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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)

PROFIT WARNING

This announcement is made by Merdeka Financial Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a net loss of approximately HK\$4.6 million for the three months ended 31 March 2021 (the “**2021 Q1**”) as compared to the net profit of approximately HK\$5.0 million for the three months ended 31 March 2020. The net loss was mainly attributable to (i) the absence of reversal of impairment loss on other receivables of approximately HK\$9.0 million; (ii) the recognition of share-based payment of approximately HK\$1.0 million and (iii) a slightly decrease in gross profit of approximately HK\$1.4 million due to weak business environment caused by the outbreak of COVID-19 that the value and volume of transactions in financial services business and corporate consulting business segments was slightly reduced. Should the reversal of impairment loss on other receivables be excluded, the net loss of the Group for the three months ended 31 March 2020 would be approximately HK\$3.9 million which represented a slightly increase of the net loss of approximately HK\$4.6 million for the 2021 Q1.

The information contained in this announcement represents only a preliminary assessment by the Board based on information currently available including the unaudited consolidated management accounts of the Group for the 2021 Q1, which have not been reviewed by the audit committee of the Company. As at the date of this announcement, the Company is in the process of finalising the financial results of the Group for the 2021 Q1, and such results are subject to necessary adjustments.

Shareholders and potential investors are advised to read carefully the Company's announcement of the 2021 Q1 which is expected to be published on or around 13 May 2021.

By order of the Board
MERDEKA FINANCIAL GROUP LIMITED
Wong Hin Shek
Chairman and Chief Executive Officer

Hong Kong, 7 May 2021

As at the date of this announcement, the executive Directors are Mr. Wong Hin Shek (Chairman and Chief Executive Officer), Mr. Cheung Wai Yin, Wilson 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>.