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MERDEKA

MERDEKA MOBILE GROUP LIMITED

(萬德移動集團有限公司*)

(formerly known as Merdeka Resources Holdings Limited (萬德資源集團有限公司))*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

UPDATE ON FOREST CONCESSIONS BUSINESS IN INDONESIA

This announcement is made by Merdeka Mobile Group Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market (the “**GEM**”) of The Stock Exchange of Hong Kong Limited and the Inside Information Provision (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

References are made to the annual report for the year ended 31 December 2013 and the first quarterly report for the 3 months ended 31 March 2014 of the Company respectively wherein it was disclosed that, among other matters, the Group was in the course of liaising and negotiating with the relevant government departments in the Papua Province of the Republic of Indonesia (“**Papua**”) to obtain the land use right permit (the “**Land Use Right Permit**”) for the Group’s forest concessions business (the “**Business**”) in Papua. As at the date of this announcement, such Land Use Right Permit is yet to be granted and the operation of the Business is yet to commence.

* *For identification purpose only*

On or about 30 May 2014, the board (the “**Board**”) of directors (the “**Directors**”) of the Company was drawn to the attention of communal conflicts occurring in Timika (“**Timika**”) of the Mimika regency of Papua, where the Group’s office (the “**Office**”) for carrying out the Business is located at, which involves land boundaries conflicts at the communal level, and caused riots and hundreds of casualties at the vicinity. It was also reported that, to resolve the conflicts a survey team on the indigenous rights of traditional communities in Timika has been formed to conduct mapping of the land boundaries of Timika within a time frame of three months.

Due to escalation of severity in relation to the communal conflicts occurring in Timika, the operation of the Business is affected as the staff members at the Office have to evacuate and the process of obtaining the Land Use Right Permit is therefore hindered. Given the severe political unrest in Timika, the Board has determined to suspend the operation of the Business in Papua (the “**Business Suspension**”) until the business and political environment in Papua have resumed normal.

In order to protect the properties and records stored at the Office, the Company has instructed the staff members at the Office to lock up the Office and to put the records and properties at the Office in safe places before evacuation. The Company is also in the course of negotiating with a local resident at Timika for his engagement as consultant to the Group on the Business and help overseeing the development of the political unrest at Tamika and give advice on the obtaining of the Land Use Right Permit.

As a preliminary estimation, the Business Suspension will not bring an immediate adverse impact on the financial performance of the Group, since no formal operation of the Business has yet been carried out as at the date of this announcement. Valuer will also be engaged to review and evaluate the Business and consider if there would be any impact on the financial statements of the Group in case the political unrest could not be resolved or the Land Use Right Permit could not be obtained. Further announcement will be made as and when it is appropriate to update the shareholders and potential investors of the Company when the Board has decided on further actions to be taken, if any.

Shareholders and potential investors of the Company should exercise cautions when dealing in the securities of the Company.

By order of the Board
Merdeka Mobile Group Limited
(formerly known as Merdeka Resources Holdings Limited)
Mr. Cheung Wai Yin, Wilson
Chairman and Chief Executive Officer

Hong Kong, 3 June 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 remained on the website of the Company at <http://www.merdeka.com.hk>.