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MERDEKA

**MERDEKA FINANCIAL SERVICES GROUP LIMITED**

**(萬德金融服務集團有限公司\*)**

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

**(Stock Code: 8163)**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE AMENDMENTS OF TERMS**

**Placing Agent**

**Convoy Investment Services Limited**

**康宏証券投資服務有限公司**

Reference is made to the announcement of Merdeka Financial Services Group Limited (the “**Company**”) dated 14 March 2016 (the “**Announcement**”) in relation to, inter alia, the proposed Placing of new Shares under General Mandate. Terms used herein shall have the same meanings as defined in the Announcement unless defined otherwise.

### **AMENDMENTS TO TERMS OF PLACING**

The Board of Directors of the Company would like to inform the Shareholders and potential investors that on 31 March 2016 (after trading hours), the Company entered into a supplemental agreement (the “**Supplemental Agreement**”) with the Placing Agent to amend the terms of the Placing Agreement as follows:

- (i) the number of Placing Shares was reduced to a maximum of 125,000,000 new Shares;  
and

\* *for identification purposes only*

- (ii) the Long Stop Date of the Placing Agreement was revised from 31 March 2016 to 8 April 2016 to ensure that the Company and the Placing Agent have sufficient time to complete the Placing.

Save and except as varied and supplemented as aforesaid, all the terms and conditions of the Placing Agreement shall remain in full force and effect and be binding on the parties thereto in all respects.

### **Number of Placing Shares**

The maximum number of 125,000,000 Placing Shares represents: (i) approximately 10.20% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.26% of the issued share capital of the Company as enlarged by the Placing (assuming the Placing is completed in full and there is no other change in the issued share capital of the Company). The aggregate nominal value of the Placing Shares under the Placing will be HK\$125,000.

### **Placing Price**

The Placing Price will remain at HK\$0.119 per Placing Share. After the deduction of commission and other expenses of the Placing, the net issue price of the Placing Shares will be approximately HK\$0.112 per Placing Share.

### **Condition of the Placing**

Completion of the Placing is conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares to be placed pursuant to the Placing Agreement on or before the Long Stop Date.

If the above condition is not satisfied on or before the Long Stop Date, the obligations of the Placing Agent and of the Company under the Placing Agreement shall cease and determine and none of the Placing Agent or the Company shall have any claim against the other in relation to the Placing Agreement (save in respect of any antecedent breaches of any obligation thereunder).

### **Application for Listing**

Application has been made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

## **REASONS FOR THE PLACING AND USE OF PROCEEDS**

Assuming all the Placing Shares under the Placing Agreement have been placed, the gross proceeds from the Placing will be approximately HK\$14.88 million and the net proceeds will be approximately HK\$14.00 million (after deduction of commission and other expenses of the Placing). The net issue price of the Placing Shares will be approximately HK\$0.112 per Placing Share.

The expected net proceeds of the Placing amount to approximately HK\$14.00 million will be applied (i) as to not less than HK\$11.20 million for the capital injection into Heng He as its general working capital to facilitate the expansion of the financial leasing business, by increasing the budget of funding amounts to the lessees and exploring other regions in the PRC (further details of the acquisition in relation to Heng He can be referred to the circular of the Company dated 17 March 2015); and (ii) the remaining for the strengthening of the general working capital base of the Company to finance its business development and/or to finance any future investment opportunities or any future needs in repaying its outstanding debts.

The Directors consider that the Supplemental Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and that the terms of the Supplemental Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## EFFECTS 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 effect on the shareholding structure of the Company immediately upon completion of the Placing (assuming all the Placing Shares are placed in full and there is no other change in the shareholding structure of the Company before the issue of the Placing Shares under the Placing) are set out as below:

Shareholders	As at the date of this announcement		Upon completion of the Placing	
	Number of (approx.) Shares		Number of (approx.) Shares	
		%		%
Cheung Wai Yin, Wilson (note 1)	98,995,314	8.08	98,995,314	7.33
Lau Chi Yan, Pierre (note 2)	3,984,375	0.33	3,984,375	0.30
The Places	–	–	125,000,000	9.26
Other public Shareholders	<u>1,122,114,463</u>	<u>91.59</u>	<u>1,122,114,463</u>	<u>83.11</u>
Total	<u>1,225,094,152</u>	<u>100.00</u>	<u>1,350,094,152</u>	<u>100.00</u>

### Notes:

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 SFO) of which is Mr. Cheung Wai Yin, Wilson and the discretionary objects of which are family members of Mr. Cheung Wai Yin, Wilson (including Mr. Cheung Wai Yin, Wilson himself). The remaining 557,814 Shares are held by Mr. Cheung Wai Yin, Wilson personally.
2. Mr. Lau Chi Yan, Pierre is the Managing Director of the Company.

## GENERAL

The Placing Shares will be issued under the General Mandate which was granted in the EGM with a maximum of 245,018,830 Shares that may be issued. As at the date of this announcement, the Company has not issued any Shares pursuant to the General Mandate, the Company is allowed to issue up to 245,018,830 Shares under the General Mandate. Accordingly, the Placing and issue of the Placing Shares will not be subject to any Shareholders' approval.

After the Completion of the Placing, the maximum number of Shares remained to be issued under the General Mandate is 120,018,830 Shares.

**Since completion of the Placing is subject to the fulfilment of the conditions as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

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

Hong Kong, 31 March 2016

As at the date of this announcement, the Directors are:

*Executive Directors:*

Mr. Cheung Wai Yin, Wilson (*Chairman and Chief Executive Officer*)

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

*Independent Non-executive Directors:*

Ms. Yeung Mo Sheung, Ann

Mr. Ng Kay Kwok

Mr. Yip Kat Kong, Kenneth

*This announcement, 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 announcement 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 announcement misleading.*

*This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Listed Company Information” page for at least seven days from the day of its publication and posting and will be published and remains on the website of the Company at <http://www.merdeka.com.hk>.*