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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)**

**INSIDE INFORMATION  
UPDATE ON LITIGATION  
(1) WINDING UP PETITION  
(2) STAY OF EXECUTION**

This announcement is made by Merdeka Financial Services Group Limited (the “**Company**”, together with its subsidiaries the “**Group**”) pursuant to Rule 17.10(2)(a) of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

Reference is made to the Company’s announcements dated 22 January 2015, 3 October 2017, 14 November 2017, 16 November 2017, 6 February 2018, 20 February 2018 (the “**Announcements**”), and the various reports (including annual reports and financial announcements) (the “**Reports**”) disclosing and relating to the winding up petition made against the Company and the litigation in relation to the High Court case numbered HCA 170 of 2015 (now on appeal and numbered CACV 237 of 2017). Terms used herein shall have the same meanings as defined in the Announcements and Reports unless defined otherwise.

**PROGRESS OF THE WINDING UP PETITION**

On 3 May 2018, the Company paid HK\$4,400,000.00 into court in order to obtain an adjournment of the Petition until the determination of CACV 237 of 2017. On 7 May 2018, the Petition was ordered to be adjourned until the determination of CACV 237 of 2017.

\* *For identification purpose only*

## LITIGATION IN RELATION TO CACV 237 OF 2017

On 14 May 2018, a stay of execution of HCA 170 of 2015 was granted and an order was made for the following:-

- (1) Conditional upon the Company paying into court the sum of HK\$4,400,000.00, there be a stay of execution of the following orders granted in the judgment dated 28 September 2017 in HCA 170 of 2015 pending the determination of CACV 237 of 2017:-
  - (a) The Company and End User do Technology Limited (an indirect wholly-owned subsidiary of the Company) (“**End User**”) jointly and severally pay the Plaintiff HK\$4,400,000.00;
  - (b) The Company and End User do jointly and severally pay the Plaintiff’s costs of the action; and
  - (c) The Company and End User do jointly and severally pay the 3rd Defendant’s costs of the action.
- (2) And the sum of HK\$4,400,000.00 paid into court by the Company on 3 May 2018 in the Petition is treated as payment of the same amount by the Company and End User in satisfaction of the condition for stay of execution as specified in paragraph (1) above.

The Group is endeavouring to mount a successful appeal and oppose the Petition.

The Group wishes to announce that it continues to be solvent and the normal course of operation of the Group has not been adversely affected by the Petition or the Appeal.

The Group will keep its shareholders and the public informed of any further significant developments by making further announcements as and when appropriate.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company**

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

Hong Kong, 16 May 2018

As at the date of this announcement, the Directors are:

*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

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

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