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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)

INSIDE INFORMATION

UPDATE ON LITIGATION — WINDING UP PETITION

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.

Reference is made to the announcements of Merdeka Financial Services Group Limited (the “**Company**”, together with its subsidiaries the “**Group**”) dated 14 November 2017 and 16 November 2017 (the “**Announcements**”) relating to the winding up petition made against the Company. Terms used herein shall have the same meanings as defined in the Announcements unless defined otherwise.

PROGRESS OF THE PETITION

The Petition is numbered HCCW 343 of 2017.

The Company wishes to update that on 1 December 2017, it applied to the Court for a validation order in respect of the Company’s disposition of property pending determination of the Petition (the “**Validation Order**”).

At the hearing on 24 January 2018, the Validation Order was granted by the Court in the terms as follows: until further order of the Court, (i) any payment or other disposition of property made on or after 13 November 2017 in the ordinary course of the business of the Company shall not be void; (ii) the payments made into or out of certain specified bank accounts of the Company in respect of expenses incurred in the ordinary course of business shall be sanctioned; (iii) the payment of reasonable legal expenses incurred by the Company in various legal proceedings shall not be void; (iv)

any transfer of the Company's shares on or after 13 November 2017 shall not be void; and (v) the Company shall provide to the Petitioner all Quarterly Reports commencing December 2017 and Annual Reports starting from the year ending 31 December 2017 within three days from the date of issuance of the same to the public.

The hearing of the Petition was adjourned to 14 February 2018.

The Company wishes to announce that the Company continues to be solvent and the normal course of operation of the Company has not been adversely affected by the Petition. The Company is endeavouring to oppose the Petition.

The Company will keep its shareholders and the public informed of any further significant developments by making further announcements as and when appropriate.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company

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

Hong Kong, 6 February 2018

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>.