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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)

**INSIDE INFORMATION
POSITIVE PROFIT ALERT**

This announcement is made by the Company pursuant to Rule 17.10(2)(a) of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that, based on the preliminary assessment of the information currently available to the Board, the Group's unaudited profit attributable to the owners of the Company for the nine months period ended 30 September 2017 is expected to increase significantly as compared to the corresponding period in 2016.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

This announcement is made by Merdeka Financial Services Group Limited (the "Company", together with its subsidiaries the "Group") pursuant to Rule 17.10(2)(a) of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

Positive Profit Alert

The board (the "Board") of directors of the Company (the "Directors") wishes to inform the shareholders of the Company (the "Shareholders") and the potential investors that, based on the preliminary assessment of the information currently available to the Board, the Group's unaudited profit attributable to the owners of the Company for the nine months period ended 30 September 2017 is expected to increase significantly as compared to the corresponding period in 2016.

** for identification purposes only*

Based on the information currently available, the expected increase in the unaudited profit of the Group for the nine months period ended 30 September 2017 as compared to that for the corresponding period in 2016 is principally attributable to (i) increased contribution by the financial services business segment; and (ii) one-off gain on extinguishment of the convertible bonds liability component derived from revaluation upon extension for further 3 years.

The information contained in this announcement is only the preliminary assessment by the management of the Company based on the information currently made available (including the Group's unaudited consolidated management accounts, which are neither reviewed nor audited by the Company's auditor). The actual results of the Group for the nine months ended 30 September 2017 may be different from what is disclosed herein. Further details of the Group's financial performance shall be disclosed in the Company's third quarterly results announcement and the relevant third quarterly report for the nine months period ended 30 September 2017.

Shareholders and potential investors are advised 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, 6 November 2017

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. Au-yeung Sei Kwok

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>.