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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)

EARLY REDEMPTION OF CONVERTIBLE BONDS

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

The Board announces that the Company has served a redemption notice to the bondholders on 30 July 2014 pursuant to the Supplemental Deed for the early redemption of an aggregate outstanding principal amount of HK\$13,812,000 of the Convertible Bonds on a pro-rata basis, which shall be settled in cash by the Company from internal resources. The actual date of repayment to each of the respective bondholders will be subject to any restrictions which may be applicable under the GEM Listing Rules.

Following and as a result of the partial redemption in the aforesaid amount of HK\$13,812,000 Convertible Bonds, the outstanding amount due by the Company to the Convertible Bondholders under the Convertible Bonds is HK\$164,068,000.

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

* For identification purposes only

Reference is made to the circular of Merdeka Mobile Group Limited (the “**Company**”) dated 15 June 2011 (the “**Circular**”) relating to, amongst other things, the amendments to the terms and conditions of the Convertible Bonds by way of a supplemental deed dated 30 May 2011 (the “**Supplemental Deed**”). Reference is also made to the announcement of the Company dated 9 July 2014 (the “**Announcement**”) in relation to the proposed entering into of the second supplemental deed to alter certain terms and conditions of the Convertible Bonds, including but not limited to, the further extension of the maturity date of the Convertible Bonds for 3 years until 2017. Terms used herein shall have the same meanings as defined in the Circular unless the context requires otherwise.

As disclosed in the prospectus of the Company dated 26 June 2014 in relation to the rights issue on the basis of 4 rights Shares for every 1 Share held on the record date, at least half of the net proceeds raised therefrom will be applied for the early partial redemption of the Convertible Bonds on a pro-rata basis.

The board of directors (the “**Board**”) of the Company announces that the Company has served a redemption to the bondholders notice on 30 July 2014 pursuant to the Supplemental Deed for the early redemption of an aggregate outstanding principal amount of HK\$13,812,000 of the Convertible Bonds on a pro-rata basis, which shall be settled in cash by the Company from internal resources. The actual date of repayment to each of the respective bondholders will be subject to any restrictions which may be applicable under the GEM Listing Rules.

The Board considers that the early partial redemption could reduce the Company’s debt position and improve the gearing ratio of the Company and is favourable to the Company. Also, the early partial redemption provides incentive to the bondholders in agreeing to the proposed alteration of the terms as disclosed in the Announcement, which in turn (and upon such proposed alteration of the terms become unconditional) will further benefit the financial position of the Company. Therefore, the Board considers that it is in the interests of the Company and the Shareholders as a whole to partially redeem the Convertible Bonds.

Following and as a result of the partial redemption in the aforesaid amount of HK\$13,812,000 Convertible Bonds, the aggregate outstanding amount due by the Company to the Convertible Bondholders under the Convertible Bonds is HK\$164,068,000.

Meanwhile, the proposed alteration to the terms and conditions of the Convertible Bonds as disclosed in the Announcement is subject to certain conditions and may or may not become unconditional. As such, Shareholders are advised to exercise caution in dealing with the securities of the Company.

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

Hong Kong, 30 July 2014

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*)

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

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>.