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If you are in any doubt as to 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, professional accountant or other professional adviser.

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

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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)

**(I) DISCLOSEABLE TRANSACTION IN RELATION TO
THE PROPOSED ACQUISITION OF 51% OF THE ISSUED SHARES IN
HENG ASSET MANAGEMENT LIMITED
INVOLVING THE ISSUE OF CONSIDERATION SHARES
UNDER SPECIFIC MANDATE
AND
(II) NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM to be held on 24 March 2017 at 11:00 a.m. at Jasmine Room, 3/F., Best Western Plus Hotel Hong Kong, 308 Des Voeux Road West, Hong Kong is set out on pages 13 to 14 of this circular. Whether or not you are able to attend and/or vote at the EGM in person, you are requested to complete the enclosed form of proxy and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, in accordance with the instructions printed thereon as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

This circular 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 the website of the Company at <http://www.merdeka.com.hk>.

CHARACTERISTICS OF 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 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, unless the context otherwise requires, the following expressions have the following meanings:

“Acquisition”	the proposed acquisition by the Purchaser of the Sale Shares from the Vendor subject to and upon the terms and conditions of the Agreement
“Agreement”	the conditional sale and purchase agreement dated 7 February 2017 and entered into among the Purchaser, the Vendor and the Guarantor relating to the Acquisition
“associate”	has the meaning ascribed to it in the GEM Listing Rules
“Board”	board of the Directors
“Business Day”	a day (excluding Saturday, Sunday or public holiday) in Hong Kong on which licensed banks are generally open for business throughout their normal working hours
“Company”	Merdeka Financial Services Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares are listed on GEM
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Agreement
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the consideration of HK\$10,000,000 for the Acquisition
“Consideration Shares”	100,000,000 new Shares to be allotted and issued to the Vendor or its nominee upon Completion
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider, and if thought fit, to approve, among other things, the Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate

DEFINITIONS

“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Guarantor”	Mr. Ip Yu Chak
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons
“Issue Price”	HK\$0.10 per Consideration Share
“Latest Practicable Date”	3 March 2017, being the latest practicable date for the purpose of ascertaining the information contained in this circular
“Outstanding Convertible Bonds”	(i) the zero coupon convertible bond(s) issued by the Company on 21 April 2015 and due in 2018 with an outstanding principal amount of HK\$40,000,000 and (ii) the zero coupon convertible bond(s) issued by the Company on 12 August 2008 due in 2020 (as amended by three supplemental deeds dated 30 May 2011, 9 July 2014 and 20 January 2017)
“Purchaser”	Merdeka Financial Services Limited, a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands with limited liability
“Sale Shares”	2,550,000 ordinary shares in the issued share capital of the Target, being 51% of the issued share capital of the Target as at the date of the Agreement which are legally and beneficially owned by the Vendor
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	the specific mandate to be granted to the Directors by the Shareholders at the EGM to allot and issue the Consideration Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Heng Asset Management Limited, a company incorporated in Hong Kong with limited liability and the entire issued share capital of which is wholly and beneficially owned by the Vendor
“Vendor”	B-Innovare Limited, the sole beneficial shareholder of the Target prior to the Completion and the vendor to the Agreement
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)

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. Au-yeung Sei Kwok

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

8 March 2017

To the Shareholders

Dear Sir or Madam

**(I) DISCLOSEABLE TRANSACTION IN RELATION TO
THE PROPOSED ACQUISITION OF 51% OF THE ISSUED SHARES IN
HENG ASSET MANAGEMENT LIMITED
INVOLVING THE ISSUE OF CONSIDERATION SHARES
UNDER SPECIFIC MANDATE
AND
(II) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 7 February 2017 in which the Board announced that on 7 February 2017 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor and the Guarantor, pursuant to which the Purchaser shall acquire 51% of the issued share capital of the Target from the Vendor at a consideration of HK\$10,000,000 to be satisfied by the allotment and issue of the Consideration Shares to the Vendor or its nominee upon Completion.

* *for identification purposes only*

LETTER FROM THE BOARD

The purpose of this circular is to provide you with details of the Agreement and the notice convening the EGM.

THE AGREEMENT

Date: 7 February 2017

- Parties:
- (1) Purchaser: Merdeka Financial Services Limited, a wholly-owned subsidiary of the Company;
 - (2) Vendor: B-Innovare Limited; and
 - (3) Guarantor: Mr. Ip Yu Chak

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the Vendor is an investment holding company, and each of the Vendor, its ultimate beneficial owner(s), and their respective associates and the Guarantor is an Independent Third Party.

Assets to be acquired

Pursuant to the Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing 51% of the issued share capital of the Target. The Target is principally engaged in the provision of Type 4 (advising on securities) and Type 9 (assets management) regulated activities under the SFO.

Consideration

The Consideration is HK\$10,000,000, which will be satisfied by the allotment and issue of the Consideration Shares at the Issue Price of HK\$0.10 per Consideration Share by the Company to the Vendor or its nominee upon Completion. The Consideration was determined with reference to (i) the audited net asset value of the Target in the amount of approximately HK\$5.2 million as at 31 October 2016; (ii) various reasons for the proposed Acquisition as elaborated further under the paragraph headed "Reasons for the Acquisition" below; and (iii) the future prospect of the principal business of the Target in the provision of Type 4 (advising on securities) and Type 9 (assets management) regulated activities under the SFO.

The Board considers that the cost for the Group to retain the necessary personnel and establish the requisite infrastructure to apply for licences to conduct Type 4 and Type 9 regulated activities under the SFO would be similar to the Consideration, however the time involved in applying these licences would be considerably longer than through acquiring the equity interests in the Target. The Type 4 (advising on securities) licence which the Target currently holds will also complement the Type 1 regulated activity currently undertaken by the Group. Further, the Group intends to expand the asset management business of the Target to potential overseas clients through the overseas network of the Group in the near future. As such, there is an imminent urgency for the Group to acquire a Type 9 licence as the time involved in applying is quite lengthy and the Group might not be able to take advantage of such opportunity before the licence could be granted. The Directors, having made reference to the price to net asset value ratio of similar published transactions in the past 18 months which ranges between 1.9 times to 12.85 times and recent offers for sale of similar businesses known to the market, considers the Consideration to be fair and reasonable in light of the circumstances.

LETTER FROM THE BOARD

Guarantee

Pursuant to the Agreement, the Guarantor has agreed to guarantee the due and punctual performance of the Vendor's obligations under the Agreement.

Put Option

Pursuant to the terms of shareholders' deed to be executed among the Vendor, the Purchaser, the Company and the Target upon Completion, the Purchaser will grant a put option to the Vendor entitling the Vendor to require the Purchaser to purchase the remaining 49% of the issued share capital of the Target for a cash consideration of HK\$10,000,000. The put option shall be exercisable by the Vendor after the date (the "**Designated Date**") on which the following occurs, whichever is earliest: (a) the Group has committed a material breach of any provisions of the shareholders' deed; or (b) the day next following the second anniversary of the date of the shareholders' deed; or (c) the Purchaser ceases to hold more than 30% of the issued shares of the Target, until the day next following the second anniversary of the Designated Date. The Company has agreed to guarantee the performance of the Purchaser's obligations in relation to this put option under the shareholders' deed. Given that the put option was part and parcel of the complete deal between the Vendor and the Purchaser whereby the total consideration for the acquisition of 100% of the issued share capital of the Target is HK\$20,000,000, the consideration for the put option is set at HK\$10,000,000. On this basis and for the reasons as stated in the paragraph headed "Consideration" above, the Directors consider the consideration for the put option to be fair and reasonable.

The Consideration Shares

The Issue Price of HK\$0.10 per Consideration Share represents:

- (a) a discount of approximately 12.3% to the closing price per Share of HK\$0.114 as quoted on the Stock Exchange on 7 February 2017, being the date of the Agreement;
- (b) a discount of approximately 2.9% to the average closing price per Share of HK\$0.103 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Agreement;
- (c) a premium of approximately 1.0% over the average closing price per Share of HK\$0.099 as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the Agreement; and
- (d) a discount of approximately 4.8% to the closing price per Share of HK\$0.105 as quoted on the Stock Exchange on the Latest Practicable Date.

The Issue Price was arrived at after arm's length negotiations between the Purchaser and the Vendor with reference to the 10 days' average closing price of the Share and the current market conditions. The Issue Price represents a premium of 1% over the average closing price of HK\$0.99 for the last ten consecutive trading days immediately before the date of the Agreement. The Directors, including the independent non-executive Directors, consider the Issue Price to be fair and reasonable.

LETTER FROM THE BOARD

As the Group is engaged in finance lease and money lending business, the Board considers that the cash and cash equivalent of HK\$83 million held by the Group as at 30 September 2016 would generate better return for the Group if they are to be applied for the Group's finance lease and money lending business. As the issue of Consideration Shares would not involve any cash outlays on the Group, the Board considers that the issue of Consideration Shares is the best method of settlement for the Consideration.

The Consideration Shares will be issued under the Specific Mandate to be approved by the Shareholders at the EGM. The Consideration Shares represent approximately 6.2% of the issued share capital of the Company as at the Latest Practicable Date and approximately 5.8% of the issued share capital of the Company as enlarged by the Consideration Shares.

The Consideration Shares will, upon issue, rank pari passu in all respects with all the existing shares of the Company then in issue.

Conditions precedent

Completion is conditional upon the fulfillment of the following conditions precedent:

- (a) the Purchaser being satisfied in its absolute discretion with the results of the due diligence review conducted on the assets, liabilities, operations and affairs of the Target;
- (b) the warranties given by the Vendor and the Guarantor under the Agreement remaining true and accurate in all material respects;
- (c) all necessary consents, licenses and approvals from the shareholders, bankers, financial institutions and regulators required to be obtained on the part of the Vendor and the Target in respect of the Agreement and the transactions contemplated therein having been obtained and remain in full force and effect;
- (d) the approval from the SFC in relation to the Purchaser and/or the Company's application to become of substantial shareholder (as defined in the SFO) of the Target having been obtained;
- (e) the passing by the Shareholders at the EGM of an ordinary resolution to approve the Agreement and the transactions contemplated therein, including but not limited to the allotment and issue of the Consideration Shares to the Vendor at the Issue Price;
- (f) the Stock Exchange granting approval for the listing of and permission to deal in the Consideration Shares; and
- (g) the Shares remaining listed and traded on GEM at Completion and the current listing of the Shares not having been withdrawn and no indication being received at or before Completion from the Stock Exchange or the SFC to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of Completion or in connection with the terms of the Agreement or for any other reason.

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Save that the Purchaser may at any time waive in writing the conditions set out in (a) and (b) above, all other conditions set out above are incapable of being waived by either the Purchaser or the Vendor. As at the Latest Practicable Date, none of the above condition has been fulfilled.

If the conditions precedent set out above have not been satisfied (or as the case may be, waived by the Purchaser) on or before 4:00 p.m. on 31 October 2017, or such later date as the Vendor and the Purchaser may agree, the Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Completion

Completion shall take place on the date falling on the fifth Business Day after the fulfilment (or waiver) of all the conditions precedent above (or such later date as the Vendor and the Purchaser may agree).

Upon Completion, the Sale Shares will be transferred to the Purchaser and the Target will become an indirect non wholly-owned subsidiary of the Company.

EFFECT OF THE ACQUISITION ON THE SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the allotment and issue of the Consideration Shares upon Completion assuming no conversion of any Outstanding Convertible Bonds; and (iii) immediately after the allotment and issue of the Consideration upon Completion assuming full conversion of all Outstanding Convertible Bonds:

Shareholders	As at the Latest Practicable Date		Immediately after the allotment and issue of the Consideration Shares upon Completion assuming no conversion of any Outstanding Convertible Bonds		Immediately after the allotment and issue of the Consideration Shares upon Completion and assuming full conversion of all the Outstanding Convertible Bonds	
	Number of Shares	Approximate % shareholding	Number of Shares	Approximate % shareholding	Number of Shares	Approximate % shareholding
Cheung Wai Yin, Wilson (note 1)	98,995,314	6.11	98,995,314	5.76	1,256,890,050	39.28
Lau Chi Yan, Pierre (note 2)	3,984,375	0.25	3,984,375	0.23	3,984,375	0.12
Vendor or its nominee	-	-	100,000,000	5.81	100,000,000	3.13
Other public Shareholders	1,517,114,463	93.64	1,517,114,463	88.20	1,839,111,717	57.47
Total	1,620,094,152	100	1,720,094,152	100	3,199,986,142	100

LETTER FROM THE BOARD

Notes:

1. The interests disclosed include 98,437,500 Shares held by 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 Asiitrust 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.

INFORMATION ON THE TARGET

The Target is a company incorporated in Hong Kong on 27 September 2011 with limited liability and is wholly and beneficially owned by the Vendor. The Target is principally engaged in the provision of Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

Set out below is a summary of the key financial data of the Target based on the audited accounts of the Target for the two years ended 31 October 2016 as provided by the Vendor which were prepared in accordance with the generally accepted accounting principles in Hong Kong:

	For the year ended 31 October 2016 HK\$ (audited)	For the year ended 31 October 2015 HK\$ (audited)
(Loss)/Profit before taxation	(205,317)	2,257,090
(Loss)/Profit after taxation	<u>(182,622)</u>	<u>1,888,295</u>

The audited net assets value of the Target as at 31 October 2016 was approximately HK\$5,165,255.

The Target recorded revenue from the following sources for the years ended 31 October 2015 and 31 October 2016:

	For the year ended 31 October 2016 HK\$ (audited)	For the year ended 31 October 2015 HK\$ (audited)
Management fees	–	222,080
Performance fees	–	384,667
Advisory fees	665,000	1,705,000
Advisory fee – licensing	720,000	3,600,000

LETTER FROM THE BOARD

According to the Vendor, the major factor contributing to the decline in profit for the year ended 31 October 2016 when comparing to the same period in 2015 was due to the completion of a non-recurring advisory service contract with a contract sum of HK\$3,600,000 in 2015 and the Target did not enter into any similar contract for 2016.

As advised by the Vendor, revenue generated from advisory services for year ended 31 Oct 2016 included:

- (i) HK\$665,000 in advisory fee received from another SFC licensed corporation, which is recurring nature and service has been rendered since the date of incorporation of the Target. The scope of the advisory includes advising on portfolio formation, choice of funds and funds switching for numerous portfolios managed by this licensed corporation; and
- (ii) HK\$720,000 in advisory fee received from offshore investment-linked insurance broker which is non-recurring nature. The Target provided monthly commentary on macroeconomic condition, market analysis and issue research report on specific topics requested by the broker.

Investment management contracts with 2 private funds were terminated in 2015 due to disappointing performance resulted from market downturn.

Under the licensed condition imposed by the SFC, the Target could only provide wealth management for professional investors which reduces the Target's competitiveness in securing new client. The management of the Target has been exploring different market and channel but unfortunately, no successful investment management contract has been secured and the management of the Target decided to expand its business into investment related advisory service such as providing paid market research in 2016.

REASONS FOR THE ACQUISITION

The Company is an investment holding company and its subsidiaries are principally engaged in financial services business, trading business and information technology business.

The Target is currently licenced under Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. After the acquisition of its indirect wholly-owned subsidiary, Merdeka Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the SFO, the Group has been actively seeking to expand the type of financial products and services offered to its clients and the Directors consider that the Acquisition would enable the Group to further diversify its business within the financial services sector through direct investment in and hands-on management and operation of the Target. The Board observes that the current condition in the investment advisory market is highly competitive but at the same time there are promising opportunities in the market. This is evidenced by continuous increasing number of Type 4 and Type 9 licensed corporations application to the SFC. If the Acquisition is completed, the Group is expected to take advantage of the future

LETTER FROM THE BOARD

growth in capital markets and continuous products development, by diversifying its business further within the financial services sector and to broaden the Group's revenue base. Currently, the Target is not engaged in any negotiation on material contracts. The board of directors of the Target is of the view that, upon the completion of the Acquisition, the competitiveness of the Target will be enhanced in the following aspects:

1. being a subsidiary of a listed company will strengthen the recognition of its financial strength;
2. the Target will diversify in product/services offering to customers; and
3. the Target will benefit from cross referral of customers from the Group.

Taking into account of the above, the Board believes that the Acquisition will further diversify the business of the Group within the financial services sector and will broaden the Group's revenue base.

The Board considers that the terms and conditions of the Acquisition have been arrived at after arm's length negotiations between the Purchaser and the Vendor, and that the Acquisition is on normal commercial terms and are fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As all the applicable ratios under Chapter 19 of the GEM Listing Rules exceed 5% but are below 25%, the Acquisition constitutes a discloseable transaction of the Company under the GEM Listing Rules.

The Consideration Shares will be allotted and issued under the Specific Mandate to be sought at the EGM. Applications will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Consideration Shares.

EGM

The notice convening the EGM is set out on pages 13 to 14 of this circular. The EGM will be convened on 24 March, 2017 at 11:00 a.m. at Jasmine Room, 3/F., Best Western Plus Hotel Hong Kong, 308 Des Voeux Road West, Hong Kong for the purpose of, considering and, if thought fit, approving the Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate to allot and issue the Consideration Shares.

No shareholder is required to abstain from voting at the EGM.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar, Tricor Tengis Limited 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 time appointed for the holding of the EGM. Completion and return of a form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

In compliance with the GEM Listing Rules, the votes to be taken at the EGM will be taken by poll.

RECOMMENDATION

The Board considers that the terms of the Agreement are on normal commercial terms, fair and reasonable, and are in the interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution to be proposed in the EGM to approve the Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate to allot and issue the Consideration Shares.

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

NOTICE OF EGM



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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Merdeka Financial Services Group Limited (the “**Company**”) will be held on 24 March 2017 at 11:00 a.m. at Jasmine Room, 3/F., Best Western Plus Hotel Hong Kong, 308 Des Voeux Road West, Hong Kong for the purposes of considering and, if thought fit, passing the following resolution with or without amendments as ordinary resolution:

ORDINARY RESOLUTION

“**THAT:**

- (a) the sale and purchase agreement (the “**Sale and Purchase Agreement**”) entered into among: Merdeka Financial Services Limited, a wholly-owned subsidiary of the Company (the “**Purchaser**”), as the purchaser, B-Innovare Limited (the “**Vendor**”) as the vendor and Mr. Ip Yu Chak as the guarantor dated 7 February 2017 in relation to the acquisition (the “**Acquisition**”) of 2,550,000 ordinary shares in the share capital of Heng Asset Management Limited (the “**Target**”), representing 51% of the issued share capital of the Target, at a total consideration of HK\$10,000,000, a copy of the Sale and Purchase Agreement having been produced to the Meeting and marked “A” and initialed by the chairman of the Meeting for the purpose of identification, and the transactions contemplated thereby be and are hereby approved, confirmed and ratified;
- (b) the allotment and issue of 100,000,000 (the “**Consideration Shares**”) new shares of HK\$0.001 each in the capital of the Company to the Vendor (or its nominee), credited as full paid up, in satisfaction of the consideration for the Acquisition be and are hereby approved;
- (c) the grant of the put option to the Vendor pursuant to the terms of the Sale and Purchase Agreement requiring the Purchaser to acquire the remaining 49% issued share capital of the Target at a cash consideration of HK\$10,000,000, and the transaction contemplated thereby be and are hereby approved, confirmed and ratified; and

* for identification purposes only

NOTICE OF EGM

- (d) any one or more directors of the Company be and are hereby authorised to allot and issue the Consideration Shares in accordance with the terms of the Sale and Purchase Agreement and to do all such acts and things as they consider necessary or expedient for the purpose of giving effect to the Sale and Purchase Agreement and completing the transactions contemplated thereby.”

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

Hong Kong, 8 March 2017

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

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.