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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)

**(I) RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF FIVE (5)
RIGHTS SHARES FOR EVERY TWO (2) SHARES
HELD ON THE RECORD DATE;
AND
(II) ADJUSTMENTS RELATING TO THE OUTSTANDING
CONVERTIBLE BONDS AND THE OUTSTANDING SHARE OPTIONS**

Financial adviser to the Company



RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that all the conditions precedent set out in the Underwriting Agreement have been fulfilled and the Rights Issue became unconditional at 4:00 p.m. on Thursday, 15 July 2021. The net proceeds raised from the Rights Issue are approximately HK\$49.79 million.

As at 4:00 p.m. on Wednesday, 14 July 2021, being the latest time for acceptance of and payment for the Rights Shares and for the application and payment for the excess Rights Shares,

- (i) a total of 13 valid acceptances of the provisional allotment of Rights Shares made under the PALs were received for a total of 124,002,479 Rights Shares, representing approximately 35.81% of the total number of 346,310,897 Rights Shares offered under the Rights Issue; and
- (ii) a total of 14 valid applications for excess Rights Shares made under the EAFs were received for a total of 41,448,547 Rights Shares, representing approximately 11.97% of the total number of 346,310,897 Rights Shares offered under the Rights Issue.

In aggregate, a total of 27 valid acceptances and applications in respect of 165,451,026 Rights Shares, representing approximately 47.78% of the total number of 346,310,897 Rights Shares offered under the Rights Issue, were received.

Pursuant to the Team Sunny Irrevocable Undertaking, Team Sunny has subscribed for a total of 97,682,500 Rights Shares, which comprise the full acceptance of its provisional entitlement in respect of the 39,073,000 Shares beneficially held by it.

Based on the above results, the Rights Issue was under-subscribed by 180,859,871 Rights Shares, representing approximately 52.22% of the total number of 346,310,897 Rights Shares being offered under the Rights Issue.

EXCESS RIGHTS SHARES

Given the under-subscription of the Rights Shares, the Board considers that it is fair and equitable to accept all valid excess applications for a total of 41,448,547 Rights Shares and to allot and issue such number of Rights Shares to the relevant applicants in full. Therefore, no refund cheques for wholly and partially unsuccessful applications for excess Rights Shares will be posted.

DESPATCH OF SHARE CERTIFICATES FOR FULLY-PAID RIGHTS SHARES

It is expected that the share certificates for the fully-paid Rights Shares will be posted to the allottees by ordinary post to their registered addresses at their own risks on Thursday, 22 July 2021.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Friday, 23 July 2021.

ADJUSTMENTS RELATING TO THE OUTSTANDING CONVERTIBLE BONDS AND THE OUTSTANDING SHARE OPTIONS

As a result of the Rights Issue, adjustments to (i) the conversion prices and number of new Shares to be issued upon exercise of the conversion rights under the Outstanding Convertible Bonds; and (ii) the exercise prices and number of new Shares to be issued upon exercise of the Outstanding Share Options are set out in the paragraph headed “ADJUSTMENTS RELATING TO THE OUTSTANDING CONVERTIBLE BONDS AND THE OUTSTANDING SHARE OPTIONS” in this announcement.

References is made to the prospectus (the “**Prospectus**”) of Merdeka Financial Group Limited (the “**Company**”) dated 29 June 2021 in relation to the Rights Issue. Unless the context otherwise requires, capitalised terms in this announcement shall have the same meanings as defined in the Prospectus.

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THE UNDERWRITING AGREEMENT

As a result of the under-subscription of the Rights Shares and in accordance with the Underwriting Agreement, the Underwriter and the sub-underwriters have procured subscribers to subscribe for 180,859,871 Underwritten Shares, representing approximately 52.22% of the total number of 346,310,897 Rights Shares being offered under the Rights Issue. None of the subscribers procured by the Underwriter has become a substantial shareholder of the Company upon completion of the Rights Issue.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the shareholding structure of the Company immediately before and after the completion of the Rights Issue is as follows:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of Shares</i>	<i>Approximate %</i> <i>(Note 5)</i>	<i>Number of Shares</i>	<i>Approximate %</i> <i>(Note 5)</i>
Team Sunny <i>(Note 1)</i>	39,073,000	28.21%	136,755,500	28.21%
Mr. Cheung <i>(Note 2)</i>	5,578	0.01%	5,578	0.01%
Ms. Tsang <i>(Note 3)</i>	900,000	0.65%	900,000	0.18%
Public Shareholders				
Subscribers procured by the Underwriters and the sub-underwriters <i>(Note 4)</i>	—	—	180,859,871	37.30%
Other public Shareholders	<u>98,545,781</u>	<u>71.13%</u>	<u>166,314,307</u>	<u>34.30%</u>
Total	<u>138,524,359</u>	<u>100.00%</u>	<u>484,835,256</u>	<u>100.00%</u>

Notes:

1. Team Sunny is owned as to 100% by Mr. Wong, whose is deemed to be interested in 39,073,000 Shares pursuant to the Part XV of the SFO.
2. Mr. Cheung is an executive Director of the Company and personally interested in 5,578 Shares.
3. Ms. Tsang is an executive Director of the Company and personally interested in 900,000 Shares.
4. The Underwriter, including the sub-underwriters, has confirmed that (i) each of the subscribers or purchasers of the Untaken Shares procured by it shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with any Directors, chief executive or substantial Shareholders of the Company or its subsidiaries or any of their respective associates; (ii) the public float requirements under the GEM Listing Rules shall be fulfilled by the Company upon completion of the Rights Issue; and (iii) any subscription or purchase of the Untaken Shares by the Underwriter and each of the subscribers or purchasers procured by the Underwriter shall not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Underwriter and the subscribers or purchasers procured by the Underwriter upon completion of the Rights Issue.
5. The shareholding structure is prepared for illustrative purpose only. Certain percentage figures included in the above tables have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

DESPATCH OF SHARE CERTIFICATES FOR FULLY-PAID RIGHTS SHARES

It is expected that share certificates in respect of the fully-paid Rights Shares will be despatched to those entitled thereto by ordinary post to their respective registered address at their own risk by the Registrar on or before Thursday, 22 July 2021.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Friday, 23 July 2021.

ADJUSTMENTS RELATING TO THE OUTSTANDING CONVERTIBLE BONDS AND THE OUTSTANDING SHARE OPTIONS

The Outstanding Convertible Bonds

Prior to the completion of the Rights Issue, there were Outstanding Convertible Bonds which are applicable for convertible into a total of 98,976,045 Shares, including the 2008 Convertible Bonds and the Team Sunny Convertible Bonds;

As a result of the Rights Issue, adjustments to the conversion prices and/or number of new Shares to be issued upon exercise of the conversion rights under the Outstanding Convertible Bonds are as follows:

(i) 2008 Convertible Bonds

The conversion price of the 2008 Convertible Bonds will be adjusted from HK\$1.10 per Share to HK\$0.90 per Share as a result of the Rights Issue with effect from the date of the issue of the Rights Shares.

Based on the terms and conditions of the 2008 Convertible Bonds, the total number of Shares to be issued upon conversion of the 2008 Convertible Bonds in full will be adjusted to 76,742,221 Shares.

(ii) Team Sunny Convertible Bonds

The conversion price of the Team Sunny Convertible Bonds will be adjusted from HK\$1.100 per Share to HK\$0.903 per Share as a result of the Rights Issue with effect from commencement of the day next following the Record Date.

Based on the terms and conditions of Team Sunny Convertible Bonds, the total number of Shares to be issued upon conversion of the Team Sunny Convertible Bonds in full will be adjusted to 44,081,562 Shares.

The Outstanding Shares Options

Prior to the completion of the Rights Issue, there were 7,035,585 Outstanding Share Options, including (a) 3,585 Outstanding Share Options are exercisable from 30 May 2012 to 29 May 2022; (b) 3,532,000 Outstanding Share Options are exercisable from 20 January 2021 to 19 January 2024; and (c) 3,500,000 Outstanding Share Options are exercisable from 20 January 2021 to 19 January 2026.

As a result of the Rights Issue, the exercise price and the number of Shares to be issued upon exercise of the outstanding Share Options pursuant to the terms and conditions of the Share Option Scheme, Rule 23.03(13) of the GEM Listing Rules in relation to the adjustment to the terms of the Share Option Scheme and the note thereto and the supplementary guidance issued by the Stock Exchange on 5 September 2005 are as follows and will become effective from Thursday, 22 July 2021 upon the allotment and issue of the Rights Shares pursuant to the Rights Issue:

- (i) the exercise price and the number of Shares to be issued upon exercise of the outstanding share options under the 2012 Share Option Scheme will be adjusted as shown in the following table:

Date of grant	Exercise period	Immediately before the completion of the Rights Issue		Immediately after completion of the Rights Issue	
		Exercise price per share (HK\$)	Number of Shares to be issued upon exercise of the outstanding share options	Exercise price per share (HK\$)	Number of Shares to be issued upon exercise of the outstanding share options
30 May 2012	30 May 2012 to 29 May 2022	333.330	3,585	293.647	4,069

- (ii) the exercise price and the number of Shares to be issued upon exercise of the outstanding share options under the 2020 Share Option Scheme will be adjusted as showed in the following table:

Date of grant	Exercise period	Immediately before the completion of the Rights Issue		Immediately after completion of the Rights Issue	
		Exercise price (HK\$)	Number of Shares to be issued upon exercise of the outstanding share options	Exercise price (HK\$)	Number of Shares to be issued upon exercise of the outstanding share options
20 January 2021	20 January 2021 to 19 January 2024	0.150	3,532,000	0.132	4,009,296
20 January 2021	20 January 2021 to 19 January 2026	0.150	3,500,000	0.132	3,972,969

Save for the above adjustments, all other terms and conditions of the Outstanding Convertible Bonds and the Outstanding Share Options granted under the Share Option Scheme remain unchanged.

The independent financial adviser has reviewed the calculations and confirmed to the Directors in writing that the calculation is accurate and the above adjustments are in accordance with the terms and conditions of the Outstanding Convertible Bonds and the terms and conditions of the Share Option Schemes upon completion of the Rights Issue and appropriate and satisfy the requirements of Rule 23.03(13) of the GEM Listing Rules and the supplementary guidance issued by the Stock Exchange on 5 September 2005.

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

Hong Kong, 21 July 2021

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>.