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MERDEKA FINANCIAL GROUP LIMITED

領智金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

(I) POLL RESULTS OF THE ADJOURNED EXTRAORDINARY GENERAL MEETING HELD ON 18 MAY 2020;

AND

(II) COMMENCEMENT OF DEALINGS IN THE SHARES ON AN EX-RIGHTS BASIS

POLL RESULTS OF THE ADJOURNED EXTRAORDINARY GENERAL MEETING

The Board is pleased to announce that all Resolutions were duly passed by way of poll at the Adjourned EGM held on 18 May 2020.

COMMENCEMENT OF DEALINGS IN THE SHARES ON AN EX-RIGHTS BASIS

Pursuant to the expected timetable of the proposed Rights Issue, the last day of dealings in the Shares on a cum-rights basis will be Tuesday, 19 May 2020 and the Shares will be dealt with on an ex-rights basis from Wednesday, 20 May 2020.

References are made to (i) the circular of Merdeka Financial Group Limited (the “**Company**”) dated 27 March 2020 (the “**Circular**”); (ii) the announcement of the Company dated 14 April 2020 in relation to, amongst other things, the proposed adjournment of the extraordinary general meeting (the “**Adjourned EGM**”) and the revised expected timetable for the Rights Issue; and (iii) notice of the Adjourned EGM dated 29 April 2020 (the “**Adjourned Notice**”). Capitalised terms used herein shall have the same meanings as those defined in the Circular, unless the context otherwise requires.

POLL RESULTS OF THE ADJOURNED EGM

The Board is pleased to announce that all the proposed resolutions (the “**Resolutions**”) as set out in the Adjourned Notice were duly passed by way of poll by the Independent Shareholders at the Adjourned EGM on 18 May 2020.

As at the date of the Adjourned EGM, the total number of issued Shares as at the date of the Adjourned EGM was 262,200,719 Shares.

The proposed Rights Issue

Since the proposed Rights Issue will increase the issued share capital or the market capitalisation of the Company by more than 50% within the 12 months period immediately preceding the date of the 2020 Announcement, and in accordance with Rule 10.29(1) of the GEM Listing Rules, the proposed Rights Issue is conditional on the approval by the Independent Shareholders at the Adjourned EGM by passing the necessary resolution on which any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the proposed Rights Issue and the transactions contemplated thereunder (the “**Rights Issue Resolution**”).

As at the date of the Adjourned EGM, there is no controlling Shareholder as defined under the GEM Listing Rules. Mr. Cheung, being the Chairman, an executive Director and the chief executive officer of the Company, is the legal and beneficial owner of 55,781 Shares, representing approximately 0.02% of the entire issued share capital of the Company as at the date of the Adjourned EGM. As such, Mr. Cheung and his associates shall abstain, and had so abstained, from voting in favour of the proposed Rights Issue and the transactions contemplated thereunder at the Adjourned EGM.

Accordingly, there were 262,144,938 Shares entitling the Shareholders to attend and vote for or against the Rights Issue Resolution at the Adjourned EGM.

Save as disclosed above, no other Shareholder was required under the GEM Listing Rules to abstain from voting for the Rights Issue at the Adjourned EGM and no other Shareholder was entitled to attend but was required under the GEM Listing Rules to abstain from voting in favour of the Rights Issue at the Adjourned EGM.

The Subscription Agreement and the 2008 CB Terms Amendments

The Subscription Agreement

As at the date of the Adjourned EGM, Team Sunny (a company which is wholly and ultimately owned by Mr. Wong) is a substantial shareholder of the Company and is beneficially interested in 47,164,000 Shares, representing approximately 17.99% of the entire issued share capital of the Company. Accordingly, Team Sunny is a connected person of the Company and the Subscription constitutes a connected transaction under Rule 20.22(6) of the GEM Listing Rules and will be subject to reporting and announcement requirements, as well as the approval of the Independent Shareholders at the Adjourned EGM by way of poll.

As the 2008 CB Transfer is a transaction between Ivana and Team Sunny, in addition to Mr. Wong, Team Sunny and their respective associates who had abstained from voting in respect of the resolution approving the Subscription Agreement and the Team Sunny Specific Mandate at the Adjourned EGM (the “**Subscription Resolution**”), Mr. Cheung, Ivana and their respective associates shall abstain, and had so abstained, from voting in respect of the Subscription Resolution.

The 2008 CB Terms Amendments

Pursuant to Rule 34.05 of the GEM Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities.

As Ivana is a company controlled and owned by a trust founded by Mr. Cheung, the Chairman, an executive Director and the chief executive officer of the Company, Ivana is therefore a connected person of the Company under the GEM Listing Rules. The 2008 CB Terms Amendments under the Fourth Supplemental Deed constitute a connected transaction of the Company. Therefore, the Fourth Supplemental Deed and the transactions contemplated thereunder (including but not limited to the 2008 CB Terms Amendments and the allotment and issue of the 2008 Conversion Shares upon exercise of the conversion rights attached to the amended 2008 Convertible Bonds) and the grant of the 2008 CB Specific Mandate are subject to reporting and announcement requirements, as well as approval by the Independent Shareholders at the Adjourned EGM under the GEM Listing Rules. Mr. Cheung and Ivana together with their respective associates shall abstain, and had so abstained, from voting in respect of the resolution(s) approving the 2008 CB Terms Amendments and the 2008 CB specific mandate at the Adjourned EGM (the “**2008 CB Terms Amendments Resolution**”).

Given that 2008 CB Transfer Completion is conditional on the satisfaction of the conditions relating to the 2008 CB Terms Amendments having become effective and the grant of the 2008 CB Specific Mandate and the consent from the Stock Exchange, each of Mr. Wong and Team Sunny, together with their respective associates shall also abstain, and had so abstained, from voting in respect of the 2008 CB Terms Amendments Resolution.

Accordingly, there were 214,980,938 Shares entitling the Shareholders to attend and vote for or against the Subscription Resolution and the 2008 CB Terms Amendments Resolution at the Adjourned EGM.

Save as disclosed above, no other Shareholder was required under the GEM Listing Rules to abstain from voting for the Subscription Agreement and the 2008 CB Terms Amendments at the Adjourned EGM and no other Shareholder was entitled to attend but was required under the GEM Listing Rules to abstain from voting in favour of the Subscription Agreement and the 2008 CB Terms Amendments at the Adjourned EGM.

It is noted that no other parties had indicated in the Circular their intention to vote against or abstain from voting on the Resolutions at the Adjourned EGM.

Tricor Tengis Limited, the Company's branch share registrar and transfer office in Hong Kong, was appointed as the scrutineer for the vote-taking at the Adjourned EGM.

The poll results in respect of the Resolutions are set out as follows:

ORDINARY RESOLUTIONS <i>(Note)</i>		Number of votes cast (Approximate %)		Total number of votes cast
		FOR	AGAINST	
1.	To approve the Rights Issue on the basis of four (4) Rights Shares for every one (1) existing Share held on the Record Date, the Underwriting Agreement and the transactions contemplated thereunder, and the allotment and issue of the Rights Shares	111,739,719 (99.96%)	50,235 (0.04%)	111,789,954 (100.00%)
2.	To approve the Subscription Agreement and the transactions contemplated thereunder, the issue of the Team Sunny Convertible Bonds, the allotment and issue of the Team Sunny Conversion Shares and the grant of the Team Sunny Specific Mandate	64,575,719 (99.92%)	50,235 (0.08%)	64,625,954 (100.00%)
3.	To approve the Fourth Supplemental Deed and the transactions contemplated thereunder, the allotment and issue of the 2008 Conversion Shares and the grant of the 2008 CB Specific Mandate	64,575,719 (99.92%)	50,235 (0.08%)	64,625,954 (100.00%)

Note: The full text of the above Resolutions is set out in the Adjourned Notice.

As more than 50% of the votes were cast in favour of all of the Resolutions, all of the Resolutions were duly passed as ordinary resolutions of the Company.

COMMENCEMENT OF DEALINGS IN THE SHARES ON AN EX-RIGHTS BASIS

Pursuant to the expected timetable of the proposed Right Issue, the last day of dealings in the Shares on a cum-rights basis will be Tuesday, 19 May 2020 and the Shares will be dealt with on an ex-rights basis from Wednesday, 20 May 2020.

DESPATCH OF THE PROSPECTUS DOCUMENTS

Subject to the registration of the Prospectus Documents with the Registrar of Companies in Hong Kong, it is expected that (i) the Prospectus Documents will be despatched on Friday, 29 May 2020 to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date, i.e. Thursday, 28 May 2020; and (ii) the Prospectus will be despatched on Friday, 29 May 2020 to the Non-Qualifying Shareholders for their information purposes only.

Qualifying Shareholders are reminded that the Latest Time For Acceptance is 4:00 p.m. on Friday, 12 June 2020.

EFFECTIVE OF THE FOURTH SUPPLEMENTAL DEED

The Board is pleased to announce that as all the conditions precedent set out in the Fourth Supplemental Deed have been fulfilled, the 2008 CB Terms Amendments took effect on 18 May 2020.

WARNING OF THE RISKS OF DEALING IN SHARES AND NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the proposed Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed "Termination of the Underwriting Agreement" in the Circular). Accordingly, the proposed Rights Issue may or may not proceed.

Completion of the subscription of the Team Sunny Convertible Bonds is subject to the satisfaction of the conditions precedent set out in the Subscription Agreement. Accordingly, the issue of the Team Sunny Convertible Bonds may or may not proceed.

The 2008 CB Transfer Completion is subject to the satisfaction of the conditions precedent set out in the 2008 CB Sale and Purchase Agreement. Accordingly, the 2008 CB Transfer may or may not proceed.

Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

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

Hong Kong, 18 May 2020

As at the date of this announcement, the executive Directors are Mr. Cheung Wai Yin, Wilson (Chairman and Chief Executive Officer) and Ms. Tsang Kwai Ping, the independent non-executive Directors are Ms. Ng Ka Sim, Casina, Mr. Wong Wing Kit and Ms. Yeung Mo Sheung, Ann.

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>.