cheung and Mr. Lau, as the Executive Directors, have led the Group to undergo a business diversification to the information technology business and financial services business through a series of acquisitions and obtaining a money lenders licence in Hong Kong. Apart from the trading business, the Group currently earned revenue from the information technology business and financing services business. Mr. Lai, as the company secretary of the Group, held his responsibility for supporting the board by ensuring good information flow within the Board and that board policy and procedures are followed and for advising the Board through the Chairman and the Chief Executive Officer on governance matters and also for facilitating induction and professional development of directors.

Mr. Chan, Mr. Su and Mr. Gao, as the directors and employee of subsidiaries of the Company which engaged in financial leasing business, had driven their efforts in the development of the Group's financing services business. For the six months ended 30 June 2015, Heng He had concluded two financial leasing contracts in the aggregate amount of RMB370 million.

Mr. Yu, as the consultant of the Company, held his responsibility for exploiting investment/acquisitions opportunities for the Group and do not receive any fee or salary for his services. Mr. Yu has been liaising with the potential vendors on behalf of the Group during his terms of services.

The Proposed Grant to the said seven Proposed Grantees is to reward them for their previous services and contribution to the Group and thus they are not subject to any performance targets before being able to exercise their rights under the Share Options. The Board considers that the proposed grant of the Share Options not only recognise their past contributions to the Group, but also serve to provide an appropriate incentive to them and align their interests to the financial performance of the Group and thereby the interests of the Company and Shareholders as a whole.

## LETTER FROM THE BOARD

As the Proposed Grant of Share Options to Mr. Wong does not exceed the Individual Limit, it is not subject to the approval by the Shareholders in general meeting. Furthermore, the Proposed Grant of Share Options to each of Ms. Yeung, Mr. Ng and Mr. Yip also does not exceed the threshold as prescribed under Rule 23.04(1)(a) and (b) of the GEM Listing Rules and is therefore also not subject to the approval by the Shareholders in general meeting.

### GEM Listing Rules implication

As at the Latest Practicable Date, the Company may only grant Share Options to subscribe for a maximum of 2,864,734 Shares. The Proposed Grant exceeds the existing maximum limit of the Share Options that may be granted by the Company and is subject to the Shareholders' approval at the EGM. Pursuant to Note 1 to Rule 23.03(3) of the GEM Listing Rules and Clause 10.01(d) of the Share Option Scheme, the Company will need to seek approval by the Shareholders in general meeting for granting Share Options beyond the Scheme Mandate Limit provided the Share Options in excess of the Scheme Mandate Limit are granted only to grantees specifically identified by the Company before such approval is sought. The following is the shareholding structure of the Company before and after the full exercise of the Share Options under the Proposed Grant and the full exercise of all outstanding Share Options and the Share Options under the Proposed Grant:

Name of the Shareholders	As at the		Assuming full exercise of		Assuming full exercise of	
	Latest Practicable Date		the Share Options under		all outstanding	
	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>	<i>Share Options and the</i>	<i>Share Options under</i>
				<i>the Proposed Grant</i>	<i>the Proposed Grant</i>	
				<i>No. of Shares</i>	<i>Approx. %</i>	
<b>Substantial Shareholders:</b>						
Ivana	98,437,500	8.035	98,437,500	6.751	98,437,500	6.749
Mr. Cheung ( <i>Note</i> )	557,814	0.046	100,557,814	6.897	100,557,814	6.895
<b>Subtotal:</b>	<b>98,995,314</b>	<b>8.081</b>	<b>198,995,314</b>	<b>13.648</b>	<b>198,995,314</b>	<b>13.644</b>
<b>Directors:</b>						
Mr. Lau	3,984,375	0.325	23,984,375	1.645	23,984,375	1.644
Mr. Wong	-	-	10,000,000	0.686	10,014,128	0.687
Ms. Yeung	-	-	1,000,000	0.069	1,016,483	0.070
Mr. Ng	-	-	1,000,000	0.069	1,000,000	0.069
Mr. Yip	-	-	1,000,000	0.069	1,000,000	0.069
<b>Subtotal:</b>	<b>3,984,375</b>	<b>0.325</b>	<b>36,984,375</b>	<b>2.536</b>	<b>37,014,986</b>	<b>2.538</b>

## LETTER FROM THE BOARD

Name of the Shareholders	As at the		Assuming full exercise of		Assuming full exercise of	
	Latest Practicable Date		the Share Options under		all outstanding	
	No. of Shares	Approx. %	No. of Shares	Approx. %	Share Options and the	Share Options under
<b>Directors of subsidiaries of the Company:</b>						
Mr. Chan	-	-	20,000,000	1.372	20,000,000	1.371
Mr. Su	-	-	20,000,000	1.372	20,000,000	1.371
<b>Subtotal:</b>	-	-	40,000,000	2.743	40,000,000	2.743
<b>Consultant of the Company:</b>						
Mr. Yu	-	-	20,000,000	1.372	20,000,000	1.371
<b>Subtotal:</b>	-	-	20,000,000	1.372	20,000,000	1.371
<b>Employees of the Company:</b>						
Mr. Gao	-	-	20,000,000	1.372	20,000,000	1.371
Mr. Lai	-	-	20,000,000	1.372	20,023,532	1.373
<b>Subtotal:</b>	-	-	40,000,000	2.743	40,023,532	2.744
Other employees and other eligible Participants	-	-	-	-	350,838	0.024
<b>Public Shareholders:</b>	1,122,114,463	91.594	1,122,114,463	76.958	1,122,114,463	76.936
<b>Total:</b>	1,225,094,152	100	1,458,094,152	100	1,458,499,133	100

*Note:* The interests disclosed include 98,437,500 Shares held by Ivana, a company incorporated in the British Virgin Islands owned as to 100% by CW Limited, which in turn is wholly-owned by Asiitrust Limited, a trust company in its capacity as the trustee of a discretionary trust, the founder (as defined in the Securities and Futures Ordinance (Cap. 571)) of which is Mr. Cheung and the discretionary objects of which are family members of Mr. Cheung (including Mr. Cheung himself). The remaining 557,814 Shares are held by Mr. Cheung personally.

## LETTER FROM THE BOARD

Assuming full exercise of all Share Options under the Proposed Grant, the public float of the Company will be approximately 76.96% of the issued share capital as enlarged by the full exercise of all Share Options under the Proposed Grant and shall be sufficient to fulfill the relevant requirements under the GEM Listing Rules.

Pursuant to the Note to Rule 23.03(4) of the GEM Listing Rules and Clause 10.02 of the Share Option Scheme, the total number of Shares issued and to be issued upon exercise of the Share Options granted to each Participant (including both exercised and outstanding Share Options) under the Share Option Scheme and any other share option scheme(s) of the Company in any 12-month period up to the date of grant must not exceed the Individual Limit. Where any further grant of Share Options to a Participant would result in the number of Shares issued and to be issued upon exercise of all Share Options granted and to be granted to such Participant (including both exercised and outstanding Share Options) in the 12-month period up to and including the date of such further grant representing in aggregate over the Individual Limit, such further grant must be separately approved by the Shareholders (excluding such Participant and his/her associates) in general meeting.

Pursuant to Rule 23.04(1) of the GEM Listing Rules, each grant of Share Options to a director, chief executive, management shareholder or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding independent non-executive Director who is a proposed grantee of the Share Options).

### **Condition**

The Proposed Grant beyond the Scheme Mandate Limit is conditional upon:

- (i) the passing of an ordinary resolution to approve the Proposed Grant by the Shareholders at the EGM; and
- (ii) the GEM Listing Committee granting listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the Share Options that may be granted under the Proposed Grant.

Application will be made to the GEM Listing Committee for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the Share Options that may be granted under the Proposed Grant.

Of the total of 233,000,000 Share Options granted:

- (i) 100,000,000 Share Options granted to Mr. Cheung;
- (ii) 20,000,000 Share Options granted to Mr. Lau;
- (iii) 20,000,000 Share Options granted to Mr. Chan;
- (iv) 20,000,000 Share Options granted to Mr. Su;



## LETTER FROM THE BOARD

- (v) 20,000,000 Share Options granted to Mr. Yu;
- (vi) 20,000,000 Share Options granted to Mr. Gao; and
- (vii) 20,000,000 Share Options granted to Mr. Lai.

The grant of Share Options under the Proposed Grant to each of the said seven Proposed Grantees will exceed the Individual Limit, and therefore, the grant of Share Options under the Proposed Grant in excess of the Individual Limit to each of the said seven Proposed Grantees will require the approval by the Shareholders in the EGM. None of the above said seven Proposed Grantees had been granted any Share Options under the Share Option Scheme in the last 12 months immediately proceeding the Latest Practicable Date.

Mr. Cheung and Mr. Lau are existing Shareholders, who, as at the Latest Practicable Date held 98,995,314 Shares (representing approximately 8.08% of the total issued share capital of the Company) and 3,984,375 Shares (representing approximately 0.33% of the total issued share capital of the Company) respectively, through which they controlled over the voting rights of their respective Shares. As such, each of Mr. Cheung and Mr. Lau is regarded as having a material interest in the Proposed Grant, and they and their respective associates will have to abstain from voting at the EGM on the proposed resolution numbered (1) in respect of the Proposed Grant beyond the existing Scheme Mandate Limit as stated in the notice of the EGM. With regard to the resolutions to approve the grant of Share Options beyond the Individual Limit, each of Mr. Cheung and Mr. Lau together with their respective associates will have to abstain from voting on the relevant resolutions numbered (2) and (3) respectively. As such, Mr. Cheung who held 98,995,314 Shares, representing approximately 8.08% of the total issued share capital of the Company as at the Latest Practicable Date, through which he controlled over the voting rights of the said Shares, and his respective associates will have to abstain from voting on the proposed resolution numbered (2) in respect of the grant of Share Options under the Proposed Grant to him beyond the Individual Limit; and Mr. Lau who held 3,984,375 Shares, representing approximately 0.33% of the total issued share capital of the Company as at the Latest Practicable Date, through which he controlled over the voting rights of the said Shares, and his respective associates will have to abstain from voting on the proposed resolution numbered (3) in respect of the grant of Share Options under the Proposed Grant to him beyond the Individual Limit.

As at the Latest Practicable Date, Ivana, CW Limited and Asiitrust Limited, being the associates of Mr. Cheung, control or are entitled to exercise control over the voting rights of 98,437,500 Shares, representing approximately 8.04% of the total issued share capital of the Company as at the Latest Practicable Date. As such, they will have to abstain from voting on (i) the proposed resolution numbered (1) in respect of the Proposed Grant beyond the existing Scheme Mandate Limit; and (ii) the proposed resolution number (2) in respect of the grant of Share Options under the Proposed Grant to Mr. Cheung beyond the Individual Limit, as stated in the notice of the EGM. Save for the above, none of the respective associates of Mr. Cheung and Mr. Lau held any Shares and did not control or were entitled to exercise control over the voting rights in respect of their Shares.

## LETTER FROM THE BOARD

The proposed grant of Share Options under the Proposed Grant to the following Directors must be approved by the Independent Non-executive Directors (excluding Independent Non-executive Director who is a proposed grantee of the Share Options):

Mr. Cheung (*Note 1*)

Mr. Lau (*Note 1*)

Mr. Wong (*Note 2*)

Ms. Yeung (*Note 3*)

Mr. Ng (*Note 3*)

Mr. Yip (*Note 3*)

*Note 1:* Each of Mr. Cheung and Mr. Wong is an Executive Director

*Note 2:* Mr. Wong is a Non-executive Director

*Note 3:* Each of Ms. Yeung, Mr. Ng and Mr. Yip is an Independent Non-executive Director

On 19 August 2015,

- (i) the approval for the proposed conditional grant of Share Options to the two Executive Directors and one Non-executive Director namely, Mr. Cheung, Mr. Lau, Mr. Wong was given by all the three Independent Non-executive Directors;
- (ii) the proposed conditional grant of Share Options to Ms. Yeung was separately considered and approved by Mr. Ng and Mr. Yip;
- (iii) the proposed conditional grant of Share Options to Mr. Ng was separately considered and approved by Ms. Yeung and Mr. Yip; and
- (iv) the proposed conditional grant of Share Options to Mr. Yip was separately considered and approved by Ms. Yeung and Mr. Ng.

### PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT

#### The Share Option Scheme

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants for their contribution to the Group. The Company's existing Share Option Scheme was adopted by the then shareholders of the Company and was effective on 3 May 2012. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years from the date of its adoption. The Company does not have any share option scheme other than the Share Option Scheme as at the Latest Practicable Date.

## LETTER FROM THE BOARD

Under the terms of the Share Option Scheme:

- (1) The maximum number of Shares which may be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group shall not exceed 30% of the share capital of the Company in issue from time to time. No Share Options may be granted under the Share Option Scheme or any other share option scheme adopted by the Group if the grant of such Option will result in the limit being exceeded;
- (2) The total number of Shares which may be allotted and issued upon exercise of all options (excluding, for this purpose, Share Options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed the Scheme Mandate Limit provided that:
  - (i) subject to paragraph (1) and without prejudice to paragraph (2)(ii), the Company may seek approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit so that the maximum number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group shall be re-set at 10% of the Shares in issue as at the date of approval of the limit as “refreshed”. In this connection, options previously granted under the Share Option Scheme and any other share option schemes of the Group (including options outstanding, cancelled, lapsed or exercised) will not be counted for the purpose of calculating the Scheme Mandate Limit as “refreshed”.
  - (ii) subject to paragraph (1) and without prejudice to paragraph (2)(i), the Company may seek separate shareholders’ approval in general meeting to grant options under the Share Option Scheme beyond the Scheme Mandate Limit or, if applicable, the extended limit referred to in paragraph (2)(i) to eligible Participants specifically identified by the Company before such approval is sought.

## LETTER FROM THE BOARD

### Outstanding Share Options

Details of outstanding Share Options granted under the Share Option Scheme as at the Latest Practicable Date are as follows:

Name or category of the Participants	Outstanding Share Options as at the Latest Practicable Date	Date of grant of the Share Options	Exercise Period of the Share Options	Adjusted exercise price of the Share Option <i>HK\$ per share</i>
<b>Non-executive Directors</b>				
Mr. Wong	14,128	17/1/2013	17/1/2013 – 16/1/2023	2.13
<b>Independent Non-executive Directors</b>				
Ms. Yeung	16,483	17/1/2013	17/1/2013 – 16/1/2023	2.13
<b>Employees and other eligible Participants</b>				
Employees	28,241	30/5/2012	30/5/2012 – 29/5/2022	3.60
Other eligible Participants	346,129	30/5/2012	30/5/2012 – 29/5/2022	3.60
Total	404,981			

### The existing Scheme Mandate Limit

Taking into account of the refreshment of the Scheme Mandate Limit and the consolidation of Shares effective on 28 June 2013 and 29 September 2014 respectively, the existing Scheme Mandate Limit is adjusted to 2,864,734 Shares, being 10% of the Shares in issue as at the date of passing of the ordinary resolution at the annual general meeting of the Company held on 28 June 2013 for the refreshment of the Scheme Mandate Limit.

Since the adoption of the Share Option Scheme by the Company on 3 May 2012 up to the Latest Practicable Date, 588,500,000 Share Options (adjusted where applicable) under the Share Option Scheme were exercised, 4,000,000 Share Options (adjusted where applicable) under the Share Option Scheme lapsed and cancelled. No Share Options has been granted under the Share Option Scheme since 17 January 2013.

## LETTER FROM THE BOARD

If the Scheme Mandate Limit is “refreshed”, on the basis that 1,225,094,152 Shares were in issued as at the Latest Practicable Date, taking into account that (i) Share Options carrying the rights to subscribe for up to 404,981 Shares remained outstanding; (ii) assuming the Proposed Grant is approved by the Independent Shareholders to grant 233,000,000 Share Options carrying the rights to subscribe for 233,000,000 Shares at the EGM; and (iii) assuming no Shares is issued or repurchased by the Company prior to the EGM, the Scheme Mandate Limit will be reset to 122,509,415 Shares (being approximately 10% of the issued share capital of the Company as at the date of the EGM in which the refreshed Scheme Mandate Limit is approved) and the Company will be allowed to grant further options under the Share Option Scheme carrying the rights to subscribe for a maximum of 122,509,415 Shares. As at the Latest Practicable Date, apart from the Share Option Scheme, the Group had no other share option scheme in force.

Pursuant to Note 2 to Rule 23.03(3) of the GEM Listing Rules and Clause 10.01(a) of the Share Option Scheme, the maximum number of Shares which may be issued upon the exercise of all outstanding Share Options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not exceed 30% of the Shares in issue from time to time. As at the Latest Practicable Date, Share Options carrying the rights to subscribe for up to 404,981 Shares remained outstanding. Assuming that the Proposed Grant is approved to grant 233,000,000 Share Options carrying the rights to subscribe for 233,000,000 Shares, the total number of Shares which may be issued upon exercise of all outstanding Share Options together with the Share Options that fall to be granted under the Proposed Grant and the refreshed Scheme Mandate Limit carrying the rights to subscribe for a maximum of 355,914,396 Shares, which will represent approximately 29.0% of the Shares in issue as at the Latest Practicable Date and will not exceed the overall limit of 30% of the Shares in issue.

### **Reasons for the Refreshment of Scheme Mandate Limit**

Unless the Scheme Mandate Limit is “refreshed”, a balance of 2,864,734 Shares, representing approximately 0.23% of the issued share capital of the Company as at the Latest Practicable Date, can only be issued pursuant to the grant of Share Options under the Share Option Scheme. The Directors believe that the Share Option Scheme is in the interests of the Company and the Shareholders as a whole as it is a cost effective way to reward eligible Participants who have made contributions to the Group and motivate the eligible Participants to contribute further to the success of the Group. The refreshment of the Scheme Mandate Limit will allow the Directors more flexibility in employing the Share Option Scheme in the future should they need to grant share options that are over the current limit to recognise contributions made to the Group.

## LETTER FROM THE BOARD

### Conditions of the refreshment of Scheme Mandate Limit

The refreshment of Scheme Mandate Limit is conditional upon:

- (i) the passing of the relevant resolution at the EGM to approve the refreshment of Scheme Mandate Limit; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the options that may be granted under the refreshed Scheme Mandate Limit of the Share Option Scheme up to 10% of the Shares in issue as at the date of passing of the relevant resolution at the EGM.

### Application for listing

Application will be made to the Listing Committee of the Stock Exchange for granting the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the options that may be granted under the refreshed Scheme Mandate Limit of the Share Option Scheme up to 10% of the Shares in issue as at the date of passing of the relevant resolution at the EGM.

### PROPOSED REFRESHMENT OF CURRENT GENERAL MANDATE

At the AGM, the Shareholders approved, among others, an ordinary resolution for granting the Directors to issue and allot a maximum of 76,606,277 Shares, representing 20% of the issued share capital of the Company as at the date of the AGM.

On 17 August 2015 (after trading hours), a placing agreement was entered into between the Company and a placing agent, pursuant to which the placing agent has agreed to place, on a best endeavour basis, up to 76,000,000 Shares. After the completion of the Placing in full as announced by the Company on 26 August 2015, the Current General Mandate had been utilised as to approximately 99.21%. As at the date of this Circular, the Company may issue up to only 606,277 Shares under the Current General Mandate should no refreshment of the Current General Mandate is sought before the next annual general meeting of the Company which is expected to be held only in around June 2016. The Company has not refreshed the Current General Mandate since the AGM and up to the date of this circular.

The Company will convene the EGM at which an ordinary resolution will be proposed to the Independent Shareholders that the Directors will be granted a new general mandate to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution at the EGM.

## LETTER FROM THE BOARD

### Review and outlook of the business of the Company

The Group is principally engaged in forestry business, plantation business and trading business, including the trading of various brands of milk powder products to customers based in Hong Kong, information technology business and financial services business.

With reference to the Interim Report 2015 of the Company,

- (i) the Board expected that for the year 2015, due to the suspension of forestry projects in Indonesia, there was no revenue generated from the Group's forestry and plantation business. As at the Latest Practicable Date, the Company expects no additional funding needs in this segment before the resumption of the abovementioned forestry;
- (ii) the trading business continues to provide a stable source of revenue to the Group and as the business is growing healthily. The Company has been closely monitoring the potential development of this business segment. Additional working capital may be needed to further expand the trading business into more variety of consumer products if any business opportunities arise. As at the Latest Practicable Date, the Group has no imminent need for funding its trading business;
- (iii) for the information technology business, revenue would be mainly driven by the additional contribution from the consolidation of different acquired entities into a single stream of income. The Company may need to raise funds if new acquisitions opportunities arise that cannot be met with the Group's internal cash resources. As at the Latest Practicable Date, the Group has no imminent need for funding its information technology business;
- (iv) as a result of the Group commencing its money lending activities in the second quarter of 2014, there would be an overall increase in revenue as well as the operating profit of the Group. Meanwhile, the Group has been approached by potential borrowers for provision of loans from time to time.

In addition, following the completion of the acquisition of Blossom Height Ventures Limited, there is an outstanding capital injection requirement of approximately HK\$34.5 million in relation to Heng He.

As such, the Group may conduct further fund raising activities to raise additional capital for funding its money lending business. As at the Latest Practicable Date, the Group has no imminent need for funding its money lending business; and

## LETTER FROM THE BOARD

- (v) the outstanding amount of the convertible bonds and promissory notes of the Company amounted to approximately HK\$164.1 million and HK\$60.6 million respectively. The imputed interest charge on convertible bonds and promissory notes of the Company amounted to approximately HK\$5.9 million and HK\$1.7 million respectively. The Group might reduce its existing debt level and the respective interest expenses. As at the Latest Practicable, the Company has no imminent need for any redemption of its convertible bonds and/or its promissory notes.

### **Reasons for the proposed refreshment of the Current General Mandate**

As at the Latest Practicable Date, the Directors were of the opinion that, after taking into account the financial resources presently available to the Group (including the net proceeds from the Placing), in the absence of unforeseeable circumstance, the Group has sufficient working capital for its present requirements that is for at least the next twelve months.

However, the Board would like to provide flexibility for the Company to raise funds through equity financing. Given that equity financing (i) does not incur any interest expenses on the Group as compared with bank financing; (ii) is less costly and time-consuming than raising funds by way of rights issue or open offer; and (iii) provides the Company with the capability to capture any capital raising and/or prospective investment opportunity as and when it arises, the Board proposes the Refreshed General Mandate shall be granted to the Directors.

As at the Latest Practicable Date, the Company had no present plans to further conduct any fund raising activities for its existing business operations for the next twelve months. The Company also had no immediate plan to utilise the Refreshed General Mandate, if granted, to allot and issue Shares. However, the Company may need to raise fund and the Directors may utilise the Refreshed General Mandate if:

- (i) any new investment/acquisitions/business opportunities in the trading/information technology/money lending business of the Company arise that cannot be met with the Group's internal cash resources;
- (ii) any redemption of the convertible bonds and/or the promissory notes of the Company;
- (iii) other new investments/acquisitions opportunities arise that cannot be met with the Group's internal cash resources; and/or
- (iv) the Company is in need of funds for its operations in future.

The Company will make further announcement in this regard accordance with the GEM Listing Rules as and when appropriate.



## LETTER FROM THE BOARD

In view of the above and given that the Current General Mandate has nearly been utilised in full, it is proposed that the Board shall seek approval of the Shareholders for the grant of the Refreshed General Mandate at the EGM. The Directors consider that the refreshment of the Current General Mandate will enable the Company to respond to the market and the investment opportunities promptly, should opportunities arise, and provide the Directors with flexibility for any future allotment and issue of Shares on behalf of the Company as and when necessary, the Directors are therefore of the view that the proposed refreshment of the Current General Mandate is fair and reasonable, beneficial to and in the interest of the Company and its Shareholders as a whole.

As at the Latest Practicable Date, a total of 1,225,094,152 Shares were in issue. Subject to the passing of the proposed resolution for the refreshment of the Current General Mandate and on the basis that no Share will be issued or repurchased by the Company prior to the EGM, the Board will be authorised under the Refreshed General Mandate to issue a maximum of 245,018,830 new Shares.

The Refreshed General Mandate will, if granted, remain effective until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which next annual general meeting of the Company is required to be held by any applicable law of the Cayman Islands or the memorandum and Articles of Association of the Company; and
- (iii) its revocation or variation by ordinary resolution of the Shareholders in general meeting.

## LETTER FROM THE BOARD

### Effect on shareholding structure of the Company

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the existing shareholding structure of the Company and the effects on the shareholding structure of the Company:

- (i) assuming upon full utilisation of the Refreshed General Mandate; and
- (ii) assuming full utilisation of the Refreshed General Mandate and full exercise of all outstanding Share Options and the Share Options under the Proposed Grant, are set out as below:

Name of the Shareholders	As at the Latest Practicable Date		(i) Assuming full utilisation of the Refreshed General Mandate		(ii) Assuming full utilisation of the Refreshed General Mandate and full exercise of all outstanding Share Options and the Share Options under the Proposed Grant	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
<b>Substantial Shareholders:</b>						
Ivana	98,437,500	8.035	98,437,500	6.696	98,437,500	5.778
Mr. Cheung (Note 1)	557,814	0.046	557,814	0.038	100,557,814	5.903
<b>Subtotal:</b>	<u>98,995,314</u>	<u>8.081</u>	<u>98,995,314</u>	<u>6.734</u>	<u>198,995,314</u>	<u>11.681</u>
<b>Directors:</b>						
Mr. Lau	3,984,375	0.325	3,984,375	0.271	23,984,375	1.408
Mr. Wong	-	-	-	-	10,014,128	0.588
Ms. Yeung	-	-	-	-	1,016,483	0.060
Mr. Ng	-	-	-	-	1,000,000	0.059
Mr. Yip	-	-	-	-	1,000,000	0.059
<b>Subtotal:</b>	<u>3,984,375</u>	<u>0.325</u>	<u>3,984,375</u>	<u>0.271</u>	<u>37,014,986</u>	<u>2.173</u>
<b>Directors of subsidiaries of the Company:</b>						
Mr. Chan	-	-	-	-	20,000,000	1.174
Mr. Su	-	-	-	-	20,000,000	1.174
<b>Subtotal:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000,000</u>	<u>2.348</u>
<b>Consultant of the Company:</b>						
Mr. Yu	-	-	-	-	20,000,000	1.174
<b>Sub-total:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000,000</u>	<u>1.174</u>

## LETTER FROM THE BOARD

Name of the Shareholders	As at the Latest Practicable Date		(i) Assuming full utilisation of the Refreshed General Mandate		(ii) Assuming full utilisation of the Refreshed General Mandate and full exercise of all outstanding Share Options and the Share Options under the Proposed Grant	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
<b>Employees of the Company:</b>						
Mr. Gao	-	-	-	-	20,000,000	1.174
Mr. Lai	-	-	-	-	20,023,532	1.175
<b>Subtotal:</b>	-	-	-	-	40,023,532	2.349
Other employees and other eligible Participants	-	-	-	-	350,838	0.021
<b>Maximum number of new Shares that can be issued under the Refreshed General Mandate (Note 2)</b>	-	-	245,018,830	16.667	245,018,830	14.383
<b>Other Public Shareholders:</b>	1,122,114,463	91.038	1,122,114,463	76.328	1,122,114,463	65.870
<b>Total:</b>	<u>1,225,094,152</u>	<u>100</u>	<u>1,470,112,982</u>	<u>100</u>	<u>1,703,517,963</u>	<u>100</u>

*Note 1:* The interests disclosed include 98,437,500 Shares held by Ivana, a company incorporated in the British Virgin Islands owned as to 100% by CW Limited, which in turn is wholly-owned by Asiitrust Limited, a trust company in its capacity as the trustee of a discretionary trust, the founder (as defined in the Securities and Futures Ordinance (Cap. 571)) of which is Mr. Cheung and the discretionary objects of which are family members of Mr. Cheung (including Mr. Cheung himself). The remaining 557,814 Shares are held by Mr. Cheung personally.

*Note 2:* Maximum number of new Shares (calculated based on current 1,225,094,152 issued Shares) which can be issued under the Refreshed General Mandate. The Company confirmed that it will monitor closely and ensure the Company is maintaining the minimum public float requirements as prescribed under the GEM Listing Rules when the new Shares are issued under the Refreshed General Mandate from time to time.

As at the Latest Practicable Date, the authorized share capital of the Company is 200,000,000,000 Shares and the issued share capital of the Company is 1,225,094,152 Shares.

## LETTER FROM THE BOARD

The table above illustrates that the shareholding of the existing public Shareholders would decrease from approximately 91.04% as at the Latest Practicable Date to approximately 76.33% upon full utilisation of the Refreshed General Mandate and none of the outstanding Share Options, Share Options under the Proposed Grants, Warrants and Convertible Securities are exercised (assuming no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the EGM). Such potential dilution to the shareholding of the existing public Shareholders represents a maximum dilution of approximately 14.71%.

Taking into account that the proposed refreshment of the Current General Mandate (i) allows the Company to raise capital by allotment and issuance of new Shares before the next annual general meeting; (ii) provides more flexibility and options of financing to the Group for future business development as well as for other potential future investments as and when such opportunities arises; and (iii) ensures that the Company has sufficient general mandate to raise funds to maintain its competitiveness in the industry, if so required, and the shareholdings of all Shareholders in the Company will be diluted in proportion to their respective shareholdings upon any utilisation of the Refreshed General Mandate, until the general mandate is approved in the next annual general meeting, it is fair and reasonable for the Board to hold the view that the potential dilution to the shareholding of the public Shareholders as mentioned above is acceptable.

As at the Latest Practicable Date, the Company has outstanding principal amount of (i) HK\$124,068,000 of the zero coupon convertible bonds originally due on 12 August 2011 and extended to 12 August 2017 with adjusted conversion price of HK\$0.3696 per Share which are convertible into a maximum of 335,681,818 Shares upon full conversion of the convertible bonds; and (ii) HK\$40,000,000 of the zero coupon convertible bonds due on 21 April 2018 with adjusted conversion price of HK\$0.23 per share which are convertible into a maximum of 173,913,043 Shares upon full conversion of the convertible bonds.

As at the Latest Practicable Date, the Company has 374,370 Share Options with the exercise price of HK\$3.60 per Share and has 30,611 share options with the exercise price of HK\$2.13 per Share granted to the Directors and other eligible Participants.

Save as aforesaid, the Company has no other share options, warrants or other outstanding securities in issue which are convertible or exchangeable into Shares as at the Latest Practicable Date.

## LETTER FROM THE BOARD

### Fund raising activities in past twelve months

Apart from the fund raising activity mentioned below, the Company had not conducted any other fund raising activities in the past 12 months immediately preceding the date of this circular:

Date of announcement	Fund raising activity	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
10 May 2015	Open offer on the basis of two offer shares for every one Share held on the record date	HK\$66.22 million	(i) as to not less than 80% for the capital injection into Heng He as its general working capital to facilitate the expansion of the financial leasing business; and (ii) the remaining for the general working capital of the Group	Approximately HK\$48 million has been used for the capital injection into Heng He to support its money lending business for the last quarter of 2015. The remaining HK\$18.22 million is deposited in bank, among which (i) not less than HK\$4.98 million will be used for the capital injection into Heng He on or before 14 December 2015; and (ii) not more than HK\$13.24 million will be used for the general working capital of the Group for the next twelve months, as intended
17 August 2015	Placing of new Shares under general mandate	HK\$8.50 million	to strengthen the general working capital base of the Company to finance its business development and/or to finance any future investment opportunities	All the net proceeds is still deposited in bank and will be used as general working capital of the Company and/or to finance any investment opportunities for the next twelve months as intended

### GEM Listing Rules implication

As the proposed refreshment of the Current General Mandate is being made before the next annual general meeting of the Company, pursuant to Rule 17.42A of the GEM Listing Rules, the proposed refreshment of the Current General Mandate will be subject to the approval of the Independent Shareholders by way of an ordinary resolution at the EGM at which any controlling shareholders of the Company and their associates or, where there are no controlling shareholders, the Directors (excluding Independent Non-executive Directors) and the chief executives and their respective associates shall abstain from voting in favour of the resolution approving the proposed refreshment of the Current General Mandate.

## LETTER FROM THE BOARD

Mr. Cheung and Mr. Lau are existing Shareholders, who, as at the Latest Practicable Date held 98,995,314 Shares (representing approximately 8.08% of the total issued share capital of the Company) and 3,984,375 Shares (representing approximately 0.33% of the total issued share capital of the Company) respectively, through which they controlled over the voting rights of their respective Shares. As such, each of Mr. Cheung and Mr. Lau and their respective associates will have to abstain from voting at the EGM on the proposed resolution numbered (10) in respect of the proposed refreshment of the Current General Mandate as stated in the notice of the EGM.

As at the Latest Practicable Date, Ivana, CW Limited and Asiitrust Limited, being the associates of Mr. Cheung, control or are entitled to exercise control over the voting rights of 98,437,500 Shares, representing approximately 8.04% of the total issued share capital of the Company as at the Latest Practicable Date. As such, they will have to abstain from voting on the proposed resolution numbered (10) in respect of the proposed refreshment of the Current General Mandate. Save for the above, none of the respective associates of Mr. Cheung and Mr. Lau held any Shares and did not control or were entitled to exercise control over the voting rights in respect of their Shares.

Pursuant to Rule 17.42A of the GEM Listing Rules, the vote of the Independent Shareholders in respect of the refreshment of the Current General Mandate at the EGM will be taken by way of poll.

### THE EGM AND PROXY ARRANGEMENT

A notice convening the EGM to be held at Jasmine Room, 3/F., Best Western Plus Hotel Hong Kong, 308 Des Voeux Road West, Hong Kong at 11:30 a.m. on Friday, 2 October 2015 or any adjournment thereof is set out on pages 40 to 44 of this circular. Whether or not you intend to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company's branch share registrar in Tricor Tengis Ltd. at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the appointed time for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and any adjournment thereof (as the case may be) should you so wish.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement herein or this circular misleading.

## LETTER FROM THE BOARD

### RECOMMENDATION

The Directors consider that (i) the Proposed Grant and maximum entitlement of individual Participants and grant of share options to the Directors; (ii) proposed refreshment of the Scheme Mandate Limit; and (iii) proposed refreshment of Current General Mandate are in the best interests of the Company and the Shareholders as a whole and therefore recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM in respect thereof.

The Independent Board Committee has been established to advise the Independent Shareholders on whether the proposed refreshment of the Current General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole. Independent Financial Advisor has been appointed to advise the Independent Board Committee and the Independent Shareholders in connection therewith. The text of the letter from Independent Financial Advisor containing its advice to the Independent Board Committee and the Independent Shareholders is set out from pages 30 to 39 of this circular and the text of the letter from Independent Board Committee to the Independent Shareholders is set out on page 29 of this circular.

### ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 29 of this circular. Your attention is also drawn to the letter of advice from Independent Financial Advisor which set out its recommendation in respect of the refreshment of the Current General Mandate and the principal factors and reasons considered by it in arriving at such advice. The text of the letter from Independent Financial Advisor is set out on pages 30 to 39 of this circular.

By order of the Board of  
**Merdeka Mobile Group Limited**  
**Cheung Wai Yin, Wilson**  
*Chairman and Chief Executive Officer*

Hong Kong, 15 September 2015

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

*The following is the text of the letter of recommendation, prepared for the purpose of incorporation in the circular, from the Independent Board Committee to the Independent Shareholders regarding the proposed refreshment of the Current General Mandate.*



MERDEKA

**MERDEKA MOBILE GROUP LIMITED**

**(萬德移動集團有限公司\*)**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8163)**

15 September 2015

*To the Independent Shareholders,*

Dear Sir or Madam,

We refer to the circular of the Company to the Shareholders dated 15 September 2015 (the “Circular”), in which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter will have the same meanings as defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee and to advise (i) the Independent Shareholders in respect of the proposed refreshment of the Current General Mandate which will enable the Directors to exercise the power of the Company to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM; and (ii) to advise whether or not it would be fair and reasonable and in the interests of the Company and the Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the proposed refreshment of the Current General Mandate.

We wish to draw your attention on the letter of advice from the Independent Financial Adviser as set out on pages 30 to 39 of the Circular and the letter from the Board as set out on pages 5 to 28 of the Circular. Having considered, among other things, the factors and reasons considered by, and the opinion of the Independent Financial Adviser as stated in its letter of advice, we are of opinion that the proposed refreshment of the Current General Mandate are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote for the ordinary resolutions in relation to the refreshment of the Current General Mandate to be proposed at the EGM.

Yours faithfully,  
For and on behalf of  
the Independent Board Committee  
*Independent non-executive Directors*

**Ms. Yeung Mo Sheung, Ann**

**Mr. Ng Kay Kwok**

**Mr. Yip Kat Kong, Kenneth**

\* For identification purpose only



## LETTER FROM GOLDIN FINANCIAL LIMITED

*Set out below is the full text of the letter of advice from Goldin Financial Limited in relation to the proposed refreshment of the Current General Mandate to the Independent Board Committee and the Independent Shareholders prepared for inclusion in this Circular.*



**高銀融資有限公司**  
GOLDIN FINANCIAL LIMITED

**Goldin Financial Limited**  
23/F  
Two International Finance Centre  
8 Finance Street  
Central  
Hong Kong

15 September 2015

*To the Independent Board Committee and  
the Independent Shareholders of  
Merdeka Mobile Group Limited*

Dear Sirs,

### **PROPOSED REFRESHMENT OF CURRENT GENERAL MANDATE**

#### **INTRODUCTION**

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders of the Company in relation to the proposed refreshment of the Current General Mandate, details of which are contained in the letter from the Board of the circular of the Company dated 15 September 2015 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the content otherwise requires.

Pursuant to Rule 17.42A of the GEM Listing Rules, any refreshments of the general mandate before the next annual general meeting shall be subject to the approval of Independent Shareholders by way of passing an ordinary resolution at the EGM of the Company. Any controlling Shareholders and their associates, or where there are no controlling Shareholders, the Directors (excluding the Independent Non-executive Directors) and chief executives of the Company and their respective associates shall abstain from voting in favour of the resolutions for approving the proposed refreshment of Current General Mandate.

As at the Latest Practicable Date, Mr. Cheung who is an executive Director and was interested in 98,995,314 Shares, representing approximately 8.08% of the total issued share capital of the Company and Mr. Lau who is an executive Director and was beneficially interested in 3,984,375 Shares, representing approximately 0.33% of the total share capital of the Company. Accordingly, since the Company has no controlling Shareholders, Mr. Cheung, Mr. Lau and their respective associates shall abstain from voting in favour of the resolution regarding the proposed refreshment of Current General Mandate.

## LETTER FROM GOLDIN FINANCIAL LIMITED

As at the Latest Practicable Date, Ivana, CW Limited and Asiitrust Limited, being the associates of Mr. Cheung, control or are entitled to exercise control over the voting rights of 98,437,500 Shares, representing approximately 8.04% of the total issued share capital of the Company as at the Latest Practicable Date. As such, they will have to abstain from voting on the resolution regarding the proposed refreshment of the Current General Mandate. Save for the above, none of the respective associates of Mr. Cheung and Mr. Lau held any Shares and did not control or were entitled to exercise control over the voting rights in respect of their Shares.

### THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising Ms. Yeung Mo Sheung, Ann, Mr. Ng Kay Kwok and Mr. Yip Kat Kong, Kenneth, all being the Independent Non-executive Directors, has been formed to advise the Independent Shareholders on whether the proposed refreshment of the Current General Mandate is fair and reasonable, and in the interest of the Company and the Shareholders as a whole. We, Goldin Financial Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

### BASIS OF OUR ADVICE

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided by the Company, Directors and management of the Company and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be true as at the date of the EGM.

The Directors have collectively and individually accepted full responsibility for the Circular which includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirmed that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement in the Circular or the Circular misleading. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Group. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading.

**PRINCIPAL FACTORS CONSIDERED**

In arriving at our opinions in respect of the proposed refreshment of the Current General Mandate, we have considered the following principal factors and reasons:

**1. Background of and reasons for the proposed refreshment of the Current General Mandate**

The Group is engaged in forestry, plantation business, trading business, including the trading of various brands of milk powder products to customers based in Hong Kong, and information technology business. It has also diverged into the money lending business and the financial leasing business.

At the AGM of the Company held on 8 June 2015, the Shareholders approved, among others, an ordinary resolution to grant the Directors to issue and allot a maximum of 76,606,277 Shares, representing 20% of the issued share capital of the Company as at the date of the AGM.

On 17 August 2015 (after trading hours), a placing agreement was entered into between the Company and a placing agent, pursuant to which the placing agent has agreed to place, on a best endeavour basis, up to 76,000,000 Shares. After the completion of the Placing in full as announced by the Company on 26 August 2015, the Current General Mandate had been utilised as to approximately 99.21%. If the Current General Mandate is not to be refreshed, the Company may issue up to only 606,277 Shares under the Current General Mandate. As advised by the Company, the Company has not refreshed the Current General Mandate since the AGM and up to 19 August 2015 and the next annual general meeting of the Company will not be held until around June 2016, which is about 9 months away from the Latest Practicable Date.

The Company will convene the EGM at which an ordinary resolution will be proposed to the Independent Shareholders that the Directors will be granted the Refreshed General Mandate to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution at the EGM.

With reference to the financial statement of the Company for the six months ended 30 June 2015 ("**Interim Report 2015**") of the Company,

- (i) the Board expected that for the year 2015, due to the suspension of forestry projects in Indonesia, there was no revenue generated from the Group's forestry and plantation business. As at the Latest Practicable Date, the Company expects no additional funding needs in this segment before the resumption of the abovementioned forestry;
- (ii) the trading business continues to provide a stable source of revenue to the Group as the business is growing healthily. The Company has been closely monitoring the potential development of this business segment. Additional working capital may be needed to further expand the trading

## LETTER FROM GOLDIN FINANCIAL LIMITED

business into more variety of consumer products if any business opportunities arise. As at the Latest Practicable Date, the Group has no imminent need for funding its trading business;

- (iii) for the information technology business, revenue would be mainly driven by the additional contribution from the consolidation of different acquired entities into a single stream of income. The Company may need to raise fund if new acquisitions opportunities arise that cannot be met with the Group's internal cash resources. As at the Latest Practicable Date, the Group has no imminent need for funding its information technology business;
- (iv) as a result of the Group commenced its money lending activities in the second quarter of 2014, there would be an overall increase in revenue in revenue as well as the operating profit of the Group. Meanwhile, the Group has been approached by potential borrowers for provision of loans from time to time.

In addition, following the completion of the acquisition of Blossom Height Ventures Limited, there is an outstanding capital injection requirement of approximately HK\$34.5 million in relation to Heng He.

As such, the Group may conduct further fund raising activities to raise additional capital for funding its money lending business. As at the Latest Practicable Date, the Group has no imminent need for funding its money lending business; and

- (v) the outstanding amount of the convertible bonds and promissory notes of the Company amounted to approximately HK\$164.1 million and HK\$60.6 million respectively. The interest charge on convertible bonds and promissory notes of the Company imputed approximately HK\$5.9 million and HK\$1.7 million respectively. The Group might reduce its existing debt level and the respective interest expenses. As at the Latest Practicable Date, the Company has no imminent need for any redemption of its convertible bonds and/or its promissory notes.

As at the Latest Practicable Date, the Directors were of the opinion that, after taking into account the financial resources presently available to the Group (including the net proceeds from the Placing), in the absence of unforeseeable circumstance, the Group has sufficient working capital for its present requirements that is for at least the next twelve months.

As at the Latest Practicable Date, the Company had no present plans to further conduct any fund raising activities for its existing business operations for the next twelve months. The Company also had no immediate plan to utilise the Refreshed General Mandate, if granted, to allot and issue Shares. However, the Company may need to raise fund and the Directors may utilise the Refreshed General Mandate if:

- (i) any new investment/acquisitions/business opportunities in the trading/information technology/money lending business of the Company arise that cannot be met with the Group's internal cash resources;

## LETTER FROM GOLDIN FINANCIAL LIMITED

- (ii) any redemption of the convertible bonds and/or the promissory notes of the Company;
- (iii) other new investments/acquisitions opportunities arise that cannot be met with the Group's internal cash resources; and/or
- (iv) the Company is in need of funds for its operations in future.

As illustrated above, the forestry and plantation business is not optimistic in the imminent future while information technology business faces keen competition in the market. On the other hand, trading business continued to grow and diversify, which is beneficial to the Company in the long-term. The money lending business, which already generates revenue also aligns with the strategy of the Group to seek new investments opportunities.

With reference to the Interim Report 2015, as at 30 June 2015, the total current assets amounted to approximately HK\$56.37 million. Cash and cash equivalents amounted to approximately HK\$18.20 million. The total current liabilities amounted to approximately HK\$17.18 million. Hence, the working capital amounted to approximately HK\$39.19 million. Nevertheless, given that the total assets and total liabilities amounted to approximately HK\$185.35 million and HK\$162.84 million respectively, the gearing ratio resulted in a relatively leveraged position of approximately 0.88%.

Moreover, on 19 August 2015, the Company has proposed to change the English name from "Merdeka Mobile Group Limited" to "Merdeka Financial Services Group Limited" in order to better reflect the future expansion and diversification of the Company's business into financial services business and provide the Company with a fresh corporate identity and image.

On the basis of a total of 1,225,094,152 Shares in issue as at the Latest Practicable Date and assuming that no Shares would be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, the proposed refreshment of Current General Mandate, if granted, will authorise the Directors to allot and issue up to a maximum of 245,018,830 Shares, representing 20% of the issued share capital of the Company as at the date of the EGM.

Having considered that (i) the Current General Mandate has been utilised as to approximately 99.21%; (ii) the next annual general meeting will only convene until around June 2016, which is about 9 months away; (iii) the suspension of forestry and plantation business would reduce the income source of the Group; (iv) the trading and information technology business would possibly be affected by the current volatile market atmosphere; (v) previous funds raised were almost fully utilized; (vi) the financial position of the Group is being relatively leveraged; (vii) the change of the name of Company fortifies the determination of the Company to invest in financial services business; (viii) the Company has been constantly seeking investment opportunities, the proposed refreshment of Current General Mandate would provide the Group with financial flexibility to raise equity capital expeditiously for its operations or expansion as

## LETTER FROM GOLDIN FINANCIAL LIMITED

well as to capture investment opportunities that could create returns to the Shareholders amidst the current uncertain economic and market conditions, we are of the view that the refreshment of the Current General Mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### 2. History of capital raising activities of the Group during the last 12 months

According to the information provided by the Directors, we summarise the capital raising activity of the Company during the past 12 months immediately preceding the Latest Practicable Date in the following table:

Date of announcement	Fund raising activity	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
10 May 2015	Open offer on the basis of two offer shares for every one Share held on the record date	HK\$66.22 million	(i) as to not less than 80% for the capital injection into Heng He as its general working capital to facilitate the expansion of the financial leasing business; and (ii) the remaining for the general working capital of the Group	Approximately HK\$48 million has been used for the capital injection into Heng He to support its money lending business for the last quarter of 2015. The remaining HK\$18.22 million is deposited in bank, among which (i) not less than HK\$4.98 million will be used for the capital injection into Heng He on or before 14 December 2015; and (ii) not more than HK\$13.24 million will be used for the general working capital of the Group for the next twelve months, as intended
17 August 2015	Placing of new Shares under general mandate	HK\$8.50 million	to strengthen the general working capital base of the Company to finance its business development and/or to finance any future investment opportunities	All the net proceeds is still deposited in bank and will be used as general working capital of the Company and/or to finance any investment opportunities for the next twelve months as intended

Save as disclosed above, the Company has not conducted any other capital raising activities in the past twelve months immediately preceding the Latest Practicable Date.

**3. Other financing alternatives**

Aside from the proposed refreshment of the Current General Mandate, we have considered the feasibility and effectiveness of other financing alternatives such as debt financing and other equity financing. Regarding debt financing, methods such as bank borrowing would incur interest burden to the Group. According to the Interim Report 2015, albeit bank borrowings only amounted to approximately 0.11% of total capital employed, there is an outstanding principal amount, consisting of two convertible bonds, of approximately HK\$164,068,000, constituting the Group's gearing ratio of approximately 82.50%. Further debt financing may deteriorate the financial healthiness of the Group.

Alternative equity fund raising methods were also considered by the Directors with due and care. Nonetheless, the proposed refreshment of Current General Mandate allows the Company to raise equity capital within specified number of Shares promptly and when necessary rather than the more time consuming process of applying for specific mandate in the case of alternative pro-rata equity fund raising such as rights issue and open offer when such need for capital may arise in the future. Other financing methods such as internal cash resources to fund future business development of the Company shall be taken into consideration in appropriate circumstances. Given the aforementioned reasons, we are of the view that equity financing through the proposed refreshment of the Current General Mandate is more flexible and time efficient than alternative equity financing methods such as by way of rights issue or open offer.

After investigating other financing methods, we consider that the proposed refreshment of Current General Mandate will provide the Company an additional financing alternative and is reasonable for the Company to maintain the flexibility in deciding the financing methods for its future development, including equity issuance. As such, we are of the view that the proposed refreshment of Current General Mandate is in the interests of the Company and the Independent Shareholders as a whole.

# LETTER FROM GOLDIN FINANCIAL LIMITED

## 4. Effect on shareholding structure of the Company

We set out below the table depicting the shareholding structure of the Company as at the Latest Practicable Date and, for illustrative purpose only, the potential dilution effect on the shareholdings that (i) assuming upon full utilisation of the Refreshed General Mandate; and (ii) assuming full utilisation of the Refreshed General Mandate and full exercise of all outstanding Share Options and the Share Options under the Proposed Grant:

Name of the Shareholders	As at the Latest Practicable Date		(i) Assuming full utilisation of the Refreshed General Mandate		(ii) Assuming full utilisation of the Refreshed General Mandate and full exercise of all outstanding Share Options and the Share Options under the Proposed Grant	
	No. of Shares	Approx.	No. of Shares	Approx.	No. of Shares	Approx.
		%		%		%
<b>Substantial Shareholders:</b>						
Ivana	98,437,500	8.035	98,437,500	6.696	98,437,500	5.778
Mr. Cheung (Note 1)	557,814	0.046	557,814	0.038	100,557,814	5.903
<b>Subtotal:</b>	<u>98,995,314</u>	<u>8.081</u>	<u>98,995,314</u>	<u>6.734</u>	<u>198,995,314</u>	<u>11.681</u>
<b>Directors:</b>						
Mr. Lau	3,984,375	0.325	3,984,375	0.271	23,984,375	1.408
Mr. Wong	-	-	-	-	10,014,128	0.588
Ms. Yeung	-	-	-	-	1,016,483	0.060
Mr. Ng	-	-	-	-	1,000,000	0.059
Mr. Yip	-	-	-	-	1,000,000	0.059
<b>Subtotal:</b>	<u>3,984,375</u>	<u>0.325</u>	<u>3,984,375</u>	<u>0.271</u>	<u>37,014,986</u>	<u>2.173</u>
<b>Directors of subsidiaries of the Company:</b>						
Mr. Chan	-	-	-	-	20,000,000	1.174
Mr. Su	-	-	-	-	20,000,000	1.174
<b>Subtotal:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000,000</u>	<u>2.348</u>



# LETTER FROM GOLDIN FINANCIAL LIMITED

Name of the Shareholders	As at the		(i) Assuming full		(ii) Assuming full	
	Latest Practicable Date		utilisation of the Refreshed		utilisation of the Refreshed	
			General Mandate		General Mandate and full	
					exercise of all outstanding	
					Share Options and the	
					Share Options under	
					the Proposed Grant	
	<i>Approx.</i>		<i>Approx.</i>		<i>Approx.</i>	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
<b>Consultant of the Company</b>						
Mr. Yu	-	-	-	-	20,000,000	1.174
<b>Sub-total:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000,000</u>	<u>1.174</u>
<b>Employees of the Company</b>						
Mr. Gao	-	-	-	-	20,000,000	1.174
Mr. Lai	-	-	-	-	20,023,532	1.175
<b>Subtotal:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,023,532</u>	<u>2.349</u>
Other employees and other eligible Participants	-	-	-	-	350,838	0.021
<b>Maximum number of new Shares that can be issued under the Refreshed General Mandate (Note 2)</b>	<u>-</u>	<u>-</u>	<u>245,018,830</u>	<u>16.667</u>	<u>245,018,830</u>	<u>14.383</u>
<b>Other Public Shareholders:</b>	<u>1,122,114,463</u>	<u>91.038</u>	<u>1,122,114,463</u>	<u>76.328</u>	<u>1,122,114,463</u>	<u>65.870</u>
<b>Total:</b>	<u><u>1,225,094,152</u></u>	<u><u>100</u></u>	<u><u>1,470,112,982</u></u>	<u><u>100</u></u>	<u><u>1,703,517,963</u></u>	<u><u>100</u></u>

*Note 1:* The interests disclosed include 98,437,500 Shares held by Ivana, a company incorporated in the British Virgin Islands owned as to 100% by CW Limited, which in turn is wholly-owned by Asiastrust Limited, a trust company in its capacity as the trustee of a discretionary trust, the founder (as defined in the Securities and Futures Ordinance (Cap. 571)) of which is Mr. Cheung and the discretionary objects of which are family members of Mr. Cheung (including Mr. Cheung himself). The remaining 557,814 Shares are held by Mr. Cheung personally.

*Note 2:* Maximum number of new Shares (calculated based on current 1,225,094,152 issued Shares) which can be issued under the Refreshed General Mandate. The Company confirmed that it will monitor closely and ensure the Company is maintaining the minimum public float requirements as prescribed under the GEM Listing Rules when the new Shares are issued under the Refreshed General Mandate from time to time.

## LETTER FROM GOLDIN FINANCIAL LIMITED

As at the Latest Practicable Date, the authorized share capital of the Company is 200,000,000,000 Shares and the issued share capital of the Company is 1,225,094,152 Shares.

The table above illustrates that the shareholding of the existing public Shareholders would decrease from approximately 91.04% as at the Latest Practicable Date to approximately 76.33% upon full utilisation of the Refreshed General Mandate and none of the outstanding Share Options, Share Options under the Proposed Grants, Warrants and Convertible Securities are exercised (assuming no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the EGM). Such potential dilution to the shareholding of the existing public Shareholders represents a maximum dilution of approximately 14.71%.

Taking into account that (i) the Refreshed General Mandate will provide an alternative to increase the amount of capital of the Company; (ii) the Refreshed General Mandate provides more flexibility and options of financing to the Group for further business development as well as for other potential future investments and/or acquisitions as and when such opportunities arise, especially during the current volatile financial market; and (iii) the fact that the shareholding interests of all the Shareholders will be decreased in proportion to their respective shareholdings upon any utilisation of the Refreshed General Mandate, we consider that such potential dilution to shareholdings of the public Shareholders to be justifiable.

### RECOMMENDATIONS

Having taken into account the principal factors and reasons referred to the above, we are of the opinion that the proposed refreshment of the Current General Mandate is fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Shareholders and recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolutions approving the Refreshed General Mandate and the extension thereof at the EGM. Independent Shareholders are however advised to take note of the possible dilution effect on their shareholding interests in the Company when and if the Refreshed General Mandate is utilised.

Yours faithfully,  
For and on behalf of  
**Goldin Financial Limited**  
**Billy Tang**  
*Director*

*Note:* Mr. Billy Tang is a licensed person registered with the Securities and Futures Commissions and a responsible officer of Goldin Financial Limited to carry out type 6 (advising on corporate finance) regulated activity under the SFO (Chapter 571 of the Laws of Hong Kong). He has over 10 years of experience in the corporate finance industry.

## NOTICE OF EGM



MERDEKA

### MERDEKA MOBILE GROUP LIMITED

(萬德移動集團有限公司\*)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Merdeka Mobile Group Limited (the “**Company**”) will be held at Jasmine Room, 3/F., Best Western Plus Hotel Hong Kong, 308 Des Voeux Road West, Hong Kong at 11:30 a.m. on Friday, 2 October 2015 for the purposes of considering and, if thought fit, passing the following resolutions with or without amendment as ordinary resolution:

#### ORDINARY RESOLUTION

1. “**THAT** subject to and conditional upon the listing sub-committee of the directors (the “**Listing Committee**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with responsibility for the Growth Enterprise Market (“**GEM**”) granting the approval for listing of, and permission to deal in, the shares of the Company which may be issued and allotted pursuant to the exercise of any share options granted or to be granted pursuant to this resolution numbered (1), the grant of share options under the share option scheme adopted by the Company which became effective on 3 May 2012 (the “**Scheme**”) to certain participants entitling them to subscribe for an aggregate of 233,000,000 ordinary shares of HK\$0.001 each (the “**Shares**”) in the share capital of the Company at the exercise price of HK\$0.147 per Share, the particulars of the participants to whom the share options are proposed to be granted (the “**Proposed Grantees**”), the number of share options proposed to be granted to each of them and the terms of grant are set out in the circular of the Company dated 15 September 2015 (the “**Circular**”) despatched to the shareholders of the Company, containing the notice of the extraordinary general meeting of the Company of which this resolution numbered (1) forms part, a copy of which has been submitted to the meeting marked “A” and initialled by the chairman of the meeting for identification purposes, be and is hereby approved and any director of the Company be and is hereby authorised to do such things and acts as may be necessary or expedient in order to give full effect to such grant of share options to the Proposed Grantees.”
2. “**THAT** subject to and conditional upon the passing of resolution numbered (1) above, the grant of share options beyond the maximum entitlement of an individual participant under the Scheme to Mr. Cheung Wai Yin, Wilson entitling him to subscribe for 100,000,000 Shares at the exercise price of

\* For identification purpose only

## NOTICE OF EGM

HK\$0.147 per Share, the terms of which are set out in the Circular, be and is hereby approved and any director of the Company be and is hereby authorised to do such things and acts as may be necessary or expedient in order to give full effect to such grant of share options beyond the maximum entitlement of individual participants.”

3. “**THAT** subject to and conditional upon the passing of resolution numbered (1) above, the grant of share options beyond the maximum entitlement of an individual participant under the Scheme to Mr. Lau Chi Yan, Pierre entitling him to subscribe for 20,000,000 Shares at the exercise price of HK\$0.147 per Share, the terms of which are set out in the Circular, be and is hereby approved and any director of the Company be and is hereby authorised to do such things and acts as may be necessary or expedient in order to give full effect to such grant of share options beyond the maximum entitlement of individual participants.”
4. “**THAT** subject to and conditional upon the passing of resolution numbered (1) above, the grant of share options beyond the maximum entitlement of an individual participant under the Scheme to Mr. Chan Ka Wing entitling him to subscribe for 20,000,000 Shares at the exercise price of HK\$0.147 per Share, the terms of which are set out in the Circular, be and is hereby approved and any director of the Company be and is hereby authorised to do such things and acts as may be necessary or expedient in order to give full effect to such grant of share options beyond the maximum entitlement of individual participants.”
5. “**THAT** subject to and conditional upon the passing of resolution numbered (1) above, the grant of share options beyond the maximum entitlement of an individual participant under the Scheme to Mr. Su Zhong Hua entitling him to subscribe for 20,000,000 Shares at the exercise price of HK\$0.147 per Share, the terms of which are set out in the Circular, be and is hereby approved and any director of the Company be and is hereby authorised to do such things and acts as may be necessary or expedient in order to give full effect to such grant of share options beyond the maximum entitlement of individual participants.”
6. “**THAT** subject to and conditional upon the passing of resolution numbered (1) above, the grant of share options beyond the maximum entitlement of an individual participant under the Scheme to Mr. Yu Yi Jian entitling him to subscribe for 20,000,000 Shares at the exercise price of HK\$0.147 per Share, the terms of which are set out in the Circular, be and is hereby approved and any director of the Company be and is hereby authorised to do such things and acts as may be necessary or expedient in order to give full effect to such grant of share options beyond the maximum entitlement of individual participants.”
7. “**THAT** subject to and conditional upon the passing of resolution numbered (1) above, the grant of share options beyond the maximum entitlement of an

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individual participant under the Scheme to Mr. Gao Rong entitling him to subscribe for 20,000,000 Shares at the exercise price of HK\$0.147 per Share, the terms of which are set out in the Circular, be and is hereby approved and any director of the Company be and is hereby authorised to do such things and acts as may be necessary or expedient in order to give full effect to such grant of share options beyond the maximum entitlement of individual participants.”

8. “**THAT** subject to and conditional upon the passing of resolution numbered (1) above, the grant of share options beyond the maximum entitlement of an individual participant under the Scheme to Mr. Lai Yau Hong, Thomson entitling him to subscribe for 20,000,000 Shares at the exercise price of HK\$0.147 per Share, the terms of which are set out in the Circular, be and is hereby approved and any director of the Company be and is hereby authorised to do such things and acts as may be necessary or expedient in order to give full effect to such grant of share options beyond the maximum entitlement of individual participants.”
9. To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

“**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the Scheme adopted by the Company on 3 May 2012, representing 10% of the shares of the Company in issue as at the date on which this resolution is passed, in relation to the Scheme:

- (A) approval be and is hereby granted for refreshing the 10% mandate under the Scheme (the “**Refreshed Scheme Mandate**”) provided that the total number of shares of the Company which may be allotted and issued upon the exercise of all options to be granted under the Scheme and any other share option schemes of the Company and its subsidiaries (collectively, the “**Group**”) under the limit as refreshed hereby shall not exceed 10% of the shares of the Company in issue as at the date on which this resolution is passed (options previously granted under the Scheme and any other share option schemes of the Group (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Scheme or any other share option schemes of the Group) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate); and
- (B) the Directors or a duly authorised committee thereof be and they are hereby authorised: (1) at their absolute discretion, to grant options to subscribe for shares of the Company within the Refreshed Scheme Mandate in accordance with the rules of the Scheme, and (2) to allot, issue and deal with shares of the Company pursuant to the exercise of options granted under the Scheme within the Refreshed Scheme Mandate.”

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10. “**THAT**, to the extent not already exercised, the mandate to allot and issue shares of the Company given to the Directors at the annual general meeting of the Company held on 28 June 2013 be and is hereby revoked and replaced by the mandate **THAT**:
- (A) subject to paragraph (C) of this resolution and pursuant to the Rules Governing the Listing of Securities on the GEM of the Stock Exchange, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares in the share capital of the Company or options, warrants, or similar rights to subscribe for any shares and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company), which might require the exercise of such powers be and is hereby generally and unconditionally approved;
  - (B) the approval in paragraph (A) of this resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements, options and rights of exchange or conversion which would or might require the exercise of such powers after the end of the Relevant Period (as hereinafter defined);
  - (C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) the exercise of rights of conversion under any securities which are convertible into shares of the Company, or (iii) any scrip dividend scheme or similar arrangements providing for the allotment of shares in lieu of the whole or a part of a dividend on shares of the Company pursuant to the articles of association of the Company from time to time, or (iv) the grant or exercise of any options granted under any option scheme or similar arrangement for the time being adopted by the Company for the grant or issue to the Directors, officers and/or employees of the Company and/or any of its subsidiaries of options to subscribe for, or rights to acquire, shares of the Company, shall not in aggregate exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution and the said approval shall be limited accordingly; and

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(D) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means the allotment or issue of shares in the share capital of the Company pursuant to an offer of shares open for a period fixed by the Directors made to holders of shares of the Company or any class thereof whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

By order of the Board of  
**Merdeka Mobile Group Limited**  
**Cheung Wai Yin, Wilson**  
*Chairman and Chief Executive Officer*

Hong Kong, 15 September 2015

*Registered office:*  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands  
British West Indies

*Head office and principal place of  
business in Hong Kong:*  
Room 1502  
Chinachem Century Tower  
178 Gloucester Road  
Wanchai, Hong Kong

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*Notes:*

1. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the share register of the Company in respect of the joint holding. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of the articles of association of the Company be deemed joint holders thereof.
2. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
3. Delivery of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the extraordinary general meeting or adjourned meeting.
5. All voting by the members at the Meeting shall be conducted by way of poll.

*As at the date of this notice, the Board comprises two executive Directors, namely Mr. Cheung Wai Yin, Wilson and Mr. Lau Chi Yan, Pierre, one non-executive Director, namely Mr. Wong Chi Man and three independent non-executive Directors, namely Ms. Yeung Mo Sheung, Ann, Mr. Ng Kay Kwok and Mr. Yip Kat Kong, Kenneth.*