



MERDEKA

MERDEKA FINANCIAL SERVICES GROUP LIMITED
萬德金融服務集團有限公司*

STOCK CODE 股份代號：8163

* for identification purposes only

* 僅供識別

THIRD QUARTERLY REPORT 2015
二零一五年第三季度報告

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This report, for which the directors of Merdeka Financial Services Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report 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 report misleading.

香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)的特色

創業板的定位，乃為相比起其他在聯交所上市的公司帶有較高投資風險之公司提供一個上市的市場。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。創業板的較高風險及其他特色表示創業板較適合專業及其他資深投資者。

由於創業板上市公司新興的性質所然，在創業板買賣的證券可能會較於主板買賣之證券承受較大的市場波動風險，同時無法保證在創業板買賣的證券會有高流通量的市場。

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本報告乃遵照《聯交所創業板證券上市規則》(《創業板上市規則》)的規定而刊載，旨在提供有關Merdeka Financial Services Group Limited(萬德金融服務集團有限公司*)(「本公司」)之資料；本公司各董事願共同及個別對此承擔全部責任。本公司各董事經作出一切合理查詢後，確認就彼等所深知及確信，本報告所載資料在一切重大方面均屬準確及完整，且無誤導或欺詐成分，且無遺漏任何其他事實，致使本報告或其所載任何陳述產生誤導。

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the nine months ended 30 September 2015, Merdeka Financial Services Group Limited (the “Company”) and its subsidiaries (the “Group”) continued to engage in forestry, plantation business, trading business, including the trading of various brands of milk powder products to customers based in Hong Kong, information technology business and it has also diverged into the money lending business and the financial leasing business. Our production and operation in forestry and plantation was suspended due to the unstable investment environment in Timika, Indonesia, the trading business, the money lending business and the financial leasing business continued to grow healthily and the information technology business remained challenging.

OPERATION REVIEW

Regarding the forestry project of the Group, the Board considers that the resumption of operation remained suspended during the period under review. As a result, the Group strived to grow the trading business which could provide a stable source of revenue. The Group sources the milk powder products directly from the milk powder product importers in Hong Kong and sells to (i) the bulk purchasers in Hong Kong; (ii) the pharmacies in Hong Kong; and (iii) the individual customers through e-commerce platform. On the other hand, the Group has actively pursued suitable business opportunities to further broaden the sources of revenue and cash inflows of the Group, taking into account the funding requirement and associated business risk. During the period, the Group suffered loss from its existing business, however, revenue and gross profit have been continuously improving as compared to the corresponding period of the year 2014.

The Group’s trading outlet is now located at Sheung Shui, at where, it is nearer to its customers. Besides, the variety of the products trading was enlarged during the period under review from milk powder and beauty products to confectioneries and pharmacy products. The Group had also commenced sourcing locally and from Japan and other Asia countries in respect of the confectioneries. As such, the Group has registered as a food importer/food distributor under the Food Safety Ordinance.

The Group’s information technology business remained challenging during the period under review, partly because of the keen competition and partly because of the change in project cycles of the customers. The Group is continuously shifting its mobile and cloud information technology centre into Mian Yang, the People’s Republic of China (“PRC”), to its 60% owned subsidiary there, Mian Yang Heng Da Information Technology Limited (綿陽恒達信息科技有限公司) (“Heng Da”). While developing its mobile and the cloud-based city Wi-Fi application software with the complimentary effects from the Group’s trading arm, Source Easy Limited (“Source Easy”) and its customer in the PRC, Heng Da commenced developing mobile and cloud based application software and operating related e-commerce platform to trade the Group’s consumer products in the PRC for Source Easy’s trading products.

The business performance of the Group’s another information technology subsidiary, Ever Hero Group Limited was failed to meet the Group’s expectation because of unexpected market conditions in 2014 and the longer-than-expected project cycle of the customers as well as facing keen market competition.

The Group is continuously consolidating information technology entities differently acquired into a single stream of income.

While focusing on its existing business, it is part of the business strategy of the Group to seek for new investments when opportunities arise. The Company commenced its money lending activities apart from its principal business in the second quarter of 2014. To accommodate and to facilitate this business development, the Group was granted, a money lenders licence in Hong Kong to carry on business as a money lender for a period of twelve (12) months from 2 December 2014. The Group is able to develop the money lending business as one of its principal lines of business by providing loans in a systematic and repetitive nature in its ordinary course of business, subject to compliance with the requirements in the Money Lenders Ordinance. Meanwhile, the Group has been approached by potential borrowers for provision of loans from time to time during the period under review.

Following the completion of the acquisition of Blossom Height Ventures Limited, as 恒河融資租賃(上海)有限公司 (Heng He Financial Lease (Shanghai) Company Limited*) (“Heng He”) has been generating profits in the year of 2014, this acquisition also contribute profit to the Group during the period under review. During the nine months ended 30 September 2015 under review, Heng He had concluded nine financial leasing contracts in the aggregate amount of RMB941.2 million. The Directors believe that this acquisition will allow the Group, without setting up a new financing company, to further develop its financing related business in the PRC through a direct working capital injection, and subsequently to enjoy the benefits of the capital leverage in Heng He. As disclosed, the Company has, during the period under review, injected the sum of HK\$48 million in cash into Heng He as its registered and paid capital for use as general working capital to facilitate the expansion of the financial leasing business. As a result, Heng He has become the 56.97% indirect non-wholly-owned subsidiary of the Company and the financial results of it together with its subsidiaries was consolidated into the accounts of the Group during the period of review.

In order to further expand and diversify the Company's business into financial services business, on 10 August 2015 (after trading hours), the Company entered into an acquisition agreement to purchase, subject to and pending for the approval being given by the Securities and Futures Commission (the “SFC”) the entire shareholding of a securities company at a cash consideration of HK\$7.5 million. Since the percentage ratios (as defined under the GEM Listing Rules) in respect of this acquisition are less than 5%, it did not constitute a notifiable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules. On the signing of the aforesaid acquisition agreement, the Company paid a refundable (in case of vendor default) and forfeitable (in case of purchaser default) deposit of HK\$2.5 million to the existing shareholder of the securities company. The balance of the consideration shall be paid at the time of completion of this acquisition agreement.

As all of the conditions set out in the underwriting agreement dated 8 May 2015 (the “Underwriting Agreement”) with Pacific Foundation Securities Limited in relation to the underwriting and certain other arrangements in respect of the open offer (the “Open Offer”) on the basis of 2 offer shares for every 1 share in issue and held on the record date at the subscription price of HK\$0.09 each, have been fulfilled and the Underwriting Agreement has not been terminated in accordance with its terms. Accordingly, the Open Offer has become unconditional at 4:00 p.m. on Monday, 3 August 2015. Dealings in the fully-paid Offer Shares commenced on the Stock Exchange at 9:00 a.m. on Tuesday, 11 August 2015. The Company raised approximately HK\$66.2 million (after deduction of commission and expenses), out of which, HK\$48 million has been injected into Heng He as described above.

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On 17 August 2015 (after trading hours), the Company and Guoyuan Securities Brokerage (Hong Kong) Limited (the “Placing Agent”) entered into an placing agreement (the “Placing Agreement”) pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best endeavour basis, up to 76,000,000 Placing Shares, to not less than six placees who and whose ultimate beneficial owners will be independent third parties at a price of HK\$0.120 per placing share (the “Placing”). The condition set out in the Placing Agreement has been fulfilled and completion of the Placing took place on 26 August 2015 in accordance with the terms and conditions of the Placing Agreement. The Company received net proceeds of approximately HK\$8.5 million (after deduction of commission and other expenses of the Placing) from the Placing. The entire net proceeds from the Placing will be applied to strengthen the general working capital base of the Company to finance its business development and/or to finance any future investment opportunities.

FINANCIAL REVIEW

For the nine months ended 30 September 2015, the Group earned revenue mainly from trading business, information technology business, money lending business and financial leasing business, approximately HK\$73.1 million, representing an increase of approximately 53.9%, about HK\$25.6 million over the corresponding period of last year. Revenue from trading business increased dramatically approximately 70.9%, about HK\$25.6 million over the corresponding period of last year. The increase was contributed by the diversification of trading products that are able to generate attractive revenue to the group. Revenue of information technology business decreased approximately 57.5%, about HK\$6.5 million. During the period, the Group completed the acquisition of Blossom Height Ventures Limited, and its subsidiaries, and recognised therefrom a gain from bargain purchase arising from acquisition of approximately HK\$4.2 million. The financial leasing business contributed to the turnover of approximately HK\$5.8 million over the reported period. Further, this new stream of business also generated approximately of HK\$4.0 million to the equity owners of the Company in which it included the share of results of associate of approximately HK\$1.5 million during the reported period.

Gross profit for the period of the Group was approximately HK\$6.0 million which maintains similar level as of last year. Gross profit margin for the period of the Group was approximately 8.2%, which was approximately 30.6% less than the corresponding period of last year.

Other income and other net gains and losses for the period of the Group recorded a loss of approximately HK\$2.3 million which was primarily due to the loss recognition on partial repayment of a promissory note.

Finance costs over for the period was approximately HK\$12.1 million, which was approximately 5.2% over the corresponding period of last year.

PROMISSORY NOTES

Following the completion of the acquisition of the Ever Hero Group Limited on 4 April 2014, and in accordance with the terms of the relevant acquisition agreement, the Company has issued the promissory note to the vendor pursuant to the terms of the promissory note instrument. On 19 March 2015 and 20 April 2015, the Company has partially redeemed each HK\$10 million of the promissory note at a cash consideration respectively of each HK\$10 million paid/payable to Hero Win Development Limited, the holder of the promissory note.

However, as disclosed below and in its interim report dated 6 August 2015, since the profit guarantee has not been met, the amount payable by the Company on redemption of the promissory note shall be reduced on a dollar for dollar basis by the amount for approximately HK\$5.0 million for the year ended 31 December 2014. As a results, the total amount of outstanding promissory note is approximately HK\$23.6 million at the end of this report period.

Following the completion of the acquisition of the Blossom Height Ventures Limited on 21 April 2015, and in accordance with the terms of the relevant acquisition agreement, the Company has issued the promissory note to the vendor pursuant to the terms of the promissory note instrument. The total amount of outstanding promissory note is HK\$32 million at the end of this report period.

PROFIT GUARANTEE IN RESPECT OF THE ACQUISITION OF 100% ISSUED SHARE CAPITAL OF EVER HERO GROUP LIMITED

On 4 April 2014, the Group completed the acquisition of the entire issued capital of Ever Hero Group Limited which is primarily engaged in providing information technology solution, web content development, and enterprise system maintenance services and in accordance with the terms of the relevant acquisition agreement dated 6 September 2012, the Vendor has given to and for the benefit of the Purchaser a profit guarantee of not less than HK\$5 million and HK\$8 million of net profit before taxation and before extraordinary items for the years ending 31 December 2013 and 2014 respectively. As confirmed by the auditor of the Company, the recorded actual profit before taxation and before extraordinary items of the Ever Hero Group exceeded the Guaranteed Profit for the year ended 30 September 2013 and the Guarantee Certificate has been received by the Company.

However, as confirmed by the auditor of the Company, with Guarantee Certificate received, the recorded actual profit before taxation and before extraordinary items of the Ever Hero Group was approximately HK\$3.0 million, and thus, was failed to meet the 2014 profit guarantee which is due to the unexpected market conditions in 2014 and the longer-than-expected project cycle of the customers as well as facing keen market competition. As such, the Promissory Note shall be reduced on a dollar for dollar basis by the amount for approximately HK\$5.0 million.

COMPLETION OF OPEN OFFER

On 3 August 2015, as all of the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement has not been terminated in accordance with its terms, the Open Offer has become unconditional and dealings in the fully-paid Offer Shares commenced on the Stock Exchange on 11 August 2015. The approximately HK\$66.2 million (after deduction of commission and expenses) raised has been applied to the amount of HK\$48 million for the injection into Heng He as its registered and paid capital in the manner and as described above.

COMPLETION OF PLACING OF SHARES

On 17 August 2015 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company placed through the Placing Agent, on a best endeavour basis, up to 76,000,000 placing shares, to not less than six placees who and whose ultimate beneficial owners will be independent third parties at a price of HK\$0.120 per placing share. The completion of the Placing took place on 26 August 2015 in accordance with the terms and conditions of the Placing Agreement. The Company received net proceeds of approximately HK\$8.5 million (after deduction of commission and other expenses of the Placing) from the Placing. The entire net proceeds from the Placing will be applied to strengthen the general working capital base of the Company to finance its business development and/or to finance any future investment opportunities.

LITIGATION

On 22 January 2015, the Company announced that a writ of summons was issued in the Court of First Instance of the High Court of Hong Kong by Au Kai To Karel, as the plaintiff claiming against (i) End User Technology Limited, an indirect wholly-owned subsidiary of the Company, as the 1st Defendant; (ii) the Company, as the 2nd Defendant; and (iii) Lau Chi Yan Pierre, the managing director and executive director of the Company, as the 3rd Defendant for, inter alia, (1) specific performance of an agreement dated 2 May 2013 in relation to a discloseable transaction of the Company (details of which were disclosed in the announcement of the Company dated 2 May 2013); or (2) alternatively, the damages in the sum of HK\$8,000,000 in lieu of specific performance; and (3) the interest; (4) further and/or other relief; and (5) the costs. The Company have instructed legal representative to handle the matter, and was advised that the claim does not have merits as the agreement had been duly and completely performed. The Company is considering applying for striking out the claim, subject to further legal advice.

OUTLOOK

The Board expects that the year of 2015, due to the suspension of forestry projects in Indonesia, there was no revenue generated from the Group's forestry and plantation business. However, the trading business continues to provide a stable source of revenue to the Group and as the business is growing healthily, the Group is expanding its trading business into more variety of consumer products and into more geographical markets within the PRC. 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 Group is also shifting its mobile and cloud information technology centre into Mian Yang, the PRC to Heng Da. Complementing the trading business with its information technology business, the Group intends to commence trading consumer products into the PRC through its customers there by developing mobile and cloud based application software and operating related e-commerce platform in the PRC.

Moreover, 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 as well as the operating profit of the Group as compared to year of 2014.

Following the injection into Heng He as agreed and the subsequent accounting treatment in light of the increase in percentage holding, it is expected that it will contribute profit to the Group immediately after the completion of such injection as well as such acquisition. The Directors believe that this acquisition will allow the Group, without setting up a new financing company, to further develop its financing related business in the PRC through a direct working capital injection, and subsequently to enjoy the benefits of the capital leverage in Heng He. Looking forward, in view of the growth potential of the financial leasing industry in the PRC, the Directors consider that this acquisition will enhance the performance of the Group and the return to the Shareholders as a whole.

In order to further expand and diversify into the financial services and subject to and being approved by the SFC, the Company will have a 100% indirect owned securities company, completion of the acquisition of which is expected to be in the last quarter this year to the early quarter next year.

Furthermore, the Company has already set up an indirect wholly owned subsidiary for starting up assets management business and to apply for a relevant license with the SFC in due course.

CHANGE OF COMPANY NAME

As the Group's activities include financial services business, and in order to better reflect the future expansion and diversifications of the Company's business into the money lending business, including but not limited to property mortgage loans and trade financing and provide the Company with a fresh corporate identity and image, the Company proposed on 19 August 2015 to change the English name of the Company from "Merdeka Mobile Group Limited" to "Merdeka Financial Services Group Limited" and upon the English name change becoming effective, to adopt the Chinese name "萬德金融服務集團有限公司" to replace "萬德移動集團有限公司" for identification purposes only. The proposal on change of the Company name was approved by the shareholders during the extraordinary general meeting of the shareholders held 2 October 2015. The Certificate of Incorporation on Change of Name was issued by the Registry of Companies of the Cayman Islands on 2 October 2015. The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Companies Registry of Hong Kong on 4 November 2015.

REFRESHMENT OF CURRENT GENERAL MANDATE

On 19 August 2015, the Company proposed to the independent shareholders that the Directors would 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 by the independent shareholders. Such proposal was approved by the independent shareholders by passing a relevant ordinary resolution during the extraordinary general meeting of the shareholders held 2 October 2015.

As at the date of this report, the Company has not issued any Shares pursuant to the refreshed general mandate, the Company is allowed to issue up to 245,018,830 Shares under the refreshed general mandate.

GRANT OF SHARE OPTIONS AND REFRESHMENT OF SCHEME MANDATE LIMIT

On 19 August 2015, the Company proposed to the shareholders the 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 grantees is beyond the existing scheme mandate limit and is conditional on the approval of the shareholders. 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 also subject to approval by the shareholders. In addition, the Board proposes to seek the shareholders' approval for the grant of the refreshment of the scheme mandate limit.

All the above-said proposals were approved by the shareholders by passing a relevant ordinary resolutions during the extraordinary general meeting of the shareholders held 2 October 2015.

UNAUDITED CONDENSED CONSOLIDATED THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

The board of directors (the "Board") of the Company is pleased to announce the unaudited condensed consolidated quarterly results of the Group for the three months and the nine months ended 30 September 2015, together with the comparative unaudited figures for the corresponding period in 2014, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the nine months ended 30 September 2015

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
REVENUE	2	33,758	16,675	73,080	47,478
Cost of sales		(31,245)	(12,902)	(67,113)	(41,897)
Gross profit		2,513	3,773	5,967	5,581
Other income and other net gains and losses		131	32,852	(2,329)	35,627
Gain from bargain purchase arising on acquisition of subsidiaries		2,010	–	4,149	–
Operating and administrative expenses		(6,647)	(9,471)	(16,145)	(17,631)
Finance costs	5	(4,370)	(1,207)	(12,064)	(11,474)
Share of results of an associate		(583)	–	1,465	–
(LOSS)/PROFIT BEFORE TAX	4	(6,946)	25,947	(18,957)	12,103
Income tax	6	1,441	–	13	–
(LOSS)/PROFIT FOR THE PERIOD		(5,505)	25,947	(18,944)	12,103
(Loss)/profit attributable to:					
Owners of the Company		(7,182)	25,947	(20,322)	12,103
Non-controlling interests		1,677	–	1,378	–
		(5,505)	25,947	(18,944)	12,103
		HK\$	HK\$ (restated)	HK\$	HK\$ (restated)
(Loss)/earnings per share attributable to owners of the Company					
Basic	8	(0.006)	0.050	(0.023)	0.025
Diluted		(0.006)	0.026	(0.023)	0.023

Details of the dividend payable and proposed for the periods are disclosed in note 7.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 30 September 2015

	Three months ended 30 September		Nine months ended 30 September	
	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
(LOSS)/PROFIT FOR THE PERIOD	(5,505)	25,947	(18,944)	12,103
Other comprehensive loss, after tax: Exchange difference on translating of financial statement of overseas subsidiaries	(1,771)	–	(1,760)	–
TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE PERIOD	(7,276)	25,947	(20,704)	12,103
Total comprehensive (loss)/profit attributable to:				
Owners of the Company	(9,156)	25,947	(22,294)	12,103
Non-controlling interests	1,880	–	1,590	–
	(7,276)	25,947	(20,704)	12,103

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

	Notes	30 September 2015 (unaudited) HK\$'000	31 December 2014 (audited) HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	10	6,147	4,764
Forest concessions		29,000	29,000
Goodwill		37,159	34,000
Available-for-sale investments		10,191	–
Other financial assets		–	5,025
Financial lease receivables	12	550,553	–
Total non-current assets		633,050	72,789
Current assets			
Inventories		5,439	931
Other financial assets		5,025	–
Trade receivables	11	14,756	7,132
Financial lease receivables	12	639,847	–
Loan receivables	13	9,811	3,220
Prepayments, deposits and other receivables		15,892	16,120
Amounts due from directors	14	–	10,500
Deferred tax asset		77	–
Cash and cash equivalents	15	46,622	32,207
Total current assets		737,469	70,110
Total assets		1,370,519	142,899
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	18	1,225	30,643
Reserves		95,995	(17,709)
Non-controlling interests		97,220	12,934
		71,090	(9,472)
Total equity		168,310	3,462

	<i>Notes</i>	30 September 2015 (unaudited) HK\$'000	31 December 2014 (audited) HK\$'000
Non-current liabilities			
Convertible bonds	16	96,923	87,803
Promissory notes		50,202	44,291
Finance lease obligations – due more than one year		2,867	1,831
Bank borrowings – due more than one year	17	487,160	–
		637,152	133,925
Current liabilities			
Bank borrowings – due within one year	17	545,301	206
Finance lease obligations – due within one year		218	519
Trade payables	19	9,821	2,193
Other payables and accruals		8,397	1,954
Tax payables		1,320	640
Total current liabilities		565,057	5,512
Total liabilities		1,202,209	139,437
Total equity and liabilities		1,370,519	142,899
Net current assets		172,412	64,598
Total assets less total liabilities		168,310	3,462

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2015

	Attributable to owners of the Company										
	Issued capital (unaudited) HK\$'000	Share premium account (unaudited) HK\$'000	Contributed surplus (unaudited) HK\$'000	Equity component	Share option reserve (unaudited) HK\$'000	Capital reduction reserve (unaudited) HK\$'000	Exchange fluctuation reserve (unaudited) HK\$'000	Accumulated losses (unaudited) HK\$'000	Total (unaudited) HK\$'000	Non-controlling interests (unaudited) HK\$'000	Total equity (unaudited) HK\$'000
				of convertible bonds (unaudited) HK\$'000							
At 1 January 2014	3,859	708,125	66,710	25,283	963	132,931	(54)	(879,454)	58,363	(1,650)	56,713
Changes in equity for 2014:											
Profit for the period	-	-	-	-	-	-	-	12,103	12,103	-	12,103
Total comprehensive loss	-	-	-	-	-	-	-	12,103	12,103	-	12,103
Issue of new shares upon placing	2,270	33,261	-	-	-	-	-	-	35,531	-	35,531
Issue of rights shares	24,514	69,702	-	-	-	-	-	-	94,216	-	94,216
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	692	692
Partial redemption of convertible bonds	-	-	-	(2,555)	-	-	-	-	(2,555)	-	(2,555)
At 30 September 2014	30,643	811,088	66,710	22,728	963	132,931	(54)	(867,351)	197,658	(958)	196,700
At 1 January 2015	30,643	810,692	66,710	22,728	963	132,931	(54)	(1,051,679)	12,934	(9,472)	3,462
Changes in equity for 2015:											
Loss for the period	-	-	-	-	-	-	-	(20,322)	(20,322)	1,378	(18,944)
Other comprehensive loss	-	-	-	-	-	-	(1,972)	-	(1,972)	212	(1,760)
Total comprehensive loss	-	-	-	-	-	-	(1,972)	(20,322)	(22,294)	1,590	(20,704)
Issue of new shares upon placing	76	8,868	-	-	-	-	-	-	8,944	-	8,944
Issue of offer shares	766	65,635	-	-	-	-	-	-	66,401	-	66,401
Acquisition of subsidiaries	-	-	-	31,235	-	-	-	-	31,235	78,972	110,207
Capital reduction of issued shares	(30,260)	-	-	-	-	30,260	-	-	-	-	-
At 30 September 2015	1,225	885,195	66,710	53,963	963	163,191	(2,026)	(1,072,001)	97,220	71,090	168,310

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated quarterly results have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which also include the Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the GEM Listing Rules. They have been prepared under the historical cost convention. These unaudited condensed consolidated quarterly results are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

The unaudited condensed consolidated quarterly results should be read in conjunction with the Group’s audited annual financial statements for the year ended 31 December 2014 (the “2014 Annual Report”). The accounting policies and methods of computation adopted are consistent with those followed in the preparation of the 2014 Annual Report.

The Group has adopted the standards, amendments and interpretations that have been issued and effective for the accounting period beginning on 1 January 2015. The adoption of such standards, amendments and interpretations does not have material financial effect on this quarterly results.

The unaudited condensed consolidated quarterly results of the Group for the nine months ended 30 September 2015 have been reviewed by the Company’s audit committee (the “Audit Committee”).

2. REVENUE

Revenue, which is also the Group’s turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, the value of services rendered, and interest income from financial services during the nine months period under review.

An analysis of revenue is as follows:

	Three months ended		Nine months ended	
	30 September 2015 (unaudited) HK\$’000	2014 (unaudited) HK\$’000	30 September 2015 (unaudited) HK\$’000	2014 (unaudited) HK\$’000
Revenue from:				
Trading business	26,490	11,487	61,550	36,024
Information technology business	1,072	5,047	4,794	11,288
Financial services business	5,986	141	6,377	166
Other business	210	–	359	–
	33,758	16,675	73,080	47,478

3. SEGMENT REPORTING

For management purposes, the Group is organised into business units based on its products and services and has five reportable operating segments as follows:

- (a) the trading business segment engaged in the trading of goods, components and accessories;
- (b) the forestry business segment engaged in logging of trees, the operations of wood-processing factories and the sale of sawn timber, other timber and wood products;
- (c) the plantation business segment engaged in plantation of oil palm trees and sale of palm oil;
- (d) the information technology business segment engaged in distributorship of information technology products and the provision of relevant technical support services;
- (e) financial services business segment engaged in provision of financial leasing services and the provision of money lending services thereon; and
- (f) other business segment engaged in servicing business, such as training course provision.

Executive directors, who are the chief operating decision makers, monitor the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment loss, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group's loss before tax except that interest income, finance costs, equity-settled share option expenses, as well as head office and corporate expenses are excluded from such measurement.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arose from the depreciation or amortisation of assets attributable to those segments.

Segment assets include non-current assets and current assets with the exception of certain assets unallocated to an individual reportable segment.

Segment liabilities include non-current liabilities and current liabilities with the exception of tax payable and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

3. SEGMENT REPORTING (continued)

For the nine months ended 30 September 2015

	Trading business (unaudited) HK\$'000	Forestry business (unaudited) HK\$'000	Financial services business (unaudited) HK\$'000	Information technology business (unaudited) HK\$'000	Other business (unaudited) HK\$'000	Total (unaudited) HK\$'000	Unallocated (unaudited) HK\$'000	Group Total (unaudited) HK\$'000
Segment revenue:								
Revenue from external customers	61,550	-	6,377	4,794	359	73,080	-	73,080
Operating profit/(loss)	1,508	-	720	(1,124)	113	1,217	-	1,217
Interest income	-	-	10	-	-	10	66	76
Gain from bargain purchase arising on acquisition of subsidiaries	-	-	-	-	-	-	4,149	4,149
Share of results of an associate	-	-	1,465	-	-	1,465	-	1,465
Finance costs (non-cash)	-	-	-	-	-	-	(12,064)	(12,064)
Other expenses	-	-	-	-	-	-	(13,800)	(13,800)
(Loss)/profit before tax	1,508	-	2,195	(1,124)	113	2,692	(21,649)	(18,957)
Additions for non-current assets	178	-	969	120	-	1,267	1,470	2,737
Depreciation	(44)	-	(40)	(45)	-	(129)	(1,213)	(1,342)

3. SEGMENT REPORTING (continued)

For the nine months ended 30 September 2014

	Trading business (unaudited) HK\$'000	Forestry business (unaudited) HK\$'000	Plantation business (unaudited) HK\$'000	Financial services business (unaudited) HK\$'000	Information technology business (unaudited) HK\$'000	Total (unaudited) HK\$'000	Unallocated (unaudited) HK\$'000	Group Total (unaudited) HK\$'000
Segment revenue:								
Revenue from external customers	36,024	-	-	166	11,288	47,478	-	47,478
Operating profit/(loss)	806	-	-	166	(4,908)	(3,936)	-	(3,936)
Interest income	-	-	-	-	-	-	104	104
Other income	-	-	-	-	-	-	20	20
Gain on early redemption of convertible bonds	-	-	-	-	-	-	2,752	2,752
Loss on early repayment of promissory note	-	-	-	-	-	-	(388)	(388)
Fair value change in extinguishment of convertible bonds liability component	-	-	-	-	-	-	39,480	39,480
Finance costs (non-cash)	-	-	-	-	(39)	(39)	(11,435)	(11,474)
Other expenses	-	-	-	-	-	-	(14,455)	(14,455)
Profit/(loss) before tax	806	-	-	166	(4,947)	(3,975)	16,078	12,103
Additions for non-current assets	-	-	-	-	120	120	1,414	1,534
Depreciation	(4)	-	-	-	(61)	(65)	(798)	(863)

3. SEGMENT REPORTING (continued)

As at 30 September 2015

	Trading business (unaudited) HK\$'000	Forestry business (unaudited) HK\$'000	Financial services business (unaudited) HK\$'000	Information technology business (unaudited) HK\$'000	Other business (unaudited) HK\$'000	Total (unaudited) HK\$'000	Unallocated (unaudited) HK\$'000	Group Total (unaudited) HK\$'000
Segment assets	25,644	29,001	1,234,323	48,424	258	1,337,650	-	1,337,650
Cash and cash equivalents	-	-	-	-	-	-	24,432	24,432
Other assets	-	-	-	-	-	-	8,437	8,437
Total assets	25,644	29,001	1,234,323	48,424	258	1,337,560	32,869	1,370,519
Segment liabilities	(8,558)	(77)	(1,037,045)	(2,817)	(3)	(1,048,530)	-	(1,048,530)
Convertible bonds	-	-	-	-	-	-	(96,923)	(96,923)
Promissory notes	-	-	-	-	-	-	(50,202)	(50,202)
Other liabilities	-	-	-	-	-	-	(6,554)	(6,554)
Total liabilities	(8,558)	(77)	(1,037,045)	(2,817)	(3)	(1,048,530)	(153,679)	(1,202,209)

As at 31 December 2014

	Trading business (audited) HK\$'000	Forestry business (audited) HK\$'000	Plantation business (audited) HK\$'000	Financial services business (audited) HK\$'000	Information Technology business (audited) HK\$'000	Total (audited) HK\$'000	Unallocated (audited) HK\$'000	Group Total (audited) HK\$'000
Segment assets	14,858	29,023	-	3,762	55,596	103,239	-	103,239
Cash and cash equivalents	-	-	-	-	-	-	29,249	29,249
Other assets	-	-	-	-	-	-	10,411	10,411
Total assets	14,858	29,023	-	3,762	55,596	103,239	39,660	142,899
Segment liabilities	(385)	(84)	-	(9)	(3,882)	(4,360)	-	(4,360)
Convertible bonds	-	-	-	-	-	-	(87,803)	(87,803)
Promissory notes	-	-	-	-	-	-	(44,291)	(44,291)
Other liabilities	-	-	-	-	-	-	(2,983)	(2,983)
Total liabilities	(385)	(84)	-	(9)	(3,882)	(4,360)	(135,077)	(139,437)

3. SEGMENT REPORTING (continued)

Geographical information

(a) Revenue from external customers

	Nine months ended 30 September 2015 (unaudited) HK\$'000	Nine months ended 30 September 2014 (unaudited) HK\$'000
Hong Kong (place of domicile)	67,095	47,478
China	5,985	–
	73,080	47,478

The revenue information is based on the location of the customers.

(b) Non-current assets

	30 September 2015 (unaudited) HK\$'000	31 December 2014 (audited) HK\$'000
Indonesia	29,000	29,000
Hong Kong (place of domicile)	41,391	43,789
China	562,659	–
	633,050	72,789

The non-current asset information is based on the location of assets.

3. SEGMENT REPORTING *(continued)*

Information about major customers

Revenues from customers contributing 10% or more of the total sales of the Group are as follows:

	Nine months ended 30 September 2015 (unaudited) HK\$'000	Nine months ended 30 September 2014 (unaudited) HK\$'000
Customer A – revenue from trading business – Hong Kong	8,777	13,221
Customer B – revenue from trading business – Hong Kong	–	11,893
Customer C – revenue from trading business – Hong Kong	9,725	–
	18,502	25,114

4. LOSS/(PROFIT) BEFORE TAX

The Group's loss/(profit) before tax is arrived at after charging:

	Three months ended 30 September		Nine months ended 30 September	
	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
Depreciation	414	343	1,342	863
Staff costs (including directors' emoluments)	1,969	1,679	4,880	5,362

5. FINANCE COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
Interest on convertible bonds (Note 1)	3,176	(290)	9,121	9,944
Interest on promissory notes (Note 2)	1,157	1,480	2,837	1,480
Interest on bank borrowings	–	10	–	39
Interest on finance lease obligations (Note 3)	37	7	106	11
	4,370	1,207	12,064	11,474

Notes:

- (1) The charge represents the imputed interest on the liability component of the convertible bonds for the period.
- (2) The charge represents the imputed interest for all promissory notes and coupon interest 2% per annum for one of the promissory notes for the period.
- (3) The charge represents interest on financing the acquisition of motor vehicles.

6. INCOME TAX EXPENSE

Income tax recognised in profit or loss is shown as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
Current tax:				
Hong Kong	–	–	198	–
PRC Enterprise Income Tax	(2,039)	–	(2,039)	–
	(2,039)	–	(1,841)	–
Under provision in prior years				
Hong Kong	598	–	1,828	–
	598	–	1,828	–
Total income tax recognised in profit or loss	(1,441)	–	(13)	–

Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) of the estimated assessable profit for both years.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for this year (2014: Nil).

There was no income tax relating to the other comprehensive income for both years (2014: Nil).

7. DIVIDEND

No quarterly dividend has been paid or declared by the Company or any of its subsidiaries during the nine months ended 30 September 2015 (2014: Nil).

8. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the (loss)/profit attributable to owners of the Company for the three months and nine months ended 30 September 2015 and the weighted average number of ordinary shares in issue during the period.

The calculation of basic (loss)/earnings per share is based on:

	Three months ended 30 September		Nine months ended 30 September	
	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
(Loss)/profit for the period (Loss)/profit attributable to owners of the Company	(7,182)	25,947	(20,322)	12,103
	Number of shares (thousands)			
	(Restated)		(Restated)	
Shares Weighted average number of ordinary shares in issue during the period	1,105,699	520,409	874,310	493,693

8. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY *(continued)*

Diluted (loss)/earnings per share

The diluted (loss)/earnings per share is calculated by (1) adjusting the weighted average number of ordinary shares in issue during the period used in the calculation of basic (loss)/earnings per share to assume conversion of all dilutive potential ordinary shares. The Company only has one category of dilutive potential ordinary shares from convertible bonds; and (2) adjusting the (loss)/profit attributable to owners of the Company used in the calculation of the basic (loss)/earnings per share by taking into account of the interest expense saved assumed conversion of the dilutive potential ordinary shares from convertible bonds.

During the period ended 30 September 2015, the outstanding share options have anti-dilutive effect in (loss)/earnings per share, therefore is ignored in the calculation.

	Three months ended 30 September		Nine months ended 30 September	
	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000	2015 (unaudited) HK\$'000	2014 (unaudited) HK\$'000
(Loss)/profit attributable to owners of the Company	(7,182)	25,947	(20,322)	12,103
Interest (income)/expense on convertible bonds	3,176	(290)	9,121	9,944
Adjusted (loss)/profit attributable to owners of the Company	(4,006)	25,657	(11,201)	22,047

	Number of shares (thousands)			
	(Restated)		(Restated)	
Shares				
Weighted average number of ordinary shares in issue during the period	1,105,699	520,409	874,310	493,693
Dilutive effect-weighted average number of potential ordinary shares assumed conversion of convertible bonds	456,077	456,077	456,077	456,077
Adjusted weighted average number of ordinary shares in issue during the period	1,561,776	976,486	1,330,387	949,770

8. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY *(continued)*

The diluted loss per share amount for the relevant periods in year 2015 are reduced when taking into account of the imputed interest expense and number of potential ordinary shares from convertible bonds, the convertible bonds have an anti-dilutive effect on the basic loss per share, therefore are ignored in the calculation of the diluted loss per share.

The weighted average number of ordinary shares in the calculation of basic and diluted (loss)/earnings per share for both years has been retrospectively adjusted for the open offer of 2 offer shares for every 1 share held effected on 10 August 2015.

9. ACQUISITION OF SUBSIDIARIES

(i) Completion of a very substantial acquisition

On 21 April 2015, the Group completed acquisition of the entire issued share capital of Blossom Height Ventures Limited (“Blossom Height”) through a directly wholly-owned subsidiary. Pursuant to the acquisition agreement, the acquisition consideration was agreed at HK\$72 million, and as a result of the completion, the Group issued the promissory note in the principal sum of HK\$32 million and convertible bonds in the principal sum of HK\$40 million to the vendor, Yihua Enterprises Limited, as settlement of the consideration.

The promissory note carries no interest, its fair value at acquisition was approximately HK\$20,525,000 which was the fair value of the liability component minus the fair value of the call component of the promissory note.

The fair value of the liability component was obtained by discounting the estimated contractual cash flow over the remaining contractual term at the discount rate approximately 13.534%. The fair value of the call component was Nil due to bears no interest of the promissory note and by using receiver swaption method to stimulate the payoff of the call component.

The convertible bonds bears no interest and carries a compulsory conversion feature. The fair value of the convertible bonds at acquisition was approximately HK\$31,235,000. Since the convertible bonds are subject to compulsory conversion at maturity, the fair value was considered to equal to the number of shares convertible by the convertible bonds multiplied by the diluted stock price of the issuing company at date of valuation.

Valuation for both of the promissory note and convertible bonds was done by Roma Appraisals Limited, an independent qualified professional valuer which is independent to the Group.

Following the completion, Blossom Height became an indirect wholly-owned subsidiary of the Group and the financial results of Blossom Height it together with its subsidiaries will be consolidated into the accounts of the Group in which Heng He Financial Lease (Shanghai) Company Limited (“Heng He”) is accounted for using equity method till 31 August 2015.

On 31 August 2015, the Company completed the injection of the sum of HK\$48 million in cash into Heng He as its registered and paid-up capital. As a result, Heng He has become the 56.97% indirect non-wholly-owned subsidiary of the Company.

9. ACQUISITION AND DISPOSAL OF SUBSIDIARIES *(continued)*

(ii) Completed acquisition of a non-wholly owned subsidiary

On 3 April 2015, the Group completed acquisition of 60% shareholdings of a non-wholly owned subsidiary, through an indirect wholly-owned subsidiary entered into a shareholders agreement on 1 April 2014, Mian Yang Heng Da Information Technology Limited (綿陽恒達信息科技有限公司), a company incorporated in the People's Republic of China.

10. PROPERTY, PLANT AND EQUIPMENT

During the nine months ended 30 September 2015, the Group acquired approximately HK\$2,737,000 in motor vehicles, computer and office equipment, and leasehold improvements (2014: HK\$4,775,000).

11. TRADE RECEIVABLES

An aged analysis of the trade receivables as at the end of the reporting date, based on the invoice date and net of impairment, is as follows:

	30 September 2015 (unaudited) HK\$'000	31 December 2014 (audited) HK\$'000
Within 30 days	6,676	3,207
31 to 60 days	642	2
61 to 120 days	4,967	2,468
Over 120 days	2,471	1,455
	14,756	7,132

12. FINANCIAL LEASE RECEIVABLES

	30 September 2015 (unaudited) HK\$'000	31 December 2014 (audited) HK\$'000
Current financial lease receivables	639,847	–
Non-current financial lease receivables	550,553	–
	1,190,400	–

Amount receivable under finance leases

	Minimum lease payment		Present value of minimum lease payment	
	30 September 2015 (unaudited) HK\$'000	31 December 2014 (audited) HK\$'000	30 September 2015 (unaudited) HK\$'000	31 December 2014 (audited) HK\$'000
Not later than one year	692,072	–	639,847	–
Later than one year	615,085	–	550,553	–
	1,307,157	–	1,190,400	–
Unearned finance income	(116,757)	–	N/A	–
Present value of minimum lease payment	1,190,400	–	1,190,400	–

The interest rate inherent in the leases was fixed at the contract date for the entire lease term. The average effective interest rate was approximately 9.81% per annum as at 30 September 2015.

Financial lease receivable balances are secured over the equipment leased. The Group is not permitted to sell or repledge the collateral in the absence of default by the lessee.

The financial lease receivables as at 30 September 2015 are neither past due nor impaired.

13. LOAN RECEIVABLES

The Group's loan receivables arose from the money lending business during the periods.

Loan receivables bear interest at rates, and with credit periods, mutually agreed between the contracting parties. Loan receivables are secured by personal guarantees by the debtors/certain individuals. Overdue balances are reviewed regularly and handled closely by senior management.

The loan receivables at the end of the reporting period are analysed by the remaining period to contractual maturity date as follows:

	30 September 2015 (unaudited) HK\$'000	31 December 2014 (audited) HK\$'000
Repayable:		
Within 3 months	6,230	2,200
3 months to 1 year	3,581	1,020
	9,811	3,220

The aged analysis of the loan receivables that are not individually nor collectively considered to be impaired is as follows:

	30 September 2015 (unaudited) HK\$'000	31 December 2014 (audited) HK\$'000
Neither past due nor impaired	4,781	2,700
1 to 3 months past due not impaired	5,030	520
	9,811	3,220

Loan receivables that were neither past due nor impaired relate to certain debtors for whom there was no recent history of default.

Loan receivables that were past due but not impaired relate to independent debtors. The directors of the Company are of the opinion that no provision for impairment is necessary as the balance is considered fully recoverable.

14. AMOUNTS DUE FROM DIRECTORS

	30 September 2015 (unaudited) HK\$ '000	31 December 2014 (audited) HK\$ '000
Mr. Kong Lung Cheung	–	10,530
Mr. Lau Chung Yan	–	(30)
	–	10,500

Amounts due from directors are unsecured, interest-free and recoverable on demand at the end of the relevant periods.

Mr. Kong Lung Cheung is a director of a subsidiary of Ever Group Limited, the amount constituted a continuing connected transactions upon completion of the acquisition of Ever Hero Group in year 2014 and was fully repaid in the period of year 2015.

Mr. Lau Chung Yan is a director of an indirect wholly-owned subsidiary of End User Investments Limited.

The maximum debt balance of amounts due from directors during the relevant periods was approximately HK\$10,530,000.

15. CASH AND CASH EQUIVALENTS

	30 September 2015 (unaudited) HK\$'000	31 December 2014 (audited) HK\$'000
Cash at bank	45,347	30,889
Cash in hand	1,275	1,318
Cash and cash equivalents	46,622	32,207

At 30 September 2015, approximately HK\$9,000,000 of deposits with bank was placed in time deposit carrying market interest rate (2014: HK\$27,137,000). The bank balances are deposited with creditworthy banks of high credit ratings in HK.

16. CONVERTIBLE BONDS

The movement of the liability component of the convertible bonds was as follows:

	30 September 2015 (unaudited) HK\$'000	31 December 2014 (audited) HK\$'000
At beginning of the period/year	87,803	187,471
Interest charged	9,120	12,820
Extinguishment of financial liability charged to profit or loss	–	(39,480)
Early redemption	–	(73,008)
At end of the period/year	96,923	87,803

17. BANK BORROWINGS

	<i>Notes</i>	30 September 2015 (unaudited) HK\$'000	31 December 2014 (audited) HK\$'000
Secured bank borrowing repayable on demand	a	206	206
Secured bank borrowings – due within one year	b	545,095	–
		545,301	206
Secured bank borrowings – due more than one year, but not more than three years	b	487,160	–
At end of the period/year		1,032,461	206

Notes:

- (a) The secured bank borrowing was secured by a personal guarantee given by a former director of a subsidiary of the Company.
- (b) The bank borrowings were secured by the finance lease assets held by the lessee with the carrying value of approximately RMB 974,837,000 (equivalent to approximately HK\$1,187,254,000), as at 30 September 2015. The interest rate of the bank borrowings were ranged from 3.9% to 6.3% per annum.

18. SHARE CAPITAL

	<i>Notes</i>	Company Number of shares in '000	Nominal values HK\$'000
Authorised:			
As at 1 January 2014			
Ordinary shares of HK\$0.01 each		20,000,000	200,000
Share consolidation	<i>d</i>	(17,500,000)	–
As at 31 December 2014 and 1 January 2015			
Ordinary shares of HK\$0.08 each		2,500,000	200,000
Share sub-division	<i>e(i)</i>	197,500,000	–
As at 30 September 2015			
Ordinary shares of HK\$0.001 each		200,000,000	200,000
Issued and fully paid:			
As at 1 January 2014			
Ordinary shares of HK\$0.01 each		385,850	3,859
Issue of shares under specific mandate	<i>a</i>	150,000	1,500
Issue of shares under general mandate	<i>b</i>	77,000	770
Issue of right shares	<i>c</i>	2,451,401	24,514
Ordinary shares of HK\$0.01 each		3,064,251	30,643
Share consolidation	<i>d</i>	(2,681,220)	–
As at 31 December 2014 and 1 January 2015			
Ordinary shares of HK\$0.08 each		383,031	30,643
Capital reduction	<i>e(ii)</i>	–	(30,259)
Ordinary shares of HK\$0.001 each			
Issue of offer shares	<i>(f)</i>	766,063	766
Issue of shares under general mandate	<i>(g)</i>	76,000	76
As at 30 September 2015			
Ordinary shares of HK\$0.001 each		1,225,094	1,225

Notes:

- (a) On 6 December 2013, the Company entered into a Specific Mandate (“SM”) placing agreement with a placing agent whereby the Company conditionally agreed to place through the placing agent, on a fully underwritten basis, a total of 150,000,000 placing shares to not less than six placees at a price of HK\$0.156 per SM placing share. The aggregate nominal value of the placing shares under the SM placing agreement was approximately HK\$1,500,000. The net proceeds from SM Placing Shares would be used for expansions of the trading business and the information technology business, as well as for strengthening the general working capital base of the Company.
- (b) On 21 February 2014, the Company entered into a General Mandate (“GM”) placing agreement with a placing agent whereby the Company conditionally agreed to place through the placing agent, on a fully underwritten basis, a total of 77,000,000 placing shares to not less than six placees at a price of HK\$0.171 per GM placing share. The aggregate nominal value of the placing shares under the GM placing agreement was approximately HK\$770,000. The net proceeds from GM Placing Shares would be used for strengthening the general working capital to finance the business development and to finance any future investment opportunities of the Company.
- (c) On 23 July 2014, the Company issued right shares on the basis of four right shares for every one existing share held on 11 April 2014, at the subscription price of HK\$0.04 per right share with nominal value of HK\$0.04 each, resulting in net proceeds of approximately HK\$93.56 million, which would be used for the partial redemption of the convertible bonds and for strengthening the general working capital base of the Company to finance its business development and any future investment opportunities.
- (d) On 3 September 2014, the Company proposed to effect the share consolidation which became effective on 26 September 2014 being approved by the shareholders that every eight existing shares of HK\$0.01 each in both the issued and unissued share capital of the Company were consolidated into one consolidated share of H\$0.08 each (“Share Consolidation”).
- (e) On 6 January 2015 (Hong Kong time), the Company’s proposal on the capital reorganization (“Capital Reorganisation”) became effective. The Capital Reorganisation involved the following:
- (i) each authorised but unissued share of the Company was sub-divided into eighty shares so that the nominal value of each unissued share was reduced from HK\$0.08 to HK\$0.001 each; and
 - (ii) the paid up capital of each issued share was reduced from HK\$0.08 to HK\$0.001 by cancelling the paid up capital to the extent of HK\$0.079 so as to form a new share with nominal value of HK\$0.001 each.
- (f) On 10 August 2015, the Company issued offer shares on the basis of two offer shares for every one existing share held on 16 July 2015, at the subscription price of HK\$0.09 per offer share with nominal value of HK\$0.001 each, resulting in net proceeds of approximately HK\$66.22 million, which would be used for (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 net proceeds for strengthening the general working capital base of the Company to develop its existing information technology and trading businesses and/or to finance any future investment opportunities.
- (g) On 17 August 2015, the Company entered into a General Mandate (“GM”) placing agreement with a placing agent whereby the Company conditionally agreed to place through the Placing Agent, on a best endeavour basis, up to 76,000,000 Placing Shares, to not less than six placees at a price of HK\$0.120 per GM placing share. The aggregate nominal value of the placing shares under the GM placing agreement was HK\$76,000. The net proceeds from GM placing shares would be used for strengthening the general working capital to finance the business development and to finance any future investment opportunities of the Company.

19. TRADE PAYABLES

An aged analysis of trade payables as at the end of reporting period based on the invoice date, are as follows:

	30 September 2015 (unaudited) HK\$'000	31 December 2014 (audited) HK\$'000
Within 30 days	4,945	597
31 to 60 days	1,047	–
61 to 120 days	1,556	53
Over 120 days	2,273	1,543
	9,821	2,193

20. COMMITMENTS

(a) Operating lease commitments

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 September 2015 (unaudited) HK\$'000	31 December 2014 (audited) HK\$'000
<u>Properties</u>		
Within one year	2,435	721
In the second to fifth years, inclusive	1,728	247
	4,163	968

(b) Capital commitments

The Group did not have any material capital commitments as at 30 September 2015 (31 December 2014: Nil).

21. CONTINGENT LIABILITIES

As at 30 September 2015, the Group did not have any significant contingent liabilities (31 December 2014: Nil).

22. RELATED PARTY TRANSACTIONS

Total compensation paid to key management personnel during the period amounted to approximately HK\$2,140,000 (30 September 2014: HK\$1,860,000).

23. COMPARATIVE FIGURES

As detailed in note 8, the comparative figures of (loss)/earnings per share have been restated to conform with the current period's presentation.

24. EVENTS AFTER THE REPORTING PERIOD

Change of company name

The Company proposed on 19 August 2015 to change the English name of the Company from "Merdeka Mobile Group Limited" to "Merdeka Financial Services Group Limited" and upon the English name change becoming effective, to adopt the Chinese name "萬德金融服務集團有限公司" to replace "萬德移動集團有限公司" for identification purposes only. The proposal on change of the Company name was approved by the shareholders during the extraordinary general meeting of the shareholders held 2 October 2015. The Certificate of Incorporation on Change of Name was issued by the Registry of Companies of the Cayman Islands on 2 October 2015. The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Companies Registry of Hong Kong on 4 November 2015.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 September 2015, the directors and chief executive of the Company and/or any of their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules:

Interests and short positions in the shares and the underlying shares of the share options and the convertible bonds of the Company as at 30 September 2015

(i) *Long positions in the shares of the Company:*

Name of directors	Number of the shares interested and nature of interest			Approximate percentage of the total issued share capital of the Company (%)
	Personal	Founder of a discretionary trust	Total	
Cheung Wai Yin, Wilson (Note)	557,814	98,437,500	98,995,314	8.08
Lau Chi Yan, Pierre	3,984,375	–	3,984,375	0.33

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 Asiatrust Limited, a trust company in its capacity as the trustee of a discretionary trust, the founder (as defined in the SFO) of which is Mr. Cheung and the discretionary objects of which are family members of Mr. Cheung (including Mr. Cheung himself). Accordingly, Mr. Cheung is deemed to be interested in the relevant Shares for the purpose of the SFO. Mr. Cheung is also personally interested in 557,814 Shares.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (continued)

Interests and short positions in the shares and the underlying shares of the share options and the convertible bonds of the Company as at 30 September 2015 (continued)

(ii) Long positions in the underlying shares of the share options granted under the share option scheme of the Company:

Name of directors	Date of grant of the share options	Exercise period of the share options	Exercise price per share HK\$	Number of the share options outstanding	Number of the total underlying shares	Approximate percentage of the total issued share capital of the Company (%)
Wong Chi Man	17/1/2013	17/1/2013 – 16/1/2023	2.13	14,128	14,128	0.01
Yeung Mo Sheung, Ann	17/1/2013	17/1/2013 – 16/1/2023	2.13	16,483	16,483	0.01

(iii) Long positions in the underlying shares of the convertible bonds of the Company:

Name of the holder of the convertible bonds	Principal amount of the convertible bonds HK\$	Number of the total underlying shares	Approximate percentage of the total issued share capital of the Company (%)
Cheung Wai Yin, Wilson	110,000,000	297,619,048	24.29

Note: These convertible bonds (originally due on 12 August 2011 and extended to 12 August 2017) were issued by the Company on 12 August 2008 as part of the consideration to acquire the forestry business. They are unlisted, interest-free and convertible into the shares of the Company at the adjusted conversion price of HK\$0.3696 per share of the Company (subject to adjustment according to the terms of the convertible bonds). The interest is 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 SFO) of which is Mr. Cheung and the discretionary objects of which are family members of Mr. Cheung (including Mr. Cheung himself).

Save as disclosed above, as at 30 September 2015, none of the directors and chief executive of the Company and/or any of their respective associates had any interest and short position in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed "Directors' Interests in Shares and Underlying Shares" above and "Share Option Scheme" below, at no time during the period for the nine months ended 30 September 2015 was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the directors and chief executive of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2015, the following persons (not being the directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

(i) *Long positions in the shares of the Company:*

Name of Shareholders	Nature of interest/capacity	Number of Shares	Approximate percentage of total issued share capital of the Company (%)
Ivana	Beneficial owner	98,437,500	8.04%
CW Limited (Note 1)	Controlled corporation	98,437,500	8.04%
Asiatrust Limited (Note 1)	Trustee	98,437,500	8.04%

Notes:

- (1) The interest is 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 Asiatrust Limited, a trust company in its capacity as the trustee of a discretionary trust, the founder (as defined in the SFO) of which is Mr. Cheung and the discretionary objects of which are family members of Mr. Cheung (including Mr. Cheung himself).
- (2) The percentage represented the percentage of the Company's share capital as stated in the relevant disclosure of interests forms.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY *(continued)*

(ii) *Long positions in the underlying shares of the convertible bonds of the Company:*

Name of Shareholders	Nature of interest/capacity	Number of underlying Shares	Approximate percentage of total issued share capital of the Company (%)
Ivana	Beneficial owner	297,619,048	24.29%
CW Limited <i>(Note 1)</i>	Controlled corporation	297,619,048	24.29%
Asiatrust Limited <i>(Note 1)</i>	Trustee	297,619,048	24.29%
Yihua Enterprise Limited	Beneficial owner	173,913,043	14.20%
Cheng Jun <i>(Note 2)</i>	Controlled corporation	173,913,043	14.20%
Gao Yun Feng <i>(Note 2)</i>	Controlled corporation	173,913,043	14.20%

Notes:

- (1) The interest is 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 Asiatrust Limited, a trust company in its capacity as the trustee of a discretionary trust, the founder (as defined in the SFO) of which is Mr. Cheung and the discretionary objects of which are family members of Mr. Cheung (including Mr. Cheung himself).
- (2) The interest is held by Yihua Enterprises Limited, a company incorporated in the British Virgin Islands owned as to 50% by Mr. Cheng Jun and 50% by Mr. Gao Yun Feng.
- (3) The percentage represented the percentage of the Company's share capital as stated in the relevant disclosure of interests forms.

Save as disclosed above, the directors and chief executive of the Company are not aware that there is any party who, as at 30 September 2015, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

The existing share option scheme of the Company (the “Share Option Scheme”) was adopted by the 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. As at 30 September 2015, there were 404,981 share options outstanding under the Share Option Scheme. Based on these outstanding share options, the total number of shares available for issue is 404,981, which represents approximately 0.03% of the total issued share capital of the Company both as at 30 September 2015 and the date of this report respectively.

Details of the movements of the share options under the Share Option Scheme during the period were as follows:

Name or category of the participants	Number of share options										
	Outstanding as at 1 January 2015	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	Adjusted because of Open Offer on 7 August 2015 (Note 1)	Outstanding as at 30 September 2015	Date of grant of the share options	Exercise period of the share options	Price of the shares before the date of grant (Note 2) per share	Original exercise price of the share options (Note 1) per share	Adjusted exercise price of the share options after open offer (Note 1) per share
Non-executive director											
Wong Chi Man	8,848	-	-	-	5,180	14,128	17/1/2013	17/1/2013-16/1/2023	0.01	0.01	2.13
Independent non-executive director											
Yeung Mo Sheung, Ann	10,439	-	-	-	6,044	16,483	17/1/2013	17/1/2013-16/1/2023	0.01	0.01	2.13
Employees and other eligible participants											
Employees	26,841	-	-	-	10,355	28,241	30/5/2012	30/5/2012-29/5/2022	0.017	0.017	3.60
Other eligible participants	210,260	-	-	-	126,914	346,129	30/5/2012	30/5/2012-29/5/2022	0.017	0.017	3.60
	256,488	-	-	-	148,493	404,981					

SHARE OPTION SCHEME *(continued)*

Notes:

1. The exercise price of the share options is subject to adjustment in the case of capitalisation issue, rights issue, subdivision or consolidation of the shares of the Company, or other similar changes in the Company's share capital. As a result of the open offer completed on 7 August 2015 and, pursuant to the terms and conditions of the Share Option Scheme, the number and the exercise price of share options have been adjusted accordingly.
2. The price of the shares of the Company before the date of the grant of the share options is the closing price of the shares of the Company as quoted on the Stock Exchange on the trading day immediately before the date on which the share options were granted.

Save as disclosed above, at the date of approval of these unaudited condensed consolidated third quarterly financial statements, no other share options were exercised subsequent to the end of the period under review.

During the period for the nine months ended 30 September 2015, no share options were granted by the Company, therefore no recognition of share option expense in both years for the reporting period.

No other feature of the share options granted was incorporated into the measurement of fair value.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES OF THE COMPANY

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the listed shares of the Company during the period for the nine months ended 30 September 2015.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with specific written terms of reference formulated in accordance with the requirements of the GEM Listing Rules. The primary duties of the Audit Committee are to ensure the objectivity and credibility of the Company's financial reporting and internal control procedures as well as to maintain an appropriate relationship with the external auditors of the Company.

During the period for the nine months ended 30 September 2015, the Audit Committee consists of three members comprising three independent non-executive directors, namely Ms. Yeung Mo Sheung, Ann, Mr. Ng Kay Kwok and Mr. Yip Kat Kong, Kenneth, one of whom is a qualified accountant and has extensive experience in accounting and financial matters. The chairman of the Audit Committee is elected by the members who are present at the meeting. All members of the Audit Committee hold the relevant industry or legal, accounting and financial experience necessary to advise on the Board's strategies and other related matters. All members of the Audit Committee have complete and unrestricted access to the external auditors and all employees of the Company.

The Audit Committee has reviewed the unaudited condensed consolidated third quarterly results of the Group for the nine months ended 30 September 2015.

BOARD OF DIRECTORS

As at the date of this report, the directors of the Company are:

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

By Order of the Board of
MERDEKA FINANCIAL SERVICES GROUP LIMITED
Cheung Wai Yin, Wilson
Chairman and Chief Executive Officer

Hong Kong, 13 November 2015

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