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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

If you have sold or transferred all your shares in Merdeka Mobile Group Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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MERDEKA
MERDEKA MOBILE GROUP LIMITED

(萬德移動集團有限公司*)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

**PROPOSED OPEN OFFER ON
THE BASIS OF TWO (2) OFFER SHARES FOR
EVERY ONE (1) SHARE HELD ON THE RECORD DATE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

UNDERWRITER OF THE OPEN OFFER



太平洋基業證券有限公司
Pacific Foundation Securities Limited

FINANCIAL ADVISER TO THE COMPANY

VEDA | CAPITAL
智略資本

**INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE
AND THE INDEPENDENT SHAREHOLDERS**



Alliance Capital Partners Limited
同人融資有限公司

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in connection with the Open Offer and the Underwriting Agreement is set out on pages 28 to 29 of this circular. A letter from the Independent Financial Adviser containing its advice and recommendation in connection with the Open Offer and the Underwriting Agreement is set out on pages 30 to 40 of this circular.

A notice convening the EGM to be held at Jasmine Room, 3/F., Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong at 11:00 a.m. on Monday, 6 July 2015 or any adjournment thereof is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the meeting is enclosed with this circular. Whether or not you are able to attend the meeting in person, you are advised to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

The Open Offer is conditional, inter alia, upon the fulfillment of the conditions set out under the section headed "Conditions of the Open Offer" in the Letter from the Board set out in this circular. In particular, the Open Offer is subject to the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Open Offer may or may not proceed. Any Shareholders other persons contemplating selling or purchasing Shares up to the date when the conditions of the Open Offer are fulfilled will bear the risk that the Open Offer could not become unconditional and may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.

This circular will remain on the "Latest Company Announcements" page of the GEM website at <http://www.hkgem.com> for a minimum period of 7 days from the date of its posting and on the website of the Company at <http://www.merdeka.com.hk/>.

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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EXPECTED TIMETABLE

The expected timetable of the proposed Open Offer is as follows:

(Hong Kong time)

Despatch of the circular, notice of EGM and form of proxy of the EGM	Monday, 15 June 2015
Latest time for lodging of form of proxy for the EGM	11:00 a.m. on Saturday, 4 July 2015
EGM	11:00 a.m. on Monday, 6 July 2015
Announcement of results of the EGM	Monday, 6 July 2015
Last day of dealings in the Shares on a cum-entitlement basis	Tuesday, 7 July 2015
First day of dealings in the Shares on an ex-entitlement basis	Wednesday, 8 July 2015
Latest time for lodging transfer of the Shares in order to be qualified for the Open Offer	4:30 p.m. on Thursday, 9 July 2015
Register of members closes (both days inclusive)	Friday, 10 July 2015 to Thursday, 16 July 2015
Record Date for the Open Offer	Thursday, 16 July 2015
Register of members re-opens	Friday, 17 July 2015
Prospectus Documents expected to be despatched	Friday, 17 July 2015
Latest time for acceptance of and payment for the Offer Shares and application for excess Offer Shares	4:00 p.m. on Friday, 31 July 2015
Latest time for the termination of the Underwriting Agreement	Monday, 3 August 2015
Announcement of allotment results	Friday, 7 August 2015
Certificates for the Offer Shares expected to be despatched on or before	Monday, 10 August 2015

EXPECTED TIMETABLE

Refund cheques in respect of wholly or partially
unsuccessful applications for excess Offer Shares
expected to be posted on or before Monday, 10 August 2015

Dealings in Offer Shares commence 9:00 a.m. on
Tuesday, 11 August 2015

All times and dates in this circular refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND THE TIME OF PAYMENT FOR THE OFFER SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS OFFER SHARES

The Latest Time For Acceptance of and payment for the Offer Shares and for application and payment for excess Offer Shares will not take place if there is:

1. a tropical cyclone warning signal number 8 or above, or
2. a “black” rainstorm warning
 - (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Time For Acceptance. Instead the Latest Time For Acceptance of and payment for the Offer Shares and for application and payment for excess Offer Shares will be extended to 5:00 p.m. on the same Business Day; or
 - (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time For Acceptance. Instead the Latest Time For Acceptance of and payment for the Offer Shares and for application and payment for excess Offer Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance does not take place on Friday, 31 July 2015, the dates mentioned in the ‘Expected timetable’ section may be affected. The Company will notify Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

DEFINITIONS

In this circular, unless the context otherwise requires, the following words and expressions have the following meanings:

“2017 Convertible Bonds”	the zero coupon convertible bond(s) due in 2017 with an outstanding principal amount of HK\$124,068,000 conferring rights to convert to a total of 335,681,818 Shares at conversion price of HK\$0.3696 per Share (subject to adjustment)
“2018 Convertible Bonds”	the zero coupon convertible bond(s) due in 2018 with an outstanding principal amount of HK\$ 40,000,000 conferring rights to convert to a total of 125,000,000 Shares at conversion price of HK\$0.32 per Share (subject to adjustment)
“Announcement”	the announcement of the Company dated 8 May 2015 in relation to, among other matters, the Open Offer
“Application Form(s)”	the form of application for use by the Qualifying Shareholders to apply for the Offer Shares
“associate(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday or Sunday or public holidays) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CB Holders”	the holders of the Convertible Bonds
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Companies Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Company”	Merdeka Mobile Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM

DEFINITIONS

“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Convertible Bonds”	the 2017 Convertible Bonds and the 2018 Convertible Bonds
“Director(s)”	directors of the Company
“EAF(s)”	the excess application form(s) for the application of the excess Offer Shares
“EGM”	the extraordinary general meeting of the Company to be convened and held on Monday, 6 July 2015 to consider and approve, among other things, the Open Offer, the Underwriting Agreement and the transactions contemplated thereunder
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Heng He”	恒河融資租賃(上海)有限公司 (Heng He Financial Lease (Shanghai) Company Limited*), a sino-foreign joint venture company established in the PRC with limited liability
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	a committee of the Board, comprising all independent non-executive Directors, to be set up to advise the Independent Shareholders on the Open Offer and the Underwriting Agreement

* For identification purposes only

DEFINITIONS

“Independent Financial Adviser” or “Alliance Capital”	Alliance Capital Partners Limited (同人融資有限公司), a registered institution under the SFO, licensed to conduct regulated activities of type 1 (dealing in securities) and type 6 (advising on corporate finance) under the SFO and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Open Offer
“Independent Shareholders”	the Shareholders not required under the GEM Listing Rules to abstain from voting on the resolution(s) approving the Open Offer, the Underwriting Agreement and the transactions contemplated thereunder at the EGM
“Ivana”	Ivana Investments Limited, a substantial Shareholder
“Ivana Irrevocable Undertaking”	an irrevocable undertaking dated 8 May 2015 granted by Ivana in favour of the Company as described in the section headed “The Ivana Irrevocable Undertaking” in this circular
“Last Trading Day”	8 May 2015, being the last trading day of the Shares on the Stock Exchange prior to the issue of the Announcement
“Latest Practicable Date”	10 June 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion herein
“Latest Time for Acceptance”	4:00 p.m. on Friday, 31 July 2015 or such later time and/or date as may be agreed between the Underwriter and the Company, being the latest time for acceptance of, and payment for, the Offer Shares as described in the Prospectus
“Latest Time for Termination”	4:00 p.m. on the next business day after the Latest Time for Acceptance or such later time or date as may be agreed between the Underwriter and the Company, being the latest time to terminate the Underwriting Agreement
“Mr. Cheung”	Mr. Cheung Wai Yin, Wilson, the chief executive officer of the Company, the chairman of the Board and an executive Director of the Company

DEFINITIONS

“Offer Shares”	not less than 766,062,768 new Shares and not more than 766,575,744 new Shares, proposed to be offered to the Qualifying Shareholders for subscription on the terms and subject to the conditions set out in the Underwriting Agreement and in the Prospectus
“Open Offer”	the proposed offer for subscription by the Qualifying Shareholders for the Offer Shares at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Options Holders”	holders of the Share Options
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong
“PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, Taiwan and the Macau Special Administrative Region
“Prohibited Shareholders”	those Overseas Shareholders to whom the Company considers it necessary or expedient not to offer the Offer Shares
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus, the Application Form and the EAFs
“Prospectus Posting Date”	Friday, 17 July 2015 or such later date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date and are not the Prohibited Shareholders
“Record Date”	Thursday, 16 July 2015 or such other date as may be agreed between the Company and the Underwriter for the determination of the entitlements for the Open Offer

DEFINITIONS

“Registrar”	Tricor Tengis Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, the branch share registrar and transfer office of the Company in Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value HK\$0.001 each in the sharecapital of the Company
“Share Options”	the share options granted pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 3 May 2012
“Shareholder(s)”	registered holder(s) of the Shares of the Company
“Specified Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.09 per Offer Share
“Takeovers Code”	The Codes on Takeovers and Mergers of Hong Kong
“Underwriter”	Pacific Foundation Securities Limited
“Underwriting Agreement”	the underwriting agreement dated 8 May 2015 entered into between the Company and the Underwriter in relation to the Open Offer
“Underwritten Shares”	not less than 700,065,892 Offer Shares and not more than 700,578,868 Offer Shares, which are fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement
“%”	per cent.

TERMINATION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time for Termination (provided that if the date of the Latest Time for Termination shall be a business day on which a Storm Warning is or remains hoisted between 9.00 a.m. and 4.00 p.m. on that day, the date of the Latest Time for Termination shall be the next business day on which no Storm Warning is or remains hoisted between 9:00 a.m. and 4:00 p.m. on that day):

- (i) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
 - (a) the introduction of any new law or any material change in existing laws and regulations which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
 - (b) the occurrence of any local, national or international event or change of a political, military, financial, economic or other nature which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
 - (c) the imposition of any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (ii) any material adverse change in market conditions occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (iii) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (v) any material adverse change in the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (vi) the Prospectus Documents when published contain information which have not been previously disclosed and may in the absolute opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Open Offer or might cause a prudent investor not to apply for its assured entitlements of Offer Shares under the Open Offer; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (vii) any suspension in the trading of the Company's securities on the Stock Exchange for a period of more than 10 consecutive business days, excluding any suspension in connection with the clearance of the circular or the Prospectus Documents or other announcements or circulars in connection with the Open Offer,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (i) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (ii) any Specified Event comes to the knowledge of the Underwriter.

LETTER FROM THE BOARD



MERDEKA

MERDEKA MOBILE GROUP LIMITED

(萬德移動集團有限公司*)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

Executive Directors:

Mr. Cheung Wai Yin, Wilson

(Chairman and Chief Executive Officer)

Mr. Lau Chi Yan, Pierre (Managing Director)

Non-executive Director:

Mr. Wong Chi Man

Independent Non-executive Directors:

Ms. Yeung Mo Sheung, Ann

Mr. Ng Kay Kwok

Mr. Yip Kat Kong, Kenneth

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

British West Indies

Principal place of business:

Room 1502

Chinachem Century Tower

178 Gloucester Road

Wanchai, Hong Kong

15 June 2015

To the Shareholders

Dear Sir or Madam,

PROPOSED OPEN OFFER ON THE BASIS OF TWO (2) OFFER SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE

INTRODUCTION

Reference is made to the Announcement.

On 8 May 2015, the Company proposed to raise no less than approximately HK\$68,945,649 and no more than approximately HK\$68,991,816, before expenses, by way of an Open Offer on the basis of two (2) Offer Shares for every one (1) Share held on the Record Date at the Subscription Price of HK\$0.09 per Offer Share. The Open Offer is not available to the Prohibited Shareholders.

The Independent Board Committee comprising all independent non-executive Directors has been formed to advise the Independent Shareholders on the Open Offer and the Underwriting Agreement.

* For identification purposes only

LETTER FROM THE BOARD

Alliance Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Open Offer and the Underwriting Agreement, and to make a recommendation (i) as to whether the Open Offer and the Underwriting Agreement are fair and reasonable; and (ii) as to voting on the resolution(s) to approve the Open Offer and the Underwriting Agreement at the EGM.

The purpose of this circular is to provide you with, among others, (i) details of the Open Offer and the Underwriting Agreement; (ii) a letter from the Independent Board Committee to the Independent Shareholders setting out its recommendations in relation to the Open Offer and the Underwriting Agreement; (iii) a letter from Alliance Capital to the Independent Board Committee and the Independent Shareholders setting out its advice in relation to the Open Offer and the Underwriting Agreement; and (iv) a notice of the EGM.

THE OPEN OFFER

Issue Statistics

Basis of the Open Offer	:	Two (2) Offer Shares for every one (1) Share held on the Record Date and payable in full on acceptance
Subscription Price	:	HK\$0.09 per Offer Share payable in full on application
Net price to the Company per Offer Share	:	Approximately HK\$0.086
Number of Shares in issue as at the Latest Practicable Date	:	383,031,384 Shares
Number of Offer Shares pursuant to the Open Offer	:	Not less than 766,062,768 Offer Shares and not more than 766,575,744 Offer Shares
		The aggregate nominal value of the Offer Shares is not less than approximately HK\$766,062.77 and not more than approximately HK\$766,575.74
Total number of issued Shares upon completion of the Open Offer	:	Not less than 1,149,094,152 Shares and not more than 1,149,607,128 Shares

As at the Latest Practicable Date, the Company has (i) 256,488 outstanding Share Options; (ii) 2017 Convertible Bonds in the principal amount of HK\$124,068,000 which are convertible into a maximum of 335,681,818 Shares; and (iii) 2018 Convertible Bonds in the principal amount of HK\$40,000,000 which are convertible into a maximum of 125,000,000 Shares. Save as disclosed above, the Company does not have any other outstanding warrants or securities in issue which are convertible or exchangeable into Shares.

LETTER FROM THE BOARD

Assuming that there is no change to the issued share capital of the Company from the Latest Practicable Date up to the Record Date, the number of Offer Shares represent 200% of the Company's issued share capital as at the Latest Practicable Date and approximately 66.67% of the Company's issued share capital as enlarged by the issue and allotment of the Offer Shares.

Subscription Price

The Subscription Price is HK\$0.09 per Offer Share, payable in full upon acceptance of the relevant assured allotment of Offer Shares and, where applicable, application for excess Offer Shares under the Open Offer.

The Subscription Price of HK\$0.09 represents:

- (i) a discount of approximately 76.62% to the closing price of HK\$0.385 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 52.13% to the theoretical ex-entitlement price of approximately HK\$0.188 per Share, based on the closing price of HK\$0.385 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 76.80% to the average closing price of approximately HK\$0.388 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 164.71% over the audited total equity attributable to the owners of the Company per Share (based on 383,031,384 Shares in issue as at the Last Trading Day) of approximately HK\$0.034 as at 31 December 2014; and
- (v) a discount of approximately 69.50% to the closing price of HK\$0.295 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The determination of the Subscription Price and subscription ratio was a commercial decision which was arrived at after arm's length negotiation between the Company and the Underwriter with reference to the market price of the Shares under the prevailing market conditions and the factors of (i) the Shares have a very low liquidity in the open market; (ii) the Group has been loss making for the previous financial years; and (iii) the Group has already conducted a rights issue in 2014 for fund raising purposes, it would be reasonable and necessary to set the Subscription Price at a rather significant discount in order to attract the Shareholders to participate in the Open Offer. In addition, given the recent financial requirements of the Group in relation to the expansion of the financial leasing business and for the general working capital purposes as mentioned in the section headed "**REASONS FOR AND BENEFITS OF THE OPEN OFFER AND USE OF PROCEEDS**", the Subscription Price was set at this level such that the financial requirements can be met accordingly.

LETTER FROM THE BOARD

The Directors (excluding the independent non-executive Directors who have given their view on the Open Offer after taking into account the advice of the Independent Financial Adviser) consider that the proposed discount of the Subscription Price to the market price is appropriate to increase the attractiveness of the Open Offer to the Qualifying Shareholders and to encourage them to participate in the Open Offer and accordingly maintain their shareholdings in the Company and participate in the future development of the Group. Also taking into account the reasons stated in the above paragraph, the Directors (excluding the independent non-executive Directors who have given their view on the Open Offer after taking into account the advice of the Independent Financial Adviser) consider that the Subscription Price is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The net price per Offer Share (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) is approximately HK\$0.086.

Basis of assured allotment

The basis of the assured allotment shall be two (2) Offer Shares for every one (1) Share in issue and held at the close of business on the Record Date, being not less than 766,062,768 Offer Shares and not more than 766,575,744 Offer Shares at the Subscription Price payable in full on application and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus.

Qualifying Shareholders

The Company will send the Prospectus Documents to the Qualifying Shareholders only.

To qualify for the Open Offer, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date, and not being a Prohibited Shareholder. In order to be registered as members on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) with the Company's branch share registrars and transfer office in Hong Kong, Tricor Tengis Limited, at 22/F, Hopewell Centre, 183 Queen's Road East, Hong Kong, by 4:30 p.m. on Thursday, 9 July 2015.

The invitation to apply for the Offer Shares to be made to the Qualifying Shareholders will not be transferable or capable of renunciation and there will not be any trading of nil-paid entitlements of the Offer Shares on the Stock Exchange.

Closure of register of members

The register of members of the Company in Hong Kong will be closed from Friday, 10 July 2015 to Thursday, 16 July 2015, both dates inclusive, to determine the eligibility of the Shareholders to the Open Offer. No transfer of Shares will be registered during this period.

LETTER FROM THE BOARD

Rights of Prohibited Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

In compliance with the necessary requirements of the GEM Listing Rules, the Company will make enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders (if any). If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Open Offer to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s), the Open Offer will not be extended to such Overseas Shareholders.

As at the Latest Practicable Date and according to the register of members of the Company, there were five Overseas Shareholders with registered address located in the United States. Having made enquiries regarding the legal restrictions under the laws of the United States and the requirements of the relevant regulatory bodies or stock exchanges, the Directors are of the view that it is necessary and expedient to exclude the Overseas Shareholders in the United States and such Overseas Shareholders will be regarded as Excluded Shareholders pursuant to Rule 17.41(1) of the GEM Listing Rules because of the time and costs that may need to be involved in complying with the relevant legal and regulatory requirements if the Open Offer are to be offered to the Overseas Shareholders in the United States.

The Company will continue to ascertain whether there are any other Overseas Shareholder on the Record Date and will, if necessary, make further enquiries with legal adviser(s) in other overseas jurisdiction(s) regarding the feasibility of extending the Open Offer to such other Overseas Shareholders on the Record Date and make relevant disclosures in the Prospectus. Further information in this connection will be set out in the Prospectus Document containing, among other things, details of the Open Offer, to be despatched to the Qualifying Shareholders on the Prospectus Posting Date. The Company will send copies of the Prospectus to the Prohibited Shareholders for their information only, but will not send any Application Form and EAFs to them on the Prospectus Posting Date.

Status of the Offer Shares

The Offer Shares (when allotted and fully paid) will rank pari passu with the then existing Shares in issue in all respects on the date of allotment and issue of the Offer Shares. Holders of fully paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment and issue of the Offer Shares.

LETTER FROM THE BOARD

Share Certificates for Offer Shares

Subject to the fulfillment of the conditions of the Open Offer as set out in the section headed "Conditions of the Open Offer" below, certificates for all fully-paid Offer Shares are expected to be posted on or before Monday, 10 August 2015 to those Qualifying Shareholders who have accepted and (where applicable) applied for, and paid for the Offer Shares by ordinary post at their own risks.

Application for excess Offer Shares

The Offer Shares to which the Prohibited Shareholders would otherwise have been entitled, any assured allotments of Offer Shares which have not been accepted by the Qualifying Shareholders, and the Offer Shares created by aggregation of fractional Offer Shares (if any), will be available for excess application by the Qualifying Shareholders.

Application may be made only by the Qualifying Shareholders by completing the EAF(s) and lodging the same with a separate remittance for the excess Offer Shares being applied for. The Directors will allocate the excess Offer Shares at their discretion on a fair and equitable basis and on a pro-rata basis to the excess Offer Shares being applied for under each application.

However, no preference will be given to topping-up odd lots to whole board lots. Shareholders who have been offered odd lots of the Offer Shares should note that there is no guarantee that such odd lots of the Offer Shares will be topped up to create whole board lots pursuant to applications for excess Offer Shares. Any Offer Shares not applied for by the Qualifying Shareholders and not taken by excess application will be taken up by the Underwriter.

Shareholders with their Shares held by a nominee (or which are held in CCASS) should note that the Company will regard the nominee (including HKSCC) as a single Shareholder according to the register of members of the Company. Accordingly, investors whose Shares are registered in the name of a nominee (or which are held in CCASS) should note that the aforesaid arrangement in relation to the allocation of excess Offer Shares will not be extended to them individually. Beneficial owners with their Shares held by a nominee (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date. Investors whose Shares are held by a nominee (or which are held in CCASS) and who would like to have their names registered on the register of members of the Company, must lodge all necessary documents with the Registrar by 4:30 p.m. on Thursday, 9 July 2015.

Fractions of Offer Shares

No fractional entitlements or allotments are expected to arise as a result of the Open Offer.

LETTER FROM THE BOARD

Application for listing

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. The Offer Shares are expected to continue to be traded in existing board lot of 20,000 Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty in Hong Kong, Stock Exchange trading fees, SFC transaction levy and other applicable fees and charges in Hong Kong.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

THE UNDERWRITING AGREEMENT

Underwriting Agreement

Date	:	8 May 2015 (after trading hours)
Underwriter	:	Pacific Foundation Securities Limited (a licensed corporation under the SFO permitted to carry out type 1 (dealing in securities) and type 9 (asset management) regulated activities (as defined under the SFO))
Number of Offer Shares	:	Not less than 766,062,768 Offer Shares and not more than 766,575,744 Offer Shares
Number of Underwritten Shares	:	Not less than 700,065,892 Offer Shares and not more than 700,578,868 Offer Shares
Commission	:	an underwriting commission of 2.5% of the aggregate Subscription Price in respect of the maximum number of Underwritten Shares

The commission rate was determined between the Company and the Underwriter by reference to the market rate. The Board considers the terms of the Underwriting Agreement including the commission rate are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are third parties independent of the Company and its connected persons. Pursuant to the terms and conditions of the Underwriting Agreement, the Open Offer is fully underwritten by the Underwriter.

The Ivana Irrevocable Undertaking

As at the Latest Practicable Date, 32,812,500 Shares, representing approximately 8.57% of the issued share capital of the Company, were owned by Ivana, a company incorporated in the British Virgin Islands owned as to 100% by CW Limited, which in turn is wholly-owned by Asiitrust Limited, a trust company in its capacity as the trustee of a discretionary trust, the founder (as defined in the SFO) of which is Mr. Cheung and the discretionary objects of which are family members of Mr. Cheung (including Mr. Cheung himself). Ivana is also the holder of the 2017 Convertible Bonds in the principal amount of HK\$110,000,000 which are convertible into 287,619,048 Shares.

On 8 May 2015, Ivana has granted the Ivana Irrevocable Undertaking in favour of the Company and the Underwriter under which it agreed, among other things:

- (i) to subscribe, or procure its associates to subscribe, for 65,625,000 Offer Shares which comprise the full acceptance of its assured entitlements;
- (ii) that the Shares or the shares (as the case may be) comprising its current shareholding in the Company will remain beneficially owned by it up to and including the Latest time for Termination;
- (iii) that it will not exercise the conversion right attaching to the 2017 Convertible Bonds in the principal amount of HK\$110,000,000 which are convertible into 287,619,048 Shares beneficially owned by it on or before the Record Date; and
- (iv) to procure that its acceptance of its assured entitlements of the 65,625,000 Offer Shares under the Open Offer to be lodged with the Registrar, with payment in full therefor in cash, by no later than 4:00 p.m. at the Latest Time For Acceptance or otherwise in accordance with the instructions printed on the Application Forms.

Other Irrevocable Undertakings

As at the Latest Practicable Date, Mr. Cheung, who personally held 185,938 Shares, representing approximately 0.05% of the existing issued share capital of the Company, has irrevocably undertaken to the Company and the Underwriter that he, among other things, will accept all his assured entitlements of the Offer Shares pursuant to the Open Offer.

Also, the CB Holders have irrevocably undertaken to the Company and the Underwriter that they, among other things, will not (i) exercise the conversion rights attaching to the Convertible Bonds; and (ii) sell or transfer any of the Convertible Bonds on or prior to the Record Date.

LETTER FROM THE BOARD

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination (provided that if the date of the Latest Time for Termination shall be a business day on which a Storm Warning is or remains hoisted between 9.00 a.m. and 4.00 p.m. on that day, the date of the Latest Time for Termination shall be the next business day on which no Storm Warning is or remains hoisted between 9:00 a.m. and 4:00 p.m. on that day):

- (i) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
 - (a) the introduction of any new law or any material change in existing laws and regulations which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
 - (b) the occurrence of any local, national or international event or change of a political, military, financial, economic or other nature which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
 - (c) the imposition of any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (ii) any material adverse change in market conditions occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (iii) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (v) any material adverse change in the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or

LETTER FROM THE BOARD

- (vi) the Prospectus Documents when published contain information which have not been previously disclosed and may in the absolute opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Open Offer or might cause a prudent investor not to apply for its assured entitlements of Offer Shares under the Open Offer; or
- (vii) any suspension in the trading of the Company's securities on the Stock Exchange for a period of more than 10 consecutive business days, excluding any suspension in connection with the clearance of the circular or the Prospectus Documents or other announcements or circulars in connection with the Open Offer,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (i) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (ii) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter to the Company prior to the Latest Time for Termination. Upon termination or rescission of the Underwriting Agreement, the Open Offer will not proceed.

Conditions of the Open Offer

The Open Offer is conditional upon:

- (a) the passing of the necessary resolution(s) by the Independent Shareholders at the EGM to approve, among others, the Open Offer and the transactions contemplated thereunder;
- (b) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the GEM Listing Rules and the Companies Ordinance not later than the Prospectus Posting Date;

LETTER FROM THE BOARD

- (c) the posting of the Prospectus Documents to the Qualifying Shareholders by the Prospectus Posting Date and the posting of the Prospectus and a letter in the agreed form to the Prohibited Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus Posting Date;
- (d) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares by no later than the first day of their dealings;
- (e) the Underwriting Agreement not being terminated or rescinded by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination;
- (f) compliance with and performance of all undertakings and obligations of the Company pursuant to the terms and conditions of the Underwriting Agreement; and
- (g) compliance with and performance of all undertakings and obligations of Ivana, Mr. Cheung, and the CB Holders under the respective irrevocable undertaking.

LETTER FROM THE BOARD

As at the Latest Practicable Date, none of the conditions above had been fulfilled.

The Company shall use all reasonable endeavours to procure the fulfilment of all the conditions precedent by the Latest Time for Termination or such other date as the Company and the Underwriter may agree and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary in connection with the listing of the Offer Shares or to give effect to the Open Offer and the arrangements contemplated in the Underwriting Agreement.

Neither the Company nor the Underwriter may waive conditions (a) to (e) and (g) above. The Underwriter may waive the condition (f) above in whole or in part by written notice to the Company. If the conditions precedent above are not satisfied or waived (as the case may be) by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof.

Accordingly, the Open Offer may or may not proceed. Shareholders, Options Holders, CB Holders and potential investors should exercise caution when dealing in securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Wednesday, 8 July 2015 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be at 4:00 p.m. on Monday, 3 August 2015), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

LETTER FROM THE BOARD

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE OPEN OFFER

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date and (ii) immediately after completion of the Open Offer under various scenarios:

Scenario 1:

Assuming none of the outstanding Share Options are exercised (as the case may be) on or before the Record Date:

	As at the Latest Practicable Date		Immediately after completion of the Open Offer and assuming 100% acceptance by Qualifying Shareholders <i>(for illustrative purpose only)</i>		Immediately after completion of the Open Offer and assuming no acceptance by Qualifying Shareholders other than Mr. Cheung, Ivana and their respective associates <i>(for illustrative purpose only)</i>	
	Number of Shares	(approx.) %	Number of Shares	(approx.) %	Number of Shares	(approx.) %
Shareholders						
Mr. Cheung <i>(Note 1)</i>	185,938	0.05	557,814	0.05	557,814	0.05
Mr. Lau Chi Yan, Pierre <i>(Note 2)</i>	1,328,125	0.35	3,984,375	0.35	1,328,125	0.12
Ivana Investments Limited (" Ivana ") <i>(Note 1)</i>	32,812,500	8.57	98,437,500	8.57	98,437,500	8.57
Options Holders	-	-	-	-	-	-
Underwriter <i>(Note 3)</i>	-	-	-	-	700,065,892	60.92
Other public Shareholders	348,704,821	91.03	1,046,114,463	91.03	348,704,821	30.34
Total	383,031,384	100.00	1,149,094,152	100.00	1,149,094,152	100.00

LETTER FROM THE BOARD

Scenario 2:

Assuming all the outstanding Share Options are being exercised (as the case may be) on or before the Record Date:

	As at the Latest Practicable Date		Assuming all the outstanding Share Options are being exercised on or before the Record Date		Immediately after completion of the Open Offer and assuming 100% acceptance by Qualifying Shareholders (for illustrative purpose only)		Immediately following completion of the Open Offer and assuming no acceptance by Qualifying Shareholders other than Mr. Cheung, Ivana and their respective associates (for illustrative purpose only)	
	Number of Shares	(approx.) %	Number of Shares	(approx.) %	Number of Shares	(approx.) %	Number of Shares	(approx.) %
Shareholders								
Mr. Cheung (Note 1)	185,938	0.05	185,938	0.05	557,814	0.05	557,814	0.05
Mr. Lau Chi Yan, Pierre (Note 2)	1,328,125	0.35	1,328,125	0.35	3,984,375	0.35	1,328,125	0.12
Ivana (Note 3)	32,812,500	8.57	32,812,500	8.56	98,437,500	8.56	98,437,500	8.56
Options Holders	-	-	256,488	0.07	769,464	0.07	256,488	0.02
Underwriter (Note 4)	-	-	-	-	-	-	700,578,868	60.93
Other public Shareholders	348,704,821	91.03	348,704,821	90.97	1,046,114,463	90.97	348,704,821	30.32
Total	383,031,384	100.00	383,287,872	100.00	1,149,863,616	100.00	1,149,863,616	100.00

Notes:

- As at the Latest Practicable Date, Mr. Cheung holds an aggregate of 32,998,438 Shares, which 32,812,500 Shares are held by Ivana and the remaining 185,938 Shares are held by Mr. Cheung personally.
- Mr. Lau Chi Yan, Pierre is the Managing Director of the Company.
- As at the Latest Practicable Date, 32,812,500 Shares were owned by Ivana, a company incorporated in the British Virgin Islands owned as to 100% by CW Limited, which in turn is wholly-owned by Asiastrust Limited, a trust company in its capacity as the trustee of a discretionary trust, the founder (as defined in the SFO) of which is Mr. Cheung and the discretionary objects of which are family members of Mr. Cheung (including Mr. Cheung himself). Accordingly, Mr. Cheung is deemed to be interested in the relevant Shares for the purpose of the SFO.
- The Underwriter (i) shall not subscribe, for its own account, for such number of Offer Shares not taken up which will result in the shareholding of it and parties acting in concert with it in the Company to exceed 19.9% of the voting rights of the Company upon the completion of the Open Offer; and (ii) shall procure that each subscriber or purchaser procured by it, together with parties acting in concert with each of them, will not own 10% or more of the issued share capital of the Company immediately upon the completion of the Open Offer. The Underwriter shall use its reasonable endeavours to ensure that each of the subscriber or purchaser of the Offer Shares not taken up shall be third party independent of, not acting in concert with and not connected with the Company, any of connected person of the Company or their respective associates. As at the Latest Practicable Date, the Underwriter has procured 19 sub-underwriters who are Independent Third Parties for underwriting an aggregate of 643,320,000 Underwritten Shares and none of them will hold more than 10.0% of the issued share capital of the Company upon completion of the Open Offer.

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company had not conducted any equity fund raising activities in the past twelve months immediately preceding the date of the Announcement.

EQUITY FUND RAISING EXERCISE OF THE COMPANY IN THE NEXT 12 MONTHS

As at the Latest Practicable Date, to the best of the Director's knowledge, information and belief, the Board is of the view that the current working capital of the Group is sufficient and therefore, the Board has no current plan to conduct fund raising exercise in the next 12 months. However, given the fact that there is an outstanding capital injection requirement of approximately HK\$34.5 million in relation to Heng He, the Group might reduce the existing debt level and the Group is seeking for potential investment opportunities on a continual basis, therefore the Company does not rule out the possibility that they will conduct fund raising activity(ies) during the next 12 months from the Latest Practicable Date. Announcement(s) will be made by the Company in accordance with the Listing Rules as and when necessary.

REASONS FOR AND BENEFITS OF THE OPEN OFFER AND USE OF PROCEEDS

The Group is principally engaged in forestry business, plantation business, trading business including the trading of various brands of milk powder products to customers based in Hong Kong, information technology business and it has also diverged into the money lending business and the financial leasing business.

The net proceeds of the Open Offer (after deduction of commission and expenses) are expected to amount to approximately HK\$66.22 million (assuming no outstanding Share Options and no rights attaching to the Convertible Bonds are subscribed or exercised on or before the Record Date) will be used (i) as to not less than 80% for the capital injection into Heng He as its general working capital to facilitate the expansion of the financial leasing business, by increasing the budget of funding amounts to the lessees and exploring other regions in the PRC (further details of the acquisition in relation to Heng He can be referred to the circular of the Company dated 17 March 2015); and (ii) the remaining net proceeds for strengthening the general working capital base of the Company to develop its existing information technology and trading businesses and/or to finance any future investment opportunities.

The Board has considered other means to raise funds such as debt financing, rights issue and placing of new shares. Debt financing will incur interest expenses and may not be achievable on favourable terms on a timely basis. A rights issue is similar to an open offer and it also allows the Shareholders to trade their nil-paid entitlements in the market

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in nil-paid form. However, the Company decided to undertake an open offer instead of rights issue base on the following reasons:

- (a) the Company considers that the procedures for an open offer is simpler and more efficient from the administrative perspective and less time consuming, around one to two weeks shorter as compared with rights issue, as rights issue will involve extra administrative work and time for the trading arrangements in relation to the nil-paid rights;
- (b) The associated costs to be incurred for conducting a rights issue will be higher than an open offer as the Company will incur (i) splitting costs for shareholders of the Company who only take up their rights issue entitlement partially; (ii) the fee payable for nil-paid rights trading arrangement; (iii) additional printing costs of share certificates for new shareholders of the Company who will purchase the nil-paid rights on the market; and (iv) additional professional fees for preparing and reviewing the provisional allotment letters and the excess application forms and liaising with the registrar of the Company. The Board estimated that the additional costs for them arranging nil-paid rights trading under an rights issue is approximately HK\$100,000. Together with the reason in (a) above, the costs burden of the Company could be more significant if it conduct a rights issue instead of an open offer and this may not be in line with the objective of the Company to raise fund in an expedient way for the development of the Group's business; and
- (c) the Company considers that an open offer also enables the Shareholders to maintain their proportionate interests in the Company should they so wish. Also, any of the Shareholders who is positive in Company's prospect and wishes to participate in the Company's future growth and development, can procure additional offer shares by applying through excess application provided under the Company's open offer. Hence, the Company considers that the lack of trading of nil-paid rights does not affect the achievement of these objectives.

RISK FACTORS

Risks which are relevant to the Group's financial performance

The revenue of the Group in 2014 was approximately HK\$69,877,000 which was relatively small in terms of revenue base. There are certain liquidity risks in light of the loss attributable to owners of the Company for 2014 of approximately HK\$172,225,000. Although the Group does not have indebtedness and contingent liabilities other than outstanding principal of Convertible Bonds of an aggregate of HK\$164,068,000, such Convertible Bonds represent certain liquidity risks when they become mature in the year 2017 and 2018.

The postponement of the forestry project in the Province of Papua of Indonesia had also led to the further impairment of approximately HK\$170,811,000 to the forest concessions. There may be a risk in a potential further impairment on the forest concessions which is the core asset of the Group.

LETTER FROM THE BOARD

Risks which are relevant to the Group's business

The Group's forestry business may be dampened by future imposed regulatory pressure that monitors de-forestation. Forestry itself is limited by natural disasters such as earthquake in the geographical locality of the forest concessions and prolonged adverse weather conditions. Demand for wood and timber products in Indonesia and in other major markets such as China is not as stable as expected because of the worldwide slow economy.

The Group's trading business has a lower profit margin and the growth is limited in terms of variety of products. As the Group trades largely on milk powder, customers and suppliers bases are concentrated that impose certain risks if there is a loss in customer or supplier.

Risks relating to the financial lease business

Any inability to effectively mitigate credit risk and maintain the asset quality may have a material adverse impact on business, financial condition and results of operations of the financial lease business. The risk management systems and internal control policies may not be effective in mitigating the Group's risk exposure. The Group relies on the key personnel of Heng He and its ability to attract and retain qualified personnel to run the financial lease business, however, the Directors cannot assure that any of the said directors of Heng He will not voluntarily terminate his or her employment with Heng He. Interest rate changes may adversely affect interest expense related to the Group's financial lease business in its borrowings, reduce net interest income and reduce demand for its leasing services. Changes in the economic, political and social conditions in the PRC may have a material adverse effect on the financial lease business, its operation results and financial condition of Group in relation to its financial lease business. The uncertainties of the PRC legal system and its laws and regulations may have a negative impact on the Group's financial lease business operations.

Geopolitical risk in respect of the country of Indonesia and the political risk specific to the Province of Papua

The current Government of the Republic of Indonesia has introduced laws and policies aimed at reducing corrupt practices and enhancing Indonesia as a destination for foreign investment. The long-term success of these actions remains unknown. The Province of Papua of Indonesia is vulnerable to political unrest due to the independence movement of the indigenous people. The forestry and plantation businesses of the Group are entirely located in the Province of Papua of Indonesia and its financial and business conditions and prospects may be materially and adversely affected if political instability were to occur.

Currency risk

Indonesia Rupiah is relatively stable but weak and as it was one of the least valued currency units in the world, it is still regarded as a risky currency to hold. Indonesia's Central Bank has announced that the rupiah would be redenominated by removing three

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zeros starting 2014. If this happens, it may have an adverse effect on the currency and the Group is exposed to certain currency risk.

ADJUSTMENTS IN RELATION TO THE SHARE OPTIONS, THE 2017 CONVERTIBLE BONDS AND THE 2018 CONVERTIBLE BONDS

Pursuant to the terms of the Share Option Scheme, the 2017 Convertible Bonds and the 2018 Convertible Bonds, the exercise prices and conversion price of the respective Share Options, the 2017 Convertible Bonds and the 2018 Convertible Bonds will be adjusted in accordance with the Share Option Scheme and the deed poll of the 2017 Convertible Bonds and the 2018 Convertible Bonds upon the Open Offer becoming unconditional. Such adjustments will be verified by the auditors of the Company and the Company will notify the holders of the Share Options, the 2017 Convertible Bonds and the 2018 Convertible Bonds the respective adjustments upon the Open Offer becoming unconditional. The Company will notify the holders of the Share Options, the 2017 Convertible Bonds and the 2018 Convertible Bonds the required adjustment(s) as soon as practicable and details of adjustments will be provided in the Prospectus in respect of the Open Offer to be despatched to the Shareholders.

ARRANGEMENT ON ODD LOT TRADING

In order to facilitate the trading of odd lots (if any) of the Shares arising from the Open Offer, the Company has appointed Cheong Lee Securities Limited to match the purchase and sale of odd lots of the Shares on a best effort basis. Holders of the Shares in odd lots who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full board lot may directly or through their brokers contact Mr. Gavin Chan of Cheong Lee Securities Limited at (852) 3426 6327 during the 30-day period immediately following the despatch date of the Share certificates of the Offer Shares (which is expected to be from 11 August 2015 to 11 September 2015). Holders of odd lots of Shares should note that successful matching of the sale and purchase of odd lots of Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

GEM LISTING RULES IMPLICATIONS

As the Open Offer will increase the issued share capital of the Company by more than 50% within the 12-month period immediately preceding the date of the Announcement, the Open Offer is subject to approval by the Independent Shareholders at the EGM by poll in accordance with the requirements of Rules 10.39, 10.39A and 10.39B of the GEM Listing Rules.

LETTER FROM THE BOARD

As at the Latest Practicable Date, since there is no controlling Shareholder, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting at the EGM in respect of the resolution to approve the Open Offer pursuant to Rule 10.39(1) of the GEM Listing Rules. As at the Latest Practicable Date, (i) Mr. Cheung, the chairman and chief executive officer of the Company, is interested in 32,998,438 Shares personally and through Ivana representing an aggregate of approximately 8.62% of the total issued share capital; and (ii) Mr. Lau Chi Yan, Pierre, an executive Director, is interested in 1,328,125 Shares, representing approximately 0.35% of the total issued share capital. Save as aforesaid, there is no other Directors or chief executive of the Company holding any Share in the Company. Accordingly, Mr. Cheung, Mr. Lau Chi Yan, Pierre and their associates shall abstain from voting at the EGM in favour of the Open Offer.

GENERAL

The Independent Board Committee has been formed to advise the Independent Shareholders on the Open Offer and the Underwriting Agreement. Alliance Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Open Offer and the Underwriting Agreement and to make a recommendation (i) as to whether the Open Offer and the Underwriting Agreement are fair and reasonable; and (ii) as to voting on the resolution(s) to approve the Open Offer and the Underwriting Agreement at the EGM.

Subject to, among other things, the Open Offer and the Underwriting Agreement being approved by the Independent Shareholders at the EGM, the Company will, on or around Friday, 17 July 2015, send (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) the Prospectus (without the Application Form and the EAF) to the Prohibited Shareholders for information purpose only.

EGM

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve the Open Offer and the Underwriting Agreement by way of poll. A notice convening the EGM is set out from pages EGM-1 to EGM-3 of this circular. Whether or not you are able to attend the EGM in person, you are advised to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 22/F, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time fixed for the holding the EGM or any adjournment thereof. Completion and return of form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof, if you so wish.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors (including independent non-executive Directors after taking into account of the advice of the Independent Financial Adviser) are of the view that the terms of the Open offer and the Underwriting Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including independent non-executive Directors after taking into account the advice of the Independent Financial Adviser) recommend the Independent Shareholders to vote in favour of all resolutions to be proposed at the EGM.

You are advised to read carefully the letter from the Independent Board Committee set out on pages 28 to 29 of this circular and the letter from the Independent Financial Adviser set out on pages 30 to 40 of this circular.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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



MERDEKA

MERDEKA MOBILE GROUP LIMITED

(萬德移動集團有限公司*)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

15 June 2015

To the Independent Shareholders

Dear Sir/Madam,

**PROPOSED OPEN OFFER ON
THE BASIS OF TWO (2) OFFER SHARES FOR
EVERY ONE (1) SHARE HELD ON THE RECORD DATE**

We refer to the circular of the Company dated 15 June 2015 (the “Circular”) of which this letter forms part. Unless the context otherwise requires, terms used herein shall have the same meanings as defined in the Circular.

We have been appointed as Independent Board Committee to advise the Independent Shareholders as to whether the terms of the Open Offer and the Underwriting Agreement are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole, and to recommend the Independent Shareholders whether or not they should vote for or against the resolutions to be proposed at the EGM to approve the Open Offer and the Underwriting Agreement.

Alliance Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the principal reasons and factors considered by, and the advice of, the Independent Financial Adviser as set out in its letter of advice to you and us on pages 30 to 40 of the Circular, we are of the opinion that the Open Offer, the Underwriting Agreement and the transactions contemplated thereunder are on normal commercial terms, are in the interests of the Company and the Shareholders as a whole and the terms of which are fair and reasonable insofar as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Open Offer, the Underwriting Agreement and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of the Independent Board Committee

Ms. Yeung Mo Sheung, Ann

*Independent non-executive
Director*

Mr. Ng Kay Kwok

*Independent non-executive
Director*

Mr. Yip Kat Kong, Kenneth

*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter received from Alliance Capital setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the proposed Open Offer for inclusion in this circular.



Alliance Capital Partners Limited
同人融資有限公司

Alliance Capital Partners Limited
Unit 318, 3/F, Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

15 June 2015

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

PROPOSED OPEN OFFER ON THE BASIS OF TWO OFFER SHARES FOR EVERY ONE SHARE HELD

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Open Offer, details of which are set out in the Letter from the Board contained in the circular dated 15 June 2015 issued by the Company to Shareholders (the “Circular”), of which this letter forms part. Capitalized terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 8 May 2015, the Company announced the proposed Open Offer to raise approximately HK\$68.9 million, before expenses, on the basis of two Offer Shares for every Share held on the Record Date at the Subscription Price of HK\$0.09 per Share. Pursuant to the Underwriting Agreement entered into by the Company and the Underwriter in connection with the Open Offer, Mr. Cheung and Ivana (a trust company associated with Mr. Cheung) holding an aggregate of 32,998,438 Shares, representing a total of approximately 8.62% issued share capital of the Company, have provided irrevocable undertakings to the Company and the Underwriter to subscribe for their assured entitlements under the Open Offer in full.

As the Open Offer will increase the issued share capital of the Company by more than 50% within the 12-month period immediately preceding the date of the above announcement, the Open Offer is subject to approval by the Independent Shareholders in accordance with the requirements of the GEM Listing Rules. An Independent Board Committee, comprising the Company’s all independent non-executive Directors, has been established to advise the Independent Shareholders on the Open Offer.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Our role as the Independent Financial Adviser is to give our opinion to the Independent Board Committee and the Independent Shareholders as to whether the terms of the Open Offer are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on statements, information and representations referred to in the Circular as well as information and representations provided to us by the Directors. We have assumed that all such information and representations provided by the Directors, for which they are solely responsible, are true and accurate at the time when they were made. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to doubt the truth and accuracy of the information and representations provided to us and have been advised by the Directors that no material facts have been withheld or omitted from the information provided and/or referred to in the Circular. We consider that we have reviewed sufficient information to reach an informed view and to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have not, however, for the purpose of this exercise conducted any independent verification of the information included in the Circular and/or those provided to us by the management of the Company nor have we conducted any form of investigation into the businesses, affairs of the Company, its subsidiaries.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In assessing the Open Offer, we have considered the following principal factors and reasons:

Group's business and historical financial performance

The Group is principally engaged in forestry and plantation businesses, trading including the trading of various brands of milk powder products to customers based in Hong Kong, information technology and has also diversified into money lending business and the financial leasing business.

In October 2014, the Group entered into an acquisition agreement to acquire 64.71% of the enlarged (but not fully paid up) registered capital of 恒河融資租賃(上海)有限公司 (Heng He Financial Lease (Shanghai) Company Limited or "Heng He") for a total consideration of HK\$72 million. In connection with this acquisition, the Group has committed to inject RMB70 million (approximately HK\$87.5 million) cash into Heng He which upon such injection Heng He will become a 64.71% owned subsidiary of the Company. Heng He is principally engaged in the financial leasing business that specialises in providing direct financial leasing services and sale-and-leaseback services to customers mainly engaged in the manufacturing sectors as well as government authorities in the PRC. Heng He obtained its business license with an operating term of 30 years from 14 December 2012 to 13 December 2042 and started its financial leasing business in June 2013. Details of this acquisition together with Heng He's business, management team, track record as well as overview of the financial leasing industry in the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRC and associated risk factors were contained in the Company's circular to Shareholders on 17 March 2015. The above acquisition, which was a very substantial acquisition under the GEM Listing Rules, was approved by the Shareholders in an extraordinary general meeting on 1 April 2015. Completion of this acquisition took place on 21 April 2015.

For the year ended 31 December 2014, Heng He's audited turnover and after-tax profit were approximately RMB9.74 million (approximately HK\$12.17 million) and RMB3.78 million (approximately HK\$4.72 million) respectively.

For the year ended 31 December 2014, the Group's revenue and audited losses were HK\$69.9 million (2013: HK\$40.8 million) and HK\$180.7 million (2013: loss of HK\$115.2 million) respectively. Of the losses of HK\$180.7 million in 2014, HK\$170.8 million (2013: HK\$70 million) was provision for impairment of forestry concessions in Indonesia. Due to accumulated losses, the Group's audited net assets as at 31 December 2014 were approximately HK\$12.93 million. For the three months to 31 March 2015, the Group reported unaudited sales of HK\$9.5 million and an operating loss of approximately HK\$9.2 million.

Reasons for the Open Offer and use of proceeds

Net proceeds of the Open Offer (after deduction of commission and expenses) are expected to amount to approximately HK\$66.22 million (assuming no outstanding Share Options and no rights attaching to the Convertible Bonds are subscribed or exercised on or before the Record Date) will be used (i) as to not less than 80% (or approximately HK\$53 million) for the capital injection into Heng He as its general working capital to facilitate the expansion of the financial leasing business and (ii) the balance of approximately HK\$13.22 million for the Group's general working capital.

As Heng He has been generating profits, the Directors believe that the acquisition will enhance performance of the Group and generate returns to Shareholders. Given (i) Shareholders had approved the acquisition of an effective 64.71% interest in Heng He on 1 April 2015 and that 80% of the funds raised from the Open Offer will be used to fulfil the Company's obligation for capital injection into Heng He as per earlier agreement and (ii) Heng He has been operating profitably, we are of the view that the use of proceeds from the Open Offer are fair and reasonable.

Principle terms of the Open Offer

(i) Subscription Price

The Subscription Price of HK\$0.09 represents:

- (i) a discount of approximately 76.62% to the closing price of HK\$0.385 per Share on the Last Trading Day;
- (ii) a discount of approximately 52.13% to the theoretical ex-entitlement price of approximately HK\$0.188 per Share, based on the closing price of HK\$0.385 per Share on the Last Trading Day;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (iii) a discount of approximately 76.80% to the average closing price of approximately HK\$0.388 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 164.71% over the audited net assets attributable to the owners of the Company per Share (based on 383,031,384 Shares in issue as at the Last Trading Day) of approximately HK\$0.034 as at 31 December 2014; and
- (v) a discount of approximately 69.50% to the closing price of HK\$0.295 per Share on the Latest Practicable Date.

The Directors confirmed the Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to the market price of the Shares under the prevailing market conditions. In addition, based on the following considerations, we concur with the Directors that the Subscription Price, particularly with respect to the 52.13% discount to theoretical ex-entitlement price, is fair and reasonable and in the interests of the Company and the Shareholders as a whole:

- (a) the Company's need to raise capital for capital injection into Heng He as mentioned in the section headed "Reasons for the Open Offer and use of proceeds" above;
- (b) the Group's past financial losses and in particular the Group's audited net assets of HK\$12.93 million or HK\$0.034 per Share as at 31 December 2014;
- (c) historic thin trading volume of the Shares on the Stock Exchange;
- (d) in terms of discount to theoretical ex-entitlement price, the Subscription Price, which represents a 52.13% discount to the theoretical ex-entitlement price, carries a higher discount to the mean theoretical ex-rights price discount of comparable companies in our survey as set out in the section headed "Recent listed companies with rights issues or open offers" below, making the Open Offer more attractive to Qualifying Shareholders;
- (e) the Subscription Price discounts would encourage the Qualifying Shareholders to participate in the Open Offer, which would enable them to maintain their shareholdings in the Company and to participate in the Group's potential business growth; and
- (f) positive impact to the Group's net assets upon completion of the Open Offer (see "Financial effects of the Open Offer" below).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) *Historic share price and liquidity*

We have reviewed the movements in the trading price of the Shares during the period from 10 Dec 2014 (being approximately six months prior to the date of the Underwriting Agreement) to the Last Trading Date (the "Review Period"). The closing prices of the Shares during the Review Period are set out below:



During the Review Period, the lowest and highest closing prices of the Shares were HK\$0.18 on 6 Jan 2015 and HK\$0.42 on 6 May 2015 (the day when the Company announced that it was in discussion with a securities firm relating to possible funding exercise) respectively.

The Subscription Price represents a discount of approximately 50% to the lowest closing price and a discount of approximately 78% to the highest closing price during the Review Period.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Average daily trading volume of the Shares and the respective percentages of the Shares' monthly trading volume as compared to the total number of Shares currently in issue are set out as follow:

Month/Period	No. of trading days	Average daily trading volume (Shares)	Average daily trading volume as a percentage of total Shares in issue
2014			
10 December to 31 December	14	1,315,085	0.34%
2015			
January	21	1,792,907	0.47%
February	18	663,294	0.17%
March	22	791,653	0.21%
April	19	7,019,012	1.83%
4 May – 8 May	5	8,466,306	2.21%
Total issued Shares on the Latest Practicable Date		383,031,384	

Source: Stock Exchange

We note the average daily trading volume of the Shares during the period from 10 Dec 2014 to 8 May 2015 was between 663,294 Shares and 8,466,306 Shares on a month-on-month basis, or an average daily trading volume of approximately 2.64 million Shares during the Review Period (calculated based on total number of Shares traded and on total number of trading days during the Review Period). Average daily trading volume for Apr and May 2015 increased to 7.02 million Shares and 8.47 million Shares respectively. We believe the higher average daily trading volume in May 2015, in particular, was probably due to the announcement of the Open Offer. Nevertheless, the average daily trading volume of 2.64 million Shares during the Review Period represents only approximately 0.69 % to the Company's total issued Shares. Consequently, we are of the view that the liquidity of the Shares was limited.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Due to historic illiquidity of the Shares, we agree with the Directors that the Subscription Price, which was set at a substantive discount to prevailing market price at the time of the Company entering into the Underwriting Agreement and in line with market practice, was set at a level to increase the attractiveness of the Open Offer to Qualifying Shareholders.

(iii) Recent listed companies with rights issues or open offers

In order to assess the reasonableness of the Subscription Price, we have reviewed all rights issues and open offers announced by companies listed on the Stock Exchange during the six months period from 9 December 2014 to 8 May 2015 (Last Trading Day). Based on information from the Stock Exchange's website, we have identified a total of 37 listed companies that had announced rights issues or open offers during the above mentioned period. From this list, we have selected a total of 18 listed companies with market capitalization of below HK\$500 million ("Comparables") which in our opinion are more comparable to the market capitalization of the Company of HK\$117.5 million at the time of the announcement of the Open Offer. We also believe the selection of six months period a reasonable time frame in identifying Comparables for our purpose, as stock market condition generally have a bearing on sentiments and pricing of rights issues (and open offers) at the time. Details of our findings are summarised in the table below:

Company name	Date of announcement	Market Capitalisation as of respective last trading day HK\$	Basis of entitlement	Theoretical ex-entitlement price HK\$	Discount of rights issue/open offer price to closing price on the respective last trading day (%)	Discount of rights issue/open offer price to theoretical ex-entitlement price (%)	Underwriting commission (%)
Evershine Group Holdings Limited (8022)	12/12/2014	176,443,125	1 for 2	0.31	4.76	3.23	2.50
Unity Investments Holdings Limited (913)	15/12/2014	424,937,090	4 for 1	0.27	78.10	41.60	2.50
Mission Capital Holdings Limited (1141)	18/12/2014	483,453,607	1 for 2	0.11	11.50	8.00	2.50
Far East Holdings International Limited (36)	18/12/2014	391,727,535	1 for 2	0.59	58.90	48.90	2.50
China Agri-Products Exchange Limited (149)	8/1/2015	368,972,006	8 for 1	0.46	82.48	34.35	2.50
Prosperity investment Holdings Limited (310)	16/1/2015	169,586,138	1 for 2	0.22	28.60	21.00	3.00
Easyknit Enterprises Holdings Limited (616)	2/2/2015	114,446,181	20 for 1	0.83	85.56	21.68	1.00
Global Energy Resources International Group Limited (8192)	5/2/2015	394,080,764	1 for 2	0.14	35.10	26.50	2.50
Solartech International Holdings Limited (1166)	6/2/2015	124,730,357	5 for 1	0.28	69.70	27.80	2.50

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name	Date of announcement	Market Capitalisation as of respective last trading day HK\$	Basis of entitlement	Theoretical ex-entitlement price HK\$	Discount of rights issue/open offer price to closing price on the respective last trading day (%)	Discount of rights issue/open offer price to theoretical price (%)	Underwriting commission (%)
Get Holdings Limited (8100)	24/2/2015	170,008,864	3 for 1	0.48	59.80	27.10	3.50
Heng Fai Enterprises Limited (185)	27/2/2015	413,089,260	1 for 10	0.11	11.50	10.60	2.50
Capital VC Limited (2324)	13/3/2015	208,342,132	7 for 1	0.35	76.60	28.60	1.00
Celebrate International Holdings Limited (8212)	18/3/2015	105,936,346	30 for 1	0.15	92.90	29.70	3.00
Chinese Energy Holdings Limited (8009)	24/3/2015	272,162,709	1 for 1	0.20	40.48	25.37	2.50
EPI (Holdings) Limited (689)	31/3/2015	441,564,541	1 for 2	0.77	45.10	35.30	1.00
Powerwell Pacific Holdings Limited (8265)	31/3/2015	411,840,000	1 for 2	0.85	24.73	17.94	2.00
Seamless Green China (Holdings) Limited (8150)	8/4/2015	173,379,321	1 for 2	0.23	17.14	12.12	1.50
Hanny Holdings Limited (275)	9/4/2015	497,644,959	6 for 1	0.23	74.19	29.11	3.00
Minimum discount					4.76	3.23	
Maximum discount					92.90	48.90	
Average discount					49.84	24.94	
Maximum							3.50
Minimum							1.00
Average							2.31
Company			2 for 1	0.188	76.62	52.13	2.50

The table above shows the Comparables pitched their respective rights issue or open offers at a mean discount of approximately 24.9% to their theoretical ex-entitlement prices at the time of announcement of their fund raising exercises during the above mentioned 6 months period. Median discount to theoretical ex-entitlement price for the same Comparables was approximately 26.8%. The Subscription Price, which represents a discount of approximately 52.13% to the theoretical ex-entitlement price of approximately HK\$0.188 per Share (calculated based on the closing price of HK\$0.385 per Share on the Last Trading Day), was higher than the mean discount of 24.9% or median discount of 26.8% for the above Comparables. We also note the Subscription Price represents a discount of approximately 76.6% to the closing price of HK\$0.385 per Share on the Last Trading Day prior to announcement of the Open Offer. From the table above, we note the average discount of rights issue/open offer prices to closing prices of last trading day prior to announcements of fund raisings by the Comparables was approximately 49.8%. However, if we focus on those Comparables that had announced rights issues or open offers with entitlements of 2 or more rights issue (or open offer) shares for each share held, we note the average discount of such rights issues or open offers to their respective closing prices for the eight companies in the table was 77.4%, which is comparable to the 76.6% discount as represented by the Subscription Price.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In summary, we are of the opinion that the Subscription Price is fair and reasonable to all Shareholders due to the reasons below:

- (i) The Group has a track record of operating losses over the years;
- (ii) the Subscription Price represents a premium of approximately 164.71% over the Company's audited net assets of HK\$0.034 per Share as at 31 December 2014;
- (iii) historic limited liquidity of the Shares;
- (iv) the Subscription Price, in terms of discount to closing price on the Last Trading Day prior to announcement of fund raising, is similar to the companies in the Comparables table that had rights issues or open offers with entitlements of 2 or more rights issue (or open offer) shares for each share held during the 6 months period under review; and
- (v) the fact that significant discount represented by the Subscription Price encourages the Qualifying Shareholders to participate in the Open Offer which would enable them to maintain their shareholdings in the Company.

We note the underwriting commission of 2.5% charged by Pacific Foundation Securities Limited, an independent third party so far as the Company is concerned, is market rate for open offers or rights issues undertaken by companies listed on the Stock Exchange.

Financial effects of the Open Offer

(i) Net assets

As at 31 December 2014, the audited consolidated net tangible liabilities of the Group as extracted from the Company's annual report for the year ended 31 December 2014 and after deducting forest concessions and goodwill of approximately HK\$29,000,000 and HK\$34,000,000 respectively was approximately HK\$59.5 million, or net liabilities of HK\$0.155 per Share (based on 383,031,384 Shares in issue).

Upon completion of the Open Offer, the Group's pro forma adjusted consolidated net tangible assets per Share would be approximately HK\$0.006 (calculated based on net proceeds of HK\$66.22 million and 1,149.09 million Shares in issue following the Open Offer). Details of the above unaudited pro forma financial information of the Group, which has been prepared in accordance with paragraph 7.31(1) of the GEM Listing Rules, are contained in Appendix II of the circular to Shareholders of which this letter forms part.

We note the Open Offer would have the effect of turning the Group's net tangible liabilities position into positive.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) *Working capital*

The Open Offer will have a positive effect on the Group's working capital upon completion as net proceeds from the Open Offer will bring in approximately HK\$66.22 million to the Group.

In view of the expected increase in net assets and working capital from the Open Offer, we are of the opinion that the Open Offer is in the interests of the Company and the Independent Shareholders as a whole.

Open Offer vs. rights issue

Apart from the Open Offer, we understand the Board had also considered fund raising via a rights issue which would allow Shareholders to sell their rights entitlements in the market in nil-paid form should they wish not to subscribe to the Company's fund raising exercise. However, the Company decided to opt for an open offer instead of a rights issue based on the following reasons:

- (a) the Company considers that the procedures for Open Offer is simpler and more efficient from an administrative perspective as rights issue would involve extra administrative work and time for setting up trading arrangements of the nil-paid rights;
- (b) costs for conducting a rights issue would be higher than Open Offer as the Company would incur (i) splitting costs for Shareholders who opt for taking up their rights issue entitlement partially only; (ii) fee payable for nil-paid rights trading arrangement; (iii) additional printing costs of share certificates for new Shareholders who purchase nil-paid rights on the market and (iv) additional professional fees for preparing and reviewing the provisional registrar of the Company which the Board estimates would cost an additional HK\$100,000 in aggregate.

Given that the cost for conducting a rights issue would be higher compared to an open offer which would not be in line with the objective of the Company to raise funds in an expedient and cost effective manner, we are of the opinion that conducting an open offer is fair and reasonable so far as Shareholders are concerned.

Financing alternatives

Apart from Open offer, we have considered the feasibility of other fund raising alternatives such as bank borrowings, share placing and debt financing. We are of the view that bank borrowing is not feasible given the Group's loss making track record and the fact that the Group does not have collateralizable assets. As at the Latest Practicable Date, the Company has 2017 Convertible Bonds in the principal amount of HK\$124,068,000 which are convertible into a maximum of 335,681,818 Shares and 2018 Convertible Bonds in the principal amount of HK\$40 million which are convertible into a maximum of 125,000,000 Shares. In addition, as at the Latest Practicable Date, the Group has total

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

outstanding promissory note of HK\$38.6 million. Based on the Group's audited net assets of HK\$12.93 million as at 31 December 2014, we believe further gearing of the Group would be impractical. Consequently, equity financing such as share placing and Open Offer would perhaps be the remaining financing alternative available to the Group at present. Given that share placing would be dilutive to shareholdings, the Open Offer is, in our opinion, a sensible choice under the circumstances, enabling Shareholders the opportunity to maintain their existing shareholdings.

RECOMMENDATION

Taking into account the factors and reasons as mentioned above, we consider the terms of the Open Offer are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Independent Shareholders as a whole. As such, we would advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolutions to approve the Open Offer at the upcoming EGM.

Yours faithfully,
For and on behalf of
Alliance Capital Partners Limited
David Tsang
SFC CE No. ACH258

Mr. David Tsang is a licensed person registered with the Securities and Futures Commission and a responsible officer of Alliance Capital Partners Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and has more than 20 years of experience in investment banking industry.

1. FINANCIAL INFORMATION

Financial information of the Group for (i) each of the three years ended 31 December 2012, 2013 and 2014 are disclosed in the annual reports of the Company for the years ended 31 December 2012 (pages 36 to 92), 2013 (pages 33 to 90) and 2014 (pages 45 to 121), respectively; and (ii) for the six months ended 30 June 2014 is disclosed in the interim report of the Company for the six months ended 30 June 2014 (pages 8 to 25). The auditors of the Company have not issued any qualified opinion on the Group's financial statements for the financial years ended 31 December 2012, 2013 and 2014.

The annual reports of the Company for the three years ended 31 December 2014 and the interim report of the Company for the six months ended 30 June 2014 are published on both the GEM website (www.hkgem.com) and the website of the Company (<http://www.merdeka.com.hk/>), respectively.

Quick links

Annual reports of the Company for the financial years ended 31 December 2012, 2013 and 2014 are available at the following internet links:

<http://www.hkexnews.hk/listedco/listconews/GEM/2013/0328/GLN20130328079.pdf>

<http://www.hkexnews.hk/listedco/listconews/GEM/2014/0324/GLN20140324051.pdf>

<http://www.hkexnews.hk/listedco/listconews/GEM/2015/0331/GLN20150331069.pdf>

Interim report of the Company for the six months ended 30 June 2014 is available at the following internet link:

<http://www.hkexnews.hk/listedco/listconews/GEM/2014/0814/GLN20140814197.pdf>

2. INDEBTEDNESS OF THE GROUP

As at the close of business on 30 April 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information relating to the indebtedness statement, the indebtedness of the Group was as follows:

(a) Obligation under finance lease

The Group had outstanding obligation under finance leases of approximately HK\$3,442,000, which was secured by the charges over the leased asset with a carrying amount of approximately HK\$5,152,000.

(b) Convertible bonds

The Group had an outstanding principal of 2017 Convertible Bonds of approximately HK\$124,068,000 and an outstanding principal of 2018 Convertible Bonds approximately HK\$40,000,000.

(c) Promissory note

The Group had an outstanding principal of promissory note of approximately HK\$28,600,000. The interest rate charged is 2% per annum and the settlement date is 4 April 2017. The Group also had an outstanding principal of promissory note of approximately HK\$32,000,000, which is non-interest bearing and the settlement date is 21 April 2018.

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of business, the Group did not have any loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding as at 30 April 2015. Save as aforementioned in this indebtedness statement, the Directors have confirmed that there have been no material changes in the indebtedness and contingent liabilities of the Group since 30 April 2015, up to and including the Latest Practicable Date.

3. WORKING CAPITAL STATEMENT

Taking into account the financial resources available to the Group, including internally generated funds and available banking facilities of the Group, the Directors after due and careful enquiry are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this circular, in the absence of unforeseeable circumstances.

4. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial position or trading position of the Group since 31 December 2014, being the date to which the latest published audited financial statements of the Group was made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in forestry business, plantation business, trading business including the trading of various brands of milk powder products as well as consumer products to customers based in Hong Kong, information technology business and it has also diverged into the money lending business and the financial leasing business.

The Board expects that the year of 2015, due to the suspension of forestry projects in Indonesia, there was no revenue generated from the Group's forestry and plantation business. However, the trading of milk powder products continues to provide a stable source of revenue to the Group and as the business is growing healthily, the Group is expanding its trading business into other consumer products. For the information technology business, revenue would be mainly driven by the additional contribution from the consolidation of different acquired entities into a single stream of income. Moreover, as a result of the Group commenced its money lending activities in the second quarter of 2014, there would be an overall increase in revenue as well as the operating profit of the Group as compared to year of 2014.

Following the completion of the acquisition of Blossom Height Ventures Limited, as Heng He has been generating profits in the year of 2014, it is expected that this acquisition will contribute profit to the Group after completion. The Directors believe that this acquisition will allow the Group, without setting up a new financing company, to further develop its financing related business in the PRC through a direct working capital injection, and subsequently to enjoy the benefits of the capital leverage in the Heng He. Looking forward, in view of the growth potential of the financial leasing industry in the PRC, the Directors consider that this acquisition will enhance the performance of the Group and the return to the Shareholders as a whole.

For the first three months ended 31 March 2015

As disclosed in the Group's 2015 first quarter report, the revenue of the Group for the three months ended 31 March 2015 was approximately HK\$9,508,000, representing a decrease of approximately 37.3% from approximately HK\$15,169,000 for the corresponding period in last year. Revenue from trading business decreased approximately 24.8% to approximately HK\$8,511,000 compared to the same period of last year. The decrease was mainly due to a sharp decrease in turnover from trading of dairy products of approximately HK\$5,707,000 on a year-over-year basis. On the other hand, the Group made turnover from trading of other products, such as pharmacy products, food and beverages and daily consumables of approximately HK\$1,321,000.

Also, the Group continued to earn revenue from trading of beauty products of approximately HK\$1,855,000 which surged about 610.7% compared to the same period in last year. Revenue of information technology business for the first quarter decreased approximately 76.7% to approximately HK\$894,000 on a year-over-year basis. The decrease was mainly due to lack of revenue contribution from one of the subsidiaries under information technology business segment.

For the financial year ended 31 December 2014

As disclosed in the Group's 2014 annual report, revenue of the Group for the year ended 31 December 2014 was generated from the trading of dairy products and beauty products, information technology business and money lending business which was introduced in the second quarter whereas for 2013 was generated from trading of agricultural-related products and dairy products, and the new IT business which was acquired in the second half of 2013. The revenue increased by approximately HK\$29,115,000 to approximately HK\$69,877,000 on a year-on-year basis. Revenue of trading business amounted approximately to HK\$53,200,000 which represented surge of revenue approximately HK\$15,162,000 on a year-on-year basis. The surge of revenue was driven by a good shift of sources of revenue from a comparably low volume of turnover's agricultural-related products to a comparably higher volume of turnover's beauty products which turnover grew stronger in the second half of the year, and dairy products which was introduced since the second quarter of last year. Revenue from IT business increased by approximately HK\$13,557,000 to approximately HK\$16,281,000 on a year-on-year basis. The surge of revenue mainly was driven by additional contribution from the newly acquired business of Ever Hero Group, and the contribution of revenue in the first half of 2014 by Quasicom Systems Limited since acquisition in the second half of 2013. The newly introduced money lending business also contributed revenue approximately HK\$396,000. Since the commencement of business in the second quarter of 2014.

6. FOREIGN EXCHANGE

The Group will from time to time maintain sufficient Indonesian Rupiah which is a freely convertible currency to meet its cost of forestry and plantation operations in Indonesia. The Group's associated company will also from time to time maintain sufficient RMB to meet its cost of financial leasing business operations in the PRC.

A. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA INFORMATION OF THE GROUP

The following is the text of a report, prepared for the sole purpose of inclusion in this circular from the independent reporting accountants of the Company, Elite Partners CPA Limited, Certified Public Accountants, Hong Kong.

The Board of Directors
Merdeka Mobile Group Limited
Room 1502, Chinachem Century Tower,
178 Gloucester Road, Wanchai,
Hong Kong



開元信德會計師事務所有限公司
ELITE PARTNERS CPA LIMITED
Certified Public Accountants

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Merdeka Mobile Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company ("Directors") for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma consolidated net tangible assets as at 31 December 2014, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages II-4 to II-5 of the circular issued by the Company. The applicable criteria on the basis of which the directors have complied the Unaudited Pro Forma Financial Information are described in Notes 1 to 5.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed open offer not less than 766,062,768 offer shares and not more than 766,575,744 of the Company (the "Offer Shares") at a subscription price of HK\$0.09 per Offer Share on the basis of two Offer Share for every one existing share (the "Open Offer") as if the transaction had taken place as at 31 December 2014. As part of this process, information about the Group's consolidated statement of financial position of the Group as at 31 December 2014, as extracted from the publish annual report of the Company for the year ended 31 December 2014 dated 31 March 2015.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in a prospectus is solely to illustrate the impact of the Open Offer on consolidated net tangible assets of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2014 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Your faithfully

Elite Partners CPA Limited
Certified Public Accountants
Hong Kong, 15 June 2015

Yip Kai Yin
Practising Certificate Number: P05131

B. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The unaudited pro forma financial information of the Group (the “Unaudited Pro Forma Financial Information”) has been prepared in accordance with paragraph 7.31(1) of the GEM Listing Rules set out below to illustrate the effect of the Open Offer on the unaudited consolidated net tangible assets of the Group as if it had taken place on 31 December 2014.

The Unaudited Pro Forma Financial Information of the Group is prepared for illustrative purposes only, based on the judgments and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group following the Open Offer as at the date to which it is made up or at any future date.

The Unaudited Pro Forma Financial Information of the Group is prepared based on the consolidated net tangible assets attributable to equity shareholders of the Company as at 31 December 2014 and adjusted to reflect the effect of the Open Offer:

	Audited consolidated net tangible assets attributable to owners of the Company as at 31 December 2014 <i>HK\$'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Open Offer <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at 31 December 2014 <i>HK\$'000</i>	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share before the completion of the Open offer <i>HK\$</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share immediately after the completion of the Open offer <i>HK\$</i> <i>(Note 4)</i>
Proposed offer share issued					
766,062,768 offer shares issued	(59,538)	66,222	6,684	(0.155)	0.006
766,575,744 offer shares issued	(59,538)	66,267	6,729	(0.155)	0.006

Notes:

1. The audited consolidated net tangible liabilities of the Group as at 31 December 2014 has been extracted from the published annual report of the Company for the year ended 31 December 2014 after deducting forest concessions and goodwill of approximately HK\$29,000,000 and HK\$34,000,000 respectively.
2. The estimated net proceeds from the Open Offer are based on not less than 766,062,768 Offer Shares and not more than 766,575,744 Offer Shares to be issued at the Subscription Price of HK\$0.09 per Offer Share and after deducting estimated expenses of approximately HK\$2.70 million
3. The number of shares used for the calculation of this amount is 383,031,384 representing shares in issue as at Latest Practicable Date as if the completion of the Open Offer has taken place as at 31 December 2014.
4. The number of shares used for the calculation of this amount is 1,149,094,152 and 1,149,607,128, representing 383,031,384 issued shares plus not less than 766,062,768 offer shares and not more than 766,575,744 offer shares upon completion of Open Offer.
5. No adjustment other than those adjusted above has been made to reflect any trading results or other transactions of the Group subsequent to 31 December 2014.

1. RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately following the completion of the Open Offer are as follows:

(i) As at the Latest Practicable Date

<i>Authorised:</i>		<i>HK\$</i>
200,000,000,000	ordinary shares of HK\$0.001 each	200,000,000.00
<i>Issued and fully-paid:</i>		<i>HK\$</i>
<u>383,031,384</u>	Shares as at Latest Practicable Date	<u>383,031.38</u>

(ii) Immediately following the completion of the Open Offer (assuming no further issue of new Shares or repurchase of Shares from the Latest Practicable Date to completion of the Open Offer)

<i>Authorised:</i>		<i>HK\$</i>
200,000,000,000	ordinary shares of HK\$0.001 each	200,000,000.00
<i>Issued and fully paid:</i>		<i>HK\$</i>
<u>383,031,384</u>	Shares as at Latest Practicable Date	<u>383,031.38</u>
766,062,768	Offer Shares to be allotted and issued under the Open Offer	766,062.76
<u>1,149,094,152</u>	Shares in issue immediately after completion of the Open Offer	<u>1,149,094.15</u>

- (iii) Immediately following the completion of the Open Offer (assuming all subscription rights attached to the outstanding Share Options have been exercised before the Record Date and no further issue of new Shares or repurchase of Shares from the Latest Practicable Date to completion of the Open Offer)

<i>Authorised:</i>		<i>HK\$</i>
200,000,000,000	ordinary shares of HK\$0.001 each	200,000,000.00
 <i>Issued and fully paid:</i>		
383,031,384	Shares as at Latest Practicable Date	383,031.38
256,488	Shares to be issued for Share Options being exercised	256.48
766,575,744	Offer Shares to be allotted and issued under the Open Offer	766,575.74
1,149,863,616	Shares in issue immediately after completion of the Open Offer	1,149,863.61
<hr/>		<hr/>

All the issued Shares rank pari passu with each other in all respects including the rights as to voting, dividends and return of capital. The Offer Shares to be allotted and issued will, when issued and fully paid, rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all dividends and distributions which are declared, made or paid after the date of allotment of the Offer Shares.

Since 31 December 2014, the date to which the latest audited consolidated accounts of the Company were made up, and up to the Latest Practicable Date, there had not been any new issue of Shares.

No part of the share capital of the Company is listed or dealt in, and no listing or permission to deal is being or is proposed to be sought, on any other stock exchange other than the Stock Exchange.

There are no arrangements under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, the Company has (i) 256,488 outstanding Share Options; (ii) 2017 Convertible Bonds in the principal amount of HK\$124,068,000 which are convertible into a maximum of 335,681,818 Shares; and (iii) 2018 Convertible Bonds in the principal amount of HK\$40,000,000 which are convertible into a maximum of 125,000,000 Shares. Save as disclosed above, the Company does not have any other outstanding warrants or securities in issue which are convertible or exchangeable into Shares.

3. DISCLOSURE OF INTERESTS

(a) Directors' interests

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the Shares

Name of Director	Nature of Interest	Number of Shares	Approximate percentage of the issued share capital of the Company
Cheung Wai Yin, Wilson	Corporate and Personal (Note 1)	32,998,438	8.62%
Lau Chi Yan, Pierre (Note 2)	Personal	1,328,125	0.35%

Notes:

- (1) As at the Latest Practicable Date, Mr. Cheung holds an aggregate of 32,998,438 Shares, which 32,812,500 Shares are held by Ivana and the remaining 185,938 Shares are held by Mr. Cheung personally.
- (2) Mr. Lau Chi Yan, Pierre is the Managing Director of the Company.

Long positions in the underlying Shares

Name of Director	Nature of Interest	Number of underlying Shares	Approximate percentage of the issued share capital of the Company
Cheung Wai Yin, Wilson	Corporate	297,619,048 (note)	77.70%
Wong Chi Man	Personal	8,948	0.002%
Yeung Mo Sheung, Ann	Personal	10,439	0.003%

Note: As at the Latest Practicable Date, the interest is held by Ivana, a company incorporated in the British Virgin Islands owned as to 100% by CW Limited, which in turn is wholly-owned by Asiitrust Limited, a trust company in its capacity as the trustee of a discretionary trust, the founder (as defined in the SFO) of which is Mr. Cheung and the discretionary objects of which are family members of Mr. Cheung (including Mr. Cheung himself).

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company have interest or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) were required, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders' interest

As at the Latest Practicable Date, So far as is known to any Directors or chief executives of the Company, the following persons (not being Directors or chief executives of the Company) had, or were deemed to have, interests or short positions in the shares, debentures or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were or were expected, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Company were as follows:

Name of Shareholders	Nature of interest/capacity	Number of Shares	Number of underlying Shares	Approximate percentage of total issued share capital of the Company (Note 3)
Ivana	Beneficial owner	32,812,500	297,619,048	86.27%
CW Limited (Note 1)	Controlled corporation	32,812,500	297,619,048	86.27%
Asiitrust Limited (Note 1)	Trustee	32,812,500	297,619,048	86.27%
Yihua Enterprise Limited	Beneficial owner	–	125,000,000	32.63%

Name of Shareholders	Nature of interest/capacity	Number of Shares	Number of underlying Shares	Approximate percentage of total issued share capital of the Company (Note 3)
Cheng Jun (Note 2)	Controlled corporation	–	125,000,000	32.63%
Gao Yun Feng (Note 2)	Controlled corporation	–	125,000,000	32.63%
Pacific Foundation Securities Limited	Beneficial owner	700,578,868		60.97%

Notes:

- (1) The interest is held by Ivana, a company incorporated in the British Virgin Islands owned as to 100% by CW Limited, which in turn is wholly-owned by Asiastrust Limited, a trust company in its capacity as the trustee of a discretionary trust, the founder (as defined in the SFO) of which is Mr. Cheung and the discretionary objects of which are family members of Mr. Cheung (including Mr. Cheung himself).
- (2) The interest is held by Yihua Enterprises Limited, a company incorporated in the British Virgin Islands owned as to 50% by Mr. Cheng Jun and 50% by Mr. Gao Yun Feng.
- (3) The percentage represented the percentage of the Company's share capital as stated in the relevant disclosure of interests forms.

Save as disclosed above, so far as is known to the Directors or chief executives of the Company, the Company had not been notified of any other interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or any persons (other than the Directors and chief executives of the Company) who, as at the Latest Practicable Date, was directly and indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or had any options in respect of such capital.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective associates had any interest in any business which competes or may compete, either directly or indirectly, with the business of the Group or has or may have any other conflicts of interest with the Group pursuant to the GEM Listing Rules.

5. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors were materially interested in any subsisting contract or arrangement which is significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2014, being the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by, or leased to any member of the Group, or were proposed to be acquired or disposed of, or leased to any member of the Group.

6. SERVICE CONTRACTS

As the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

7. EXPERTS AND CONSENTS

The following is the qualification of the experts who have given their opinions and advice which are contained or referred to in this circular

Name	Qualification
Alliance Capital	A corporation licensed to conduct regulated activities of type 1 (dealing in securities) and type 6 (advising on corporate finance) under the SFO
Elite Partners CPA Limited ("Elite Partners")	Certified Public Accountants

As at the Latest Practicable Date, Alliance Capital and Elite Partners have given and have not withdrawn their written consent to the issue of this circular with the inclusion herein of their respective report and/or letter and/or summary of valuations and/or opinion (as the case may be), and/or the references to its name included in the form and context in which it is respectively included.

As at the Latest Practicable Date, Alliance Capital and Elite Partners were not beneficially interested in the share capital of any member of the Group nor did it has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Alliance Capital and Elite Partners did not have any direct or indirect interest in any assets which have been acquired, or disposed of by, or leased to any member of the Group, or are proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2014 (the date to which the latest published audited consolidated financial statements of the Group were made up).

8. LITIGATION

On 22 January 2015, the Company announced that a writ of summons was issued in the Court of First Instance of the High Court of Hong Kong by Au Kai To Karel, as the plaintiff claiming against (i) End User Technology Limited, an indirect wholly-owned subsidiary of the Company, as the 1st Defendant; (ii) the Company, as the 2nd Defendant; and (iii) Lau Chi Yan Pierre, the managing director and executive director of the Company, as the 3rd Defendant for, inter alia, (1) specific performance of an agreement dated 2 May 2013 in relation to a discloseable transaction of the Company (details of which were disclosed in the announcement of the Company dated 2 May 2013); or (2) alternatively, the damages in the sum of HK\$8,000,000 in lieu of specific performance; and (3) the interest; (4) further and/or other relief; and (5) the costs. The Company have instructed legal representative to handle the matter, and was advised that the claim does not have merits as the agreement had been duly and completely performed. The Company is considering applying for striking out the claim, subject to further legal advice.

9. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date and are or may be material:

- (a) the underwriting agreement dated 11 June 2013 entered into between the Company, Cheong Lee Securities Limited as the underwriter and Mr. Cheung in relation to the underwriting arrangement in respect of the rights issue at the subscription price of HK\$0.40 per rights share on the basis of 2 rights shares for every 5 existing shares held by the Shareholders;
- (b) the placing agreement dated 6 December 2013 entered into between the Company and CNI Securities Group Limited as placing agent for the placing of up to 45,000,000 new shares at HK\$0.156 per Share;
- (c) the placing agreement dated 6 December 2013 entered into between the Company and CNI Securities Group Limited as placing agent for the placing of up to 150,000,000 new shares at HK\$0.156 per Share;
- (d) the placing agreement dated 21 February 2014 entered into between the Company and Orient Securities Limited as placing agent for the placing of up to 77,000,000 new shares at HK\$0.171 per Share;
- (e) The loan agreement dated 21 February 2014 entered into between Netgenii Technology Limited as lender and Mr. Kong Leung Cheung, Jeff, a connected person of the Company, as the borrower, which was entered into pursuant to the sale and purchase agreement dated 6 September 2012 entered into between Hero Win Development Limited and Merry Fortune Holdings Limited in relation to the acquisition of 100% issued share capital of Ever Hero Group Limited at HK\$72 million;

- (f) the shareholders' agreement dated 1 April 2014 and entered into between Gold Coin Development Limited, a wholly-owned subsidiary of the Company, and Mian Yang Heng Da Investments Limited, a shareholder of Mian Yang Heng Da Information Technology Limited ("Mian Yang Heng Da"), for the subscription of registered capital of Mian Yang Heng Da Information Technology Limited in the amount of RMB3,000,000 and to pay RMB1,000,000 to Mian Yang Heng Da for the subscription of 60% of the enlarged capital in Mian Yang Heng Da;
- (g) the underwriting agreement dated 11 April 2014 entered into between the Company as the issuer and CNI Securities Group Limited as the underwriter in relation to the underwriting arrangement in respect of the rights issue at the subscription price of HK\$0.04 per rights share on the basis of 4 rights shares for every 1 existing share held by the Shareholders;
- (h) the second supplemental deed dated 9 July 2014 and entered into between the Company and the holders of the convertible bonds issued by the Company on 12 August 2008 for the amendment of the terms thereto, including, inter alia, the extension of the maturity date to 12 August 2017 and the revision of the conversion price to HK\$0.0462 per Share;
- (i) the conditional sale and purchase agreement dated 31 October 2014 and entered into among End User Investments Limited as the purchaser, a wholly-owned subsidiary of the Company, Yihua Enterprises Limited as the vendor and Mr. Cheng Jun and Mr. Gao Yun Feng as the guarantors, in relation to the acquisition of the entire issued share capital of Blossom Height Ventures Limited; and
- (j) the Underwriting Agreement.

10. EXPENSES

The expenses in connection with the Open Offer, including underwriting commission, printing, registration, legal and accounting fees, are estimated to be approximately HK\$2.70 million and will be payable by the Company.

11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE OPEN OFFER

Registered office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands British West Indies
Head office and principal place of business in Hong Kong	Room 1502 Chinachem Century Tower 178 Gloucester Road Wanchai Hong Kong
Company secretary	Mr. Lai Yau Hong, Thomson
Compliance officer	Mr. Cheung Wai Yin, Wilson
Authorised representatives	Mr. Cheung Wai Yin, Wilson Room 1502 Chinachem Century Tower 178 Gloucester Road Wanchai Hong Kong
	Mr. Lai Yau Hong, Thomson Room 1502 Chinachem Century Tower 178 Gloucester Road Wanchai Hong Kong
Principal share registrar and transfer office in the Cayman Islands	Royal Bank of Canada Trust Company (Cayman) Limited 4th Floor, Royal Bank House 24 Shedden Road PO Box 1586 Grand Cayman KY1-1110 Cayman Islands

Branch share registrar and transfer office in Hong Kong	Tricor Tengis Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong
Principal bankers	Hang Seng Bank Limited 83 Des Voeux Road Central Hong Kong Industrial and Commercial Bank of China (Asia) Limited 33/F, ICBC Tower 3 Garden Road Central Hong Kong
Auditor and reporting accountants	Elite Partners CPA Limited <i>Certified Public Accountants</i> Suites 2B-4A, 20th Floor Tower 5, China Hong Kong City 33 Canton Road Tsim Sha Tsui Kowloon Hong Kong
Legal advisers to the Company in relation to the Open Offer	<i>As to Hong Kong law</i> Michael Li & Co. 19th Floor Prosperity Tower 39 Queen's Road Central Central Hong Kong <i>As to Cayman Islands law</i> Conyers Dill & Pearman 2901 One Exchange Square 8 Connaught Place Central Hong Kong
Underwriter	Pacific Foundation Securities Limited 11th Floor New World Tower II 16-18 Queen's Road Central Hong Kong

Financial Adviser to the Company for the Open Offer	Veda Capital Limited Suite 3711, 37/F. Tower Two, Times Square 1 Matheson Street, Causeway Bay Hong Kong
Independent Financial Adviser to the Company for the Open Offer	Alliance Capital Partners Limited Unit 318, 3rd Floor Shui On Centre 6-8 Harbour Road Wanchai Hong Kong
Audit Committee	Mr. Ng Kay Kwok Ms. Yeung Mo Sheung, Ann Mr. Yip Kat Kong, Kenneth
Remuneration Committee	Mr. Cheung Wai Yin, Wilson Mr. Lau Chi Yan, Pierre Ms. Yeung Mo Sheung, Ann Mr. Ng Kay Kwok Mr. Yip Kat Kong, Kenneth
Nomination Committee	Mr. Cheung Wai Yin, Wilson Mr. Lau Chi Yan, Pierre Ms. Yeung Mo Sheung, Ann Mr. Ng Kay Kwok Mr. Yip Kat Kong, Kenneth

12. PROFILES OF DIRECTORS

Name and address of Directors

Name

Address

Executive Directors

Mr. Cheung Wai Yin, Wilson	Room 1502 Chinachem Century Tower 178 Gloucester Road Wanchai Hong Kong
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Mr. Lau Chi Yan, Pierre	Room 1502 Chinachem Century Tower 178 Gloucester Road Wanchai Hong Kong
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Non-executive Director

Mr. Wong Chi Man	Room 1502 Chinachem Century Tower 178 Gloucester Road Wanchai Hong Kong
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Independent Non-executive Directors

Ms. Yeung Mo Sheung, Ann	Room 1502 Chinachem Century Tower 178 Gloucester Road Wanchai Hong Kong
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Mr. Ng Kay Kwok	Room 1502 Chinachem Century Tower 178 Gloucester Road Wanchai Hong Kong
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Mr. Yip Kat Kong, Kenneth	Room 1502 Chinachem Century Tower 178 Gloucester Road Wanchai Hong Kong
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Executive Directors

Mr. Cheung Wai Yin, Wilson, aged 44, is currently an executive director, the chairman, chief executive officer, compliance officer, member of the Nomination Committee, member of the Remuneration Committee, authorized representative and agent for service of process in Hong Kong of the Company and as a director of certain relevant subsidiaries of the Company. He is deemed a substantial shareholder of the Company. He is also the Chairman and Chief Executive Officer of Dejin Resources Group Company Limited, a company listed in Hong Kong. Mr. Cheung has over 17 years of experience in the field of audit, business development, corporate finance and financial management. Mr. Cheung is a member of the Hong Kong Institute of Certified Public Accountants and Hong Kong Securities and Investment Institute. He holds a Master of Science degree in Financial Engineering from City University of Hong Kong and Bachelor degrees in Arts and Administrative Studies from York University, Canada.

Mr. Lau Chi Yan, Pierre (“Mr. Lau”), aged 39, is currently an executive director, the managing director, member of Nomination Committee, member of the Remuneration Committee and as a director of certain relevant subsidiaries of the Company. He is also the executive director of Dejin Resources Group Company Limited, a company listed in Hong Kong. Mr. Lau has over 13 years of experience in the field of information system, operational system and general management. Mr. Lau holds an Executive Master Degree of Business Administration in General Management from University of Hull, the United Kingdom and a Bachelor of Science degree in Computer Science from University of Calgary, Canada. Besides, Mr. Lau is a member of Guangdong Huizhou Committee of the Chinese People’s Political Consultative Conference (中國人民政治協商會議廣東省惠州市委員).

Non-executive Director

Mr. Wong Chi Man (“Mr. Wong”), aged 33, is currently the Associate Director of Cheong Lee Securities Limited. Mr. Wong has over 5 years of experience in the field of investment, finance and securities advisory. He holds a Master of Applied Finance degree from Monash University and a Bachelor degree in Commerce from Deakin University, Australia.

Independent Non-executive Directors

Ms. Yeung Mo Sheung, Ann (“Ms. Yeung”), aged 49, has served as an independent non-executive Director of the Company since October 2012 and is a member of the Nomination Committee, the Remuneration Committee and the Audit Committee. She holds a Bachelor degree of Retail Marketing with honours in the United Kingdom and a Diploma in Marketing from The Chartered Institute of Marketing. She pursued her further study on legal course and has been awarded a Diploma in Legal Practice in the United Kingdom in 1998 and is presently a solicitor of Messrs. Wong & Wong Lawyers, a legal firm in Hong Kong. Ms. Yeung is currently an independent non-executive director, a member of the audit committee, a member of the remuneration committee and a member of the nomination committee of each of Success Universe Group Limited and Dejin Resources Group Company Limited, issued shares of both are listed on the Main Board of the Stock Exchange. Furthermore, she is currently an independent non-executive director, a member of each of the audit committee, remuneration committee and nomination committee and the chairman of the nomination committee of E Lighting Group Holdings Limited, a company whose issued shares are listed on GEM.

Mr. Ng Kay Kwok (“Mr. Ng”), aged 53, has served as an independent non-executive Director of the Company since July 2013 and is a member of the Nomination Committee, the Remuneration Committee and the Audit Committee. He graduated from the Australian National University with a Bachelor’s Degree in Economics and obtained a Graduate Diploma in Accounting from Macquarie University. He is a member of CPA Australia and has extensive experience in accounting and financial management. In addition, Mr. Ng was an executive director and the chief executive officer of GET Holdings Limited (“GET”), a company listed on GEM, from 9 July 2010 to 31 May 2011 and from 29 May 2012 to 24 May 2013, he was also the company secretary of GET from 1 January 2007 to 31 May 2011. Mr. Ng is currently an independent non-executive director, the chairman of the audit committee, a member of the nomination committee and the remuneration committee of China Fortune Financial Group Limited, a company listed on the Main Board of the Stock Exchange.

Mr. Yip Kat Kong, Kenneth (“Mr. Yip”), aged 52, has served as an independent non-executive Director of the Company since July 2013 and is a member of the Nomination Committee, the Remuneration Committee and the Audit Committee. He is the founder and chairman of Great China Capital Group Limited and Greater China Corporation Consultants Limited, both specialize in company restructuring, listing, portfolio investment and merger and acquisition. He has over 30 years of experience in the accounting profession and, coupled with his hands-on experience and expertise in different industries, has been engaged in various growing enterprises including those listed on the Stock Exchange to serve as their strategic and business advisor. Mr. Yip is a member of various business and commercial organizations and societies in both China and Hong Kong, including, a member of Guangdong Huizhou Committee of the Chinese People’s Political Consultative Conference (中國人民政治協商會議廣東省惠州市委員), a standing member of Guangdong Federation of Industry & Commerce (廣東省僑聯常務委員), an executive member of Guangdong Federation of Industry & Commerce (廣東省工商業聯合會(總商會)執委), a Director of Guangdong Overseas Friendship Association (廣東海外聯誼會理事) and a member of China Affairs Committee of The Chinese General Chamber of Commerce Hong Kong (香港中華總商會中國內地事務委員).

The Company has set up an audit committee, comprising three of the independent non-executive Directors, with written terms of reference in compliance with the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules. The audit committee performs, amongst others, the following functions:

- ensure that co-operation is given by the Company’s management to the external auditors where applicable;
- review the Group’s quarterly, half yearly and annual results announcements and the financial statements prior to their recommendations to the Board for approval;
- review the Group’s financial reporting process and internal control system; and
- review of transactions with interested persons.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal office in Hong Kong of the Company at Room 1502, Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong during normal business hours on any weekday (except Saturdays, Sundays and public holidays), from the date of this circular up to and including the date of the EGM:

- (a) the memorandum of association and article of association of the Company;
- (b) the Underwriting Agreement;
- (c) the annual reports of the Company for the three financial years ended 31 December 2012, 2013 and 2014;
- (d) the interim report of the Company for the six month period ended 30 June 2014;
- (e) the letter from the Independent Board Committee, the text of which is set out from pages 28 to 29 of this circular;
- (f) the letter from Alliance Capital, the text of which is set out on pages 30 to 40 in this circular;
- (g) the written consent from the experts referred to in the section headed "Experts and Consents" in this appendix;
- (h) a copy of each of the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;
- (i) the letter from Elite Partners on the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group, the text of which is set out in Appendix II to this circular;
- (j) a copy of each circular issued pursuant to the requirements set out in Chapter 19 and/or 20 of the GEM Listing Rules which has been issued since 31 December 2014, being the date to which the latest audited consolidated financial statements of the Group were made up; and
- (k) this circular.

14. MISCELLANEOUS

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, British West Indies and the principal office in Hong Kong is in Room 1502, Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong.
- (b) The company secretary of the Company is Mr. Lai Yau Hong, Thomson. He has over 20 years of experience in company secretarial duties as well as corporate governance and management fields and has taken up senior management positions in a number of multinational conglomerates and companies listed on the Stock Exchange. He is an associate member of the Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (c) The company compliance officer is Mr. Cheung Wai Yin, Wilson. He has over 17 years of experience in the field of audit, business development, corporate finance and financial management. Mr. Cheung is a member of the Hong Kong Institute of Certified Public Accountants (HKICPA) and Hong Kong Securities Institute. He holds a Master of Science degree in Financial Engineering from City University of Hong Kong and Bachelor degrees in Arts and Administrative Studies from York University, Canada.
- (d) The branch share registrar of the Company in Hong Kong is Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (e) The English text of this circular shall prevail over the Chinese text.

NOTICE OF EGM



MERDEKA

MERDEKA MOBILE GROUP LIMITED

(萬德移動集團有限公司*)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“Meeting”) of Merdeka Mobile Group Limited (the “Company”) will be held on Monday, 6 July 2015 at 11:00 a.m. at Jasmine Room, 3/F., Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong for the purposes of considering and, if thought fit, passing the following resolutions with or without amendment as ordinary resolution:

ORDINARY RESOLUTION

“**THAT** subject to the fulfillment of the conditions set out in the underwriting agreement dated 8 May 2015 (the “Underwriting Agreement”) in respect of the proposed open offer by the Company and entered into between the Company and Pacific Foundation Securities Limited (the “Underwriter”) (a copy of which has been produced to the Meeting marked “A” and signed by the Chairman of the Meeting for the purpose of identification):

- (a) the allotment and issue of not less than 766,062,768 and not more than 766,575,744 new shares (the “Offer Shares”) of HK\$0.001 each in the share capital of the Company (the “Shares”) pursuant to an offer by way of open offer (the “Open Offer”) to the holders of Shares (the “Shareholders”) at the subscription price of HK\$0.09 per Offer Share in the proportion of two (2) Offer Shares for every one (1) existing Share in issue and held by the Shareholders whose names appear on the register of members of the Company on Thursday, 16 July 2015 (or such later date as the Company and the Underwriter may agree) (the “Record Date”) as described in further details in a circular issued by the Company dated 15 June 2015 of which the notice convening this Meeting forms part and on and subject to such terms and conditions as may be determined by the directors of the Company, be and is hereby approved, confirmed and ratified;
- (b) the directors of the Company be and are hereby authorised to allot and issue the Offer Shares pursuant to or in connection with the Open Offer notwithstanding that the same may be offered, allotted or issued otherwise than pro rata to the existing shareholdings of the Shareholders and, in particular, the directors of the Company may make such exclusions or other arrangements in relation to Shareholders whose addresses as of the Record Date are outside of Hong Kong as they deem necessary or expedient having

* For identification purposes only

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regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong, and to do all such acts and things as they consider necessary, desirable or expedient to give effect to any or all other transactions contemplated in this resolution;

- (c) the Underwriting Agreement and the transactions contemplated thereby (including but not limited to the arrangement for the taking up of the underwritten Offer Shares, if any, by the Underwriter) be and are hereby approved, confirmed and ratified; and
- (d) any one of the directors of the Company be and is/are hereby authorised to do all acts and things in connection with the allotment and issue of the Open Offer, the implementation of the Open Offer and the Underwriting Agreement, the exercise or enforcement of any of the Company's rights under the Underwriting Agreement and to make and agree such variations of the terms of the Underwriting Agreement as he/she/they may in their discretion consider to be appropriate and in the interests of the Company."

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

Hong Kong, 15 June 2015

Registered Office:

Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, British West Indies

Head office and Principal Place of business in Hong Kong:

Room 1502, Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong

Notes:

1. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the share register of the Company in respect of the joint holding. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of the articles of association of the Company be deemed joint holders thereof.
2. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
3. Delivery of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

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4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the extraordinary general meeting or adjourned meeting.
5. All voting by the members at the Meeting shall be conducted by way of poll.