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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 WINDING-UP OF A SUBSIDIARY**

This announcement is made by Merdeka Financial Group Limited (the “**Company**” together with its subsidiaries the “**Group**”) pursuant to Rule 17.10(2)(a) of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) 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).

### **VOLUNTARY WINDING-UP OF A SUBSIDIARY**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that on 10 September 2021, after due and careful consideration, End User Investments Limited (being a wholly-owned subsidiary of the Company), in its capacity as the sole shareholder of Blossom Height Ventures Limited (“**Blossom Height**”) resolved to wind up Blossom Height by way of member’s voluntary winding-up. The board of Blossom Height intends to appoint Mr. Osman Mohammed Arab and Mr. Lai Wing Lun of RSM Corporate Advisory (Hong Kong) Limited, and Mr. Nathan Mills of R&H Restructuring (BVI) Limited as the joint voluntary liquidators of Blossom Height.

### **INFORMATION OF BLOSSOM HEIGHT**

Blossom Height is a company incorporated in the British Virgin Islands with limited liability and principally engaged in investment holding. The principal asset of Blossom Height is approximately 64.71% equity interest in 恒河融資租賃(上海)有限公司 (Heng He Financial Lease (Shanghai) Company Limited<sup>#</sup>) (“**Heng He**”), a sino-foreign joint venture company established in the People’s Republic of China (the “**PRC**”) with limited liability and was principally engaged in the financial leasing business.

As disclosed in the annual report of the Company for the year ended 31 December 2020, (i) the financial leasing service business of the Group in the PRC (which is conducted through Heng He) continued to be stagnant; (ii) no new financial leasing contract was concluded due to keen competition in the industry and the default rate of finance lease receivables was high that the performance of financial leasing services business was sluggish.

As none of the consolidated total assets of Blossom Height as at 31 August 2021 and the consolidated profits and revenue of Blossom Height for the year ended 31 December 2020 is 5% or more under the relevant percentage ratios as defined under Rule 19.04(9) of the GEM Listing Rules, Rule 17.27(2) of the GEM Listing Rules does not apply.

### **REASONS FOR THE VOLUNTARY WINDING-UP OF BLOSSOM HEIGHT**

Having considered that the performance of the financial leasing services business in the past was unsatisfactory, the recoverability of finance lease receivables of Heng He is remote and it is in the interest of the Group to discontinue the financial leasing service business in the PRC, the Board considers that the continued operating of Blossom Height would not be advantageous to the Group. Following the voluntary winding-up of Blossom Height, the Group would be able to reallocate the resources and management effort to its other existing business, namely the securities brokerage services, provision of corporate finance advisory services, asset management business, money lending services, company secretarial services, accounting and financial reporting services and management consulting services, and as such, the Board is of the view that the voluntary winding-up of Blossom Height is in the interest of the Company and its shareholders as a whole.

### **EFFECT OF THE VOLUNTARY WINDING-UP OF BLOSSOM HEIGHT ON THE GROUP**

Following the commencement of the voluntary winding-up of Blossom Height, Blossom Height will cease to be a subsidiary of the Company and the financial results of Blossom Height will be deconsolidated from that of the Group. The Board does not expect the voluntary winding-up of Blossom Height will have any material adverse impact on the financial results and position of the Group.

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

Hong Kong, 10 September 2021

# *the English translation of Chinese names or words in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

*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 and 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 document 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>.*