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MERDEKA FINANCIAL GROUP LIMITED

領智金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

DISCLOSEABLE TRANSACTION APPLICATION FOR SHARES IN THE IPO OF ANT GROUP CO., LTD.

On 29 October 2020, the Company placed the Order through Merdeka Securities for the application to subscribe for 70,000 Ant H Shares with a total application money of approximately HK\$5.66 million (including brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

As one or more of the applicable percentage ratios for the Application exceeds 5% but is less than 25%, the Application constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Shareholders and potential investors should note that completion of the Order is subject to the various conditions set out in the Prospectus, including those set out under the paragraph headed “Conditions of the H Share IPO” in the section headed “Structure of the H Share IPO” in the Prospectus and allocation and reallocation under the IPO. As the Order may or may not materialise, and the Company may or may not be allocated with any Ant H Shares under the IPO, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

THE APPLICATION

The Board hereby announces that on 29 October 2020, the Company placed the Order through Merdeka Securities for the application to subscribe for 70,000 Ant H Shares with a total application money of approximately HK\$5.66 million (including brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

Offer price

The offer price of each Ant H Share shall be HK\$80.00.

The application money of the Order is financed by the internal resources of the Group.

Allotment results of the Application

The completion of the Order is subject to the successful listing of Ant H Shares on the Stock Exchange and final allocation of the Ant H Shares. The Company may or may not be allocated with any Ant H Shares in the IPO. According to the IPO timetable as disclosed in the Prospectus, Ant will announce the allotment results on Wednesday, 4 November 2020 and the expected listing date of Ant is Thursday, 5 November 2020. The Company will issue a further announcement in respect of the allotment results of the Application when the Order is materialized and completed.

INFORMATION OF THE GROUP

The Group is principally engaged in (i) financial services business including the securities brokerage services, provision of corporate finance advisory services, asset management business, money lending services and financial leasing business; (ii) corporate consulting business including company secretarial services, accounting and financial reporting services and management consulting services; (iii) trading business; and (iv) information technology business.

INFORMATION OF ANT GROUP

As disclosed in the Prospectus, Ant is a limited liability company incorporated in the PRC on 19 October 2000 and was converted into a joint stock limited company on 28 December 2016. Ant was formerly known as Ant Small and Micro Financial Services Group Co., Ltd. or Zhejiang Alibaba E-Commerce Co., Ltd.

The Ant Group is principally involved in the provision of digital payment and merchant services, digital finance technology platform, innovation initiatives and others.

Ant Group's origins date to 2004 when Alipay (China's largest digital payment platform) was created in the nascent days of e-commerce to solve the trust issue between buyers and sellers in online transactions. Ant Group's innovative payment solution bridged the trust gap, facilitated online transactions and underpinned the development of e-commerce in China. Having pioneered digital payments in China, Ant Group has since expanded their service offerings through technology and innovation to enable digital finance for consumers and businesses.

For further details of the business of Ant Group, please refer to the Prospectus, which has been published on the website of the Stock Exchange on 27 October 2020.

Set out below are certain audited consolidated financial information of Ant Group for the financial years ended 31 December 2017, 31 December 2018 and 31 December 2019 and the six months ended 30 June 2020 as disclosed in the Prospectus:

	Year ended 31 December			For the six
	2017	2018	2019	months ended
	(RMB million)	(RMB million)	(RMB million)	30 June 2020
				(RMB million)
Revenue	65,396	85,722	120,618	72,528
Profit before tax	10,948	3,114	21,052	24,419
Profit for the year	8,205	2,156	18,072	21,923
Total assets	133,730	237,148	271,558	315,898
Total equity	<u>65,368</u>	<u>152,384</u>	<u>189,568</u>	<u>214,931</u>

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Ant and its controlling shareholders are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE APPLICATION

According to the Prospectus, Ant is the parent company of China's largest digital payment platform, Alipay, and the leader in the development of open platforms for technology-driven inclusive financial services. Through technology and innovation, Ant enables the digitalization of the modern service industry globally from financial services to services for everyday life.

As further set out in the Prospectus, Ant Group is the leading digital payments provider and leading digital finance platform in China based on total payment volume and transaction volume. Its revenue increased by approximately 31.08% from 2017 to 2018 and approximately 40.70% from 2018 to 2019 and for the year ended 31 December 2019, Ant Group recorded a profit of approximately RMB18,072 million.

Having considered the business prospects, financial performance and potential growth of Ant Group as disclosed in the Prospectus, the Directors consider that the investment in Ant H Shares would enable the Group to capture a potential investment return for the Group.

The Directors consider that the terms of the Order and the Application are on normal commercial terms and are fair and reasonable and the Application is in the interests of the Company and its Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Application exceeds 5% but is less than 25%, the Application constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Shareholders and potential investors should note that completion of the Order is subject to the various conditions set out in the Prospectus, including those set out under the paragraph headed “Conditions of the H Share IPO” in the section headed “Structure of the H Share IPO” in the Prospectus and allocation and reallocation under the IPO. As the Order may or may not materialise, and the Company may or may not be allocated with any Ant H Shares under the IPO, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Ant”	Ant Group Co., Ltd. (螞蟻科技集團股份有限公司), a company organized under the laws of the PRC on 19 October 2000
“Ant Group”	Ant and its subsidiaries
“Ant H Shares”	the overseas listed foreign shares in the share capital of Ant with a nominal value of RMB1.00 each, which are to be subscribed for and traded in HK\$ and are to be listed on the Stock Exchange
“Application”	the application to subscribe for 70,000 Ant H Shares by the Company pursuant to the Order
“Board”	the board of the Directors
“Company”	Merdeka Financial Group Limited 領智金融集團有限公司, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the GEM
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IPO”	initial public offering of Ant H Shares

“Merdeka Securities”	Merdeka Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) regulated activities under the SFO and an indirect wholly-owned subsidiary of the Company
“Order”	the order placed by the Company through Merdeka Securities on 29 October 2020 for the application to subscribe for 70,000 Ant H Shares with a total application money of approximately HK\$5.66 million (including brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%)
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus of Ant dated 27 October 2020
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 29 October 2020

As at the date of this announcement, the executive Directors are Mr. Wong Hin Shek (Chairman and Chief Executive Officer), Mr. Cheung Wai Yin, Wilson and Ms. Tsang Kwai Ping, the independent non-executive Directors are Ms. Ng Ka Sim, Casina, Mr. Wong Wing Kit and Ms. Yeung Mo Sheung, Ann.

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

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