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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)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE FOR INVESTMENT IN DIGITAL INSURANCE AND RELATED BUSINESS

This announcement is made by Merdeka Financial Group Limited (the “**Company**”) on a voluntary basis to update the shareholders (the “**Shareholders**”) and potential investors of the Company on the latest business development of the Company and its subsidiaries (the “**Group**”).

The Group is principally engaged in, including but not limited to, financial services business and in August 2019, the Group has invested a minority stake of YAS Digital Limited (“**YDL**”), a Hong Kong-based regional insurance technology company making insurance digital and more hyper-personalized in markets, as a stepping stone for the Group’s entry into the financial technology industry.

On 23 July 2020, YDL, unveiled Hong Kong’s first microinsurance marketplace, YAS, which utilizes innovative technologies such as fifth-generation wireless (5G), artificial intelligence (AI), blockchain, data analytics, and open application programming interface (API), to create an unprecedented ecosystem and business model for both business-to-business (B2B) and business-to-customers (B2C) customers in the insurance segment.

YAS functions like an integrated application market, empowering insurers with open APIs ready to plug and play in accordance with growing trends and enable the insurers to offer a range of tailored insurance products based on customer’s specific needs and to deliver them with an exceptional insurance experience. In addition, YAS is designed to enhance the accessibility, security, diversity, and transparency of the insurance industry in order to match customer’s needs, and at the same time, helping the customers to understand better of the products and how they are protected. Most importantly, YAS reduces the complexity of claims process, bridges protection gaps and insures customers in an automated and meaningful way.

YDL offers data transformation and analytic solutions which are complemented by social data analytics for underwriters to produce single items for specific times and occasions and to underwrite the right risks. YDL is planning to offer different digitally enabled bite-sized insurance products on YAS in phases. YDL aims to identify more business partners to join the YDL's revolutionary journey in creating niche insurance products and desirable customer experience.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company are confident with the prospects and potential growth of the financial technology industry and believe that the underlying technology and innovative ideas can be complementary to the Group's existing financial businesses, including the securities brokerage services, provision of corporate finance advisory services, asset management business, money lending services and financial leasing business. The Group will continue to seek for suitable investment opportunities related in this segment.

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

Hong Kong, 29 July 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 Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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>.