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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) RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF FOUR (4)
RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE
HELD ON THE RECORD DATE;
AND
(II) ADJUSTMENTS RELATING TO THE SHARE OPTIONS**

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that all the conditions precedent set out in the Underwriting Agreement have been fulfilled and the Rights Issue became unconditional at 4:00 p.m. on Monday, 15 June 2020. The net proceeds raised from the Rights Issue are approximately HK\$110.80 million.

As at 4:00 p.m. on Friday, 12 June 2020, being the latest time for acceptance of and payment for the Rights Shares and for the application and payment for the excess Rights Shares,

- (i) a total of 69 valid acceptances of the provisional allotment of Rights Shares made under the PALs were received for a total of 204,611,389 Rights Shares, representing approximately 19.51% of the total number of 1,048,802,876 Rights Shares offered under the Rights Issue; and
- (ii) a total of 12 valid applications for excess Rights Shares made under the EAFs were received for a total of 158,908,630 Rights Shares, representing approximately 15.15% of the total number of 1,048,802,876 Rights Shares offered under the Rights Issue.

In aggregate, a total of 81 valid acceptances and applications in respect of 363,520,019 Rights Shares, representing approximately 34.66% of the total number of 1,048,802,876 Rights Shares offered under the Rights Issue, were received.

Pursuant to the Team Sunny Irrevocable Undertaking, Team Sunny has subscribed for a total of 343,566,000 Rights Shares, which comprise (i) 188,656,000 Rights Shares, representing its full entitlement under the Rights Issue; and (ii) 154,910,000 Rights Shares by way of excess application.

Based on the above results, the Rights Issue was under-subscribed by 685,282,857 Rights Shares, representing approximately 65.34% of the total number of 1,048,802,876 Rights Shares being offered under the Rights Issue.

EXCESS RIGHTS SHARES

Given the under-subscription of the Rights Shares, the Board considers that it is fair and equitable to accept all valid excess applications for a total of 158,908,630 Rights Shares and to allot and issue such number of Rights Shares to the relevant applicants in full. Therefore, no refund cheques for wholly and partially unsuccessful applications for excess Rights Shares will be posted.

DESPATCH OF SHARE CERTIFICATES FOR FULLY-PAID RIGHTS SHARES

It is expected that the share certificates for the fully-paid Rights Shares will be posted to the allottees by ordinary post to their registered addresses at their own risks on Monday, 22 June 2020.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Tuesday, 23 June 2020.

ADJUSTMENTS RELATING TO THE OUTSTANDING SHARE OPTIONS

As a result of the Rights Issue, adjustments to the exercise price and the number of Shares to be issued upon exercise of the Outstanding Share Options will become effective from Monday, 22 June 2020 upon the allotment and issue of the Rights Shares pursuant to the Rights Issue. Details are set out in the paragraph headed “ADJUSTMENTS RELATING TO THE OUTSTANDING SHARE OPTIONS” in this announcement.

References is made to the prospectus (the “**Prospectus**”) of Merdeka Financial Group Limited (the “**Company**”) dated 29 May 2020 in relation to the Rights Issue. Unless the context otherwise requires, capitalised terms in this announcement shall have the same meanings as defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that all the conditions precedent set out in the Underwriting Agreement have been fulfilled and the Rights Issue became unconditional at 4:00 p.m. on Monday, 15 June 2020. The net proceeds raised from the Rights Issue are approximately HK\$110.80 million.

As at 4:00 p.m. on Friday, 12 June 2020, being the latest time for acceptance of and payment for the Rights Shares and for the application and payment for the excess Rights Shares,

- (i) a total of 69 valid acceptances of the provisional allotment of Rights Shares made under the PALs were received for a total of 204,611,389 Rights Shares, representing approximately 19.51% of the total number of 1,048,802,876 Rights Shares offered under the Rights Issue; and
- (ii) a total of 12 valid applications for excess Rights Shares made under the EAFs were received for a total of 158,908,630 Rights Shares, representing approximately 15.15% of the total number of 1,048,802,876 Rights Shares offered under the Rights Issue.

In aggregate, a total of 81 valid acceptances and applications in respect of 363,520,019 Rights Shares, representing approximately 34.66% of the total number of 1,048,802,876 Rights Shares offered under the Rights Issue, were received.

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Based on the above results, the Rights Issue was under-subscribed by 685,282,857 Rights Shares, representing approximately 65.34% of the total number of 1,048,802,876 Rights Shares being offered under the Rights Issue.

EXCESS RIGHTS SHARES

Given the under-subscription of the Rights Shares, the Board considers that it is fair and equitable to accept all valid excess applications for a total of 158,908,630 Rights Shares and to allot and issue such number of Rights Shares to the relevant applicants in full. Therefore, no refund cheques for wholly and partially unsuccessful applications for excess Rights Shares will be posted.

THE UNDERWRITING AGREEMENT

As a result of the under-subscription of the Rights Shares and in accordance with the Underwriting Agreement, the Underwriter and the sub-underwriters have procured subscribers to subscribe for 685,282,857 Underwritten Shares, representing approximately 65.34% of the total number of 1,048,802,876 Rights Shares being offered under the Rights Issue. None of the subscribers procured by the Underwriter has become a substantial shareholder of the Company upon completion of the Rights Issue.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the shareholding structure of the Company immediately before and after the completion of the Rights Issue is as follows:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Shareholders				
Team Sunny (<i>note 1</i>)	47,164,000	17.99	390,730,000	29.80
Cheung Wai Yin, Wilson (<i>note 2</i>)	55,781	0.02	55,781	0.01
Public Shareholders				
Subscribers procured by the Underwriter and the sub-underwriters (<i>note 3</i>)	—	—	685,282,857	52.27
Other public Shareholders	<u>214,980,938</u>	<u>81.99</u>	<u>234,934,957</u>	<u>17.92</u>
Total	<u>262,200,719</u>	<u>100.00</u>	<u>1,311,003,595</u>	<u>100.00</u>

Notes:

- (1) Team Sunny is owned as to 100% by Mr. Wong whose is deemed to be interested in 47,164,000 Shares pursuant to the Part XV of the SFO.
- (2) Mr. Cheung Wai Yin, Wilson is the Chairman, an executive Director and the chief executive officer of the Company and personally interested in 55,781 Shares.
- (3) The Underwriter, including the sub-underwriters, has confirmed that (i) each of the subscribers or purchasers of the Untaken Shares procured by it were third parties independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with any Directors, chief executive or substantial Shareholders of the Company or its subsidiaries or any of their respective associates; (ii) the public float requirements under the GEM Listing Rules has been fulfilled by the Company upon completion of the Rights Issue; and (iii) the subscription or purchase of the Untaken Shares by the Underwriter and each of the subscribers or purchasers procured by the Underwriter shall not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Underwriter and the subscribers or purchasers procured by the Underwriter upon completion of the Rights Issue.
- (4) Certain percentage figures included in the above tables have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an authentic aggregation of the figure preceding them.

DESPATCH OF SHARE CERTIFICATES FOR FULLY-PAID RIGHTS SHARES

It is expected that share certificates in respect of the fully-paid Rights Shares will be despatched to those entitled thereto by ordinary post to their respective registered address at their own risk by the Registrar on or before Monday, 22 June 2020.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Tuesday, 23 June 2020.

ADJUSTMENTS RELATING TO THE OUTSTANDING SHARE OPTIONS

Prior to the completion of the Rights Issue, there were 33,199 Outstanding Share Options, which entitled Option Holders thereof to subscribe for 33,199 Rights Shares at the exercise price of HK\$36.000 per Share under the Share Option Scheme.

As a result of the Rights Issue, adjustments to the exercise price and the number of Shares to be issued upon exercise of the outstanding Share Options pursuant to the terms and conditions of the Share Option Scheme, Rule 23.03(13) of the GEM Listing Rules in relation to the adjustment to the terms of the Share Option Scheme and the note thereto and the supplementary guidance issued by the Stock Exchange on 5 September 2005 are as follows and will become effective from Monday, 22 June 2020 upon the allotment and issue of the Rights Shares pursuant to the Rights Issue:

Date of grant	Exercise period	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
		Exercise price per Share (HK\$)	Number of Outstanding Share Options	Exercise price per Share (HK\$)	Number of Outstanding Share Options
30 May 2012	30 May 2012 to 29 May 2022	36.000	33,199	33.333	35,854

Save for the above adjustments, all other terms and conditions of the Outstanding Share Options granted under the Share Option Scheme remain unchanged.

The independent financial adviser has reviewed the calculations and confirmed to the Directors in writing that the calculation is accurate and the above adjustments are in accordance with the terms and conditions of the Share Option Scheme upon completion of the Rights Issue and appropriate and satisfy the requirements of Rule 23.03(13) of the GEM Listing Rules and the supplementary guidance issued by the Stock Exchange on 5 September 2005.

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

Hong Kong, 19 June 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. Yeung Mo Sheung, Ann; Ms. Ng Ka Sim, Casina and Mr. Wong Wing Kit.

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>.