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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)

**COMPLETION OF ACQUISITION
AND
ISSUANCE OF PROMISSORY NOTE AND
CONVERTIBLE BONDS**

Reference is made to the announcement of Merdeka Mobile Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 9 December 2014 (the “**Announcement**”) and the Company’s circular dated 17 March 2015 (the “**Circular**”). Capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement and the Circular unless the context requires otherwise.

The Board is pleased to announce that all the conditions precedent to the Acquisition have been fulfilled and the Completion took place on 21 April 2015. As a result of the Completion, the Promissory Note and the Convertible Bonds (as defined in the Circular) were issued by the Company to the Vendor as the Consideration.

Following the Completion, the Target Company has become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the accounts of the Group (in which the PRC Company is accounted for using equity method).

* *for identification purpose only*

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 383,031,384 Shares in issue. Upon exercise in full of the Conversion Rights attaching to the Convertible Bonds at the initial Conversion Price, a maximum of 125,000,000 Conversion Shares will be issued, representing (i) approximately 32.63% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 24.60% of the issued share capital of the Company as enlarged by the issue of all such Conversion Shares, assuming no other shares are issued.

For illustration purpose only and without taking into account any other possible changes in the shareholding structure of the Company, the following table sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon Completion and assuming full conversion of the Convertible Bonds; and (iii) immediately upon Completion and assuming full conversion of the Convertible Bonds and the convertible bonds issued by the Company on 12 August 2008:

	As at the date of this announcement		Immediately upon Completion and assuming full conversion of the Convertible Bonds (Note 2)		Immediately upon Completion and assuming full conversion of the Convertible Bonds and the convertible bonds issued by the Company on 12 August 2008	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
Shareholders						
Cheung Wai Yin, Wilson ("Mr. Cheung")	185,938	0.05	185,938	0.04	185,938	0.02
Lau Chi Yan, Pierre	1,328,125	0.35	1,328,125	0.26	1,328,125	0.16
Ivana Investments Limited ("Ivana") (Note 1)	32,812,500	8.57	32,812,500	6.46	330,431,548	39.16
Vendor	0	0.00	125,000,000	24.60	125,000,000	14.82
Total non-public Shareholders	34,326,563	8.97	159,326,563	31.36	456,945,611	54.16
Existing bondholders (other than Ivana)	0	0.00	0	0.00	38,062,771	4.51
Other public Shareholders	348,704,821	91.03	348,704,821	68.64	348,704,821	41.33
Total	383,031,384	100.00	508,031,384	100.00	843,713,203	100.00

Notes:

1. As at the date of this announcement, 32,812,500 Shares were owned by Ivana, a company incorporated in the British Virgin Islands owned as to 100% by CW Limited, which in turn is wholly-owned by Asiitrust Limited, a trust company in its capacity as the trustee of a discretionary trust, the founder (as defined in the SFO) of which is Mr. Cheung and the discretionary objects of which are family members of Mr. Cheung (including Mr. Cheung himself). Accordingly, Mr. Cheung is deemed to be interested in the relevant Shares for the purpose of the SFO. Pursuant to the terms and conditions of the convertible bonds issued by the Company on 12 August 2008, given the fact that the conversion restriction has been removed previously, there is a possibility in which Ivana will hold more than 30% of the entire issued share capital of the Company upon full conversion of the outstanding convertible bonds. In such event Ivana will be required to make a mandatory general offer for all the issued Shares pursuant to Rule 26 of the Takeovers Code, while at the moment it has no intention to, during any period before the outstanding convertible bonds held by Ivana were fully redeemed by the Company, convert such convertible bonds to the extent that it will be subject to the mandatory general offer obligations under the Takeovers Code.
2. This scenario is for illustrative purpose only and shall not occur. Under the terms and conditions of the Convertible Bonds, the Vendor and/or the parties acting in concert with it shall not exercise the Conversion Rights attaching thereto if immediately after such conversion, either (i) a mandatory general offer under Rule 26 of the Takeovers Code will be triggered on the part of the Bondholder(s) or (ii) the Company will not be able to comply with the minimum public float requirement as stipulated under Rule 11.23 of the GEM Listing Rules.

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

Hong Kong, 21 April 2015

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>.