

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold or transferred** all your shares in Merdeka Financial Services Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for onward transmission to the purchaser(s) or the transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange 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.



**MERDEKA**  
**MERDEKA FINANCIAL SERVICES GROUP LIMITED**  
**(萬德金融服務集團有限公司\*)**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8163)**

**(1) PROPOSED GRANTING OF GENERAL MANDATES  
TO ISSUE NEW SHARES AND REPURCHASE SHARES,  
(2) PROPOSED RE-ELECTION OF  
THE RETIRING DIRECTORS OF THE COMPANY,  
AND  
(3) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM is set out on pages 12 to 16 of this circular. A form of proxy for use by the Shareholders at the AGM is enclosed with this circular. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event, not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Such form of proxy for use at the AGM is also published on the websites of the Stock Exchange (<http://www.hkgem.com>) and the Company (<http://www.merdeka.com.hk>). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be) should you so wish.

This circular will remain on the GEM website at <http://www.hkgem.com> on the "Latest Listed Company Information" page for at least seven days from the day of its publication and will be published and remains on the website of the Company at <http://www.merdeka.com.hk>.

\* *For identification purpose only*

## 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 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

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## DEFINITIONS

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

|                           |  |
|---------------------------|--|
| “2008 Convertible Bonds”  | the convertible bonds, originally due 2011 and extended to 2020 issued by the Company on 12 August 2008 as part of consideration to acquire the forestry business. These bonds are interest-free and convertible into Shares at the initial conversion price of HK\$0.095 per Share (subject to adjustment in accordance with the terms of the convertible bonds); |
| “2015 Convertible Bonds”  | the convertible bonds, due 2018 issued by the Company on 21 April 2015 as part of consideration to acquire the financial leasing business. These bonds are interest-free and convertible into Shares at the initial conversion price of HK\$0.23 per Share (subject to adjustment in accordance with the terms of the convertible bonds);                          |
| “acting in concert”       | has the same meaning as ascribed to it under the Takeovers Code;   |
| “AGM”                     | the annual general meeting of the Company to be convened and held at Jasmine Room, 3/F., Best Western Plus Hotel Hong Kong, 308 Des Voeux Road West, Hong Kong on Monday, 26 June 2017 at 11:00 a.m. or any adjournment thereof (as the case may be), notice of which is set out in this circular;   |
| “Articles of Association” | means the articles of association of the Company as amended from time to time and “Article” shall mean an article thereof;   |
| “associate(s)”            | has the same meaning as ascribed to it under the GEM Listing Rules;  |
| “Board”                   | the board of the Directors from time to time;  |
| “Company”                 | Merdeka Financial Services Group Limited (萬德金融服務集團有限公司*), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the GEM;   |
| “connected person”        | has the same meaning as ascribed to it under the GEM Listing Rules;  |
| “Director(s)”             | the director(s) of the Company;  |

\* *For identification purpose only*

## DEFINITIONS

|                              |   |
|------------------------------|---|
| “GEM”                        | The Growth Enterprise Market of the Stock Exchange;   |
| “GEM Listing Rules”          | the Rules Governing the Listing of Securities on the GEM;   |
| “HK or Hong Kong”            | Hong Kong Special Administrative Region of the People’s Republic of China;  |
| “HK\$”                       | Hong Kong dollar(s), the lawful currency of Hong Kong;  |
| “INED(s)”                    | Independent non-executive director(s);  |
| “Ivana”                      | Ivana Investments Limited, a substantial shareholder of the Company;  |
| “Latest Practicable Date”    | 22 May 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein; |
| “SFO”                        | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);  |
| “Share(s)”                   | the ordinary share(s) of HK\$0.001 each in the share capital of the Company;  |
| “Share Option(s)”            | share options to subscribe for the Shares granted and to be granted under the share option scheme adopted by the Company on 3 May 2012;                     |
| “Shareholder(s)”             | the holder(s) of the Share(s);  |
| “Stock Exchange”             | The Stock Exchange of Hong Kong Limited;  |
| “substantial shareholder(s)” | has the same meaning as ascribed to it under the GEM Listing Rules;   |
| “Takeover Code”              | the Code on Takeovers and Mergers;  |
| “%”                          | per cent.   |

LETTER FROM THE BOARD



MERDEKA

**MERDEKA FINANCIAL SERVICES GROUP LIMITED**

**(萬德金融服務集團有限公司\*)**

*(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)*

*Independent Non-executive Directors:*

Ms. Yeung Mo Sheung, Ann

Mr. Ng Kay Kwok

Mr. Au-yeung Sei Kwok

*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

26 May 2017

*To the Shareholders and, for information only,  
the holders of the Convertible Bonds,*

Dear Sir or Madam,

**(1) PROPOSED GRANTING OF GENERAL MANDATES  
TO ISSUE NEW SHARES AND REPURCHASE SHARES  
AND**

**(2) PROPOSED RE-ELECTION OF  
THE RETIRING DIRECTORS OF THE COMPANY**

**INTRODUCTION**

The Board wishes by this circular to provide the shareholders with the relevant information regarding and to seek the approval of the Shareholders at the AGM for (i) the granting of the general mandate to issue Shares (referred to the resolution no. 5(A) of the notice of the AGM); (ii) the granting of the general mandate to repurchase Shares (referred to the resolution no. 5(B) of the notice of the AGM); and (iii) the re-election of the Directors.

\* *For identification purpose only*

## **LETTER FROM THE BOARD**

### **GENERAL MANDATE TO ISSUE SHARES**

It will be proposed at the AGM two ordinary resolutions respectively granting to the Directors (i) a general mandate to allot, issue and deal with the Shares not exceeding 20% of the aggregate nominal amount of the share capital in issue on the date of the passing of the resolution and (ii) adding to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of the Shares repurchased by the Company subject to the granting of the general mandate to repurchase Shares up to 10% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing the resolution.

As at the Latest Practicable Date, on the basis of the existing issued share capital of the Company and assuming no further issue of new Shares from the Latest Practicable Date and up to the date of the AGM, the maximum number of Shares to be issued under the new general mandate is 324,018,830 Shares.

### **GENERAL MANDATE TO REPURCHASE SHARES**

At the 2016 AGM, a general mandate was granted to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the forthcoming AGM. The Directors propose to seek the approval of the Shareholders by ordinary resolution at the forthcoming AGM for a general mandate to repurchase Shares.

An explanatory statement as required under the GEM Listing Rules concerning the general mandate to repurchase Shares is set out in Appendix I to this circular.

### **RE-ELECTION OF DIRECTORS**

Mr. Au-yeung Sei Kwok, being a director appointed by the board pursuant to Article 86(3) of the Articles will only hold office until the forthcoming AGM of the Company and being eligible, he offers himself for re-election at the forthcoming AGM of the Company.

In accordance with Article 87 of the Company's Articles of Association, Ms. Yeung Mo Sheung, Ann has to retire at the forthcoming AGM of the Company and being eligible, she offers herself for re-election at the forthcoming AGM of the Company.

Biographical details of the above-named Directors, who are subject to re-election at the AGM, are set out in Appendix II to this circular in accordance with the relevant requirements of the GEM Listing Rules.

## LETTER FROM THE BOARD

### THE AGM AND PROXY ARRANGEMENT

A notice convening the AGM is set out on pages 12 to 16 of this circular.

In accordance with the requirement under Rule 17.47(4) of the GEM Listing Rules, the votes for all resolutions by the Shareholders at the AGM must be taken by poll. The chairman of the AGM will therefore demand a poll at the beginning of the AGM on all of the resolutions put forward at the AGM pursuant to Article 66 of the Articles of the Company. The poll results of the AGM will be published on the websites of the Stock Exchange (<http://www.hkgem.com>) and the Company (<http://www.merdeka.com.hk>) after the AGM.

A form of proxy for use by the Shareholders at the AGM is enclosed with this circular. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event, not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Such form of proxy for use at the AGM is also published on the websites of the Stock Exchange (<http://www.hkgem.com>) and the Company (<http://www.merdeka.com.hk>). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be) should you so wish.

### 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.

### RECOMMENDATION

The Directors consider that the granting of the general mandates to issue Shares and to repurchase Shares and the re-election of the Directors are in the best interests of the Company and the Shareholders as a whole and therefore recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM in respect thereof.

Yours faithfully,

For and on behalf of the Board of  
**MERDEKA FINANCIAL SERVICES GROUP LIMITED**  
**Cheung Wai Yin, Wilson**  
*Chairman and Chief Executive Officer*



*This is an explanatory statement given to all Shareholders relating to the resolution no. 5(B) to be proposed at the AGM regarding the general mandate to repurchase Shares.*

*The explanatory statement contains all the information required pursuant to Rule 13.08 of the GEM Listing Rules.*

## **1. EXERCISE OF THE GENERAL MANDATE TO REPURCHASE SHARES**

As at the Latest Practicable Date, there were 1,620,094,152 Shares in issue representing an issued share capital of approximately HK\$1,620,094. As at the Latest Practicable Date, the 2008 Convertible Bonds with the principal amount of HK\$124,068,000 were outstanding, which may be convertible into 1,305,978,947 Shares; and the 2015 Convertible Bonds with the principal amount of HK\$40,000,000 were outstanding, which may be convertible into 173,913,043 Shares.

As at the Latest Practicable Date, the Company has 360,244 Share Options with the exercise price of HK\$3.60 per Share, 30,611 Share Options with the exercise price of HK\$2.13 per Share and has 233,000,000 Share Options with the exercise price of HK\$0.147 per Share granted to the Directors and other eligible Participants pursuant to which an aggregate of 233,390,855 Shares would be issued.

If the resolution no. 5(B) authorising the Directors to repurchase Shares is passed at the forthcoming AGM, and assuming that none of the outstanding 2008 Convertible Bonds and 2015 Convertible Bonds is converted and no Share Options is exercised as well as no further Shares is issued, allotted or repurchased by the Company prior to the date of passing the said resolution, based on the 1,620,094,152 Shares in issue as at the Latest Practicable Date, up to 162,009,415 Shares, representing 10% of the existing issued share capital of the Company may be repurchased by the Company, during the period from the date of passing the resolution no. 5(B) and ending on either the date of the next annual general meeting of the Company, the date by which the next annual general meeting of the Company is required to be held by the Articles of the Company or applicable laws of the Cayman Islands or the date upon which the resolution no. 5(B) is revoked or varied by the Shareholders at a general meeting of the Company (whichever is the earliest).

## **2. REASONS FOR REPURCHASE OF SHARES**

The Directors believe that it is in the best interests of the Company and the Shareholders for the Directors to have a general authority from the Shareholders to enable the Company to repurchase Shares in the market at any appropriate time. Such repurchase may, depending on market conditions and funding arrangements at that time, lead to enhancement of the net assets value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

## **3. FUNDING OF REPURCHASE OF SHARES**

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles of the Company, the GEM Listing Rules and the laws of the Cayman Islands and Hong Kong. The Company may not repurchase the Shares on the GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

It is envisaged that the funds required for any repurchase of the Shares would be derived from the capital paid up on the Shares being repurchased and from the distributable profits of the Company.

#### 4. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the financial statements contained in the annual report of the Company for the year ended 31 December 2016) in the event that the proposed repurchase of Shares was to be carried out in full at any time during the proposed repurchase period. However, the Directors expect to exercise such mandate if and to such extent only as they are satisfied that the exercise thereof will not have such a material adverse impact.

#### 5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months prior to the Latest Practicable Date were as follows:

| Month  | Traded Prices Per Share |                       |
|--|-------------------------|-----------------------|
|  | Highest<br><i>HK\$</i>  | Lowest<br><i>HK\$</i> |
| <b>2016</b>  |                         |                       |
| May  | 0.1150                  | 0.0950                |
| June   | 0.1080                  | 0.0810                |
| July   | 0.1280                  | 0.0980                |
| August   | 0.1330                  | 0.0960                |
| September  | 0.1300                  | 0.0950                |
| October  | 0.1300                  | 0.1100                |
| November   | 0.1230                  | 0.0920                |
| December   | 0.1060                  | 0.0800                |
| <b>2017</b>  |                         |                       |
| January  | 0.1100                  | 0.0900                |
| February   | 0.1230                  | 0.0950                |
| March  | 0.1130                  | 0.0960                |
| April  | 0.1100                  | 0.0830                |
| May (up to and including<br>the Latest Practicable Date) | 0.0880                  | 0.0760                |

## 6. CODE ON TAKEOVERS AND MERGERS

If, as a result of the repurchase of the Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, could, depending on the level of increase of shareholding interest, obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders were interested in more than 5% of the Shares then in issue:

| Name of the Shareholders               | No. of the<br>Shares<br>interested in | Approximate<br>percentage of<br>the existing<br>shareholding<br>(%) | Approximate<br>percentage of<br>the shareholding<br>if exercised in<br>full the power<br>to repurchase<br>(%) |
|--|---------------------------------------|---|---|
| Asiatrust Limited ( <i>Note</i> )      | 98,437,500                            | 6.08  | 6.76  |
| CW Limited ( <i>Note</i> )             | 98,437,500                            | 6.08  | 6.76  |
| Ivana                                  | 98,437,500                            | 6.08  | 6.76  |
| Cheung Wai Yin, Wilson ( <i>Note</i> ) | 98,995,314                            | 6.11  | 6.79  |

*Note:* As at Latest Practicable Date, 98,437,500 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 Asiatrust 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 Wai Yin, Wilson ("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 remaining 557,814 Shares were beneficially owned by Mr. Cheung personally.

In the event that the Directors shall exercise in full the power to repurchase Shares in accordance with the terms of the resolution no. 5(B) to be proposed at the AGM and assuming none of the outstanding 2008 Convertible Bonds and 2015 Convertible Bonds is converted and no Share Options is exercised as well as no further Shares is issued, allotted or repurchased by the Company prior to the AGM, the total interests of the above substantial shareholders of the Company would be increased to the respective approximate percentages shown in the last column above. Such increase will result in the shareholding of Ivana being increased from 6.08% to 6.76% and the shareholding of Mr. Cheung Wai Yin, Wilson will be deemed to be increased from 6.11% to 6.79%.

Save as disclosed above and based on information known to date, the Directors are not aware of any other consequence which would arise under the Takeovers Code as a result of such repurchases. The Directors have no present intention to exercise the power to repurchase Shares to such extent as would, in the circumstances, trigger off any potential consequence under the Takeovers Code. However, the Company may not repurchase the Shares which would result in the amount of the Shares held by the public being reduced to less than 25%.

#### **7. CONNECTED PERSONS**

No connected person has notified the Company that it has a present intention to sell any of the Shares to the Company, or has undertaken not to do so, if the general mandate to repurchase Shares is exercised.

#### **8. DIRECTORS**

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, their associates have any present intention to sell any of the Shares to the Company or its subsidiaries if the general mandate to repurchase Shares is exercised.

The Directors have undertaken to the Stock Exchange that they will exercise the general mandate to repurchase Shares should it be granted at the forthcoming AGM, in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands, the jurisdiction in which the Company was incorporated.

#### **9. REPURCHASED SHARES**

The Company has made no repurchases of its own Shares (whether on the GEM or otherwise) in the six months preceding the Latest Practicable Date.

*The following are the biographical details of the Directors (as required by the GEM Listing Rules) proposed to be re-elected at the AGM.*

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Au-yeung Sei Kwok**, aged 56, was appointed on 27 February 2017 as an independent non-executive Director of the Company and is a member of the Nomination Committee, the Remuneration Committee and the Audit Committee. He has over 30 years of experience in business development and management. He holds a Master degree of Business Administration in Business Management from University of Hull and a Bachelor of Science degree in Mechanical Engineering from University of Newcastle upon Tyne, the United Kingdom. Mr. Au-Yeung is also enthusiastic in social affairs and currently serves as the Vice Chairman of Senate of Democratic Alliance for Betterment of Hong Kong and the member of Heilongjiang Province Committee of Chinese People's Political Consultative Conference.

Save as disclosed above, Mr. Au-yeung did not hold any directorship in the last three years in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas and does not hold any other positions with the Company and/or its subsidiaries.

Mr. Au-yeung has accepted a letter of appointment from the Company for a term of one year. Mr. Au-yeung's appointment is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association of the Company. Mr. Au-yeung is entitled to a remuneration of HK\$120,000 per annum which is determined after arm's length negotiation between the parties. The letter of appointment has been reviewed by the remuneration committee of the Company and was determined by the Board with reference to his individual qualifications, experience, duties and responsibilities as well as prevailing economic situation and market practice.

Mr. Au-yeung does not have any interest in the shares or underlying shares of the Company within the meaning of Part XV of the SFO. Mr. Au-yeung is not connected with the controlling shareholder, any director, any supervisor or any senior management member or substantial shareholder of the Company.

Save as disclosed above, there is no information which should be disclosed under rules 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed above, there is no information which should be disclosed nor is/was Mr. Au-yeung involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 17.50(2) of the GEM Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

**Ms. Yeung Mo Sheung, Ann**, aged 52, has served as an independent non-executive Director of the Company since 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 consultant of Messrs. Fung & Fung, Solicitors, 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 Success Universe Group Limited, issued shares of which 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 of each of E Lighting Group Holdings Limited and Trillion Grand Corporation Company Limited, issued shares of both are listed on GEM. She is also the chairman of the nomination committee of E Lighting Group Holdings Limited.

Save as disclosed above, Ms. Yeung did not hold any directorship in the last three years in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas and does not hold any other positions with the Company and/or its subsidiaries.

Ms. Yeung has accepted a letter of appointment from the Company for a term of one year. Ms. Yeung's appointment is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association of the Company. Ms. Yeung is entitled to a remuneration of HK\$120,000 per annum which is determined after arm's length negotiation between the parties. The letter of appointment has been reviewed by the remuneration committee of the Company and was determined by the Board with reference to his individual qualifications, experience, duties and responsibilities as well as prevailing economic situation and market practice.

As at the Latest Practicable Date, Ms. Yeung has interests in 16,483 share options of the Company which are exercisable during the period from 17 January 2013 to 16 January 2023 at a price of HK\$3.36 per Share and 1,000,000 share options of the Company which are exercisable during the period from 19 August 2015 to 18 August 2025 at a price of HK\$0.147 per Share. Save as disclosed above, Ms. Yeung has no other interest within the meaning of Part XV of the SFO. Ms. Yeung is not connected with the controlling shareholder, any director, any supervisor or any senior management member or substantial shareholder of the Company.

Save as disclosed above, there is no information which should be disclosed under rules 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed above, there is no information which should be disclosed nor is/was Ms. Yeung involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 17.50(2) of the GEM Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

## NOTICE OF THE AGM



MERDEKA

### **MERDEKA FINANCIAL SERVICES GROUP LIMITED**

**(萬德金融服務集團有限公司\*)**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8163)**

### **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of the shareholders of Merdeka Financial Services Group Limited (the “Company”) will be held on Monday, 26 June 2017 at 11:00 a.m. at Jasmine Room, 3/F., Best Western Plus Hotel Hong Kong, 308 Des Voeux Road West, Hong Kong for the following purposes:

#### **AS ORDINARY BUSINESS**

1. To receive and adopt the audited consolidated financial statements, the report of the directors and the auditors of the Company for the year ended 31 December 2016.
2. To re-elect Mr. Au-yeung Sei Kwok and Ms. Yeung Mo Sheung, Ann as directors of the Company, who will retire as directors at the AGM by rotation and being eligible will offer themselves for re-election.
3. To authorise the board of directors to fix the remuneration of the directors for the year ending 31 December 2017.
4. To re-appoint Messrs Elite Partners CPA Limited as auditors and to authorise the board of directors to fix the remuneration of the auditors.

\* *For identification purpose only*

## NOTICE OF THE AGM

5. To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

(A) **“THAT:**

- (i) subject to paragraph (iii) of this resolution and pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares in the share capital of the Company or options, warrants, or similar rights to subscribe for any shares and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company), which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) of this resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements, options and rights of exchange or conversion which would or might require the exercise of such powers after the end of the Relevant Period (as hereinafter defined);
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (i) of this resolution, otherwise than pursuant to (a) a Rights Issue (as hereinafter defined), or (b) the exercise of rights of conversion under any securities which are convertible into shares of the Company, or (c) any scrip dividend scheme or similar arrangements providing for the allotment of shares in lieu of the whole or a part of a dividend on shares of the Company pursuant to the articles of association of the Company from time to time, or (d) the grant or exercise of any options granted under any option scheme or similar arrangement for the time being adopted by the Company for the grant or issue to the Directors, officers and/or employees of the Company and/or any of its subsidiaries of options to subscribe for, or rights to acquire, shares of the Company, shall not in aggregate exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution and the said approval shall be limited accordingly; and



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(iv) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; or
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means the allotment or issue of shares in the share capital of the Company pursuant to an offer of shares open for a period fixed by the Directors made to holders of shares of the Company or any class thereof whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having 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).”

(B) **“THAT:**

- (i) subject to paragraph (iii) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its own issued shares in the share capital of the Company on GEM of the Stock Exchange or on any other stock exchange on which the shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission and the Stock Exchange in accordance with all the applicable laws and the requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (as amended from time to time) or of any other stock exchange, be and is hereby generally and unconditionally approved;

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- (ii) the approval in paragraph (i) of this resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to procure the Company to repurchase its shares at a price determined by the Directors;
- (iii) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (i) of this resolution shall not exceed 10 per cent. of the aggregate nominal amount of share capital of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (iv) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
  - (b) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; or
  - (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
- (C) “**THAT** conditional upon the resolutions numbered 5(A) and 5(B) in the notice convening this meeting being passed, the general mandate granted to the Directors to allot, issue and deal with additional shares pursuant to resolution numbered 5(A) in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares repurchased by the Company under the authority granted pursuant to the said resolution numbered 5(B).”

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

Hong Kong, 26 May 2017

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*Notes:*

1. Any shareholder entitled to attend and vote at the annual general meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf. A proxy need not be a shareholder of the Company.
2. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch share registrar and transfer office 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 the annual general meeting (or any adjournment thereof).
3. Completion and delivery of a form of proxy shall not preclude a shareholder from attending and voting in person at the annual general meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. Where there are joint holders of any shares, any one of such joint holders may vote, either in person or by proxy in respect of such shares as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the annual general 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 register of members of the Company.
5. With respect to the resolutions set out in resolution numbered 2 of this notice, Mr. Au-yeung Sei Kwok and Ms. Yeung Mo Sheung, Ann are independent non-executive directors of the Company and, being eligible, will offer themselves for re-election at the AGM. Biographical details of the above Directors are set out in the circular of the Company which will be sent to the shareholders of the Company.
6. With respect to the resolutions set out in resolutions numbered 5(A) and 5(C) of this notice, approval is being sought from the shareholders for the general mandates to be given to the Directors to allot, issue and deal with new shares of the Company.
7. With respect to the resolution set out in resolution numbered 5(B) of this notice, approval is being sought from the shareholders for a general mandate to be given to the Directors to repurchase the shares of the Company. An explanatory statement containing further information with respect to such resolution will be sent to the shareholders of the Company.